COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2013

CHISAGO COUNTY

CENTER CITY, MINNESOTA

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COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2013

CHISAGO COUNTY

CENTER CITY, MINNESOTA

PREPARED BY:

CHISAGO COUNTY AUDITOR'S OFFICE

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CHISAGO COUNTY
CENTER CITY, MINNESOTA

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CENTER CITY, MINNESOTA

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INTRODUCTORY SECTION

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CHISAGO COUNTY
CENTER CITY, MINNESOTA

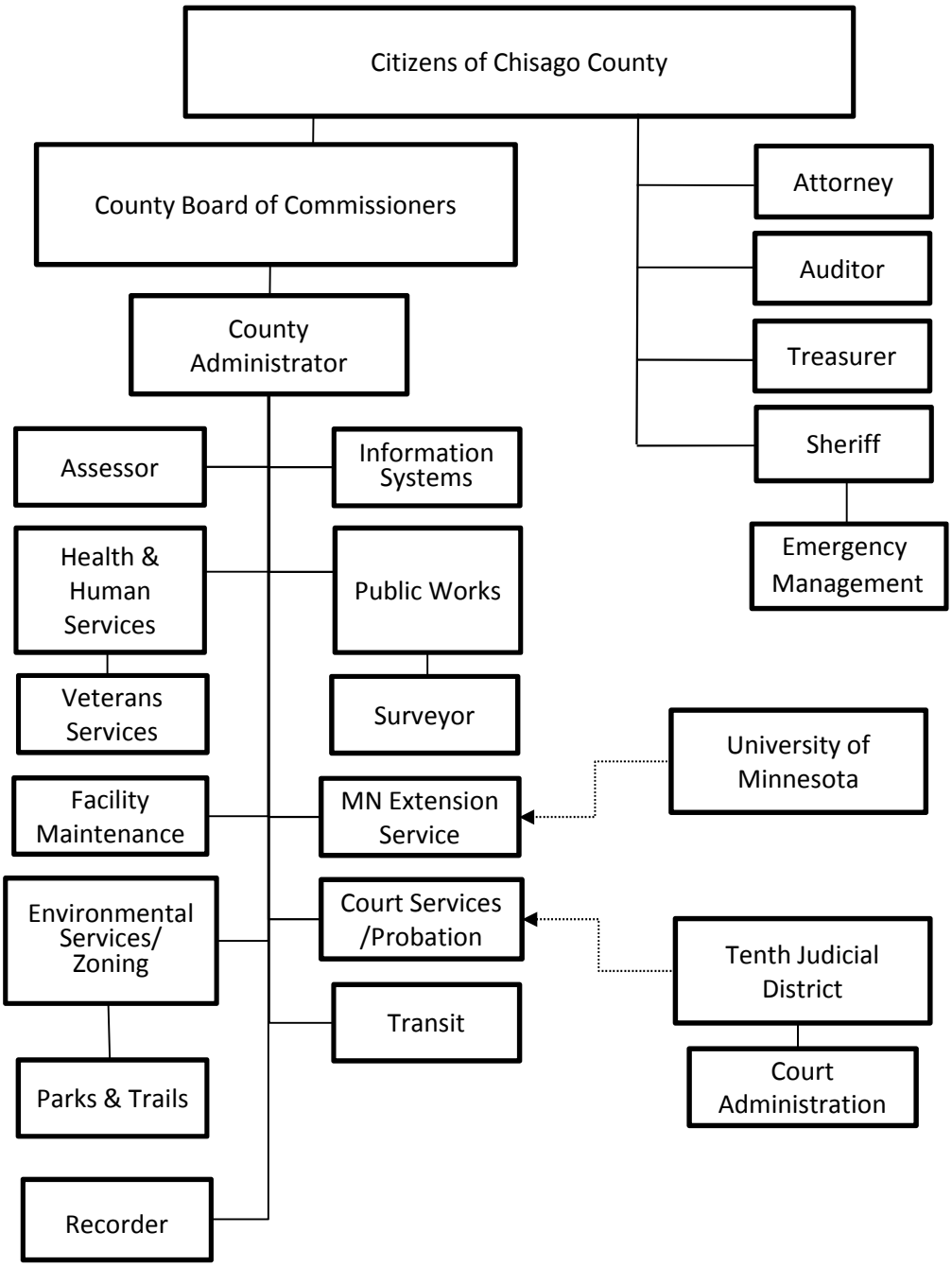
PRINCIPAL OFFICIALS
DECEMBER 31, 2013

Office	Name	Term of Office From	Term of Office To
Elected			
Commissioners			
District 1	Lora Walker	January 2013	January 2015
District 2	Rick Greene	January 2013	January 2017
District 3	George McMahon	January 2013	January 2017
District 4	Ben Montzka[1]	January 2013	January 2015
District 5	Mike Robinson	January 2013	January 2017
Attorney	Janet Reiter	January 2011	January 2015
Auditor	Dennis Freed	January 2011	January 2015
Sheriff	Rick Duncan	January 2011	January 2015
Treasurer	Lee Olson	January 2011	January 2015
Appointed			
Administrator	Bruce Messelt	Indefinite	
Assessor	John Keefe	Jan 1, 2013	Dec 31, 2016
Emergency Management Dir.	Scott Sellman	Feb 13, 2012	Until vacated
Medical Examiner	Dr. A. Quinn Strobl	Jan 1, 2013	Dec 31, 2016
Health & Human Services Dir.	Nancy Dahlin	Indefinite	
Highway Engineer	Joe Triplett	May 1, 2013	April 30, 2017
Probation Director	Steven Paquay	Indefinite	
Recorder/Registrar of Titles	Lee Olson	Indefinite	
Surveyor	Paul Gibson	May 1, 2012	April 30, 2016
Veterans Service Officer	Al Budde	Jan 5, 2011	Jan 4, 2015
Zoning Administrator	Kurt Schneider	Indefinite	
Appointed by the State			
Court Administrator	Kathleen Karnowski	Indefinite	

[1]Chair 2013

CHISAGO COUNTY
CENTER CITY, MINNESOTA

ORGANIZATIONAL CHART
DECEMBER 31, 2013



COUNTY OF CHISAGO

DENNIS J. FREED, COUNTY AUDITOR

Chisago County Government Center

313 North Main Street, Room 271

Center City, MN 55012-9663

PHONE: 651-213-8500 - FAX: 651-213-8510

DATE: June 24, 2014

TO: The Citizens of Chisago County
The Board of County Commissioners

SUBJECT: 2013 Comprehensive Annual Financial Report

This Comprehensive Annual Financial Report of Chisago County is submitted for the fiscal year ended December 31, 2013. This report was prepared by the Auditor's department with assistance from various other County departments. Responsibility for the accuracy of the presented data and completeness and fairness of the presentation, including all disclosures, rests with County management. This report has been prepared in conformity with generally accepted accounting principles (GAAP) as set forth in the pronouncements of the Governmental Accounting Standards Board (GASB).

GAAP requires management to provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of a Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. Chisago County's MD&A can be found immediately following the independent auditor's report.

The County is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and the United States Office of Management and Budget Circular A-133 "Audits of States, Local Governments, and Non-Profit Organizations."

Copies of this report will be sent to elected officials, county management, credit rating agencies, financial institutions, government agencies, and others that have expressed an interest in the County's financial affairs.

GENERAL INFORMATION

Chisago County is located in east central Minnesota, just 30 miles north from the cities of Minneapolis or Saint Paul. The County encompasses an area of 451.66 square miles and contains 10 cities and 9 townships, with an estimated population of 53,576 based on 2012 Minnesota State Demographic center data. The County seat is Center City. Chisago County was established in 1851, seven years before Minnesota became a state, and is governed by the general laws of the State of Minnesota.

The Chisago County Board of Commissioners consists of five commissioners elected from five districts within the County. All commissioners serve overlapping four-year terms of office. Each member of the board serves on various committees.

The County Board appoints the position of County Administrator. The County Administrator carries out the policies and ordinances of the County Board, oversees the day-to-day operations of the County, and supervises the County's non-elected department heads. The County Attorney, the County Sheriff, the County Auditor, and

the County Treasurer are elected officials.

The County's functions and employees are divided among 18 departments. The remaining department heads are appointed by the County Board with the exception of the Probation Director, who is appointed by the State of Minnesota Tenth Judicial District.

The County provides a full range of services. These services include public safety, public works, health and human service programs, tax assessment and collection, parks and recreational areas, environmental services, transit, veteran's services and general administrative services.

FINANCIAL REPORTING ENTITY

The financial reporting entity includes all funds of the County including its component unit: The Chisago County Housing and Redevelopment Authority Economic Development Authority (HRA-EDA).

ECONOMIC CONDITION AND OUTLOOK

Chisago County's economic condition and outlook show some signs of economic recovery with modest growth in 2013. Population has leveled off in the last 3 years following a 31.1 % increase from 2000 to 2010. This population growth was driven by the availability of affordable land and low housing costs as well as the close proximity to the Minneapolis-St. Paul metropolitan area. It is estimated that 60-80% of Chisago County's residents commute outside the County for work each day. This is a result of the County's tax base being mostly residential and agricultural with little commercial base compared to other counties. Historically, the County's unemployment rate has been higher than the state average both of which have decreased in the past 4 years.

A number of indicators contribute to growth and financial stability in the County. Following are some of these key indicators:

Key economic Indicators for Chisago County	Amounts	Comments
2013 Economic output growth rate -GDP	7.1% *	Indicates some economic recovery.
2013 Jobs growth rate	2.6% *	319 jobs added since 2005.
2013 Chisago unemployment rate	5.9%	Rate declined in the last four years.
2012 Population	53,776	Flat since the 2010 census.
2014 Pay: estimated market value	$4,218,960,600	Flat vs. 2013 pay. 5 previous years declined. Up 12.3% from 2004

*source: National Association of Counties-County Tracker 2013

In addition, new single family housing construction in Chisago County increased from 98 units in 2012 to 182 in 2013. Commercial industrial permits were also up from 10 in 2012 to 34 in 2013. The most notable recent commercial activity is the Polaris Industries 145,000 square foot expansion to their City of Wyoming research and development facility. Pursuing its goal of economic development, the Chisago County HRA-EDA is currently facilitating various commercial projects to increase employment opportunities within the County while adding to the commercial tax base and thus diversifying its current tax base.

In summary, we believe these indicators show some signs of economic recovery in the housing and job market for Chisago County following the recession. However, the economy still remains fragile.

LONG TERM FINANCIAL PLANNING

The County meets annually to set goals and establish priorities for the County for the upcoming year. The budget process facilitated by the County Administrator implements these goals and priorities by working with the department heads.

The County currently does not have a comprehensive long-term financial plan to guide all of its long term financial decisions. However, the County recently adopted its 5 year capital improvement plan (C.I.P.) to guide its long term capital spending from 2014-2018. Also, the County's investment policy guides the County to ensure the safety and availability of operating and capital funds as needed while providing a competitive investment return and compliance with State statutes. The County also adopted a fund balance policy in 2011 to serve as a guide in maintaining stable financial reserves to ensure long term economic stability of the County. The policy establishes minimum fund balance levels as well as corrective action to be taken should these reserves drop below the minimum stated levels. The board also sets aside fund balance as "commitments" to assure funds available to pay for future strategic capital and other investments needed by the County. Lastly, conservatively limiting spending and not budgeting uncertain State funding has led to increasing fund balances in each of the last 5 years. This positions the County with funding for its 5 year C.I.P. plan.

BUDGETARY CONTROL

The County's budget is appropriated annually by the County Board. Budgetary control is maintained at the department level and is subject to periodic review by the County Board. Monthly the budget and finance committee meet to discuss year to date actual vs. budgeted results. Unspent budgeted funds can be carried over to the next year and are reported as assignments of year end fund balance. Activities of the General Fund, the Special Revenue Funds, and the Debt Service Fund are included in the annual appropriated budget.

INTERNAL CONTROL

The County's system of internal control is supported by policies and procedures that are continually reviewed, evaluated, and modified to meet current needs. In developing and evaluating the County's accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition, and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived, and (2) the evaluation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. We believe that the County's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

SINGLE AUDIT

As a recipient of federal, state, and local financial assistance, the County is responsible for ensuring that adequate internal controls are in place to ensure compliance with applicable laws and regulations related to those programs. These internal controls are subject to periodic review by management.

The Office of Management and Budget (OMB) Circular A-133 sets forth the audit requirement for local governments receiving federal awards. It provides for a single independent audit of the financial operations

including compliance with certain provisions of federal laws and regulations. The requirements have been established to ensure audits are made on an organizational-wide basis rather than a grant-by-grant basis. The grants for which these requirements apply are identified in the Schedule of Expenditures of Federal Awards.

INDEPENDENT AUDIT

Minnesota state statutes require an annual audit of the books of account, financial records, and transactions of the County by the Office of the State Auditor. In addition to meeting the requirements in the state statutes, the audit is designed to meet the requirements of the federal Single Audit Act Amendments of 1996 and related OMB circular A-133. These requirements have been complied with and the independent auditor's report has been included in this report.

The Office of the State Auditor will issue management and compliance letters covering the review made as part of its audit of the County's system of internal control and compliance with applicable legal provisions. The management and compliance letters will not modify or affect, in any way, their report on the financial statements.

ACKNOWLEDGEMENTS

I would like to acknowledge the professional contribution and hard work put forth by the Chisago County finance manager and the entire staff in the Auditor's office throughout the year and during the preparation of this report. I would also like to thank the accounting staff in the Human Services, Highway, and other departments, for their contributions to this report. I would also like to thank the County Board of Commissioners for their interest and support in planning and conducting the County's financial activities in a responsible and professional manner.

Sincerely,

Dennis J. Freed
Chisago County Auditor

FINANCIAL SECTION

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REBECCA OTTO
STATE AUDITOR

STATE OF MINNESOTA
OFFICE OF THE STATE AUDITOR

SUITE 500
525 PARK STREET
SAINT PAUL, MN 55103-2139

(651) 296-2551 (Voice)
(651) 296-4755 (Fax)
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INDEPENDENT AUDITOR'S REPORT

Board of County Commissioners
Chisago County

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Chisago County, Minnesota, as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Chisago County Housing and Redevelopment Authority Economic Development Authority (HRA-EDA), the discretely presented component unit. Those 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 Chisago County HRA-EDA, is based solely upon the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards

applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the County's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, 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 discretely presented component unit, each major fund, and the aggregate remaining fund information of Chisago County as of December 31, 2013, and the respective changes in financial position thereof and the respective budgetary comparisons of the General Fund, Road and Bridge Special Revenue Fund, and Human Services Special Revenue Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter - Change in Accounting Principle

As discussed in Note 1.D.3. to the financial statements, in 2013, the County adopted new accounting guidance by implementing the provisions of Governmental Accounting Standards Board (GASB) Statement No. 61, *The Financial Reporting Entity: Omnibus, an amendment of GASB Statements No. 14 and No. 34*, and Statement No. 65, *Items Previously Reported as Assets and Liabilities*, which represent changes in accounting principles. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and Required Supplementary Information as listed in the table of contents be presented to supplement the basic financial statements. Such information,

although not part of the basic financial statements, is required by the GASB, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Chisago County's basic financial statements. The introductory section, the combining and individual fund statements and schedules, and the statistical section as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and the statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 20, 2014, on our consideration of Chisago 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* in considering Chisago County's internal control over financial reporting and compliance. It does not include the Chisago County HRA-EDA, which was audited by other auditors.

REBECCA OTTO
STATE AUDITOR

GREG HIERLINGER, CPA
DEPUTY STATE AUDITOR

June 20, 2014

CHISAGO COUNTY
CENTER CITY, MINNESOTA

MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2013

(Unaudited)

As management of Chisago County, we offer readers our discussion and analysis of Chisago County's financial performance during the fiscal year ended December 31, 2013. Please read it in conjunction with the accompanying transmittal letter at the front of this report and with the County's basic financial statements following this section.

FINANCIAL HIGHLIGHTS

- The assets of Chisago County exceeded its liabilities by $158.4 million (net position) at the close of 2013. Of this amount, $29.2 million, (unrestricted net position) or 18.4%, may be used to meet Chisago County's ongoing obligations to citizens and creditors.

- The County's total net position increased by $7.4 million to $158.4 million during 2013, or 4.9%.

- The County's governmental funds reported combined ending fund balances of $44.8 million, an increase of $3.2 million compared to the 2012 year-end balance. This increase is primarily due to receiving County program aid of $2 million and also State aid construction appropriations of $1.1 million. Of ending fund balances, $31.9 million, or 71.3%, is available for spending at the County's discretion (committed, assigned, and unassigned fund balances). The committed or assigned for specific purposes portion makes up $19.3 million.

- At the close of 2013, unrestricted fund balance for the General Fund was $19.1 million, or 80.4%, of total General Fund expenditures.

- The County's bonds and notes payable decreased by $3.3 million, or 6.1%, during 2013 as a result of scheduled debt service.

- The County's net capital assets increased only $1 million, or .6%, as the County completed mostly bridge construction projects.

- The net capital assets balance was restated and several capital asset account balances were reclassified for the year ended December 31, 2012. These changes must be considered when comparing these net capital assets with prior year's reports.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to Chisago County's basic financial statements. This information should assist the reader in evaluating the financial condition of the County. The County's basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund level financial statements, and (3) notes to the financial statements. This report also contains required 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 Chisago County's finances in a manner similar to a private-sector business.

The statement of net position presents information on all of Chisago County's assets and liabilities, with the difference being reported as net position. Over time, increases or decreases in net position are one indicator of whether the financial position of Chisago County is improving or deteriorating. Other nonfinancial factors such as changes in the county's property tax base, and condition of the County's roads, should also be considered in evaluating the County's overall health.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows only in future fiscal periods (such as uncollected taxes and earned but unused vacation leave).

The County's government-wide financial statements report functions of the County that are principally supported by taxes and intergovernmental revenues. The governmental activities of Chisago County include general government, public safety, highways and streets, sanitation, human services, health, culture and recreation, conservation of natural resources, and economic development.

The County's government-wide financial statements also include the legally separate entity called the Chisago County Housing and Redevelopment Authority Economic Development Authority (HRA-EDA). Although legally separate, this entity is fiscally dependent on Chisago County. Financial information for this entity, a discretely presented component unit, is reported separately from the financial information of the primary government, Chisago County.

The government-wide statements can be found on pages 32 through 35 of this report.

Fund Level Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Chisago County, like other state and local

governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of Chisago County can be divided into two categories: governmental 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, fund level 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 that of the 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 short-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Chisago County reports five individual major governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances. The major funds are the General Fund, Road and Bridge Special Revenue Fund, Human Services Special Revenue Fund, Debt Service Fund, and County Capital Projects Fund. Data for the five nonmajor governmental funds are combined into "other governmental funds". Individual data for each of the five nonmajor governmental funds is provided in the Combining and Individual Fund Statements and Schedules.

Chisago County adopts annual budgets for its major funds, except for the County Capital Projects Fund. Budgetary comparison schedules have been provided for the County's budgeted major funds to demonstrate compliance with these budgets.

The basic governmental fund financial statements can be found on pages 38 and 44 of this report**.**

Fiduciary funds. Fiduciary funds are used to account for assets held by the County as an agent for individuals, private organizations, other governments, or other funds. Chisago County's fiduciary funds consist of nine agency funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Data from the agency funds are combined into a single aggregated presentation. In addition, the agency funds are not reflected in the government-wide financial statements because those resources are not available to support the County's programs.

The basic fiduciary fund financial statements can be found on page 54 of this report**.**

(Unaudited)

Notes to the financial statements. The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund level financial statements. The notes to the financial statements can be found on pages 56 through 115 of this report.

Other information. In addition to the basic financial statements and notes, Chisago County also provides required supplementary information on the funding status of its other postemployment benefits on page 118; combining and individual fund statements and schedules for its nonmajor governmental funds on pages 123 through 130; intergovernmental revenues, and federal awards, on pages 138 through 144.

Government-Wide Financial Analysis

Over time, net position serves as a useful indicator of the County's financial position. Chisago County's assets exceeded liabilities by $158.4 million at the close of 2013. The largest portion of Chisago County's net position (74.6%) reflects its investment in capital assets, less any related debt used to acquire those assets that is still outstanding. However, it should be noted that these assets are not available for future spending as the assets are used to provide services to citizens.

Chisago County's Net Position

	Governmental Activities	
	2013	2012 Restated
Current and other assets	$ 50,730,056	$ 48,387,675
Capital assets	165,455,617	164,409,365
Total Assets	$ 216,185,673	$ 212,797,040
Deferred charges on bond refunding	$ 2,217,805	$ 2,402,623
Total Deferred Outflows of Resources	$ 2,217,805	$ 2,402,623
Long-term liabilities outstanding	$ 56,070,131	$ 58,972,368
Other liabilities	3,316,621	3,527,165
Total Liabilities	$ 59,386,752	$ 62,499,533
Advanced allotments	$ 652,862	$ 1,785,000
Total Deferred Inflows of Resources	$ 652,862	$ 1,785,000
Net Position		
Net investment in capital assets	$ 118,179,036	$ 115,296,909
Restricted	11,007,768	10,571,003
Unrestricted	29,177,060	25,047,218
Total Net Position	$ 158,363,864	$ 150,915,130

(Unaudited)

The restricted portion of net position totaling $11 million represents resources whose use is restricted by external requirements such as debt covenants and legislation. The unrestricted net position of $29.2 million (18.4%) as of December 31, 2013, may be used to meet the County's ongoing obligations to citizens and creditors.

Chisago County's activities increased net position by $7.5 million, or 4.9 %, over the 2012 net position.

Chisago County's Change in Net Position

	Governmental Activities	
	2013	2012 Restated
Revenues		
Program revenues		
Charges for services	$ 5,912,098	$ 5,576,454
Operating grants and contributions	9,834,309	14,092,488
Capital grants and contributions	4,750,786	4,890,361
General revenues		
Property taxes	31,947,360	32,170,052
Other	1,990,299	3,573,477
Total Revenues	$ 54,434,852	$ 60,302,832
Expenses		
General government	$ 10,982,065	$ 11,200,007
Public safety	11,219,268	10,737,253
Highways and streets	8,881,773	12,401,875
Sanitation	379,046	385,494
Human services	9,760,075	8,748,237
Health	1,326,722	2,101,501
Culture and recreation	542,761	552,993
Conservation of natural resources	907,383	860,392
Economic development	1,448,820	1,688,537
Interest	1,538,205	1,638,465
Total Expenses	$ 46,986,118	$ 50,314,754
Increase in Net Position	$ 7,448,734	$ 9,988,078
Net Position, January 1, as restated	150,915,130	140,927,052
Net Position, December 31	$ 158,363,864	$ 150,915,130

(Unaudited)

Revenue and Expense Analysis

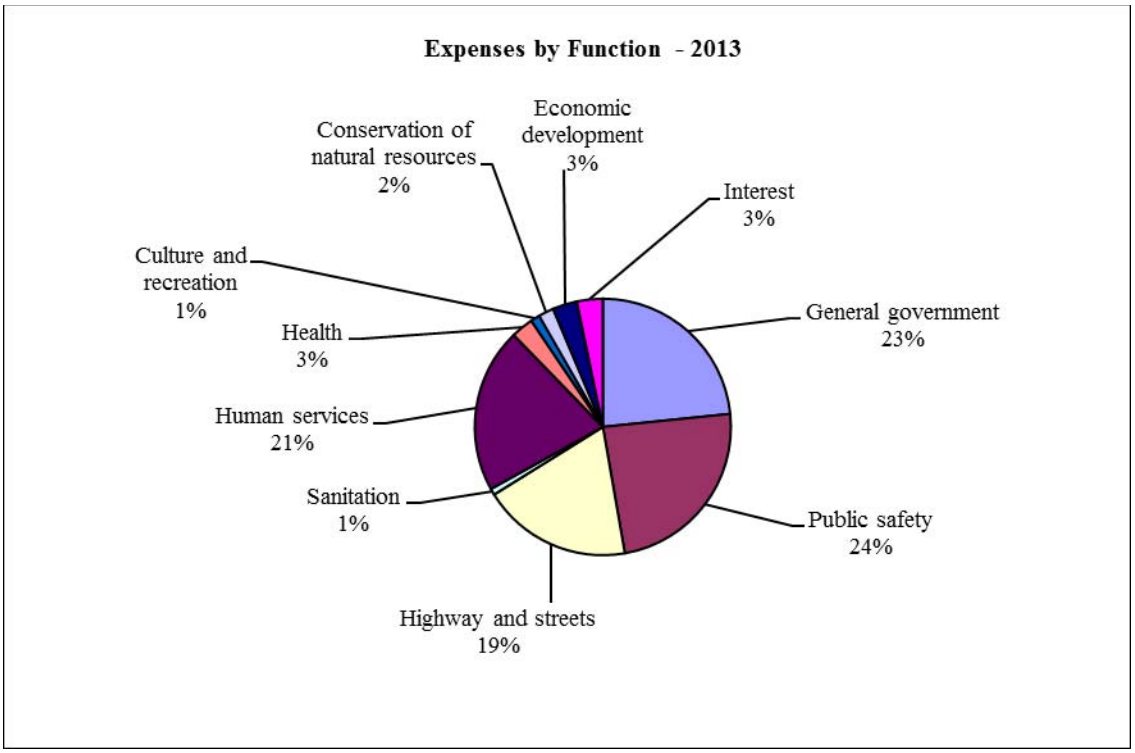
Revenues

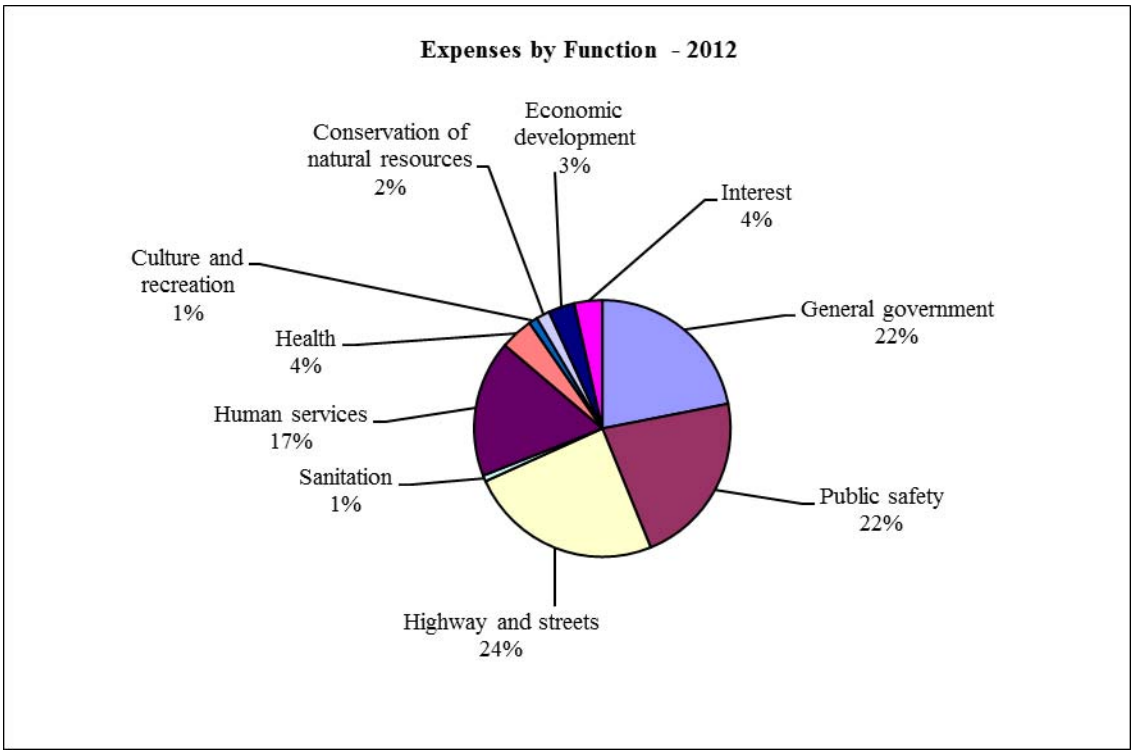
The County experienced a large decrease in revenues from the previous year of $5.9 million. This is mostly due to Road and Bridge project funding declining $2.7 million from last year as major road projects were completed with State and federal funding in 2012. State aid available for 2013 road construction was limited primarily to small bridge projects. Another decrease is due to one-time public safety operating grants of $1.5 million received in 2012 from the Metropolitan Emergency Services board for the purchase of subscriber radios for the 800 MHz radio project. Another decrease is due to 2013 investment earnings declining $1.9 million from last year due to the impact on the fair market value of our investments due to interest rate increases. This is discussed more in detail in the Financial Analysis of the Government Funds section on page 24 of this report.

Expenses

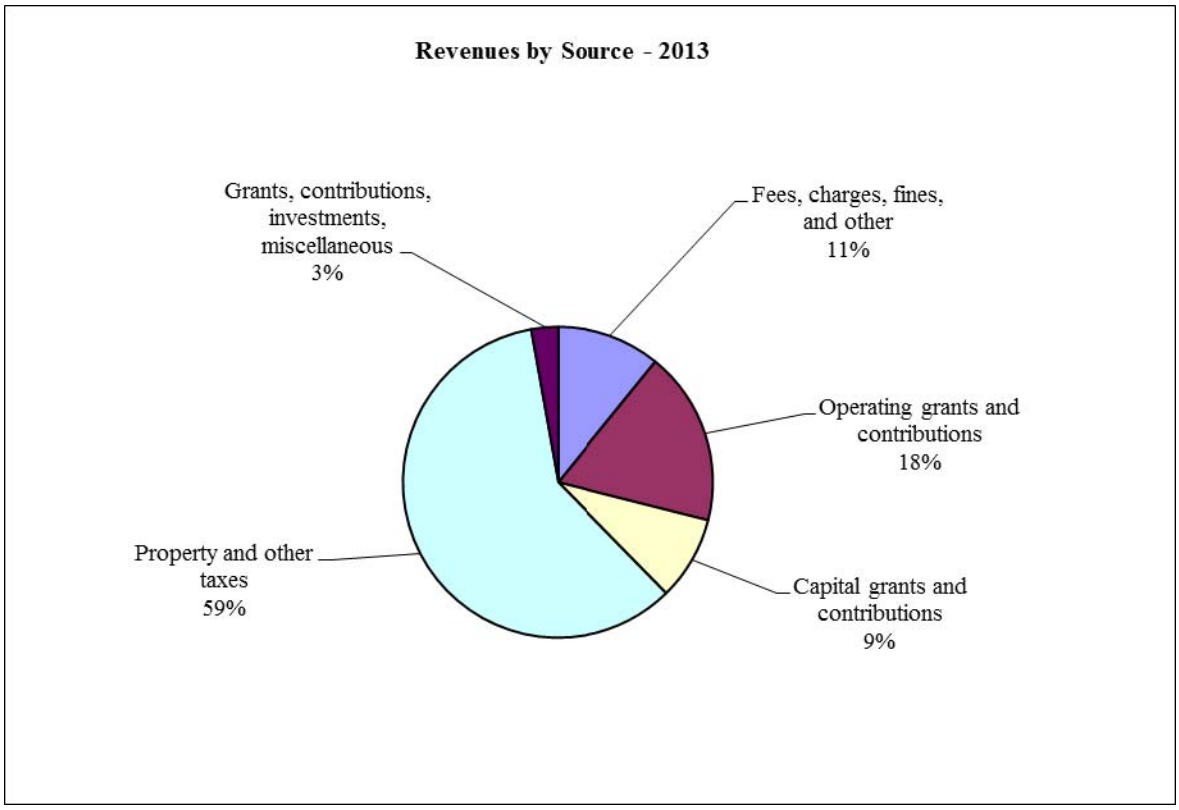
Expenses also declined $3.3 million mostly due to a decrease in road construction expenses of $3.5 million as funding declined as previously noted. Human services expenses increased as a result of the MN care and MN sure rollouts. This was mostly offset by the decrease in public health expenses as the County exited the home health care business in 2012.

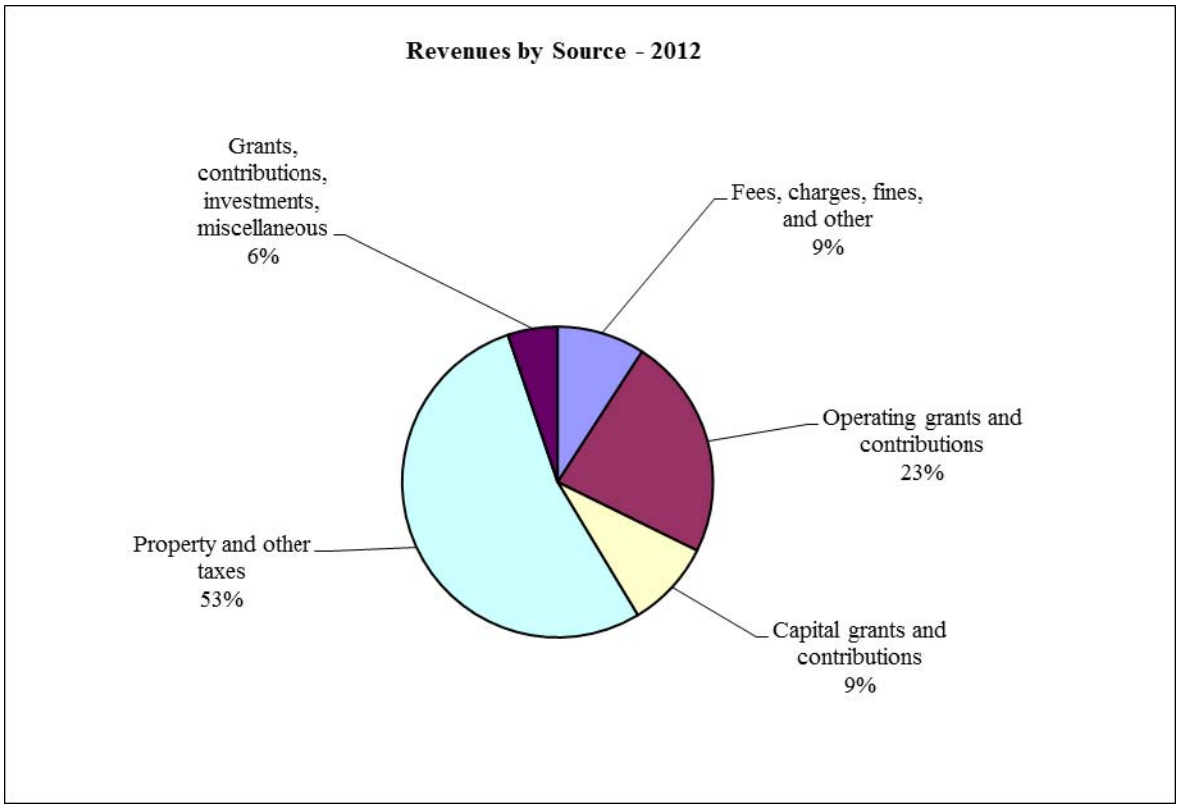
(Unaudited)


Expenses by Function - 2013
Economic development 3%
Conservation of natural resources 2%
Interest 3%
Culture and recreation 1%
General government 23%
Health 3%
Human services 21%
Sanitation 1%
Public safety 24%
Highway and streets 19%

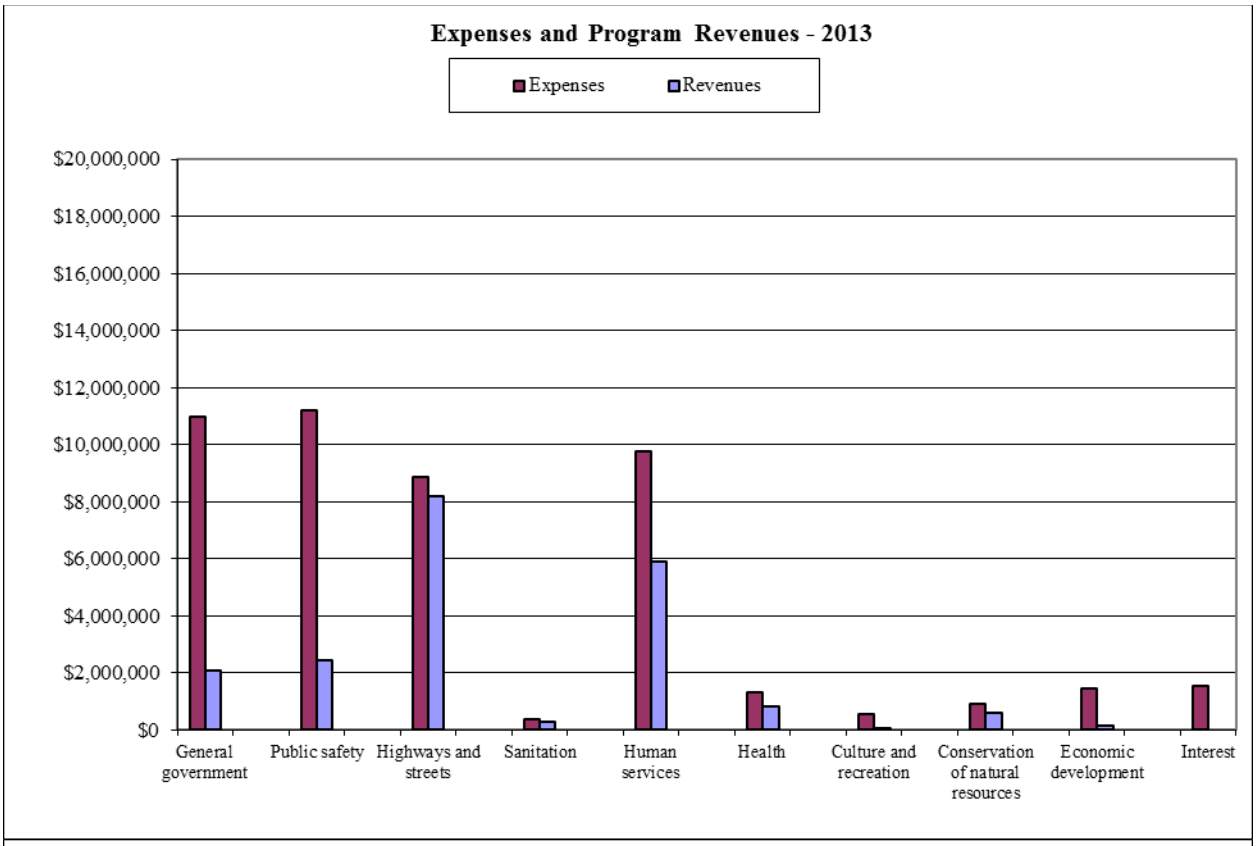

Expenses by Function - 2012
Economic development 3%
Conservation of natural resources 2%
Interest 4%
Culture and recreation 1%
General government 22%
Health 4%
Human services 17%
Sanitation 1%
Public safety 22%
Highway and streets 24%

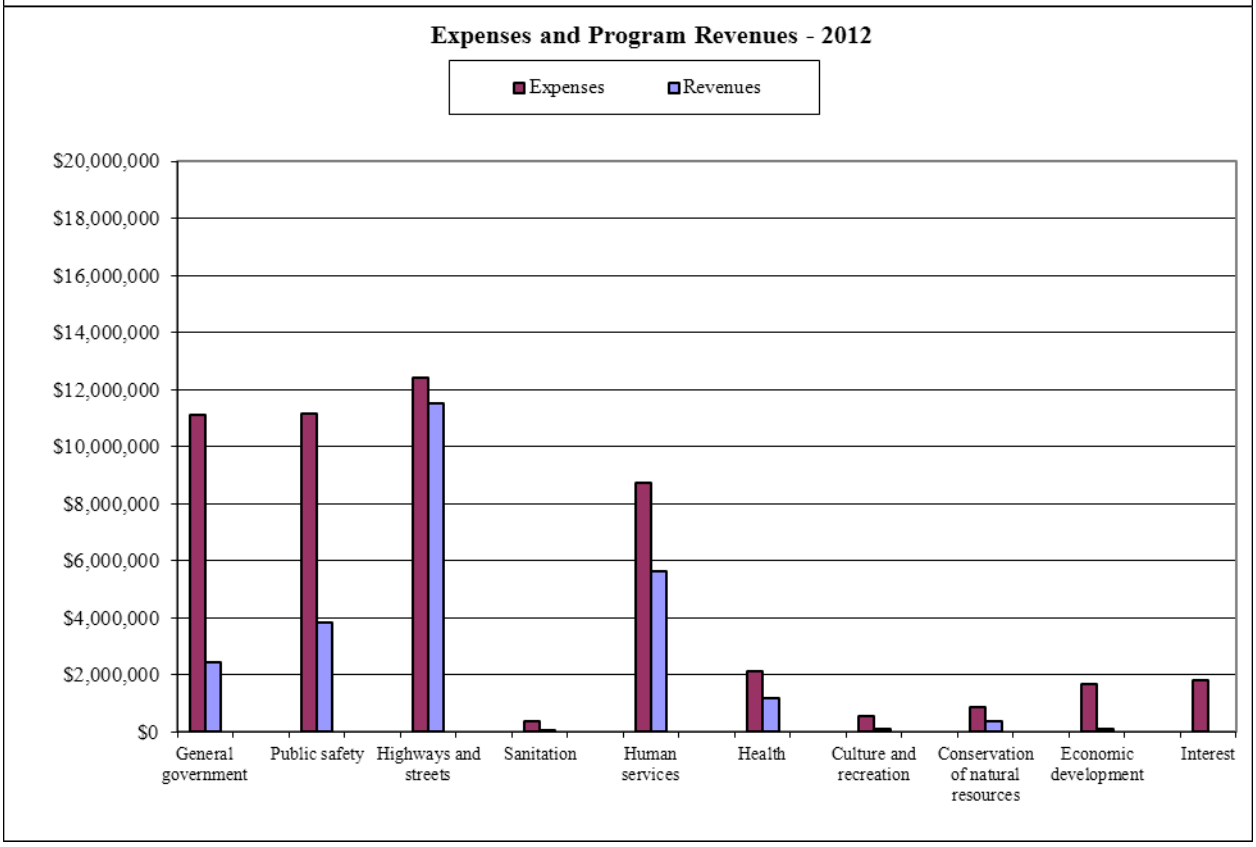
(Unaudited)


Revenues by Source - 2013
Grants, contributions, investments, miscellaneous 3%
Fees, charges, fines, and other 11%
Operating grants and contributions 18%
Capital grants and contributions 9%
Property and other taxes 59%


Revenues by Source - 2012
Grants, contributions, investments, miscellaneous 6%
Fees, charges, fines, and other 9%
Operating grants and contributions 23%
Capital grants and contributions 9%
Property and other taxes 53%

(Unaudited)


Expenses and Program Revenues - 2013
Expenses
Revenues
$20,000,000
$18,000,000
$16,000,000
$14,000,000
$12,000,000
$10,000,000
$8,000,000
$6,000,000
$4,000,000
$2,000,000
$0
General government
Public safety
Highways and streets
Sanitation
Human services
Health
Culture and recreation
Conservation of natural resources
Economic development
Interest


Expenses and Program Revenues - 2012
Expenses
Revenues
$20,000,000
$18,000,000
$16,000,000
$14,000,000
$12,000,000
$10,000,000
$8,000,000
$6,000,000
$4,000,000
$2,000,000
$0
General government
Public safety
Highways and streets
Sanitation
Human services
Health
Culture and recreation
Conservation of natural resources
Economic development
Interest

(Unaudited)

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the County's governmental funds is to provide information on short-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unrestricted 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, the County's governmental funds reported combined ending fund balances of $44.8 million. This is an increase of $3.2 million (7.8%) in comparison with the prior year fund balance. Note, the 2012 decrease was $4.6 million. Primarily, this is the result of General Fund and Road and Bridge Fund favorability to budget discussed in the following paragraphs. Of the total fund balance, $1.8 million (4.1%) is nonspendable, such as inventory, and $11 million (24.6%) is restricted in its use by external parties. The remaining balance, $31.9 million (71.3%) of unrestricted fund balance is available for spending at the County's discretion.

The General Fund is the chief operating fund of Chisago County. At the end of the current fiscal year, unrestricted fund balance of the General Fund was $19.1 million. As a measure of the General Fund's liquidity, it may be useful to compare unrestricted fund balance to total fund expenditures. Unrestricted fund balance represents 80.4% of total General Fund expenditures. In 2013, ending fund balance in the General Fund increased by $2.1 million (10.5%). The largest driver of this was receiving $2 million in unbudgeted county program aid.

Total expenditures for the General Fund increased $1.3 million (5.6%) in 2013 from the previous year. This in part is due to an increase in planned capital spending from fund balance as part of the 2011/2012 Capital Plan. The increase in capital expenditures is $.8 million. The other net contributor of $ .5 million is wage and other inflation funded from property taxes.

Total revenues for the General Fund decreased $1.4 million (5.1%) in 2013 from the previous year. Property taxes remained flat while intergovernmental revenues increased $.7 million mostly on an increase in county program aid. Investment earnings declined $1.9 million due to the impact on the fair market value of the County's investments caused by interest rate increases. Note: the loss recognized in 2013 will likely not be realized as the specific investments will be held until maturity and redeemed at full value. Please see Note 3.A.1.b for a discussion of the County's investment policy as it relates to interest rate risk. The other $.2 million decrease is a result of reduced MCIT insurance dividends and other items.

The Road and Bridge Special Revenue Fund's unrestricted fund balance of $2.6 million at year-end represents 26.2% of the Road and Bridge expenditures. In 2013, the total fund balance increased by $1.3 million from the prior year mostly due to $1.1 million in spent prior year advance allotments which were appropriated and earned in 2013.

(Unaudited)

The Human Services Special Revenue Fund's unrestricted fund balance of $8.8 million at year-end represents 79.2% of Human Service's expenditures. In 2013, the total fund balance of $8.8 million decreased $.6 million when compared to 2012. This in part is due to $.4 million of unavailable revenue on mostly 2013 federal grants for income maintenance and social services received more than 60 days after year end and too late to be recorded as 2013 revenue. The remaining $.2 million is other various expenditures greater than budget and not reimbursed.

The Capital Projects Fund had a total fund balance of $2.6 million at year end. The fund balance only decreased $.2 million in 2013 as the project is winding down and near complete. After paying for an additional tower site in 2014, if no further projects are identified for the 800 MHz radio project, the residual bond money will be transferred to the Debt Service Fund as required by the debt covenants.

General Fund Budgetary Highlights

The difference between the General Fund's original revenue budget and the final amended revenue budget totaled a $2.8 million net increase. This increase is due to receiving $2 million in County Program Aid, $.2 million state grant for the Almelund Sewer System Program, $.2 million short sale proceeds, and $.4 million of various other fees, reimbursements, and state and federal grants not in the original budget. The difference between the General Fund's original expenditure budget and the final amended expenditure budget totaled a $1.5 million net increase. This difference is due to a carryover of $.2 million of 2012 unexpended budgeted amounts, $.2 million of short sale moneys disbursed, $.7 million spending on the 2011/2012 Capital Plan, and $.4 million of additional expenditures most of which were funded by grants and other revenues.

Actual revenues were less than final budgeted revenues by $.8 million. As discussed earlier, recognizing the loss in fair market value on our investments due to a change in interest rates shows investment earnings $1.7 million less than budget. Offsetting revenue favorability of $.9 million consists of $.4 million of delinquent property tax collections, $.3 million MCIT dividend, and $.2 million favorable variances in other revenues. Actual expenditures were less than final budgeted expenditures by $1.6 million due to $.4 million in unused contingency funds, $.6 million expenditure favorability in MICS department, $.5 million unspent in budgeted capital outlays, and net $.1 million in various other general government areas.

(Unaudited)

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The County's capital assets for its governmental activities at December 31, 2013, totaled $165.5 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, equipment, and infrastructure. The County's investment in capital assets increased $1.1 million, or .6%, from the previous year.

Chisago County Capital Assets
(Net of Depreciation)

	2013	2012 Restated
Land	$ 16,181,287	$ 15,376,098
Construction in progress	10,504,618	14,374,318
Buildings	15,906,698	16,567,187
Machinery, furniture, and equipment	7,440,613	5,647,739
Computer software	515,189	665,976
Infrastructure	114,907,212	111,778,047
Total	$ 165,455,617	$ 164,409,365

In 2013 the major events affecting capital assets included the following:

- The December 31, 2012 net capital assets balance was restated. Please see Note 2.C to the financial statements on page 70.
- The County closed out $6.8 million of road construction projects during the year including right of way payments. $3.2 million was a close out of construction costs accounted for in beginning of year construction in progress balance.
- The County completed $2.2 million of radio equipment and tower site installation for the 800 MHz project in 2013. Costs were accounted for in the beginning of year construction in progress balance.
- Vehicle purchases of $.8 million were made in 2013. Additions were 2 tandem trucks, 2 transport busses, and 6 sheriff's pursuit vehicles. These purchases were mostly funded by the 2011/2012 CIP plan fund balance, some federal grants and levy. In addition, the County added 7 leased vehicles to the motor pool and 7 more leased vehicles (pursuit & non-pursuit) to the Sheriff's department.

Additional information on the County's capital assets can be found in Note 3.A.3 to the financial statements and on page 77 of this report.

(Unaudited)

Long-Term Debt

At the end of the current fiscal year, the County had total bonds and notes outstanding of $49.1 million, which was backed by the full faith and credit of the government.

Outstanding Debt

	2013	2012
General obligation bonds	$ 48,750,000	$ 51,750,000
Capital notes	385,000	565,000
Total Long-Term Debt	$ 49,135,000	$ 52,315,000

The County's debt related to general obligation bonds and notes decreased by $3.2 million (6.1%) on scheduled debt service payments.

The County maintains an "Aa2" rating from Moody's Investor Service for its general obligation debt.

Minnesota statutes limit the amount of debt a county may levy to three percent of its total market value. At the end of 2013, Chisago County was well below the three-percent debt limit imposed by state statutes.

Additional information on the County's long term debt can be found in Note 3.C.3 to the financial statements and on page 80 of this report.

(Unaudited)

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

Per the Bureau of Labor Statistics, Chisago County's average unemployment rate was 5.9% for 2013, reflecting a .8% decrease from last year. Last year also saw a decline of 1.2%. The statewide average rate was 5.1 %, and the national average rate was 7.4%.

Chisago County's tax base has remained flat for the 2014 levy from 2013. The prior year showed a 6.8% decrease in tax base. 2013 is a reversal of a longer term trend of tax base declines. However, recent housing sales prices are indicating market values are on the increase.

County program aid of $2 million was received in 2013 from the State of Minnesota. The County anticipates receiving $2.5 million in 2014 and has incorporated this into the 2014 budget.

The requirement for the County to pay state sales tax has been repealed beginning Jan 1, 2014. The County anticipates saving $250,000 in 2014.

In 2013, the County board approved collection of a "wheelage tax" for Chisago County resident's vehicles effective January 1, 2014. The wheelage tax is paid annually when residents pay their license tabs. The County estimates a high side of $500,000.

All of these factors were considered in preparing the County's 2014 budget.

At the end of 2013, Chisago County approved its 2014 budget. The levy was set at $31.3 million and reflects a cut of $50,000, from the 2013 levy. The levy has been cut in both the last 2 years. Total budget expenditures are $59.8 million, an $8.1 million (15.7%) increase over last year. This increase is funded with $2.5million in county program aid, $1.4 million legacy grant, $1.9 million of fund balance, and other revenue increases.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of Chisago County's finances. Questions concerning any of the information provided in this report, or requests for additional financial information, should be addressed to the Chisago County Auditor, Chisago County Courthouse, 313 North Main, Center City, Minnesota 55012.

(Unaudited)

BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

CHISAGO COUNTY
CENTER CITY, MINNESOTA

STATEMENT OF NET POSITION
DECEMBER 31, 2013

	Primary Government Governmental Activities	HRA-EDA Discretely Presented Component Unit
Assets		
Cash and pooled investments	$ 45,194,308	$ 2,966,929
Receivables - net	4,872,064	337,376
Inventories	607,214	-
Prepaid items	56,470	16,775
Land held for resale	-	3,158,322
Capital assets		
Non-depreciable capital assets	26,685,905	243,181
Depreciable capital assets - net of accumulated depreciation	138,769,712	4,981,952
Total Assets	**$ 216,185,673**	**$ 11,704,535**
Deferred outflows of Resources		
Deferred Charges on Bond Refunding	**$ 2,217,805**	**$ -**
Liabilities		
Accounts payable	$ 2,233,426	$ 18,130
Accrued interest payable	599,185	2,473
Due to other governments	265,408	3,994
Security deposits	-	57,659
Unearned revenue	218,602	7,150
Long-term liabilities		
Due within one year	4,680,832	50,111
Due in more than one year	51,389,299	7,155,961
Total Liabilities	**$ 59,386,752**	**$ 7,295,478**
Deferred inflows of Resources		
Advanced allotment	**$ 652,862**	**$ -**

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

CHISAGO COUNTY
CENTER CITY, MINNESOTA

EXHIBIT 1

STATEMENT OF NET POSITION
DECEMBER 31, 2013

	Primary Government Governmental Activities	HRA-EDA Discretely Presented Component Unit
Net Position		
Net Investment in capital assets	$ 118,179,036	$ 1,171,998
Restricted for		
General government	1,650,212	-
Public safety	239,661	-
Highways and streets	391,000	-
Sanitation	1,067,821	-
Culture and recreation	456,623	-
Conservation of natural resources	208,772	-
Capital projects	1,510,604	-
Debt service	5,346,286	-
Ditch maintenance	136,789	-
Unrestricted	29,177,060	3,237,059
Total Net Position	**$ 158,363,864**	**$ 4,409,057**

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

CHISAGO COUNTY
CENTER CITY, MINNESOTA

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2013

Functions/Programs	Expenses	Fees, Charges, Fines, and Other
Primary government		
Governmental activities		
General government	$ 10,982,065	$ 2,095,221
Public safety	11,219,268	1,514,918
Highways and streets	8,881,773	142,066
Sanitation	379,046	272,158
Human services	9,760,075	1,197,014
Health	1,326,722	212,030
Culture and recreation	542,761	24,078
Conservation of natural resources	907,383	329,214
Economic development	1,448,820	125,399
Interest	1,538,205	-
Total Primary Government	**$ 46,986,118**	**$ 5,912,098**
Component Unit		
Housing and Redevelopment Authority -Economic Development Authority (HRA-EDA)	**$ 1,076,509**	**$ 790,007**

General Revenues
- Property taxes
- Gravel taxes
- Mortgage registry and deed tax
- Payments in lieu of tax
- Grants and contributions not restricted to specific programs
- Investment earnings
- Gain on disposal of capital assets
- Insurance dividends

Total general revenues

Change in net position

Net Position - Beginning as restated (Note 1.D.5.)

Net Position - Ending

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

EXHIBIT 2

Program Revenues		Net (Expense) Revenue and Changes in Net Position	
Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Governmental Activities	HRA-EDA Discretely Presented Component Unit
$ 5,432	$ -	$ (8,881,412)	
928,404	-	(8,775,946)	
3,331,841	4,731,172	(676,694)	
-	-	(106,888)	
4,712,639	-	(3,850,422)	
605,762	-	(508,930)	
-	19,614	(499,069)	
250,231	-	(327,938)	
-	-	(1,323,421)	
-	-	(1,538,205)	
$ 9,834,309	**$ 4,750,786**	**$ (26,488,925)**	
$ 70,003	**$ -**		**$ (216,499)**
		$ 31,947,360	$ 523,534
		56,754	-
		49,927	-
		353,534	-
		2,273,447	-
		(1,293,468)	6,371
		113,398	-
		436,707	-
		$ 33,937,659	**$ 529,905**
		$ 7,448,734	**$ 313,406**
		150,915,130	**4,095,651**
		$ 158,363,864	**$ 4,409,057**

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FUND FINANCIAL STATEMENTS

CHISAGO COUNTY
CENTER CITY, MINNESOTA

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2013

	General	Road and Bridge
Assets		
Cash and pooled investments	$ 21,228,719	$ 4,267,861
Petty cash and change funds	2,150	-
Undistributed cash in the agency funds	342,890	124,594
Departmental cash	10,588	-
Taxes receivable		
Prior	842,055	279,413
Special assessments receivable		
Prior	11,312	-
Noncurrent	-	-
Accounts receivable	43,454	1,120
Accrued interest receivable	84,330	-
Notes receivable	1,000,000	-
Due from other funds	28,257	-
Due from other governments	447,717	418,270
Loans receivable	172,818	-
Inventories	-	607,214
Prepaid items	39,006	-
Total Assets	**$ 24,253,296**	**$ 5,698,472**
Liabilities, Deferred Inflows of Resources, and Fund Balances		
Liabilities		
Accounts payable	$ 543,517	$ 74,666
Salaries payable	309,199	61,047
Contracts payable	-	666,269
Due to other funds	6,307	35
Due to other governments	148,011	12,363
Unearned revenue	101,786	-
Customer deposits	-	400
Total Liabilities	**$ 1,108,820**	**$ 814,780**
Deferred Inflows of Resources		
Unavailable revenue	$ 979,213	$ 588,738
Advanced allotment	-	652,862
Total Deferred Inflows of Resources	**$ 979,213**	**$ 1,241,600**
Fund Balances		
Nonspendable		
Septic loans receivable	$ 172,818	$ -
Notes receivable	1,000,000	-
Inventories	-	607,214
Prepaids	39,006	-

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

Human Services	Debt Service	County Capital Projects	Other Funds	Total Governmental Funds
$ 8,757,225	$ 5,259,155	$ 2,749,866	$ 2,319,333	$ 44,582,159
-	-	-	-	2,150
63,071	61,239	-	7,617	599,411
-	-	-	-	10,588
265,855	380,464	-	19,888	1,787,675
-	-	-	14,377	25,689
-	37,751	-	13,965	51,716
193,351	2,200	-	-	240,125
-	-	-	-	84,330
-	-	-	-	1,000,000
6,307	-	-	-	34,564
642,734	-	-	990	1,509,711
-	-	-	-	172,818
-	-	-	-	607,214
17,366	-	-	98	56,470
$ 9,945,909	**$ 5,740,809**	**$ 2,749,866**	**$ 2,376,268**	**$ 50,764,620**
$ 249,821	$ -	$ 45,385	$ 10,500	$ 923,889
149,617	-	-	3,754	523,617
-	-	119,651	-	785,920
28,222	-	-	-	34,564
100,940	-	-	4,094	265,408
-	37,751	-	79,065	218,602
-	-	-	-	400
$ 528,600	**$ 37,751**	**$ 165,036**	**$ 97,413**	**$ 2,752,400**
$ 642,211	$ 356,772	$ -	$ 33,096	$ 2,600,030
-	-	-	-	652,862
$ 642,211	**$ 356,772**	**$ -**	**$ 33,096**	**$ 3,252,892**
$ -	$ -	$ -	$ -	$ 172,818
-	-	-	-	1,000,000
-	-	-	-	607,214
17,366	-	-	98	56,470

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

CHISAGO COUNTY
CENTER CITY, MINNESOTA

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2013

	General	Road and Bridge
Fund Balances (Continued)		
Restricted for		
Attorney forfeiture funds	8,814	-
Recorder - compliance fees	718,006	-
Recorder - technology fees	711,341	-
Sheriff's forfeitures	31,264	-
Sheriff's reserve	7,520	-
Snowmobile safety education	4,809	-
Sheriff's contingent	954	-
Gun permits	147,272	-
Jail canteen account	28,050	-
Juvenile substance abuse court	12,151	-
Emergency management	2,525	-
Water quality grant	58,950	-
DEA federal share program	1,435	-
Project lifesaver	3,681	-
Almelund SSD Sewer System	153,101	-
Pit restoration reserve	-	391,000
Solid waste	-	-
Park acquisition	-	-
Lake Improvement District	-	-
Ditch maintenance	-	-
Debt service	-	-
Capital projects - 800 megahertz project	-	-
Committed for		
MICS - computer equipment	300,000	-
Public health and north woods software IM	-	-
Subscriber radio costs	-	-
Ground improvement and repairs	606,249	-
Payroll/HRIS software and CAMA software	500,000	-
Two-year motor pool allocation	100,000	-
Two-year other allocation	90,000	-
Assigned for		
Wellness, safety, ergo, LMC	16,327	-
Elections	23,515	-
Capital equipment	3,985,136	-
Building improvements	484,769	-
Human services	-	-
Highways and streets	-	2,643,878
Auditor election equipment	59,625	-
Dental insurance	73,272	-
Capital projects	-	-
Assigned for MICS maintenance/other costs	243,894	-
Unassigned	12,580,779	-
Total Fund Balances	**$ 22,165,263**	**$ 3,642,092**
Total Liabilities, Deferred inflows of Resources, and Fund Balances	**$ 24,253,296**	**$ 5,698,472**

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

EXHIBIT 3
(Continued)

Human Services	Debt Service	County Capital Projects	Other Funds	Total Governmental Funds
-	-	-	-	8,814
-	-	-	-	718,006
-	-	-	-	711,341
-	-	-	-	31,264
-	-	-	-	7,520
-	-	-	-	4,809
-	-	-	-	954
-	-	-	-	147,272
-	-	-	-	28,050
-	-	-	-	12,151
-	-	-	-	2,525
-	-	-	-	58,950
-	-	-	-	1,435
-	-	-	-	3,681
-	-	-	-	153,101
-	-	-	-	391,000
-	-	-	1,067,821	1,067,821
-	-	-	456,623	456,623
-	-	-	208,772	208,772
-	-	-	136,789	136,789
-	5,346,286	-	-	5,346,286
-	-	1,510,604	-	1,510,604
-	-	-	-	300,000
300,000	-	-	-	300,000
-	-	147,537	-	147,537
-	-	-	-	606,249
-	-	-	-	500,000
-	-	-	-	100,000
-	-	-	-	90,000
-	-	-	-	16,327
-	-	-	-	23,515
-	-	-	-	3,985,136
-	-	-	-	484,769
8,457,732	-	-	-	8,457,732
-	-	-	-	2,643,878
-	-	-	-	59,625
-	-	-	-	73,272
-	-	926,689	375,656	1,302,345
-	-	-	-	243,894
-	-	-	-	12,580,779
$ 8,775,098	**$ 5,346,286**	**$ 2,584,830**	**$ 2,245,759**	**$ 44,759,328**
$ 9,945,909	**$ 5,740,809**	**$ 2,749,866**	**$ 2,376,268**	**$ 50,764,620**

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

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CHISAGO COUNTY
CENTER CITY, MINNESOTA

EXHIBIT 4

RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO
THE GOVERNMENT-WIDE STATEMENT OF NET POSITION--GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2013

Fund balance - total governmental funds (Exhibit 3)		**$ 44,759,328**
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		165,455,617
Deferred charges on refunding paid out in a prior year, are being written off over the life of the old debt and are not available to pay current periods expenditures in the governmental funds and therefore are reported only as deferred outflows of resources in the governmental wide Statement of Net Position.		2,217,805
Other assets, primarily long term receivables, are not available to pay for current period expenditures and therefore are reported as deferred inflows of resources in the governmental funds.		2,600,030
Accrued interest payable is not due in the current period and, therefore is not reported in the governmental funds.		(599,185)
Long-term liabilities including bonds payable and the related accrued interest payable are not due and payable in the current period and, therefore, are not reported in the governmental funds.		
General obligation bonds	$ (48,750,000)	
Unamortized premium on bonds	(1,217,128)	
Capital notes	(385,000)	
Compensated absences	(3,992,934)	
Net OPEB liability	(1,724,669)	
		(56,069,731)
Net Position of Governmental Activities (Exhibit 1)		**$ 158,363,864**

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

CHISAGO COUNTY
CENTER CITY, MINNESOTA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2013

	General	Road and Bridge
Revenues		
Taxes	$ 18,041,946	$ 5,306,351
Special assessments	-	-
Licenses and permits	649,469	13,945
Intergovernmental	4,443,664	6,474,204
Charges for services	2,827,322	129,462
Fines and forfeits	161,954	-
Gifts and contributions	9,895	-
Investment earnings	(1,315,462)	-
Miscellaneous	814,558	5,534
Total Revenues	**$ 25,633,346**	**$ 11,929,496**
Expenditures		
Current		
General government	$ 9,890,031	$ 161,376
Public safety	10,004,871	-
Highways and streets	-	9,933,932
Sanitation	-	-
Human services	-	-
Health	-	-
Culture and recreation	258,888	-
Conservation of natural resources	732,868	-
Economic development	826,642	-
Intergovernmental	518,483	-
Capital outlay	1,467,928	-
Debt service		
Principal	-	-
Interest and fiscal charges	-	-
Administrative charges	-	-
Total Expenditures	**$ 23,699,711**	**$ 10,095,308**
Excess of Revenues Over (Under) Expenditures	**$ 1,933,635**	**$ 1,834,188**

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

EXHIBIT 5
(Continued)

Human Services	Debt Service	County Capital Projects	Other Funds	Total
$ 4,385,664	$ 4,186,388	$ -	$ 242,475	$ 32,162,824
-	-	-	258,447	258,447
-	-	-	7,920	671,334
4,618,970	986,537	-	109,162	16,632,537
1,308,846	-	-	24,697	4,290,327
-	-	-	-	161,954
234	-	-	-	10,129
-	-	3,363	-	(1,312,099)
101,554	23,007	39,013	12	983,678
$ 10,415,268	**$ 5,195,932**	**$ 42,376**	**$ 642,713**	**$ 53,859,131**
$ 171,743	$ -	$ -	$ -	$ 10,223,150
-	-	-	-	10,004,871
-	-	-	-	9,933,932
-	-	-	367,363	367,363
9,458,207	-	-	-	9,458,207
1,446,092	-	-	-	1,446,092
-	-	-	-	258,888
-	-	-	169,146	902,014
-	-	-	-	826,642
-	-	-	-	518,483
-	-	281,034	157,502	1,906,464
-	3,180,000	-	-	3,180,000
-	1,409,265	-	-	1,409,265
-	4,411	-	-	4,411
$ 11,076,042	**$ 4,593,676**	**$ 281,034**	**$ 694,011**	**$ 50,439,782**
$ (660,774)	**$ 602,256**	**$ (238,658)**	**$ (51,298)**	**$ 3,419,349**

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

CHISAGO COUNTY
CENTER CITY, MINNESOTA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2013

	General	Road and Bridge
Other Financing Sources (Uses)		
Transfers in	$ 256,047	$ 114,541
Transfers out	(115,028)	(84,700)
Proceeds from the sale of capital assets	28,578	879
Total Other Financing Sources (Uses)	**$ 169,597**	**$ 30,720**
Net Change in Fund Balances	**$ 2,103,232**	**$ 1,864,908**
Fund Balances - January 1 as restated (Note 1.D.1.)	**20,062,031**	**2,356,972**
Increase (decrease) in inventories	**-**	**(579,788)**
Fund Balances - December 31	**$ 22,165,263**	**$ 3,642,092**

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

EXHIBIT 5
(Continued)

Human Services	Debt Service	County Capital Projects	Other Funds	Total
$ -	$ -	$ -	$ 487	$ 371,075
-	-	-	(171,347)	(371,075)
-	-	-	375,656	405,113
$ -	**$ -**	**$ -**	**$ 204,796**	**$ 405,113**
$ (660,774)	**$ 602,256**	**$ (238,658)**	**$ 153,498**	**$ 3,824,462**
9,435,872	**4,744,030**	**2,823,488**	**2,092,261**	**41,514,654**
-	**-**	**-**	**-**	**(579,788)**
$ 8,775,098	**$ 5,346,286**	**$ 2,584,830**	**$ 2,245,759**	**$ 44,759,328**

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

CHISAGO COUNTY
CENTER CITY, MINNESOTA

EXHIBIT 6

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, 2013

Net change in fund balance - total governmental funds (Exhibit 5)		**$ 3,824,462**
Governmental activities in the statement of activities are different from the funds because:		
Governmental funds report capital outlay as expenditures. In the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. Also, 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 disposal increase financial resources.		
Expenditures for capital assets	$ 6,493,510	
Net book value of disposed assets	(308,058)	
Current year depreciation	(5,139,200)	1,046,252
In the funds, receivables not available for expenditure are reported as deferred inflows of resources. In the statement of activities, those revenues are recognized when earned. The adjustment to revenues between the fund statements and the statement of activities is the increase or (decrease) in unavailable revenues year over year, excluding advanced allotments, which are earned in the statement of activities in the year of allotment.		462,323
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	$	3,180,000
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as financial resources and, therefore, are not reported as expenditures in governmental funds.		
Change in accrued interest payable	$ (18,984)	
Amortization of premiums, and deferred issuance charges	(105,545)	
Change in compensated absences	(142,064)	
Change in net OPEB Liability	(217,922)	
Change in inventories	(579,788)	(1,064,303)
Change in Net Position of Governmental Activities (Exhibit 2)		**$ 7,448,734**

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

CHISAGO COUNTY
CENTER CITY, MINNESOTA

EXHIBIT 7
(Continued)

BUDGETARY COMPARISON STATEMENT
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2013

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Taxes	$ 17,663,729	$ 17,663,729	$ 18,041,946	$ 378,217
Licenses and permits	419,550	460,550	649,469	188,919
Intergovernmental	1,912,573	4,251,838	4,443,664	191,826
Charges for services	2,806,973	3,178,713	2,827,322	(351,391)
Fines and forfeits	163,609	170,609	161,954	(8,655)
Gifts and contributions	4,205	4,205	9,895	5,690
Investment earnings	400,000	400,000	(1,315,462)	(1,715,462)
Miscellaneous	312,052	326,259	814,558	488,299
Total Revenues	**$ 23,682,691**	**$ 26,455,903**	**$ 25,633,346**	**$ (822,557)**
Expenditures				
Current				
General government				
Commissioners	$ 266,589	$ 266,589	$ 262,291	$ 4,298
Courts	196,569	196,569	161,460	35,109
Law library	38,109	33,165	28,903	4,262
County administrator	466,641	490,641	524,714	(34,073)
County auditor	458,281	458,281	442,361	15,920
County treasurer	294,682	294,682	302,371	(7,689)
County assessor	723,614	722,614	715,489	7,125
Elections	36,500	36,500	21,205	15,295
Data processing	3,728,376	3,728,376	3,107,017	621,359
Central services	67,418	100,009	105,640	(5,631)
Attorney	1,415,522	1,421,706	1,313,815	107,891
Recorder	473,626	473,626	458,927	14,699
Planning and zoning	788,504	782,397	832,424	(50,027)
Maintenance	432,543	419,784	414,760	5,024
Other general government	1,603,920	1,623,082	1,198,654	424,428
Total general government	**$ 10,990,894**	**$ 11,048,021**	**$ 9,890,031**	**$ 1,157,990**

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

CHISAGO COUNTY
CENTER CITY, MINNESOTA

BUDGETARY COMPARISON STATEMENT
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2013

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Expenditures				
Current (Continued)				
Public safety				
Sheriff	$ 4,506,238	$ 4,678,238	$ 5,011,063	$ (332,825)
Driver Awareness Program	-	25,530	6,768	18,762
Sheriff's contingent	-	13,970	10,303	3,667
Boat and water safety	35,700	35,700	45,562	(9,862)
Project Lifesaver	-	4,000	2,175	1,825
Coroner	110,000	110,000	104,515	5,485
Enhanced 911 system	125,400	125,400	125,400	-
County jail	3,122,105	3,122,105	3,153,664	(31,559)
Caseload reduction	73,738	73,738	74,007	(269)
Jail canteen fund	-	87,797	74,837	12,960
Probation and parole	721,449	721,449	729,741	(8,292)
Sentenced to serve	56,992	56,992	57,995	(1,003)
Electronic monitoring	19,100	19,100	21,580	(2,480)
Juvenile substance abuse court	2,000	2,000	8,913	(6,913)
Civil defense	-	-	1,556	(1,556)
Emergency management	144,702	176,736	143,654	33,082
Other public safety	365,688	433,329	433,138	191
Total public safety	**$ 9,283,112**	**$ 9,686,084**	**$ 10,004,871**	**$ (318,787)**
Culture and recreation				
Historical society	$ 27,000	$ 27,000	$ 27,000	$ -
Parks	224,097	224,097	221,470	2,627
Other	10,144	10,144	10,418	(274)
Total culture and recreation	**$ 261,241**	**$ 261,241**	**$ 258,888**	**$ 2,353**
Conservation of natural resources				
Cooperative extension	$ 113,125	$ 113,125	$ 113,863	$ (738)
Soil and water conservation	304,052	304,052	308,675	(4,623)
WaterCraft Inspectors	-	43,546	43,545	1
Agricultural society/County fair	13,050	13,050	13,050	-
Almelund SSD Sewer System	-	216,000	16,000	200,000
Water planning	66,495	115,416	120,443	(5,027)
Wetland challenge	85,081	85,081	89,101	(4,020)
Other	23,503	23,503	28,191	(4,688)
Total conservation of natural resources	**$ 605,306**	**$ 913,773**	**$ 732,868**	**$ 180,905**

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

CHISAGO COUNTY
CENTER CITY, MINNESOTA

EXHIBIT 7
(Continued)

BUDGETARY COMPARISON STATEMENT
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2013

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Expenditures				
Current (Continued)				
Economic development				
Community development	$ 150,000	$ 150,000	$ 110,437	$ 39,563
Other	730,595	730,595	716,205	14,390
Total economic development	**$ 880,595**	**$ 880,595**	**$ 826,642**	**$ 53,953**
Intergovernmental				
Library	**$ 517,833**	**$ 517,833**	**$ 518,483**	**$ (650)**
Capital outlay				
General government	702,857	755,127	521,735	233,392
Public safety	334,695	484,695	323,506	161,189
Economic development	50,000	116,003	138,224	(22,221)
Culture and recreation	-	-	1,951	(1,951)
Highways and streets	175,000	629,724	482,512	147,212
Total Capital outlay	**$ 1,262,552**	**$ 1,985,549**	**$ 1,467,928**	**$ 517,621**
Total Expenditures	**$ 23,801,533**	**$ 25,293,096**	**$ 23,699,711**	**$ 1,593,385**
Excess of Revenues Over (Under) Expenditures	**$ (118,842)**	**$ 1,162,807**	**$ 1,933,635**	**$ 770,828**
Other Financing Sources (Uses)				
Transfers in	$ 118,842	$ 256,047	$ 256,047	$ -
Transfers out	-	(114,541)	(115,028)	(487)
Proceeds from the sale of capital assets	-	-	28,578	28,578
Total Other Financing Sources/(Uses)	**$ 118,842**	**$ 141,506**	**$ 169,597**	**$ 28,091**
Net Change in Fund Balance	**$ -**	**$ 1,304,313**	**$ 2,103,232**	**$ 798,919**
Fund Balance - January 1	**20,062,031**	**20,062,031**	**20,062,031**	**-**
Fund Balance - December 31	**$ 20,062,031**	**$ 21,366,344**	**$ 22,165,263**	**$ 798,919**

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

CHISAGO COUNTY
CENTER CITY, MINNESOTA

EXHIBIT 8

BUDGETARY COMPARISON STATEMENT
ROAD AND BRIDGE SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2013

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Taxes	$ 5,306,553	$ 5,306,553	$ 5,306,351	$ (202)
Licenses and permits	6,000	6,000	13,945	7,945
Intergovernmental	5,497,500	5,497,500	6,474,204	976,704
Charges for services	14,000	14,000	129,462	115,462
Miscellaneous	-	-	5,534	5,534
Total Revenues	**$ 10,824,053**	**$ 10,824,053**	**$ 11,929,496**	**$ 1,105,443**
Expenditures				
Current				
General government				
Surveyor	**$ 186,397**	**$ 186,397**	**$ 161,376**	**$ 25,021**
Highways and streets				
Administration	$ 620,490	$ 620,490	$ 1,130,212	$ (509,722)
Engineering	1,169,005	1,169,005	889,783	279,222
Maintenance	3,553,548	3,553,548	3,372,089	181,459
Construction	4,515,000	4,617,541	3,612,211	1,005,330
Equipment, maintenance, and shop	779,613	791,613	929,637	(138,024)
Total highways and streets	**$ 10,637,656**	**$ 10,752,197**	**$ 9,933,932**	**$ 818,265**
Total Expenditures	**$ 10,824,053**	**$ 10,938,594**	**$ 10,095,308**	**$ 843,286**
Excess of Revenues Over (Under) Expenditures	**$ -**	**$ (114,541)**	**$ 1,834,188**	**$ 1,948,729**
Other Financing Sources (Uses)				
Transfers in	$ -	$ 114,541	$ 114,541	$ -
Transfers out	-	(84,700)	(84,700)	-
Proceeds from sale of assets	-	-	879	879
Total Other Financing Sources (Uses)	**$ -**	**$ 29,841**	**$ 30,720**	**$ 879**
Net Change in Fund Balance	**$ -**	**$ (84,700)**	**$ 1,864,908**	**$ 1,949,608**
Fund Balance - January 1, as restated (Note 1.D.1)	**2,356,972**	**2,356,972**	**2,356,972**	**-**
Increase (decrease) in inventories	**-**	**-**	**(579,788)**	**(579,788)**
Fund Balance - December 31	**$ 2,356,972**	**$ 2,272,272**	**$ 3,642,092**	**$ 1,369,820**

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

CHISAGO COUNTY
CENTER CITY, MINNESOTA

EXHIBIT 9

BUDGETARY COMPARISON STATEMENT
HUMAN SERVICES SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2013

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Taxes	$ 4,384,498	$ 4,384,498	$ 4,385,664	$ 1,166
Intergovernmental	5,516,823	5,516,823	4,618,970	(897,853)
Charges for services	1,021,947	1,021,947	1,308,846	286,899
Gifts and contributions	-	-	234	234
Miscellaneous	103,975	103,975	101,554	(2,421)
Total Revenues	**$ 11,027,243**	**$ 11,027,243**	**$ 10,415,268**	**$ (611,975)**
Expenditures				
Current				
General government				
Veterans services	**$ 141,724**	**$ 141,724**	**$ 171,743**	**$ (30,019)**
Human services				
Income maintenance	$ 2,683,627	$ 2,682,766	$ 2,862,120	$ (179,354)
Social services	6,652,446	6,651,057	6,596,087	54,970
Total human services	**$ 9,336,073**	**$ 9,333,823**	**$ 9,458,207**	**$ (124,384)**
Health				
Nursing service	$ 899,139	$ 899,139	$ 821,555	$ 77,584
Maternal and child health	650,307	649,779	624,537	25,242
Total health	**$ 1,549,446**	**$ 1,548,918**	**$ 1,446,092**	**$ 102,826**
Total Expenditures	**$ 11,027,243**	**$ 11,024,465**	**$ 11,076,042**	**$ (51,577)**
Excess of Revenues Over (Under) Expenditures	**$ -**	**$ 2,778**	**$ (660,774)**	**$ (663,552)**
Net Change in Fund Balance	**$ -**	**$ 2,778**	**$ (660,774)**	**$ (663,552)**
Fund Balance - January 1	**9,435,872**	**9,435,872**	**9,435,872**	**-**
Fund Balance - December 31	**$ 9,435,872**	**$ 9,438,650**	**$ 8,775,098**	**$ (663,552)**

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

CHISAGO COUNTY
CENTER CITY, MINNESOTA

EXHIBIT 10

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2013

		Agency
Assets		
Cash and pooled investments	**$**	**1,358,841**
Liabilities		
Accounts payable	$	3,829
Deferred benefits		37,626
Due to other governments		1,317,386
Total Liabilities	**$**	**1,358,841**

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

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CHISAGO COUNTY
CENTER CITY, MINNESOTA

NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2013

1. Summary of Significant Accounting Policies

Chisago County's financial statements are prepared in accordance with generally accepted accounting principles (GAAP) as of and for the year ended December 31, 2013. The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (statements and interpretations). The more significant accounting policies established in GAAP and used by the County are discussed below.

A. Financial Reporting Entity

Chisago County was established September 1, 1851, and is an organized county having the powers, duties, and privileges granted counties by Minn. Stat. ch. 373. 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.

As required by generally accepted accounting principles, these financial statements present Chisago County (the primary government) and its discretely presented component unit, the Chisago County Housing and Redevelopment Authority Economic Development Authority (HRA-EDA).

Discretely Presented Component Unit

While part of the reporting entity, the discretely presented component unit, the HRA-EDA, is reported in a separate column to emphasize that the HRA-EDA is legally separate from the County. A five-member Board appointed by the County Board governs the HRA-EDA. The HRA-EDA is included because the County is financially accountable and is able to impose its will on the HRA-EDA. Separate financial statements for the HRA-EDA may be obtained at its office at 38871 - 7th Avenue, North Branch, Minnesota 55056. Disclosures for the HRA-EDA are in Note 6.

Joint Ventures and Jointly Governed Organization

The County participates in four joint ventures described in Note 5.C. The County also participates in a jointly governed organization described in Note 5.D.

1. Summary of Significant Accounting Policies (Continued)

B. Basic Financial Statements

1. Government-Wide Statements

The government-wide financial statements (the statement of net position 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. An exception to this general rule is inter-fund rent, which is considered an inter-fund service provided and used. Governmental activities are generally financed through taxes and intergovernmental revenues.

In the government-wide statement of net position, the governmental activities column : a) is presented on a consolidated basis by column; and b) is 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 position is reported in three parts: (1) net investment in capital assets; (2) restricted net position; and (3) unrestricted net position. The County first utilizes restricted resources to finance qualifying activities.

The statement of activities demonstrates the degree to which the direct expenses of each function of the County's governmental activities 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.

2. Fund Financial Statements

The fund financial statements provide information about the County's funds, including its fiduciary finds. Separate statements for each fund category--governmental and fiduciary (agency)--are presented. The emphasis of the governmental fund financial statements is on major individual funds, with each displayed as a separate column in the fund financial statements. All remaining governmental funds are aggregated and reported as nonmajor funds.

1. Summary of Significant Accounting Policies

   B. Basic Financial Statements

      2. Fund Financial Statements (Continued)

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 accounted for in another fund.

- The Road and Bridge Special Revenue Fund accounts for the construction and maintenance of roads, bridges, and other projects affecting County roadways. These projects are primarily funded by restricted revenues from the federal and state government, as well as assigned property tax revenues.

- The Human Services Special Revenue Fund accounts for economic assistance and community social services programs. These programs are primarily funded by restricted revenue resources from the federal, state, and other oversight agencies, as well as assigned property tax revenues.

- The Debt Service Fund accounts for the accumulation of resources that are restricted for the payment of principal, interest, and related costs on debt issued by the County.

- The County Capital Projects Fund accounts for financial resources restricted, committed, or assigned for capital acquisition, construction, or improvement of capital facilities and other capital assets.

Additionally, the County reports the following fund type:

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

1. Summary of Significant Accounting Policies (Continued)

C. Measurement Focus and Basis of Accounting

The government-wide 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. Chisago County considers all revenues as available if collected within 60 days after the end of the current period. Property and other taxes, licenses, and interest are all considered susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, compensated absences, and claims and judgments, which are recognized as expenditures to the extent that they have matured. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first and then unrestricted resources as needed.

D. Restatement of Fund Balances and Net Position

1. Prior Period Adjustment of the Advanced Allotments and Road and Bridge Fund Balance

The January 1, 2013, balance of advanced allotments was adjusted in the amount of $1,785,000. Previously this amount had been recognized as revenue before the actual year of appropriation. (Note 2.D.) The impact to the Road and Bridge fund balance and advanced allotments is as follows

	Balance at January 1, 2013	Adjustment	Balance at January 1, 2013 As Restated
Road and Bridge Fund Balance	$ 4,141,972	$ (1,785,000)	$ 2,356,972
Advanced allotments	$ -	$ 1,785,000	$ 1,785,000

1. Summary of Significant Accounting Policies

D. Restatement of Fund Balances and Net Position

1. Prior Period Adjustment of the Advanced Allotments and Road and Bridge Fund Balance (Continued)

The corresponding impact to net position at January 1, 2013, is a decrease of $1,785,000.

2. Prior Period Adjustment of Capital Assets Used in the Preparation of Governmental Activities

The January 1, 2013 balance of capital assets cost and accumulated depreciation was increased as a result of various prior year transactions not recorded. (Note 2.C.) The impact to net position at January 1, 2013, is an increase of $334,416.

3. Changes in Accounting Principles

During the year ended December 31, 2013 Chisago County adopted GASB Statements No. 61, and No. 65. GASB Statement No. 61, *The Financial Reporting Entity: Omnibus, an Amendment of GASB Statements No. 14 and No. 34,* modifies certain requirements for inclusion of component units in the financial reporting entity. GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities,* establishes accounting and financial reporting standards, for certain items previously reported as assets or liabilities and recognizes as outflows of resources or inflows of resources, certain items previously reported as assets or liabilities.

Restatement of the December 31, 2012, net position occurred as a result of adopting GASB Statement No. 65. GASB Statement No. 61 had no impact on Chisago County's financial reporting entity.

4. Restatement of Deferred Charges

As a result of implementing GASB Statement No. 65, the County's January 1, 2013, beginning net position will no longer include the balance of deferred charges. The balance of deferred charges prior to restatement is as follows:

1. Summary of Significant Accounting Policies

D. Restatement of Fund Balances and Net Position

4. Restatement of Deferred Charges (Continued)

Deferred charges, January 1, 2013	$ 426,609
Reclass underwriters discounts to deferred charges (Previously recorded as bond discounts)	156,492
Total deferred charges January 1, 2013	$ 583,101

The impact to net position at January 1, 2013 is a decrease of $583,101.

5. Restatement of Net Position in the Statement of Activities

The January 1, 2013 adjustments to the balance of advanced allotments, net capital assets, and to deferred charges resulted in a restatement of the January 1, 2013 net position balance in the Statement of Activities.

Net position as previously reported, January 1, 2013		$ 152,948,815
Adjustment for advanced allotments	(1,785,000)	
Adjustment for capital assets	334,416	
Restatement of deferred charges	(583,101)	
Net effect to net position		(2,033,685)
Net position at January 1, 2013, as restated		$ 150,915,130

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity

1. Deposits and Investments

The cash balances of substantially all funds are pooled and invested by the County Treasurer for the purpose of increasing earnings through investment activities. Pooled and fund investments are reported at their fair value at December 31, 2013, based on market prices. Pursuant to Minn. Stat. § 385.07, investment earnings on cash and pooled investments are credited to the General Fund. Other funds received investment earnings based on other state statutes, grant agreements, contracts, and bond covenants. In 2013, the County reports negative investment earnings of $1,312,099 due to a decrease in the market value of investments.

1. Summary of Significant Accounting Policies

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity

1. Deposits and Investments (Continued)

Chisago County invests in an external investment pool, the Minnesota Association of Governments Investing for Counties (MAGIC) Fund, which is created under a joint powers agreement pursuant to Minn. Stat. § 471.59. The MAGIC Fund is not registered with the Securities and Exchange Commission (SEC), but does satisfy the requirements of Rule 2a-7 prescribed by the SEC pursuant to the Investment Company Act of 1940 (17 C.F.R. § 270.2a-7). The investment in the pool is measured at the net asset value per share provided by the pool.

2. Receivables and Payables

Activity between funds representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as either "due to/from other funds" (the current portion of interfund loans) or "advances to/from other funds" (the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

Advances between funds, as reported in the fund financial statements, are offset by a nonspendable fund balance account in applicable governmental funds to indicate that they are not in spendable form.

All receivables, including those of the discretely presented component unit, 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. Unpaid taxes at December 31 become liens on the respective property and are classified in the financial statements as delinquent taxes receivable.

1. Summary of Significant Accounting Policies

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity (Continued)

3. Inventories and Prepaid Items

All inventories are valued at cost using the first in/first out 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.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

4. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (for example, roads, bridges, sidewalks, and similar items), are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of two 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 asset's life are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant, and equipment of the primary government are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings	40
Improvements other than buildings	5 - 40
Public domain infrastructure	50 - 75
Furniture, equipment, and vehicles	5 - 10
Computer software	5 - 10

1. Summary of Significant Accounting Policies

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity (Continued)

5. Compensated Absences

The liability for compensated absences reported in financial statements consists of unpaid, accumulated annual vacation and sick leave balances. The liability has been calculated using the vesting method in which leave amounts for both employees who currently are eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included. Compensated absences are accrued when incurred in the government-wide and fiduciary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

6. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County has one item that qualifies for reporting. It is the deferred charges on bond refunding reported in the government-wide governmental activities statement of net position.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has two such items. One which arises only under the modified accrual basis of accounting, called *unavailable revenue,* and the second, *advanced allotments*, arises under both the modified accrual and the full accrual basis of accounting. Unavailable revenue and advanced allotments are reported in the governmental funds balance sheet, while advanced allotments, is also reported in the statement of net position. The governmental funds report unavailable revenue from the following sources: property taxes, interest receivable, and intergovernmental grants and reimbursements. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

1. Summary of Significant Accounting Policies

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity (Continued)

7. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as an expense in the period incurred.

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.

8. Classification of Net Position

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

- Net investment in capital assets - the portion of net position representing capital assets, net of accumulated depreciation and reduced by outstanding debt attributed to the acquisition, construction, or improvement of the assets.

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

- Unrestricted - the portion of net position that does not meet the definition of "restricted net position" or "net investment in capital assets".

1. Summary of Significant Accounting Policies

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity (Continued)

9. Classification of Fund Balances

In the fund financial statements, fund balance is divided into five classifications based primarily on the extent to which the County is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

- Nonspendable - amounts that cannot be spent because they are not in spendable form, or are legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash.

- Restricted – amounts for which constraints have been placed on the use of resources either externally imposed by creditors (such as through debt covenants), grantors, contributors, or by laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

- Committed - amounts that can be used only for the specific purposes imposed by formal action (ordinance or resolution) of the County Board. Those committed amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action (ordinance or resolution) it employed to previously commit those amounts.

- Assigned - amounts the County intends to use for specific purposes that do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by the County Board or the County Auditor, who has been delegated that authority by Board resolution.

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

1. Summary of Significant Accounting Policies

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity

9. Classification of Fund Balances (Continued)

The County applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Chisago County has adopted a minimum fund balance policy for the General Fund, the Road and Bridge Special Revenue Fund, and the Human Services Special Revenue Fund. All three funds rely heavily on property tax revenues to fund current operations. However, current property tax revenues are not available for distribution until June. Therefore, the County Board has determined it needs to maintain a minimum unrestricted fund balance (committed, assigned, and unassigned) of 35 to 50 percent of operating revenues or no less than five months of operating expenditures. The Fund Balance Policy was adopted by the County Board on August 17, 2011.

10. 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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

2. Stewardship, Compliance, and Accountability

A. Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all major and most nonmajor governmental funds. All appropriations lapse at year-end.

The appropriated budget is prepared by fund, function, and department. Transfers of appropriations within a department and between departments require approval of the County Board. The legal level of budgetary control--the level at which expenditures may not legally exceed appropriation--is the departmental level. The Board made some supplemental budgetary appropriations throughout the year; however, none were material.

Early in June each year, the County Administrator meets with department heads to discuss the budget process and requests a priority-based budget assessment. These assessments are returned in mid-June to the Administrator. Next, the County Administrator, County Auditor, and County Treasurer meet and review budget options and set proposed budget appropriation targets for each department based on preliminary levy goals established by the County Board. These targets are then sent to the department heads in early July. As needed, department budget presentations are made to the County Board throughout July and August. Before August 31, the proposed budget is presented by the County Administrator to the County Board for review, and the Board will set a preliminary maximum levy by September 15. The County Board holds public hearings (truth in taxation) on the proposed budget in early December. A final operating budget is approved, and a final levy is set before December 31.

2. Stewardship, Compliance, and Accountability (Continued)

B. Excess of Expenditures Over Budget

The following funds had expenditures in excess of budget at the department level for the year ended December 31, 2013.

	Expenditures	Final Budget	Excess
General Fund			
General government			
County administrator	$ 524,714	$ 490,641	$ 34,073
County treasurer	302,371	294,682	7,689
Central services	105,640	100,009	5,631
Planning and zoning	832,424	782,397	50,027
Public safety			
Sheriff	5,011,063	4,678,238	332,825
Boat and water safety	45,562	35,700	9,862
County jail	3,153,664	3,122,105	31,559
Caseload reduction	74,007	73,738	269
Probation and parole	729,741	721,449	8,292
Sentenced to serve	57,995	56,992	1,003
Electronic monitoring	21,580	19,100	2,480
Juvenile substance abuse court	8,913	2,000	6,913
Civil defense	1,556	-	1,556
Culture and recreation			
Other	10,418	10,144	274
Conservation of natural resources			
Cooperative extension	113,863	113,125	738
Soil and water conservation	308,675	304,052	4,623
Water planning	120,443	115,416	5,027
Wetland challenge	89,101	85,081	4,020
Other	28,191	23,503	4,688
Intergovernmental			
Library	518,483	517,833	650
Capital outlay			
Economic development	138,224	116,003	22,221
Culture & recreation	1,951	-	1,951
Special Revenue Funds			
Road and Bridge			
Highways and streets			
Administration	1,130,212	620,490	509,722
Equipment, maintenance, and shop	929,637	791,613	138,024
Human Services			
Veterans services	171,743	141,724	30,019
Income maintenance	2,862,120	2,682,766	179,354
Solid Waste			
Recycling	188,219	170,404	17,815
Debt Service Fund			
Administrative charges	4,411	-	4,411

These expenditures in excess of appropriations were funded by greater than anticipated revenues and other departmental expenditure savings.

2. Stewardship, Compliance, and Accountability (Continued)

C. Prior Period adjustments: Capital Assets

Net position at January 1, 2013 has been restated to reflect various capital assets additions and dispositions which were not reflected in prior years. The net of which resulted in a write-up of capital asset cost and accumulated depreciation as follows:

	Cost	Accumulated Depreciation	Net Book Value
Balance, January 1, 2013	$ 207,727,350	$ 43,652,401	$ 164,074,949
Adjustment	566,278	231,862	334,416
Balance, January 1, 2013 as Restated	$ 208,293,628	$ 43,884,263	$ 164,409,365

Various other reclassifications to capital asset cost and accumulated depreciation were made to the January 1, 2013 cost and accumulated depreciation balances to more accurately reflect proper asset classifications. The most material of which was a reclassification of $12.7 million of non-depreciable right of way costs from infrastructure to land.

D. Prior Period adjustments: Advanced allotments

Net position at January 1, 2013 has been restated to reflect the adjustment for advanced allotments. These allotments were incorrectly recorded as revenue in the year of the advancement rather than the year of appropriation.

	Balance at January 1, 2013	Adjustment	Balance at January 1, 2013 As Restated
Advanced allotments	$ -	$ 1,785,000	$ 1,785,000

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 position	
Governmental activities	
Cash and pooled investments	$ 45,194,308
Statement of fiduciary net assets	
Cash and pooled investments	1,358,841
Total Cash and Investments	$ 46,553,149

Deposits	$ 2,132,963
Petty cash and change funds	2,150
Departmental cash	10,588
Investments	44,407,448
Total Deposits, Cash on Hand, and Investments	$ 46,553,149

a. Deposits

The County is authorized by Minn. Stat. §§ 118A.02 and 118A.04 to designate a depository for public funds and to invest in certificates of deposit. The County is required by Minn. Stat. § 118A.03 to protect deposits with 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.

3. Detailed Notes on All Funds

A. Assets

1. Deposits and Investments

a. Deposits (Continued)

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 deposit policy for custodial credit risk. However, the County complies with Minnesota statutes in establishing collateral for its deposits. At December 31, 2013, the County was not exposed to custodial credit risk.

b. Investments

The County may invest in the following types of investments as authorized by Minn. Stat. §§ 118A.04 and 118A.05:

(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

3. Detailed Notes on All Funds

A. Assets

1. Deposits and Investments

b. Investments (Continued)

(6) with certain restrictions, in repurchase agreements, securities lending agreements, joint powers investment trusts, and guaranteed investment contracts.

At December 31, 2013, the County had the following investments:

	Fair Value	Less Than 1 Year	1 - 5 Years	5+ Years
U.S. agency securities	$ 22,051,726	$ -	$ -	$ 22,051,726
MAGIC Fund	19,471,939	19,471,939	-	-
Negotiable certificates of deposit	2,883,783	1,239,931	739,060	904,792
Total Investments	$ 44,407,448	$ 20,711,870	$ 739,060	$ 22,956,518

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. In accordance with the County's investment policy, to minimize investment risk, 1) investments will be structured so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities in the open market and 2) investing operating funds primarily in shorter term securities, liquid asset funds, money market mutual funds, or similar investment pools and limiting the average maturity in accordance with the County's cash requirements.

The County's investments include the following investments that are highly sensitive to interest rates fluctuations (to a greater degree than already indicated in the above information).

Highly Sensitive Investments	Fair Value at Year End
U.S. agency securities with step-up features which are callable on specific dates. If the security is not called, the interest rate increases by a specified amount.	$ 22,051,726

3. Detailed Notes on All Funds

A. Assets

1. Deposits and Investments

b. Investments (Continued)

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The County's exposure to credit risk at December 31, 2013, is as follows:

	S & P Rating	Fair Value
U.S. agency securities	AA+	$ 22,051,726
MAGIC Fund	N/R	19,471,939
Negotiable certificates of deposit	N/A	2,883,783
Total		$ 44,407,448

N/R - Not rated
N/A - Not Applicable

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. Investments in any one issuer that represent five percent or more of the County's investments are as follows:

Issuer	Reported Amount
FHLB - Wells Fargo Advisors	$ 21,593,525
MAGIC Fund	19,471,939

3. Detailed Notes on All Funds

A. Assets

1. Deposits and Investments

b. Investments (Continued)

Custodial Credit Risk

The 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 investments or collateral securities in the possession of an outside party. All securities purchased by the County are held in safekeeping by a third-party designated institution as agent for the County. As of December 31, 2013, the County's investments were not exposed to custodial credit risk.

2. Receivables

Receivables as of December 31, 2013, for the County's governmental activities are as follows:

	Total Receivables	Amounts Not Scheduled for Collection During the Subsequent Year
Governmental Activities		
Taxes	$ 1,787,675	$ -
Special assessments	77,405	51,716
Accounts	240,125	-
Accrued interest	84,330	-
Notes	1,000,000	1,000,000
Due from other governments	1,509,711	-
Loans	172,818	146,895
Total Governmental Activities	$ 4,872,064	$ 1,198,611

3. Detailed Notes on All Funds

A. Assets

2. Receivables (Continued)

Notes

In 2006, Chisago County entered into an interest-only loan to the Chisago County HRA-EDA. This demand promissory note is due in 2026.

Loans Receivable

In 2007, Chisago County began a septic loan program to assist landowners with problem septic systems by providing them with low-interest loans for the upgrade and repair of these septic systems. The loans are for a period of ten years. Future payments to be received are as follows:

Year Ending December 31	Principal	Interest	Total
2014	$ 25,923	$ 3,123	$ 29,046
2015	26,404	2,642	29,046
2016	26,894	2,151	29,045
2017	27,394	1,652	29,046
2018	27,903	1,143	29,046
2019 - 2023	38,300	1,202	39,502
Total	$ 172,818	$ 11,913	$ 184,731

3. Detailed Notes on All Funds

A. Assets (Continued)

3. Capital Assets

Capital asset activity for the year ended December 31, 2013, was as follows:

Primary Government	Beginning Balance (Restated)	Increase	Decrease	Ending Balance
Capital assets not depreciated				
Land	$ 15,376,098	$ 805,189	$ -	$ 16,181,287
Construction in progress	14,374,318	1,198,794	5,068,494	10,504,618
Total capital assets not depreciated	$ 29,750,416	$ 2,003,983	$ 5,068,494	$ 26,685,905
Capital assets depreciated				
Buildings	$ 25,444,484	$ -	$ 23,000	$ 25,421,484
Machinery, furniture, and equipment	16,237,273	3,451,023	747,765	18,940,531
Computer software	753,935	-	-	753,935
Infrastructure	136,107,520	6,134,576	358,611	141,883,485
Total capital assets depreciated	$ 178,543,212	$ 9,585,599	$ 1,129,376	$ 186,999,435
Less: accumulated depreciation for				
Buildings	$ 8,877,297	$ 644,389	$ 6,900	$ 9,514,786
Machinery, furniture, and equipment	10,589,534	1,653,776	743,392	11,499,918
Computer software	87,959	150,787	-	238,746
Infrastructure	24,329,473	2,690,248	43,448	26,976,273
Total accumulated depreciation	$ 43,884,263	$ 5,139,200	$ 793,740	$ 48,229,723
Total capital assets depreciated, net	$ 134,658,949	$ 4,446,399	$ 335,636	$ 138,769,712
Capital Assets, Net	$ 164,409,365	$ 6,450,382	$ 5,404,130	$ 165,455,617

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental Activities	
General government	$ 717,912
Public safety	1,035,616
Highways and streets, including depreciation of infrastructure assets	3,007,927
Sanitation	8,959
Health	71,767
Culture and recreation	222,294
Economic development	74,725
Total Depreciation Expense - Governmental Activities	$ 5,139,200

3. Detailed Notes on All Funds (Continued)

B. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of December 31, 2013, is as follows:

1. Due From/To Other Funds

Receivable Fund	Payable Fund	Amount	Purpose
General	Human Services	$ 28,222	Services provided
General	Road and Bridge	35	Services provided
Human Services	General	6,307	Services provided
Total Due To/From Other Funds		$ 34,564	

The outstanding balances between funds result from the time lag between the dates the interfund goods and services were provided and reimbursable expenditures occurred, and when transactions are recorded in the accounting system and when the funds are repaid. All balances are expected to be liquidated in the subsequent year.

2. Interfund Transfers

Interfund transfers for the year ended December 31, 2013, consisted of the following:

	Transfers In	Description
Transfers to General Fund from		
Lake Improvement District Fund	$ 48,661	Staff services
Lake Improvement District Fund	3,844	East parking lot construction costs
Road & Bridge	84,700	Tandem truck reimbursement
Solid Waste Fund	25,000	Enforcement officer vehicle
Solid Waste Fund	93,842	Staff services
Total General Fund	$ 256,047	
Transfers to Road & Bridge Fund from		
General Fund	$ 12,000	Maintenance costs
General Fund	102,541	East parking lot construction costs
Total Road & Bridge Fund	$ 114,541	
Transfers to Ditch Fund from		
General Fund	$ 487	Eliminate Ditch Fund deficit
Total Interfund Transfers	$ 371,075	

3. Detailed Notes on All Funds (Continued)

C. Liabilities

1. Accounts Payable

Accounts payable at December 31, 2013, were as follows:

	Governmental Activities
Accounts	$ 923,889
Salaries	523,617
Contracts	785,920
Total Accounts Payable	$ 2,233,426

2. Unearned Revenue

Unearned revenue includes state and federal grants received, but not yet earned, and deferred special assessments not collectable until underlying property is sold.

Unearned revenue at December 31, 2013, is summarized below by fund:

Fund	Deferred Special Assessments	State & Federal Grants	Total
General	$ -	$ 101,786	$ 101,786
Debt Service	37,751	-	37,751
Lake Improvement District	13,965	-	13,965
Solid Waste	-	65,100	65,100
Total	$ 51,716	$ 166,886	$ 218,602

3. Detailed Notes on All Funds

C. Liabilities (Continued)

3. Long-Term Debt

The County issues general obligation bonds and capital notes to provide funds for the acquisition and construction of major capital facilities. General obligation bonds and notes are direct obligations and pledge the full faith and credit of the County. General obligation bonds and notes outstanding at December 31, 2013, are as follows:

Type of Indebtedness	Final Maturity	Installment Amounts	Interest Rates (%)	Original Issue Amount	Balance December 31, 2013
2003B Jail and Courthouse Bonds	2014	$65,000 - 85,000	2.05 - 4.10	$ 720,000	$ 85,000
2004A State-Aid Road Bonds	2014	$365,000 - 450,000	1.50 - 3.30	4,000,000	450,000
2005A Road Reconstruction Bonds	2017	$590,000 - 835,000	3.50 - 4.00	7,000,000	3,135,000
2005B Capital Notes	2015	$125,000 - 195,000	3.60 - 4.00	1,500,000	385,000
2009A Refunding Bonds	2018	$85,000 - 510,000	2.00 - 3.00	3,315,000	1,660,000
2010B Capital Improvement Bonds (Build America Bonds)	2026	$340,000 - 605,000	1.70 - 4.85	7,000,000	7,000,000
2010C Capital Improvement Bonds (Build America Bonds)	2031	$460,000 - 1,610,000	4.00 - 5.35	11,350,000	11,350,000
2012A State-Aid Refunding Bonds	2018	$350,000 - 450,000	0.35 - 1.00	2,555,000	2,205,000
2012B Capital Improvement Refunding Bonds	2032	$210,000 - 2,300,000	2.00 - 3.125	23,430,000	22,865,000
Total general obligation bonds and notes				$ 60,870,000	$ 49,135,000
Add: unamortized premium					1,217,128
Total Bonds and Notes, Net					$ 50,352,128

3. Detailed Notes on All Funds

C. Liabilities

3. Long-Term Debt (Continued)

Prior Year Defeasance of Debt

In 2012, Chisago County refunded certain bonds by placing proceeds of new bonds in 2 irrevocable escrow accounts to provide for all future debt service payments on the old bonds. Accordingly, the bonds are considered defeased for financial reporting purposes. The escrow account assets and the liabilities for the refunded bonds are not included in the financial statements of Chisago County nor its Discretely Presented Component unit the HRA-EDA. On December 31, 2013 the bonds considered defeased were as follows:

Bond Issue	Balance of Defeased Debt As of 12/31/13	Scheduled Maturity/ Call Date
2004 HRA Public Project Revenue Bonds	$4,940,000	August 1, 2014
2006 G.O. Capital Improvement Bonds	13,430,000	February 1, 2016

The total balance held by the trustee in the refunding escrow accounts was $19,897,238 at December 31, 2013.

4. Debt Service Requirements

Debt service requirements at December 31, 2013, were as follows:

Year Ending December 31	General Obligation Bonds		Capital Notes	
	Principal	Interest	Principal	Interest
2014	$ 3,140,000	$ 1,655,890	$ 190,000	$ 11,600
2015	2,745,000	1,585,757	195,000	3,900
2016	3,015,000	1,514,054	-	-
2017	3,100,000	1,428,445	-	-
2018	3,185,000	1,337,451		
2019 - 2023	14,885,000	5,249,554	-	-
2024 – 2028	13,100,000	2,553,049	-	-
2029 - 2032	5,580,000	437,302	-	-
Total	$ 48,750,000	$ 15,761,502	$ 385,000	$ 15,500

3. Detailed Notes on All Funds

C. Liabilities

4. Debt Service Requirements (continued)

As part of the American Recovery and Reinvestment Act of 2009 (ARRA), Chisago County issued $7,000,000 of Taxable General Obligation Capital Improvement Bonds, Series 2010B, and $11,350,000 of Taxable General Obligation Capital Improvement Plan Bonds, Series 2010C. Both bond issues are direct payment tax credit Build America Bonds (BAB), in which the County receives a 35 percent credit on bond interest paid. The County has complied with all ARRA requirements to be eligible for the BAB interest credit.

Taking into consideration the BAB interest credit, as of December 31, 2013, the County's net annual debt service requirements to amortize all taxable general obligation bonds outstanding, including interest of $12,372,817 on the governmental activities debt, is as follows:

Year Ending December 31	Principal	Interest	Federal Subsidy	Net Interest	Total Payment
2014	$ 3,140,000	$ 1,655,890	$ (289,204)	$ 1,366,686	$ 4,506,686
2015	2,745,000	1,585,757	(286,537)	1,299,220	4,044,220
2016	3,015,000	1,514,054	(282,015)	1,232,039	4,247,039
2017	3,100,000	1,428,445	(274,692)	1,153,753	4,253,753
2018	3,185,000	1,337,451	(265,089)	1,072,362	4,257,362
2019 - 2023	14,885,000	5,249,554	(1,137,691)	4,111,863	18,996,863
2024 - 2028	13,100,000	2,553,049	(720,884)	1,832,165	14,932,165
2029 - 2032	5,580,000	437,302	(132,573)	304,729	5,884,729
Total	$ 48,750,000	$ 15,761,502	$ (3,388,685)	$ 12,372,817	$ 61,122,817

3. Detailed Notes on All Funds

C. Liabilities (Continued)

5. Changes in Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2013, was as follows:

	Beginning Balance (Restated)	Additions	Reductions	Ending Balance	Due Within One Year
Bonds and notes payable					
General obligation bonds	$ 51,750,000	$ -	$ 3,000,000	$ 48,750,000	$ 3,140,000
Capital notes	565,000	-	180,000	385,000	190,000
Add: unamortized premium	1,296,401	-	79,273	1,217,128	-
Total bonds and notes payable	$ 53,611,401	$ -	$ 3,259,273	$ 50,352,128	$ 3,330,000
Customer deposits	3,350	-	2,950	400	-
Compensated absences	3,850,870	2,339,071	2,197,007	3,992,934	1,350,832
Net OPEB liability	1,506,747	217,922	-	1,724,669	-
Long-Term Liabilities	$ 58,972,368	$ 2 ,556,993	$ 5,459,230	$ 56,070,131	$ 4,680,832

The compensated absences liability is liquidated by the General Fund and special revenue funds. The OPEB liability is generally liquidated by the General Fund.

6. Construction Commitments

The County has various active construction projects at December 31, 2013. The related projects and committments are as follows:

	Spent to Date	Remaining Commitment
Roads	$ 16,161,575	$ 791,678

7. Operating Lease Committments

The County has 29 operating leases for office space, office equipment, and motor vehicles with varying expiration dates. The latest of which expires November 15, 2018. The lease terms range from 24-60 months. Including usage charges, the total cost for these leases in 2013 was $196,691.

3. Detailed Notes on All Funds

C. Liabilities

7. Operating Lease Commitments (Continued)

Following are the future minimum operating lease payments:

Year	Future Minimum Lease Payments
2014	$ 156,567
2015	152,649
2016	121,610
2017	75,884
2018	26,809
Total	$ 533,519

D. Deferred Inflows of Resources

1. Unavailable Revenue

Unavailable revenue consists of amounts receivable for taxes, special assessments, state or federal grants, highway allotments, and other revenue sources that are not collected soon enough after year-end to pay liabilities of the current period. Unavailable revenue at December 31, 2013, is summarized below by fund:

Fund	Taxes and Special Assessments	State and Federal Grants, Highway Allotments	Total
General	$ 712,055	$ 267,158	$ 979,213
Road and Bridge	250,868	337,870	588,738
Human Services	241,454	400,757	642,211
Debt Service	356,772	-	356,772
Ditch	414	-	414
Lake Improvement District	18,721	-	18,721
Solid Waste	13,961	-	13,961
Total	$ 1,594,245	$ 1,005,785	$ 2,600,030

2. Advanced Allotments

Advanced allotments consist of State aid for regular road construction which are received by the County but are not yet appropriated by the State. Total advanced allotments at December 31, 2013 are $652,862.

4. Employee Retirement Systems and Pension Plans

A. Defined Benefit Plans

Plan Description

All full-time and certain part-time employees of Chisago County are covered by defined benefit pension plans administered by the Public Employees Retirement Association of Minnesota (PERA). PERA administers the General 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.

General 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 and benefits vest after three years of credited service (five years for those first eligible for membership after June 30, 2010).

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 responsible for the direct security, custody, and control of the county correctional institution and its inmates, are covered by the Public Employees Correctional Fund. For members first eligible for membership after June 30, 2010, benefits vest on a graduated schedule starting with 50 percent after five years and increasing 10 percent for each year of service until fully vested after ten years. Members eligible for membership before July 1, 2010, are fully vested after three years of service.

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. Defined retirement benefits are based on a member's average salary for any five successive years of allowable service, age, and years of credit at termination of service.

4. Employee Retirement Systems and Pension Plans

A. Defined Benefit Plans

Plan Description (Continued)

Two methods are used to compute benefits for General Employees Retirement Fund 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 remaining 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 General 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 members and Public Employees Correctional Fund members, and either 65 or 66 (depending on date hired) for General 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 General 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.

4. Employee Retirement Systems and Pension Plans

A. Defined Benefit Plans (Continued)

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. General Employees Retirement Fund Basic Plan members and Coordinated Plan members are required to contribute 9.10 and 6.25 percent, respectively, of their annual covered salary. Public Employees Police and Fire Fund members are required to contribute 9.60 percent. Public Employees Correctional Fund members are required to contribute 5.83 percent of their annual covered salary.

The County is required to contribute the following percentages of annual covered payroll in 2013:

General Employees Retirement Fund	
Basic Plan members	11.78%
Coordinated Plan members	7.25
Public Employees Police and Fire Fund	14.40
Public Employees Correctional Fund	8.75

The County's contributions for the years ending December 31, 2013, 2012, and 2011, for the General Employees Retirement Fund, the Public Employees Police and Fire Fund, and the Public Employees Correctional Fund were:

	2013	2012	2011
General Employees Retirement Fund	$ 1,021,207	$ 1,007,890	$ 972,144
Public Employees Police and Fire Fund	421,899	408,293	397,754
Public Employees Correctional Fund	87,539	84,861	79,606

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

4. Employee Retirement Systems and Pension Plans (Continued)

B. Defined Contribution Plan

One employee and three County Board members 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.

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 5.00 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, 2013, were:

	Employee	Employer
Contribution amount	$ 4,574	$ 4,574
Percentage of covered payroll	5%	5%

Required contribution rates were 5.0 percent.

4. Employee Retirement Systems and Pension Plans (Continued)

C. Other Postemployment Benefits (OPEB)

Plan Description

Chisago County provides a single-employer defined benefit health care plan to eligible retirees and their spouses. The plan offers medical, dental, and life insurance benefits. The County provides benefits for retirees as required by Minn. Stat. § 471.61, subd. 2b. A separate, audited GAAP-basis benefits plan report is not issued. The activity of the plan is reported in the government-wide financial statements.

The contribution requirements of the plan members and the County are established and may be amended by the Chisago County Board of Commissioners. The required contribution is based on projected pay-as-you-go financing requirements. Retirees and their spouses contribute to the health care plan at the same rate as County employees. This results in the retirees receiving an implicit rate subsidy. As of January 1, 2012, the date of the most recent actuarial valuation, there were 345 participants in the plan, including 33 retirees and 4 retirees' spouses.

Annual OPEB Cost and Net OPEB Obligation

The County's annual OPEB cost (expense) 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 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 accrued 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 2013, the amount actually contributed to the plan, and changes in the County's net OPEB obligation.

ARC	$	430,150
Interest on net OPEB obligation		67,804
Adjustment to ARC		(93,896)
Annual OPEB cost (expense)	$	404,058
Contributions made during the year		(186,136)
Increase in net OPEB obligation	$	217,922
Net OPEB Obligation - Beginning of Year		1,506,747
Net OPEB Obligation - End of Year	$	1,724,669

4. Employee Retirement Systems and Pension Plans

C. Other Postemployment Benefits (OPEB)

Annual OPEB Cost and Net OPEB Obligation (Continued)

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the years ended December 31, 2011 through 2013, were as follows:

Fiscal Year-End	Annual OPEB Cost	Employer Contribution	Percent of Annual OPEB Cost Contributed	Net OPEB Obligation
December 31, 2011	$ 404,621	$ 155,989	38.6%	1,237,322
December 31, 2012	409,458	140,033	34.2	1,506,747
December 31, 2013	404,058	186,136	46.1	1,724,669

Funded Status and Funding Progress

As of January 1, 2012, the most recent actuarial valuation date, the plan was zero percent funded. The actuarial accrued liability for benefits was $2,858,168, and the actuarial value of assets was zero, resulting in an unfunded actuarial accrued liability (UAAL) of $2,858,168. The covered payroll (annual payroll of active employees covered by the plan) was $16,149,992, and the ratio of the UAAL to the covered payroll was 17.7 percent.

Actuarial valuations of an ongoing plan involve estimates 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 health care cost trends. Amounts determined regarding the funded status of the plan and the annual required contributions 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 - Other Postemployment Benefits, 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.

4. Employee Retirement Systems and Pension Plans

C. Other Postemployment Benefits (OPEB) (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 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, 2012, actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions include a 4.5 percent investment rate of return (net of investment expenses), which is Chisago County's implicit rate of return on the General Fund. The annual health care cost trend is 8.0 percent initially, reduced by decrements to an ultimate rate of 5.0 percent over 6 years. Both rates included a 2.5 percent inflation assumption. Salary increases are assumed to be 0%. The dental trend rate is 4.0 percent. The UAAL is being amortized using a level dollar amount over 30 years on a closed basis. The remaining equivalent single amortization period on December 31, 2013, is 25 years.

5. Summary of Significant Contingencies and Other Items

A. Risk Management

Chisago 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 for which the County carries commercial insurance. 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 self-insures for employee dental coverage. The County also self-insures for its H.R.A. medical spending accounts. For other risk, the County carries commercial insurance. 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.

5. Summary of Significant Contingencies and Other Items

A. Risk Management (Continued)

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 $470,000 per claim in 2013 and $480,000 per claim in 2014. 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.

Beginning in 2013, the County offered its employees a healthcare reimbursement account plan (HRA). The County also offered a Health Savings Account plan (HSA) since 2009 as an alternative to its traditional health plans. The County is not self-insured for any portion of its HSA plan.

For the HRA plan, the County self-insures only on the County contributions to the employee HRA account, up to $1,500 for single coverage and up to $3,000 family coverage. The County contracts with Select Account to administer medical benefits claims to the HRA account. Select Account processes all benefit claims, and charges the County an administrative fee. Claims are paid from the respective fund where the employees work. Any amounts not used by the employee during the year are forfeited to the County. The County's self-insurance health claims liability represents claim costs incurred but not paid prior to December 31. The liability is reported in the General fund as part of accounts payable. The County's management is not aware of any claims incurred but not reported (IBNR's); such amounts are not considered to be material. Changes in the claims liability for the current year are as follows:

	2013
Unpaid Claims at January 1	$ -
Current year claims	51,384
Claims payments	(42,633)
Unpaid claims at December 31	$ 8,751

5. Summary of Significant Contingencies and Other Items

A. Risk Management (Continued)

In 2001, Chisago County began to self-insure for employee dental coverage. The County contracts with Midwest Dental to administer the County's self-insured dental benefit claims. Midwest Dental processes all benefit claims and charges the County an administrative fee. The County maintains a self-insurance account within the General Fund and pays all claims as incurred. For 2013, the County collected premiums of $283,790 from County departments. For 2013, claims and administrative costs paid were $276,622. The claims asset/(liability) is recorded on the financial statements as cash and pooled investments as it is the dedicated cash account balance for self-insure dental. Any unpaid claims at December 31 that are paid out after the year end are not reported as part of this asset/(liability), but are reported as part of accounts payable in the General Fund. The County's management is not aware of any claims incurred but not reported (IBNR's); such amounts are not considered to be material.

Changes in the claims asset/(liability) and unpaid claims for the past two years are:

	Year Ended December 31	
	2013	2012
Asset (liability) at January 1	$ 66,105	$ 23,659
Current year premiums	283,790	310,098
Current year claims payments	(276,622)	(300,652)
Levy	-	33,000
Asset (Liability) at December 31	$ 73,273	$ 66,105

	Year Ended December 31	
	2013	2012
Unpaid claims at December 31	$ 23,938	$ 5,861

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

B. Contingent Liabilities

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount of the expenditures that may be disallowed by the grantor cannot be determined at this time, although the County expects such amounts, if any, to be immaterial. The County is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the County Attorney, the resolution of these matters will not have a material adverse effect on the financial condition of the government.

C. Joint Ventures

Chisago Lakes Joint Sewage Treatment Commission

Chisago County and the cities of Lindstrom, Chisago City, and Center City entered into a joint powers agreement to create and operate the Chisago Lakes Joint Sewage Treatment Commission, pursuant to Minn. Stat. § 471.59. The Sewage Treatment Commission provides sewage treatment for the above communities. Chisago County's share of the Sewage Treatment Commission is 8.8 percent.

The Sewage Treatment Commission's annual financial report shows a total net position of $9,013,153 as of December 31, 2012 (most recent figures available).

Complete financial statements of the Chisago Lakes Joint Sewage Treatment Commission can be obtained at Box 313, Center City, Minnesota 55012.

East Central Solid Waste Commission

The East Central Solid Waste Commission was established in March 1988 by a joint powers agreement among Chisago, Isanti, Kanabec, Mille Lacs, and Pine Counties to conduct a solid waste management program on behalf of the participating counties. The Commission is an organized joint venture having the powers, duties, and privileges granted joint powers by Minn. Stat. § 471.59. The Commission has five voting members, one from each county. At its annual meeting, the Board of County Commissioners of each county chooses a member and an alternate, both County Commissioners, as representatives of the county. Each county has one voting member and, in the absence of the voting member, the alternate votes.

5. Summary of Significant Contingencies and Other Items

C. Joint Ventures

East Central Solid Waste Commission (Continued)

Each county's proportionate share of the total operating costs is based on the most recent census data available and is to be adjusted upon the admission of additional counties or the withdrawal of present counties. The Commission will remain in existence so long as two or more of the counties remain as parties to the agreement.

Upon dissolution of the Commission, there will be an accounting to determine assets and liabilities. The assets of the Commission will be liquidated and, after payment of liabilities, the proceeds will be distributed to the counties based on their respective ratios set by the most recent census data.

Each county's share of the Commission's assets, liabilities, and equities cannot be accurately determined since it will fluctuate with census data rather than ownership interest. Following is a summary of the financial information as of and for the year ended December 31, 2012 (most recent figures available):

Total Assets	$ 13,250,718
Total Liabilities	5,653,377
Total Net Position	$ 7,597,341
Operating and nonoperating revenues	$ 5,646,478
Operating and nonoperating expenses	6,164,059
Change in Net Position	$ (517,581)

Complete financial statements of the East Central Solid Waste Commission can be obtained at 1756 - 180th Avenue, Mora, Minnesota 55051.

East Central Regional Library

The East Central Regional Library was established by a joint powers agreement among Aitkin, Chisago, Isanti, Kanabec, Mille Lacs, and Pine Counties to provide an efficient and improved regional public library service. The Library's Board comprises 18 members--one County Board member and two appointees from each county. The

5. Summary of Significant Contingencies and Other Items

C. Joint Ventures

East Central Regional Library (Continued)

Library's financial statements for the year ended December 31, 2012 (most recent figures available), show total assets of $2,073,172, total liabilities of $505,507, and total net position of $1,567,665. Chisago County's contribution for 2013 was $517,833.

Complete financial statements of the East Central Regional Library can be obtained at 244 South Birch, Cambridge, Minnesota 55008.

Metropolitan Emergency Services Board

The Metropolitan Emergency Services Board was established by a joint powers agreement between Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington Counties as well as the City of Minneapolis for the implementation and administration of a regional 911 system. Chisago County entered this agreement effective October 1, 2006. Isanti County later joined the joint powers agreement effective January 1, 2010.

Chisago County's contribution for 2013 was $20,178. Complete financial statements of the Metropolitan Emergency Services Board can be obtained at the 911 Board Offices, 2099 University Avenue, West Saint Paul, Minnesota 55104.

Rush Line Corridor Task Force

The Rush Line Corridor joint powers agreement was established in 1999 pursuant to Minn. Stat. § 471.59. Chisago County is an original member. The joint powers agreement was set up to pursue the goal of developing further transit along the corridor which stretches from the City of Duluth to Saint Paul. Its members are many of the cities, counties, and municipalities along the corridor, who as part of the Rush Line Corridor Task Force, implement the terms of the joint powers agreement. Each governmental unit appoints one member and has one vote.

Funding for the Rush line Corridor Task force projects comes from state and federal grants and contributions from its members. Chisago County did not make any contributions in 2013. For more information, please contact the Rush Line Corridor staff lead: Mike Rogers, Ramsey County (651-266-2773).

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

D. Jointly-Governed Organization

Chisago County, in conjunction with other local governments and various private organizations, has formed the following jointly–governed organization:

Chisago County Interagency Agreement to Collaborate on Services for Children

This collaborative was formed July 27, 1997 pursuant to Minn. Stat. § 121.8355 and 245.491 to 245.496. The collaborative includes Chisago County, Lakes and Pines Community Action Council, and three Independent School Districts #2144-Chisago Lakes, #139-Rush City, and #138-North Branch.

The purpose of the collaborative is to broaden the geographical and political base for planning and administering children and family services by acting not as a service provider, but as a coordinator between existing agencies to support interventions and services.

The management of the collaborative is accomplished through a 10 voting member Children's Services Committee. The committee is comprised of four Chisago County members (Health and Human Services Director, County Administrator, Court Services Director, and the County Sheriff), four additional collaborative members, one appointed non-governmental agency representative and one mental health representative.

Funding is provided by state and federal grants and contributions from its members. Chisago County is also the acting fiscal host responsible for overseeing the Collaborative's integrated fund. The Collaborative's cash transactions are reported as an agency fund in Chisago County's financial statements.

Financial statements of the Chisago County Interagency Agreement to Collaborate on Services for Children can be obtained at Chisago County, Health and Human Services Department, Room 239, 313 N. Main Street, Center City, Minnesota 55012.

6. Component Unit Disclosures

A. Summary of Significant Accounting Policies

1. Reporting Entity

The Chisago County Housing and Redevelopment Authority was established in 1988 with the powers, duties, and privileges granted by Minn. Stat. ch. 469. In 2000, the Authority adopted economic development powers, as granted by Minn. Stat. ch. 469, and changed its name to the Chisago County Housing and Redevelopment Authority Economic Development Authority (HRA-EDA). The HRA-EDA is governed by a five-member Board of Commissioners (the Board) appointed by the Chisago County (the County) Board of Commissioners. The Treasurer of the HRA-EDA is appointed by the County Board of Commissioners for an indefinite term. The Executive Director of the HRA-EDA is appointed by the HRA-EDA Board for an indefinite term.

The HRA-EDA has considered all potential units for which it is financially accountable and other organizations for which the nature and significance of their relationship with the HRA-EDA are such that exclusion would cause the HRA-EDA's financial statements to be misleading or incomplete. The GASB has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body, and (1) the ability of the primary government to impose its will on that organization; or (2) the potential for the organization to provide specific benefits to, or impose specific financial burdens on, the primary government. The HRA-EDA has no component units. However, the HRA-EDA is reported as a component unit in Chisago County's financial statements.

2. Measurement Focus, Basis of Accounting, and Basis of Presentation

The HRA-EDA is considered a single enterprise fund for financial reporting purposes. The activities of the HRA-EDA are recorded under various programs established for the administration of the HRA-EDA's programs. For the most part, the effect of inter-program activity has been removed from the statements of net assets and the statements of revenues, expenses, and changes in net position. The HRA-EDA's basic financial statements have been prepared on the basis of the governmental proprietary fund concept which pertains to financial activities that operate in a manner similar to private business enterprises and are financed through tenant rentals and user charges. The HRA-EDA's basic financial statements are presented on the accrual basis of accounting.

6. Component Unit Disclosures

A. Summary of Significant Accounting Policies

2. Measurement Focus, Basis of Accounting, and Basis of Presentation (Continued)

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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place.

Nonexchange transactions, in which the HRA-EDA receives value without directly giving equal value in return, include property taxes, grants, entitlement, and donations. On an accrual basis, revenue from property taxes is recognized in the year for which the tax is levied. Revenue from grants, entitlements, and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted; matching requirements, in which the HRA-EDA must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the HRA-EDA on a reimbursement basis.

Proprietary funds distinguish operating revenues and expenses from nonoperating revenues and expenses. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of proprietary funds are tenant rent and HRA-EDA contributions. Operating expenses for proprietary funds include the cost of housing assistance payments, utilities, sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting these definitions are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the HRA-EDA's policy to use restricted resources first and then unrestricted resources as needed.

6. Component Unit Disclosures

A. Summary of Significant Accounting Policies (Continued)

3. Assets, Liabilities, and Net Position

Deposits and Investments

The HRA-EDA's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

The HRA-EDA may invest idle funds authorized by Minnesota statutes as follows:

a. direct obligations or guaranteed or insured issues of the United States or its agencies;

b. shares of investment companies registered under the Federal Investment Company Act of 1940 and receiving the highest credit rating, rated in one of the two highest rating categories by a statistical rating agency, and having a final maturity of 13 months or less;

c. general obligations of a state or local government with taxing powers rated "A" or better, and revenue obligations rated "AA" or better;

d. general obligations of the Minnesota Housing Finance Agency rated "A" or better;

e. bankers' acceptances of United States banks eligible for purchase by the Federal Reserve System;

f. commercial paper issued by United States corporations or their Canadian subsidiaries, rated in the highest quality category by at least two nationally recognized rating agencies, and maturing in 270 days or less;

g. repurchase or reverse repurchase agreements and securities lending agreements with financial institutions qualified as a "depository" by the government entity, with banks that are members of the Federal Reserve System with capitalization exceeding $10,000,000, with primary reporting dealers in U.S. government securities to the Federal Reserve Bank of New York, or certain Minnesota securities broker-dealers; and

6. Component Unit Disclosures

A. Summary of Significant Accounting Policies

3. Assets, Liabilities, and Net Position

Deposits and Investments (Continued)

h. guaranteed investment contracts (GICs) issued or guaranteed by a United States commercial bank, a domestic branch of a foreign bank, a United States insurance company, or its Canadian subsidiary, whose similar debt obligations were rated in one of the top two rating categories by a nationally recognized rating agency.

Investments are stated at fair value.

Property Taxes

The HRA-EDA Board annually adopts a levy and certifies it to the County for collection. The County is responsible for collecting all property taxes for the HRA-EDA. Real property taxes are paid by taxpayers of the County in two equal installments on May 15 and October 15. The County provides tax settlements to the HRA-EDA three times per year in January, July, and December.

Accounts Receivable

Accounts receivable include amounts billed for services provided before year-end.

Prepaid Expenses

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid expenses.

Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the government-wide financial statements. Capital assets are defined by the HRA-EDA 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.

6. Component Unit Disclosures

A. Summary of Significant Accounting Policies

3. Assets, Liabilities, and Net Position

Capital Assets (Continued)

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives 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.

Property, plant, and equipment of the HRA-EDA are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings	40 - 50
Furniture, equipment, and machinery	3 - 10
Improvements	5 - 20

Long-Term Obligations

Long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as an expense in the period incurred.

Compensated Absences

The HRA-EDA reports all earned but unpaid compensated absences as a current and noncurrent liability on the statement of net position. The HRA-EDA records an expense to reflect the change in compensated absences earned and used during the year.

6. Component Unit Disclosures (Continued)

B. Detailed Notes on All Funds

1. Deposits and Investments

Deposits

Custodial credit risk for deposits and investments is the risk that in the event of a bank failure, the HRA-EDA's deposits may not be returned, or the HRA-EDA will not be able to recover collateral securities in the possession of an outside party. In accordance with Minnesota statutes and as authorized by the Board, the HRA-EDA maintains deposits at those depository banks which are members of the Federal Reserve System.

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

Authorized collateral in lieu of a corporate surety bond includes:

- United States government Treasury bills, Treasury notes, and Treasury bonds;

- issues of United States government agencies and instrumentalities as quoted by a recognized industry quotation service available to the government entity;

- general obligation securities of any state or local government with taxing powers which is rated "A" or better by a national bond rating service, or revenue obligation securities of any state or local government with taxing powers which is rated "AA" or better by a national bond rating service;

- general obligation securities of a local government with taxing powers may be pledged as collateral against funds deposited by that same local government entity;

- irrevocable standby letters of credit issued by Federal Home Loan Bank to a municipality accompanied by written evidence that the bank's public debt is rated "AA" or better by Moody's Investors Service, Inc., or Standard & Poor's Corporation; and

- time deposits that are fully insured by any federal agency.

6. Component Unit Disclosures

B. Detailed Notes on All Funds

1. Deposits and Investments

Deposits (Continued)

Minnesota statutes require that all collateral shall be placed in safekeeping in a restricted account at a Federal Reserve Bank or in an account at a trust department of a commercial bank or other financial institution not owned or controlled by the financial institution furnishing the collateral. The selection should be approved by the HRA-EDA.

At December 31, 2013, the HRA-EDA's carrying amount of deposits was $1,285,786 and the bank balance was $1,253,903, all of which was covered by federal depository insurance and by collateral held by the HRA-EDA's agent in the HRA-EDA's name.

Investments

As of December 31, 2013, the HRA-EDA had the following investments:

Type of Investment	Credit Quality/ Rating[1]	Segmented Time Distribution[2]	Fair Value and Carrying Amount
Non-pooled investments			
U.S. government agency securities	Aaa	Less than 6 months	$ 1,681,043

[1]Ratings are provided by Moody's credit rating agency where applicable to indicate associated credit risk.
[2]Interest rate risk is disclosed using the segmented time distribution method.

6. Component Unit Disclosures

B. Detailed Notes on All Funds

1. Deposits and Investments

Investments (Continued)

A reconciliation of cash and temporary investments as shown on the statement of net position as of December 31, 2013, for the HRA-EDA follows:

Carrying amount of deposits	$	1,285,786
Investments		1,681,043
Cash on hand		100
Total	$	2,966,929

Cash and investments		
Cash and temporary investments - unrestricted	$	1,229,077
Cash and investments held with escrow agent		1,681,043
Cash - restricted for tenant security deposits		56,809
Total	$	2,966,929

The investments are subject to the following risks:

- Credit Risk - the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Ratings provided by various credit rating agencies where applicable indicate associated credit risk. Minnesota statutes limit the HRA-EDA's investments to the list in Note 6.A.3.

- Custodial Credit Risk - 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 which are in the possession of an outside party. The HRA-EDA's investment policy limits exposure to custodial credit risk by limiting investments to only those listed under Minnesota statutes.

- Concentration of Credit Risk - the risk of loss attributed to the magnitude of a government's investment in a single issuer. In accordance with its investment policy, the HRA-EDA minimizes concentration of credit risk by making investments which shall suggest diversification.

6. Component Unit Disclosures

B. Detailed Notes on All Funds

1. Deposits and Investments

Investments (Continued)

- Interest Rate Risk - the risk that changes in interest rates will adversely affect the fair value of an investment. Using the segmented time distribution method, the interest rate risk of the HRA-EDA's investments is less than six months.

2. Receivables

Loans Receivable

The HRA-EDA partnered with the City of Taylors Falls to assist with its redevelopment project located at the MNDOT facility. The City has purchased the property from MNDOT in exchange for a long-term lease of a new facility to be located on City Hall property to house state equipment and supplies. The HRA-EDA Board approved a $175,000 no-interest loan to cover the costs of the new facility. The City will reimburse the HRA-EDA in $5,000 increments for five years starting in 2011, with the final lump sum due by December 31, 2020. Since the HRA-EDA did not receive the 2013 payment until 2014, both years' payments are due in 2014.

In 2013, the HRA-EDA approved a non interest loan to the City of Taylors Falls to assist with their redevelopment project in the amount of $20,000. The City is required to reimburse the HRA-EDA at the time the redevelopment property is sold or by December 31, 2020, whichever occurs first.

In 2013, the HRA-EDA approved a non interest loan to the City of Lindstrom to help them finance a redevelopment property in the amount of $135,000. The City will reimburse the HRA-EDA in $5,000 increments for five years starting in 2014 with the final lump-sum due by December 31, 2019.

All net proceeds of subsequent sale of parcels of the redevelopment properties shall be applied towards the loans.

6. Component Unit Disclosures

B. Detailed Notes on All Funds

2. Receivables

Loans Receivable (Continued)

The following is a schedule of future loan receivable payments.

Year Ending December 31	Loan Receivable
2014	$ 10,000
2015	10,000
2016	10,000
2017	5,000
2018	5,000
2019-2020	280,000
Total	$ 320,000

Accounts Receivable

As of December 31, 2013, accounts receivable at year-end were $363. These amounts represent amounts earned in 2013 but not received until 2014.

6. Component Unit Disclosures

B. Detailed Notes on All Funds (Continued)

3. Capital Assets

Capital asset activity for the year ended December 31, 2013, was as follows:

	Beginning Balance	Increase	Decrease	Ending Balance
Capital assets not depreciated				
Land	$ 243,181	$ -	$ -	$ 243,181
Capital assets depreciated				
Buildings	$ 6,273,799	$ -	$ -	$ 6,273,799
Furniture, equipment, and machinery	21,764	10,350	530	31,584
Improvements	117,989		10,961	107,028
Total capital assets depreciated	$ 6,413,552	$ 10,350	$ 11,491	$ 6,412,411
Less: accumulated depreciation for				
Buildings	$ 1,216,901	$ 135,037	$ -	$ 1,351,938
Furniture, equipment, and machinery	18,970	1,640	477	20,133
Improvements	63,080	5,171	9,863	58,388
Total accumulated depreciation	$ 1,298,951	$ 141,848	$ 10,340	$ 1,430,459
Total capital assets depreciated, net	$ 5,114,601	$ (131,498)	$ 1,151	$ 4,981,952
Total Capital Assets, Net	$ 5,357,782	$ (131,498)	$ 1,151	$ 5,225,133

Depreciation expense was charged as follows:

Housing and Economic Development	$ 141,848

6. Component Unit Disclosures

B. Detailed Notes on All Funds (Continued)

4. Long-Term Debt

General Obligation Bonds

General obligation bonds outstanding as of December 31, 2013, are as follows:

Description	Authorized and Issued	Interest Rate (%)	Issue Date	Maturity Date	Ending Balance
G.O. Housing Development Bonds, Series 2011A	$ 1,285,000	1.10 - 3.75	12/29/2011	01/01/2033	$ 1,285,000
G.O. Housing Development Bonds, Series 2005A	2,445,000	3.50 - 4.38	08/03/2005	01/01/2035	1,865,000
G.O. Housing Development Bonds, Series 2003C	2,000,000	4.00 - 5.00	09/01/2003	01/01/2033	1,665,000
Total General Obligation Bonds					$ 4,815,000

Annual debt service requirements to maturity for general obligation bonds are as follows:

Year Ending December 31	G.O. Bonds Business-Type Activities		
	Principal	Interest	Total
2014	$ -	$ 198,381	$ 198,381
2015	205,000	192,380	397,380
2016	200,000	185,693	385,693
2017	210,000	178,703	388,703
2018	215,000	171,283	386,283
2019 – 2023	1,230,000	724,925	1,954,925
2024 – 2028	1,310,000	452,726	1,762,726
2029 – 2033	1,315,000	180,305	1,495,305
2034 - 2035	130,000	5,687	135,687
Total	$ 4,815,000	$ 2,290,083	$ 7,105,083

6. Component Unit Disclosures

B. Detailed Notes on All Funds

4. Long-Term Debt (Continued)

Taxable Revenue Bonds

Taxable revenue bonds outstanding as of December 31, 2013, are as follows:

Description	Authorized and Issued	Interest Rate (%)	Issue Date	Maturity Date	Ending Balance
Taxable Revenue Bonds, Series 2006A	$ 1,200,000	2.75	11/28/2006	01/01/2016	$ 842,411

Annual debt service requirements to maturity for general obligation bonds are as follows:

Year Ending December 31	Taxable Revenue Bonds Business-Type Activities		
	Principal	Interest	Total
2014	$ 26,278	$ 12,997	$ 39,275
2015	53,439	25,111	78,550
2016	762,694	23,674	786,368
Total	$ 842,411	$ 61,782	$ 904,193

Note Payable

In 2006, the HRA-EDA entered into an interest-only loan with Chisago County. The note payable outstanding as of December 31, 2013 is as follows:

Description	Authorized and Issued	Interest Rate (%)	Issue Date	Maturity Date	Ending Balance
Chisago County Promissory Note	$ 1,000,000	3.75	11/28/2006	11/28/2026	$ 1,000,000

6. Component Unit Disclosures

B. Detailed Notes on All Funds

4. Long-Term Debt

Note Payable (Continued)

Annual debt service requirements to maturity for the note payable are as follows:

Year Ending December 31	Notes Payable Business-Type Activities		
	Principal	Interest	Total
2014	$ -	$ 37,500	$ 37,500
2015	-	37,500	37,500
2016	-	37,500	37,500
2017	-	37,500	37,500
2018	-	37,500	37,500
2019 - 2023	-	187,500	187,500
2024 - 2026	1,000,000	112,500	1,112,500
Total	$ 1,000,000	$ 487,500	$ 1,487,500

Mortgages Payable

In 2007, the HRA-EDA assumed three mortgages through the acquisition of Rush Estates I and Rush Estates II, payable to the United States Department of Agriculture, Rural Development. Principal and interest payments are determined based on the rental income and government subsidy received during the year. Information on the mortgages as of December 31, 2013, is as follows:

Description	Authorized and Issued	Interest Rate (%)	Issue Date	Maturity Date	Ending Balance
United States Department of Agriculture, Rural Development					
Mortgage 01	$ 205,801	7.125	07/07/2000	07/07/2030	$ 162,825
Mortgage 02	45,896	3.000	03/05/1968	03/05/2018	13,469
Mortgage 03	382,434	7.250	06/30/1993	06/30/2043	346,841
Total Mortgages Payable					$ 523,135

6. Component Unit Disclosures

B. Detailed Notes on All Funds

4. Long-Term Debt

Mortgages Payable (Continued)

Annual estimated debt service requirements to maturity for the mortgages payable are as follows:

Year Ending December 31	Mortgages Payable Business-Type Activities		
	Principal	Interest	Total
2014	$ 11,070	$ 36,822	$ 47,892
2015	12,577	36,076	48,653
2016	13,374	35,278	48,652
2017	14,226	34,426	48,652
2018	12,816	33,540	46,356
2019 – 2023	73,212	153,238	226,450
2024 – 2028	104,693	121,756	226,449
2029 – 2033	85,447	84,092	169,539
2034 – 2038	86,208	56,433	142,641
2039 - 2043	109,512	19,111	128,623
Total	$ 523,135	$ 610,772	$ 1,133,907

Changes in Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2013, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
General obligation bonds	$ 4,950,000	$ -	$ 135,000	$ 4,815,000	$ -
Taxable revenue bonds	970,152	-	127,741	842,411	26,278
Notes payable	1,000,000	-	-	1,000,000	-
Mortgages payable	534,202	-	11,067	523,135	11,070
Compensated absences	14,300	22,889	11,663	25,526	12,763
Total	$ 7,468,654	$ 22,889	$ 285,471	$ 7,206,072	$ 50,111

6. Component Unit Disclosures (Continued)

C. Other Information

1. Risk Management

The HRA-EDA is exposed to various risks of loss including general liability, property damage, and employee bodily injury, and carries commercial insurance. The insurance coverage is considered to be adequate to cover unexpected claims against the HRA-EDA. There was no reduction in coverage from the prior year, and settlements have not exceeded insurance coverage in the past three years.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities, if any, include an amount for claims that have been incurred but not reported (IBNR). The HRA-EDA's management is not aware of any IBNR claims.

Conduit Debt

The HRA-EDA has issued Tax-Exempt Mortgage Revenue Refunding Bonds on behalf of Franconia Sculpture Park Project, a Minnesota non-profit corporation. The HRA-EDA is not obligated in any manner, as the bonds do not constitute a general obligation or indebtedness of the HRA-EDA and are payable solely from revenues pledged by Franconia Sculpture Park Project. At December 31, 2013, the aggregate principal amount of this conduit debt obligation outstanding amounted to $500,000.

2. Retirement Plan

HRA-EDA employees participate in a Simplified Employee Pension plan, a defined contribution plan established under Section 408(k) of the Internal Revenue Code.

The HRA-EDA establishes plan provisions and contribution requirements. Employees are eligible to participate subject to conditions set forth in the policy of the carrier and are at least 18 years of age. The HRA-EDA is required to contribute five percent of each participant's salary, and the employee may elect to contribute up to five percent. Benefits depend solely on amounts contributed plus related investment earnings.

6. Component Unit Disclosures

C. Other Information

2. Retirement Plan (Continued)

Total payroll for employees covered by the plan for the year ended December 31, 2013 was $129,331. The HRA-EDA made contributions into the plan of $6,647, $6,004, and $6,142 for the years ended December 31, 2013, 2012, and 2011, respectively.

As of December 31, 2013, the plan held no securities issued by the HRA-EDA or other related parties.

3. Commitments and Contingencies - Joint Agreements

Rush City Senior Townhome Agreement

The HRA-EDA partnered with the City of Rush City to build two additional townhomes (total of four units). These townhomes were completed, and three of the four units were sold in 2011 at an estimated loss of $33,768. The HRA-EDA is financing the remaining unit to be reimbursed upon the sale. The City owns the lot, and will be reimbursed upon sale. There is a potential for a total of 18 townhomes on the site in Rush City.

Small Business Development Center

The HRA-EDA partnered with Central Lakes College to open a Small Business Development Center to provide services to County businesses. The Board approved the required financial contribution of $4,000 per year plus in-kind contributions for a three-year period beginning in 2011 and ending in 2014. The Executive Director of the HRA-EDA will provide counseling services, and the HRA-EDA will be reimbursed at the rate of $40 per hour.

4. Related Parties

The HRA-EDA multi-family apartment buildings are insured with Stein Insurance Agency, which is owned and operated by the Board Chair, James Stein. He has abstained from discussion and voting on any action related to the placement of insurance for the multi-family apartment buildings.

6. Component Unit Disclosures

C. Other Information

4. Related Parties (Continued)

The HRA-EDA maintains financial accounts and currently has bonds placed with Central Bank where Greg Hickcox, Board Director, is Vice President. He abstains from voting on any actions related to the bonds.

The HRA-EDA occasionally holds meetings and seminars at the AmericInn located in North Branch, Minnesota. Jack Juve, Board Director, has an interest in the hotel and will abstain from any action relating to conference space being leased at the hotel.

D. Joint Venture

Wyoming Oakwood Townhomes Phase I is a four building, 24-unit low income housing project located in Wyoming, Minnesota. The Townhomes are restricted by land use covenants and its low income housing compliance is monitored by the Minnesota Housing Finance Agency.

On December 31, 2013 the HRA-EDA exercised options rights for the assumption of Wyoming Oakwood Townhomes, Phase I, which was previously operated within Wyoming Limited Partnership. The Partnership of Wyoming I, LLC was created on October 7, 2013 by the HRA-EDA and Community Housing Coalition with the intent of exercising the purchase option for Wyoming Oakwood Townhomes, Phase I. Wyoming I, LLC acquired all the assets related to Wyoming Limited Partnership in exchange for the assumption of all the liabilities as of December 31, 2013. The HRA-EDA is a 50 percent general partner in the Wyoming I, LLC. Contributions and distributions, if any, and any income or loss is recorded as direct adjustments in to the investment in joint ventures on the statement of net position starting for calendar year-end 2014. As of December 31, 2013, the HRA-EDA's investment in joint venture was zero.

Separate financial statements for the Wyoming I, LLC can be obtained by contacting the Executive Director of the Chisago County HRA-EDA, 38871 7th Avenue, PO Box 815, North Branch, Minnesota 55056.

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REQUIRED SUPPLEMENTARY INFORMATION

CHISAGO COUNTY
CENTER CITY, MINNESOTA

SCHEDULE 1

SCHEDULE OF FUNDING PROGRESS - OTHER POSTEMPLOYMENT BENEFITS
DECEMBER 31, 2013

Other Postemployment Benefits Funding Status

Beginning in 2008, Chisago County implemented Governmental Accounting Standards Board Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. Since the County has not irrevocably deposited funds in a trust for future health benefits, the actuarial value of the assets is zero.

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (b)	Unfunded Actuarial Accrued Liability (UAAL) (b - a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b - a)/c)
January 1, 2008	$ -	$ 2,633,579	$ 2,633,579	0.00%	$ 16,882,667	15.6%
January 1, 2010	$ -	$ 2,713,711	$ 2,713,711	0.00%	$ 16,326,167	16.6
January 1, 2012	$ -	$ 2,858,168	$ 2,858,168	0.00%	$ 16,149,992	17.7

See Note 4.C. in the notes to the financial statements for additional information regarding the County's other postemployment benefits.

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

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CHISAGO COUNTY
CENTER CITY, MINNESOTA

SCHEDULE 2

BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE YEAR ENDED DECEMBER 31, 2013

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Taxes	$ 4,205,240	$ 4,205,240	$ 4,186,388	$ (18,852)
Intergovernmental	820,972	820,972	986,537	165,565
Miscellaneous	50,000	50,000	23,007	(26,993)
Total Revenues	**$ 5,076,212**	**$ 5,076,212**	**$ 5,195,932**	**$ 119,720**
Expenditures				
Current				
Debt service				
Principal retirement	$ 3,440,636	$ 3,440,636	$ 3,180,000	$ 260,636
Interest	1,635,576	1,635,576	1,409,265	226,311
Fiscal charges	-	-	4,411	(4,411)
Total Expenditures	**$ 5,076,212**	**$ 5,076,212**	**$ 4,593,676**	**$ 482,536**
Excess of Revenues Over (Under) Expenditures	**$ -**	**$ -**	**$ 602,256**	**$ 602,256**
Net Change in Fund Balance	**$ -**	**$ -**	**$ 602,256**	**$ 602,256**
Fund Balance - January 1	**4,744,030**	**4,744,030**	**4,744,030**	**-**
Fund Balance - December 31	**$ 4,744,030**	**$ 4,744,030**	**$ 5,346,286**	**$ 602,256**

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CHISAGO COUNTY
CENTER CITY, MINNESOTA

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Parks – to account for the accumulation of plat fees for future park land acquisition. Financing is provided by charges for services.

Ditch – to account for funds used to maintain County and judicial ditches. Financing is provided by special assessments against parcels of property benefited by ditch maintenance.

Lake Improvement District – to account for funds used for lake improvements. Financing is provided by bonds and special assessments against parcels of property benefited by the program.

Solid Waste – to account for funds used for recycling and solid waste activities. Financing is provided by user fees against benefiting parcels of property and taxes levied when needed.

CAPITAL PROJECT FUND

Jail Capital Projects Fund – to account for financial resources restricted, committed or assigned for the construction of a new jail.

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CHISAGO COUNTY
CENTER CITY, MINNESOTA

STATEMENT 1

COMBINING BALANCE SHEET
MAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2013

	Special Revenue Funds					
	Parks	**Ditch**	**Lake Improvement District**	**Solid Waste**	**Jail Capital Projects**	**Total**
Assets						
Cash and pooled investments	$ 456,623	$ 136,668	$ 206,474	$ 1,143,912	$ 375,656	$ 2,319,333
Undistributed cash in agency funds	-	119	3,015	4,483	-	7,617
Taxes receivable						
Prior	-	-	19,888	-	-	19,888
Special assessments receivable						
Prior	-	416	-	13,961	-	14,377
Noncurrent	-	-	13,965	-	-	13,965
Due from other governments	-	-	-	990	-	990
Prepaid items	-	-	-	98	-	98
Total Assets	**$ 456,623**	**$ 137,203**	**$ 243,342**	**$ 1,163,444**	**$ 375,656**	**$ 2,376,268**
Liabilities, Deferred Inflows of Resources, and Fund Balances						
Liabilities						
Accounts payable	$ -	$ -	$ 696	$ 9,804	$ -	$ 10,500
Salaries payable	-	-	1,050	2,704	-	3,754
Due to other governments	-	-	138	3,956	-	4,094
Unearned revenue	-	-	13,965	65,100	-	79,065
Total Liabilities	**$ -**	**$ -**	**$ 15,849**	**$ 81,564**	**$ -**	**$ 97,413**
Deferred Inflows of Resources						
Unavailable revenue	**$ -**	**$ 414**	**$ 18,721**	**$ 13,961**	**$ -**	**$ 33,096**
Fund Balances						
Nonspendable						
Prepaids	$ -	$ -	$ -	$ 98	$ -	$ 98
Restricted for						
Solid Waste	-	-	-	1,067,821	-	1,067,821
Park Acquisition	456,623	-	-	-	-	456,623
Lake Improvement District	-	-	208,772	-	-	208,772
Ditch maintenance	-	136,789	-	-	-	136,789
Assigned for						
Capital projects	-	-	-	-	375,656	375,656
Total Fund Balances	**$ 456,623**	**$ 136,789**	**$ 208,772**	**$ 1,067,919**	**$ 375,656**	**$ 2,245,759**
Total Liabilities, Deferred inflows of Resources, and Fund Balances	**$ 456,623**	**$ 137,203**	**$ 243,342**	**$ 1,163,444**	**$ 375,656**	**$ 2,376,268**

CHISAGO COUNTY
CENTER CITY, MINNESOTA

STATEMENT 2

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2013

	Special Revenue Funds					
	Parks	Ditch	Lake Improvement District	Solid Waste	Jail Capital Projects	Total
Revenues						
Taxes	$ -	$ -	$ 242,475	$ -	$ -	$ 242,475
Special assessments	-	9,073	-	249,374	-	258,447
Licenses and permits	-	-	-	7,920	-	7,920
Intergovernmental	19,614	-	846	88,702	-	109,162
Charges for services	6,400	-	-	18,297	-	24,697
Miscellaneous	-	-	12	-	-	12
Total Revenues	**$ 26,014**	**$ 9,073**	**$ 243,333**	**$ 364,293**	**$ -**	**$ 642,713**
Expenditures						
Current						
Sanitation	$ -	$ -	$ -	$ 367,363	$ -	$ 367,363
Conservation of natural resources	-	-	169,146	-	-	169,146
Capital outlay	55,052	-	102,450	-	-	157,502
Total Expenditures	**$ 55,052**	**$ -**	**$ 271,596**	**$ 367,363**	**$ -**	**$ 694,011**
Excess of Revenues Over (Under) Expenditures	**$ (29,038)**	**$ 9,073**	**$ (28,263)**	**$ (3,070)**	**$ -**	**$ (51,298)**
Other Financing Sources (Uses)						
Transfers in	$ -	$ 487	$ -	$ -	$ -	$ 487
Transfers out	-	-	(52,505)	(118,842)	-	(171,347)
Proceeds from sale of capital assets	-	-	-	-	375,656	375,656
Total Other Financing Sources (Uses)	**$ -**	**$ 487**	**$ (52,505)**	**$ (118,842)**	**$ 375,656**	**$ 204,796**
Net Change in Fund Balance	**$ (29,038)**	**$ 9,560**	**$ (80,768)**	**$ (121,912)**	**$ 375,656**	**$ 153,498**
Fund Balance - January 1	**485,661**	**127,229**	**289,540**	**1,189,831**	**-**	**2,092,261**
Fund Balance - December 31	**$ 456,623**	**$ 136,789**	**$ 208,772**	**$ 1,067,919**	**$ 375,656**	**$ 2,245,759**

CHISAGO COUNTY
CENTER CITY, MINNESOTA

SCHEDULE 3

BUDGETARY COMPARISON SCHEDULE
PARKS SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2013

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Intergovernmental	$ -	$ 19,614	$ 19,614	$ -
Charges for services	10,000	10,000	6,400	(3,600)
Total Revenues	**$ 10,000**	**$ 29,614**	**$ 26,014**	**$ (3,600)**
Expenditures				
Capital outlay				
Culture and recreation	$ 10,000	$ 94,985	$ 55,052	$ 39,933
Net Change in Fund Balance	**$ -**	**$ (65,371)**	**$ (29,038)**	**$ 36,333**
Fund Balance - January 1	**485,661**	**485,661**	**485,661**	**-**
Fund Balance - December 31	**$ 485,661**	**$ 420,290**	**$ 456,623**	**$ 36,333**

CHISAGO COUNTY
CENTER CITY, MINNESOTA

SCHEDULE 4

BUDGETARY COMPARISON SCHEDULE
DITCH SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2013

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Special assessments	$ 9,500	$ 9,500	$ 9,073	$ (427)
Expenditures				
Current				
Conservation of natural resources				
Ditch	$ 9,500	$ 9,500	$ -	$ 9,500
Total Expenditures	**$ 9,500**	**$ 9,500**	**$ -**	**$ 9,500**
Excess of Revenues Over (Under) Expenditures	**$ -**	**$ -**	**$ 9,073**	**$ 9,073**
Other Financing Sources (Uses)				
Transfers in	$ -	$ -	$ 487	$ 487
Net Change in Fund Balance	**$ -**	**$ -**	**$ 9,560**	**$ 9,560**
Fund Balance - January 1	**127,229**	**127,229**	**127,229**	**-**
Fund Balance - December 31	**$ 127,229**	**$ 127,229**	**$ 136,789**	**$ 9,560**

CHISAGO COUNTY
CENTER CITY, MINNESOTA

SCHEDULE 5

BUDGETARY COMPARISON SCHEDULE
LAKE IMROVEMENT DISTRICT SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2013

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Taxes	$ 240,000	$ 240,000	$ 242,475	$ 2,475
Intergovernmental	-	-	846	846
Miscellaneous	-	-	12	12
Total Revenues	**$ 240,000**	**$ 240,000**	**$ 243,333**	**$ 3,333**
Expenditures				
Current				
Conservation of natural resources				
Lake improvement district	$ 138,626	$ 248,876	$ 169,146	$ 79,730
Capital Outlay				
Culture and recreation	102,450	102,450	102,450	-
Total Expenditures	**$ 241,076**	**$ 351,326**	**$ 271,596**	**$ 79,730**
Excess of Revenues Over (Under) Expenditures	**$ (1,076)**	**$ (111,326)**	**$ (28,263)**	**$ 83,063**
Other Financing Sources (Uses)				
Transfers out	$ -	$ (52,505)	$ (52,505)	$ -
Net Change in Fund Balance	**$ (1,076)**	**$ (163,831)**	**$ (80,768)**	**$ 83,063**
Fund Balance - January 1	**289,540**	**289,540**	**289,540**	**-**
Fund Balance - December 31	**$ 288,464**	**$ 125,709**	**$ 208,772**	**$ 83,063**

CHISAGO COUNTY
CENTER CITY, MINNESOTA

SCHEDULE 6

BUDGETARY COMPARISON SCHEDULE
SOLID WASTE SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2013

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Special assessments	$ 210,000	$ 210,000	$ 249,374	$ 39,374
Licenses and permits	8,000	8,000	7,920	(80)
Intergovernmental	146,000	146,000	88,702	(57,298)
Charges for services	16,000	16,000	18,297	2,297
Total Revenues	**$ 380,000**	**$ 380,000**	**$ 364,293**	**$ (15,707)**
Expenditures				
Current				
Sanitation				
Recycling	$ 170,404	$ 170,404	$ 188,219	$ (17,815)
Hazardous waste	217,556	217,556	179,144	38,412
Total Expenditures	**$ 387,960**	**$ 387,960**	**$ 367,363**	**$ 20,597**
Excess of Revenues Over (Under) Expenditures	**$ (7,960)**	**$ (7,960)**	**$ (3,070)**	**$ 4,890**
Other Financing Sources (Uses)				
Transfers out	(118,842)	(118,842)	(118,842)	-
Net Change in Fund Balance	**$ (126,802)**	**$ (126,802)**	**$ (121,912)**	**$ 4,890**
Fund Balance - January 1	**1,189,831**	**1,189,831**	**1,189,831**	**-**
Fund Balance - December 31	**$ 1,063,029**	**$ 1,063,029**	**$ 1,067,919**	**$ 4,890**

CHISAGO COUNTY
CENTER CITY, MINNESOTA

AGENCY FUNDS

Employee Recognition – to account for vending machine collections to be used for various activities relating to employee recognition.

Flexible Benefits Plan – to account for employee deductions held for certain specific needs of the employees available through this program.

Region 7E – to account for collection and payment of tax monies levied for the Regional Development Commission.

School Districts – to account for collection and payment of taxes due to school districts.

Taxes and Penalties – to account for collection and payment of taxes and penalties to various taxing districts.

Forfeited Tax Sale – to account for all funds collected per state statute from sale of lands forfeited for unpaid taxes.

Towns and Cities – to account for collection and payment of taxes due to towns and cities.

Agency – to account for collection and payment of various fees and fines for other governments collected by the Recorder, Courts, and the Planning and Zoning Department.

Local Collaboratives – to account for activity of the Chisago County North Family Services Collaborative and the Chisago County Family Services Collaborative.

CHISAGO COUNTY
CENTER CITY, MINNESOTA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2013

	Balance January 1	Additions	Deductions	Balance December 31
EMPLOYEE RECOGNITION				
Assets				
Cash and pooled investments	$ 3,562	$ 383	$ 116	$ 3,829
Liabilities				
Accounts payable	$ 3,562	$ 383	$ 116	$ 3,829
FLEXIBLE BENEFITS PLAN				
Assets				
Cash and pooled investments	$ 40,463	$ 66,691	$ 69,528	$ 37,626
Liabilities				
Deferred benefits	$ 40,463	$ 66,691	$ 69,528	$ 37,626
REGION 7E				
Assets				
Cash and pooled investments	$ -	$ 91,360	$ 91,360	$ -
Liabilities				
Due to other governments	$ -	$ 91,360	$ 91,360	$ -

CHISAGO COUNTY
CENTER CITY, MINNESOTA

STATEMENT 3
(Continued)

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2013

	Balance January 1	Additions	Deductions	Balance December 31
SCHOOL DISTRICTS				
Assets				
Cash and pooled investments	**$ -**	**$ 17,111,131**	**$ 17,111,131**	**$ -**
Liabilities				
Due to other governments	**$ -**	**$ 17,111,131**	**$ 17,111,131**	**$ -**
TAX AND PENALTIES				
Assets				
Cash and pooled investments	**$ 828,079**	**$ 77,059,161**	**$ 77,064,925**	**$ 822,315**
Liabilities				
Unapportioned taxes	$ -	$ 537,135	$ 537,135	$ -
Unapportioned special assessments	-	5,522	5,522	-
Due to other governments	828,079	76,516,504	76,522,268	822,315
Total Liabilities	**$ 828,079**	**$ 77,059,161**	**$ 77,064,925**	**$ 822,315**
Forfeited Tax Sale				
Assets				
Cash and pooled investments	**$ 7,303**	**$ 373,491**	**$ 370,927**	**$ 9,867**
Liabilities				
Due to other governments	**$ 7,303**	**$ 373,491**	**$ 370,927**	**$ 9,867**

CHISAGO COUNTY
CENTER CITY, MINNESOTA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2013

	Balance January 1	Additions	Deductions	Balance December 31
TOWNS AND CITIES				
Assets				
Cash and pooled investments	$ -	$ 27,064,691	$ 27,064,691	$ -
Liabilities				
Due to other governments	$ -	$ 27,064,691	$ 27,064,691	$ -
AGENCY				
Assets				
Cash and pooled investments	$ 400,024	$ 2,053,801	$ 2,158,561	$ 295,264
Liabilities				
Unapportioned taxes	-	56,754	56,754	-
Due to other governments	400,024	1,997,047	2,101,807	295,264
Total Liabilities	$ 400,024	$ 2,053,801	$ 2,158,561	$ 295,264
LOCAL COLLABORATIVES				
Assets				
Cash and pooled investments	$ 269,755	$ 129,271	$ 209,086	$ 189,940
Liabilities				
Due to other governments	$ 269,755	$ 129,271	$ 209,086	$ 189,940

CHISAGO COUNTY
CENTER CITY, MINNESOTA

STATEMENT 3
(Continued)

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2013

	Balance January 1	Additions	Deductions	Balance December 31
TOTAL ALL AGENCY FUNDS				
Assets				
Cash and pooled investments	**$ 1,549,186**	**$ 123,949,980**	**$ 124,140,325**	**$ 1,358,841**
Liabilities				
Accounts payable	$ 3,562	$ 383	$ 116	$ 3,829
Unapportioned taxes	-	593,889	593,889	-
Unapportioned special assessments	-	5,522	5,522	-
Deferred benefits	40,463	66,691	69,528	37,626
Due to other governments	1,505,161	123,283,495	123,471,270	1,317,386
Total Liabilities	**$ 1,549,186**	**$ 123,949,980**	**$ 124,140,325**	**$ 1,358,841**

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SUPPLEMENTARY INFORMATION

CHISAGO COUNTY
CENTER CITY, MINNESOTA

SCHEDULE OF INTERGOVERNMENTAL REVENUE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2013

Shared Revenue		
State		
Highway users tax	$	5,660,472
Market value credit		192,100
PERA rate reimbursement		48,855
Disparity reduction aid		2,985
County program aid		2,029,507
Police aid		269,632
E-911		137,733
Total shared revenue	**$**	**8,341,284**
Reimbursement for Services		
State		
Minnesota Department of Trial Courts	$	2,711
Minnesota Department of Human Services		621,073
Total reimbursement for services	**$**	**623,784**
Payments		
Local		
Payments in lieu of taxes	$	353,534
Grants		
State		
Minnesota Department/Board of		
Agriculture	$	1,307
Corrections		277,271
Public Safety		46,000
Transportation		1,662,972
Health		223,498
Natural Resources		38,641
Human Services		1,536,868
Water and Soil Resources		207,765
Peace Officer Standards and Training Board		12,987
Pollution Control Agency		92,067
Total state	**$**	**4,099,376**

CHISAGO COUNTY
CENTER CITY, MINNESOTA

SCHEDULE 7

SCHEDULE OF INTERGOVERNMENTAL REVENUE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2013

Grants (Continued)		
Federal		
Department of		
Agriculture	$	333,398
Justice		7,119
Labor		36
Transportation		631,906
Health and Human Services		2,106,253
Homeland Security		116,491
Environmental Protection Agency		19,356
Total federal	**$**	**3,214,559**
Total state and federal Grants	**$**	**7,313,935**
Total Intergovernmental Revenue	**$**	**16,632,537**

CHISAGO COUNTY
CENTER CITY, MINNESOTA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2013

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	$ 138,461
Passed Through Minnesota Department of Human Services		
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	267,336
Total U.S. Department of Agriculture		**$ 405,797**
U.S. Department of Justice		
Direct		
State Criminal Alien Assistance Program	16.606	$ 1,758
Passed Through Minnesota Department of Public Safety		
Law Enforecment Assistance - Narcotics and Dangerous Drugs Training	16.004	5,361
Total U.S. Department of Justice		**$ 7,119**
U.S. Department of Labor		
Passed Through Minnesota Department of Employment and Economic Development		
Unemployment Insurance- ARRA	17.225	**$ 36**
U.S. Department of Transportation		
Passed Through Minnesota Department of Transportation		
Highway Planning and Construction Cluster		
Highway Planning and Construction	20.205	$ 76,063
Recreational Trails Program	20.219	19,614
Passed Through Isanti County Minnesota		
Formula Grants for Rural Areas	20.509	236,251
Passed Through Minnesota Department of Public Safety		
State and Community Highway Safety	20.600	40,945
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	26,858
Total U.S. Department of Transportation		**$ 399,731**
U.S. Environmental Protection Agency		
Passed Through Minnesota Pollution Control Agency		
Nonpoint Source Implementation Grant	66.460	**$ 19,356**
U.S. Department of Health and Human Services		
Passed Through Minnesota Department of Human Services		
Public Health Emergency Preparedness	93.069	$ 51,902
Promoting Safe and Stable Families	93.556	9,496

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

CHISAGO COUNTY
CENTER CITY, MINNESOTA

SCHEDULE 8

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2013

Federal Grantor Pass-Through Agency Grant Program Title	Federal CFDA Number	Expenditures
Temporary Assistance for Needy Families	93.558	336,353
(Total Temporary Assistance for Needy Families 93.558 $381,747)		
Child Support Enforcement	93.563	696,841
Refugee and Entrant Assistance - State-Administered Programs	93.566	669
Child Care and Development Block Grant	93.575	18,778
Stephanie Tubbs Jones Child Welfare Services Program	93.645	16,248
Foster Care Title IV-E	93.658	53,055
Social Services Block Grant	93.667	228,089
Child Abuse and Neglect - State Grants	93.669	1,300
Chafee Foster Care Independence Program	93.674	637
Children's Health Insurance Program	93.767	112
Medical Assistance Program	93.778	888,172
Passed Through Minnesota Department of Health		
Universal Newborn Hearing Screening	93.251	825
PPHF 2012 National Public Health Improvement Initiative	93.507	8,300
Temporary Assistance for Needy Families (TANF)	93.558	45,394
(Total Temporary Assistance for Needy Families 93.558 $381,747)		
Community-Based Child Abuse Prevention Grants	93.590	11,500
Maternal and Child Health Services Block Grant to the States	93.994	38,682
Total U.S. Department of Health and Human Services		**$ 2,406,353**
U.S. Department of Homeland Security		
Passed Through Minnesota Department of Natural Resources		
Boating Safety Financial Assistance	97.012	$ 9,813
Homeland Security Grant Program	97.067	77,071
Total U.S. Department of Homeland Security		**$ 86,884**
Total Federal Awards		**$ 3,325,276**

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

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CHISAGO COUNTY
CENTER CITY, MINNESOTA

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2013

1. Reporting Entity

The Schedule of Expenditures of Federal Awards presents the activities of federal award programs expended by Chisago County. The County's reporting entity is defined in Note 1.A. to the financial statements.

2. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Chisago County under programs of the federal government for the year ended December 31, 2013. 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 Chisago County, it is not intended to and does not present the financial position, changes in net position, or cash flows of Chisago 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. Clusters

Clusters of programs are groupings of closely related programs that share common compliance requirements. Total expenditures by cluster are:

Highway Planning and Construction Cluster	$	95,677

5. Reconciliation to Schedule of Intergovernmental Revenues

Federal grant revenue per Schedule of Intergovernmental Revenue	$	3,214,559
Unavailable revenue in 2013-Grants received more than 60 days after year end		
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (CFDA #10.561)		72,399
Formula Grants for Other Than Urbanized Areas (CFDA #20.509)		116,028
Temporary Assistance for Needy Families (CFDA #93.558)		101,793
Child Support Enforcement (CFDA #93.563)		115,922
Child Care and Development Block Grant (CFDA #93.575)		1,327
Medical Assistance Program (CFDA #93.778)		106,909
Unavailable revenue in 2012, recognized as revenue in 2013		
Highway Planning and Construction (CFDA #20.205)		(56,560)
Formula Grants for Rural Areas (CFDA #20.509)		(22,597)
Child Care and Development Block Grant (CFDA #93.575)		(1,626)
Foster Care Title IV-E (CFDA #93.658)		(1,582)
Social Services Block Grant (CFDA #93.667)		(21,800)
Temporary Assistance for Needy Families (CFDA #93.558)		(843)
Emergency Management Performance Grants (CFDA #97.042)		(29,607)
Eliminate reimbursement of prior year expenditures		
Highway Planning and Construction (CFDA #20.205)		(269,046)
Expenditures Per Schedule of Expenditures of Federal Awards	$	3,325,276

6. Subrecipients

The County did not pass any federal money to subrecipients during the year ended December 31, 2013.

7. 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

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CHISAGO COUNTY
CENTER CITY, MINNESOTA

STATISTICAL SECTION

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

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Operating Information
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Sources
Unless otherwise noted, the information in these schedules is derived from the annual financial reports for the relevant year.

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CHISAGO COUNTY
CENTER CITY, MINNESOTA

TABLE 1

NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	2004 (Restated)	2005	2006	2007	2008
Governmental activities					
Net investment in capital assets	$ 65,187,280	$ 72,572,189	$ 80,638,861	$ 73,197,229	$ 83,046,458
Restricted	2,157,492	2,732,264	6,782,414	4,846,412	5,433,371
Unrestricted	9,921,226	10,415,734	4,367,586	17,842,060	14,820,989
Total Net Position	$ 77,265,998	$ 85,720,187	$ 91,788,861	$ 95,885,701	$ 103,300,818

	2009	2010	2011	2012 (Restated)	2013
Governmental activities					
Net investment in capital assets	$ 91,763,731	$ 99,618,353	$ 112,327,612	$ 115,296,909	$ 118,179,036
Restricted	7,572,797	20,106,691	18,449,046	10,571,003	11,007,768
Unrestricted	17,450,140	6,473,177	12,005,983	25,047,218	29,177,060
Total Net Position	$ 116,786,668	$ 126,198,221	$ 142,782,641	$ 150,915,130	$ 158,363,864

Notes:

Chisago County does not engage in any business-type activities.

Source: Chisago County's annual financial statements

(Unaudited)

CHISAGO COUNTY
CENTER CITY, MINNESOTA

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	2004	2005	2006	2007
Expenses				
Governmental activities:				
General government	$ 8,428,734	$ 5,156,497	$ 9,425,901	$ 9,543,145
Public safety	7,311,834	7,626,890	9,870,211	11,040,267
Highways and streets	6,907,163	4,901,118	7,012,530	11,028,603
Sanitation	180,781	70,095	80,520	331,909
Human services	10,077,664	11,048,988	13,198,134	9,997,372
Health	1,993,905	2,145,158	2,252,484	2,686,486
Culture and recreation	995,359	5,031,182	429,249	611,105
Conservation of natural resources	493,022	509,716	579,089	602,465
Economic development	925,765	1,041,646	1,215,035	1,300,694
Interest	764,906	1,148,606	1,590,682	2,132,420
Total Expenses	$ 38,079,133	$ 38,679,896	$ 45,653,835	$ 49,274,466
Program Revenues				
Governmental activities:				
Charges for services				
General government	$ 2,877,935	$ 2,787,038	$ 2,575,721	$ 2,344,600
Public safety	690,715	769,629	968,128	987,225
Human services	479,492	792,037	2,579,305	681,769
Health	743,808	729,266	859,039	889,941
Other activities	1,394,235	1,145,689	652,754	927,507
Operating grants and contributions	9,633,346	10,129,585	12,735,039	12,893,997
Capital grants and contributions	6,969,988	4,428,379	2,067,228	2,156,051
Total program revenues	$ 22,789,519	$ 20,781,623	$ 22,437,214	$ 20,881,090
Net (expense)/revenue	$ (15,289,614)	$ (17,898,273)	$ (23,216,621)	$ (28,393,376)
General Revenues and other changes in net position				
Governmental activities:				
Property taxes	$ 18,538,769	$ 21,519,837	$ 23,485,715	$ 26,367,496
Gravel taxes	-	-	55,358	45,590
Mortgage registry and deed tax	106,205	112,973	85,597	71,978
Payments in lieu of tax	225,773	228,574	585,714	585,719
Unrestricted grants and contributions	4,187,118	3,608,010	3,483,226	3,539,746
Investment earnings	482,474	803,095	1,532,803	1,786,777
Insurance dividends	-	-	-	-
Miscellaneous	27,811	79,973	56,882	92,910
Total general revenues	$ 23,568,150	$ 26,352,462	$ 29,285,295	$ 32,490,216
Change in Net Position	$ 8,278,536	$ 8,454,189	$ 6,068,674	$ 4,096,840

Notes:

Chisago County does not engage in any business-type activities

Prior period adjustments are not reflected in the Statement of Changes in net position and are as previously reported.

Source: Chisago County's annual financial statements

(Unaudited)

TABLE 2

2008	2009	2010	2011	2012	2013
$ 10,185,364	$ 10,911,564	$ 11,664,214	$ 10,695,966	$ 11,130,866	$ 10,982,065
11,592,485	10,097,062	11,080,555	10,924,587	11,140,810	11,219,268
7,387,306	7,779,210	6,432,904	10,509,001	12,401,875	8,881,773
447,775	334,342	309,618	327,024	385,494	379,046
10,384,380	9,680,067	8,950,239	8,679,096	8,748,237	9,760,075
2,914,001	2,885,232	2,933,008	2,834,449	2,101,501	1,326,722
722,872	591,247	526,555	475,769	552,993	542,761
935,904	835,981	935,046	1,312,231	860,392	907,383
1,358,859	1,355,708	1,538,651	1,581,637	1,688,537	1,448,820
1,996,537	1,887,535	1,750,764	2,053,550	1,787,390	1,538,205
$ 47,925,483	$ 46,357,948	$ 46,121,554	$ 49,393,310	$ 50,798,095	$ 46,986,118
$ 2,289,995	$ 2,091,635	$ 1,978,686	$ 2,070,335	$ 2,300,478	$ 2,095,221
1,064,635	1,104,768	1,094,477	1,081,583	1,400,387	1,514,918
467,140	558,612	492,142	616,791	970,074	1,197,014
858,211	937,169	1,013,572	973,201	334,925	212,030
594,136	703,783	370,536	1,209,973	570,590	892,915
11,524,909	16,787,898	11,860,912	17,574,820	14,092,488	9,834,309
4,693,823	2,538,498	4,177,937	7,841,697	5,551,798	4,750,786
$ 21,492,849	$ 24,722,363	$ 20,988,262	$ 31,368,400	$ 25,220,740	$ 20,497,193
$ (26,432,634)	$ (21,635,585)	$ (25,133,292)	$ (18,024,910)	$ (25,577,355)	$ (26,488,925)
$ 29,028,664	$ 30,504,263	$ 30,530,695	$ 30,418,914	$ 32,170,052	$ 31,947,360
76,522	42,620	37,059	42,168	56,511	56,754
43,125	44,967	36,518	31,719	46,947	49,927
588,147	596,436	595,563	313,442	311,867	353,534
2,986,326	3,425,311	2,612,239	2,607,687	1,790,042	2,273,447
1,073,667	481,571	412,172	626,469	502,861	(1,293,468)
-	-	315,739	535,230	93,633	436,707
51,300	26,267	4,860	33,701	771,616	113,398
$ 33,847,751	$ 35,121,435	$ 34,544,845	$ 34,609,330	$ 35,743,529	$ 33,937,659
$ 7,415,117	$ 13,485,850	$ 9,411,553	$ 16,584,420	$ 10,166,174	$ 7,448,734

(Unaudited)

CHISAGO COUNTY
CENTER CITY, MINNESOTA

FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	2004	2005	2006	2007
General Fund				
Reserved	$ -	$ -	$ 1,688,227	$ 1,847,359
Unreserved	5,553,405	6,956,416	6,929,308	7,435,385
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total General Fund	$ 5,553,405	$ 6,956,416	$ 8,617,535	$ 9,282,744
All other governmental funds				
Reserved	$ 2,623,276	$ 3,168,967	$ 5,094,187	$ 2,999,053
Unreserved, reported in				
Special revenue funds	12,073,383	13,814,439	11,448,553	10,825,526
Capital projects funds	-	-	3,299,917	3,942,274
Debt service fund	-	-	89,000	409,501
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total all other governmental funds	$ 14,696,659	$ 16,983,406	$ 19,931,657	$ 18,176,354

Note:

Chisago County implemented Governmental Accounting Standards Board Statement 54 for the fiscal year ended December 31, 2011, for which prior year amounts were not restated.

Source: Chisago County's annual financial statements.

(Unaudited)

TABLE 3

2008	2009	2010	2011	2012 (Restated)	2013
$ 2,171,054	$ 2,466,847	$ 2,682,605	$ -	$ -	$ -
7,795,201	9,016,452	9,752,649	-	-	-
-	-	-	1,347,545	1,262,562	1,211,824
-	-	-	1,662,514	1,701,559	1,889,873
-	-	-	1,058,623	2,204,464	1,596,249
-	-	-	1,913,463	2,100,429	4,886,538
-	-	-	9,449,788	12,793,017	12,580,779
$ 9,966,255	$ 11,483,299	$ 12,435,254	$ 15,431,933	$ 20,062,031	$ 22,165,263
$ 3,262,317	$ 5,107,750	$ 17,424,086	$ -	$ -	$ -
11,544,255	13,433,945	15,732,053	-	-	-
1,153,169	890,232	-	-	-	-
38,372	664,705	636,539	-	-	-
-	-	-	924,735	1,206,837	624,678
-	-	-	16,786,532	8,869,444	9,117,895
-	-	-	2,468,276	595,719	447,537
-	-	-	12,296,775	10,781,110	12,403,955
-	-	-	(487)	(487)	-
$ 15,998,113	$ 20,096,632	$ 33,792,678	$ 32,475,831	$ 21,452,623	$ 22,594,065

(Unaudited)

CHISAGO COUNTY
CENTER CITY, MINNESOTA

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

	2004	2005	2006	2007
Revenues				
Taxes	$ 18,691,391	$ 21,511,677	$ 23,505,272	$ 26,257,374
Special assessments	596,693	489,640	497,180	376,786
Licenses and permits	858,963	809,293	627,437	429,140
Intergovernmental	22,218,192	17,959,533	17,468,972	15,672,594
Charges for services	4,001,268	4,513,684	6,185,207	3,738,016
Fines and forfeits	452,275	344,533	239,272	238,848
Gifts and contributions	8,595	103,078	34,445	47,255
Investment earnings	482,474	803,095	1,532,803	1,786,777
Miscellaneous	2,155,576	4,948,316	545,414	1,558,881
Total Revenues	$ 49,465,427	$ 51,482,849	$ 50,636,002	$ 50,105,671
Expenditures				
General government	$ 9,103,598	$ 9,356,009	$ 8,381,549	$ 9,871,460
Public safety	7,729,281	7,562,347	8,971,613	9,498,140
Highways and streets	15,402,053	16,399,796	13,291,120	13,260,036
Sanitation	569,369	483,479	511,701	322,153
Human services	10,072,737	11,047,989	12,499,488	10,382,669
Health	1,987,224	2,140,418	2,227,734	2,606,952
Culture and recreation	556,788	675,752	406,081	514,958
Conservation of natural resources	492,759	509,689	577,777	599,864
Economic development	549,939	596,451	665,140	703,656
Intergovernmental	383,631	445,141	493,641	518,440
Capital outlay	1,471,891	4,526,337	9,631,588	7,998,604
Debt service				
Principal	565,831	1,550,000	1,800,831	2,294,266
Interest and fiscal charges	460,665	1,021,406	1,255,484	2,008,952
Bond issue costs	-	-	-	63,200
Payment to escrow	250,000	-	-	-
Administrative charges	-	-	-	-
Total Expenditures	$ 49,595,766	$ 56,314,814	$ 60,713,747	$ 60,643,350
Excess of revenues over (under) expenditures	$ (130,339)	$ (4,831,965)	$ (10,077,745)	$ (10,537,679)

(Unaudited)

TABLE 4
(Continued)

2008	2009	2010	2011	2012	2013
$ 28,907,291	$ 30,320,481	$ 30,301,692	$ 30,487,813	$ 32,309,111	$ 32,162,824
256,767	253,702	251,930	255,897	253,384	258,447
378,894	326,249	310,124	454,953	538,125	671,334
21,858,077	24,181,247	21,119,339	27,840,812	22,251,007	16,632,537
3,780,690	3,692,119	3,712,380	4,380,463	3,986,423	4,290,327
277,657	230,346	215,873	175,554	152,680	161,954
4,990	7,004	337,707	9,092	7,423	10,129
1,017,091	533,712	363,642	618,456	540,316	(1,312,099)
680,048	988,166	780,747	1,215,927	1,361,298	983,678
$ 57,161,505	$ 60,533,026	$ 57,393,434	$ 65,438,967	$ 61,399,767	$ 53,859,131
$ 10,508,552	$ 10,264,305	$ 10,073,241	$ 9,634,966	$ 10,018,846	$ 10,223,150
9,253,468	9,665,095	9,528,033	9,089,021	9,463,866	10,004,871
12,720,193	15,587,282	18,660,928	20,441,149	19,330,118	9,933,932
421,040	362,716	299,758	301,234	373,921	367,363
10,116,782	9,478,687	8,872,597	8,503,515	8,617,005	9,458,207
2,871,440	2,847,997	2,875,930	2,811,044	2,305,210	1,446,092
442,648	330,378	295,414	265,340	282,347	258,888
931,653	832,177	929,357	1,303,566	850,279	902,014
743,211	716,714	941,804	966,163	1,067,784	826,642
565,130	567,738	551,288	534,849	534,637	518,483
4,614,027	738,182	2,171,986	4,310,179	7,643,795	1,906,464
3,300,080	5,231,768	8,769,691	3,932,797	10,436,098	3,180,000
2,041,060	1,884,205	1,689,852	1,878,555	1,920,087	1,409,265
-	19,344	139,374	-	295,982	-
-	-	-	-	6,374	-
-	5,743	5,756	9,524	-	4,411
$ 58,529,284	$ 58,532,331	$ 65,805,009	$ 63,981,902	$ 73,146,349	$ 50,439,782
$ (1,367,779)	$ 2,000,695	$ (8,411,575)	$ 1,457,065	$ (11,746,582)	$ 3,419,349

(Unaudited)

CHISAGO COUNTY
CENTER CITY, MINNESOTA

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

	2004	2005	2006	2007
Other Financing Sources (Uses)				
Transfers in	$ 892,473	$ 1,403,025	$ 4,436,010	$ 1,689,008
Transfers out	(892,473)	(1,403,025)	(4,436,010)	(1,689,008)
Transfers out of primary government	-	-	-	-
Bonds issued	4,000,000	7,000,000	14,500,000	9,460,000
Capital notes issued	-	1,500,000	-	-
Refunding bonds issued	-	-	-	-
Discount on bonds issued	-	-	-	(43,488)
Premium on bonds issued	-	64,304	57,493	-
Discount on notes issued	-	(13,500)	-	-
Proceeds from sale of capital assets	-	-	-	-
Payment to advance refunding escrow agent	-	-	-	-
Payment of capital lease refunded	-	-	-	-
Total other financing sources (uses)	$ 4,000,000	$ 8,550,804	$ 14,557,493	$ 9,416,512
Net Change in Fund Balances	$ 3,869,661	$ 3,718,839	$ 4,479,748	$ (1,121,167)
Debt service as a percentage of noncapital expenditures	2.81%	6.81%	6.94%	9.01%

Prior period adjustments are not reflected in the Changes in Fund balances and are as previously reported.

Source: Chisago County's annual financial statements.

(Unaudited)

TABLE 4
(Continued)

2008	2009	2010	2011	2012	2013
$ 7,936,876	$ 2,234,092	$ 1,265,251	$ 2,925,808	$ 1,260,931	$ 371,075
(7,936,876)	(2,234,092)	(1,265,251)	(2,925,808)	(1,260,931)	(371,075)
-	-	-	-	-	-
-	-	18,350,000	-	-	-
-	-	-	-	-	-
-	3,315,000	4,870,000	-	25,985,000	-
-	(37,294)	(165,166)	-	-	-
-	86,628	-	-	1,221,481	-
-	-	-	-	-	-
-	24,936	8,396	52,860	93,633	405,113
-	-	-	-	(15,832,623)	-
-	-	-	-	(4,653,721)	-
$ -	$ 3,389,270	$ 23,063,230	$ 52,860	$ 6,813,770	$ 405,113
$ (1,367,779)	$ 5,389,965	$ 14,651,655	$ 1,509,925	$ (4,932,812)	$ 3,824,462
11.50%	15.15%	20.82%	12.11%	21.73%	10.45%

(Unaudited)

CHISAGO COUNTY
CENTER CITY, MINNESOTA

NET TAX CAPACITY AND ESTIMATED MARKET VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

	Net Tax Capacity (1)			
	Real Property			
Payable Year	Residential Homestead	Agricultural	Commercial and Industrial	Other (2)
2004	21,863,890	4,066,814	3,691,675	3,162,682
2005	25,860,622	4,813,221	4,430,520	3,843,731
2006	29,697,938	5,583,199	5,036,464	4,598,491
2007	33,186,780	6,171,638	5,966,650	5,604,564
2008	34,665,926	6,780,646	6,561,224	6,944,655
2009	33,603,610	6,787,363	7,140,435	7,706,035
2010	32,960,926	5,965,838	7,562,482	7,013,637
2011	29,577,340	5,437,856	7,490,097	6,492,475
2012	24,777,196	4,608,732	7,305,717	6,169,645
2013	22,355,363	4,439,626	6,945,312	6,055,590

Notes:

(1) In Minnesota, all taxable property is valued and classified according to its intended use on January 2 of each year. Property is valued at market value, which is defined as the most probable selling price in an arms length transaction. The market value is multiplied by a classification rate set by the State legislature to arrive at a net tax capacity value. The net tax capacity value is used as the tax base for levying, extending, and collecting taxes.

(2) Includes public utility, non-homestead residential, railroad, and seasonal.

(3) Total net tax capacity includes tax increment amounts.

Source: Chisago County Auditor

(Unaudited)

TABLE 5

Personal Property	Total Net Tax Capacity (3)	Estimated Market Value	Taxable Market Value	Ratio of Net Tax Capacity to Taxable Market Value	Total Direct Net Tax Rate
834,117	33,619,178	3,757,519,800	3,184,617,600	1.06%	60.211
864,912	39,813,006	4,515,880,500	3,775,596,700	1.05%	58.495
887,093	45,803,185	5,153,902,500	4,359,363,200	1.05%	54.986
913,744	51,843,376	5,670,475,900	4,913,509,300	1.06%	54.114
907,223	55,859,674	5,990,423,800	5,289,796,400	1.06%	54.641
789,043	56,026,486	5,794,922,600	5,316,652,000	1.05%	57.461
818,933	54,321,816	5,392,586,000	5,113,872,600	1.06%	59.356
959,908	49,957,676	4,884,289,600	4,673,872,800	1.07%	64.719
1,044,908	43,906,198	4,516,730,100	4,063,753,000	1.08%	73.687
1,119,974	40,915,865	4,216,664,300	3,778,660,500	1.08%	78.469

(Unaudited)

CHISAGO COUNTY
CENTER CITY, MINNESOTA

DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS

	Chisago County Direct Tax Rates (1)				
Fiscal Year	**General Levy**	**Human Services Levy**	**Road and Bridge Levy**	**Debt Service Levy**	**Regional Library Levy**
2004	35.336	10.549	9.131	3.998	1.197
2005	34.914	8.800	8.084	5.516	1.181
2006	30.780	9.142	8.934	5.041	1.089
2007	29.030	9.280	9.798	4.964	1.042
2008	29.391	8.816	9.297	6.079	1.058
2009	29.534	9.220	10.497	7.142	1.068
2010	30.773	8.710	10.939	7.879	1.055
2011	34.702	9.264	11.612	8.024	1.117
2012	42.209	8.622	12.217	9.344	1.295
2013	44.070	9.255	13.283	10.529	1.332

Number of Taxing Districts
Minimum Tax Capacity rate
Maximum Tax Capacity rate
State General Tax Rate Commercial
State General Tax Rate Seasonal Recreational

Notes:

(1) Amounts shown above are net tax capacity rates. The rate are calculated by dividing a taxing district's property tax levy by its net tax capacity.

(2) Special Districts include the Lake Improvement District, Chisago County HRA-EDA, ECRDC, Comfort Lake/Forest Lake Watershed, 916 Technical College, and North Branch EDA/HRA.

(3) Overlapping rates are those of other local governments that apply to property owners within Chisago County. Not all overlapping rates apply to all property owners in Chisago County. Only those property tax owners who live within the specific geographic boundary of the special taxing district are subject to the special tax district rate. As there are numerous combinations of the cities, schools, and special districts within the County, only the average rates within each taxing district class was given.

Source: Chisago County Auditor

(Unaudited)

TABLE 6

	Overlapping Rates Average Rates Within Each Classification				
Total County	Cities and Townships	School Districts	Special Districts (2)	Average Total Direct and Overlapping Rates (3)	Referendum Market Value Rates
60.2110	36.318	27.998	1.405	125.9320	0.06853
58.4950	33.476	26.726	1.224	119.9210	0.06327
54.9860	31.226	23.667	1.162	111.0410	0.08263
54.1140	30.251	21.703	1.225	107.2930	0.08030
54.6410	30.952	20.230	1.196	107.0190	0.08926
57.4610	31.837	21.141	1.741	112.1800	0.08941
59.3560	33.175	22.880	2.113	117.5240	0.08521
64.7190	35.890	25.146	2.299	128.0540	0.09049
73.6870	41.060	29.015	2.545	146.3070	0.09675
78.4690	41.312	30.064	2.620	152.4650	0.08647
	Tax Year 2013				
	20	7	5		8
	15.204	0.753	0.230		0.0195
	77.028	42.540	5.177		0.16779
				52.523	
				22.327	

(Unaudited)

CHISAGO COUNTY
CENTER CITY, MINNESOTA

TABLE 7

PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND NINE YEARS AGO

	2013		
Taxpayer	**Net Tax Capacity Value**	**Rank**	**Percentage of Total Taxable Net Tax Capacity Value**
Xcel Energy	$ 1,439,917	1	3.52%
North Branch Marketplace	309,514	2	0.76%
Polaris Industries	279,674	3	0.68%
Northern Natural Gas	234,193	4	0.57%
North Branch Outlets 1-21 LLC	207,852	5	0.51%
Fairview Hospital and Healthcare	200,795	6	0.49%
Hallberg Inc	178,684	7	0.44%
East Central Energy	118,572	8	0.29%
NB Group LLC	113,064	9	0.28%
Great River Energy	96,416	10	0.24%
Total principal taxpayers	$ 3,178,681		7.77%
All other taxpayers	37,737,184		92.23%
Total County	$ 40,915,865		100.00%

	2004		
Taxpayer	**Net Tax Capacity Value**	**Rank**	**Percentage of Total Taxable Net Tax Capacity Value**
Xcel Energy	$ 844,042	1	2.51%
Tanger Properties	171,472	2	0.51%
Northern Natural Gas	122,324	3	0.36%
Hallberg Inc	118,240	4	0.35%
Cooperative Power Association	117,916	5	0.35%
East Central Energy	87,610	6	0.26%
Jae's Precast	71,904	7	0.21%
Plastic Research	62,388	8	0.19%
Board of Christian Service	62,211	9	0.19%
Hallberg Marine, Inc	48,962	10	0.15%
Total principal taxpayers	$ 1,707,069		5.08%
All other taxpayers	31,912,109		94.92%
Total County	$ 33,619,178		100.00%

Source: Chisago County Auditor

(Unaudited)

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CHISAGO COUNTY
CENTER CITY, MINNESOTA

PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Fiscal Year	Total Net Tax Levy	Collected in Year of Levy	Percentage of Levy Collected in Year of Levy
2004	19,691,326	19,303,179	98.03%
2005	22,668,798	22,178,060	97.84%
2006	24,550,308	23,897,816	97.34%
2007	27,250,842	26,426,286	96.97%
2008	29,773,425	28,768,969	96.63%
2009	31,747,140	30,666,855	96.60%
2010	31,667,667	30,536,077	96.43%
2011	31,667,667	30,687,741	96.91%
2012	31,667,667	30,771,471	97.17%
2013	31,397,021	30,741,172	97.91%

Note:

The total net tax levy includes credits to property tax owners reimbursed to the County by the State of Minnesota. Since 2011, the State no longer provides market value credits to the County but, instead, replaced this with a market value exclusion to the taxpayer.

Source: Chisago County Auditor

(Unaudited)

TABLE 8

Collected in Subsequent Years	Total Tax Collections	Percentage of Total Tax Collections to Tax Levy	Outstanding Delinquent Taxes	Percentage of Delinquent Taxes to Tax Levy
378,725	19,681,904	99.95%	9,422	0.05%
476,845	22,654,905	99.94%	13,893	0.06%
629,065	24,526,881	99.90%	23,427	0.10%
777,778	27,204,064	99.83%	46,778	0.17%
926,246	29,695,215	99.74%	78,210	0.26%
946,520	31,613,375	99.58%	133,765	0.42%
971,733	31,507,810	99.50%	159,857	0.50%
688,846	31,376,587	99.08%	291,080	0.92%
566,094	31,337,565	98.96%	330,102	1.04%
-	30,741,172	97.91%	655,849	2.09%

(Unaudited)

CHISAGO COUNTY
CENTER CITY, MINNESOTA

TABLE 9

RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

	Governmental Activities					
Fiscal Year	**General Obligation Bonds**	**General Obligation Capital Notes**	**Capital Leases**	**Total Debt**	**Total Debt Per Capita**	**Percentage of Personal Income**
2004	12,429,787	318,322	4,783,297	17,531,406	362	1.23%
2005	18,627,795	1,653,991	8,395,877	28,677,663	580	1.94%
2006	32,295,508	1,599,510	7,813,174	41,708,192	830	2.60%
2007	40,659,366	1,420,031	7,362,349	49,441,746	980	3.01%
2008	39,183,019	1,215,550	5,797,685	46,196,254	917	2.74%
2009	37,771,522	1,061,900	5,582,311	44,415,733	880	2.68%
2010	52,510,525	903,250	5,287,614	58,701,389	1,089	3.23%
2011	49,068,113	734,600	4,979,817	54,782,530	1,016	2.80%
2012	52,893,959	560,950	-	53,454,909	998	2.69%
2013	49,967,128	385,000	-	50,352,128	N/A	N/A

N/A - information is not available as of date of publication.

Note:

Chisago County does not engage in any business-type activities

Source: Chisago County's annual financial statements for debt information
See Table 13 for population and personal income data.

(Unaudited)

CHISAGO COUNTY
CENER CITY, MINNESOTA

TABLE 10

RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

	General Bonded Debt Outstanding					
Fiscal Year	**General Obligation Bonds and Notes**	**Capital Leases**	**Less: Amounts in Debt Service Fund**	**Net General Bonded Debt Outstanding**	**Percentage of Net Bonded Debt to Estimated Actual Value of Taxable Property**	**Total Net Bonded Debt Per Capita**
2004	12,748,109	4,783,297	1,718,140	15,813,266	0.50%	327
2005	20,281,786	8,395,877	1,986,746	26,690,917	0.71%	540
2006	33,895,018	7,813,174	3,254,599	38,453,593	0.88%	765
2007	42,079,397	7,362,349	2,609,501	46,832,245	0.95%	929
2008	40,398,569	5,797,685	2,683,372	43,512,882	0.82%	864
2009	38,833,422	5,582,311	4,664,705	39,751,028	0.75%	787
2010	53,413,775	5,287,614	5,041,539	53,659,850	1.05%	996
2011	49,802,713	4,979,817	4,586,981	50,195,549	1.07%	931
2012	53,454,909	-	4,744,030	48,710,879	1.20%	909
2013	50,352,128	-	5,346,286	45,005,842	1.19%	N/A

N/A - information is not available as of date of publication.

Note:

Chisago County does not engage in any business-type activities

Source: Chisago County's annual financial statements for debt information.
See Table 5 for taxable market value of property.
See Table 13 for population and personal income data.

(Unaudited)

CHISAGO COUNTY
CENTER CITY, MINNESOTA

TABLE 11

COMPUTATION OF DIRECT AND OVERLAPPING DEBT
AS OF DECEMBER 31, 2013

Governmental Unit	General Obligation Debt Outstanding (1)	Percentage of Tax Capacity in Chisago County (2)	General Obligation Debt Applicable to Chisago County
Direct Debt			
Chisago County	$ 50,352,128	100.00%	$ 50,352,128
Overlapping Debt			
City of Center City	$ 1,110,510	100.00%	$ 1,110,510
City of Chisago City	6,090,000	100.00%	6,090,000
City of Harris	6,091,239	100.00%	6,091,239
City of Lindstrom	6,303,439	100.00%	6,303,439
City of North Branch	59,435,093	100.00%	59,435,093
City of Rush City	4,862,883	100.00%	4,862,883
City of Shafer	2,896,231	100.00%	2,896,231
City of Stacy	6,982,842	100.00%	6,982,842
City of Taylors Falls	2,251,000	100.00%	2,251,000
City of Wyoming	4,101,000	100.00%	4,101,000
Amador Township	755,000	100.00%	755,000
Fish Lake Township	130,000	100.00%	130,000
Franconia Township	105,000	100.00%	105,000
Nessel Township	840,000	100.00%	840,000
Shafer Township	190,154	100.00%	190,154
Braham Schools	7,580,000	22.64%	1,716,112
Cambridge Schools	72,345,000	3.38%	2,445,261
Chisago Lakes Schools	27,645,000	95.75%	26,470,088
Forest Lake Schools	26,740,000	13.38%	3,577,812
North Branch Schools	46,375,000	90.40%	41,923,000
Rush City Schools	14,305,000	92.81%	13,276,471
Total Overlapping Debt	$ 297,134,391		$ 191,553,134
Total Direct and Overlapping Debt	$ 347,486,519		$ 241,905,262

Note:

The overlapping debt is calculated by the percentage of property in each governmental unit subject to taxation by Chisago County.

Sources:

(1) County Report of Outstanding Indebtedness
(2) Chisago County Auditor

(Unaudited)

CHISAGO COUNTY
CENTER CITY, MINNESOTA

TABLE 12

LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

	2004	2005	2006	2007	2008
Total market value of taxable property	$3,184,617,600	$3,775,596,700	$4,359,363,200	$4,913,509,300	$5,289,796,400
Debt limit (% of market value) (1)	$ 63,692,352	$ 75,511,934	$ 87,187,264	$ 98,270,186	$ 158,693,892
Debt applicable to limit:					
General obligation bonds and notes	$ 17,591,619	$ 28,683,368	$ 41,654,834	$ 49,433,180	$ 46,177,685
Less: Amounts set aside for payment of general obligation debt	(1,718,140)	(1,986,746)	(3,254,599)	(2,609,501)	(2,683,372)
Total net debt applicable to limit	$ 15,873,479	$ 26,696,622	$ 38,400,235	$ 46,823,679	$ 43,494,313
Legal debt margin	$ 47,818,873	$ 48,815,312	$ 48,787,029	$ 51,446,507	$ 115,199,579
Total net debt applicable to the limit as a percentage of the debt limit	24.92%	35.35%	44.04%	47.65%	27.41%

	2009	2010	2011	2012	2013
Total market value of taxable property	$5,316,652,000	$5,113,872,600	$4,673,872,800	$4,063,753,000	$3,778,660,500
Debt limit (% of market value) (1)	$ 159,499,560	$ 153,416,178	$ 140,216,184	$ 121,912,590	$ 113,359,815
Debt applicable to limit:					
General obligation bonds and notes	$ 44,332,311	$ 58,782,614	$ 54,849,817	$ 52,315,000	$ 49,135,000
Less: Amounts set aside for payment of general obligation debt	(4,664,705)	(5,041,539)	(4,586,981)	(4,744,030)	(5,346,286)
Total net debt applicable to limit	$ 39,667,606	$ 53,741,075	$ 50,262,836	$ 47,570,970	$ 43,788,714
Legal debt margin	$ 119,831,954	$ 99,675,103	$ 89,953,348	$ 74,341,620	$ 69,571,101
Total net debt applicable to the limit as a percentage of the debt limit	24.87%	35.03%	35.85%	39.02%	38.63%

Note:

(1) During 2008, the Minnesota State Legislature changed the statutory rate from 2% of taxable market value to 3% of taxable market value.

Source: Chisago County Auditor - Assessors Abstract

(Unaudited)

CHISAGO COUNTY
CENTER CITY, MINNESOTA

TABLE 13

DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

Year	Population (1)	Population Growth	Personal Income (2) (in thousands)	Per Capita Personal Income (2)	Labor Force (3)	Unemployment Rates (3) Chisago County	Unemployment Rates (3) State of Minnesota
2004	48,424	4.20%	1,444,935	29,456	26,620	5.30%	4.60%
2005	49,417	2.05%	1,501,741	29,866	27,050	4.90%	4.20%
2006	50,278	1.74%	1,643,652	31,950	27,461	4.90%	4.10%
2007	50,433	0.31%	1,701,055	32,517	27,388	5.90%	4.70%
2008	50,384	-0.10%	1,773,832	33,461	27,458	6.80%	5.40%
2009	50,489	0.21%	1,756,286	32,812	27,560	10.20%	8.00%
2010	53,887	6.73%	1,819,930	33,761	28,933	9.20%	7.40%
2011	53,929	0.08%	1,950,295	36,296	28,722	7.90%	6.50%
2012	53,576	-0.65%	1,984,923	37,135	28,748	6.70%	5.60%
2013	Not Available	-	Not Available	Not Available	28,989	5.90%	5.10%

Sources:

(1) Minnesota State Demographic Center (all years excluding 2010), and U.S. Bureau of Census (2010)
(2) U.S. Department of Commerce, Bureau of Economic Analysis
(3) Minnesota Department of Employment and Economic Development (annual average, not seasonally adjusted)

(Unaudited)

CHISAGO COUNTY
CENTER CITY, MINNESOTA

TABLE 14

PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

	2013		
Employer (1)	**Number of Employees**	**Rank**	**Percentage of Total County Employment**
Fairview Lakes Health Services	1,250	1	4.58%
Hazelden Foundation	800	2	2.93%
I.S.D. No. 2144 (Chisago Lakes)	560	3	2.05%
Polaris Industries	400	4	1.47%
Chisago County	383	5	1.40%
I.S.D. No. 138 (North Branch)	382	6	1.40%
Plastech Corporation	353	7	1.29%
Minnesota Correctional Facility	349	8	1.28%
Rosenbauer Minnesota	320	9	1.17%
North Branch Outlets	300	10	1.10%
Total Principal Employers	5,097		18.69%
Total County Employment (3)	27,272		

	2004		
Employer (2)	**Number of Employees**	**Rank**	**Percentage of Total County Employment**
Fairview Lakes Regional Medical Center	1,157	1	4.59%
Hazelden Foundation	726	2	2.88%
I.S.D. No. 138 (North Branch)	477	3	1.89%
I.S.D. No. 2144 (Chisago Lakes)	446	4	1.77%
Tanger Factory Outlet	425	5	1.69%
Chisago County	413	6	1.64%
Plastech Corporation	334	8	1.33%
Minnesota Correctional Facility	327	7	1.30%
Shafer Contracting Co.	300	9	1.19%
The Margaret S. Parmly Residence	237	10	0.94%
Total Principal Employers	4,842		19.21%
Total County Employment (3)	25,204		

Sources:

(1) Chisago County HRA-EDA
(2) Bond disclosure documents issued during respective year or nearest the year end presented
(3) Minnesota Department of Employment and Economic Development (annual average, not seasonally adjusted)

(Unaudited)

CHISAGO COUNTY
CENTER CITY, MINNESOTA

FULL-TIME EQUIVALENT COUNTY GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS

Function	2004	2005	2006	2007
General government (1)	88.15	79.70	78.95	79.70
Public safety	86.00	87.50	88.00	96.50
Highways and streets	39.00	39.00	39.00	42.00
Health and human services	129.25	132.50	135.25	137.00
Culture and recreation	2.80	2.80	2.80	2.80
Environmental services	3.15	4.15	4.15	4.15
Conservation of natural resources	1.40	1.40	1.40	1.40
Economic development	8.00	9.00	9.00	9.00
Total	357.75	356.05	358.55	372.55

Note:

(1) In 2005, the State of Minnesota took over the Courts which were previously included in the general government function.
(2) FTE's exclude temporary and seasonal positions.
Source: Chisago County Human Resources Department

(Unaudited)

TABLE 15

2008	2009	2010	2011	2012	2013
75.60	80.35	77.20	77.40	78.10	79.10
97.50	88.50	88.50	90.00	91.00	91.80
38.00	35.00	35.00	33.00	34.00	35.20
135.00	124.80	124.80	120.00	107.00	107.20
2.80	1.50	1.50	1.80	1.80	1.80
4.30	4.00	4.15	4.45	4.50	4.15
0.40	0.00	0.00	0.00	0.00	0.00
9.00	9.00	9.00	9.00	9.00	9.00
362.60	343.15	340.15	335.65	325.40	328.25

(Unaudited)

CHISAGO COUNTY
CENTER CITY, MINNESOTA

Operating Indicators by Function
Last Ten Fiscal Years

Function and Program	2004	2005	2006	2007
General Government				
Warrants issued	23,485	23,366	23,186	22,677
Number of documents recorded/processed	22,844	21,258	17,761	15,030
Number of parcels	27,393	28,014	28,944	29,793
New housing permits issued	250	198	125	69
Number of rides given to veterans	N/A	N/A	N/A	N/A
Number of veterans appointments	N/A	N/A	N/A	N/A
Public Safety				
Number of calls to Sheriffs office	N/A	N/A	N/A	N/A
Traffic stops	N/A	N/A	N/A	N/A
Arrests by County Sheriff's department	N/A	N/A	N/A	N/A
Number of citations	N/A	N/A	N/A	N/A
Adult probation offenders	1,125	1,244	1,269	1,361
Juvenile probation offenders	130	155	164	142
Highways and Streets				
CSAH/County road projects during year	42	40	47	36
Miles of paving	N/A	N/A	N/A	N/A
Miles of roads graveled	12	17	20	16
Miles of roads shouldered	25	194	88	9
Miles of overlay	N/A	N/A	N/A	N/A
Miles of construction	N/A	N/A	N/A	N/A
Miles of sealcoating/crack sealing	N/A	N/A	N/A	N/A
Number of bridges rebuilt/constructed	N/A	N/A	N/A	N/A
Public Health				
Number of WIC participants	N/A	N/A	N/A	1,830
Number of maternal child health visits	N/A	N/A	N/A	N/A
Number of follow along visits	378	350	355	329
Human Services				
Number of SNAP (food assistance) cases	N/A	N/A	N/A	N/A
Number of health care assistance cases	N/A	N/A	N/A	N/A
Number of child support cases	2,110	2,135	2,172	2,136
Child care assistance cases	N/A	N/A	N/A	N/A
Unduplicated number of children in out of home placement	150	180	213	154
Dollars spent for children's shelter	N/A	N/A	51,411	54,797
Dollars spent for children's foster care	N/A	N/A	784,233	660,820
Dollars spent for children's rule 5 foster care	N/A	N/A	467,694	268,937
Number of children's mental health cases	230	249	253	206
Number of adult mental health cases	131	191	279	294
Number of DD cases	186	199	203	221
Number of adult services cases				
Environmental Services				
Tons of hazardous waste collected	N/A	N/A	N/A	109
Tons of recycling collected	N/A	N/A	N/A	8,306
Tons of municipal solid waste collected	N/A	N/A	N/A	23,823

Source: Various County departments.

N/A - information is not available

TABLE 16

2008	2009	2010	2011	2012	2013
23,092	22,055	20,572	20,176	20,198	19,436
12,112	12,982	11,966	11,582	13,813	13,009
29,834	30,386	29,329	29,426	29,433	29,411
30	23	26	24	49	90
N/A	301	335	376	390	300
N/A	N/A	N/A	N/A	678	588
N/A	N/A	N/A	N/A	N/A	64,315
N/A	N/A	N/A	N/A	N/A	4,282
N/A	N/A	N/A	N/A	N/A	885
N/A	N/A	N/A	N/A	N/A	2,851
1,426	1,310	1,180	991	978	1,002
143	120	116	97	77	81
32	31	44	35	33	27
N/A	N/A	N/A	N/A	N/A	5
20	8	N/A	19	8	7
55	144	N/A	149	82	52
N/A	N/A	N/A	N/A	N/A	3
N/A	N/A	N/A	N/A	N/A	2
54	103	N/A	31	10	41
N/A	N/A	N/A	N/A	N/A	4
1,930	1,735	1,607	1,400	1,288	1,275
2,097	2,389	2,560	2,150	1,620	1,588
625	1,172	1,637	2,117	2,233	2,495
734	1,006	1,264	1,469	1,486	1,486
2,447	2,690	2,806	3,133	3,118	3,155
2,183	2,173	2,167	2,192	2,218	2,226
N/A	122	124	126	119	161
129	112	92	91	90	83
40,160	39,947	15,723	8,826	10,823	10,125
417,220	247,103	166,339	124,906	152,480	276,008
178,224	281,311	86,341	109,784	120,313	135,741
211	209	157	124	105	103
312	365	344	324	318	290
232	230	241	238	250	227
	317	377	349	459	468
115	114	117	125	142	212
8,648	8,683	8,324	8,335	11,810	11,388
22,545	21,960	21,924	26,002	25,693	24,223

CHISAGO COUNTY

CENTER CITY, MINNESOTA

Capital Assets Statistics by Function
Last Ten Fiscal Years

Function and Program	2004	2005	2006	2007
General Government				
Court house building complex (1)	1	1	1	1
Motor pool vehicles	12	12	13	16
Public Safety				
Vehicles	N/A	N/A	N/A	52
Satellite offices	1	1	1	1
Jail/lockup facilities	1	1	1	1
Radio tower sites	5	5	5	5
Communications center (stand alone)	-	-	-	-
Highways and Streets				
Vehicles, light trucks	17	19	21	24
Miles of county road	139	139	138	138
Miles of county state aid road	234	234	234	234
Office, garages, storage facilities	6	6	6	6
Graders, loaders, tractors, heavy trucks	35	40	39	37
Health and Human services				
Office Buildings	-	-	-	1
Culture and Recreation				
Number of county parks	5	5	5	5
Park buildings & shelters	15	15	16	16
Number of libraries (2)	-	-	3	4
Environmental Services				
Household hazardous waste facility	1	1	1	1
Economic Development				
Number of transit buses	N/A	N/A	N/A	5

Note:

1.) Also contains office space for general governement departments, Health and Human Services, and public safety departments.

2.) Leased 3 library's from HRA-EDA from 2006-2012. Chisago County now owns these 3 libraries in 2012.

N/A - information is not available

Sources:

Chisago County Auditor's Department
Various other County Departments

TABLE 17

2008	2009	2010	2011	2012	2013
1	1	1	1	1	1
16	17	17	17	12	9
55	55	57	58	62	63
1	2	2	2	2	2
1	1	1	1	1	1
5	5	5	5	8	13
-	-	-	-	1	1
18	20	18	17	17	17
135	135	126	127	127	123
231	234	234	232	232	232
6	6	6	4	4	4
42	43	43	42	41	43
1	1	1	1	1	1
5	5	5	5	5	5
16	16	16	16	16	16
4	4	4	4	4	4
1	1	1	1	1	1
6	6	6	7	7	9

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