

MILLE LACS 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 Mille Lacs County for interested citizens. Questions about this report should be directed to the County Administrator, 320-983-8218. A FULL AND COMPLETE COPY OF THE COUNTY FINANCIAL STATEMENT IS AVAILABLE AT WWW.CO.MILLE-LACS.MN.US; UPON REQUEST BY CALLING 320-983-8218; OR BY WRITING TO THE MILLE LACS COUNTY ADMINISTRATOR, 635 2ND STREET SE, MILACA MN 56353.

COUNTY OFFICIALS		
GENNY REYNOLDS	COMMISSIONER DISTRICT 1	320-983-8218
TIM WILHELM	COMMISSIONER DISTRICT 2	320-983-8218
PHIL PETERSON	COMMISSIONER DISTRICT 3	320-983-8218
ROGER TELLINGHUISEN	COMMISSIONER DISTRICT 4	320-983-8218
DAVID OSLIN	COMMISSIONER DISTRICT 5	320-983-8218
PAT OMAN	COUNTY ADMINISTRATOR	320-983-8218
PHILIP THOMPSON	COUNTY AUDITOR-TREASURER	320-983-8302
JOE WALSH	COUNTY ATTORNEY	320-983-8305
BRENT LINDGREN	COUNTY SHERIFF	320-983-8250

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
Minnesota Counties' basic financial statements consist of three parts: government-wide financial statements, fund financial statements, and notes to the financial statements.

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

Fund financial statements display separate financial information for the county's governmental, proprietary, and fiduciary funds. Information is presented separately for major funds and in aggregate by fund type for non-major, internal services, and fiduciary funds.

Notes to the financial statements disclose additional information.

Governmental activities are generally county activities financed through taxes, intergovernmental revenue, and other non-exchange revenues.

COUNTY GOVERNMENT 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 specific 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 assets.

COUNTY PROPRIETARY FUNDS

Internal Service Funds are used to report any activity that provides goods or services to other funds, departments, or agencies of the primary government and its component units, or to other governments, on a cost reimbursement basis.

COUNTY FIDUCIARY FUNDS

Trust and Agency Funds are used to account for the assets held by the county in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds.

CHARACTER CLASSIFICATION OF COUNTY EXPENDITURES

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

Debt Services includes amounts expended for the payment of principal, interest, and other costs associated with debt.

Capital Outlays includes amounts expended for the construction or acquisition of county capital assets.

CLASSIFICATION OF COUNTY FUNCTIONS

General Government activities include expenditures for general county activities such as the county commissioners, administrative services, attorney, auditor-treasurer, assessor, veterans services, and land services.

Public Safety activities include expenditures for the protection of persons and property, which includes the operation of the sheriff's office, county jail, civil defense, and emergency services.

Public Works activities include expenditures for construction and maintenance of county roads.

Human Services activities include the administration of all federal, state, and county human services programs, including child support collection, and social service programs such as chemical dependency treatment, child protection services, and medical assistance.

Public Health involves all activities involved in the conservation and improvement of public health and includes expenditures for inoculation programs, programs to protect public and private drinking water systems, nursing services, and maternal and child health.

Other includes culture and recreation, conservation of natural resources, economic development, and sanitation.

Functions/Programs

Governmental activities

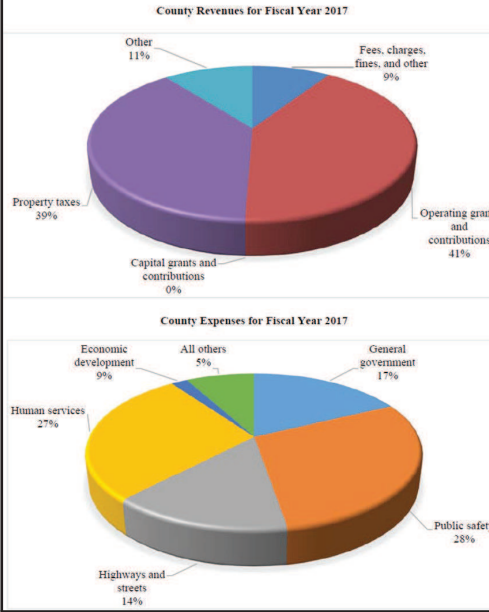
Expenses	Fees, Charges, Fines, and Other	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
General government	6,863,029	922,798	203,489	\$ - (5,736,742)
Public safety	11,149,781	1,123,975	907,014	- (9,118,792)
Highways and streets	5,517,554	39,959	4,905,648	- (571,947)
Sanitation	102,896	26,887	74,862	- (1,147)
Human services	10,622,014	1,166,211	5,212,635	- (4,243,168)
Health	712,325	149,672	541,656	- (20,997)
Culture and recreation	385,510	-	99,971	- (285,539)
Conservation of natural resources	349,850	50,146	96,263	- (203,441)
Economic development	3,627,613	4,583	3,565,000	- (58,030)
Interest expense on Long-term debt	193,595	-	15,331	- (178,264)
Total Governmental Activities	\$39,524,167	\$3,484,231	\$ 15,621,869	\$ 0 (\$20,418,067)

General Revenues

Property taxes	14,554,429
Gravel tax	56,847
Mortgage registry and deed tax	23,312
Wheelage tax	271,368
Local option sales tax	843,848
Payments in lieu of tax	219,182
Grants and contributions not restricted to specific programs	2,011,550
Unrestricted investment earnings	190,677
Miscellaneous	260,496
Gain on sale of capital assets	97,080
Total general revenues	\$ 18,528,789
Change in net position	\$ (1,889,278)
Net Position - January 1	67,468,055
Net Position - December 31	\$ 65,578,777

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION SELF-INSURED INTERNAL SERVICE FUND FOR THE YEAR ENDED DECEMBER 31, 2017

	Governmental Activites
Operating Revenues	\$ 142,359
Insurance fees	
Operating Expenses	146,030
Insurance	
Operating Income (Loss)	\$ (3,671)
Net Position - January 1	25,352
Net Position - December 31	\$ 21,681



MILLE LACS COUNTY
MILACA, MINNESOTA
STATEMENT OF NET POSITION
GOVERNMENTAL ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2017

Assets

Cash and pooled investments	\$ 17,508,259
Petty cash and change funds	850
Departmental cash	27,887
Taxes receivable	
Delinquent	603,205
Special assessments receivable	
Delinquent	1,399
Accounts receivable	287,251
Accrued interest receivable	26,584
Due from other governments	2,643,251
Inventories	369,587
Prepaid items	22,716
Capital assets	
Non-depreciable	5,891,435
Depreciable - net of accumulated depreciation	64,828,314
Total Assets	\$ 92,210,738

Deferred Outflows of Resources

Deferred pension outflows	\$ 9,099,022
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Liabilities

Accounts payable	875,358
Salaries payable	716,121
Claims payable	10,712
Contracts payable	93,682
Due to other governments	73,343
Accrued interest payable	84,799
Unearned revenue	710
Long-term liabilities	
Due within one year	696,807
Due in more than one year	8,519,984
Net Pension Liability	15,031,934
Other postemployment benefits	1,783,645
Total Liabilities	\$ 27,887,095

Deferred Inflows of Resources

Deferred pension inflows	\$ 7,491,498
Prepaid property tax	352,390
Total deferred inflows of resources	7,843,888

Net Position

Net investment in capital assets	\$ 63,786,246
Restricted for	
General government	173,063
Public safety	1,152,449
Highways and streets	2,174,761
Conservation of natural resources	285,111
Sanitation	120,314
Debt service	820,826
Unrestricted	(2,933,993)
Total Net Position	\$ 65,578,777

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BALANCE SHEET GOVERNMENTAL FUNDS FOR THE YEAR ENDED DECEMBER 31, 2017							
	General	Road and Bridge	Community and Veteran Services	Debt Service	Capital Projects	Non-major Ditch	Total
Assets							
Cash and pooled investments	\$7,879,234	\$2,144,468	\$5,664,322	\$831,100	\$860,860	\$95,882	\$17,475,866
Petty cash and change funds	800	-	50	-	-	-	850
Departmental cash	27,887	-	-	-	-	-	27,887
Taxes receivable							
Delinquent	383,223	10,671	176,176	32,849	286	-	603,205
Special assessments receivable							
Delinquent	1,399	-	-	-	-	-	1,399
Accounts receivable	51,826	-	235,425	-	-	-	287,251
Accrued interest receivable	26,584	-	-	-	-	-	26,584
Due from other funds	16,181	-	-	-	-	-	16,181
Due from other governments	323,744	1,337,910	981,597	-	-	-	2,643,251
Inventories	-	369,587	-	-	-	-	369,587
Prepaid items	14,326	2,303	6,087	-	-	-	22,716
Advances to other funds	93,764	-	-	-	-	-	93,764
Total Assets	\$ 8,818,968	\$ 3,864,939	\$ 7,063,657	\$ 863,949	\$861,146	\$95,882	\$ 21,568,541
Liabilities, Deferred Inflows of Resources, and Fund Balances							
Liabilities							
Accounts payable	\$197,573	\$113,461	\$564,124	\$-	\$-	\$200	\$875,358
Salaries payable	457,956	66,543	191,622	-	-	-	716,121
Contracts payable	-	93,682	-	-	-	-	93,682
Due to other funds	-	-	16,181	-	-	-	16,181
Due to other governments	58,005	875	14,463	-	-	-	73,343
Unearned revenue	710	-	-	-	-	-	710
Advances from other funds	-	-	-	-	-	93,764	93,764
Total Liabilities	\$ 714,244	\$ 274,561	\$ 786,390	\$ -	\$ -	\$ 93,964	\$ 1,869,159
Deferred Inflows of Resources							
Unavailable revenue	473,261	1,312,582	304,717	25,962	276	-	2,116,798
Prepaid property taxes	\$227,750	\$-	\$103,856	\$17,161	\$ 3,623	\$-	\$352,390
Total Deferred Inflows of Resources	\$701,011	\$1,312,582	\$408,573	\$ 43,123	\$3,899	\$-	\$2,469,188
Fund Balances							
Nonspendable							
Inventories	\$-	\$369,587	\$-	\$-	\$-	\$-	\$369,587
Prepaid items	14,326	2,303	6,087	-	-	-	22,716
Advances to other funds	93,764	-	-	-	-	-	93,764
Restricted for							
Debt service	-	-	-	820,826	-	-	820,826
Law library	72,999	-	-	-	-	-	72,999
Recorder's technology and equipment	23,051	-	-	-	-	-	23,051
Administering the carrying of weapons	222,066	-	-	-	-	-	222,066
Law enforcement	200,315	-	-	-	-	-	200,315
Highway construction projects	-	495,174	-	-	-	-	495,174
Gravel pit restoration	83,604	-	-	-	-	-	83,604
DARE Program	54,889	-	-	-	-	-	54,889
Prisoner account	675,179	-	-	-	-	-	675,179
Prosecutorial purposes	77,013	-	-	-	-	-	77,013
Aquatic invasive species	111,820	-	-	-	-	-	111,820
Ditch maintenance and repairs	-	-	-	-	-	89,687	89,687
SCORE	120,314	-	-	-	-	-	120,314
Committed to							
Broadband Grant	24,000	-	-	-	-	-	24,000
Gravel pit restoration	-	312,232	-	-	-	-	312,232
Assigned to							
General government	169,249	-	-	-	-	-	169,249
Public safety	285,988	-	-	-	-	-	285,988
Highways and streets	-	1,098,500	-	-	-	-	1,098,500
Community and veteran services programs	-	-	5,862,607	-	-	-	5,862,607
Capital projects	-	-	-	-	857,247	-	857,247
Unassigned	5,175,136	-	-	-	-	(87,769)	5,087,367
Total Fund Balances	\$7,403,713	\$ 2,277,796	\$ 5,868,694	\$ 820,826	\$857,247	\$ 1,918	\$ 17,230,194
Total Liabilities, Deferred Inflows of and Fund Balances	\$ 8,818,968	\$ 3,864,939	\$ 7,063,657	\$ 863,949	\$861,146	\$ 95,882	\$ 21,568,541