

# BIG STONE COUNTY SUMMARY FINANCIAL STATEMENTS

## For the Year Ended December 31, 2014

The purpose of the Report is to provide a summary of financial information concerning Big Stone County for interested citizens. Questions about this report should be directed to Michelle R. Knutson, Auditor at (320) 839-6366.

**A FULL AND COMPLETE COPY OF THE COUNTY FINANCIAL STATEMENT IS AVAILABLE UPON REQUEST BY CALLING (320) 839-6366, OR BY WRITING TO THE BIG STONE COUNTY AUDITOR, 20 2ND ST SE, SUITE #103, ORTONVILLE, MN 56278.**

### 2014 COUNTY OFFICIALS

|                           |                     |                |
|---------------------------|---------------------|----------------|
| 1st District Commissioner | Walter Wulff        | (320) 748-7562 |
| 2nd District Commissioner | Wade Athey          | (320) 325-9988 |
| 3rd District Commissioner | Brent Olson         | (320) 273-2297 |
| 4th District Commissioner | Roger Sandberg      | (320) 305-1721 |
| 5th District Commissioner | Joseph Berning      | (320) 839-3909 |
| County Sheriff            | John Haukos         | (320) 839-3558 |
| County Auditor            | Michelle R. Knutson | (320) 839-6366 |
| County Treasurer          | Cindy Nelson        | (320) 839-6395 |
| County Recorder           | Elaine Martig       | (320) 839-6390 |
| County Attorney           | William J. Watson   | (320) 839-6197 |

### A PROFILE OF BIG STONE COUNTY

|   | 2014         | 2013         | Percent Inc/Dec |
|---|--------------|--------------|-----------------|
| Estimated Population*                           | 5,127        | 5,127        | 0.00%           |
| Total Tax Capacity                              | 11,173,767   | 10,810,435   | 3.36%           |
| Percent of Property Taxes Collected             | 98.498%      | 98.965%      | -0.47%          |
| Total General Revenues                          | \$5,243,213  | \$5,063,755  | 3.54%           |
| Total Program Revenues                          | \$6,283,064  | \$5,611,012  | 11.98%          |
| Total Expenses                                  | \$10,357,472 | \$10,272,360 | 0.83%           |
| Capital Assets (Net)                            | \$26,231,546 | \$23,383,487 | 12.18%          |
| Total Outstanding Net Bonded Debt of the County | \$790,000    | \$850,000    | -7.06%          |
| Total Government-Wide Net Position              | \$32,991,995 | \$31,823,190 | 3.67%           |
| Total Number of Full Time Employees             | 60           | 60           | 0.00%           |

\*2014 estimate not available

### A User's Guide to County Financial Statements

#### Basic Financial Statements

Big Stone County's basic financial statements consist of three parts: government-wide financial statements, fund financial statements, and notes to the financial statements. The management's discussion and analysis and certain budgetary comparison schedules are required to accompany the basic financial statements and, therefore, are included as required supplementary information.

**Government-wide financial statements** display information about the county's financial reporting entity as a whole, except for its fiduciary activities.

**Fund financial statements** display separate financial information for the county's governmental and fiduciary funds. Fiduciary fund information is presented in aggregate by fund type.

**Notes to the financial statements** provide additional information and disclosure for information in the financial statements.

**Governmental activities** are generally activities of the county financed through taxes, intergovernmental revenues, and other nonexchange revenues.

**Financial reporting entity** consists of the primary government (county), organizations for which the county is financially accountable, and other organizations for which the nature and significance of their relationship with the county are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The nucleus of a county's financial reporting entity is the primary government, the county.

**Primary government** is a term used in connection with defining the financial reporting entity. The primary government is the focus of the financial reporting entity. For the county, the primary government represents the financial activities, funds, or accounts directly under the control of the county board.

#### County Governmental Fund Types

The **General Fund** is the general operating fund of the county. It is used to account for all financial resources, except those that are required to be accounted for in another fund.

**Special Revenue Funds** are used to account for the proceeds of specific revenue sources that are legally restricted for specified purposes.

**Debt Service Funds** are used to account for the accumulation of resources for, and the payment of principal, interest, and related costs of general long-term debt.

**Capital Projects Funds** are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

#### County Fiduciary Funds

**Agency Funds** are used to account for assets held by the county as an agent for individuals, private organizations, other governments, and/or other funds; for example, taxes collected and held by a county for a school district.

#### Character Classification of County Expenditures

The county's governmental expenditures are classified by character or the periods expenditures are presumed to benefit. The county has the following character classifications:

**Current operating expenditures** are presumed to benefit the current fiscal period.

**Debt services** are presumed to benefit prior fiscal periods as well as current and future periods and include amount expended for the payment of principal, interest, and other costs associated with debt.

**Capital outlays** are presumed to benefit current and future fiscal periods and include amounts expended for the construction or acquisition of county capital assets.

**Intergovernmental** represent resources transferred by the county to other governments.

#### Classification of County Functions

Functions are a group of related activities aimed at accomplishing a major service or regulatory program for which the county is responsible. The county has the following function classifications:

The **general government** function includes expenditures for general county activities such as the county commissioners, county attorney's office, county auditor's office, county treasurer's office, county assessor's office, the judicial, the planning and zoning office, and other county general service offices.

**Public safety** relates to the objective of protection of persons and property and includes expenditures for corrections activities, operations of the sheriff's department, civil defense, and emergency services.

**Highways and streets** includes expenditures relating to the construction and maintenance of county highways and streets.

**Sanitation** involves expenditures for the removal and disposal of waste and includes county solid waste collection and disposal, recycling, and sanitary sewer programs.

**Human services** represents activities designed to provide public assistance and institutional care for individuals unable to provide essential needs for themselves. These programs include child support collection, child welfare, chemical dependency, medical assistance, and others.

**Health** involves all activities involved in the conservation and improvement of public health. This function includes expenditures for the county public health department, home health aid services, other nursing services, maternal and child health, supplemental nutrition programs, and programs to protect public and private water systems.

**Culture and recreation** involves cultural and recreational activities maintained for the benefit of county residents and visitors. These activities include county libraries, parks, and other recreation programs.

**Conservation** involves activities designed to conserve and develop such natural resources as water, soil, and forests and includes such programs as soil and water conservation, county extension, water planning, and other.

**Economic development** activities are directed toward economically developing the area encompassed by the county and providing assistance to, and opportunity for, economically disadvantaged persons or businesses.

### Summary of Big Stone County's Statement of Activities For the Year Ended December 31, 2014

| Functions/Programs                   | Expenses             | Program Revenues    | Net (Expense) Revenue and Changes in Net Assets Governmental Activities |
|--------------------------------------|----------------------|---------------------|---|
| <b>Governmental activities</b>       |                      |                     |   |
| General government                   | \$ 1,997,462         | \$ 237,963          | \$(1,759,499)   |
| Public safety                        | 1,079,470            | 214,066             | (865,404)   |
| Highways and streets                 | 3,965,713            | 3,826,801           | (138,912)   |
| Sanitation                           | 192,299              | 187,700             | (4,599)   |
| Human services                       | 2,365,501            | 1,602,666           | (762,835)   |
| Health                               | 96,857               | 1,125               | (95,732)  |
| Culture and recreation               | 215,366              | 42,472              | (172,894)   |
| Conservation of natural resources    | 375,926              | 170,271             | (205,655)   |
| Economic development                 | 40,943               | -                   | (40,943)  |
| Interest                             | 27,935               | -                   | (27,935)  |
| <b>Total governmental activities</b> | <b>\$ 10,357,472</b> | <b>\$ 6,283,064</b> | <b>\$(4,074,408)</b>  |
| <b>General revenues</b>              |                      |                     |   |
| Taxes                                |                      |                     | \$ 4,452,050  |
| Other general revenues               |                      |                     | 791,163   |
| <b>Total general revenues</b>        |                      |                     | <b>\$ 5,243,213</b>   |
| <b>Change in Net Position</b>        |                      |                     | <b>\$ 1,168,805</b>   |

### A Summary of Fiduciary Net Position For the Year Ended December 31, 2014

| Assets                      |                   |
|-----------------------------|-------------------|
| Cash and pooled investments | \$ 288,444        |
| <b>Liabilities</b>          |                   |
| Accounts payable            | \$ 6,083          |
| Due to other governments    | 282,060           |
| Advance from other funds    | 301               |
| <b>Total Liabilities</b>    | <b>\$ 288,444</b> |

### MAJOR RECIPIENTS OF BIG STONE COUNTY EXPENDITURES

The following is a list of recipients of Big Stone County expenditures totaling \$5,000 or more during 2014. The list does not include salaries to county employees nor does it include individuals who received federal, state or county human services aid.

| NAME OF RECIPIENT                        | AMOUNT          |
|--|-----------------|
| Akron Township                           | \$ 19,142.53    |
| Trustees of Allen & Douglas Jahnke       | \$ 13,969.45    |
| Almond Township                          | \$ 10,821.13    |
| American Solutions for Business          | \$ 5,357.86     |
| Apple Computer, Inc                      | \$ 15,764.70    |
| Artichoke Township                       | \$ 12,154.83    |
| Association of Minnesota Counties        | \$ 6,879.00     |
| Athey/Brian                              | \$ 27,000.00    |
| Atwater Ford                             | \$ 29,968.00    |
| Barr's-Conroy Electric Inc               | \$ 8,144.54     |
| Big Stone Area Growth                    | \$ 38,600.00    |
| Big Stone County Ag Society              | \$ 26,775.94    |
| Big Stone County Historical Society      | \$ 70,999.00    |
| Big Stone County LCTS                    | \$ 15,163.00    |
| Big Stone SWCD                           | \$ 66,388.50    |
| Big Stone Township                       | \$ 17,760.69    |
| Bituminous Paving, Inc.                  | \$ 1,814,984.78 |
| Bonanza Education Center                 | \$ 11,000.00    |
| Bond Trust Services Corporation          | \$ 88,335.00    |
| Border States Cooperative                | \$ 10,419.71    |
| Browns Valley Township                   | \$ 15,343.12    |
| BSLA Sno Riders                          | \$ 30,107.64    |
| Carquest of Ortonville                   | \$ 7,225.35     |
| Central Specialties, Inc.                | \$ 1,327,156.09 |
| City of Graceville                       | \$ 19,930.78    |
| City of Ortonville                       | \$ 51,187.73    |
| Comm of Transportation                   | \$ 5,959.00     |
| Commerford Gravel, Inc                   | \$ 18,851.08    |
| Computer Professionals Unlimited         | \$ 64,274.89    |
| Countryside Public Health                | \$ 146,477.11   |
| Crop Production Services                 | \$ 14,502.47    |
| Cunningham/John                          | \$ 10,089.84    |
| Dakotah Paper Co.                        | \$ 6,021.98     |
| Door Service Company of the Twin Cities  | \$ 10,276.80    |
| Timothy Duin & Margaret Duin             | \$ 12,658.45    |
| Edney Distributing                       | \$ 5,013.88     |
| Election Systems & Software, Inc.        | \$ 13,935.43    |
| Emergency Automotive Technology, Inc     | \$ 7,021.54     |
| Envirotech Services, Inc                 | \$ 29,093.40    |
| Foster Township                          | \$ 12,264.31    |
| Francotyp-Postalia Inc.                  | \$ 8,000.00     |
| Gerard Academy                           | \$ 109,624.60   |
| GovConnection, Inc.                      | \$ 30,183.71    |
| Graceville Township                      | \$ 16,416.59    |
| Greater Minnesota Family Services        | \$ 72,738.91    |
| Hancock Concrete Products, LLC           | \$ 16,334.38    |
| Hasslen Construction                     | \$ 66,456.00    |
| Kandiyohi County                         | \$ 120,488.74   |
| Kris Engineering                         | \$ 13,631.72    |
| L & O Acres Transport                    | \$ 9,965.18     |
| Larry's Refrigeration                    | \$ 13,851.55    |
| Les Jones Roofing Incorporated           | \$ 37,590.04    |
| Lieffort Painting                        | \$ 18,885.00    |
| LiftOff, LLC                             | \$ 13,838.00    |
| Lundberg Construction, Inc.              | \$ 6,402.00     |
| Lutheran Social Services                 | \$ 18,596.76    |
| MAAC, Inc.                               | \$ 26,750.00    |
| Main Street Industries                   | \$ 10,807.69    |
| Malta Township                           | \$ 9,761.74     |
| Marco                                    | \$ 62,311.14    |
| MCIT                                     | \$ 141,818.90   |
| McMahon Counseling & Consultation        | \$ 6,136.38     |
| Midcontinent Communications              | \$ 10,964.35    |
| Midwest Contracting LLC                  | \$ 539,476.82   |
| Midwest Insulation, Inc                  | \$ 24,500.00    |
| Milbank Communications                   | \$ 10,126.12    |
| Minnesota Energy                         | \$ 17,218.64    |
| Minnesota Department of Revenue          | \$ 6,085.82     |
| Minnesota Sheriff's Assn                 | \$ 5,279.00     |
| Moonshine Township                       | \$ 10,279.87    |
| Motorola                                 | \$ 11,912.40    |
| M-R Sign Co, Inc.                        | \$ 15,682.85    |
| Mundwiler & Larson Funeral Homes         | \$ 6,170.00     |
| Nelson Electric, Inc                     | \$ 6,363.29     |
| Nemetschek Vectorworks, Inc.             | \$ 6,025.00     |
| Odessa Township                          | \$ 11,645.68    |
| Office Depot, Inc                        | \$ 8,729.47     |
| Office of Enterprise Technology          | \$ 11,995.24    |
| Office of the State Auditor              | \$ 35,278.85    |
| Office Peeps, Inc.                       | \$ 37,390.50    |
| Ortonville Independent                   | \$ 22,667.56    |
| Ortonville Township                      | \$ 6,590.45     |
| Orey Township                            | \$ 9,029.75     |
| Otter Tail Power                         | \$ 276,780.09   |
| Path Inc                                 | \$ 15,790.52    |
| Pictometry Visual Intelligence           | \$ 28,475.50    |
| Pioneerland Library System               | \$ 65,587.00    |
| Plotz Timber Harvest LLC                 | \$ 36,700.00    |
| Postmaster                               | \$ 7,668.00     |
| Prairie Five "Rides"                     | \$ 59,100.40    |
| Prairie Lakes Youth Programs             | \$ 19,692.45    |
| Prior Township                           | \$ 24,132.28    |
| Pro West & Associates Inc                | \$ 18,363.00    |
| RDO Equipment Co.                        | \$ 194,435.00   |
| Rice Home Medical LLC                    | \$ 5,547.04     |
| Rice Stromgren Architects                | \$ 31,693.83    |
| Ridgeview Excavating Inc                 | \$ 11,575.00    |
| Robert R Schroeder Construction, Inc     | \$ 6,000.00     |
| Rural Support Services                   | \$ 122,758.72   |
| Sanford Health                           | \$ 5,741.76     |
| Satellite Shelters, Inc.                 | \$ 10,535.00    |
| Schlimme/Dillon                          | \$ 16,655.42    |
| Schuneman Equipment Company              | \$ 17,138.49    |
| Seachange Printing & Marketing Services  | \$ 7,606.86     |
| Someplace Safe                           | \$ 8,040.00     |
| SOS Technologies                         | \$ 5,991.80     |
| Star Bank                                | \$ 14,337.69    |
| Stevens County                           | \$ 9,432.66     |
| Stevens Community Medical Center         | \$ 39,451.42    |
| Strei's Construction & Design            | \$ 8,546.04     |
| The Shop                                 | \$ 6,702.97     |
| Titan Machinery-Rosemount                | \$ 21,328.16    |
| Toqua Township                           | \$ 8,783.03     |
| Toshiba Financial Services               | \$ 19,326.60    |
| Traffic Marking Service, Inc.            | \$ 29,838.12    |
| Traverse County                          | \$ 61,584.95    |
| Tri-County Co-op Oil Association         | \$ 22,379.19    |
| TrueNorth Steel                          | \$ 23,242.19    |
| Twin Valley Tire, Inc.                   | \$ 31,909.96    |
| Upper Minnesota River Watershed District | \$ 33,500.00    |
| University of Minnesota                  | \$ 42,478.46    |
| Valent Medical Solutions Inc             | \$ 5,076.00     |
| Verizon Wireless                         | \$ 9,771.33     |
| Voyager Fleet Systems Inc                | \$ 8,066.17     |
| Waste Management of Central Minnesota    | \$ 118,345.18   |
| Watson/William J.                        | \$ 60,683.45    |
| West Central Industries                  | \$ 7,864.34     |
| Western Consolidated Cooperative         | \$ 166,170.69   |
| Wheaton Dumont Coop Elevator             | \$ 24,560.00    |
| Wideth, Smith & Nolting Assoc, Inc.      | \$ 6,703.50     |
| Wilkin County                            | \$ 5,285.55     |
| Woodland Centers                         | \$ 5,305.00     |
| Ziegler Inc                              | \$ 429,947.97   |

### A Summary Balance Sheet of Governmental Funds December 31, 2014

|   | General             | Highway             | Family Services     | Ditch             | Debt Service      | Total Governmental Funds |
|---|---------------------|---------------------|---------------------|-------------------|-------------------|--------------------------|
| <b>Assets</b>   |                     |                     |                     |                   |                   |                          |
| Cash and investments  | \$ 4,136,571        | \$ 1,290,101        | \$ 1,612,701        | \$ 249,862        | \$ 99,671         | \$ 7,388,906             |
| Taxes receivable  | 40,408              | 12,362              | 12,067              | -                 | 1,284             | 66,121                   |
| Special assessments receivable  | 8,051               | -                   | -                   | 27,743            | -                 | 35,794                   |
| Accounts receivable   | 6,859               | 17                  | 29,495              | -                 | -                 | 36,371                   |
| Accrued interest receivable   | 3,586               | -                   | -                   | -                 | -                 | 3,586                    |
| Loans receivable  | 30,000              | -                   | -                   | -                 | -                 | 30,000                   |
| Due from other governments  | 27,365              | 1,465,802           | 123,569             | 93                | -                 | 1,616,829                |
| Advance to other funds  | 60,801              | -                   | -                   | -                 | -                 | 60,801                   |
| Advance to other governments  | -                   | -                   | 7,089               | -                 | -                 | 7,089                    |
| Inventories   | -                   | 153,306             | -                   | -                 | -                 | 153,306                  |
| <b>Total Assets</b>   | <b>\$ 4,313,641</b> | <b>\$ 2,921,588</b> | <b>\$ 1,784,921</b> | <b>\$ 277,698</b> | <b>\$ 100,955</b> | <b>\$ 9,368,803</b>      |
| <b>Liabilities, Deferred Inflows of Resources, &amp; Fund Balances</b>      |                     |                     |                     |                   |                   |                          |
| <b>Liabilities</b>  |                     |                     |                     |                   |                   |                          |
| Accounts payable  | \$ 25,959           | \$ 4,104            | \$ 39,960           | \$ 488            | \$ -              | \$ 70,511                |
| Salaries payable  | 46,634              | 30,716              | 34,478              | -                 | -                 | 111,828                  |
| Contracts payable   | 49,954              | -                   | -                   | -                 | -                 | 49,954                   |
| Due to other governments  | 79,093              | 1,048               | 25,711              | -                 | -                 | 105,852                  |
| Advance from other funds  | -                   | -                   | -                   | 60,500            | -                 | 60,500                   |
| <b>Total Liabilities</b>  | <b>\$ 201,640</b>   | <b>\$ 35,868</b>    | <b>\$ 100,149</b>   | <b>\$ 60,988</b>  | <b>\$ -</b>       | <b>\$ 398,645</b>        |
| <b>Deferred Inflows of Resources</b>  |                     |                     |                     |                   |                   |                          |
| Unavailable revenue   | \$ 49,614           | \$ 1,314,944        | \$ 12,067           | \$ 27,743         | \$ 1,284          | \$ 1,405,652             |
| <b>Fund Balances</b>  |                     |                     |                     |                   |                   |                          |
| Nonspendable  | \$ 80,801           | \$ 153,306          | \$ -                | \$ -              | \$ -              | \$ 234,107               |
| Restricted  | 261,081             | 177,592             | 2,000               | 188,967           | 99,671            | 729,311                  |
| Committed   | 783,483             | 275,071             | 150,000             | -                 | -                 | 1,208,554                |
| Assigned  | 303,401             | 964,807             | 1,520,705           | -                 | -                 | 2,788,913                |
| Unassigned  | 2,633,621           | -                   | -                   | -                 | -                 | 2,633,621                |
| <b>Total Fund Balances</b>  | <b>\$ 4,062,387</b> | <b>\$ 1,570,776</b> | <b>\$ 1,672,705</b> | <b>\$ 188,967</b> | <b>\$ 99,671</b>  | <b>\$ 7,594,506</b>      |
| <b>Total Liabilities, Deferred Inflows of Resources &amp; Fund Balances</b> | <b>\$ 4,313,641</b> | <b>\$ 2,921,588</b> | <b>\$ 1,784,921</b> | <b>\$ 277,698</b> | <b>\$ 100,955</b> | <b>\$ 9,398,803</b>      |

### A Summary of Governmental Funds Revenues and Expenditures For the Year Ended December 31, 2014

|                      | General      | Highway    | Family Services | Ditch   | Debt Service | Total Governmental Funds |
|----------------------|--------------|------------|-----------------|---------|--------------|--------------------------|
| <b>Revenues</b>      |              |            |                 |         |              |                          |
| Taxes                | \$ 2,756,396 | \$ 906,682 | \$ 796,860      | \$ -    | \$ 88,360    | \$ 4,548,298             |
| Special assessments  | 119,500      | -          | -               | 127,850 | -            | 247,350                  |
| Licenses and permits | 25,089       | 1,195      | -               | -       | -            | 26,284                   |
| Intergovernmental    | 851,133      | 4,697,808  | 1,213,273       | -       | 1,552        | 6,763,766                |
| Charges for services | 188,470      |            |                 |         |              |                          |