

**ISANTI COUNTY
SUMMARY FINANCIAL STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2017**

The purpose of this report is to provide a summary of financial information concerning Isanti County for interested citizens. These summary financial statements are being published annually as required by Minnesota Stat. 375.17. For more timely financial information or questions about this report please contact Chad Struss, Isanti County Auditor-Treasurer at (763) 689-1644.

A FULL AND COMPLETE COPY OF THE COUNTY FINANCIAL STATEMENT IS AVAILABLE ON THE COUNTY'S WEBSITE AT WWW.CO.ISANTI.MN.US.

COUNTY OFFICIALS

| Position | Name | Phone |
|----------------------|-------------------|----------------|
| Commissioners | | |
| 1st District | Dave Oslund | (612) 282-6222 |
| 2nd District | Terry Turnquist | (320) 396-4134 |
| 3rd District | Greg Anderson | (763) 444-4497 |
| 4th District | Mike Warring | (763) 444-4261 |
| 5th District | Susan Morris | (763) 689-8199 |
| Officers | | |
| Elected | | |
| Attorney | Jeffrey R. Edblad | (763) 689-2253 |
| Auditor-Treasurer | Chad Struss | (763) 689-1644 |
| Recorder | Connie Lindberg | (763) 689-1191 |
| Sheriff | Chris Caulk | (763) 689-2141 |
| Appointed | | |
| Administrator | Kevin VanHooser | (763) 689-3859 |

A User's Guide to County Financial Statements

The following definitions will help citizens understand the terminology that is used in the county's financial statement.

Basic Financial Statements

Isanti County's basic financial statement consists 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 in the full and complete set of Isanti County's financial statements available upon request.

Government-wide financial statements display information about the county's financial reporting entity as a whole, except for its fiduciary activities. These statements should present separate information for the governmental activities of the county (primary government) as well as its component units.

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

Notes to the financial statements provide additional detail and disclosure for information in the financial statements. These notes may be found in the full and complete set of Isanti County's financial statements available upon request.

Governmental activities are generally activities of the county financed through taxes, intergovernmental revenues, and other non-exchange revenues. These activities are usually reported in governmental funds.

Financial reporting entity consists of the primary government (county), other 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 primary government, the county, is the nucleus of the county's financial reporting entity.

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.

Component unit describes a legally separate organization for which the county board is financially accountable. In addition, component units can be 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. Isanti County classifies the Isanti County Economic Development Authority (EDA) as a component unit, but the EDA has not conducted any financial operations and, therefore, is not included in the county's financial statements.

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. The county reports two special revenue funds: the Road and Bridge Fund and the Human Services Fund.

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 the 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, or other county funds (such as taxes collected and held by the 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 service is presumed to benefit prior fiscal periods as well as current and future periods and includes 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 expenditures 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 administration, county attorney's office, county auditor-treasurer's office, county assessor's office, court administration, 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, the county jail, and emergency services.

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

Human Services represents activities designed to provide public assistance and institutional care for individuals unable to provide for their own essential needs. 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, 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 of Natural Resources involves activities designed to conserve and develop such natural resources as water, soil, and forests and includes such programs as soil and water conservation and county extension.

Economic Development activities are directed toward developing the county and providing assistance to (and opportunity for) economically disadvantaged persons or businesses.

Transit activities include public transit programs conducted by the Chisago-Isanti Heartland Express.

A PROFILE OF ISANTI COUNTY

| Key Indicator | Total 2017 | Total 2016 | Percent Increase (Decrease) |
|--|--------------|--------------|-----------------------------|
| Estimated Population | 39,553 | 39,009 | 1.39% |
| Total Tax Capacity | \$29,364,507 | \$28,260,889 | 3.91% |
| Percent of Property Taxes Collected | 98.69% | 98.44% | 0.25% |
| Total General Revenues | \$23,209,524 | \$21,722,382 | 6.85% |
| Total Program Revenues | \$20,226,023 | \$22,166,336 | (8.75)% |
| Total Expenses | \$42,607,414 | \$42,056,958 | 1.31% |
| Capital Assets | \$91,934,641 | \$87,439,959 | 5.14% |
| Total Long Term Liabilities for General Obligation Bonds and Notes | \$13,356,825 | \$11,608,600 | 15.06% |
| Total Long Term Liabilities for Compensated Absences | \$1,914,132 | \$1,811,261 | 5.68% |
| Bond Rating on Most Recent General Obligation Bond Issue | Aa3 | Aa3 | |
| Total Government-Wide Net Position | \$77,179,476 | \$76,351,343 | 1.09% |
| Total Number of Full-Time Equivalent Employees | 283.52 | 273.26 | 3.75% |

**Summary of Isanti County's Statement of Net Position
December 31, 2017**

| | Primary Governmental Activities |
|---|---------------------------------|
| Assets | |
| Cash and investments | \$ 16,824,835 |
| Current receivables | 4,899,314 |
| Other current assets | 914,420 |
| Capital assets, net of accumulated depreciation | |
| Land | 6,647,756 |
| Construction in progress | 398,226 |
| Infrastructure | 65,686,781 |
| Buildings and improvements | 13,735,414 |
| Equipment | 5,466,464 |
| Other assets | 485,812 |
| Total Assets | \$ 115,059,022 |
| Deferred Outflows of Resources | |
| Deferred pension outflows | \$ 7,562,105 |
| Liabilities | |
| Payables | \$ 2,535,700 |
| Other current liabilities | 2,030 |
| Unearned revenue | 288,048 |
| Long term liabilities | |
| Due within one year | 2,183,077 |
| Due in more than one year | 13,310,641 |
| Net pension liability | 16,897,749 |
| Net other post-employment benefits liability | 3,478,147 |
| Total Liabilities | \$ 38,695,392 |
| Deferred Inflows of Resources | |
| Prepaid property taxes | \$ 369,492 |
| Deferred pension inflows | 6,376,767 |
| Total Deferred Inflows | \$ 6,746,259 |
| Net Position | |
| Net investment in capital assets | \$ 82,575,067 |
| Restricted | 4,761,633 |
| Unrestricted | (10,157,224) |
| Total Net Position | \$ 77,179,476 |

**Summary of Isanti County's Statement of Activities
For the Year Ended December 31, 2017**

| Functions/programs | Expenses | Program Revenues | Net |
|-----------------------------------|----------------------|----------------------|------------------------|
| Primary government | | | |
| Governmental activities | | | |
| General government | \$ 8,897,003 | \$ 2,216,847 | \$ (6,680,156) |
| Public safety | 10,727,870 | 1,391,908 | (9,335,962) |
| Highways and streets | 4,768,472 | 4,595,841 | (172,631) |
| Human services | 13,587,504 | 8,626,709 | (4,960,795) |
| Health | 1,564,856 | 916,454 | (648,402) |
| Culture and recreation | 684,875 | 24,543 | (660,332) |
| Conservation of natural resources | 287,761 | 199,957 | (87,804) |
| Economic development | 93,542 | 33,000 | (60,542) |
| Transit | 1,689,669 | 2,220,764 | 531,095 |
| Debt service | 305,862 | - | (305,862) |
| Total primary government | \$ 42,607,414 | \$ 20,226,023 | \$ (22,381,391) |
| General revenues | | | |
| Property taxes | | | \$ 19,949,367 |
| Other taxes | | | 428,809 |
| Other general revenues | | | 2,831,348 |
| Total general revenues | | | 23,209,524 |
| Net change in net position | | | \$ 828,133 |