

COMPREHENSIVE ANNUAL FINANCIAL REPORT

CROW WING COUNTY, MINNESOTA

For The Year Ended December 31, 2009



Prepared By
The Auditor's Office Financial Services Staff

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

For The Year Ended December 31, 2009

Prepared By:

The Auditor's Office Financial Services Staff

Deborah A. Erickson, County Auditor

**CROW WING COUNTY
BRAINERD, MINNESOTA**

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BRAINERD, MINNESOTA**

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TODD O. DAHL.....SHERIFF
DONALD F. RYAN.....ATTORNEY
LAUREEN E. BORDEN.....TREASURER
KATHY LUDENIA.....RECORDER
TIMOTHY J. HOULE.....ADMINISTRATOR
TIMOTHY V. BRAY, P.E.....HIGHWAY ENGINEER
TAMRA LASKA.....HUMAN RESOURCES

DARRELL PASKE.....COURT ADMINISTRATOR
MARK LIEDL.....LAND SERVICES DIRECTOR
DOUGLAS R. MORRIS.....WASTE MANAGEMENT DIRECTOR
SUSAN M. BECK.....COMMUNITY SERVICES DIRECTOR
JIM EDER.....INFORMATION SYSTEMS DIRECTOR
ROBERT M. NELSON.....VETERANS SERVICE OFFICER
DON SIGETY, L.S.....SURVEYOR

COUNTY COMMISSIONERS
PHILIP J. TRUSTY, CHAIR PAUL M. THIEDE, VICE CHAIR
DOUG HOUGE ROSEMARY FRANZEN RACHEL REABE NYSTROM

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326 LAUREL STREET, SUITE 22
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CROW WING COUNTY

BRainerd, MINNESOTA 56401

Date: September 7, 2010

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

Subject: **2009 COMPREHENSIVE ANNUAL FINANCIAL REPORT**

The Comprehensive Annual Financial Report (CAFR) of Crow Wing County is submitted for the fiscal year ending December 31, 2009. This report was prepared by the County Auditor's Office. Responsibility for both the accuracy of the presented data and completeness and fairness of the presentation, including all disclosures, rests with the County.

Independent Audit

Crow Wing County is audited annually, as required by Minnesota Statutes § 6.48. This requirement has been complied with and the Office of the State Auditor has issued an unqualified ("clean") opinion on the Crow Wing County financial statements for the year ending December 31, 2009. The independent auditor's report is located in the front of the financial section of this report.

Internal Controls

Financial management of Crow Wing County is based on an accounting and financial reporting system that must provide accurate, timely, and relevant information. The assets of the County are protected from fraud, errors, and misuse through the institution of internal controls. Internal controls are designed to safeguard assets, as well as to ensure that accounting data are accurate for the preparation of financial statements in conformity with generally accepted accounting principles. Furthermore, internal controls function to carry out the County's policies.

Management's Discussion and Analysis (MD&A) provides "financial highlights" and interprets the financial reports by analyzing trends and explaining changes in the financial condition of the County. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. Crow Wing County's MD&A can be found immediately following the independent auditor's report.

Profile of the Government

Crow Wing County was established in 1857, and formally organized in 1870. It was at about this time that the Northern Pacific Railroad decided that its rail line would cross the Mississippi River at Brainerd. Regular rail service began in the early 1870s, at which point Brainerd became the area's major settlement, and the Crow Wing village faded. The original Courthouse was built in Brainerd in 1872; it was replaced in 1920 by the building now known as the Historic Courthouse. The County campus expanded during the period of 2004 - 2007 with the addition of a new Jail, Judicial Center and Community Services buildings. In addition, other structures remodeled included Central Services (formerly the Highway Department); Land Services and the Historic Courthouse. The Highway Department moved to a new off-site campus on the east side of Brainerd near the Brainerd Lakes Regional Airport. The Waste Management offices also moved to a new site located on the County Landfill property.

Crow Wing County is a beautiful and dynamic county. It is located in north-central Minnesota, about 125 miles northwest of the Minneapolis/St. Paul metropolitan area, and covers 999 square miles. The 2009 estimated population was 62,723 residents. The county seat is the City of Brainerd. The City of Brainerd is the largest community in the county with a population of 13,947 residents, according to the State Demographer's Office.

The Board of Commissioners is the governing body of the County of Crow Wing. There are five members of the County Board. Each member represents one of five Districts, elected to four year overlapping terms. Board members, in partnership with County staff, work to ensure the delivery of services and programs essential to the continued prosperity of Crow Wing County.

The 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, Auditor, Recorder, Treasurer, and Sheriff are elected officials.

The County provides a full range of services contemplated by statute. These services include public safety, highway, health, county 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 government's property taxes within the County.

Budgetary Controls

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, certain 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. However, no personal services budget authority may be used for any other purpose without Board approval.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which Crow Wing County Government operates.

Tourism

Located in the heart of the Brainerd Lakes region, Crow Wing County is one of Minnesota's most popular destinations for outdoor recreation, giving rise to the County's informal name of Minnesota's Vacationland. During the height of tourism season, visitors often swell the County's population to nearly a quarter-million people. In Crow Wing County alone, leisure and hospitality industries brought in more than \$186 million in gross sales in 2008.

Home to over 465 lakes including Mille Lacs Lake, the Whitefish Chain of Lakes, and the Gull Lake Chain, the County is noted as a premier location for hunting and fishing as well as a golfing destination. A variety of outdoor recreational activities are available through numerous parks, trails, and water access points.

Crow Wing State Park, located in the southwestern part of the County, features camping, fishing, boating, hiking, and historical sites. The Cuyuna Country State Recreation Area, a 5,000-acre area containing several mine pit lakes and a paved bicycling trail, is located in Ironton. The Paul Bunyan Trail is used by bicyclists, in-line skaters, and walkers throughout the warmer months, and is a popular snowmobile trail in the winter. It begins in Baxter and runs north to the County's boundary near Pequot Lakes before continuing on to Bemidji, some 100 miles in all.

The business climate in Crow Wing County fosters and supports new business growth and development. Built on our rich natural resources of timber and iron ore, the emphasis in Crow Wing County shifted from a logging and mining economy to a tourism and service industry many years ago.

In 2009, 258 leisure and hospitality businesses employed an average of 3,767 employees. The seasonality of leisure and hospitality businesses creates employment data fluctuations throughout the year. Additionally, 353 retail trade businesses employed 4,495 employees in Crow Wing County's tourism industry. The County also contains a variety of commercial and industrial businesses in such areas as manufacturing, health care, building, architectural design, business franchise; financial, legal and computer service providers; high-tech firms; publishing, design, and advertising; and a host of specialty firms.

Health Care Facilities

Crow Wing County is served by a number of first-rate medical facilities. The Cuyuna Regional Medical Center (CRMC), located in Crosby, consists of a medical campus including the Medical Center, Minnesota Institute for Minimally Invasive Surgery, Cuyuna Lakes Pharmacy, Minneapolis Heart Institute – Crosby, Central Lakes Medical Clinic, and Crosby Eye Clinic. The campus also houses a long-term care facility, and Hallett Cottages, a residential facility for patients with memory loss. Significant additions and renovations to campus facilities have been constructed in recent years, including the recent addition of a 70,000 square foot inpatient unit. The campus employs more than 700 doctors, nurses, health care professionals, and support staff.

The city of Brainerd is home to the Brainerd Lakes Integrated Health System, a partnership between St. Joseph's Medical Center and the Brainerd Medical Center. St. Joseph's Medical Center is a 162-bed nonprofit hospital offering services in a wide variety of medical specialties. It recently completed construction of the Brainerd Lakes Surgery Center, an outpatient surgical facility. The Brainerd Medical Center is a multi-specialty clinic which has served the area for around 35 years. Together, the Integrated Health System employs around 1,300 medical professionals and support staff and is considered the largest hospital in north central Minnesota.

The Brainerd Lakes Heart & Vascular Center is a brand new, comprehensive cardiac care center located at St. Joseph's Medical Center. In this venture, Brainerd Lakes Health has partnered with two Top-100 Heart Hospitals—St. Mary's Duluth Clinic Heart Center and Central Minnesota Heart Center-CentraCare.

In 2009, 188 establishments provided 5,305 jobs in the areas of health care and social assistance. This was a 144 job increase over 2008. This increase was a growth of 2.8% over last year.

Education

Crow Wing County is served by eight school districts, ranging in enrollment from 750 to 7,100 students. The largest of these is Independent School District #181, serving Brainerd and surrounding communities. School District #181 has six elementary schools, a middle school, and a high school. Independent School District #181 is the largest employer in Crow Wing County, employing more than 1,500 professionals and support staff.

Brainerd also hosts the campus of Central Lakes College (CLC), a comprehensive community and technical college with an enrollment of 3,365 students. CLC is among the top 25 fast growing public, two-year colleges in the nation, reports Community College Week. The rate of growth over the last three years is 43.8%. CLC offers an array of degrees and career education programs, and is affiliated with a number of universities in Minnesota and North Dakota. The college boasts state-of-the-art multimedia learning systems at its campus, and offers remote learning opportunities which allow students to study from home or to remotely attend classes at the college's partner schools.

In 2009, 44 establishments provided 2,355 jobs in the area of educational services. Educational jobs grew by 335 jobs. This makes up a 16.6% increase when compared to 2008 employment data.

Manufacturing

In 2009, 124 companies employed more than 2,132 people in a variety of manufacturing arenas, from plastics to precision machining and metal fabrication. In 2009, manufacturing has been hit hard by the economic downturn as the manufacturing employment figures dropped by 549 people or 20.5% when compared to 2008 employment data.

Construction

The construction industry is one of the largest industries in the region. In 2009, 306 area construction firms employed over 1,595 people. In 2009, construction saw a reduction of 456

jobs in Crow Wing County. This makes up a 22.2% reduction when compared to 2008 employment data.

Financial Services

The financial services industry is well represented in the region. In 2009, 211 firms provided 1,415 jobs. Workers in this industry are highly skilled and have substantial experience in office services and the management of pension funds. One of the areas largest financial services employers is Ascensus, which employs around 500 people in its Brainerd and Baxter offices.

Specialty Firms

The Brainerd Lakes area is also home to several specialized companies serving niche market needs. A few examples of these firms are as follows: Landis+Gyr Public Power Division, provider of information and control systems to utilities; US Link, a telecommunications firm; Riverwood International, a packaging systems provider; Nature Vision, creators of the Aqua-Vu underwater camera; and In Fisherman, providing programming and publications for the recreational fishing market.

Key population, labor force and employment trends

- The County's population changed from 55,312 residents in 2000 to 62,723 residents in 2009, the total population rank was 13th of 87 counties in Minnesota. Additionally, the 2000 to 2009 population growth rate of 13.4 percent ranked 11th in the state.
- The County's annual average labor force changed from 29,068 workers in 2000 to 33,732 workers in 2009; an increase of 16.1 percent.
- The County's average unemployment rate in 2009 is 9.9 percent. In 2009, the average state and national unemployment rates were 8.0 and 9.3 percent, respectively.
- Personal income of residents in Crow Wing County increased from \$1,805,656 in 2007 to \$1,907,453 in 2008, an increase of 5.6 percent. The 2007-2008 state increase was 3.8 percent and the national increase was 2.9 percent.
- In 2008, Crow Wing County had a per capita personal income (PCPI) of \$30,595. Crow Wing County's PCPI rank was 75th of the 87 counties in the state. Crow Wing County was 71.2 percent of the state average of \$42,953, and 76.2 percent of the national average of \$40,166.
- The County's largest property tax payer in 2009 was Mills Properties Inc.. Ten years ago, Mills Properties Inc. was the largest taxpayer at that time also.
- The County's top ten tax payers in 2009 account for 2.91% percent of the total taxable net tax capacity. This is down from the top ten tax payers accounting for 6.37% percent of the total taxable net tax capacity in 2000.

Major Initiatives by Crow Wing County

The Crow Wing County government had the following highlights in 2009:

- Board agendas and reports were placed onto the County web site in advance of each meeting along with posting decisions of the County Board for easy accessibility of information. Additionally, the recording and televising of all County Board meetings began in 2009.
- Completion of the second actuarial study of the County's Other Post Employment Benefits (OPEB) as of January 1, 2009.
- The Sheriff's Office implemented a new records management system. The new system allows for information to be shared between law enforcement agencies within the County and eliminates redundancy in the recordkeeping process.
- The County continues to create a park on the Milford Mine site that will serve as a memorial to the 41 miners who lost their lives in the 1924 mining disaster. The park will provide a place for visitors to experience the natural beauty of the site through passive recreational opportunities.
- The Highway department resumed "long-range" planning and started development of a Highway Improvement Plan. A 2009-2013 Highway Improvement plan was completed in July 2009.
- Implementation of a GIS data access system that will support new internet accessible GIS WebFusion software. This service was made available to the public in 2008.
- Established a Land Services Department to coordinate activities of County functions related to land use.

Future Crow Wing County Plans:

Organizational Management

- Strengthen customer service orientation.
- Improve operational efficiency through integration of related services.
- Cultivate consistency and reliability of County processes and outcomes.
- Integrate Human Services, Public Health, and Veteran's Service to a fully-integrated Community Services organizational model for Crow Wing County.

Financial Management

- Balance revenues, expenditures, and service needs.
- Provide long-term fiscal planning to address unfunded liabilities related to Other Post Employment Benefits.
- Develop financial forecasts and organizational models to address economic cycles.

Intergovernmental Relations

- Convene neighboring governments to create innovative opportunities for cooperative service initiatives.

Demographic Change

- Address issues arising from continuing development, appreciating property values, and the growing number of retirees in the County.

Land Use

- Protect the County's water quality and environment, which are critical to the health of the Crow Wing County residents and its tourism industry.
- Address transportation issues facing the county.

Debt Administration

The ratio of net bonded debt to assessed valuation and the amount of bonded debt per capita are useful indicators of the County's debt position for county management, citizens, and investors. The data for Crow Wing County at the end of the 2009 fiscal year was:

	<u>Amount</u>	<u>Debt per capita</u>
Gross direct bonded debt	\$49,675,000	\$814

The County has an 'AA' credit rating from Standard & Poor's.

Employee Labor Contracts

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

<u>Bargaining Unit</u>	<u>Term of Contract</u>	<u>Status of Contract</u>
AFSCME	2009-2011	Settled
Assistant County Attorney Association	2009-2011	Settled
LELS Local #14 Deputies	2010-2011	Settled
LELS Local #16 Dispatchers and Corr. Officers	2009-2011	Settled
IUOE Local #49 Facilities and Parks	2010-2011	Settled
IUOE Local #49 Highway	2010-2011	Settled
Minnesota Nurses Association	2009-2011	Settled
Organization of Non-Contract Employees	2009-2011	Settled
Teamsters Local #320 Social Services	2009-2011	Settled
Teamsters Local #346 Sheriff's Licensed Supervisory	2009-2011	Settled
Teamsters Local #346 Corrections and Dispatch Supervisory	2009-2011	Settled

All Contracts start January 1 and end December 31.

Acknowledgements

The preparation of this report would not have been possible without the efficient and dedicated services of the Financial Services staff of the Auditor's Office. We would like to express our

appreciation to all members of the department who assisted and contributed to the preparation of this report. Credit also must be given to the County Board for their unfailing support for maintaining the highest standards of professionalism in the management of Crow Wing County finances.

Respectfully submitted,

A handwritten signature in cursive script that reads "Deborah A. Erickson".

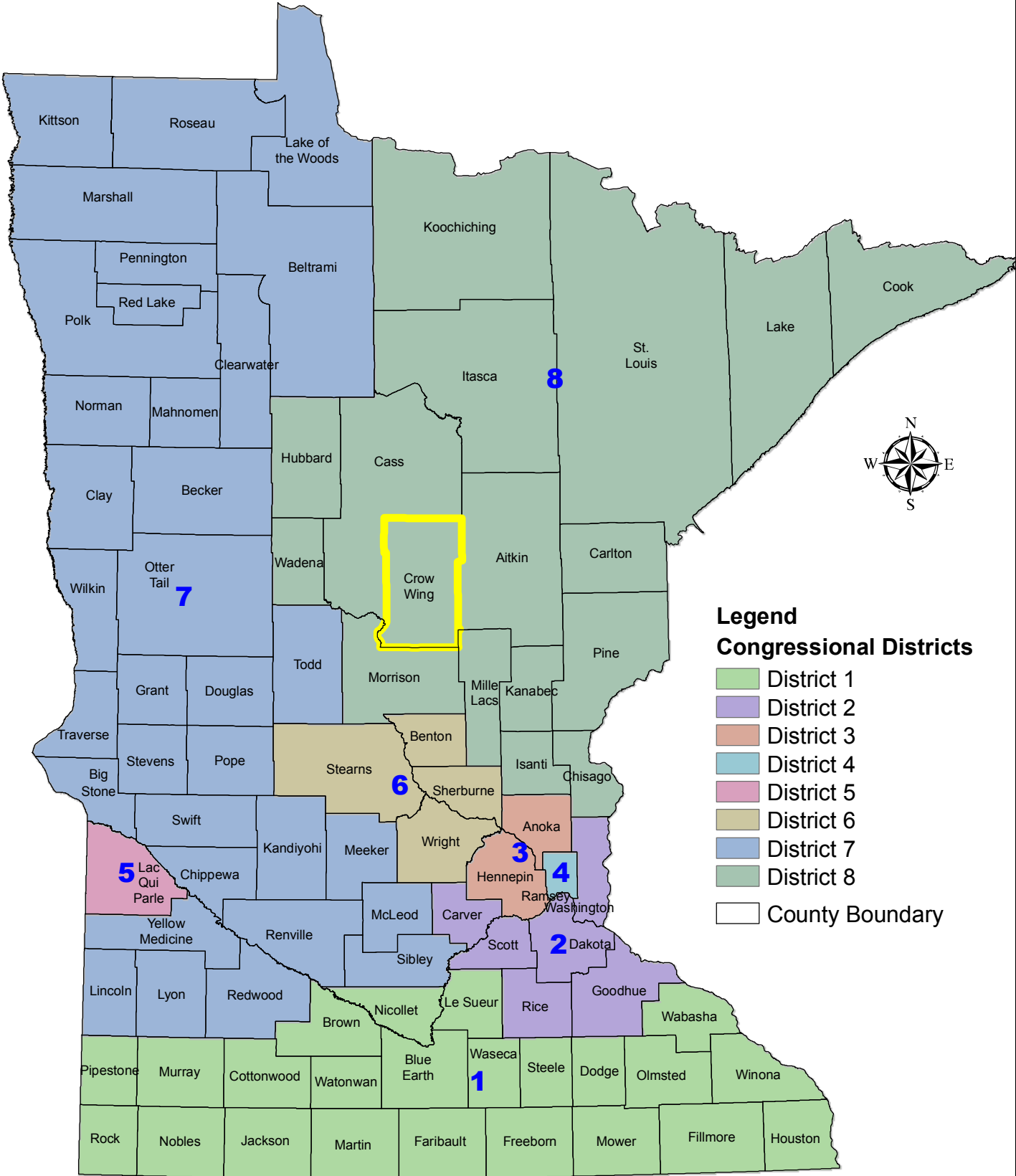
Deborah A. Erickson
County Auditor

A handwritten signature in cursive script that reads "Michael J. Carlson".

Michael J. Carlson
Accounting and Finance Manager

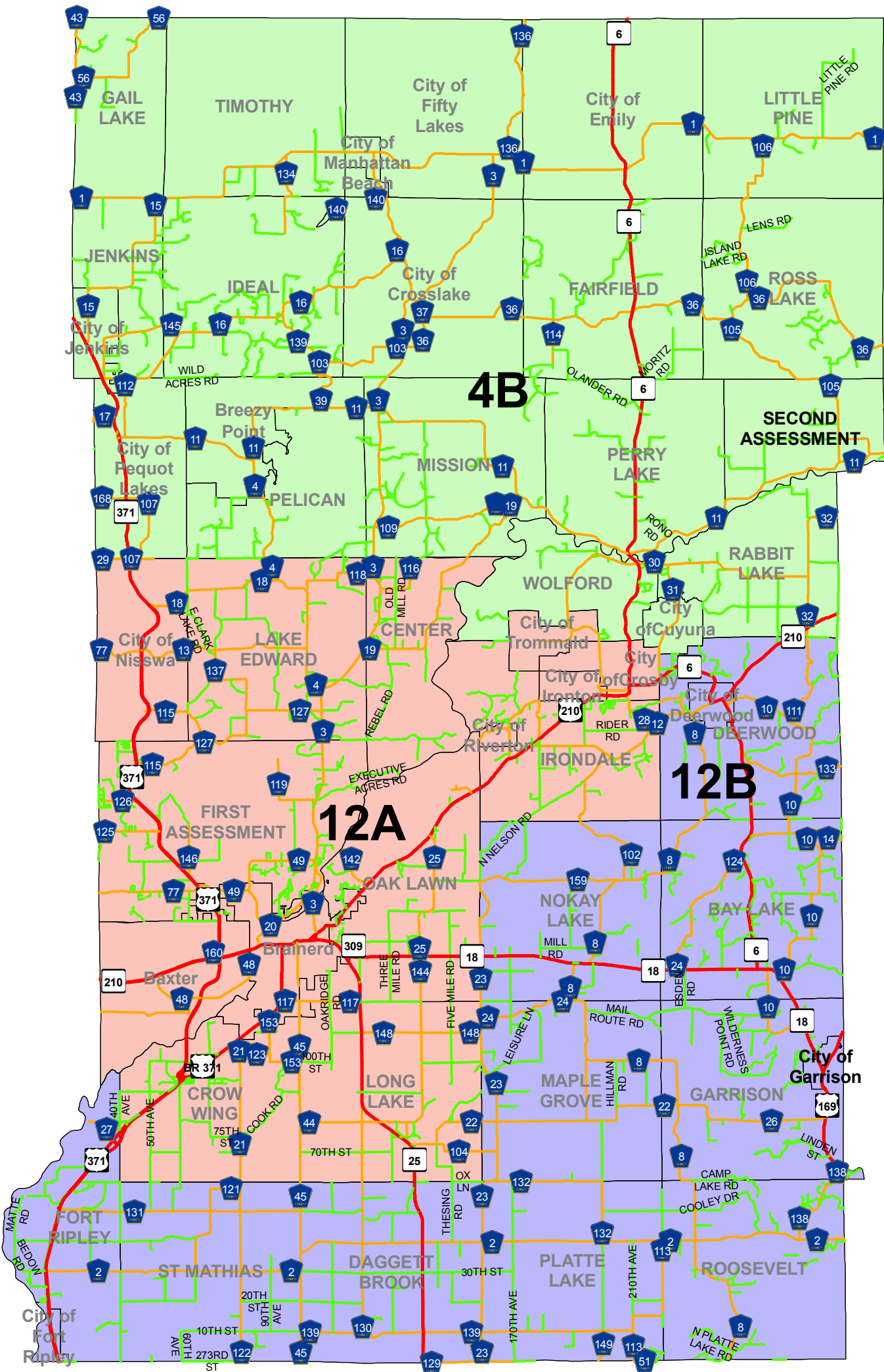
STATE OF MINNESOTA

CONGRESSIONAL DISTRICTS



CROW WING COUNTY

LEGISLATIVE DISTRICTS

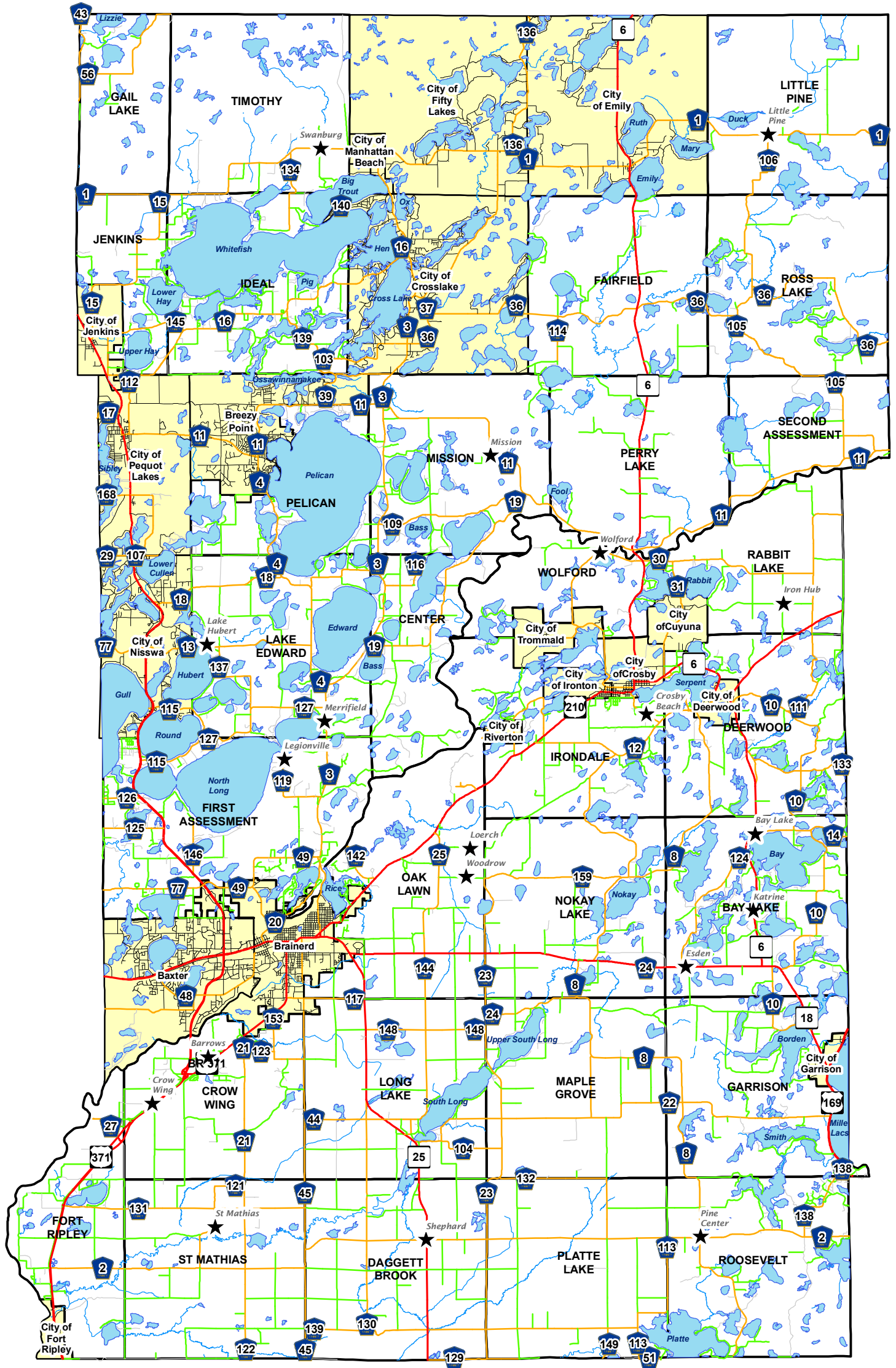


Crow Wing County

Legend	
Road Type	Legislative District
— US Highway	 12A
— State Highway	 12B
— County Road	 4B
— Township Road	 Township/City Boundary



Created by:
Crow Wing County GIS Dept.
Jan. 24th, 2008



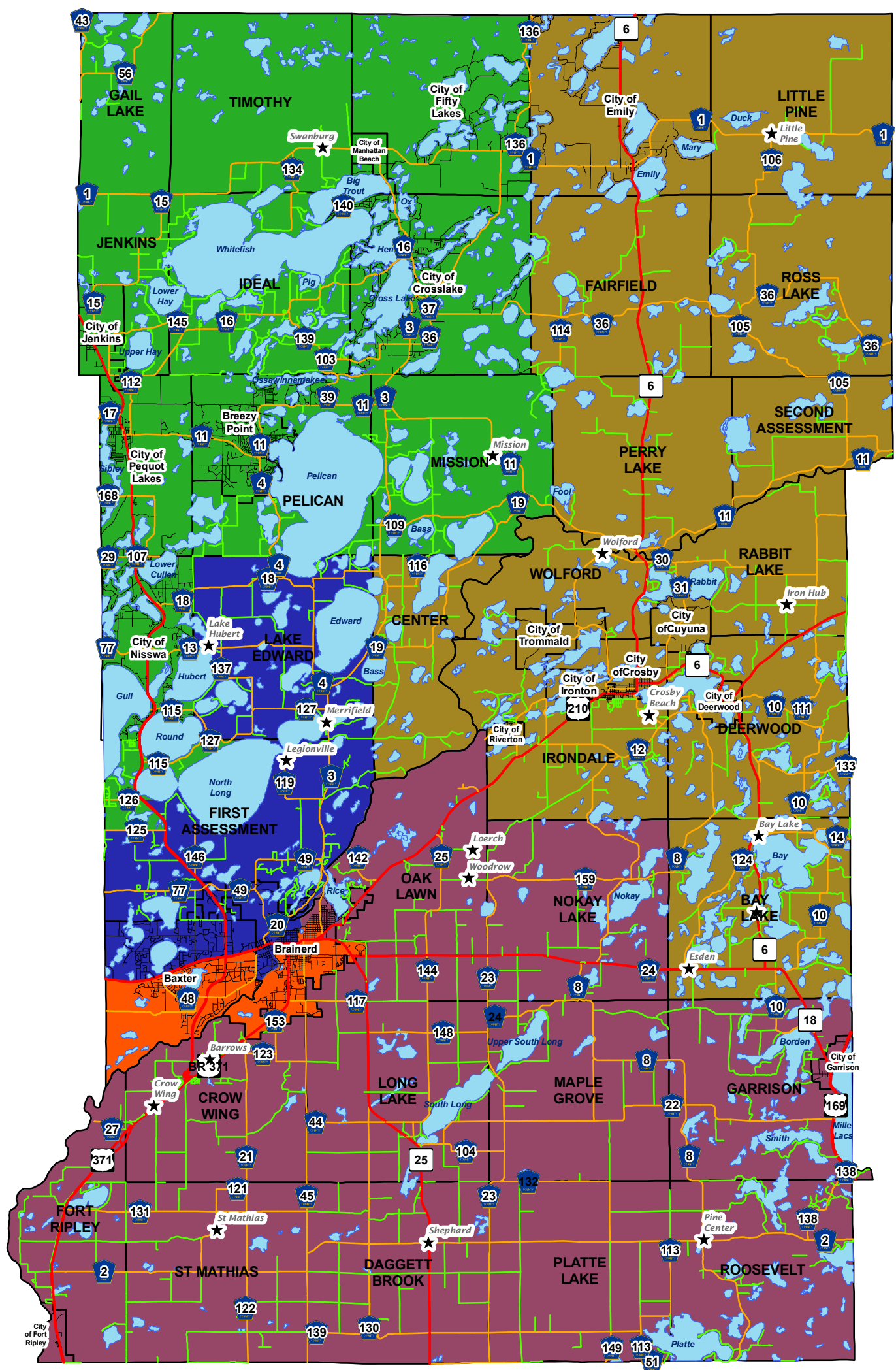
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BRAINERD, MN 56401

Crow Wing County Political Subdivision



These data are 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 Commissioner Districts



CROW WING COUNTY
BRainerd, MN 56401

These data are 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.

Legend

HwySymbols	Commissioner District	Road Type
	1	US Highway
	2	State Highway
	3	County Road
	4	Township Road
	5	City Road
		Township/City Boundary



**CROW WING COUNTY
BRainerd, MINNESOTA**

ORGANIZATION
2009

Office	Name	Elected or Statutory Term Expires
County Board of Commissioners		
1st District	Philip Trusty **	January 2013
2nd District	Paul Thiede	January 2011
3rd District	Rachel Reabe Nystrom	January 2011
4th District	Rosemary Franzen*	January 2011
5th District	Doug Houge	January 2013
*Denotes 2009 Chair		
**Denotes 2010 Chair		
County Offices		
Elected		
Attorney	Donald F. Ryan	January 2011
Auditor	Deborah A. Erickson	January 2011
Recorder	Kathy Ludenia	January 2011
Sheriff	Todd O. Dahl	January 2011
Treasurer	Laureen E. Borden	January 2011
Appointed		
County Administrator	Timothy J. Houle	Indefinite
County Assessor	Martyn Schmidt (Terminated December 2009)***	
Engineer	Tim Bray	October 2010
Examiner of Titles	Glen A. Gustafson	Indefinite
Land Services Supervisor - NRM	Kirk Titus	Indefinite
Veterans Service Officer	Robert M. Nelson	Indefinite
County Surveyor	Donald Sigety	Indefinite
Solid Waste Coordinator	Douglas R. Morris	Indefinite
Community Services Director	Susan M. Beck	Indefinite
***Gary Griffin, Land Services Supervisor/County Assessor was hired Nov. 2009		November 2010

ORGANIZATIONAL CHART

Crow Wing County Citizens



CROW WING COUNTY
BRAINERD, MN 56401

Crow Wing Co
Board of
Commissioners

District 1
Commissioner
Philip Trusky

District 2
Commissioner
Paul Thiede

District 3
Commissioner
Rachel Nystrom

District 4
Commissioner
Rosemary Franzen

District 5
Commissioner
Doug Houge

Co Administrator
Timothy J Houle

Crow Wing County
Elected Officers

County Attorney
Donald F. Ryan

County Auditor
Deborah Erickson

County Recorder
Kathy Luderia

County Sheriff
Todd Dahl

County Treasurer
Laureen Borden

Crow Wing County
Judges
Kris DeMay
John Leitner
Earl Maus
David TenEyck
Richard Zimmerman

Court Admin
Darrell Paske

Community Services
Susan Beck

Social Services
Susan Beck

Veterans' Services
Bob Nelson

Public Health Division
Gwen Anderson, &
Sheila Skogen

Facilities
Tim Houle

County Highway
Tim Bray

Extension
Jim Carlson

Human Resource
Tamra Laska

Info Systems
Jim Eder

Land Services
Mark Liedl

Natural Resource
Mgmt Division
Kirk Titus

Waste Mgmt
Division
Doug Morris

Surveyor Division
Don Sigely

Planning &
Zoning Division
Chris Pence

Assessor Division
Martyn Schmidt



REBECCA OTTO
STATE AUDITOR

STATE OF MINNESOTA OFFICE OF THE STATE AUDITOR

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INDEPENDENT AUDITOR'S REPORT

Board of County Commissioners
Crow Wing County

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Crow Wing County, Minnesota, as of and for the year ended December 31, 2009, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Crow Wing County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Serpent Lake Sanitary Sewer District, which represent 82 percent, 82 percent, and 78 percent, respectively, of the assets, net assets, and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Serpent Lake Sanitary Sewer District, is based solely on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of the Serpent Lake Sanitary Sewer District were not audited in accordance with *Government Auditing Standards*. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Crow Wing County as of December 31, 2009, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis; the budgetary comparison schedules for the General Fund and the Highway, Human Services, and Natural Resources Management Special Revenue Funds; and the Schedule of Funding Progress are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was made for the purpose of forming opinions on the financial statements that collectively comprise Crow Wing County's basic financial statements. The supplementary information and other schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements of Crow Wing County. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 7, 2010, on our consideration of Crow Wing County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.



REBECCA OTTO
STATE AUDITOR



GREG HIERLINGER, CPA
DEPUTY STATE AUDITOR

September 7, 2010

**CROW WING COUNTY
BRainerd, MINNESOTA**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2009
(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, 2009. 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 of Crow Wing County exceeded its liabilities at the close of the most recent fiscal year by \$165,509,217 (net assets). Of this amount, \$40,613,998 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net assets increased by \$8,531,053. This increase is a combination of additional capital assets and budget savings from operations. Most of the capital asset increase is from construction in progress related to unfinished road projects.
- As of the close of the 2009 fiscal year, Crow Wing County's governmental funds reported combined ending fund balances of \$41,579,966, compared to \$39,752,537 reported at the close of the 2008 fiscal year. Approximately 70 percent of this amount, \$28,865,089, is available for spending at the government's discretion (unreserved fund balance).
- At the end of the current fiscal year, unreserved fund balance for the General Fund was \$14,293,522, or 54 percent, of total General Fund expenditures, an increase of \$1,693,987 in comparison with the prior year.
- Crow Wing County's long-term debt increased by \$383,499, or .7 percent, to \$55,930,486 during the current fiscal year. The increase is a net result of the issuance of \$3,360,000 in General Obligation Bonds, retiring a lease payable to the HRA, and annual principle payments. In addition, Crow Wing County recognized an increase in Net Other Post Employment Benefits Obligations in the amount of \$2,204,197, for a total obligation of \$4,872,881.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-Wide Financial Statements

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

The statement of net assets presents information on all of Crow Wing County's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets 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 assets changed during the most recent fiscal year. All changes in net assets 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, human services, health services, sanitation, culture and recreation, conservation of natural resources, and economic development. The business-type activity of Crow Wing County is Crow Wing County Solid Waste.

The government-wide financial statements include not only Crow Wing County itself (known as the primary government), but also a legally separate sewer district and housing and redevelopment authority for which Crow Wing County is financially accountable. Financial information for the component units are reported separately from the financial information presented for the primary government itself.

The government-wide financial statements may be found on Pages 29 through 33 of this report.

(Unaudited)

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 balance 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 balance for the General Fund; Highway, Human Services, and Natural Resources Management Special Revenue Funds; and Debt Service Fund, all of which are considered to be major funds. Data from the other five special revenue nonmajor governmental funds, capital projects fund, and 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 its General Fund, certain special revenue funds, and the Debt Service Fund. A budgetary comparison schedule has been provided for the General Fund, the major special revenue funds, and the Debt Service Fund to demonstrate compliance with their budgets.

The basic governmental fund financial statements may be found on Pages 34 through 42 of this report.

General Fund. The General Fund is used to account for all financial resources not required to be accounted for in another fund.

(Unaudited)

Special Revenue Funds. Special revenue governmental funds account for the proceeds of specific revenue sources that are restricted to expenditures for specified purposes. The special revenue funds include:

- Highway,
- Human Services,
- Natural Resources Management,
- SCORE,
- County Building,
- Unorganized Townships,
- Sanitary Management District, and
- Small Cities Development Program

Debt Service Fund. The Debt Service Fund accounts for the payment of principal, interest, and fiscal charges on long-term debt obligations of Crow Wing County.

Capital Projects Fund. The Capital Projects Fund is used as needed to track the use of equipment certificates and to track major construction projects.

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

Proprietary fund. Crow Wing County maintains one proprietary 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 solid waste 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 Solid Waste 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 43 through 46 of this report.

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

The basic fiduciary fund financial statements can be found on Page 47 of this report.

(Unaudited)

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 50 through 94 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information that can be found on pages 95 through 102. The combining statements referred to earlier in connection with nonmajor governmental funds are in the supplementary information section and follow the notes to the required supplementary information. Combining and individual fund statements can be found on pages 103 through 116 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of Crow Wing County, assets exceeded liabilities by \$165,509,217 at the close of the most recent fiscal year, which is an increase of \$8,531,053 over 2008.

Capital assets, net of related debt, of \$107,445,859 (land, buildings, land improvements, infrastructure, construction in progress, and machinery and equipment, less any related debt used to acquire assets that is still outstanding) represents the largest portion of net assets (65 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 assets (10.5 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets is \$40,613,998.

Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
Current and other assets	\$ 67,346,039	\$ 63,963,439	\$ 8,458,280	\$ 8,338,931	\$ 75,804,319	\$ 72,302,370
Capital assets	150,247,891	144,486,922	5,427,605	5,490,848	155,675,496	149,977,770
Total Assets	\$ 217,593,930	\$ 208,450,361	\$ 13,885,885	\$ 13,829,779	\$ 231,479,815	\$ 222,280,140
Long-term liabilities outstanding	\$ 52,877,535	\$ 53,014,151	\$ 3,052,951	\$ 2,532,836	\$ 55,930,486	\$ 55,546,987
Other liabilities	9,842,784	9,471,979	197,328	283,010	10,040,112	9,754,989
Total Liabilities	\$ 62,720,319	\$ 62,486,130	\$ 3,250,279	\$ 2,815,846	\$ 65,970,598	\$ 65,301,976

(Unaudited)

	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
Net Assets						
Invested in capital assets, net of related debt	\$ 102,145,334	\$ 91,545,696	\$ 5,300,525	\$ 5,302,538	\$ 107,445,859	\$ 96,848,234
Restricted	17,449,360	18,241,947			17,449,360	18,241,947
Unrestricted	35,278,917	36,176,588	5,335,081	5,711,395	40,613,998	41,887,983
Total Net Assets	\$ 154,873,611	\$ 145,964,231	\$ 10,635,606	\$ 11,013,933	\$ 165,509,217	\$ 156,978,164

In 2009 and 2008, the County was able to report positive balances in all three categories of net assets, including the government as a whole, as well as for its separate governmental and business-type activities.

Crow Wing County's net assets increased \$8,531,053 over 2008. This increase is the result of many surpluses and deficits, but the primary change is an increase in capital assets of \$5,697,726, which includes a variety of County road construction projects, landfill projects, and equipment purchases.

Governmental Activities

Governmental activities increased Crow Wing County's net assets by \$8,909,380, thereby accounting for more than the total growth in the net assets of Crow Wing County. A key element of this growth was the increase in capital assets of \$5,760,969. The majority of the increase in capital assets was construction in progress related to unfinished road projects.

Business-Type Activities

Business-type activities decreased Crow Wing County's net assets by \$378,327.

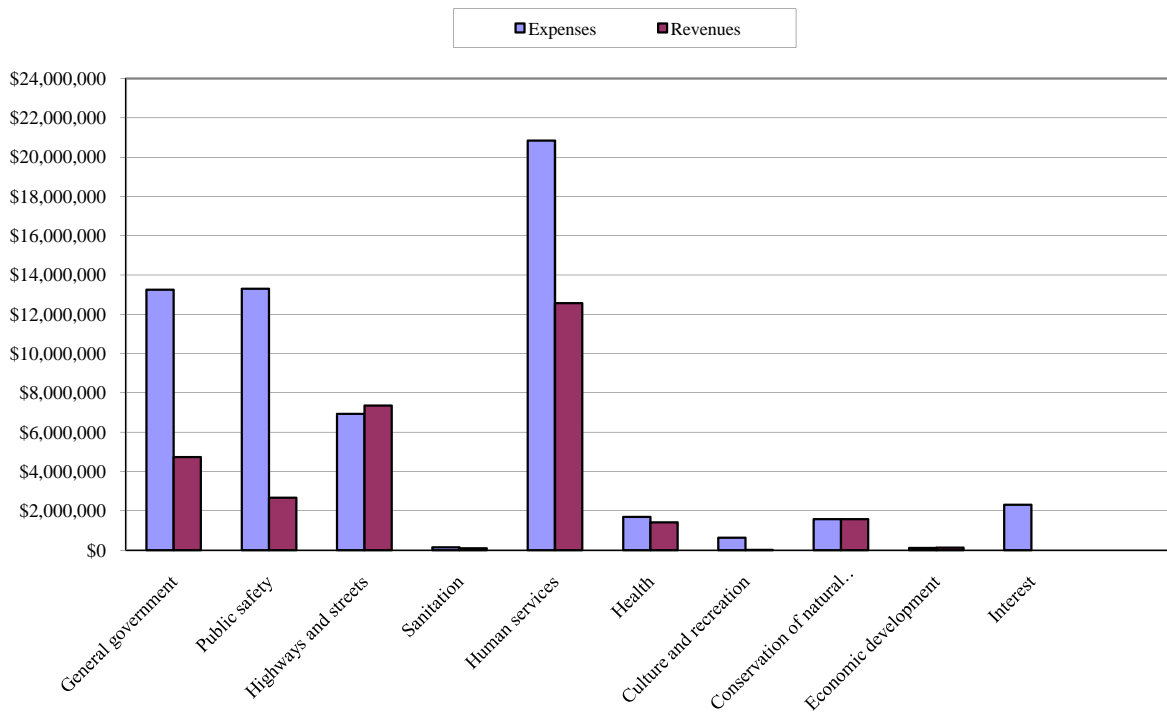
Changes in Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
Revenues						
Program revenues						
Charges for services	\$ 7,805,716	\$ 7,680,131	\$ 1,857,324	\$ 2,046,074	\$ 9,663,040	\$ 9,726,205
Operating grants and contributions	17,868,108	18,571,295	-	-	17,868,108	18,571,295
Capital grants and contributions	4,869,920	6,129,559	-	-	4,869,920	6,129,559
General revenues						
Property taxes	34,566,755	33,326,555	-	-	34,566,755	33,326,555
Mortgage registry and deed tax	79,515	82,488	-	-	79,515	82,488
Payments in lieu of tax	355,232	335,672	-	-	355,232	335,672
Grants and contributions not restricted to specific programs	3,170,952	4,051,908	595	595	3,171,547	4,052,503
Investment income	432,122	1,220,736	76,226	170,172	508,348	1,390,908
Miscellaneous	468,808	763,319	-	-	468,808	763,319
Gain on sale of capital assets	29,799	2,533	-	-	29,799	2,533
Transfers in (out)	48,895	150,000	(48,895)	(150,000)	-	-
Total Revenues	\$ 69,695,822	\$ 72,314,196	\$ 1,885,250	\$ 2,066,841	\$ 71,581,072	\$ 74,381,037

(Unaudited)

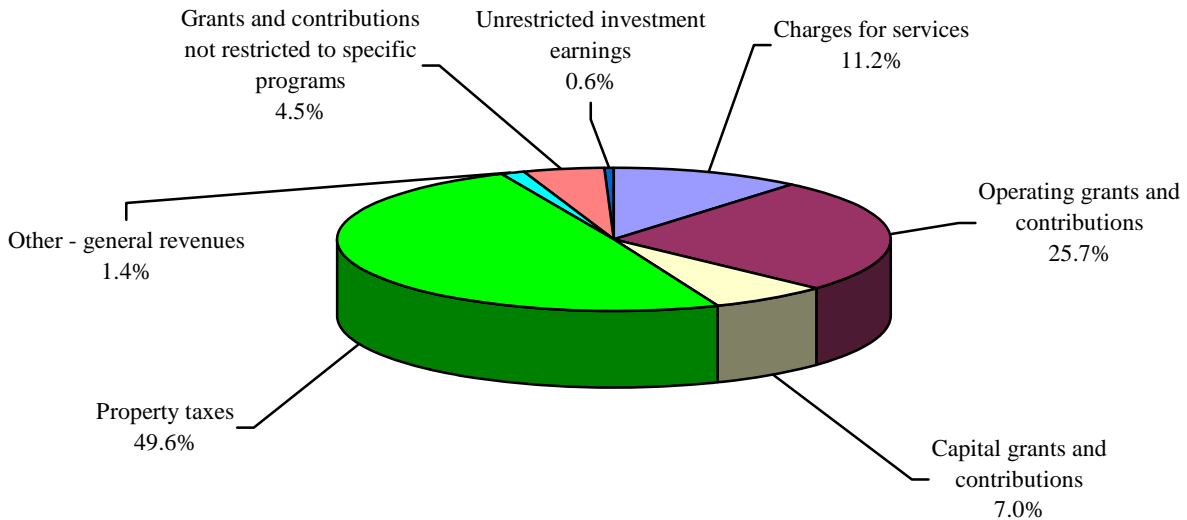
	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
Expenses						
General government	\$ 13,248,631	\$ 13,134,027	\$ -	\$ -	\$ 13,248,631	\$ 13,134,027
Public safety	13,306,812	13,401,676	-	-	13,306,812	13,401,676
Highways and streets	6,931,810	6,338,643	-	-	6,931,810	6,338,643
Sanitation	137,056	257,754	-	-	137,056	257,754
Human services	20,835,333	22,308,975	-	-	20,835,333	22,308,975
Health	1,684,446	2,636,852	-	-	1,684,446	2,636,852
Culture and recreation	634,334	688,957	-	-	634,334	688,957
Conservation of natural resources	1,579,069	1,551,623	-	-	1,579,069	1,551,623
Economic development	115,240	-	-	-	115,240	-
Interest	2,313,711	2,483,087	-	-	2,313,711	2,483,087
Operating expenses - solid waste	-	-	2,263,577	2,832,091	2,263,577	2,832,091
Total Expenses	\$ 60,786,442	\$ 62,801,594	\$ 2,263,577	\$ 2,832,091	\$ 63,050,019	\$ 65,633,685
Increase (Decrease) in Net Assets	\$ 8,909,380	\$ 9,512,602	\$ (378,327)	\$ (765,250)	\$ 8,531,053	\$ 8,747,352
Net Assets - January 1	145,964,231	136,451,629	11,013,933	11,779,183	156,978,164	148,230,812
Net Assets - December 31	\$ 154,873,611	\$ 145,964,231	\$ 10,635,606	\$ 11,013,933	\$ 165,509,217	\$ 156,978,164

Expenses and Program Revenues - Governmental Activities



(Unaudited)

Revenue by Sources - Governmental Activities



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, unreserved, undesignated fund balance 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 current fiscal year, Crow Wing County's governmental funds reported combined ending fund balances of \$41,579,966, an increase of \$1,827,429 in comparison with the prior year. Of this total amount, \$28,865,089 constitutes unreserved fund balance, which is available for spending at the government's discretion. The remainder of fund balance is reserved, indicating that it is not available for new spending because it has already been committed for specific purposes. Most of the reserved fund balance is due to reserve for debt service \$5,768,033; SCORE \$2,046,357 and environmental uses \$1,846,499.

The General Fund is the chief operating fund of Crow Wing County. At the end of the current fiscal year, unreserved fund balance of the General Fund was \$14,293,522, while the total fund balance was \$16,601,587. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved, fund balance represents 54 percent of the total General Fund expenditures, while total fund balance represents 63 percent of that same amount.

(Unaudited)

The fund balance of Crow Wing County's General Fund increased \$2,100,183 in comparison to 2008. This change is primarily due to a transfer in from the County Building Special Revenue Fund for the 800 MHZ project of \$1,000,000. The expenditures for the General Fund decreased \$1,496,909; this is a reduction of 5.4 percent from the previous year. Revenues from investment earnings continue to be less than previous years due to the significant decrease in interest rates.

The Highway Special Revenue Fund had a total fund balance of \$1,016,397 at the end of the current fiscal year. The fund balance of the Highway Special Revenue Fund decreased by \$2,428,891 during the current fiscal year. This decrease in fund balance is a result of completing several delayed road projects originally scheduled for construction in 2008.

The Human Services Special Revenue Fund had a total fund balance of \$9,285,075 at the end of the current fiscal year. The fund balance of the Human Services Special Revenue Fund increased by \$1,320,155 during the current fiscal year. This change is due to increased revenues from reimbursement for services and decreased expenditures.

The Natural Resources Management Special Revenue Fund had a total fund balance of \$377,728 at the end of the current fiscal year. The fund balance of the Natural Resources Management Special Revenue Fund increased by \$67,242 during the current fiscal year.

The Debt Service Fund total fund balance of \$5,786,033 is reserved for the payment of debt service. The fund balance of the Debt Service Fund decreased by \$247,766 during the current fiscal year.

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 Solid Waste 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.

In December 2008, shortly after finalizing the County's 2009 budget, the State of Minnesota unallotted \$596,137 of 2008 second half County Program Aid (CPA). A budget adjustment was not made as the state left only two weeks in the fiscal year to incorporate the cuts.

On January 27, 2009 the Crow Wing County Board of Commissioners approved a \$1,261,291 budget amendment to the 2009 budget. Crow Wing County is committed to operating with a structurally balanced budget thus requiring a proactive measure by the Board in anticipation of further reductions to CPA by the State.

(Unaudited)

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

Crow Wing County's investment in capital assets for its government and business-type activities as of December 31, 2009, amounts to \$155,675,496 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements other than buildings, machinery and equipment, infrastructure, and construction in progress. The total increase in Crow Wing County's investment in capital assets for the current fiscal year was 3.8 percent.

Major capital asset events during 2009 included a variety of new County road construction projects that were started and the completion of cell 4 at the Crow Wing County landfill.

Capital Assets (Net of Accumulated Depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
Land	\$ 3,386,162	\$ 3,328,933	\$ 412,334	\$ 412,334	\$ 3,798,496	\$ 3,741,267
Construction in progress	10,051,018	3,648,188	1,237,800	3,955,215	11,288,818	7,603,403
Infrastructure - right-of-way	2,453,613	2,203,889	-	-	2,453,613	2,203,889
Buildings	57,398,995	58,905,661	622,455	647,440	58,021,450	59,553,101
Land improvements	1,827,004	1,877,941	6,075	6,075	1,833,079	1,884,016
Machinery, furniture, and equipment	4,861,098	5,025,809	112,808	116,070	4,973,906	5,141,879
Infrastructure	70,270,001	69,496,501	-	-	70,270,001	69,496,501
Landfill	-	-	3,036,133	353,714	3,036,133	353,714
Total	\$ 150,247,891	\$ 144,486,922	\$ 5,427,605	\$ 5,490,848	\$ 155,675,496	\$ 149,977,770

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

Long-Term Debt

At the end of 2009, Crow Wing County had total bonded debt outstanding of \$51,031,800. This is a decrease of \$1,913,300 from the prior year. In 2009, General Obligation Bonds were issued in the amount of \$3,360,000. Of this amount, \$1,140,000 was used to retire the lease payable to the HRA; \$2,220,000 was used to fund capital equipment purchases for highway and public safety. Current and future County tax levies are used to finance the entire bonded indebtedness.

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

(Unaudited)

**Outstanding Debt
General Obligation and Capital Lease**

	Governmental Activities	
	2009	2008
General obligation bonds	\$ 49,675,000	\$ 49,485,000
Capital lease	1,356,800	3,460,100
Total	<u>\$ 51,031,800</u>	<u>\$ 52,945,100</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 2009 debt limitation for Crow Wing County is \$343,024,023, 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 3.C.5 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The County's elected and appointed officials considered many factors when setting the fiscal year 2010 budget, tax rates, and fees that will be charged for the business-type activities.

- The County's total taxable net tax capacity increased by 5.0 percent in 2010.
- 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 2010 is 28.029 percent which ranks fourth lowest of eighty-seven counties.
- On December 15, 2009, the Crow Wing County Board of Commissioners approved the 2010 budget for \$68,125,449, related to the County's Governmental Funds. The 2010 total levy is \$36,221,696, which is an increase of \$1,037,921 compared to the 2009 levy of \$35,183,775. The 2010 budget includes a 2.9 percent overall property tax levy increase.
- Crow Wing County continues to be concerned about the State's fiscal outlook moving forward. The most recent estimate from the State estimates a \$5.77 billion shortfall for the 2012/2013 biennium. To prepare for possible future unallotments the Crow Wing County Board of Commissioners on June 22, 2010, approved a \$1,656,573 budget amendment to the County's 2010 budget.
- The 2010 reductions will position Crow Wing County to achieve a zero percent levy increase in 2011 while not including budgeted revenues for the receipt of County Program Aid or Market Value Credits. If the County actually receives these aids and credits they will be used for capital equipment or one-time projects and not used to fund ongoing operations.

(Unaudited)

INDEPENDENT AUDIT

Minn. Stat. § 6.48 requires an annual examination of books of account, financial records, and transactions of all County functions by the Office of the State Auditor. When complete, the report will be available for inspection upon request at the County Auditor's Office 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 in the County's finances. If you have a question about this report or need information, contact the County Auditor's Office, 326 Laurel Street, Suite 22, Brainerd, Minnesota 56401. You may also contact us via email at cwcauditor@co.crow-wing.mn.us or visit our web site at www.co.crow-wing.mn.us.

(Unaudited)

**CROW WING COUNTY
BRAINERD, MINNESOTA**

**STATEMENT OF NET ASSETS
DECEMBER 31, 2009**

	Primary Government			Discretely Presented Component Units
	Governmental Activities	Business-Type Activities	Total	
<u>Assets</u>				
Cash and pooled investments	\$ 41,216,724	\$ 3,956,055	\$ 45,172,779	\$ 616,427
Petty cash and change funds	2,815	-	2,815	-
Investments	17,741	-	17,741	-
Taxes receivable - delinquent	1,995,323	-	1,995,323	3,083
Accounts receivable - net	260,648	91,336	351,984	34,189
Accrued interest receivable	55,824	-	55,824	49,173
Contracts receivable	365,306	-	365,306	-
Due from other governments	2,901,379	-	2,901,379	-
Internal balances	(246)	246	-	-
Loans receivable	56,149	-	56,149	330,484
Inventories	745,923	-	745,923	-
Prepaid items	394,577	-	394,577	-
Restricted assets				
Cash and pooled investments	-	4,410,643	4,410,643	907,127
Advance to other governments	15,000	-	15,000	-
Deferred charges	116,358	-	116,358	-
Investment in joint venture	19,202,518	-	19,202,518	-
Capital assets				
Non-depreciable	15,890,793	1,650,134	17,540,927	35,000
Depreciable - net of accumulated depreciation	134,357,098	3,777,471	138,134,569	2,861,952
Total Assets	\$ 217,593,930	\$ 13,885,885	\$ 231,479,815	\$ 4,837,435

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

**CROW WING COUNTY
BRAINERD, MINNESOTA**

**STATEMENT OF NET ASSETS
DECEMBER 31, 2009**

	Primary Government			Discretely Presented Component Units
	Governmental Activities	Business-Type Activities	Total	
Liabilities				
Accounts payable	\$ 1,051,496	\$ 46,973	\$ 1,098,469	\$ 6,843
Salaries payable	473,067	1,796	474,863	-
Accrued payroll taxes	68,293	254	68,547	-
Other accrued liabilities	-	-	-	3,171
Contracts payable	145,595	127,080	272,675	-
Retainage payable	175,002	-	175,002	-
Due to other governments	654,167	-	654,167	-
Accrued interest payable	929,029	-	929,029	-
Claims payable	70,122	-	70,122	-
Unearned revenue	56,149	-	56,149	-
Customer deposits	128,000	-	128,000	-
Long-term liabilities				
Due within one year	6,091,864	21,225	6,113,089	4,663
Due in more than one year	52,877,535	3,052,951	55,930,486	-
Total Liabilities	\$ 62,720,319	\$ 3,250,279	\$ 65,970,598	\$ 14,677
Net Assets				
Invested in capital assets - net of related debt	\$ 102,145,334	\$ 5,300,525	\$ 107,445,859	\$ 2,896,952
Restricted for				
General government	2,574,993	-	2,574,993	-
Public safety	2,496,408	-	2,496,408	-
Highways and streets	745,923	-	745,923	-
Human services	1,145,520	-	1,145,520	-
Culture and recreation	703,192	-	703,192	-
Conservation of natural resources	2,046,357	-	2,046,357	-
Environmental uses - expendable	122,435	-	122,435	-
Environmental uses - nonexpendable	1,846,499	-	1,846,499	-
Debt service	5,768,033	-	5,768,033	-
Unrestricted	35,278,917	5,335,081	40,613,998	1,925,806
Total Net Assets	\$ 154,873,611	\$ 10,635,606	\$ 165,509,217	\$ 4,822,758

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, 2009**

			Program Revenues
		Fees, Charges, Fines, and Other	Operating Grants and Contributions
<u>Functions/Programs</u>	<u>Expenses</u>		
Primary government			
Governmental activities			
General government	\$ 13,248,631	\$ 1,961,517	\$ 188,080
Public safety	13,306,812	1,924,364	738,856
Highways and streets	6,931,810	429,446	4,649,293
Sanitation	137,056	-	99,605
Human services	20,835,333	1,658,340	10,915,023
Health	1,684,446	432,704	972,897
Culture and recreation	634,334	-	3,165
Conservation of natural resources	1,579,069	1,398,724	176,151
Economic development	115,240	621	125,038
Interest	2,313,711	-	-
Total governmental activities	<u>\$ 60,786,442</u>	<u>\$ 7,805,716</u>	<u>\$ 17,868,108</u>
Business-type activities			
Solid waste	2,263,577	1,857,324	-
Total Primary Government	<u>\$ 63,050,019</u>	<u>\$ 9,663,040</u>	<u>\$ 17,868,108</u>
 Component Unit			
Housing and Redevelopment Authority	\$ 85,696	\$ 500	\$ -
Serpent Lake Sanitary Sewer District	447,500	441,203	-
Total Component Units	<u>\$ 533,196</u>	<u>\$ 441,703</u>	<u>\$ -</u>

General Revenues and Other Items

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

Transfers

Total general revenues and other items

Change in net assets

Net Assets - Beginning

Net Assets - Ending

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

Net (Expense) Revenue and Changes in Net Assets				
Capital Grants and Contributions	Primary Government			Discretely Presented Component Units
	Governmental Activities	Business-Type Activities	Total	
\$ 2,591,986	\$ (8,507,048)	\$ -	\$ (8,507,048)	
-	(10,643,592)	-	(10,643,592)	
2,277,934	424,863	-	424,863	
-	(37,451)	-	(37,451)	
-	(8,261,970)	-	(8,261,970)	
-	(278,845)	-	(278,845)	
-	(631,169)	-	(631,169)	
-	(4,194)	-	(4,194)	
-	10,419	-	10,419	
-	(2,313,711)	-	(2,313,711)	
\$ 4,869,920	\$ (30,242,698)	\$ -	\$ (30,242,698)	
-	-	(406,253)	(406,253)	
\$ 4,869,920	\$ (30,242,698)	\$ (406,253)	\$ (30,648,951)	
\$ -				\$ (85,196)
-				(6,297)
\$ -				\$ (91,493)
	\$ 34,566,755	\$ -	\$ 34,566,755	\$ 58,186
	79,515	-	79,515	-
	355,232	-	355,232	-
	3,170,952	595	3,171,547	45,062
	432,122	76,226	508,348	51,329
	468,808	-	468,808	-
	29,799	-	29,799	-
	48,895	(48,895)	-	-
	\$ 39,152,078	\$ 27,926	\$ 39,180,004	\$ 154,577
	\$ 8,909,380	\$ (378,327)	\$ 8,531,053	\$ 63,084
	145,964,231	11,013,933	156,978,164	4,759,674
	\$ 154,873,611	\$ 10,635,606	\$ 165,509,217	\$ 4,822,758

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

**CROW WING COUNTY
BRainerd, MINNESOTA**

**BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2009**

	<u>General</u>	<u>Highway</u>	<u>Human Services</u>
<u>Assets</u>			
Cash and pooled investments	\$ 16,884,325	\$ 748,812	\$ 8,593,300
Petty cash and change funds	2,715	-	-
Investments	17,741	-	-
Taxes receivable - delinquent	1,011,403	196,428	419,225
Accounts receivable	132,684	-	109,250
Accrued interest receivable	42,510	-	-
Due from other funds	146,366	89,171	-
Contracts receivable	-	-	-
Due from other governments	314,030	970,167	1,613,182
Loans receivable	-	-	-
Inventories	-	745,923	-
Prepaid items	394,577	-	-
Advances to other governments	15,000	-	-
Total Assets	<u>\$ 18,961,351</u>	<u>\$ 2,750,501</u>	<u>\$ 10,734,957</u>
<u>Liabilities and Fund Balances</u>			
Liabilities			
Accounts payable	\$ 280,700	\$ 244,675	\$ 503,336
Salaries payable	301,479	37,672	126,861
Accrued payroll taxes	44,012	5,331	17,951
Claims payable	70,122	-	-
Contracts payable	-	118,140	-
Retainage payable	-	175,002	-
Due to other funds	61,085	12	5,927
Due to other governments	344,546	12,594	187,367
Deferred revenue - unavailable	1,129,820	1,140,678	608,440
Deferred revenue - unearned	-	-	-
Customer deposits	128,000	-	-
Total Liabilities	<u>\$ 2,359,764</u>	<u>\$ 1,734,104</u>	<u>\$ 1,449,882</u>

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

Natural Resources Management	Debt Service	Nonmajor Funds	Total
\$ 777,189	\$ 5,768,033	\$ 8,445,065	\$ 41,216,724
100	-	-	2,815
-	-	-	17,741
-	341,080	27,187	1,995,323
-	-	18,714	260,648
-	-	13,314	55,824
-	-	108,549	344,086
365,306	-	-	365,306
-	-	4,000	2,901,379
-	-	56,149	56,149
-	-	-	745,923
-	-	-	394,577
-	-	-	15,000
\$ 1,142,595	\$ 6,109,113	\$ 8,672,978	\$ 48,371,495

\$ 1,698	\$ -	\$ 21,087	\$ 1,051,496
4,535	-	2,520	473,067
642	-	357	68,293
-	-	-	70,122
27,455	-	-	145,595
-	-	-	175,002
255,673	-	21,635	344,332
109,558	-	102	654,167
365,306	341,080	39,982	3,625,306
-	-	56,149	56,149
-	-	-	128,000
\$ 764,867	\$ 341,080	\$ 141,832	\$ 6,791,529

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

**CROW WING COUNTY
BRainerd, MINNESOTA**

**BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2009**

	<u>General</u>	<u>Highway</u>	<u>Human Services</u>
Fund Balances			
Reserved for			
Inventories	\$ -	\$ 745,923	\$ -
Debt service	-	-	-
Advances to other governments	15,000	-	-
Missing heirs	48,971	-	-
Attorney's forfeited property	59,590	-	-
Children's trust	4,935	-	-
Recorder's technology equipment	823,029	-	-
Recorder's unallocated land based	194,191	-	-
Elections grant	7,370	-	-
Enhanced 911	380,997	-	-
Sheriff's contingency	5,000	-	-
Sheriff's forfeited property	8,447	-	-
DUI assessment	43,964	-	-
Tobacco compliance	13,379	-	-
Environmental uses	-	-	-
Parks	703,192	-	-
SCORE	-	-	-
Unreserved			
Designated for county grant	17,265	-	-
Designated for information systems	49,322	-	-
Designated for human rights commission	660	-	-
Designated for other post employment benefits	500,000	-	-
Designated for technology expenditures	308,368	-	539,972
Designated for cash flows	10,038,263	270,474	5,554,883
Designated for dive team	6,067	-	-
Designated for K-9 unit	2,951	-	-
Designated for mounted patrol	4,246	-	-
Designated for lakes area drug investigation	26,999	-	-
Designated for rifle range	3,452	-	-
Designated for bomb squad	262	-	-
Designated for triad	677	-	-
Designated for 800 MHZ	1,999,967	-	-
Designated for veteran's service van	6,320	-	-
Designated for MN estate recoveries	-	-	1,145,520
Undesignated	1,328,703	-	2,044,700
Unreserved, reported in nonmajor			
Special revenue funds	-	-	-
Capital projects fund	-	-	-
Permanent fund	-	-	-
Total Fund Balances	\$ 16,601,587	\$ 1,016,397	\$ 9,285,075
Total Liabilities and Fund Balances	\$ 18,961,351	\$ 2,750,501	\$ 10,734,957

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

Natural Resources Management	Debt Service	Nonmajor Funds	Total
\$ -	\$ -	\$ -	\$ 745,923
-	5,768,033	-	5,768,033
-	-	-	15,000
-	-	-	48,971
-	-	-	59,590
-	-	-	4,935
-	-	-	823,029
-	-	-	194,191
-	-	-	7,370
-	-	-	380,997
-	-	-	5,000
-	-	-	8,447
-	-	-	43,964
-	-	-	13,379
-	-	1,846,499	1,846,499
-	-	-	703,192
-	-	2,046,357	2,046,357
-	-	-	17,265
-	-	-	49,322
-	-	-	660
-	-	-	500,000
-	-	-	848,340
-	-	-	15,863,620
-	-	-	6,067
-	-	-	2,951
-	-	-	4,246
-	-	-	26,999
-	-	-	3,452
-	-	-	262
-	-	-	677
-	-	-	1,999,967
-	-	-	6,320
-	-	-	1,145,520
377,728	-	-	3,751,131
-	-	2,943,513	2,943,513
-	-	1,572,342	1,572,342
-	-	122,435	122,435
\$ 377,728	\$ 5,768,033	\$ 8,531,146	\$ 41,579,966
\$ 1,142,595	\$ 6,109,113	\$ 8,672,978	\$ 48,371,495

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

**CROW WING COUNTY
BRAINERD, MINNESOTA**

**RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO
THE GOVERNMENT-WIDE STATEMENT OF NET ASSETS--GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2009**

Fund balance - total governmental funds	\$	41,579,966
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Amounts reported for governmental activities in the statement of net assets 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.		150,247,891
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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.		19,202,518
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Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the governmental funds.		3,625,306
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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	\$ (49,675,000)	
Discount on bonds issued	119,535	
Premium on bonds issued	(333,185)	
Deferred debt issuance charges	116,358	
Accrued interest payable	(929,029)	
Net OPEB obligation	(4,872,881)	
Compensated absences	(2,851,068)	
Capital leases payable	(1,356,800)	
	<hr/>	<hr/>
		(59,782,070)

Net assets of governmental activities	\$	<u>154,873,611</u>
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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 BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>General</u>	<u>Highway</u>	<u>Human Services</u>
Revenues			
Taxes	\$ 17,184,954	\$ 3,441,574	\$ 7,130,790
Special assessments	-	-	-
Licenses and permits	437,599	-	-
Intergovernmental	4,283,216	6,941,311	11,674,652
Charges for services	3,743,252	570,980	224,743
Fines and forfeits	32,333	-	-
Gifts and contributions	7,187	-	-
Investment earnings	512,865	-	-
Sales	-	-	-
Miscellaneous	1,195,173	61,792	1,433,713
Total Revenues	\$ 27,396,579	\$ 11,015,657	\$ 20,463,898
Expenditures			
Current			
General government	\$ 11,790,407	\$ -	\$ -
Public safety	11,927,176	-	-
Highways and streets	-	13,053,137	-
Sanitation	-	-	-
Human services	-	-	19,144,184
Health	1,657,571	-	-
Culture and recreation	681,727	-	-
Conservation of natural resources	316,831	-	-
Economic development	-	-	-
Capital outlay	-	-	-
Intergovernmental	-	282,963	-
Debt service			
Principal	-	58,300	-
Interest	-	57,101	-
Bond issuance costs	-	-	-
Administrative charges	-	-	-
Total Expenditures	\$ 26,373,712	\$ 13,451,501	\$ 19,144,184
Excess of Revenues Over (Under)			
Expenditures	\$ 1,022,867	\$ (2,435,844)	\$ 1,319,714
Other Financing Sources (Uses)			
Transfers in	\$ 1,036,900	\$ -	\$ -
Transfers out	-	-	-
Refunding bonds issued	-	-	-
Bonds issued	-	-	-
Premium on bonds/notes issued	-	-	-
Proceeds from the sale of capital assets	3,861	25,938	-
Compensation for loss of general capital assets	36,555	-	441
Total Other Financing Sources (Uses)	\$ 1,077,316	\$ 25,938	\$ 441
Net Change in Fund Balance	\$ 2,100,183	\$ (2,409,906)	\$ 1,320,155
Fund Balance - January 1	14,501,404	3,445,288	7,964,920
Increase (decrease) in reserved for inventories	-	(18,985)	-
Fund Balance - December 31	\$ 16,601,587	\$ 1,016,397	\$ 9,285,075

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

Natural Resources Management	Debt Service	Nonmajor Funds	Total
\$ -	\$ 5,623,681	\$ 716,023	\$ 34,097,022
-	-	567,540	567,540
719,760	-	-	1,157,359
78,424	471,820	459,027	23,908,450
8,196	-	262,966	4,810,137
-	-	-	32,333
-	-	-	7,187
35,085	-	85,215	633,165
199,987	-	-	199,987
14,171	-	313,493	3,018,342
\$ 1,055,623	\$ 6,095,501	\$ 2,404,264	\$ 68,431,522
\$ 361,830	\$ -	\$ 301,899	\$ 12,454,136
-	-	164,677	12,091,853
-	-	286,489	13,339,626
-	-	187,580	187,580
-	-	-	19,144,184
-	-	-	1,657,571
-	-	-	681,727
626,551	-	867,315	1,810,697
-	-	115,240	115,240
-	-	664,806	664,806
-	-	-	282,963
-	5,215,000	-	5,273,300
-	2,269,326	-	2,326,427
-	12,863	16,687	29,550
-	1,671	-	1,671
\$ 988,381	\$ 7,498,860	\$ 2,604,693	\$ 70,061,331
\$ 67,242	\$ (1,403,359)	\$ (200,429)	\$ (1,629,809)
\$ -	\$ -	\$ 55,284	\$ 1,092,184
-	-	(1,092,184)	(1,092,184)
-	1,138,902	-	1,138,902
-	-	2,221,098	2,221,098
-	16,691	32,737	49,428
-	-	-	29,799
-	-	-	36,996
\$ -	\$ 1,155,593	\$ 1,216,935	\$ 3,476,223
\$ 67,242	\$ (247,766)	\$ 1,016,506	\$ 1,846,414
310,486	6,015,799	7,514,640	39,752,537
-	-	-	(18,985)
\$ 377,728	\$ 5,768,033	\$ 8,531,146	\$ 41,579,966

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

**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, 2009**

Net change in fund balances - total governmental funds **\$ 1,846,414**

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 revenue deferred as unavailable.

Deferred revenue - December 31	\$ 3,625,306	
Deferred revenue - January 1	3,426,176	199,130

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 assets differs from the change in fund balance by the net book value of the assets sold.

Expenditures for general capital assets and infrastructure	\$ 10,643,092	
Capital asset transfer from business-type activities to governmental activities	48,895	
Net book value of assets sold	(7,872)	
Current year depreciation	(4,923,146)	5,760,969

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 assets. Also, governmental funds report the net effect of issuance costs, premiums, 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.

Proceeds of new debt		
General obligation bonds issued	\$ (3,360,000)	
Premiums on bonds issued	(49,428)	
Bond issuance costs	29,550	
Principal repayments		
General obligation bonds	3,170,000	
Capital leases	58,300	
Lease payable	2,045,000	
Amortization of discount on bonds and issuance costs	2,548	1,895,970

Increase in joint venture does not provide current financial resources and is not reported as revenue in the funds. 2,136,054

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	\$ 11,839	
Change in compensated absences	(717,814)	
Change in inventories	(18,985)	
Change in net OPEB obligation	(2,204,197)	(2,929,157)

Change in net assets of governmental activities **\$ 8,909,380**

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

**CROW WING COUNTY
BRAINERD, MINNESOTA**

**STATEMENT OF NET ASSETS
SOLID WASTE ENTERPRISE FUND
DECEMBER 31, 2009**

Assets

Current assets	
Cash and pooled investments	\$ 3,956,055
Accounts receivable - net	91,336
Due from other funds	246
	<hr/>
Total current assets	\$ 4,047,637
Restricted assets	
Cash and pooled investments	\$ 4,410,643
	<hr/>
Noncurrent assets	
Capital assets	
Nondepreciable	\$ 1,650,134
Depreciable - net	3,777,471
	<hr/>
Total noncurrent assets	\$ 5,427,605
	<hr/>
Total Assets	\$ 13,885,885

Liabilities/Net Assets

Current liabilities	
Accounts payable	\$ 46,973
Salaries payable	1,796
Accrued payroll taxes	254
Compensated absences payable - current	21,225
Contracts payable	127,080
	<hr/>
Total current liabilities	\$ 197,328
Noncurrent liabilities	
Compensated absences payable - long-term	\$ 2,359
Estimated liability for landfill closure/postclosure	3,050,592
	<hr/>
Total noncurrent liabilities	\$ 3,052,951
	<hr/>
Total Liabilities	\$ 3,250,279
Net Assets	
Invested in capital assets - net of related debt	\$ 5,300,525
Unrestricted	5,335,081
	<hr/>
Total Net Assets	\$ 10,635,606

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

**CROW WING COUNTY
BRAINERD, MINNESOTA**

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
SOLID WASTE ENTERPRISE FUND
FOR THE YEAR ENDED DECEMBER 31, 2009**

Operating Revenues	
Charges for services	\$ 1,855,499
Licenses and permits	<u>1,825</u>
Total Operating Revenues	<u>\$ 1,857,324</u>
Operating Expenses	
Personal services	\$ 75,672
Employee benefits and payroll taxes	28,420
Professional services	151,954
Contracted services	454,788
Claims paid	47,477
Supplies	73,609
Telephone	583
Utilities	40,790
Fuel	7,789
Advertising	11,572
Licenses and dues	1,195
Postage	3,650
Rent and leased equipment	2,288
Engineering costs	515,104
Depreciation	328,799
Landfill closure and postclosure costs	<u>519,887</u>
Total Operating Expenses	<u>\$ 2,263,577</u>
Operating Income (Loss)	<u>\$ (406,253)</u>
Nonoperating Revenues (Expenses)	
Intergovernmental	\$ 595
Interest income	<u>76,226</u>
Total Nonoperating Revenues (Expenses)	<u>\$ 76,821</u>
Income (Loss) Before Contributions and Transfers	<u>\$ (329,432)</u>
Transfers out	<u>(48,895)</u>
Change in net assets	<u>\$ (378,327)</u>
Net Assets - January 1	<u>11,013,933</u>
Net Assets - December 31	<u><u>\$ 10,635,606</u></u>

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

**CROW WING COUNTY
BRAINERD, MINNESOTA**

**STATEMENT OF CASH FLOWS
SOLID WASTE ENTERPRISE FUND
FOR THE YEAR ENDED DECEMBER 31, 2009
Increase (Decrease) in Cash and Cash Equivalents**

Cash Flows from Operating Activities	
Receipts from customers and users	\$ 1,862,508
Payments to suppliers	(1,333,042)
Payments to employees	<u>(106,073)</u>
 Net cash provided by (used in) operating activities	 <u>\$ 423,393</u>
 Cash Flows from Noncapital Financing Activities	
Intergovernmental	<u>\$ 595</u>
 Cash Flows from Capital and Related Financing Activities	
Purchases of capital assets	<u>\$ (375,681)</u>
 Cash Flows from Investing Activities	
Investment earnings received	<u>\$ 76,226</u>
 Net Increase (Decrease) in Cash and Cash Equivalents	 \$ 124,533
 Cash and Cash Equivalents at January 1	 <u>8,242,165</u>
 Cash and Cash Equivalents at December 31	 <u>\$ 8,366,698</u>
 Cash and Cash Equivalents - Exhibit 5	
Cash and pooled investments	\$ 3,956,055
Restricted cash and pooled investments	<u>4,410,643</u>
 Total Cash and Cash Equivalents	 <u>\$ 8,366,698</u>

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

**CROW WING COUNTY
BRAINERD, MINNESOTA**

**STATEMENT OF CASH FLOWS
SOLID WASTE ENTERPRISE FUND
FOR THE YEAR ENDED DECEMBER 31, 2009
Increase (Decrease) in Cash and Cash Equivalents**

Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities	
Operating income (loss)	<u>\$ (406,253)</u>
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities	
Depreciation expense	\$ 328,799
(Increase) decrease in accounts receivable	5,430
(Increase) decrease in due from other funds	(246)
Increase (decrease) in accounts payable	(22,243)
Increase (decrease) in salaries payable	(4,249)
Increase (decrease) in compensated absences	2,268
Increase (decrease) in landfill closure costs	<u>519,887</u>
Total adjustments	<u>\$ 829,646</u>
Net Cash Provided by (Used in) Operating Activities	<u><u>\$ 423,393</u></u>
Noncash Investing, Capital and Financing Activities	
Capital asset transfer to governmental activities capital assets	(48,895)

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

**CROW WING COUNTY
BRAINERD, MINNESOTA**

**STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
DECEMBER 31, 2009**

	<u>Agency</u>
<u>Assets</u>	
Cash and pooled investments	\$ 4,767,442
Due from other governments	<u>1,116</u>
Total Assets	<u>\$ 4,768,558</u>
<u>Liabilities</u>	
Accounts payable	\$ 112,549
Salaries payable	34,174
Due to other governments	<u>4,621,835</u>
Total Liabilities	<u>\$ 4,768,558</u>

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

**CROW WING COUNTY
BRAINERD, MINNESOTA**

**COMBINING STATEMENT OF NET ASSETS
DISCRETELY PRESENTED COMPONENT UNITS
DECEMBER 31, 2009**

	Housing and Redevelopment Authority	Serpent Lake Sanitary Sewer District	Total
<u>Assets</u>			
Current assets			
Cash and pooled investments	\$ 493,589	\$ 122,838	\$ 616,427
Taxes receivable			
Prior	3,083	-	3,083
Accounts receivable - net	-	34,189	34,189
Accrued interest receivable	46,592	2,581	49,173
Loan receivable	330,484	-	330,484
Total current assets	\$ 873,748	\$ 159,608	\$ 1,033,356
Noncurrent assets			
Restricted cash and cash equivalents	\$ -	\$ 907,127	\$ 907,127
Capital assets			
Non-depreciable	-	35,000	-
Depreciable - net of accumulated depreciation	-	2,861,952	2,861,952
Total noncurrent assets	\$ -	\$ 3,804,079	\$ 3,769,079
Total Assets	\$ 873,748	\$ 3,963,687	\$ 4,802,435
<u>Liabilities</u>			
Current liabilities			
Accounts payable	\$ -	\$ 6,843	\$ 6,843
Other accrued liabilities	-	3,171	3,171
Compensated absences payable - current	-	4,663	4,663
Total current liabilities	\$ -	\$ 14,677	\$ 14,677
Total Liabilities	\$ -	\$ 14,677	\$ 14,677
<u>Net Assets</u>			
Invested in capital assets - net of related debt	\$ -	\$ 2,896,952	\$ 2,896,952
Unrestricted	873,748	1,052,058	1,925,806
Total Net Assets	\$ 873,748	\$ 3,949,010	\$ 4,822,758

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

**CROW WING COUNTY
BRainerd, MINNESOTA**

**COMBINING STATEMENT OF ACTIVITIES
DISCRETELY PRESENTED COMPONENT UNITS
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Assets</u>		
		<u>Fees, Charges, Fines, and Other</u>	<u>Housing and Redevelopment Authority</u>	<u>Serpent Lake Sanitary Sewer District</u>	<u>Total</u>
<u>Expenses</u>					
Component Units					
Housing and Redevelopment Authority	\$ 85,696	\$ 500	\$ (85,196)	\$ -	\$ (85,196)
Serpent Lake Sanitary Sewer District	447,500	441,203	-	(6,297)	(6,297)
Total Component Units	<u>\$ 533,196</u>	<u>\$ 441,703</u>	<u>\$ (85,196)</u>	<u>\$ (6,297)</u>	<u>\$ (91,493)</u>
General Revenues and Other Items					
Property tax			\$ 58,186	\$ -	\$ 58,186
Grants and contributions not restricted to specific programs			45,062	-	45,062
Investment income			24,902	26,427	51,329
Total general revenues and other items			<u>\$ 128,150</u>	<u>\$ 26,427</u>	<u>\$ 154,577</u>
Change in net assets			<u>\$ 42,954</u>	<u>\$ 20,130</u>	<u>\$ 63,084</u>
Net Assets - Beginning			<u>830,794</u>	<u>3,928,880</u>	<u>4,759,674</u>
Net Assets - Ending			<u>\$ 873,748</u>	<u>\$ 3,949,010</u>	<u>\$ 4,822,758</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, 2009**

1. 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, 2009. The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (statements and interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989, (when applicable) that do not conflict with or contradict GASB pronouncements. Although the County has the option to apply FASB pronouncements issued after that date to its business-type activities and enterprise funds, the County has chosen not to do so. 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 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 (primary government) and its component units for which the County is financially accountable. The County is governed by a five-member Board of Commissioners elected from districts within the County. The 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 Board of Commissioners but has no vote.

**CROW WING COUNTY
BRAINERD, MINNESOTA**

1. Summary of Significant Accounting Policies

A. Financial Reporting Entity (Continued)

Discretely Presented Component Units

While part of the reporting entity, discretely presented component units are presented in a separate column in the government-wide financial statements to emphasize that they are legally separate from the County. The following component units of Crow Wing County are discretely presented:

Component Unit	Component Unit of Reporting Entity	Separate Financial Statements
Crow Wing County Housing and Redevelopment Authority (HRA) provides services pursuant to Minn. Stat. §§ 469.001-.047	County appoints members, and the HRA is a financial burden.	Separate financial statements are not prepared.
Serpent Lake Sanitary Sewer District is responsible for constructing and operating a sanitary sewer district.	District is fiscally dependent on the County because it may not issue debt without the County's approval. The County has issued debt for the District.	Serpent Lake Sanitary Sewer District P. O. Box 84 Crosby, Minnesota 56441

Blended Component Units

Blended component unit data are combined with the County's as the operations are so intertwined that they function, for all practical purposes, as an integral part of the County. The following component unit of Crow Wing County is blended:

Component Unit	Component Unit of Reporting Entity	Separate Financial Statements
Crow Wing County Sanitary Management District	County appoints members in an advisory capacity for the County Board, and the District is fiscally dependent on the County.	Separate financial statements are not prepared.

The Crow Wing County Sanitary Management District is governed by the County Board. Additionally, a nine-member District Advisory Board is appointed by the Crow Wing County Board. The District Advisory Board represents the five commissioner districts, Thirty Lakes Watershed District, the City of Crosslake, one Crow Wing County at-large member, and one County Commissioner. The District is fiscally dependent on the County.

**CROW WING COUNTY
BRAINERD, MINNESOTA**

1. Summary of Significant Accounting Policies

A. Financial Reporting Entity (Continued)

Joint Ventures

The County participates in several joint ventures described in Note 4.B. The County also participates in jointly-governed organizations described in Note 4.C.

B. Basic Financial Statements

1. Government-Wide Statements

The government-wide financial statements (the statement of net assets and the statement of activities) display information about the primary government and its component units. These statements include the financial activities of the overall County government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. 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 assets, 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, which recognizes all long-term assets and receivables as well as long-term debt and obligations.

The County's net assets are reported in three parts: (1) invested in capital assets, net of related debt; (2) restricted net assets; and (3) unrestricted net assets. 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 different 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.

**CROW WING COUNTY
BRainerd, MINNESOTA**

1. Summary of Significant Accounting Policies

B. Basic Financial Statements (Continued)

2. Fund Financial Statements

The fund financial statements provide information about the County's funds, including its fiduciary funds and discretely presented component units. 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 fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund.

Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or incidental activities.

The County reports the following major governmental funds:

The General Fund is the County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for 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 intergovernmental revenue from the state and federal governments.

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

The Natural Resource Management Special Revenue Fund is used to account for financial transactions resulting from the management of Crow Wing County's tax-forfeited lands.

**CROW WING COUNTY
BRainerd, MINNESOTA**

1. Summary of Significant Accounting Policies

B. Basic Financial Statements

2. Fund Financial Statements (Continued)

The Debt Service Fund is used to account for the accumulation of resources for payment of principal and interest of the general obligation bonds and capital notes.

The County reports the following major enterprise fund:

The Solid Waste 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 Capital Projects Fund is used to account for financial resources to be used for capital acquisition, construction, or improvement of capital facilities.

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.

Agency funds are custodial in nature and do not present results of operations or have a measurement focus. These funds account for assets that the County holds for others in an agent capacity.

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

**CROW WING COUNTY
BRAINERD, MINNESOTA**

1. Summary of Significant Accounting Policies

C. Measurement Focus and Basis of Accounting (Continued)

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.

D. Assets, Liabilities, and Net Assets or Equity

1. Cash and Cash Equivalents

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. Deposits and Investments

The cash balances of substantially all funds are pooled and invested by the County Auditor for the purpose of increasing earnings through investment activities. Pooled and fund investments are reported at their fair value at December 31, 2009, based on market prices. Pursuant to Minn. Stat. § 385.07, investment earnings on cash and pooled investments of governmental and fiduciary funds are credited to the General Fund. Pooled investment earnings for 2009 were \$512,865. Other funds received investment earnings based on other state statutes, grant agreements, contracts, and bond covenants.

3. 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).

**CROW WING COUNTY
BRainerd, MINNESOTA**

1. Summary of Significant Accounting Policies

D. Assets, Liabilities, and Net Assets or Equity

3. Receivables and Payables (Continued)

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

All receivables, including those of the discretely presented component units, are shown net of an allowance for uncollectibles.

Property taxes are levied as of January 1 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 and the second half payment due October 15 or November 15. Unpaid taxes at December 31 become liens on the respective property and are classified in the financial statements as delinquent taxes receivable.

4. Inventories

All inventories are valued at cost using the first in/first out (FIFO) method. Inventories in governmental funds are recorded as expenditures when purchased rather than when consumed. Inventories at the government-wide level are recorded as expenses when consumed.

5. Restricted Assets

Restricted cash represents monies set aside to be used in the future for monitoring and closing County landfills.

Restricted cash in the Serpent Lake Sanitary Sewer District represents monies set aside to be used in the future for plant and equipment replacements and for the accumulation of capital recovery charges to be used to make principal and interest payments on outstanding long-term debt. Interest earned on cash balances is allocated to cash and restricted cash balances.

**CROW WING COUNTY
BRainerd, MINNESOTA**

1. Summary of Significant Accounting Policies

D. Assets, Liabilities, and Net Assets or Equity (Continued)

6. Capital Assets

Capital assets, which include land, buildings and building improvements, improvements (other than buildings), furniture, equipment, and vehicles, infrastructure assets (roads, bridges, and rights-of-way), and construction in progress are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of three years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the useful life of the asset are not capitalized.

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

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

<u>Assets</u>	<u>Years</u>
Buildings	30 - 100
Building improvements	7 - 30
Infrastructure	50 - 75
Furniture, equipment, and vehicles	3 - 20
Improvements other than buildings	20 - 30

**CROW WING COUNTY
BRAINERD, MINNESOTA**

1. Summary of Significant Accounting Policies

D. Assets, Liabilities, and Net Assets or Equity (Continued)

7. Compensated Absences

Compensated absences will be reported for paid time off (PTO) hours and vested extended leave bank (ELB) hours.

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 over a maximum balance of 480 hours (60 days) at the end of each year.

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

PTO Current and Long-Term Compensated Absences - The County estimates that 90 percent of the year-end balances of PTO severance pay compensated absences will be used in the subsequent year (assumes a FIFO methodology). Additionally, 10 percent of PTO severance pay compensated absences as of year-end will be used in years two and thereafter.

ELB

ELB Severance Pay - Vested ELB applies only to employees that were hired before January 1, 1986, and who did not select the buy-out option given at that time. 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 of Minnesota (PERA) eligibility requirements for retirement in the subsequent year and long-term for employees who will not have met PERA eligibility requirements in the subsequent year.

**CROW WING COUNTY
BRAINERD, MINNESOTA**

1. Summary of Significant Accounting Policies

D. Assets, Liabilities, and Net Assets or Equity (Continued)

8. Deferred Revenue

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned.

9. 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 assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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. 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.

10. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans for future use of financial resources.

11. 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

**CROW WING COUNTY
BRainerd, MINNESOTA**

1. Summary of Significant Accounting Policies

D. Assets, Liabilities, and Net Assets or Equity

11. Use of Estimates (Continued)

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. Government-mandated nonexchange transactions 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 deferred revenue and will be recognized as revenue in the fiscal year that they become available. Fines and penalties and property forfeitures are recognized in the period received.

Intergovernmental

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

**CROW WING COUNTY
BRAINERD, MINNESOTA**

1. Summary of Significant Accounting Policies

E. Revenues

Intergovernmental (Continued)

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.

2. 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 Auditor's Office staff provides all department heads with budget worksheets. Department heads prepare a proposed operating budget and return the worksheets for review. The County Administrator and Auditor's Office staff meets with department heads and accepts proposed budget workpapers.

**CROW WING COUNTY
BRainerd, MINNESOTA**

2. Stewardship, Compliance, and Accountability

A. Budgetary Information (Continued)

2. On or before September 15, the County Administrator submits to the County Board of Commissioners a proposed operating budget for the fiscal year commencing the following January 1. 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, certain special revenue funds, the Solid Waste Enterprise Fund, and the Debt Service Fund.
4. Revisions that alter the budgeted revenues or expenditures of any fund must be approved by the Board of Commissioners.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund, certain special revenue funds, the Debt Service Fund, and the Solid Waste 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 Board of Commissioners on the budget to actual financial statements.
7. Operating budgets are prepared for the following funds: Governmental--General, Highway (special revenue), Human Services (special revenue), Natural Resources Management (special revenue), SCORE (special revenue), County Building (special revenue), Unorganized Townships (special revenue), Sanitary Management District (special revenue), Debt Service, Housing and Redevelopment Authority (HRA) (discretely presented component unit), Serpent Lake Sanitary Sewer District (discretely presented component unit), and Enterprise--Solid Waste (proprietary).

B. Excess of Expenditures Over Budget

The following is a summary of the individual funds with expenditures in excess of final budget for the year ended December 31, 2009.

**CROW WING COUNTY
BRAINERD, MINNESOTA**

2. Stewardship, Compliance, and Accountability

B. Excess of Expenditures Over Budget (Continued)

	<u>Expenditures</u>	<u>Budget</u>	<u>Excess</u>
Special Revenue Funds:			
Highway	\$ 13,451,501	\$ 11,023,573	\$ 2,427,928
County Building	232,180	71,684	160,496
Debt Service Fund	7,498,860	5,870,737	1,628,123

3. 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 assets	
Governmental activities	
Cash and pooled investments	\$ 41,216,724
Petty cash and change funds	2,815
Investments	17,741
Business-type activities	
Cash and pooled investments	3,956,055
Cash and pooled investments - restricted assets	4,410,643
Discretely presented component units	
Cash and pooled investments	616,427
Cash and pooled investments - restricted assets	907,127
Statement of fiduciary net assets	
Cash and pooled investments	4,767,442
Total Cash and Investments	<u>\$ 55,894,974</u>
Deposits	\$ 28,109,418
Petty Cash and Change Funds	2,815
Investments	27,782,741
Total	<u>\$ 55,894,974</u>

**CROW WING COUNTY
BRAINERD, MINNESOTA**

3. Detailed Notes on All Funds

A. Assets

1. Deposits and Investments (Continued)

a. Deposits

Minn. Stat. §§ 118A.02 and 118A.04 authorize the County to designate a depository for public funds and to invest in certificates of deposit. Minn. Stat. § 118A.03 requires that all County deposits be protected by insurance, surety bond, or collateral. The market value of collateral pledged shall be at least ten percent more than the amount on deposit at the close of the financial institution's banking day, not covered by insurance or bonds.

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

Custodial Credit Risk

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 does not have a policy for custodial credit risk. As of December 31, 2009, the County's deposits were not exposed to custodial credit risk.

**CROW WING COUNTY
BRainerd, MINNESOTA**

**NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2009**

3. Detailed Notes on All Funds

A. Assets

1. Deposits and Investments (Continued)

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.

**CROW WING COUNTY
BRAINERD, MINNESOTA**

3. Detailed Notes on All Funds

A. Assets

1. Deposits and Investments

b. Investments (Continued)

Interest Rate Risk

Interest rate risk is the risk that changes in the market interest rates will adversely affect the fair value of an investment. The County minimizes its exposure to interest rate risk by investing in both short-term and long-term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

	Credit Risk	Less Than 1 Year	2-5 Years	More Than 5 Years	Total Fair Value
Repurchase Agreements	Not Rated	\$ 26,870,577	\$ -	\$ -	\$ 26,870,577
Negotiable Certificates of Deposit	Not Rated	98,000	802,000	-	900,000
Series E Bonds	Not Rated	-	-	12,164	12,164
Total Investments		\$ 26,968,577	\$ 802,000	\$ 12,164	\$ 27,782,741

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. It is the County's policy to invest only in securities that meet the ratings requirements set by state statute.

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 does not have a policy on custodial credit risk. The Bremer repurchase agreement has custodial credit risk.

**CROW WING COUNTY
BRainerd, MINNESOTA**

3. Detailed Notes on All Funds

A. Assets

1. Deposits and Investments

b. Investments (Continued)

Concentration of Credit Risk

The 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.

As of December 31, 2009 the County held a Bremer Bank repurchase agreement that represented 96% of the County's investments.

2. Receivables

Receivables as of December 31, 2009, for the County's governmental activities, including the applicable allowances for uncollectible accounts, are as follows:

	Total Receivables	Amounts Not Scheduled for Collection During the Subsequent Year
Governmental Activities		
Taxes	\$ 1,995,323	\$ -
Accounts	260,648	-
Accrued interest	55,824	-
Contracts	365,306	279,425
Due from other governments	2,901,379	-
Loans receivable	56,149	51,770
Total Governmental Activities	\$ 5,634,629	\$ 331,195

**CROW WING COUNTY
BRainerd, MINNESOTA**

NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2009

3. Detailed Notes on All Funds

A. Assets (Continued)

3. Capital Assets

Capital asset activity for the year ended December 31, 2009, was as follows:

Governmental Activities

	Beginning Balance	Additions	Retirements / Reclassifications	Ending Balance
Capital assets not depreciated				
Land	\$ 3,328,933	\$ 57,229	\$ -	\$ 3,386,162
Construction in progress	3,648,188	6,486,607	(83,777)	10,051,018
Infrastructure - right-of-way	2,203,889	249,724	-	2,453,613
Total capital assets not depreciated	\$ 9,181,010	\$ 6,793,560	\$ (83,777)	\$ 15,890,793
Capital assets depreciated				
Buildings	\$ 68,566,820	\$ 119,284	\$ (45,351)	\$ 68,640,753
Land improvements	2,082,065	62,940	-	2,145,005
Machinery, furniture, and equipment	12,975,057	1,142,937	(560,310)	13,557,684
Infrastructure	87,127,140	2,637,043	-	89,764,183
Total capital assets depreciated	\$ 170,751,082	\$ 3,962,204	\$ (605,661)	\$ 174,107,625
Less: accumulated depreciation for				
Buildings	\$ (9,661,159)	\$ (1,625,950)	\$ 45,351	\$ (11,241,758)
Land improvements	(204,124)	(113,877)	-	(318,001)
Machinery, furniture, and equipment	(7,949,248)	(1,319,776)	572,438	(8,696,586)
Infrastructure	(17,630,639)	(1,863,543)	-	(19,494,182)
Total accumulated depreciation	\$ (35,445,170)	\$ (4,923,146)	\$ 617,789	\$ (39,750,527)
Total capital assets depreciated, net	\$ 135,305,912	\$ (960,942)	\$ 12,128	\$ 134,357,098
Governmental Activities Capital Assets, Net	\$ 144,486,922	\$ 5,832,618	\$ (71,649)	\$ 150,247,891

**CROW WING COUNTY
BRAINERD, MINNESOTA**

3. Detailed Notes on All Funds

A. Assets

3. Capital Assets (Continued)

Depreciation Expense for 2009 was charged to functions of the primary government's governmental activities as follows:

Governmental Activities	
General government	\$ 1,432,041
Public safety	801,710
Highways and streets, including depreciation of infrastructure assets	2,398,096
Human services	223,833
Health	10,487
Culture and recreation	8,436
Conservation of natural resources	47,493
Sanitation	1,050
	<hr/>
Total Depreciation Expense - Governmental Activities	\$ 4,923,146

Business-Type Activities

	Beginning Balance	Additions	Retirements / Reclassifications	Ending Balance
Capital assets not depreciated				
Construction in progress	\$ 3,955,215	\$ 208,710	\$ (2,926,125)	\$ 1,237,800
Land	412,334	28,895	(28,895)	412,334
	<hr/>	<hr/>	<hr/>	<hr/>
Total capital assets not depreciated	\$ 4,367,549	\$ 237,605	\$ (2,955,020)	\$ 1,650,134
Capital assets depreciated				
Buildings	\$ 775,898	\$ -	\$ -	\$ 775,898
Improvements other than buildings	6,075	-	-	6,075
Landfill	8,264,142	2,966,306	-	11,230,448
Machinery, furniture, and equipment	272,857	36,665	(20,000)	289,522
	<hr/>	<hr/>	<hr/>	<hr/>
Total capital assets depreciated	\$ 9,318,972	\$ 3,002,971	\$ (20,000)	\$ 12,301,943
Less: accumulated depreciation for				
Buildings	\$ (128,458)	\$ (24,985)	\$ -	\$ (153,443)
Landfill	(7,910,428)	(283,887)	-	(8,194,315)
Machinery, furniture, and equipment	(156,787)	(19,927)	-	(176,714)
	<hr/>	<hr/>	<hr/>	<hr/>
Total accumulated depreciation	\$ (8,195,673)	\$ (328,799)	\$ -	\$ (8,524,472)
	<hr/>	<hr/>	<hr/>	<hr/>
Total capital assets depreciated, net	\$ 1,123,299	\$ 2,674,172	\$ (20,000)	\$ 3,777,471
Business-Type Activities				
Capital Assets, Net	\$ 5,490,848	\$ 2,911,777	\$ (2,975,020)	\$ 5,427,605

**CROW WING COUNTY
BRAINERD, MINNESOTA**

3. Detailed Notes on All Funds

A. Assets

3. Capital Assets (Continued)

Depreciation expense for 2009 was charged to functions of the primary government's business-type activities as follows:

Business-Type Activities	
Solid waste	\$ 328,799

B. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of December 31, 2009, is as follows:

1. Due To/From Other Funds

Receivable Fund	Payable Fund	Amount
General	Human Services	\$ 1,634
	Natural Resources Management	144,732
Total Due to General Fund		\$ 146,366
Highway	General	\$ 61,056
	Unorganized Townships	20,000
	Human Services	4,293
	Natural Resources Management	2,392
	SCORE	1,430
Total Due to Highway Fund		\$ 89,171
County Building	Natural Resources Management	\$ 108,549
Solid Waste Fund	General	\$ 29
	Highway	12
	SCORE	205
Total Due to Solid Waste Fund		\$ 246
Total Due To/From Other Funds		\$ 344,332

Balances at year-end are indicative of lending/borrowing arrangements or are receivable/payable for goods or services.

**CROW WING COUNTY
BRAINERD, MINNESOTA**

3. Detailed Notes on All Funds

B. Interfund Receivables, Payables, and Transfers (Continued)

2. Interfund Transfers

Interfund transfers for the year ended December 31, 2009, consisted of the following:

Transfer In Fund	Transfer Out Fund	Amount
General	Building	1,000,000
	SCORE	36,900
Total Transfer In General Fund		\$ 1,036,900
Sanitary Management District	SCORE	\$ 55,284
Total Interfund Transfers		\$ 1,092,184

The total governmental and proprietary funds transfers in is \$1,092,184. The total governmental and proprietary transfers out is \$1,141,079. The variance of \$48,895 is due to a capital asset transfer from the Solid Waste Enterprise Fund to the General Capital Assets.

In 2009, a transfer of \$1,000,000 was made from the Building Fund to the General Fund for future capital needs.

Transfers have also occurred between SCORE, Sanitary Management District, and Solid Waste to fully utilize the landfills financial assurance interest earnings within the operations of Sanitary Management.

C. Liabilities

1. Other Postemployment Benefits

Plan Description

Crow Wing County provides a single-employer defined benefits healthcare plan to eligible retirees and their spouses. At January 1, 2009, there were approximately 632 participants in the plan. Of the 632 participants, 190 were retirees (including LTD participants) and spouses receiving benefits. The County also provides benefits for retirees as required by Minn. Stat. § 471.61, subd. 2b.

**CROW WING COUNTY
BRainerd, MINNESOTA**

3. Detailed Notes on All Funds

C. Liabilities

1. Other Postemployment Benefits (Continued)

Funding Policy

OPEB benefits have historically been funded on a pay-as-you-go basis (PAYGO). Under Governmental Accounting Standards Board (GASB) 45, the County may set up a trust and pre-fund the benefits. There is no requirement to pre-fund benefits under GASB 45. As of year-end 2009, the County had contributed \$1,055,460 to the plan. Results throughout the actuarial report assume continued funding under PAYGO.

Annual OPEB Cost and Net OPEB Obligation

The County's annual OPEB cost is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC, which represents a level of funding that if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The following table shows the components of the County's annual OPEB cost for 2009, the amount actually contributed to the plan, and changes in the County's net OPEB obligation to the plan.

Annual required contribution (ARC)	\$ 3,299,834
Interest on net OPEB obligation	120,091
Adjustment to ARC	<u>(160,268)</u>
Annual OPEB Cost	3,259,657
Contributions during the year	<u>(1,055,460)</u>
Increase in net OPEB obligation	2,204,197
Net OPEB beginning of year	<u>2,668,684</u>
Net OPEB end of year	<u><u>\$ 4,872,881</u></u>

**CROW WING COUNTY
BRainerd, MINNESOTA**

3. Detailed Notes on All Funds

C. Liabilities

1. Other Postemployment Benefits (Continued)

Summary of Annual OPEB Costs

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2008 and 2009 were as follows:

Year Ended	Employer Contributions	Annual OPEB Cost	Percentage of Annual OPEB Cost Contribution	Net OPEB Obligation
12/31/2008	\$ 998,341	\$ 3,667,025	27.2%	\$ 2,668,684
12/31/2009	\$ 1,055,460	\$ 3,259,657	32.4%	\$ 4,872,881

Funding Status and Funding Progress

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

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (b)	Unfunded Actuarial Accrued Liability (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as Percentage of Covered Payroll ((b-a)/c)
1/1/2007	\$0	\$35,478,061	\$35,478,061	0%	\$18,502,377	191.75%
1/1/2009	\$0	\$32,784,518	\$32,784,518	0%	\$21,058,703	155.68%

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

**CROW WING COUNTY
BRAINERD, MINNESOTA**

3. Detailed Notes on All Funds

C. Liabilities

1. Other Postemployment Benefits (Continued)

Actuarial Methods and Assumptions

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

In the January 1, 2009 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumption included a 4.5 percent investment rate of return (net of administrative expenses), which is Crow Wing County's implicit rate of return on the General Fund. An annual healthcare cost trend rate of 9.0 percent in 2008 grading to 5.0 percent over 8 years. Both rates included a 2.5 percent inflation assumption. The actuarial value of assets was not determined as the County has not advance funded its obligation. The unfunded actuarial accrued liability (UAAL) is being amortized over thirty years on a closed basis. The remaining amortization period at December 31, 2009, was twenty-eight years.

2. Construction Commitments

The County has active construction projects as of December 31, 2009. The projects include the following:

	<u>Spent-to-Date</u>	<u>Remaining Commitment</u>
Business-Type Activities		
Landfill Gas Collection System	<u>\$ 1,143,720</u>	<u>\$ 214,280</u>

**CROW WING COUNTY
BRainerd, MINNESOTA**

3. Detailed Notes on All Funds

C. Liabilities (Continued)

3. Leases

Capital Leases

Crow Wing County has entered into a sub-lease with the City of Crosslake for financing a joint public works facility (County's share in equity - 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.

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2009, were as follows:

<u>Year Ending December 31</u>	<u>Crosslake</u>
2010	\$ 116,126
2011	116,610
2012	119,491
2013	119,525
2014	119,405
2015 – 2019	615,829
2020 – 2024	<u>645,333</u>
Total minimum lease payments	\$ 1,852,319
Less: amount representing interest	<u>(495,519)</u>
Present Value of Minimum Lease Payments	<u>\$ 1,356,800</u>

Crow Wing County has entered into a lease agreement with the Crow Wing County HRA (discrete component unit) to lease a detention facility and law enforcement facility. This agreement originally qualified 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 facilities at the inception date was \$4,625,000. However, in 2009 the County arranged with the County HRA to redeem in full the outstanding Series 1999A Detention Facility Lease Revenue Bonds. The 2009A General Obligation Detention/Jail Bonds (Refunding) in the amount of \$1,140,000 is backed by the full faith and credit of Crow Wing County. Thus, the debt has been reclassified from a capital lease to G.O. bonds.

**CROW WING COUNTY
BRainerd, MINNESOTA**

3. Detailed Notes on All Funds

C. Liabilities (Continued)

4. Deferred Revenue

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

	Deferred Unavailable
Delinquent property taxes receivable	\$ 1,995,323
Contracts receivable	365,306
Charges for services	71,262
Highway aids receivable that do not provide current financial resources	906,111
Interest receivable that does not provide current financial resources	28,691
Grants receivable that do not provide current financial resources	258,613
	<hr/>
Total Deferred Revenue for Governmental Funds	\$ 3,625,306

5. Long-Term Debt

Governmental Activities

Type of Indebtedness	Final Maturity	Installment Amounts	Interest Rate (%)	Original Issue Amount	Outstanding Balance December 31, 2009
General obligation bonds and notes					
2009A G.O. Detention Jail Bonds (Refunding)	2012	\$375,000 - \$385,000	2.00	\$ 1,140,000	\$ 1,140,000
		\$1,100,000 -			
2009A G.O. Capital Notes	2012	\$1,120,000	2.00	2,220,000	2,220,000
		\$995,000 -	4.00 -		
2006A G.O. Capital Notes	2010	\$1,130,000	4.13	3,210,000	1,130,000
2004A G.O. Capital Improvement Plan Bonds	2025	\$1,195,000 - \$2,375,000	3.00 - 5.00	32,860,000	27,940,000
2004B G.O. County Jail Bonds	2025	\$660,000 - \$1,310,000	2.50 - 5.00	18,110,000	15,400,000
2002A G.O. Airport Improvement Bonds	2022	\$35,000 - \$200,000	3.50 - 5.00	2,500,000	1,845,000
				<hr/>	<hr/>
Total General Obligation Bonds and Notes				\$ 60,040,000	\$ 49,675,000

**CROW WING COUNTY
BRAINERD, MINNESOTA**

3. Detailed Notes on All Funds

C. Liabilities (Continued)

6. Debt Service Requirements

Debt service requirements at December 31, 2009, were as follows:

Governmental Activities

December 31	General Obligation Bonds	
	Principal	Interest
2010	\$ 3,525,000	\$ 2,132,056
2011	3,670,000	2,029,563
2012	3,770,000	1,904,689
2013	2,340,000	1,790,397
2014	2,430,000	1,687,402
2015 – 2019	13,670,000	6,679,828
2020 – 2024	16,585,000	3,038,209
2025 – 2029	3,685,000	92,125
Total	\$ 49,675,000	\$ 19,354,269

7. Changes in Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2009, was as follows:

Governmental Activities

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds payable					
General obligation bonds	\$ 49,485,000	\$ 3,360,000	\$ 3,170,000	\$ 49,675,000	\$ 3,525,000
Plus: deferred amounts for issuance premiums (discounts)	188,243	49,428	24,021	213,650	27,779
Total bonds payable	\$ 49,673,243	\$ 3,409,428	\$ 3,194,021	\$ 49,888,650	\$ 3,552,779
Capital lease	1,415,100	-	58,300	1,356,800	60,950
Lease Payable to Component Unit	2,045,000	-	2,045,000	-	-
Net OPEB Obligation	2,668,684	3,259,657	1,055,460	4,872,881	-
Compensated absences	2,133,254	717,814	-	2,851,068	2,505,914
Governmental Activities Long-Term Liabilities	\$ 57,935,281	\$ 7,386,899	\$ 6,352,781	\$ 58,969,399	\$ 6,119,643

**CROW WING COUNTY
BRainerd, MINNESOTA**

3. Detailed Notes on All Funds

C. Liabilities

7. Changes in Long-Term Liabilities (Continued)

Business-Type Activities

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Estimated liability for landfill closure and postclosure	\$ 2,530,705	\$ 519,887	\$ -	\$ 3,050,592	\$ -
Compensated absences	21,316	2,268	-	23,584	21,225
Business-Type Activities Long-Term Liabilities	<u>\$ 2,552,021</u>	<u>\$ 522,155</u>	<u>\$ -</u>	<u>\$ 3,074,176</u>	<u>\$ 21,225</u>

Bonded debt is paid from the Debt Service Fund. Compensated absences are paid from the General Fund and the Highway, Human Services, Natural Resources Management, and SCORE Special Revenue Funds. Capital lease payments are paid from the Highway Fund.

Current Refunding

On May 12, 2009, Crow Wing County issued \$1,140,000 of General Obligation Jail Refunding Bonds for an current refunding of the 1999A \$4,625,000 Detention Center Lease Revenue Bonds. The transaction resulted in an economic gain of \$1,104,040 and a reduction in future debt service payments of \$1,180,262.

Conduit Debt

Pequot Lakes HRA

The Crow Wing County HRA is contingently liable for debt related to General Obligation Housing Revenue Bonds issued on behalf of the Pequot Lakes HRA. As additional security for these bonds, Crow Wing County approved the pledge by the County HRA of the County's full faith and credit and taxing powers to the payment of debt service on the bonds. The conduit bonds have an outstanding principal balance of \$1,260,000 for the year ended December 31, 2009.

**CROW WING COUNTY
BRainerd, MINNESOTA**

3. Detailed Notes on All Funds

C. Liabilities

7. Changes in Long-Term Liabilities

Conduit Debt (Continued)

Brainerd Lakes Integrated Health Systems

In 2008 and 2009, Crow Wing County issued Revenue Notes of \$11,612,678 on behalf of the Brainerd Lakes Integrated Health Systems to refinance the purchase of the Brainerd Medical Center (BMC) and related facilities located adjacent to BMC, in the City of Brainerd. The County is not obligated in any manner for repayment of this debt and accordingly, it is not reported as a liability on the accompanying financial statements. The aggregate amount of all outstanding conduit debt obligations at December 31, 2009 was \$10,703,780.

8. Pension Plans

a. Defined Benefit Plans

Plan Description

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

Public Employees Retirement Fund members belong to either the Coordinated Plan or the Basic Plan. Coordinated Plan members are covered by Social Security and Basic Plan members are not. All new members must participate in the Coordinated Plan. All police officers, firefighters, and peace officers who qualify for membership by statute are covered by the Public Employees Police and Fire Fund. Members who are employed in a county correctional institution as a correctional guard or officer, a joint jailer/dispatcher, or as a supervisor of correctional guards or officers or of joint jailer/dispatchers and are directly

**CROW WING COUNTY
BRainerd, MINNESOTA**

3. Detailed Notes on All Funds

C. Liabilities

8. Pension Plans

a. Defined Benefit Plans

Plan Description (Continued)

responsible for the direct security, custody, and control of the county correctional institution and its inmates, are covered by the Public Employees Correctional Fund.

PERA provides retirement benefits as well as disability benefits to members and benefits to survivors upon death of eligible members. Benefits are established by state statute and vest after three years of credited service. The defined retirement benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service.

Two methods are used to compute benefits for Coordinated and Basic Plan members. The retiring member receives the higher of a step-rate benefit accrual formula (Method 1) or a level accrual formula (Method 2). Under Method 1, the annuity accrual rate for a Basic Plan member is 2.2 percent of average salary for each of the first ten years of service and 2.7 percent for each year thereafter. For a

Coordinated Plan member, the annuity accrual rate is 1.2 percent of average salary for each of the first ten years and 1.7 percent for each successive year. Under Method 2, the annuity accrual rate is 2.7 percent of average salary for Basic Plan members and 1.7 percent for Coordinated Plan members for each year of service. For Public Employees Police and Fire Fund members, the annuity accrual rate is 3.0 percent of average salary for each year of service. For Public Employees Correctional Fund members, the annuity accrual rate is 1.9 percent of average salary for each year of service.

For all Public Employees Retirement Fund members hired prior to July 1, 1989, whose annuity is calculated using Method 1, and for all Public Employees Police and Fire Fund and Public Employees Correctional Fund members, a full annuity is available when age plus years of service equal 90. Normal retirement age is 55 for Public Employees Police and Fire Fund

**CROW WING COUNTY
BRAINERD, MINNESOTA**

3. Detailed Notes on All Funds

C. Liabilities

8. Pension Plans

a. Defined Benefit Plans

Plan Description (Continued)

members and Public Employees Correctional Fund members, and either 65 or 66 (depending on date hired) for Public Employees Retirement Fund members. A reduced retirement annuity is also available to eligible members seeking early retirement.

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

PERA issues a publicly available financial report that includes financial statements and required supplementary information for the Public Employees Retirement Fund, the Public Employees Police and Fire Fund, and the Public Employees Correctional Fund. That report may be obtained on the Internet at www.mnpera.org; by writing to PERA at 60 Empire Drive, Suite 200, Saint Paul, Minnesota 55103-2088; or by calling 651-296-7460 or 1-800-652-9026.

Funding Policy

Pension benefits are funded from member and employer contributions and income from the investment of fund assets. Rates for employer and employee contributions are set by Minn. Stat. ch. 353. These statutes are established and amended by the State Legislature. The County makes annual contributions to the pension plans equal to the amount required by state statutes. Public Employees Retirement Fund Basic Plan members and Coordinated Plan members are required to contribute 9.1 and 6.0 percent, respectively, of their annual covered salary. Public Employees Police and Fire Fund members are required to contribute 9.4 percent. Public Employees Correctional Fund members are required to contribute 5.83 percent of their annual covered salary.

**CROW WING COUNTY
BRainerd, MINNESOTA**

3. Detailed Notes on All Funds

C. Liabilities

8. Pension Plans

a. Defined Benefit Plans

Funding Policy (Continued)

The County is required to contribute the following percentages of annual covered payroll in 2009:

Public Employees Retirement Fund	
Basic Plan members	11.78%
Coordinated Plan members	6.75
Public Employees Police and Fire Fund	14.10
Public Employees Correctional Fund	8.75

The County's contributions for the years ending December 31, 2009, 2008, and 2007, for the Public Employees Retirement Fund, the Public Employees Police and Fire Fund, and the Public Employees Correctional Fund were:

	<u>2009</u>	<u>2008</u>	<u>2007</u>
Public Employees Retirement Fund	\$ 1,161,996	\$ 1,070,233	\$ 992,214
Public Employees Police and Fire Fund	360,300	305,781	261,468
Public Employees Correctional Fund	228,575	211,009	193,521

These contribution amounts are equal to the contractually required contributions for each year as set by state statute.

b. Defined Contribution Plan

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

**CROW WING COUNTY
BRainerd, MINNESOTA**

3. Detailed Notes on All Funds

C. Liabilities

8. Pension Plans

b. Defined Contribution Plan (Continued)

Plan benefits depend solely on amounts contributed to the plan plus investment earnings, less administrative expenses. For those qualified personnel who elect to participate, Minn. Stat. § 353D.03 specifies plan provisions, including the employee and employer contribution rates. An eligible elected official who decides to participate contributes 5.0 percent of salary, which is matched by the employer. Employees may elect to make member contributions in an amount not to exceed the employer share. Employee and employer contributions are combined and used to purchase shares in one or more of the seven accounts of the Minnesota Supplemental Investment Fund. For administering the plan, PERA receives 2.00 percent of employer contributions and 0.25 percent of the assets in each member account annually.

Total contributions by dollar amount and percentage of covered payroll made by the County during the year ended December 31, 2009, were:

	<u>Employee</u>	<u>Employer</u>
Contribution amount	\$ 3,404	\$ 3,404
Percentage of covered payroll	5%	5%

Required contribution rates were 5.00 percent.

**CROW WING COUNTY
BRainerd, MINNESOTA**

3. Detailed Notes on All Funds

C. Liabilities (Continued)

9. Solid Waste 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 Board 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 \$3,050,592 landfill closure and postclosure care liability at December 31, 2009, represents the cumulative amount reported to date based on the use of 61.8 percent of the estimated capacity of the landfill. The County will recognize the remaining estimated cost of closure and postclosure care of \$2,187,805 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2009. The County expects to close the landfill in 2022. 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 Board is in compliance with these requirements and, at December 31, 2009, investments of \$4,410,643 are held for these purposes. These are reported as restricted assets on the Solid Waste Enterprise Fund's statement of net assets. 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.

**CROW WING COUNTY
BRainerd, MINNESOTA**

3. Detailed Notes on All Funds

C. Liabilities (Continued)

10. Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors or omissions; injuries to employees; or natural disasters. The County has entered into a joint powers agreement with other Minnesota counties to form the Minnesota Counties Intergovernmental Trust (MCIT). The County is a member of both the MCIT Workers' Compensation and Property and Casualty Divisions. The County purchases commercial insurance for other risks of loss. There were no significant reductions in insurance from the prior year. The amount of settlements did not exceed insurance coverage for the past three fiscal years.

The Workers' Compensation Division of MCIT is self-sustaining based on the contributions charged, so that total contributions plus compounded earnings on these contributions will equal the amount needed to satisfy claims liabilities and other expenses. MCIT participates in the Workers' Compensation Reinsurance Association with coverage at \$430,000 per claim in 2009 and \$450,000 per claim in 2010. 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.

4. 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.

**CROW WING COUNTY
BRAINERD, MINNESOTA**

4. Summary of Significant Contingencies and Other Items (Continued)

B. Joint Ventures

Brainerd-Crow Wing 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-Crow Wing County 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. On June 11, 2002, the County issued \$2,500,000 in General Obligation Airport Improvement Bonds, Series 2002A, to finance improvements to the airport. The interest rates vary from 3.5 to 5.0 percent. The maturity date starts July 1, 2002, and ends on July 1, 2022. In 2009, 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 assets is 50 percent of the County's undivided interest in the property, improvements, buildings, and infrastructure of the airport. This investment in the Brainerd-Crow Wing Airport joint venture was valued at \$17,895,675 on December 31, 2009, and is reported as an investment in joint venture on the government-wide statement of net assets.

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

Brainerd City Hall
502 Laurel Street
Brainerd, Minnesota 56401

Central Minnesota Community Corrections Agency

A joint community corrections agency was established in 1974, pursuant to Minn. Stat. § 471.59, between Crow Wing and Morrison Counties. Aitkin County joined the Agency on January 1, 1992, to form the Central Minnesota Community Corrections Agency. The Agency provides detention and correction services to adults and juveniles under the jurisdiction of the counties, which are parties to the agreement, any other Minnesota county that requests these services, and the Minnesota Department of Corrections. The governing board is composed of five County Commissioners from each of the participating counties. Crow Wing County maintains the accounting records of the Agency.

**CROW WING COUNTY
BRAINERD, MINNESOTA**

4. Summary of Significant Contingencies and Other Items

B. Joint Ventures

Central Minnesota Community Corrections Agency (Continued)

At December 31, 2008, the Agency had net assets of \$1,003,011. In 2008, there was an increase in net assets of \$189,110.

At December 31, 2009, the Agency had net assets of \$579,941. In 2009, there was a decrease in net assets of \$423,070.

The Central Minnesota Community Corrections Agency is funded through state grants and contributions from its member counties. Crow Wing County had expenditures of \$284,838 for community corrections to the Agency for 2009.

In the event of dissolution of the Agency, the unexpended balance of monies and assets held by the Agency will be divided between the counties in proportion to their contributions.

Complete financial information can be obtained from:

Central Minnesota Community Corrections Agency
c/o Tom Rosenthal, Director
322 Laurel Street
Suite 32
Brainerd, Minnesota 56401

Mississippi Headwaters Board

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. Cass County maintains the accounting records of the Board. Funding consists of federal, state, and local grants; donations; and contributions from each county.

**CROW WING COUNTY
BRainerd, MINNESOTA**

4. Summary of Significant Contingencies and Other Items

B. Joint Ventures

Mississippi Headwaters Board (Continued)

Financial information can be obtained from:

Mississippi Headwaters Board
Cass County Land Department
P.O. Box 5
Backus, Minnesota 56435

South Country Health Alliance

The South Country Health Alliance (SCHA) was created by a joint powers agreement between Brown, Dodge, Freeborn, Goodhue, Kanabec, Mower, Sibley, Steele, Wabasha, and Waseca Counties on July 24, 1998, under Minn. Stat. § 471.59. Mower County has since withdrawn. In 2007, Cass, Crow Wing, Morrison, Todd, and Wadena Counties became members. The agreement was in accordance with Minn. Stat. § 256B.692, which allows the formation of a Board of Directors to operate, control, and manage all matters concerning the participating counties' health care functions, referred to as county-based purchasing.

The purpose of the SCHA is to improve the social and health outcomes of its clients and all citizens of its member counties by better coordinating social service, public health and medical services, and promoting the achievement of public health goals. The SCHA is authorized to provide prepaid comprehensive health maintenance services to persons enrolled under Medicaid and General Assistance Medical Care in each of the member counties.

Each member county has an explicit and measurable right to its share of the total capital surplus of the SCHA. Gains and losses are allocated annually to all members based on the percentage of their utilization. The County's equity interest in the SCHA at December 31, 2009, was \$ 1,306,843. The equity interest is reported as an investment in joint venture on the government-wide statement of net assets. Changes in equity are included in the government-wide statement of activities as Human Services.

Complete financial statements for the SCHA may be obtained from its fiscal agent at 630 Florence Avenue, P. O. Box 890, Owatonna, Minnesota 55060-0890.

**CROW WING COUNTY
BRainerd, MINNESOTA**

4. Summary of Significant Contingencies and Other Items (Continued)

C. Jointly-Governed Organizations

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

Crow Wing County Family Service Collaborative

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

Separate financial information can be obtained from:

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

Kitchigami Regional Library

The Kitchigami Regional Library was formed pursuant to Minn. Stat. § 134.20, effective January 1, 1992, and includes Beltrami, Cass, Crow Wing, Hubbard, and Wadena Counties, and nine separate cities. Control of the Library is vested in the Kitchigami Regional Library Board, which is composed of 19 members with three-year terms made up of the following: one member appointed by each City Council and two members appointed by each County Board consisting of one County Commissioner and one lay person. Crow Wing County appropriated \$565,098 to the Library for the year ended December 31, 2009.

Separate financial information can be obtained from:

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

**CROW WING COUNTY
BRAINERD, MINNESOTA**

5. Component Unit Disclosures

A. Summary of Significant Accounting Policies

In addition to those identified in Note 1, the County's discretely presented component units have the following significant accounting policies.

Reporting Entities

The Crow Wing County Housing and Redevelopment Authority (HRA) is governed by a five-member Board of Directors who are appointed by the Crow Wing County Board. The HRA receives tax increment financing from the districts within the County. The diversion of the incremental property taxes to the HRA by the County is a financial burden on the County.

The Serpent Lake Sanitary Sewer District is governed by an eight-member Board of Directors, two members appointed by each of the Cities of Crosby, Cuyuna, Deerwood, and Ironton. The District is fiscally dependent on the County because it may not issue debt without the County's approval. The County has issued debt for the District.

Because of the significance of their financial relationships, Crow Wing County considers these entities major component units.

Basis of Presentation

The Crow Wing County HRA does not prepare separate financial statements. Complete financial statements of the Serpent Lake Sanitary Sewer District may be obtained from:

Serpent Lake Sanitary Sewer District
P. O. Box 505
Deerwood, Minnesota 56444

Basis of Accounting

The Crow Wing County HRA is accounted for on the modified accrual basis of accounting. The Serpent Lake Sanitary Sewer District uses the accrual basis of accounting.

**CROW WING COUNTY
BRAINERD, MINNESOTA**

5. Component Unit Disclosures

A. Summary of Significant Accounting Policies (Continued)

Cash and Pooled Investments

All cash of the Crow Wing County HRA is on deposit with the Crow Wing County Treasurer and included within its pooled cash and investments.

Cash and pooled investments for the Serpent Lake Sanitary Sewer District are defined as short-term, highly liquid investments with original maturities of 90 days or less. The District has certificates of deposit classified as cash equivalents at December 31, 2009.

B. Detailed Notes

1. Assets

Cash and Investments - Serpent Lake Sanitary Sewer District

In accordance with Minnesota statutes, the Serpent Lake Sanitary Sewer District maintains deposits at financial institutions which are authorized by the Board of Directors. All such depositories are members of the Federal Reserve System.

Custodial Credit Risk - Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk and follows Minnesota statutes for deposits.

Minnesota statutes require that all deposits be protected by insurance, surety bond, or collateral. The market value of collateral pledged must equal 110 percent of the deposit not covered by insurance or corporate surety bonds.

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

**CROW WING COUNTY
BRAINERD, MINNESOTA**

5. Component Unit Disclosures

B. Detailed Notes

1. Assets

Cash and Investments - Serpent Lake Sanitary Sewer District (Continued)

The District's deposits in banks at December 31, 2009, were entirely covered by federal depository insurance or by surety bonds and collateral in accordance with Minnesota statutes.

The District does not have an investment policy.

At December 31, 2009, the District had no investments.

Capital Assets - Serpent Lake Sanitary Sewer District

A summary of capital asset activity for the year ended December 31, 2009, is as follows:

	Beginning Balance	Additions	Retirements	Ending Balance
Land	\$ 35,000	\$ -	\$ -	\$ 35,000
Plant and improvements	5,993,532	-	-	5,993,532
Equipment/vehicles	74,834	25,570	-	100,404
Total	\$ 6,103,366	\$ 25,570	\$ -	\$ 6,128,936
Less: accumulated depreciation	(3,061,458)	(170,526)	-	(3,231,984)
Net Capital Assets	<u>\$ 3,041,908</u>	<u>\$ (144,956)</u>	<u>\$ -</u>	<u>\$ 2,896,952</u>

Depreciation expense of \$170,526 was charged to the Serpent Lake Sanitary Sewer District.

**CROW WING COUNTY
BRainerd, MINNESOTA**

5. Component Unit Disclosures

B. Detailed Notes (Continued)

2. Liabilities

Changes in Long-Term Liabilities

The following is a summary of the long-term debt transactions of the Serpent Lake Sanitary Sewer District and the Crow Wing County HRA for the year ended December 31, 2009.

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds payable					
Serpent Lake Sanitary Sewer District					
General obligation bond - refunding	\$ 145,000	\$ -	\$ 145,000	\$ -	\$ -
Deferred - issuance discounts	(654)	-	(654)	-	-
Total Serpent Lake Sewer District	\$ 144,346	\$ -	\$ 144,346	\$ -	\$ -
Crow Wing County HRA					
Facility lease revenue bonds	\$ 2,045,000	\$ -	\$ 2,045,000	\$ -	\$ -
Total Bonds Payable	\$ 2,189,346	\$ -	\$ 2,189,346	\$ -	\$ -

Pay-As-You-Go Tax Increment Notes

The HRA has issued a pay-as-you-go tax increment notes to finance development in the Grove Apartments tax increment financing district:

Tax increment financing district:	Grove Apts.
Year established:	1995
Duration:	25 years
Date Issued:	1/1/1996
Note amount:	\$ 71,500
Total Amount Expended under the notes for the year ended 12/31/09:	\$ 4,863

The note is payable only after the HRA has received tax increment revenue from the above district and is only paid using the tax increment as the financing source. No liability is recognized at December 31, 2009, since the scheduled note payment

**CROW WING COUNTY
BRAINERD, MINNESOTA**

5. Component Unit Disclosures

B. Detailed Notes

2. Liabilities

Changes in Long-Term Liabilities

Pay-As-You-Go Tax Increment Notes (Continued)

has been made from the available increment. All expenditures under the notes are reported in the HRA component unit.

Conduit Debt

The Crow Wing County HRA has issued General Obligation Housing Revenue Bonds on behalf of the Pequot Lakes HRA to finance the construction of an eight-unit senior rental housing development project located in the City of Pequot Lakes. The bonds are payable from the revenues of the housing project. In addition, the Pequot Lakes HRA has pledged to make a special levy to provide funds to pay principal and interest on the bonds if the revenues of the housing project are insufficient. The Crow Wing County HRA is contingently liable for the debt if the Pequot Lakes HRA fails to make a special levy.

The conduit bonds have an outstanding principal balance of \$1,260,000 for the year ended December 31, 2009.

**CROW WING COUNTY
BRainerd, MINNESOTA**

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2009**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Taxes	\$ 18,592,080	\$ 17,519,560	\$ 17,184,954	\$ (334,606)
Licenses and permits	496,850	506,850	437,599	(69,251)
Intergovernmental	3,324,436	4,102,541	4,283,216	180,675
Charges for services	4,252,096	3,754,296	3,743,252	(11,044)
Fines and forfeits	9,046	9,046	32,333	23,287
Gifts and contributions	-	-	7,187	7,187
Investment earnings	1,201,600	937,393	512,865	(424,528)
Miscellaneous	997,969	1,007,969	1,195,173	187,204
Total Revenues	\$ 28,874,077	\$ 27,837,655	\$ 27,396,579	\$ (441,076)
Expenditures				
Current				
General government				
Commissioners	\$ 230,415	\$ 231,259	\$ 209,314	\$ 21,945
Courts	304,300	254,300	292,434	(38,134)
Law library	69,120	69,120	97,300	(28,180)
Administrator	289,547	292,506	279,667	12,839
Auditor	1,433,730	1,387,317	1,353,426	33,891
Treasurer	319,190	319,190	295,633	23,557
Elections	121,641	121,641	129,249	(7,608)
Information Sysytems / GIS	844,666	823,386	1,005,280	(181,894)
Central services	1,250,900	912,600	835,507	77,093
Human resources	148,605	148,105	144,684	3,421
Risk Management	502,500	486,750	472,996	13,754
Attorney	1,590,190	1,580,690	1,558,692	21,998
Recorder	601,490	645,397	789,929	(144,532)
Surveyor	406,514	353,150	341,568	11,582
Planning and zoning	612,403	553,403	513,905	39,498
Assessor	1,205,180	1,172,491	1,180,330	(7,839)
Facilities	1,885,547	1,876,547	1,768,317	108,230
Veterans service officer	254,348	257,666	238,168	19,498
Transit appropriation	45,776	45,776	40,440	5,336
Appropriations	266,288	242,690	243,568	(878)
Total general government	\$ 12,382,350	\$ 11,773,984	\$ 11,790,407	\$ (16,423)

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

**CROW WING COUNTY
BRainerd, MINNESOTA**

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2009**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Expenditures				
Current (Continued)				
Public safety				
Sheriff	\$ 6,050,700	\$ 5,962,770	\$ 5,908,091	\$ 54,679
Enhanced 911 system	104,876	104,876	101,239	3,637
Sheriff's drug contingent	10,000	10,000	-	10,000
Sheriff's forfeited property	-	-	7,611	(7,611)
Coroner	170,000	170,000	121,988	48,012
Mining inspector	3,000	3,000	280	2,720
Dog ordinance	70,000	70,000	64,632	5,368
Appropriations	2,500	1,500	1,500	-
Jail	5,174,075	5,113,928	4,735,203	378,725
Juvenile detention	203,000	203,000	337,604	(134,604)
Corrections	325,767	293,190	277,918	15,272
Sentenced to serve	70,000	70,000	110,701	(40,701)
Emergency management	205,596	205,596	247,322	(41,726)
CWC tower	9,075	9,075	13,054	(3,979)
800 MHZ	-	-	33	(33)
Total public safety	\$ 12,398,589	\$ 12,216,935	\$ 11,927,176	\$ 289,759
Health				
Nursing service	\$ 1,995,976	\$ 1,786,902	\$ 1,657,571	\$ 129,331
Culture and recreation				
Kitchigami library	\$ 565,098	\$ 565,098	\$ 565,098	\$ -
Parks	388,078	388,078	77,629	310,449
Appropriations	50,000	39,000	39,000	-
Total culture and recreation	\$ 1,003,176	\$ 992,176	\$ 681,727	\$ 310,449
Conservation of natural resources				
County extension	\$ 177,788	\$ 179,747	\$ 174,800	\$ 4,947
Extension grants	-	-	2,262	(2,262)
Weed & seed inspector	21,078	21,078	20,269	809
Appropriations	133,590	117,000	119,500	(2,500)
Total conservation of natural resources	\$ 332,456	\$ 317,825	\$ 316,831	\$ 994
Total Expenditures	\$ 28,112,547	\$ 27,087,822	\$ 26,373,712	\$ 714,110
Excess of Revenues Over (Under)				
Expenditures	\$ 761,530	\$ 749,833	\$ 1,022,867	\$ 273,034

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

**CROW WING COUNTY
BRainerd, MINNESOTA**

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2009**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Other Financing Sources (Uses)				
Transfers in	\$ -	\$ -	\$ 1,036,900	\$ 1,036,900
Transfers out	(500,000)	-	-	-
Proceeds from the sale of capital assets	-	-	3,861	3,861
Compensation for loss of general capital assets	-	-	36,555	36,555
Total Other Financing Sources (Uses)	\$ (500,000)	\$ -	\$ 1,077,316	\$ 1,077,316
Net Change in Fund Balance	\$ 261,530	\$ 749,833	\$ 2,100,183	\$ 1,350,350
Fund Balance - January 1	\$ 14,501,404	\$ 14,501,404	\$ 14,501,404	\$ -
Fund Balance - December 31	\$ 14,762,934	\$ 15,251,237	\$ 16,601,587	\$ 1,350,350

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, 2009**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Taxes	\$ 3,523,904	\$ 3,495,357	\$ 3,441,574	\$ (53,783)
Intergovernmental	6,608,964	6,637,511	6,941,311	303,800
Charges for services	967,900	967,900	570,980	(396,920)
Miscellaneous	85,000	85,000	61,792	(23,208)
Total Revenues	\$ 11,185,768	\$ 11,185,768	\$ 11,015,657	\$ (170,111)
Expenditures				
Current				
Highways and streets				
Administration	\$ 882,918	\$ 856,020	\$ 848,212	\$ 7,808
Maintenance	2,111,622	2,003,622	1,837,944	165,678
Engineering/construction	6,587,189	6,592,782	9,155,418	(2,562,636)
Equipment maintenance and shop	1,494,149	1,454,149	1,211,563	242,586
Total highways and streets	\$ 11,075,878	\$ 10,906,573	\$ 13,053,137	\$ (2,146,564)
Intergovernmental				
Highway and streets	\$ -	\$ -	\$ 282,963	\$ (282,963)
Debt service				
Principal	\$ 56,000	\$ 56,000	\$ 58,300	\$ (2,300)
Interest	61,000	61,000	57,101	3,899
Total debt service	\$ 117,000	\$ 117,000	\$ 115,401	\$ 1,599
Total Expenditures	\$ 11,192,878	\$ 11,023,573	\$ 13,451,501	\$ (2,427,928)
Excess of Revenues Over (Under) Expenditures	\$ (7,110)	\$ 162,195	\$ (2,435,844)	\$ (2,598,039)
Other Financing Sources (Uses)				
Proceeds from sale of capital assets	\$ 1,000	\$ 1,000	\$ 25,938	\$ 24,938
Net Change in Fund Balance	\$ (6,110)	\$ 163,195	\$ (2,409,906)	\$ (2,573,101)
Fund Balance - January 1	\$ 3,445,288	\$ 3,445,288	\$ 3,445,288	\$ -
Increase (decrease) in reserved for inventories	\$ -	\$ -	\$ (18,985)	\$ (18,985)
Fund Balance - December 31	\$ 3,439,178	\$ 3,608,483	\$ 1,016,397	\$ (2,592,086)

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

**CROW WING COUNTY
BRainerd, Minnesota**

**BUDGETARY COMPARISON SCHEDULE
HUMAN SERVICES SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
Revenues				
Taxes	\$ 7,569,323	\$ 7,111,427	\$ 7,130,790	\$ 19,363
Intergovernmental	10,730,934	10,949,745	11,674,652	724,907
Charges for services	325,319	325,319	224,743	(100,576)
Miscellaneous	1,281,760	1,281,760	1,433,713	151,953
Total Revenues	\$ 19,907,336	\$ 19,668,251	\$ 20,463,898	\$ 795,647
Expenditures				
Current				
Human services				
Income maintenance	\$ 4,836,518	\$ 4,780,042	\$ 4,915,550	\$ (135,508)
Social services	15,107,033	15,007,196	14,228,634	778,562
Total Expenditures	\$ 19,943,551	\$ 19,787,238	\$ 19,144,184	\$ 643,054
Excess of Revenues Over (Under)				
Expenditures	\$ (36,215)	\$ (118,987)	\$ 1,319,714	\$ 1,438,701
Other Financing Sources (Uses)				
Compensation for loss of general capital assets	\$ -	\$ -	\$ 441	\$ 441
Net Change in Fund Balance	\$ (36,215)	\$ (118,987)	\$ 1,320,155	\$ 1,439,142
Fund Balance - January 1	7,964,920	7,964,920	7,964,920	-
Fund Balance - December 31	\$ 7,928,705	\$ 7,845,933	\$ 9,285,075	\$ 1,439,142

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

**CROW WING COUNTY
BRainerd, Minnesota**

**BUDGETARY COMPARISON SCHEDULE
NATURAL RESOURCES MANAGEMENT SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2009**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Licenses and permits	\$ 502,500	\$ 502,500	\$ 719,760	\$ 217,260
Intergovernmental	69,170	69,170	78,424	9,254
Charges for services	3,100	3,100	8,196	5,096
Investment earnings	84,000	84,000	35,085	(48,915)
Sales	342,000	342,000	199,987	(142,013)
Miscellaneous	4,700	4,700	14,171	9,471
Total Revenues	\$ 1,005,470	\$ 1,005,470	\$ 1,055,623	\$ 50,153
Expenditures				
Current				
General government				
Other	\$ -	\$ -	\$ 361,830	\$ (361,830)
Conservation of natural resources				
Natural resources management	\$ 1,280,364	\$ 1,280,364	\$ 598,365	\$ 681,999
Grant assisted programs	92,000	92,000	28,186	63,814
Total conservation of natural resources	\$ 1,372,364	\$ 1,372,364	\$ 626,551	\$ 745,813
Total Expenditures	\$ 1,372,364	\$ 1,372,364	\$ 988,381	\$ 383,983
Excess of Revenues Over (Under) Expenditures	\$ (366,894)	\$ (366,894)	\$ 67,242	\$ 434,136
Fund Balance - January 1	\$ 310,486	\$ 310,486	\$ 310,486	\$ -
Fund Balance - December 31	\$ (56,408)	\$ (56,408)	\$ 377,728	\$ 434,136

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

**CROW WING COUNTY
BRainerd, MINNESOTA**

REQUIRED SUPPLEMENTAL INFORMATION

**OTHER POST EMPLOYMENT BENEFITS PLAN
SCHEDULE OF FUNDING PROGRESS**

Actuarial Valuation Date January 1	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) Entry-Age Normal	Funded Ratio	Unfunded Actuarial Accrued Liability (UAAL)	Active Members Covered Payroll	UAAL As a Percentage of Covered Payroll
2007	\$ -	\$ 35,478,061	0.0%	\$ 35,478,061	\$ 18,502,377	191.7%
2009	\$ -	\$ 32,784,518	0.0%	\$ 32,784,518	\$ 21,058,703	155.7%

*The most recent actuarial valuation date was 1/1/2009

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, 2009**

1. Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds, except the Sanitary Management District Special Revenue Fund, the Capital Projects Fund, and the Environmental Trust Permanent Fund, which are not budgeted. The Capital Projects Fund does not adopt a budget for the capital notes and bonds that are acquired from the fund. All annual appropriations lapse at fiscal year-end.

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

The appropriated budget is prepared by fund, function, and department. Revisions that alter the budgeted revenues or expenditures of any fund must be approved by the Board of Commissioners. The legal level of budgetary control (the level at which expenditures may not legally exceed appropriations) is the fund level. During the year, supplemental budgetary appropriations were not considered significant.

2. Excess of Expenditures Over Appropriations

For the year ended December 31, 2009, expenditures exceeded appropriations in the Highway Special Revenue Fund (the legal level of budgetary control) by \$2,427,928. This increase in expenditures is a result of completing several delayed road projects originally scheduled for construction in 2008. The 2008 project delays created additional fund balance as of December 31, 2008. In 2009, the carryover of fund balance was spent down when the road projects were constructed.

3. Other Post-Employment Benefits

The employer contributions reported on the Schedule of Employer Contributions represents the current amount paid by the County for the current year cost of benefits, which were entirely paid out or on behalf of retirees. Accordingly, as disclosed on the Schedule of Funding Progress, no assets have been placed in trust to advance fund the employer's obligation.

**CROW WING COUNTY
BRainerd, MINNESOTA**

**BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE YEAR ENDED DECEMBER 31, 2009**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Taxes	\$ 6,060,528	\$ 5,695,107	\$ 5,623,681	\$ (71,426)
Intergovernmental	107,097	472,518	471,820	(698)
Total Revenues	\$ 6,167,625	\$ 6,167,625	\$ 6,095,501	\$ (72,124)
Expenditures				
Debt service				
Principal	\$ 3,540,000	\$ 3,540,000	\$ 5,215,000	\$ (1,675,000)
Interest	2,327,987	2,327,987	2,269,326	58,661
Administrative charges	2,750	2,750	1,671	1,079
Bond issuance costs	-	-	12,863	(12,863)
Total Expenditures	\$ 5,870,737	\$ 5,870,737	\$ 7,498,860	\$ (1,628,123)
Excess of Revenues Over (Under)				
Expenditures	\$ 296,888	\$ 296,888	\$ (1,403,359)	\$ (1,700,247)
Other Financing Sources (Uses)				
Refunding bonds issued	\$ -	\$ -	\$ 1,138,902	\$ 1,138,902
Premium on bonds issued	-	-	16,691	16,691
Total Other Financing Sources (Uses)	\$ -	\$ -	\$ 1,155,593	\$ 1,155,593
Net Change in Fund Balance	\$ 296,888	\$ 296,888	\$ (247,766)	\$ (544,654)
Fund Balance - January 1	6,015,799	6,015,799	6,015,799	-
Fund Balance - December 31	\$ 6,312,687	\$ 6,312,687	\$ 5,768,033	\$ (544,654)

**CROW WING COUNTY
BRainerd, MINNESOTA**

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2009**

	Special Revenue Funds			
	SCORE	County Building	Unorganized Townships	Sanitary Management District
<u>Assets</u>				
Cash and pooled investments	\$ 2,036,707	\$ 1,514,676	\$ 1,285,999	\$ 60,058
Taxes receivable				
Delinquent	-	-	27,187	-
Accounts receivable	18,714	-	-	-
Accrued interest receivable	-	-	-	-
Due from other funds	-	108,549	-	-
Due from other governments	-	-	-	-
Loans receivable	-	-	-	-
Total Assets	\$ 2,055,421	\$ 1,623,225	\$ 1,313,186	\$ 60,058
<u>Liabilities and Fund Balances</u>				
Liabilities				
Accounts payable	\$ 6,542	\$ 14,545	\$ -	\$ -
Salaries payable	777	-	-	1,743
Accrued payroll taxes	110	-	-	247
Due to other funds	1,635	-	20,000	-
Due to other governments	-	-	-	-
Deferred revenue - unavailable	-	-	27,187	-
Deferred revenue - unearned	-	-	-	-
Total Liabilities	\$ 9,064	\$ 14,545	\$ 47,187	\$ 1,990
Fund Balances				
Reserved for				
Environmental uses	\$ -	\$ -	\$ -	\$ -
SCORE	2,046,357	-	-	-
Unreserved				
Undesignated	-	1,608,680	1,265,999	58,068
Total Fund Balances	\$ 2,046,357	\$ 1,608,680	\$ 1,265,999	\$ 58,068
Total Liabilities and Fund Balances	\$ 2,055,421	\$ 1,623,225	\$ 1,313,186	\$ 60,058

<u>Small Cities Development Program</u>		<u>Capital Projects Fund</u>		<u>Permanent Fund</u>	
	<u>Total</u>	<u>Capital Project</u>	<u>Environmental Trust</u>	<u>Total</u>	
\$ 6,766	\$ 4,904,206	\$ 1,572,444	\$ 1,968,415	\$ 8,445,065	
-	27,187	-	-	27,187	
-	18,714	-	-	18,714	
-	-	-	13,314	13,314	
-	108,549	-	-	108,549	
4,000	4,000	-	-	4,000	
56,149	56,149	-	-	56,149	
<u>\$ 66,915</u>	<u>\$ 5,118,805</u>	<u>\$ 1,572,444</u>	<u>\$ 1,981,729</u>	<u>\$ 8,672,978</u>	
\$ -	\$ 21,087	\$ -	\$ -	\$ 21,087	
-	2,520	-	-	2,520	
-	357	-	-	357	
-	21,635	-	-	21,635	
-	-	102	-	102	
-	27,187	-	12,795	39,982	
56,149	56,149	-	-	56,149	
<u>\$ 56,149</u>	<u>\$ 128,935</u>	<u>\$ 102</u>	<u>\$ 12,795</u>	<u>\$ 141,832</u>	
\$ -	\$ -	\$ -	\$ 1,846,499	\$ 1,846,499	
-	2,046,357	-	-	2,046,357	
10,766	2,943,513	1,572,342	122,435	4,638,290	
<u>\$ 10,766</u>	<u>\$ 4,989,870</u>	<u>\$ 1,572,342</u>	<u>\$ 1,968,934</u>	<u>\$ 8,531,146</u>	
<u>\$ 66,915</u>	<u>\$ 5,118,805</u>	<u>\$ 1,572,444</u>	<u>\$ 1,981,729</u>	<u>\$ 8,672,978</u>	

**CROW WING COUNTY
BRainerd, MINNESOTA**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009**

	Special Revenue Funds			
	SCORE	County Building	Unorganized Townships	Sanitary Management District
Revenues				
Taxes	\$ -	\$ 108,078	\$ 607,945	\$ -
Special assessments	557,832	-	9,708	-
Intergovernmental	163,206	-	71,178	99,605
Charges for services	262,966	-	-	-
Investment earnings	-	-	-	-
Miscellaneous	44,872	268,000	-	-
Total Revenues	\$ 1,028,876	\$ 376,078	\$ 688,831	\$ 99,605
Expenditures				
Current				
General government	\$ -	\$ 232,180	\$ 69,719	\$ -
Public safety	-	-	164,677	-
Highways and streets	-	-	286,489	-
Sanitation	-	-	-	187,580
Conservation of natural resources	810,086	-	-	-
Economic development	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Bond issuance costs	-	-	-	-
Total Expenditures	\$ 810,086	\$ 232,180	\$ 520,885	\$ 187,580
Excess of Revenues Over (Under)				
Expenditures	\$ 218,790	\$ 143,898	\$ 167,946	\$ (87,975)
Other Financing Sources (Uses)				
Transfers in	\$ -	\$ -	\$ -	\$ 55,284
Transfers out	(92,184)	(1,000,000)	-	-
Bonds issued	-	-	-	-
Premium on bonds/notes issued	-	-	-	-
Total Other Financing Sources (Uses)	\$ (92,184)	\$ (1,000,000)	\$ -	\$ 55,284
Net Change in Fund Balance	\$ 126,606	\$ (856,102)	\$ 167,946	\$ (32,691)
Fund Balance - January 1	1,919,751	2,464,782	1,098,053	90,759
Fund Balance - December 31	\$ 2,046,357	\$ 1,608,680	\$ 1,265,999	\$ 58,068

<u>Small Cities Development Program</u>		<u>Capital Projects Fund</u>	<u>Permanent Fund</u>	<u>Total</u>
	<u>Total</u>	<u>Capital Project</u>	<u>Environmental Trust</u>	
\$ -	\$ 716,023	\$ -	\$ -	\$ 716,023
-	567,540	-	-	567,540
125,038	459,027	-	-	459,027
-	262,966	-	-	262,966
347	347	-	84,868	85,215
621	313,493	-	-	313,493
<u>\$ 126,006</u>	<u>\$ 2,319,396</u>	<u>\$ -</u>	<u>\$ 84,868</u>	<u>\$ 2,404,264</u>
\$ -	\$ 301,899	\$ -	\$ -	\$ 301,899
-	164,677	-	-	164,677
-	286,489	-	-	286,489
-	187,580	-	-	187,580
-	810,086	-	57,229	867,315
115,240	115,240	-	-	115,240
-	-	664,806	-	664,806
-	-	16,687	-	16,687
<u>\$ 115,240</u>	<u>\$ 1,865,971</u>	<u>\$ 681,493</u>	<u>\$ 57,229</u>	<u>\$ 2,604,693</u>
<u>\$ 10,766</u>	<u>\$ 453,425</u>	<u>\$ (681,493)</u>	<u>\$ 27,639</u>	<u>\$ (200,429)</u>
\$ -	\$ 55,284	\$ -	\$ -	\$ 55,284
-	(1,092,184)	-	-	(1,092,184)
-	-	2,221,098	-	2,221,098
-	-	32,737	-	32,737
<u>\$ -</u>	<u>\$ (1,036,900)</u>	<u>\$ 2,253,835</u>	<u>\$ -</u>	<u>\$ 1,216,935</u>
<u>\$ 10,766</u>	<u>\$ (583,475)</u>	<u>\$ 1,572,342</u>	<u>\$ 27,639</u>	<u>\$ 1,016,506</u>
<u>-</u>	<u>5,573,345</u>	<u>-</u>	<u>1,941,295</u>	<u>7,514,640</u>
<u>\$ 10,766</u>	<u>\$ 4,989,870</u>	<u>\$ 1,572,342</u>	<u>\$ 1,968,934</u>	<u>\$ 8,531,146</u>

**CROW WING COUNTY
BRainerd, Minnesota**

**BUDGETARY COMPARISON SCHEDULE
SCORE SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2009**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Special assessment	\$ 550,000	\$ 550,000	\$ 557,832	\$ 7,832
Intergovernmental	151,000	151,000	163,206	12,206
Charges for services	300,000	300,000	262,966	(37,034)
Miscellaneous	40,000	40,000	44,872	4,872
Total Revenues	\$ 1,041,000	\$ 1,041,000	\$ 1,028,876	\$ (12,124)
Expenditures				
Current				
Conservation of natural resources				
SCORE	\$ 936,725	\$ 936,725	\$ 810,086	\$ 126,639
Excess of Revenues Over (Under)				
Expenditures	\$ 104,275	\$ 104,275	\$ 218,790	\$ 114,515
Other Financing Sources (Uses)				
Transfers in	\$ 70,000	\$ 70,000	\$ -	\$ (70,000)
Transfers out	(210,000)	(210,000)	(92,184)	117,816
Total Other Financing Sources (Uses)	\$ (140,000)	\$ (140,000)	\$ (92,184)	\$ 47,816
Net Change in Fund Balance	\$ (35,725)	\$ (35,725)	\$ 126,606	\$ 162,331
Fund Balance - January 1	1,919,751	1,919,751	1,919,751	-
Fund Balance - December 31	\$ 1,884,026	\$ 1,884,026	\$ 2,046,357	\$ 162,331

**CROW WING COUNTY
BRainerd, MINNESOTA**

**BUDGETARY COMPARISON SCHEDULE
COUNTY BUILDING SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2009**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Taxes	\$ 205,200	\$ 205,200	\$ 108,078	\$ (97,122)
Miscellaneous	<u>265,794</u>	<u>265,794</u>	<u>268,000</u>	<u>2,206</u>
Total Revenues	<u>\$ 470,994</u>	<u>\$ 470,994</u>	<u>\$ 376,078</u>	<u>\$ (94,916)</u>
Expenditures				
Current				
General government				
Facilities	\$ <u>25,000</u>	\$ <u>71,684</u>	\$ <u>232,180</u>	\$ <u>(160,496)</u>
Excess of Revenues Over (Under)				
Expenditures	<u>\$ 445,994</u>	<u>\$ 399,310</u>	<u>\$ 143,898</u>	<u>\$ (255,412)</u>
Other Financing Sources (Uses)				
Transfers in	\$ 500,000	\$ -	\$ -	\$ -
Transfers out	<u>-</u>	<u>-</u>	<u>(1,000,000)</u>	<u>(1,000,000)</u>
Total Other Financing Sources (Uses)	<u>\$ 500,000</u>	<u>\$ -</u>	<u>\$ (1,000,000)</u>	<u>\$ (1,000,000)</u>
Net Change in Fund Balance	<u>\$ 945,994</u>	<u>\$ 399,310</u>	<u>\$ (856,102)</u>	<u>\$ (1,255,412)</u>
Fund Balance - January 1	<u>2,464,782</u>	<u>2,464,782</u>	<u>2,464,782</u>	<u>-</u>
Fund Balance - December 31	<u>\$ 3,410,776</u>	<u>\$ 2,864,092</u>	<u>\$ 1,608,680</u>	<u>\$ (1,255,412)</u>

**CROW WING COUNTY
BRainerd, MINNESOTA**

**BUDGETARY COMPARISON SCHEDULE
UNORGANIZED TOWNSHIPS SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2009**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Taxes	\$ 636,289	\$ 636,289	\$ 607,945	\$ (28,344)
Special assessments	10,000	10,000	9,708	(292)
Intergovernmental	53,500	53,500	71,178	17,678
Total Revenues	\$ 699,789	\$ 699,789	\$ 688,831	\$ (10,958)
Expenditures				
Current				
General government				
Unorganized township general revenue	\$ 69,000	\$ 69,000	\$ 69,719	\$ (719)
Public safety				
Unorganized township fire	164,789	164,789	164,677	112
Highway and streets				
Unorganized township roads	323,000	323,000	286,489	36,511
Total Expenditures	\$ 556,789	\$ 556,789	\$ 520,885	\$ 35,904
Excess of Revenues Over (Under)				
Expenditures	\$ 143,000	\$ 143,000	\$ 167,946	\$ 24,946
Fund Balance - January 1	1,098,053	1,098,053	1,098,053	-
Fund Balance - December 31	\$ 1,241,053	\$ 1,241,053	\$ 1,265,999	\$ 24,946

**CROW WING COUNTY
BRainerd, MINNESOTA**

**BUDGETARY COMPARISON SCHEDULE
SANITARY MANAGEMENT DISTRICT SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
Revenues				
Intergovernmental	\$ 195,000	\$ 195,000	\$ 99,605	\$ (95,395)
Expenditures				
Current				
Sanitation				
Other Sanitation	\$ 260,371	\$ 260,371	\$ 187,580	\$ 72,791
Excess of Revenues Over (Under)				
Expenditures	\$ (65,371)	\$ (65,371)	\$ (87,975)	\$ (22,604)
Other Financing Sources (Uses)				
Transfers in	\$ -	\$ -	\$ 55,284	\$ 55,284
Net Change in Fund Balance	\$ (65,371)	\$ (65,371)	\$ (32,691)	\$ 32,680
Fund Balance - January 1	<u>90,759</u>	<u>90,759</u>	<u>90,759</u>	<u>-</u>
Fund Balance - December 31	<u>\$ 25,388</u>	<u>\$ 25,388</u>	<u>\$ 58,068</u>	<u>\$ 32,680</u>

**CROW WING COUNTY
BRainerd, MINNESOTA**

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009**

	Balance January 1	Additions	Deductions	Balance December 31
<u>CENTRAL MINNESOTA COMMUNITY CORRECTIONS</u>				
<u>Assets</u>				
Cash and pooled investments	\$ 1,019,399	\$ 2,956,707	\$ 3,117,391	\$ 858,715
<u>Liabilities</u>				
Salaries payable	\$ 108,976	\$ 34,174	\$ 108,976	\$ 34,174
Due to other governments	910,423	2,922,533	3,008,415	824,541
Total Liabilities	\$ 1,019,399	\$ 2,956,707	\$ 3,117,391	\$ 858,715
<u>COLLABORATIVE</u>				
<u>Assets</u>				
Cash and pooled investments	\$ 1,857,925	\$ 737,364	\$ 935,621	\$ 1,659,668
<u>Liabilities</u>				
Due to other governments	\$ 1,857,925	\$ 737,364	\$ 935,621	\$ 1,659,668
<u>SELECT TRUST</u>				
<u>Assets</u>				
Cash and pooled investments	\$ 29,741	\$ 409,587	\$ 440,444	\$ (1,116)
Due from other governments	-	1,116	-	1,116
Total Assets	\$ 29,741	\$ 410,703	\$ 440,444	\$ -
<u>Liabilities</u>				
Accounts payable	\$ 29,741	\$ 409,587	\$ 439,328	\$ -
<u>TAXES AND PENALTIES</u>				
<u>Assets</u>				
Cash and pooled investments	\$ 1,913,532	\$ 106,331,018	\$ 106,115,266	\$ 2,129,284
<u>Liabilities</u>				
Due to other governments	\$ 1,913,532	\$ 106,331,018	\$ 106,115,266	\$ 2,129,284
<u>BLACK BEAR-MILLER LAKE</u>				
<u>Assets</u>				
Cash and pooled investments	\$ 8,248	\$ 964	\$ 870	\$ 8,342
<u>Liabilities</u>				
Due to other governments	\$ 8,248	\$ 964	\$ 870	\$ 8,342

**CROW WING COUNTY
BRainerd, MINNESOTA**

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>Balance January 1</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance December 31</u>
<u>4-H PLAT BOOKS</u>				
<u>Assets</u>				
Cash and pooled investments	\$ (120)	\$ 180	\$ 60	\$ -
<u>Liabilities</u>				
Accounts payable	\$ (120)	\$ 180	\$ 60	\$ -
<u>LAKES AREA WELCOME CENTER</u>				
<u>Assets</u>				
Cash and pooled investments	\$ 11,752	\$ 1,050	\$ 12,802	\$ -
<u>Liabilities</u>				
Accounts payable	\$ 11,752	\$ 1,050	\$ 12,802	\$ -
<u>SNOWMOBILE, ATV, SKI TRAILS</u>				
<u>Assets</u>				
Cash and pooled investments	\$ 89,039	\$ 352,551	\$ 438,996	\$ 2,594
<u>Liabilities</u>				
Accounts payable	\$ 89,039	\$ 352,551	\$ 438,996	\$ 2,594
<u>LAKE IMPROVEMENT DISTRICTS</u>				
<u>Assets</u>				
Cash and pooled investments	\$ 55,495	\$ 218,677	\$ 164,217	\$ 109,955
<u>Liabilities</u>				
Accounts payable	\$ 55,495	\$ 218,677	\$ 164,217	\$ 109,955
<u>GAME AND FISH</u>				
<u>Assets</u>				
Cash and pooled investments	\$ 1,489	\$ 1,552	\$ 3,041	\$ -
<u>Liabilities</u>				
Due to other governments	\$ 1,489	\$ 1,552	\$ 3,041	\$ -

**CROW WING COUNTY
BRAINERD, MINNESOTA**

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>Balance January 1</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance December 31</u>
<u>TOTAL ALL AGENCY FUNDS</u>				
<u>Assets</u>				
Cash and pooled investments	\$ 4,986,500	\$ 111,009,650	\$ 111,228,708	\$ 4,767,442
Due from other governments	<u>-</u>	<u>1,116</u>	<u>-</u>	<u>1,116</u>
Total Assets	<u>\$ 4,986,500</u>	<u>\$ 111,010,766</u>	<u>\$ 111,228,708</u>	<u>\$ 4,768,558</u>
<u>Liabilities</u>				
Accounts payable	185,907	982,045	1,055,403	112,549
Salaries payable	108,976	34,174	108,976	34,174
Due to other governments	<u>4,691,617</u>	<u>109,993,431</u>	<u>110,063,213</u>	<u>4,621,835</u>
Total Liabilities	<u>\$ 4,986,500</u>	<u>\$ 111,009,650</u>	<u>\$ 111,227,592</u>	<u>\$ 4,768,558</u>

**CROW WING COUNTY
BRAINERD, MINNESOTA**

**STATEMENT OF NET ASSETS AND GOVERNMENTAL FUND BALANCE SHEET
COMPONENT UNIT - HOUSING AND REDEVELOPMENT AUTHORITY
DECEMBER 31, 2009**

	<u>Housing and Redevelopment Authority</u>	<u>Adjustments</u>	<u>Governmental Activities</u>
<u>Assets</u>			
Cash and pooled investments	\$ 493,589	\$ -	\$ 493,589
Taxes receivable - delinquent	3,083	-	3,083
Loans receivable	330,484	-	330,484
Accrued interest receivable	46,592	-	46,592
Total Assets	<u>\$ 873,748</u>	<u>\$ -</u>	<u>\$ 873,748</u>
<u>Liabilities</u>			
Current liabilities			
Deferred revenue - unavailable	\$ 47,753	\$ (47,753)	\$ -
Total Liabilities	<u>\$ 47,753</u>	<u>\$ (47,753)</u>	<u>\$ -</u>
<u>Fund Balance/Net Assets</u>			
Fund Balance			
Reserved for loans receivable	\$ 152,679	\$ (152,679)	
Unreserved			
Undesignated	673,316	(673,316)	
Total Fund Balance	<u>\$ 825,995</u>	<u>\$ (825,995)</u>	
Total Liabilities and Fund Balance	<u>\$ 873,748</u>		
Net Assets			
Unrestricted		\$ 873,748	\$ 873,748
Total Net Assets		<u>\$ 873,748</u>	<u>\$ 873,748</u>
Reconciliation of the Housing and Redevelopment Authority's Fund Balance to Net Assets			
Fund Balance - Housing and Redevelopment Authority			\$ 825,995
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the governmental funds.			47,753
Net Assets - Governmental Activities			<u>\$ 873,748</u>

**CROW WING COUNTY
BRainerd, MINNESOTA**

**STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUND REVENUES
EXPENDITURES, AND CHANGES IN FUND BALANCE
COMPONENT UNIT - HOUSING AND REDEVELOPMENT AUTHORITY
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>Housing and Redevelopment Authority</u>	<u>Adjustments</u>	<u>Governmental Activities</u>
Revenues			
Taxes	\$ 57,408	\$ 778	\$ 58,186
Intergovernmental	2,090,062	(2,045,000)	45,062
Investment Earnings	16,281	8,621	24,902
Miscellaneous	500	-	500
Total Revenues	<u>\$ 2,164,251</u>	<u>\$ (2,035,601)</u>	<u>\$ 128,650</u>
Expenditures/Expenses			
Housing and Redevelopment Authority	\$ 43,796	\$ -	\$ 43,796
Debt Service			
Principal	2,045,000	(2,045,000)	-
Interest	41,900	-	41,900
Total Expenditures/Expenses	<u>\$ 2,130,696</u>	<u>\$ (2,045,000)</u>	<u>\$ 85,696</u>
Net Change in Fund Balance/Net Assets	\$ 33,555	\$ 9,399	\$ 42,954
Fund Balance/Net Assets - January 1	<u>792,440</u>	<u>38,354</u>	<u>830,794</u>
Fund Balance/Net Assets - December 31	<u><u>\$ 825,995</u></u>	<u><u>\$ 47,753</u></u>	<u><u>\$ 873,748</u></u>
Reconciliation of the Statement of Housing and Redevelopment Authority Revenues, Expenditures, and Changes in Fund Balance to the Statement of Activities of Governmental Activities			
Net Change in Fund Balance			\$ 33,555
Revenues in the statement of activities that do not provide current financial resources are not reported as a revenue in the funds			(2,035,601)
Repayment of debt principal is and expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets			<u>2,045,000</u>
Change in Net Assets of Governmental Activities			<u><u>\$ 42,954</u></u>

**CROW WING COUNTY
BRainerd, Minnesota**

**SCHEDULE OF INTERGOVERNMENTAL REVENUE
FOR THE YEAR ENDED DECEMBER 31, 2009**

	Governmental Funds	Enterprise Funds	Total Primary Government	Component Units
Shared Revenue				
State				
Highway users tax	\$ 5,123,344	\$ -	\$ 5,123,344	\$ -
Market value credit	1,642,193	-	1,642,193	2,319
Supplemental homestead credit	407,367	-	407,367	843
PERA rate reimbursement	76,910	595	77,505	-
Disparity reduction aid	11,026	-	11,026	-
County program aid	1,033,456	-	1,033,456	-
Police aid	262,170	-	262,170	-
E-911	144,840	-	144,840	-
Total Shared Revenue	\$ 8,701,306	\$ 595	\$ 8,701,901	\$ 3,162
Reimbursement for Services				
State				
Minnesota Department of Human Services	\$ 2,069,643	\$ -	\$ 2,069,643	\$ -
Payments				
Local				
Local contributions	\$ 286,834	\$ -	\$ 286,834	\$ 2,086,900
Payments in lieu of taxes	355,232	-	355,232	-
Total Payments	\$ 642,066	\$ -	\$ 642,066	\$ 2,086,900
Grants				
State				
Minnesota Department of				
Agriculture	\$ 2,028	\$ -	\$ 2,028	\$ -
Commerce	100	-	100	-
Public Safety	60,103	-	60,103	-
Transportation	84,388	-	84,388	-
Health	274,274	-	274,274	-
Natural Resources	71,533	-	71,533	-
Human Services	4,540,531	-	4,540,531	-
Veterans Affairs	4,200	-	4,200	-
Pollution Control Agency	182,098	-	182,098	-
Total State	\$ 5,219,255	\$ -	\$ 5,219,255	\$ -
Federal				
Department of				
Agriculture	\$ 712,111	\$ -	\$ 712,111	\$ -
Housing and Urban Development	125,038	-	125,038	-
Justice	2,130	-	2,130	-
Transportation	1,385,964	-	1,385,964	-
Environmental Protection Agency	73,685	-	73,685	-
Health and Human Services	4,851,064	-	4,851,064	-
Homeland Security	126,188	-	126,188	-
Total Federal	\$ 7,276,180	\$ -	\$ 7,276,180	\$ -
Total State and Federal Grants	\$ 12,495,435	\$ -	\$ 12,495,435	\$ -
Total Intergovernmental Revenue	\$ 23,908,450	\$ 595	\$ 23,909,045	\$ 2,090,062

**CROW WING COUNTY
BRainerd, MINNESOTA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2009**

Federal Grantor Pass-Through Agency Grant Program Title	Federal CFDA Number	Expenditures
U.S. Department of Agriculture		
Passed Through Minnesota Department of Health Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	\$ 302,581
Passed Through Minnesota Department of Human Services State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (SNAP) Cluster	10.561	395,425
State Administrative Matching Grants for SNAP	10.561	14,105
State Administrative Matching Grants for SNAP - ARRA		
Total U.S. Department of Agriculture		\$ 712,111
U.S. Department of Housing and Urban Development		
Passed Through Minnesota Department of Employment and Economic Development Community Development Block Grants	14.228	\$ 125,038
U.S. Department of Justice		
Passed Through Minnesota Department of Public Safety Law Enforcement Assistance Narcotics and Dangerous Drugs Training	16.004	\$ 2,130
U.S. Department of Transportation		
Passed Through Minnesota Department of Public Safety Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703	\$ 6,830
Highway Safety Cluster		
State and Community Highway Safety	20.600	5,011
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	12,708
Safety Belt Performance Grants	20.609	1,191
Passed Through Minnesota Department of Transportation Highway Planning and Construction	20.205	1,360,224
Total U.S. Department of Transportation		\$ 1,385,964
U.S. Environmental Protection Agency		
Direct Congressionally Mandated Projects	66.202	\$ 73,685

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

**CROW WING COUNTY
BRainerd, MINNESOTA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2009**

Federal Grantor Pass-Through Agency Grant Program Title	Federal CFDA Number	Expenditures
U.S. Department of Health and Human Services		
Passed Through Minnesota Department of Health		
Public Health Emergency Preparedness	93.069	\$ 68,536
Immunization Grants	93.268	1,540
Centers for Disease Control and Prevention-Investigations and Technical Assistance	93.283	45,078
Temporary Assistance for Needy Families (TANF)	93.558	55,543
Maternal and Child Health Services Block Grant	93.994	64,541
Passed Through Minnesota Department of Human Services		
Temporary Assistance for Needy Families (TANF)	93.558	990,865
Child Support Enforcement Cluster		
Child Support Enforcement	93.563	1,082,649
Child Support Enforcement - ARRA	93.563	144,333
Refugee and Entrance Assistance	93.566	1,019
Community-Based Child Abuse Prevention Grants	93.590	72,230
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	84,082
Child Welfare Services-State Grants	93.645	21,746
Foster Care-Title IV-E Cluster		
Foster Care-Title IV-E	93.658	471,120
Foster Care-Title IV-E - ARRA	93.658	21,733
Social Services Block Grant	93.667	389,187
Chafee Foster Care Independence Program	93.674	21,075
Medical Assistance Program	93.778	1,288,719
Block Grants for Community Mental Health Services	93.958	27,068
Total U.S. Department of Health and Human Services		\$ 4,851,064
U.S. Department of Homeland Security		
Passed Through Minnesota Department of Public Safety		
Boating Safety Financial Assistance	97.012	\$ 74,789
Pre-Disaster Mitigation (PDM) Competitive Grants	97.017	12,472
Emergency Management Performance Grants	97.042	38,927
Total U.S. Department of Homeland Security		\$ 126,188
Total Federal Awards		\$ 7,276,180

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

**CROW WING COUNTY
BRAINERD, MINNESOTA**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2009**

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 1 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, 2009. The information in this schedule is presented in accordance with the requirements of Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. 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 assets, 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 OMB Circular A-87, *Cost Principles for State, Local and Indian Tribal Governments*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through grant numbers were not assigned by the pass-through agencies.

4. Subrecipients

The County did not pass any federal money to subrecipients during the year ended December 31, 2009.

5. American Recovery and Reinvestment Act

The American Recovery and Reinvestment Act of 2009 (ARRA) requires recipients to clearly distinguish ARRA funds from non-ARRA funding. In the schedule, ARRA funds are denoted by the addition of ARRA to the program name.

Statistical Section

This part of the Crow Wing County's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the county's overall financial health.

<u>Contents</u>	<u>Page</u>
Financial Trends <i>These schedules contain trend information to help the reader understand how the county's financial performance and well-being have changed over time.</i>	122
Revenue Capacity <i>These schedules contain information to help the reader assess the county's most significant local revenue source, the property tax.</i>	130
Debt Capacity <i>These 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.</i>	136
Demographic and Economic Information <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the county's financial activities take place</i>	142
Operating Information <i>The 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.</i>	144

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The county implemented GASB Statement 34 in 2003; schedules presenting government-wide information include information beginning in that year.

Crow Wing County, Minnesota
Net Assets by Component
Last Five Fiscal Years
(accrual basis of accounting)

	Fiscal Year				
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Governmental activities					
Invested in capital assets, net of related debt	\$ 74,204,210	\$ 76,199,218	\$ 85,314,269	\$ 91,545,696	\$ 102,145,334
Restricted	7,650,813	9,303,777	10,659,184	18,241,947	17,449,360
Unrestricted	29,298,690	36,669,307	40,462,702	36,176,588	35,278,917
Total governmental activities net assets	<u>\$ 111,153,713</u>	<u>\$ 122,172,302</u>	<u>\$ 136,436,155</u>	<u>\$ 145,964,231</u>	<u>\$ 154,873,611</u>
Business-type activities					
Invested in capital assets, net of related debt	\$ 2,206,100	\$ 2,722,007	\$ 4,088,810	\$ 5,302,538	\$ 5,300,525
Unrestricted	8,732,849	8,610,686	7,690,373	5,711,395	5,335,081
Total business-type activities net assets	<u>\$ 10,938,949</u>	<u>\$ 11,332,693</u>	<u>\$ 11,779,183</u>	<u>\$ 11,013,933</u>	<u>\$ 10,635,606</u>
Primary government					
Invested in capital assets, net of related debt	\$ 76,410,310	\$ 78,921,225	\$ 89,403,079	\$ 96,848,234	\$ 107,445,859
Restricted	7,650,813	9,303,777	10,659,184	18,241,947	17,449,360
Unrestricted	38,031,539	45,279,993	48,153,075	41,887,983	40,613,998
Total primary governments activities net assets	<u>\$ 122,092,662</u>	<u>\$ 133,504,995</u>	<u>\$ 148,215,338</u>	<u>\$ 156,978,164</u>	<u>\$ 165,509,217</u>

Crow Wing County, Minnesota
Changes in Net Assets
Last Five Fiscal Years
(accrual basis of accounting)

	Fiscal Year				
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Expenses					
Governmental activities					
General government	\$ 10,119,770	\$ 12,154,588	\$ 10,997,997	\$ 13,134,027	\$ 13,248,631
Public safety	9,639,617	11,702,501	10,143,212	13,401,676	13,306,812
Highways and streets	7,760,742	6,893,138	3,665,519	6,338,643	6,931,810
Sanitation	-	-	-	257,754	137,056
Human services	17,782,967	18,616,333	20,714,263	22,308,975	20,835,333
Health	1,982,727	1,757,764	1,963,829	2,636,852	1,684,446
Culture and recreation	722,320	822,625	747,101	688,957	634,334
Conservation of natural resources	1,503,147	444,774	2,109,881	1,551,623	1,579,069
Economic development	-	-	-	-	115,240
Interest	2,790,174	2,602,638	2,671,422	2,483,087	2,313,711
Total governmental activities expenses	<u>52,301,464</u>	<u>54,994,361</u>	<u>53,013,224</u>	<u>62,801,594</u>	<u>60,786,442</u>
Business-type activities					
Solid waste	1,355,304	1,553,355	1,441,434	2,832,091	2,263,577
Total business-type activities expenses	<u>1,355,304</u>	<u>1,553,355</u>	<u>1,441,434</u>	<u>2,832,091</u>	<u>2,263,577</u>
Total primary governments activities expenses	<u>\$ 53,656,768</u>	<u>\$ 56,547,716</u>	<u>\$ 54,454,658</u>	<u>\$ 65,633,685</u>	<u>\$ 63,050,019</u>
Program Revenues					
Governmental activities					
Charge for services:					
General government	\$ 2,111,830	\$ 2,367,212	\$ 2,173,889	\$ 1,982,857	\$ 1,961,517
Public safety	1,109,738	2,250,647	1,253,879	2,595,331	1,924,364
Highways and streets	521,201	741,873	512,519	388,192	429,446
Human services	821,101	1,454,321	2,090,933	1,732,921	1,658,340
Health	486,550	554,011	798,784	534,839	432,704
Culture and recreation	200	-	-	-	-
Conservation of natural resources	768,725	978,888	11,292	445,991	1,398,724
Economic development	-	-	-	-	621
Operating grants and contributions	15,423,277	14,780,116	16,477,875	18,571,295	17,868,108
Capital grants and contributions	7,592,536	4,776,489	4,263,750	6,129,559	4,869,920
Total governmental activities program revenues	<u>28,835,158</u>	<u>27,903,557</u>	<u>27,582,921</u>	<u>32,380,985</u>	<u>30,543,744</u>
Business-type activities					
Charges for services:					
Solid Waste	2,029,358	1,781,755	1,681,951	2,046,074	1,857,324
Total business-type activities program revenues	<u>2,029,358</u>	<u>1,781,755</u>	<u>1,681,951</u>	<u>2,046,074</u>	<u>1,857,324</u>
Total primary governments activities program revenues	<u>\$ 30,864,516</u>	<u>\$ 29,685,312</u>	<u>\$ 29,264,872</u>	<u>\$ 34,427,059</u>	<u>\$ 32,401,068</u>
Net (Expense)/Revenues					
Governmental activities	\$ (23,466,306)	\$ (27,090,804)	\$ (25,430,303)	\$ (30,420,609)	\$ (30,242,698)
Business-type activities	674,054	228,400	240,517	(786,017)	(406,253)
Total primary government net expense	<u>\$ (22,792,252)</u>	<u>\$ (26,862,404)</u>	<u>\$ (25,189,786)</u>	<u>\$ (31,206,626)</u>	<u>\$ (30,648,951)</u>

Crow Wing County, Minnesota
Changes in Net Assets
Last Five Fiscal Years
(accrual basis of accounting)

	Fiscal Year				
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
General Revenues and Other Changes in Net Assets					
Governmental activities:					
Taxes					
Property taxes	\$ 26,498,197	\$ 29,932,221	\$ 32,567,627	\$ 33,326,555	\$ 34,566,755
Mortgage registry and deed tax	146,693	126,037	111,772	82,488	79,515
Payments in lieu of tax	190,000	311,650	330,606	335,672	355,232
Unrestricted grants and contributions	4,714,976	4,657,577	4,208,641	4,051,908	3,170,952
Unrestricted investment earnings	2,075,010	2,173,885	2,154,085	1,220,736	432,122
Miscellaneous	1,889,873	907,866	306,821	763,319	468,808
Gain on sale of capital assets	191,507	157	14,604	2,533	29,799
Transfers	11,324	-	-	150,000	48,895
Total governmental activities	<u>35,717,580</u>	<u>38,109,393</u>	<u>39,694,156</u>	<u>39,933,211</u>	<u>39,152,078</u>
Business-type activities:					
Unrestricted grants and contributions	595	595	595	595	595
Unrestricted investment earnings	104,887	164,749	205,378	170,172	76,226
Transfers	(11,324)	-	-	(150,000)	(48,895)
Total business-type activities	<u>94,158</u>	<u>165,344</u>	<u>205,973</u>	<u>20,767</u>	<u>27,926</u>
Total primary government	<u>\$ 35,811,738</u>	<u>\$ 38,274,737</u>	<u>\$ 39,900,129</u>	<u>\$ 39,953,978</u>	<u>\$ 39,180,004</u>
Change in Net Assets					
Governmental activities	\$ 12,251,274	\$ 11,018,589	\$ 14,263,853	\$ 9,512,602	\$ 8,909,380
Business-type activities	768,212	393,744	446,490	(765,250)	(378,327)
Total primary government	<u>\$ 13,019,486</u>	<u>\$ 11,412,333</u>	<u>\$ 14,710,343</u>	<u>\$ 8,747,352</u>	<u>\$ 8,531,053</u>

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Crow Wing County, Minnesota
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year				
	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
General Fund					
Reserved	\$ 133,847	\$ 1,369,513	\$ 459,684	\$ 623,264	\$ 650,147
Unreserved	<u>8,880,006</u>	<u>9,399,791</u>	<u>9,160,367</u>	<u>8,193,676</u>	<u>7,836,713</u>
Total General Fund	<u><u>\$ 9,013,853</u></u>	<u><u>\$ 10,769,304</u></u>	<u><u>\$ 9,620,051</u></u>	<u><u>\$ 8,816,940</u></u>	<u><u>\$ 8,486,860</u></u>
 All Other Governmental Funds					
Reserved	\$ 3,420,760	\$ 2,523,207	\$ 3,690,026	\$ 3,867,243	\$ 28,710,249
Unreserved, reported in:					
Special revenue funds	5,392,950	8,696,553	9,095,684	12,347,278	11,473,603
Capital projects funds	275,470	239,806	-	2,183,912	21,415,257
Permanent funds	<u>118,737</u>	<u>1,540,652</u>	<u>1,895,551</u>	<u>28,783</u>	<u>23,319</u>
Total all other governmental funds	<u><u>\$ 9,207,917</u></u>	<u><u>\$ 13,000,218</u></u>	<u><u>\$ 14,681,261</u></u>	<u><u>\$ 18,427,216</u></u>	<u><u>\$ 61,622,428</u></u>

Fiscal Year				
<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
\$ 1,004,104	\$ 1,576,775	\$ 2,009,719	\$ 1,901,869	\$ 2,308,065
9,427,279	11,313,481	13,023,707	12,599,535	14,293,522
<u>\$ 10,431,383</u>	<u>\$ 12,890,256</u>	<u>\$ 15,033,426</u>	<u>\$ 14,501,404</u>	<u>\$ 16,601,587</u>
\$ 23,966,676	\$ 11,158,029	\$ 9,483,137	\$ 10,546,957	\$ 10,406,812
13,496,431	10,608,225	10,635,577	14,609,380	12,876,790
(6,012,043)	1,277,973	1,646,604	-	1,572,342
37,094	56,733	67,939	94,796	122,435
<u>\$ 31,488,158</u>	<u>\$ 23,100,960</u>	<u>\$ 21,833,257</u>	<u>\$ 25,251,133</u>	<u>\$ 24,978,379</u>

Crow Wing County, Minnesota
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year				
	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
Revenues					
Taxes	\$ 15,999,975	\$ 17,542,852	\$ 17,047,309	\$ 18,089,683	\$ 19,518,610
Special assessments	31,783	4,263	563,329	563,669	590,601
Licenses and permits	1,110,700	1,397,869	1,049,059	1,957,706	1,540,861
Intergovernmental	18,542,224	20,883,349	23,111,924	22,628,505	20,380,618
Charges for services	2,609,257	2,998,451	1,940,646	3,000,792	3,247,530
Fines and forfeits	243,535	9,253	95,004	65,694	16,244
Rental income	63,847	120,220	153,290	-	-
Gifts and contributions	-	36,355	57,617	5,452	3,880
Investment earnings	1,654,565	1,228,260	374,497	333,446	866,687
Sales	486,534	47,082	1,807,409	689,550	641,971
Miscellaneous	1,004,324	2,967,135	2,475,060	2,594,472	2,871,587
Total Revenues	<u>41,746,744</u>	<u>47,235,089</u>	<u>48,675,144</u>	<u>49,928,969</u>	<u>49,678,589</u>
Expenditures					
Current:					
General government	7,917,141	7,956,230	9,511,159	11,239,625	9,554,982
Public safety	6,008,270	6,558,148	7,174,053	7,809,403	8,458,102
Highways and streets	8,295,178	9,472,944	9,566,493	8,563,050	10,574,353
Sanitation	-	-	-	-	-
Human services	14,143,400	13,817,743	16,185,597	16,075,764	15,377,542
Health	1,534,789	1,433,494	1,624,588	1,641,249	1,620,788
Culture and recreation	427,663	439,642	615,257	605,554	677,781
Conservation of natural resources	1,209,527	1,227,459	1,472,503	1,587,270	1,405,024
Economic development	101,529	86,509	78,363	-	-
Trust deposits	595,463	1,234,311	1,049,647	-	-
Intergovernmental					
Highways and streets	-	-	-	-	-
Capital outlay	2,271,375	125,504	-	282,086	9,893,829
Debt service					
Principal	702,500	477,500	1,187,500	875,000	975,000
Interest	421,683	290,759	447,428	407,978	368,051
Bond issuance costs	-	-	-	23,975	126,507
Administrative (fiscal) charges	1,800	-	-	2,108	14,472
Total Expenditures	<u>43,630,318</u>	<u>43,120,243</u>	<u>48,912,588</u>	<u>49,113,062</u>	<u>59,046,431</u>
Excess of revenues over (under) expenditures	<u>(1,883,574)</u>	<u>4,114,846</u>	<u>(237,444)</u>	<u>815,907</u>	<u>(9,367,842)</u>
Other Financing Sources (Uses)					
Transfers in	545,588	442,440	944,575	991,090	2,761,489
Transfers out	(545,588)	(442,440)	(606,192)	(1,591,090)	(1,887,628)
Bonds and notes issued	1,462,269	-	-	2,460,000	50,970,000
Refunding bonds issued	-	-	-	-	-
Premium on bonds/notes issued	-	-	-	25,065	399,324
Discount on bonds/notes issued	-	-	-	-	(161,951)
Proceeds from sale of capital assets	-	-	-	-	11,318
Compensation for loss of general capital assets	-	-	-	-	-
Transfers in from component unit	158,710	-	-	-	-
Total Other Financing Sources (Uses)	<u>1,620,979</u>	<u>-</u>	<u>338,383</u>	<u>1,885,065</u>	<u>52,092,552</u>
Net change in fund balances	<u>\$ (262,595)</u>	<u>\$ 4,114,846</u>	<u>\$ 100,939</u>	<u>\$ 2,700,972</u>	<u>\$ 42,724,710</u>
Debt service as a percentage of noncapital expenditures	3.4%	2.4%	4.3%	3.0%	3.2%

Fiscal Year				
<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
\$ 26,515,870	\$ 29,914,424	\$ 32,513,013	\$ 32,954,120	\$ 34,097,022
567,024	622,979	587,451	605,518	567,540
1,803,766	1,620,527	1,249,699	1,358,075	1,157,359
22,698,458	21,479,244	23,592,755	27,121,712	23,908,450
3,754,756	4,039,735	4,547,917	5,419,686	4,810,137
30,057	27,393	25,296	70,315	32,333
-	-	-	-	-
18,004	25,566	8,322	18,622	7,187
2,078,260	2,181,836	2,022,166	1,258,520	633,165
565,775	645,984	845,727	552,183	199,987
3,719,824	5,084,321	3,892,676	4,090,252	3,018,342
<u>61,751,794</u>	<u>65,642,009</u>	<u>69,285,022</u>	<u>73,449,003</u>	<u>68,431,522</u>
10,774,790	12,920,188	12,949,412	13,655,774	12,454,136
9,438,583	10,238,899	11,224,627	12,124,320	12,091,853
9,990,847	7,751,815	10,103,893	11,107,380	13,339,626
-	-	-	257,754	187,580
17,859,379	18,658,373	21,819,741	21,322,603	19,144,184
1,973,014	1,790,919	1,928,209	2,545,258	1,657,571
707,584	807,769	920,117	690,877	681,727
1,484,834	1,580,325	1,623,210	1,589,026	1,810,697
-	-	-	3,800	115,240
-	-	-	-	-
-	-	-	259,407	282,963
33,701,146	15,294,595	1,994,898	1,133,905	664,806
1,328,000	3,223,000	3,290,650	3,433,300	5,273,300
2,880,690	2,623,903	2,647,964	2,527,365	2,326,427
-	31,089	-	-	29,550
29,758	10,176	4,350	2,915	1,671
<u>90,168,625</u>	<u>74,931,051</u>	<u>68,507,071</u>	<u>70,653,684</u>	<u>70,061,331</u>
<u>(28,416,831)</u>	<u>(9,289,042)</u>	<u>777,951</u>	<u>2,795,319</u>	<u>(1,629,809)</u>
406,324	5,129,951	11,954	1,622,955	1,092,184
(395,000)	(5,129,951)	(11,954)	(1,472,955)	(1,092,184)
-	3,210,000	-	-	1,138,902
-	-	-	-	2,221,098
-	6,069	-	-	49,428
-	-	-	-	-
222,611	157	14,604	2,533	29,799
-	-	-	50,025	36,996
-	-	-	-	-
<u>233,935</u>	<u>3,216,226</u>	<u>14,604</u>	<u>202,558</u>	<u>3,476,223</u>
<u>\$ (28,182,896)</u>	<u>\$ (6,072,816)</u>	<u>\$ 792,555</u>	<u>\$ 2,997,877</u>	<u>\$ 1,846,414</u>
8.0%	10.1%	10.6%	9.7%	12.8%

Crow Wing County, Minnesota
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Assessment Year Ended December 31	Payable Year Ended December 31	Residential Homestead Property	Residential Non - Homestead Property	Commercial Industrial Property	Agricultural Property	Commercial Residential Seasonal/Rec. Property
1999	2000	\$ 19,111,096 38.13%	2,106,593 4.20	10,559,897 21.07	1,706,218 3.40	16,334,791 32.59
2000	2001	\$ 21,255,309 37.71%	2,459,763 4.36	12,299,758 21.82	1,853,018 3.29	18,225,660 32.34
2001	2002	\$ 19,326,646 40.73%	2,416,299 5.09	8,927,707 18.82	1,881,687 3.97	15,037,422 31.69
2002	2003	\$ 22,228,764 41.06%	2,657,664 4.91	10,195,539 18.83	2,278,057 4.21	16,886,230 31.19
2003	2004	\$ 25,483,533 40.78%	3,314,837 5.30	11,845,089 18.95	2,556,000 4.09	19,625,487 31.40
2004	2005	\$ 29,824,465 41.04%	4,167,052 5.73	12,925,106 17.79	2,915,662 4.01	23,503,851 32.35
2005	2006	\$ 34,237,468 40.53%	4,933,460 5.84	14,579,399 17.26	3,396,866 4.02	27,841,133 32.95
2006	2007	\$ 39,037,994 39.77%	5,962,523 6.07	16,473,487 16.78	3,912,807 3.99	33,269,446 33.90
2007	2008	\$ 43,991,499 39.05%	6,808,851 6.04	17,913,024 15.90	4,589,712 4.07	39,803,512 35.34
2008	2009	\$ 46,591,700 37.78%	7,565,931 6.14	18,049,019 14.64	5,089,194 4.13	46,460,002 37.68

Property estimated market value is for the assessment year indicated.

Applicable taxes are collectible in the subsequent year.

Total direct tax rate shown is for the payable year.

Other Property	Personal Property	Less: Tax Incremented Financing	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
1,541 0.00	1,146,765 2.29	839,512 (1.67)	\$ 50,127,389 100.00%	30.584%	3,505,973,900	1.430%
1,528 0.00	1,127,969 2.00	860,634 (1.53)	\$ 56,362,371 100.00%	29.700%	3,875,494,100	1.454%
- -	670,143 1.41	811,798 (1.71)	\$ 47,448,106 100.00%	39.224%	4,365,777,950	1.087%
200,616 0.37	680,604 1.26	990,387 (1.83)	\$ 54,137,087 100.00%	36.160%	5,005,521,850	1.082%
277,642 0.44	709,727 1.14	1,320,141 (2.11)	\$ 62,492,174 100.00%	33.457%	5,787,033,750	1.080%
52,928 0.07	754,496 1.04	1,478,434 (2.03)	\$ 72,665,126 100.00%	38.717%	6,754,573,830	1.076%
213,399 0.25	806,671 0.95	1,524,267 (1.80)	\$ 84,484,129 100.00%	37.275%	7,838,204,800	1.078%
258,162 0.26	829,133 0.84	1,589,950 (1.62)	\$ 98,153,602 100.00%	34.001%	9,068,693,000	1.082%
281,501 0.25	841,746 0.75	1,588,915 (1.62)	\$ 112,640,930 100.00%	30.499%	10,393,020,600	1.084%
282,973 0.23	829,288 0.67	1,558,076 (1.26)	\$ 123,310,031 100.00%	28.568%	11,434,134,100	1.078%

Crow Wing County, Minnesota
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years

	Year Taxes Are Payable									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
County Direct Rates										
General revenue	15.600 %	14.485 %	18.874 %	18.000 %	17.208 %	18.298 %	18.911 %	17.113 %	15.229 %	13.938 %
Road and bridge	4.479	4.105	4.972	4.362	3.888	3.357	3.084	2.791	2.911	3.022
Human services	8.082	8.337	11.647	10.219	9.248	8.235	7.678	7.246	6.367	6.147
Building	0.199	0.449	0.808	0.564	-	-	-	-	-	-
Bonded debt	1.543	1.703	2.031	1.732	2.083	7.912	6.776	6.096	5.311	4.822
Transit system	-	-	-	0.295	0.128	0.089	0.065	0.055	0.042	0.045
Airport bonds	-	-	-	0.213	0.189	0.159	0.137	0.119	0.103	0.094
Library	0.681	0.621	0.892	0.775	0.713	0.667	0.624	0.581	0.536	0.500
Total direct rate	<u>30.584</u>	<u>29.700</u>	<u>39.224</u>	<u>36.160</u>	<u>33.457</u>	<u>38.717</u>	<u>37.275</u>	<u>34.001</u>	<u>30.499</u>	<u>28.568</u>
Cities										
Baxter	23.645	24.839	41.054	37.658	39.042	40.304	40.555	41.245	41.043	42.175
Brainerd	35.175	35.121	33.290	37.299	41.902	42.756	42.763	42.689	44.649	44.487
Breezy Point	37.038	36.374	54.749	57.114	55.493	46.996	41.422	32.182	31.405	32.968
Crosby	72.052	73.524	110.105	117.883	111.080	116.095	114.915	114.471	102.139	99.019
Crosslake	18.436	18.051	30.383	30.731	29.098	26.997	24.928	22.093	19.629	18.272
Cuyuna	36.654	33.824	52.256	59.767	52.031	47.009	50.544	43.730	37.341	34.738
Deerwood	51.022	51.337	78.558	94.073	82.069	72.696	75.194	84.007	74.138	69.664
Emily	39.031	37.606	49.875	47.144	42.255	34.856	32.944	28.208	28.479	27.815
Fifty Lakes	19.593	18.182	33.446	32.850	31.053	30.867	31.725	28.981	24.113	21.252
Fort Ripley	16.893	14.875	24.090	20.150	17.641	19.205	18.267	18.497	21.158	22.213
Garrison	34.026	32.787	42.011	46.313	47.588	45.405	42.345	52.298	61.296	52.410
Ironton	84.095	92.667	119.812	125.001	120.010	110.319	104.295	106.172	113.569	105.835
Jenkins	33.848	29.462	60.431	50.403	66.368	64.169	61.521	60.539	49.313	48.755
Manhattan Beach	7.518	11.533	16.189	19.808	16.291	13.870	11.841	14.334	27.924	27.619
Nisswa	24.376	25.342	37.155	34.395	31.100	31.862	26.186	24.598	22.604	20.944
Pequot Lakes	42.941	43.400	78.588	72.183	75.479	79.161	81.083	72.641	66.718	65.014
Riverton	28.621	38.624	73.388	63.341	79.812	73.791	69.977	51.959	51.736	51.096
Trommald	43.443	46.345	54.267	52.755	44.879	44.028	38.632	35.155	32.208	30.625
Townships										
Bay Lake fire district 1	6.091	6.409	8.306	9.250	8.275	8.303	7.536	6.462	6.519	6.117
Bay Lake fire district 2	7.483	6.650	8.807	10.369	8.920	8.717	7.789	6.671	6.740	6.148
Center	11.703	10.077	17.034	20.630	19.434	18.753	17.999	19.280	16.471	14.414
Crow Wing	19.391	19.792	37.552	38.002	34.634	31.243	35.313	38.053	46.934	28.073
Daggett Brook	20.785	21.185	35.919	31.742	38.155	32.556	29.252	26.390	23.981	21.844
Deerwood	14.256	13.978	16.205	16.726	14.801	12.771	11.234	9.818	10.852	10.532
Fairfield	14.304	21.662	25.595	23.600	38.628	34.157	29.261	24.839	20.358	17.777
Fort Ripley	12.903	15.614	22.594	22.140	20.593	20.161	18.584	15.990	16.240	25.084
Gail Lake	9.675	9.599	12.011	11.803	11.054	10.143	9.281	8.951	7.816	6.919
Garrison	12.777	12.981	19.019	16.617	20.677	17.641	15.532	13.659	11.843	11.593
Ideal	8.378	8.532	15.072	13.648	11.787	10.123	9.259	8.292	8.164	7.577
Irondale	36.846	33.973	51.662	50.792	49.611	47.153	50.457	48.212	42.688	39.803
Jenkins	6.654	9.299	12.714	11.295	10.387	9.562	9.514	8.822	9.859	10.145
Lake Edward	13.132	14.541	17.839	19.183	16.343	14.078	12.285	10.658	9.083	8.125
Little Pine	14.966	16.652	35.190	32.623	37.162	33.061	26.966	25.899	24.403	24.358
Long Lake	12.838	13.882	19.400	17.206	19.995	15.911	14.903	13.433	11.451	10.691
Maple Grove	12.354	14.060	17.275	15.442	13.857	12.593	12.511	10.539	9.519	8.825
Mission	12.951	13.504	18.835	18.633	15.913	14.153	12.441	11.358	11.419	10.425
Nokay Lake	13.309	16.274	31.900	30.771	29.602	25.938	22.637	26.184	22.125	20.401
Oak Lawn	15.843	18.952	25.412	23.265	21.489	19.695	19.050	17.659	17.483	16.765
Pelican	14.713	15.969	20.992	17.668	14.707	12.188	11.198	9.790	8.672	7.459
Perry Lake	11.797	11.238	14.822	15.421	13.285	11.439	9.289	8.243	7.066	6.493
Platte Lake	22.433	21.581	28.388	24.103	23.186	21.453	20.119	18.641	15.682	14.135
Rabbit Lake	17.626	17.742	26.400	32.864	35.552	32.205	31.027	29.448	26.912	24.203
Roosevelt	12.420	14.605	21.759	21.722	24.768	21.390	20.540	18.420	21.621	21.517
Ross Lake fire district 1	8.640	12.492	12.811	15.928	16.821	13.775	12.265	11.779	7.800 (3)	7.411
Ross Lake fire district 2	7.117	11.473	11.443	12.865	13.270	11.540	10.105	8.896	- (3)	-
St. Mathias	23.371	20.501	25.432	32.132	27.405	25.881	25.888	22.161	19.794	22.562
Sibley (1)	15.965	19.034	37.288 (1)	-	-	-	-	-	-	-
Timothy	8.256	7.344	11.355	10.220	8.700	10.227	8.656	9.137	7.796	6.957
Wolford	21.317	25.366	31.338	33.766	28.992	23.628	19.828	16.787	13.989	12.093
Unorganized - Dean Lake	36.732	32.641	35.647	34.299	29.330	28.522	20.384	17.071	14.947	12.002
Unorganized - 1st Asmnt	6.773	5.457	10.595	9.762	9.292	9.873	8.963	8.480	7.914	7.679
School Districts										
001 - Aitkin	46.359	40.520	10.333 (2)	3.973	6.778	3.765	5.375	5.235	4.268	3.650
181 - Brainerd	48.660	46.027	22.708 (2)	26.510	24.254	24.324	23.212	22.056	17.875	17.671
182 - Crosby	49.774	43.041	13.070 (2)	25.421	19.812	16.041	12.614	12.350	9.974	8.921
186 - Pequot Lakes	45.700	39.300	17.698 (2)	15.358	13.634	11.962	12.288	9.539	8.944	8.443
480 - Onamia	51.031	55.824	23.132 (2)	22.086	20.008	20.662	17.879	14.126	13.428	12.203
482 - Little Falls	47.983	43.140	17.552 (2)	23.506	16.754	15.345	14.971	14.273	12.373	14.473
484 - Pierz	49.016	47.852	28.703 (2)	28.619	26.041	22.258	22.693	21.953	15.466	15.598
2174 - Pine River	51.260	43.301	15.683 (2)	11.823	5.175	6.975	8.060	6.889	6.312	5.647
Special Districts										
Region five	0.160	0.147	0.215	0.188	0.169	0.150	0.133	0.113	0.102	0.095
County HRA	0.102	0.108	0.127	0.113	0.098	0.083	0.071	0.066	0.057	0.051
Cuyuna hospital district	1.468	1.326	2.538	2.225	1.927	1.643	1.414	1.221	1.044	0.937
Thirty lakes watershed	1.755	1.896	3.913	2.300	2.020	1.603	1.553	1.325	1.326	1.260
Brainerd HRA	0.770	0.766	1.130	1.182	1.195	1.220	1.227	1.220	1.226	1.513
Pequot Lakes HRA	0.756	0.716	1.190	1.255	1.128	1.174	1.302	1.158	1.026	0.972
Mille Lacs sewer district	-	10.868	13.321	19.450	17.049	14.601	11.299	9.068	7.616	5.921

(1) Sibley was annexed to Pequot Lakes in June 2002.

(2) State of Minnesota increased funding to all school districts in 2002.

(3) Starting Payable 2008 Ross Lake has only one fire district.

Crow Wing County, Minnesota
Principal Property Tax Payers
Current Year and Nine Years Ago

Taxpayer	2009			2000		
	Net Tax Capacity Value	Rank	Percentage of Total Taxable Net Tax Capacity Value	Net Tax Capacity Value	Rank	Percentage of Total Taxable Net Tax Capacity Value
Mills Properties Inc.	\$ 922,197	1	0.75 %	\$ 637,587	1	1.27 %
Potlatch Forest Holdings	372,365	2	0.30	278,847	5	0.56
Minnesota Power and Light	369,670	3	0.30	600,026	2	1.20
Whitebirch Inc.	309,654	4	0.25	166,924	9	0.33
Northern States Power Co.	288,128	5	0.23	432,279	3	0.86
KTJ Limited Partnership	278,086	6	0.23			
Wal-Mart Stores Inc.	275,337	7	0.22			
Developers Diversified Realty	272,210	8	0.22	298,642	4	0.60
Etoc Co. Inc.	257,385	9	0.21	220,106	7	0.44
Brainerd Lakes Integrated	244,844	10	0.20			
United Power Assoc.				154,218	10	0.31
Mills Holding Co. of MN				220,846	6	0.44
Trus Joist MacMillan				181,939	8	0.36
Total	<u>\$ 3,589,876</u>		<u>2.91%</u>	<u>\$ 3,191,414</u>		<u>6.37%</u>

Crow Wing County, Minnesota
Property Tax Levies and Collections
Last Six Fiscal Years

Fiscal Year Ended December 31	(1) Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2004	18,645,664	18,343,133	98.38	279,748	18,622,881	99.88
2005	25,566,904	25,141,178	98.33	384,815	25,525,993	99.84
2006	28,879,186	28,343,338	98.14	449,128	28,792,466	99.70
2007	30,789,379	30,132,930	97.87	487,951	30,620,881	99.45
2008	31,917,304	30,994,026	97.11	490,937	31,484,963	98.65
2009	33,053,810	31,836,927	96.32	-	31,836,927	96.32

(1) The net levy has been adjusted for abatements and additions

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Crow Wing County, Minnesota
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities			
	General Obligation Bonds	Certificates of Participation	Lease Payable to Component Unit	Capital Lease
2000	1,780,000	470,000	4,460,000	55,000
2001	1,485,000	410,000	4,460,000	27,500
2002	3,515,000	350,000	3,930,000	27,500
2003	5,445,000	285,000	3,650,000	-
2004	55,800,000	220,000	3,355,000	-
2005	54,900,000	150,000	3,050,000	1,582,050
2006	55,335,000	75,000	2,730,000	1,529,050
2007	52,510,000	-	2,395,000	1,473,400
2008	49,485,000	-	2,045,000	1,415,100
2009	49,675,000	-	-	1,356,800

(1) Personal income data for 2009 is unavailable at this time.

Details regarding the County's outstanding debt can be found in the notes to the financial statements.

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

Business Activities			
General Obligation Bonds	Total Primary Government	Percentage of Personal Income	Per Capita
670,000	7,435,000	0.57	134
-	6,382,500	0.47	114
-	7,822,500	0.56	137
-	9,380,000	0.64	161
-	59,375,000	3.81	1,007
-	59,682,050	3.72	999
-	59,669,050	3.47	983
-	56,378,400	3.12	917
-	52,945,100	2.78	849
-	51,031,800	- (1)	814

Crow Wing County, Minnesota
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year	<u>General Bonded Debt Outstanding</u>		Percentage of Actual Taxable Value of Property	Per Capita
	General Obligation Bonds	Total		
2000	1,780,000	1,780,000	0.36	32.18
2001	1,485,000	1,485,000	0.26	26.45
2002	3,515,000	3,515,000	0.74	61.46
2003	5,445,000	5,445,000	1.01	93.62
2004	55,800,000	55,800,000	8.93	946.66
2005	54,900,000	54,900,000	7.56	919.37
2006	55,335,000	55,335,000	6.55	911.91
2007	52,510,000	52,510,000	5.35	853.77
2008	49,485,000	49,485,000	4.39	793.73
2009	49,675,000	49,675,000	4.03	791.97

Details regarding the County's outstanding debt can be found in the notes to the financial statements.

Crow Wing County, Minnesota
Direct, Underlying and Overlapping Governmental Activities Debt
As of December 31, 2009

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Direct debt			
Crow Wing County	\$ 49,675,000	100.000 %	\$ 49,675,000
Underlying debt			
Cities	97,222,968	100.000	97,222,968
Townships	877,225	100.000	877,225
Miscellaneous (HRA's, hospital)	42,441,466	100.000	42,441,466
Total underlying debt	140,541,659		140,541,659
Overlapping debt			
School district 181 - Brainerd	82,365,000	86.401	71,164,184
School district 182 - Crosby	22,630,000	99.997	22,629,321
School district 186 - Pequot Lakes	36,825,000	96.173	35,415,707
School district 482 - Little Falls	4,915,000	0.037	1,819
School district 484 - Pierz	2,135,000	0.444	9,479
Total overlapping debt	148,870,000		129,220,510
Total debt	\$ 339,086,659		\$ 319,437,169

Crow Wing County, Minnesota
Legal Debt Margin Information
Last Ten Fiscal Years

	Fiscal Year				
	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
Market value of taxable property	\$ 3,505,973,900	\$ 3,875,494,100	\$ 4,365,777,950	\$ 5,005,521,850	\$ 5,787,033,750
Debt limit (2% of market value) (3% after 2007)	70,119,478	77,509,882	87,315,559	100,110,437	115,740,675
Debt applicable to limit:					
General obligation bonds	6,405,000	5,945,000	4,945,000	6,630,000	56,785,000
Less: Amount set aside for repayment of general obligation debt	N/A ⁽¹⁾	N/A ⁽¹⁾	(1,066,665)	(1,083,007)	(1,015,246)
Total net debt applicable to limit	<u>6,405,000</u>	<u>5,945,000</u>	<u>3,878,335</u>	<u>5,546,993</u>	<u>55,769,754</u>
Legal debt margin	<u>\$ 63,714,478</u>	<u>\$ 71,564,882</u>	<u>\$ 83,437,224</u>	<u>\$ 94,563,444</u>	<u>\$ 59,970,921</u>
Total net debt applicable to the limit as a percentage of the debt limit	9.13%	7.67%	4.44%	5.54%	48.19%

Note

(1) This information is unavailable.

2002A G.O. airport improvement bonds are not subject to the statutory debt limit of Crow Wing County. (City of Brainerd)

Fiscal Year				
<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
\$ 6,754,573,830	\$ 7,838,204,800	\$ 9,068,693,000	\$ 10,393,020,600	\$ 11,434,134,100
135,091,477	156,764,096	272,060,790	311,790,618	343,024,023
55,675,000	55,890,000	52,835,000	49,570,000	49,675,000
(2,632,350)	(4,424,342)	(4,727,620)	(5,794,287)	(5,607,028)
53,042,650	51,465,658	48,107,380	43,775,713	44,067,972
<u>\$ 82,048,827</u>	<u>\$ 105,298,438</u>	<u>223,953,410</u>	<u>268,014,905</u>	<u>298,956,051</u>
39.26%	32.83%	17.68%	14.04%	12.85%

Crow Wing County, Minnesota
Demographic and Economic Statistics
Last Ten Calendar Years

Year	(1) Population	(1) Personal Income	(1) Per Capita Personal Income	(2) Annual Average Labor Force	(3) School Enrollment	(2) Unemployment Rate
2000	55,312	1,301,847	23,526	29,068	10,111	4.0
2001	56,136	1,358,441	24,199	30,157	10,089	4.5
2002	57,188	1,409,417	24,645	31,175	10,147	5.3
2003	58,160	1,457,594	25,062	31,628	10,321	5.7
2004	58,944	1,557,963	26,431	31,909	10,235	5.3
2005	59,715	1,604,663	26,872	32,088	10,172	5.0
2006	60,680	1,717,227	28,351	32,371	10,150	5.0
2007	61,504	1,805,636	29,358	32,773	10,171	5.7
2008	62,345	1,907,453	30,595	32,895	10,120	6.3
2009	62,723 (5)	- (4)	- (4)	33,732	9,753	9.9

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

(2) Minnesota Department of Employment and Economic Development

(3) Minnesota Department of Education

(4) Not available at this time

(5) 2009 Estimated population, US Census Bureau

Crow Wing County, Minnesota
Principal Employers
Current Year and Nine Years Ago

Taxpayer	2009			2000		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Independent School District 181	1,544	1	4.6 %	880	1	3.0 %
St. Joseph's Medical Center	1,223	2	3.6	800	2	2.8
Grand View Lodge Resort & Spa (1)	825	3	2.4			
Cuyuna Regional Medical Center	734	4	2.2	450	7	1.5
Mills Fleet Farm	526	5	1.6			
Wal-Mart Supercenter	511	6	1.5			
Ascensus (2)	500	7	1.5	350	8	1.2
Madden's Inc. (1)	500	8	1.5	500	6	1.7
Crow Wing County	455	9	1.3	503	5	1.7
Cragun's Resort & Hotel (1)	300	10	0.9			
Potlach Corporation				720	3	2.5
Brainerd Regional Human Services Ctr.				643	4	2.2
Ruttger's Bay Lake Lodge (1)				350	9	1.2
Central Lakes Community College				304	10	1.0
Total	7,118		21.10%	5,500		18.80%

Note: Information was gathered from Crow Wing County bonding information.

(1) Employee numbers indicate seasonal peak.

(2) Formerly owned by Universal Pensions & Bisys Retirement Services.

Crow Wing County, Minnesota
Full-Time Equivalent County Government Employees by Function/Program
Last Eight Fiscal Years

Function/Program	Full-Time Equivalent Employees							
	2002	2003	2004	2005	2006	2007	2008	2009
General government	116.9	113.7	112.0	115.1	121.6	124.8	121.4	111.7
Public safety	94.6	89.1	93.6	101.0	107.9	119.6	125.7	127.0
Highways and streets	44.5	41.3	41.5	39.7	39.5	38.8	37.3	36.2
Human services	123.7	125.9	127.4	127.3	131.5	133.6	134.2	131.9
Health	29.8	28.6	28.1	28.9	27.3	28.2	28.2	22.0
Culture and recreation	2.3	3.0	3.5	3.6	4.0	2.6	0.8	0.5
Conservation of natural resources	9.5	7.7	6.6	6.9	7.3	6.6	6.9	6.6
Solid waste enterprise fund	<u>1.3</u>	<u>1.3</u>	<u>1.3</u>	<u>1.1</u>	<u>1.2</u>	<u>1.3</u>	<u>1.3</u>	<u>1.3</u>
Total Full-Time Equivalents	<u><u>422.6</u></u>	<u><u>410.6</u></u>	<u><u>414.0</u></u>	<u><u>423.6</u></u>	<u><u>440.3</u></u>	<u><u>455.5</u></u>	<u><u>455.8</u></u>	<u><u>437.2</u></u>

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Crow Wing County, Minnesota
Operating Indicators by Function/Program
Last Ten Fiscal Years

Function/Program	Fiscal Year			
	2000	2001	2002	2003
General Government				
Assessor				
Number of Parcels	N/A	N/A	N/A	N/A
Number of Improved Parcels	N/A	N/A	N/A	37,616
Number of Personal Property Parcels	N/A	N/A	N/A	1,498
Number of Exempt Parcels	N/A	N/A	N/A	11,727
All Property Notices Printed (Except Exempt)	N/A	N/A	N/A	70,453
Information Systems				
Computers Purchased	28	24	126	112
Telephones Purchased	N/A	N/A	N/A	N/A
Work Orders Completed	N/A	N/A	N/A	1,253
Planning & Zoning				
Township Permits Issued (All Types)	N/A	2,893	2,706	2,598
Recorder				
Abstract Documents	17,921	22,070	25,173	28,937
Torrens Documents	5,210	6,162	7,390	8,517
Warranty Deeds	3,519	3,416	3,845	3,982
Foreclosures	43	39	60	63
Treasurer				
Birth Certificates	2,551	2,947	3,711	3,508
Marriage Licenses	484	512	484	438
Marriage Certificates	199	213	235	289
Notary Registrations	311	83	89	96
Passports	948	995	1,102	960
Health				
Home Health Visits	N/A	N/A	6,062	5,344
Family Health Contacts	N/A	N/A	8,095	8,674
Health Promotion Contacts	N/A	N/A	2,332	2,782
Disease Prevention & Control Immunizations	N/A	N/A	N/A	N/A
Community Screenings	N/A	N/A	N/A	N/A
Public Safety				
Sheriff				
Part I Crimes	N/A	N/A	N/A	N/A
Part II Crimes	N/A	N/A	N/A	N/A
Non Reportable Crimes/Incidents	N/A	N/A	N/A	N/A
Dispatch				
911 Emergency Calls	N/A	N/A	N/A	N/A
Jail				
Average Monthly Bookings	N/A	N/A	N/A	N/A
Average Monthly Inmate Population	N/A	N/A	N/A	N/A
Highways and Streets				
Miles of Overlay	10	48	28	42
Miles of Construction	22	7	9	12
Tons of Crushing	N/A	59,750	-	55,000
Miles of Crack sealing	N/A	N/A	N/A	N/A
Human Services				
Children In/Out of Home Placement	248	264	245	229
Persons Receiving MR/RC Waivered Services	162	164	165	163
Child Support Cases	3,197	3,208	3,253	3,313
Financial Assistance Cases	3,228	3,491	3,816	3,715
Conservation of Natural Resources				
SCORE				
SCORE Funded Residential Recycling (Ton)	1,824	1,944	2,005	2,164
Commercial Recycling (Ton)	33,294	30,745	31,182	31,809
SCORE - Problem Material Management				
Hazardous Waste (Ton)	29	32	39	40
Electronics (Ton)	N/A	3	10	11
Tires (Each)	6,923	7,240	10,221	8,536
White Goods (Each)	3,235	4,001	4,457	4,306
Used Oil (Gallon)	3,475	4,225	8,590	18,060
Mattresses Recycled (Each)	N/A	N/A	N/A	N/A
Sanitation				
Solid Waste				
Municipal Solid Waste Land filled SW376 (Ton)	34,258	38,673	41,832	42,151
Industrial Waste Land filled SW376 (Ton)	1,730	233	1,031	3,914
Demolition Waste Land filled SW440 (Cu Yd)	19,436	26,266	22,095	30,455

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

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

(3) Program ended in 2009

Fiscal Year					
2004	2005	2006	2007	2008	2009
N/A	N/A	N/A	N/A	N/A	81,806
37,964	38,268	38,686	39,475	N/A	41,371
1,513	1,523	1,605	1,643	1,647	1,419
12,202	12,202	12,202	12,202	12,202	9,708
70,747	71,699	72,372	72,934	73,152	73,441
42	108	125	114	107	98
19	260	192	164	3	4
1,916	3,447	3,670	4,487	5,443	5,558
2,701	2,522	1,421	1,174	846	759
23,973	22,574	20,411	18,987	16,282	17,419
7,316	7,376	6,161	5,708	5,143	5,480
3,976	3,907	3,141	2,605	1,848	2,013
68	101	142	231	356	351
3,643	4,098	4,329	4,472	3,463	3,398
468	463	484	469	414	441
330	299	316	250	232	241
114	550	119	113	140	143
1,126	1,829	2,997	3,318	1,659	1,756
5,442	5,734	5,001	4,265	3,468	N/A (3)
9,386	9,230	8,928	9,342	8,879	9,328
3,670	3,558	1,384	3,843	4,090	14,547
N/A	N/A	N/A	N/A	N/A	12,417
N/A	N/A	N/A	N/A	N/A	705
N/A	N/A	N/A	464 (1)	523	445
N/A	N/A	N/A	824 (1)	872	892
N/A	N/A	N/A	9,369 (1)	12,569	16,690
N/A	N/A	N/A	25,579	27,760	30,148
N/A	N/A	N/A	324 (2)	328	308
N/A	N/A	N/A	144 (2)	160	134
32	19	10	26	15	8
9	17	5	1	3	6
90,000	40,000	-	58,500	-	-
N/A	3	3	N/A	13	10
237	249	204	220	244	237
157	158	157	153	155	157
3,262	3,393	3,431	3,542	3,512	3,604
3,980	4,020	4,100	4,372	4,768	5,331
2,721	2,934	3,142	3,650	4,066	4,696
37,878	43,088	44,916	45,097	35,453	23,051
40	41	46	44	48	41
83	131	134	162	137	146
10,138	9,777	9,197	11,660	8,709	6,984
4,793	4,686	4,624	4,434	3,949	4,077
26,077	35,991	36,185	32,748	39,070	36,424
N/A	N/A	768	2,467	2,304	2,251
41,981	43,129	40,477	39,625	36,912	35,545
6,736	8,727	6,795	5,875	5,915	3,856
25,361	21,480	20,386	13,959	16,950	14,055

Crow Wing County, Minnesota
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

Function/Program	Fiscal Year			
	2000	2001	2002	2003
General Government				
Courthouse	1	1	1	1
Judicial Center	N/A	N/A	N/A	N/A
Motor Pool Vehicles	N/A	N/A	N/A	3
Public Safety				
Vehicles	65	67	69	73
Jails	1	2	2	2
Emergency Operations Center	1	1	1	1
Highways and Streets				
Vehicles	66	72	74	76
Graders, Loaders and Heavy Trucks	30	28	28	30
Miles of County Roads	181	181	181	180
Miles of County State Aid Highways	371	378	378	378
Garage and Storage Buildings	13	13	13	14
Sanitation				
Demolition Landfills	2	2	2	2
Human Services				
Office Buildings	1	1	1	1
Culture and Recreation				
Parks	N/A	N/A	N/A	4
Accesses	17	17	17	17
Recreational Trails	N/A	N/A	N/A	2

Fiscal Year						
2004	2005	2006	2007	2008	2009	
1	1	1	1	1	1	
N/A	N/A	N/A	1	1	1	
6	6	7	7	-	-	
77	80	82	83	82	89	
2	2	2	1	1	1	
1	1	1	1	1	1	
78	77	77	77	70	70	
32	31	31	31	31	31	
180	180	180	182	182	182	
378	378	380	380	380	380	
13	9	12	12	12	12	
2	2	2	2	2	2	
1	1	1	1	1	1	
4	4	4	4	4	4	
17	17	17	17	17	17	
2	2	2	2	2	2	