COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014

CHISAGO COUNTY

CENTER CITY, MINNESOTA

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COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014

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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CENTER CITY, MINNESOTA

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INTRODUCTORY SECTION

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CHISAGO COUNTY
CENTER CITY, MINNESOTA

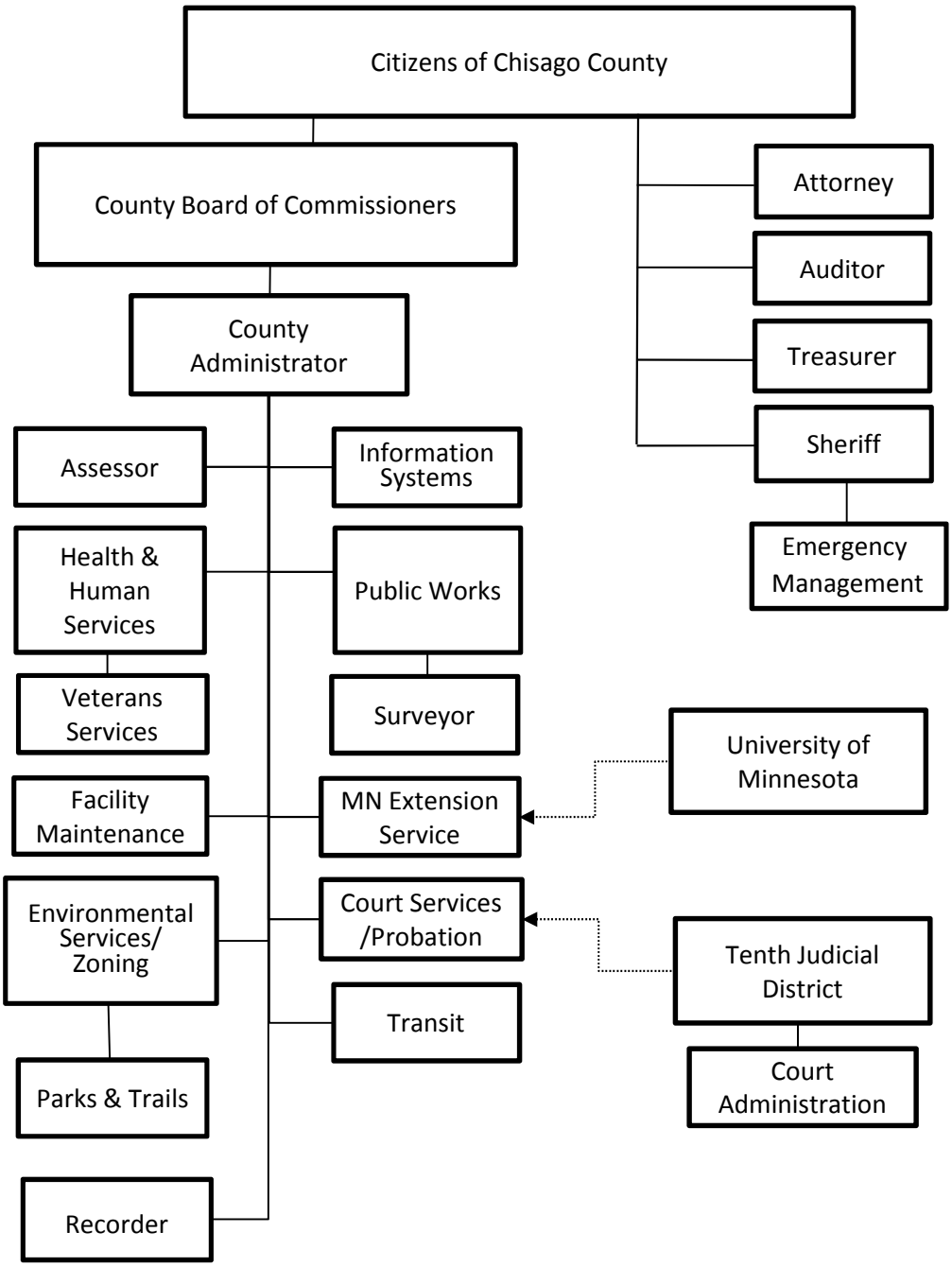
PRINCIPAL OFFICIALS
DECEMBER 31, 2014

Office	Name	Term of Office From	Term of Office To
Elected			
Commissioners			
District 1	Lora Walker	January 2013	January 2015
District 2	Rick Greene[1]	January 2013	January 2017
District 3	George McMahon	January 2013	January 2017
District 4	Ben Montzka	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	Amy Chavez	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 2014

CHISAGO COUNTY
CENTER CITY, MINNESOTA

ORGANIZATIONAL CHART
DECEMBER 31, 2014



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Chisago County

Minnesota

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2013

Executive Director/CEO

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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: 651-213-8500

DATE: June 25, 2015

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

SUBJECT: 2014 Comprehensive Annual Financial Report

This Comprehensive Annual Financial Report of Chisago County is submitted for the fiscal year ended December 31, 2014. 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 54,025 based on 2014 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 2014. 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
2014 Economic output growth rate -GDP	-0.6% *	Indicates economic growth is leveling off.
2014 Jobs growth rate	1.6% *	319 Jobs added since 2005.
2014 Chisago Unemployment rate	4.4%	Rate declined in the last five years.
2014 Population	54,025	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 2014

In addition, new single family housing construction in Chisago, decreased from 182 units in 2013 to 98 in 2014. Commercial industrial permits were up from 34 in 2013 to 45 in 2014. 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 2015-2019. 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)
state.auditor@state.mn.us (E-mail)
1-800-627-3529 (Relay Service)

INDEPENDENT AUDITOR'S REPORT

Board of County Commissioners
Chisago County
Center City, Minnesota

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, 2014, 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

thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Chisago County HRA-EDA component unit, 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 the 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, 2014, 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.

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 Governmental Accounting Standards Board, 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 and statistical sections 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 25, 2015, 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 25, 2015

CHISAGO COUNTY
CENTER CITY, MINNESOTA

MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2014

(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, 2014. 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 $168.03 million (net position) at the close of 2014. Of this amount, $30 million, (unrestricted net position) or 17.8%, may be used to meet Chisago County's ongoing obligations to citizens and creditors.

- The County's total net position increased by $9.7 million to $168.03 million during 2014, or 6.1%.

- The County's governmental funds reported combined ending fund balances of $44.8 million, a decrease of $3,300 compared to the 2013 year-end balance. This decrease is immaterial due to the size. Of ending fund balances, $32.6 million, or 72.9%, 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 $18.2 million.

- At the close of 2014, unrestricted fund balance for the General Fund was $21 million, or 74.7%, of total General Fund expenditures.

- The county's bonds and notes payable decreased by $3.3 million, or 6.8%, during 2014 as a result of scheduled debt service.

- The county's net capital assets increased by $8.9 million, or 5.4% as the county completed most road construction projects.

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 34 and 37 of this report.

(Unaudited)

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 40 and 46 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.

(Unaudited)

The basic fiduciary fund financial statements can be found on page 56 of this report**.**

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 57 through 117 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 120; combining and individual fund statements and schedules for its nonmajor governmental funds on pages 125 through 132; intergovernmental revenues, and federal awards, on pages 140 through 146.

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 $168.03 million at the close of 2014. The largest portion of Chisago County's net position (76.2%) 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.

(Unaudited)

Chisago County's Net Position

	Governmental Activities	
	2013	2014
Current and other assets	$ 50,730,056	$ 50,472,193
Capital assets	165,455,617	174,358,527
Total Assets	$ 216,185,673	$ 224,830,720
Deferred Charges on Bond Refunding	$ 2,217,805	$ 1,791,626
Deferred outflows of resources	$ 2,217,805	$ 1,791,626
Long-term liabilities outstanding	$ 56,069,731	$ 53,958,600
Other liabilities	3,316,621	2,617,217
Total Liabilities	$ 59,386,752	$ 56,575,817
Advanced allotments	$ 652,862	$ 2,015,124
Deferred Inflows of resources	$ 652,862	$ 2,015,124
Net Position		
Net investment in capital assets	$ 118,179,036	$ 128,041,933
Restricted	11,007,768	10,034,140
Unrestricted	29,177,060	29,955,332
Total Net Position	$ 158,363,864	$ 168,031,405

(Unaudited)

The restricted portion of net position totaling $10 million represents resources whose use is restricted by external requirements such as debt covenants and legislation. The unrestricted net position of $30 million as of December 31, 2014, may be used to meet the County's ongoing obligations to citizens and creditors.

Chisago County's activities increased net position by $9.7 million, over the 2013 net position.

Chisago County's Change in Net Position

	Governmental Activities	
	2013	2014
Revenues		
Program revenues		
Charges for services	$ 5,912,098	$ 5,469,777
Operating grants and contributions	9,834,309	11,897,476
Capital grants and contributions	4,750,786	3,551,499
General revenues		
Property taxes	31,947,360	31,567,534
Other	1,990,299	6,129,709
Total Revenues	$ 54,434,852	$ 58,615,995
Expenses		
General government	$ 10,982,065	$ 11,618,194
Public safety	11,219,268	11,717,569
Highways and streets	8,881,773	7,661,025
Sanitation	379,046	559,182
Human services	9,760,075	10,941,581
Health	1,326,722	1,523,996
Culture and recreation	542,761	990,979
Conservation of natural resources	907,383	1,049,532
Economic development	1,448,820	896,534
Interest	1,538,205	1,989,862
Total Expenses	$ 46,986,118	$ 48,948,454
Increase in Net Position	$ 7,448,734	$ 9,667,541
Net Position, January 1	150,915,130	158,363,864
Net Position, December 31	$ 158,363,864	$ 168,031,405

(Unaudited)

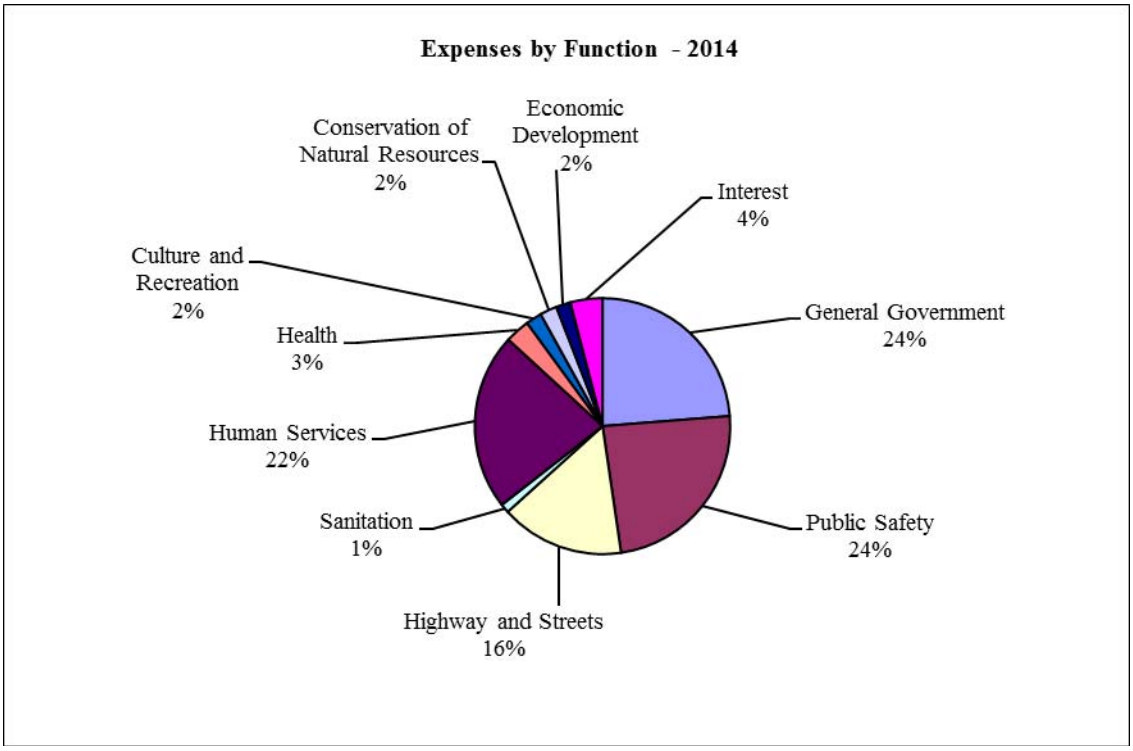
REVENUES

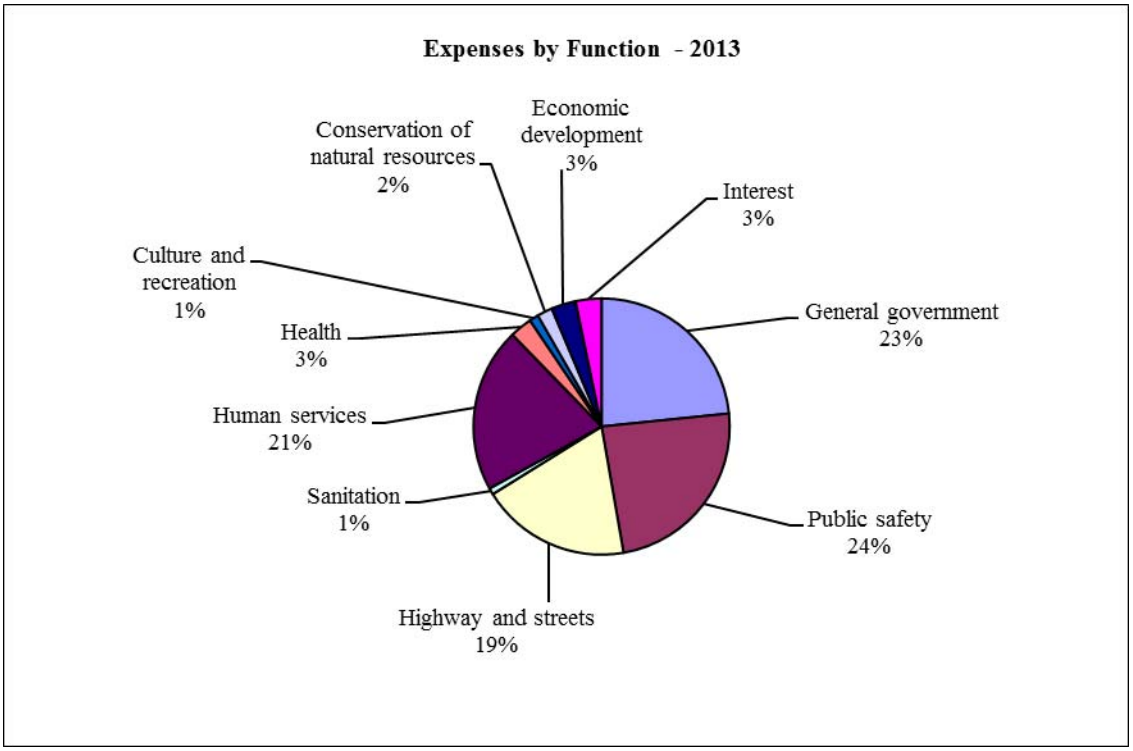
The County's revenues increased by $4.2 million the main driver to this increase was an increase in 'Other General Revenues'. The main driver to this increase was the change investment earnings of 3.3 million. Another driver to the increase was $2.0 million in additional 'Operating Grants and Contributions'. The final increase was $545,317 in additional wheelage tax. There was a decrease in 'Charges for Services' of $0.5 million, decrease in 'Capital Grants and Contributions' of $1.2 million, and 'Property Taxes' also decreased by $0.4 million. The decreases were mitigated by the large increase in investment earnings of 3.3 million.

EXPENSES

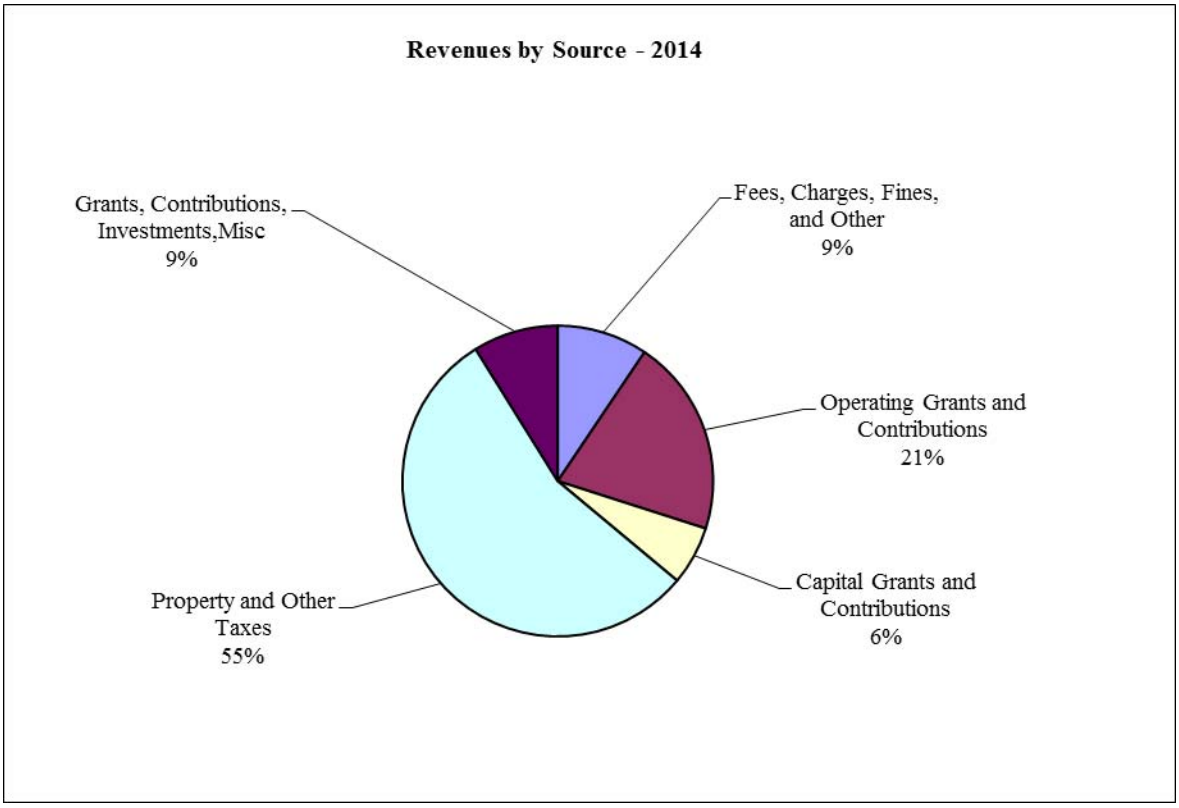
The County's expenses also increased but at a much smaller percent as opposed to the revenues that were brought in. 'General Government' had the largest increase in expenses at $0.7 million, this is attributed to the fact that there were Capital Improvement Projects that were implemented to update the County Building these improvements included new window, stairs/ramp, roof, security system and the new heating and cooling system. The main decrease in expenses was noted in 'Economic Development' at $0.5 million.

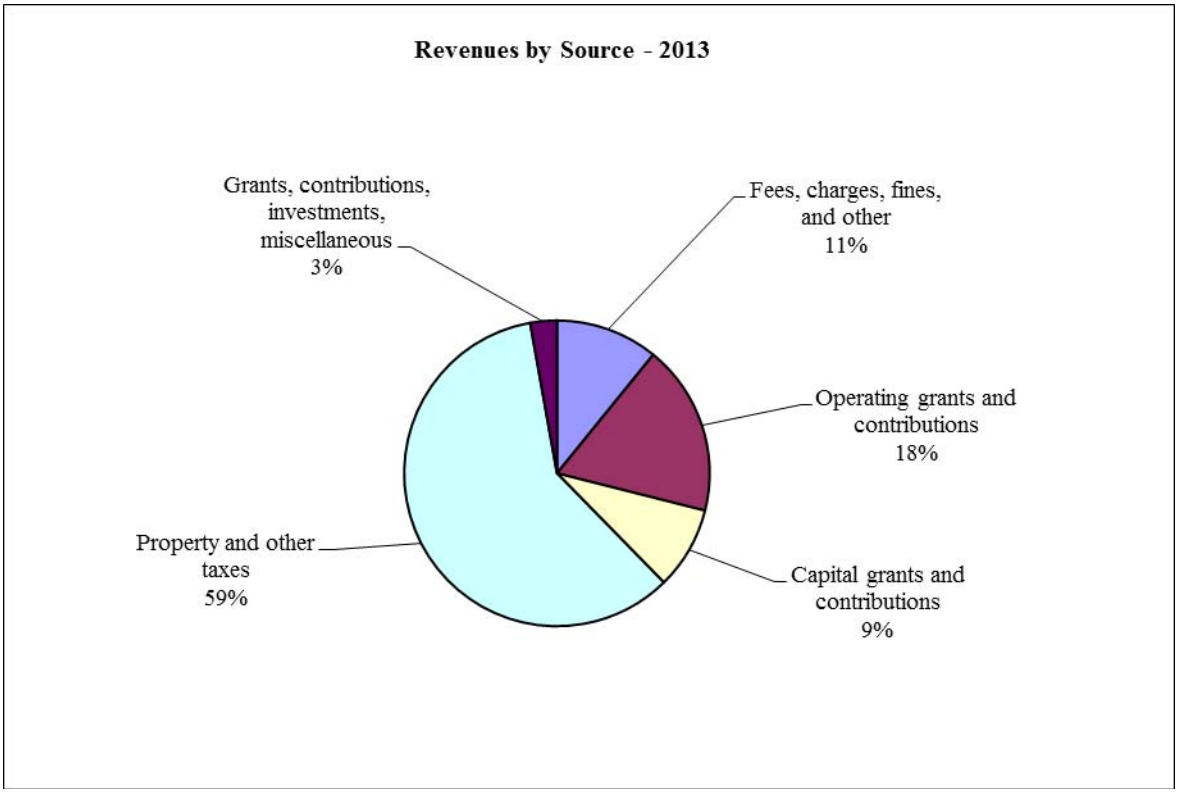
(Unaudited)


Expenses by Function - 2014
Conservation of Natural Resources 2%
Economic Development 2%
Interest 4%
Culture and Recreation 2%
General Government 24%
Health 3%
Human Services 22%
Sanitation 1%
Public Safety 24%
Highway and Streets 16%

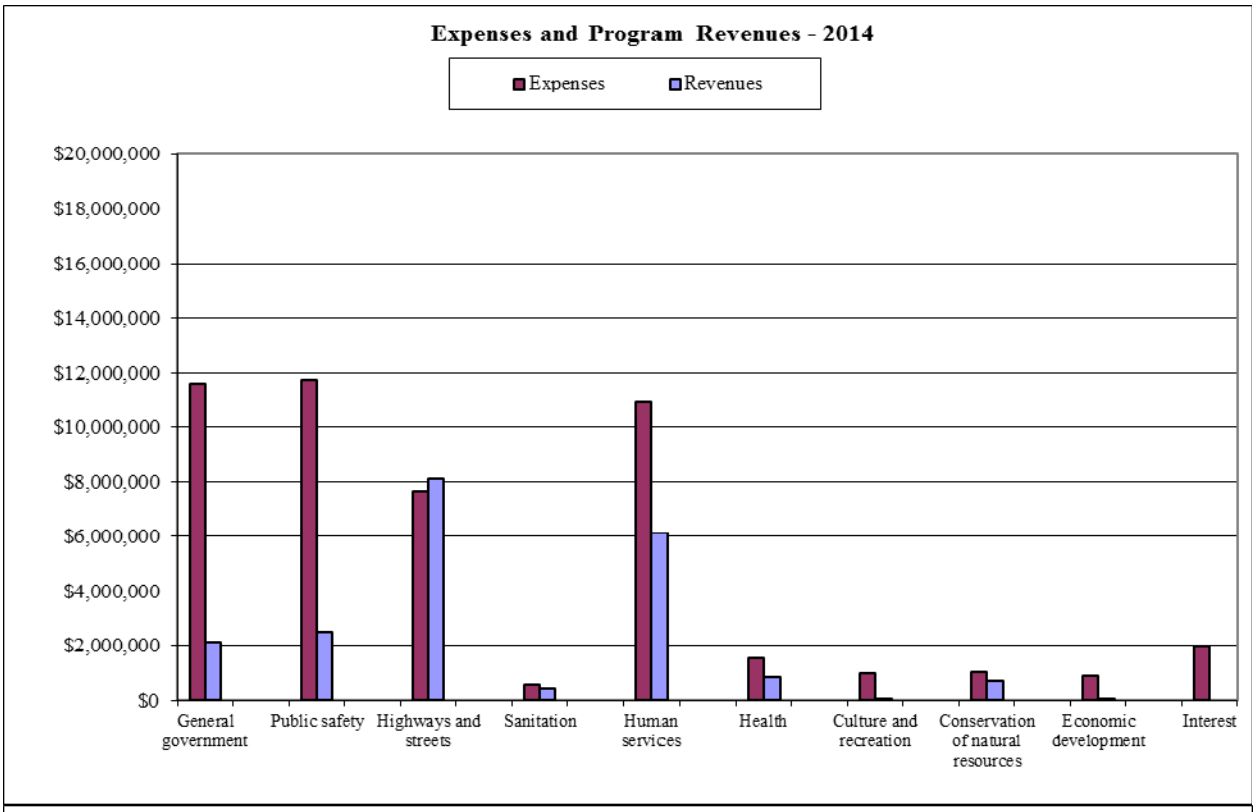

Expenses by Function - 2013
Conservation of natural resources 2%
Economic development 3%
Interest 3%
Culture and recreation 1%
General government 23%
Health 3%
Human services 21%
Sanitation 1%
Public safety 24%
Highway and streets 19%

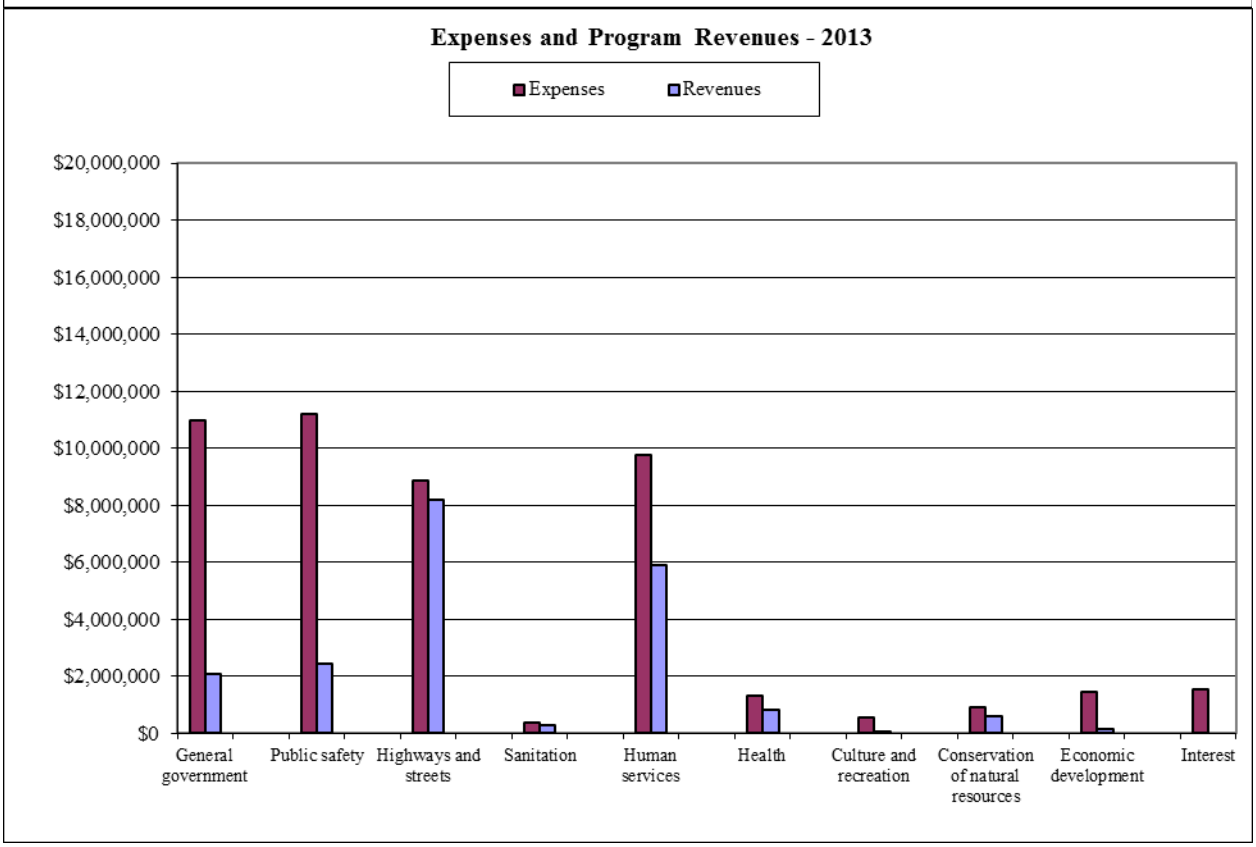
(Unaudited)


Revenues by Source - 2014
Grants, Contributions, Investments,Misc 9%
Fees, Charges, Fines, and Other 9%
Operating Grants and Contributions 21%
Capital Grants and Contributions 6%
Property and Other Taxes 55%


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%

(Unaudited)


Expenses and Program Revenues - 2014
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 - 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

(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 a decrease of $3,300 in comparison with the prior year fund balance. Of the total fund balance, $2.1 million (4.7%) is nonspendable, such as inventory, and $10 million (22.4%) is restricted in its use by external parties. The remaining balance, $32.6 million (72.9%) 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 $21 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 74.7% of total General Fund expenditures. In 2014, ending fund balance in the General Fund increased by $2 million. The largest driver of this was an increase in investment earnings.

Total expenditures for the General Fund increased by $4.4 million in 2014 from the previous year. This in part is due to an increase in planned capital spending as part of the 2012/2013 Capital plan.

Total revenues for the General fund increased $3.2 million in 2014 from the previous year. Property taxes remained flat. The main driver was the increase in unassigned funds of $1.8 million. Investment earnings increased $3.3 million due to the increase of the fair market value of the County's investments caused by interest rate fluctuations.

The Road and Bridge Special Revenue Fund's unrestricted fund balance of $1.8 million at year-end represents 12.6% of the Road and Bridge expenditures. In 2014, the total fund balance decreased by $0.6 million from the prior year mostly due to $1.1 million in spent prior year advance allotments which were appropriated and earned in 2014.

The Human Services Special Revenue Fund's unrestricted fund balance of $8.3 million at year-end represents 67.2% of Human Services expenditures. In 2014, the total fund balance of $8.3 million decreased $.5 million when compared to 2013.

(Unaudited)

The Capital projects fund had a total fund balance of $2.1 million at year end. The fund balance decreased by $.5 million in 2014 as the project is winding down and near complete. After paying for additional software programs in MICS in 2014.

GENERAL FUND BUGETARY HIGHLIGHTS

There was no difference between the General Fund's original revenue budget and the final amended revenue.

Actual revenues were more than final budgeted revenues by $2.7 million. The main driver, recognizing the gain in fair market value on our investments due to a change in interest rates shows investment earnings $1.6 million more than budget. Other favorable numbers consist of $0.6 million in Intergovernmental fees, $0.2 million of delinquent property tax collections, and $0.2 million favorable variances in other revenues. Actual expenditures were less than final budgeted expenditures by $2.6 million due to $1.7 million in general government funds, $0.5 million expenditure favorability in Highways and Streets, $0.4 million unspent in budgeted public safety.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The County's capital assets for its governmental activities at December 31, 2014, totaled $174.4 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, equipment, and infrastructure. The County's investment in capital assets increased $9 million, or 9.5%, from the previous year.

Chisago County Capital Assets
(Net of Depreciation)

	2013	2014
Land	$ 16,181,287	$ 16,409,080
Construction in progress	10,504,618	3,613,944
Buildings	15,906,698	18,161,092
Machinery, furniture, and equipment	7,440,613	8,092,087
Computer software	515,189	364,402
Infrastructure	114,907,212	127,717,922
Total	$ 165,455,617	$ 174,358,527

(Unaudited)

In 2014 the major events affecting capital assets included the following:

- The County closed out $15.4 million of road construction projects during the year including right of way payments. $3.8 million was a close out of construction costs accounted for in beginning of year construction in progress balance.
- Vehicle purchases of just under $1.0 million were made in 2014. Additions were 2 tandem trucks, 1 transport bus, and 5 sheriff's pursuit vehicles. These purchases were mostly funded by the 2014 CIP plan fund balance.

Additional information on the County's capital assets can be found in Note 3.A.3 to the financial statements and on page 76 of this report.

Long-Term Debt

At the end of the current fiscal year, the County had total bonds and notes outstanding of $45.8 million, which was backed by the full faith and credit of the government.

Outstanding Debt

	2013	2014
General obligation bonds	$ 48,750,000	$ 45,610,000
Capital notes	385,000	195,000
Total Long-Term Debt	$ 49,135,000	$ 45,805,000

The County's debt related to general obligation bonds and notes decreased by $3.3 million (6.7%) 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 2014, 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 78 of this report.

(Unaudited)

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

Per the Bureau of Labor Statistics, Chisago County's average unemployment rate was 4.4% for 2014, reflecting a 1.5% decrease from last year. Last year also saw a decline of .8%. The statewide average rate was 4.5 percent, and the national average rate was 5.6%.

Chisago County's tax base stayed relatively flat for the 2015 levy decreasing by .5% from 2014. The prior year remained flat from the previous year. 2014 is a continuation of a reversal of a longer term trend of tax base declines. However, recent housing sales prices are indicating market values are still continuing to the increase.

County program aid of $2.5 million was received in 2014 from the State of Minnesota. The County anticipates receiving $2.6 million in 2015 and has incorporated this into the 2015 budget.

All of these factors were considered in preparing the County's 2015 budget.

At the end of 2014, Chisago County approved its 2015 budget. The levy was set at $32.45 million and reflects an increase of $1.1 million, from the 2014 levy, a 3.5% increase. The levy had been cut in both the last 2 years. Total budget expenditures are $54.6 million, a $5.1 million (8.6%) decrease over last year. This decrease is due mainly to a reduction in County Road projects and capital projects.

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 Government Center, 313 North Main – Room 271, 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, 2014

	Primary Government Governmental Activities	HRA-EDA Discretely Presented Component Unit
Assets		
Cash and pooled investments	$ 45,119,016	$ 1,440,924
Receivables	4,416,343	419,373
Inventories	866,382	-
Prepaid items	70,452	18,735
Land held for resale	-	3,006,978
Investment in joint venture	-	20,081
Capital assets	-	-
Non-depreciable capital assets	20,023,024	243,181
Depreciable capital assets - net of accumulated depreciation	154,335,503	4,850,970
Total Assets	**$ 224,830,720**	**$ 10,000,242**
Deferred Outflows of Resources		
Deferred Charges on Bond Refunding	**$ 1,791,626**	**$ -**
Liabilities		
Accounts payable	$ 1,615,247	$ 27,036
Accrued interest payable	564,701	2,473
Due to other governments	297,867	2,995
Security deposits	4,900	56,504
Unearned revenue	134,502	51,370
Long-term liabilities		
Due within one year	4,526,394	54,412
Due in more than one year	49,432,206	4,919,230
Total Liabilities	**$ 56,575,817**	**$ 5,114,020**
Deferred Inflows of Resources		
Advanced allotment	**$ 2,015,124**	**$ -**

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, 2014

	Primary Government Governmental Activities	HRA-EDA Discretely Presented Component Unit
Net Position		
Net investment in capital assets	$ 128,041,933	$ 1,762,693
Restricted for		
General government	1,491,100	-
Public safety	294,448	-
Highways and streets	445,290	-
Culture and recreation	456,623	-
Conservation of natural resources	359,031	-
Sanitation	851,039	-
Capital projects	849,760	-
Debt service	5,140,987	-
Ditch maintenance	145,862	-
Unrestricted	29,955,332	3,123,529
Total Net Position	**$ 168,031,405**	**$ 4,886,222**

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, 2014

Functions/Programs	Expenses	Fees, Charges, Fines, and Other
Primary government		
Governmental activities		
General government	$ 11,618,194	$ 2,123,056
Public safety	11,717,569	1,503,626
Highways and streets	7,661,025	110,294
Sanitation	559,182	270,320
Human services	10,941,581	821,679
Health	1,523,996	229,137
Culture and recreation	990,979	19,232
Conservation of natural resources	1,049,532	333,998
Economic development	896,534	58,435
Interest	1,989,862	-
Total Primary Government	**$ 48,948,454**	**$ 5,469,777**
Component Unit		
Housing and Redevelopment Authority -Economic Development Authority (HRA-EDA)	**$ 1,064,939**	**$ 955,099**

General Revenues
- Property taxes
- Gravel taxes
- Wheelage 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

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
$ 30,708	$ -	$ (9,464,430)	
966,785	-	(9,247,158)	
4,448,986	3,551,499	449,754	
151,096	-	(137,766)	
5,314,360	-	(4,805,542)	
617,608	-	(677,251)	
-	-	(971,747)	
367,933	-	(347,601)	
-	-	(838,099)	
-	-	(1,989,862)	
$ 11,897,476	**$ 3,551,499**	**$ (28,029,702)**	
$ 79,906	**$ -**		**$ (29,934)**
		$ 31,567,534	$ 503,181
		65,916	-
		545,317	-
		43,227	-
		336,115	-
		2,817,718	-
		2,014,280	3,918
		104,042	-
		203,094	-
		$ 37,697,243	**$ 507,099**
		$ 9,667,541	**$ 477,165**
		158,363,864	**4,409,057**
		$ 168,031,405	**$ 4,886,222**

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

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FUND FINANCIAL STATEMENTS

CHISAGO COUNTY
CENTER CITY, MINNESOTA

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2014

	General	Road and Bridge
Assets		
Cash and pooled investments	$ 22,923,379	$ 4,475,676
Petty cash and change funds	2,150	-
Undistributed cash in the agency funds	273,120	134,820
Departmental cash	14,739	-
Taxes receivable		
Prior	790,668	265,416
Special assessments receivable		
Prior	12,066	-
Noncurrent	-	-
Accounts receivable	101,010	525
Accrued interest receivable	87,421	-
Notes receivable	1,000,000	-
Due from other funds	42,945	-
Due from other governments	182,854	398,623
Loans receivable	150,487	-
Inventories	-	866,382
Prepaid items	53,086	-
Total Assets	**$ 25,633,925**	**$ 6,141,442**
Liabilities, Deferred Inflows of Resources, and Fund Balances		
Liabilities		
Accounts payable	$ 259,616	$ 294,415
Salaries payable	326,834	62,393
Contracts payable	-	191,819
Due to other funds	16,495	205
Due to other governments	160,602	10,390
Unearned revenue	-	-
Customer deposits	-	4,900
Total Liabilities	**$ 763,547**	**$ 564,122**
Deferred Inflows of Resources		
Unavailable revenue	745,754	474,084
Advanced allotment	-	2,015,124
Total Deferred Inflows of Resources	**$ 745,754**	**$ 2,489,208**
Fund Balances		
Nonspendable		
Septic loans receivable	$ 150,487	$ -
Notes receivable	1,000,000	-
Inventories	-	866,382
Prepaids	53,086	-
Restricted for		
Attorney forfeiture funds	8,814	-
Recorder - compliance fees	766,615	-

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
$ 7,898,500	$ 5,072,805	$ 2,090,234	$ 2,118,511	$ 44,579,105
-	-	-	-	2,150
59,411	49,365	-	6,306	523,022
-	-	-	-	14,739
247,751	188,864	-	6,679	1,499,378
-	-	-	14,377	26,443
-	37,751	-	13,965	51,716
203,232	-	142	-	304,909
-	-	-	-	87,421
-	-	-	-	1,000,000
16,495	-	-	-	59,440
714,512	-	-	-	1,295,989
-	-	-	-	150,487
-	-	-	-	866,382
17,366	-	-	-	70,452
$ 9,157,267	**$ 5,348,785**	**$ 2,090,376**	**$ 2,159,838**	**$ 50,531,633**
$ 277,726	$ -	$ -	$ 21,591	$ 853,348
176,665	-	-	4,188	570,080
-	-	-	-	191,819
42,740	-	-	-	59,440
126,193	-	-	682	297,867
-	37,751	-	96,751	134,502
-	-	-	-	4,900
$ 623,324	**$ 37,751**	**$ -**	**$ 123,212**	**$ 2,111,956**
238,624	170,047	-	20,016	1,648,525
-	-	-	-	2,015,124
$ 238,624	**$ 170,047**	**$ -**	**$ 20,016**	**$ 3,663,649**
$ -	$ -	$ -	$ -	$ 150,487
-	-	-	-	1,000,000
-	-	-	-	866,382
17,366	-	-	-	70,452
-	-	-	-	8,814
-	-	-	-	766,615

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

CHISAGO COUNTY
CENTER CITY, MINNESOTA

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2014

	General	Road and Bridge
Fund Balances (Continued)		
Restricted for		
Recorder - technology fees	715,671	-
Sheriff's forfeitures	43,786	-
Sheriff's reserve	3,409	-
Snowmobile safety education	3,800	-
Sheriff's contingent	954	-
Gun permits	139,702	-
Jail canteen account	17,230	-
Juvenile substance abuse court	12,151	-
Emergency management	68,300	-
Water quality grant	18,500	-
DEA federal share program	1,435	-
Project lifesaver	3,681	-
Almelund SSD Sewer System	153,101	-
Pit restoration reserve		445,290
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	17,778	-
Elections	23,515	-
Capital equipment	3,985,136	-
Building improvements	484,769	-
Human services	-	-
Highways and streets	-	1,776,440
Auditor election equipment	59,625	-
Dental insurance	78,616	-
Capital projects	252,054	-
MICS maintenance/other costs	-	-
Unassigned	14,466,160	-
Total Fund Balances	**$ 24,124,624**	**$ 3,088,112**
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	**$ 25,633,925**	**$ 6,141,442**

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
-	-	-	-	715,671
-	-	-	-	43,786
-	-	-	-	3,409
-	-	-	-	3,800
-	-	-	-	954
-	-	-	-	139,702
-	-	-	-	17,230
-	-	-	-	12,151
-	-	-	-	68,300
-	-	-	-	18,500
-	-	-	-	1,435
-	-	-	-	3,681
-	-	-	-	153,101
-	-	-	-	445,290
-	-	-	851,039	851,039
-	-	-	456,623	456,623
-	-	-	187,430	187,430
-	-	-	145,862	145,862
-	5,140,987	-	-	5,140,987
-	-	849,760	-	849,760
-	-	-	-	300,000
300,000	-	-	-	300,000
-	-	147,537	-	147,537
-	-	-	-	606,249
-	-	-	-	500,000
-	-	-	-	100,000
-	-	-	-	90,000
-	-	-	-	17,778
-	-	-	-	23,515
-	-	-	-	3,985,136
-	-	-	-	484,769
7,977,953	-	-	-	7,977,953
-	-	-	-	1,776,440
-	-	-	-	59,625
-	-	-	-	78,616
-	-	1,093,079	375,656	1,720,789
-	-	-	-	-
-	-	-	-	14,466,160
$ 8,295,319	**$ 5,140,987**	**$ 2,090,376**	**$ 2,016,610**	**$ 44,756,028**
$ 9,157,267	**$ 5,348,785**	**$ 2,090,376**	**$ 2,159,838**	**$ 50,531,633**

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, 2014

Fund balance - total governmental funds (Exhibit 3)		**$ 44,756,028**
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.		174,358,527
Deferred charges on refunding paid out in a prior year, are being written off over the life of the new 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.		1,791,626
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.		1,648,525
Accrued interest payable is not due in the current period and, therefore is not reported in the governmental funds.		(564,701)
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	$ (45,610,000)	
Unamortized premium on bonds	(1,137,855)	
Capital notes	(195,000)	
Capital leases	(734,035)	
Compensated absences	(4,207,457)	
Net OPEB liabilty	(2,074,253)	
		(53,958,600)
Net Position of Governmental Activities (Exhibit 1)		**$ 168,031,405**

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, 2014

	General	Road and Bridge
Revenues		
Taxes	$ 17,476,178	$ 6,112,890
Special assessments	-	-
Licenses and permits	697,746	5,835
Intergovernmental	5,144,098	7,068,808
Charges for services	2,814,854	95,469
Fines and forfeits	124,327	-
Gifts and contributions	16,072	-
Investment earnings	2,011,553	-
Miscellaneous	584,302	-
Total Revenues	**$ 28,869,130**	**$ 13,283,002**
Expenditures		
Current		
General government	$ 11,485,485	$ 160,008
Public safety	10,346,140	-
Highways and streets	-	13,936,142
Sanitation	-	-
Human services	-	-
Health	-	-
Culture and recreation	254,090	-
Conservation of natural resources	778,472	-
Economic development	835,625	-
Intergovernmental	523,315	-
Capital outlay	3,838,349	-
Debt service		
Principal	-	-
Interest and fiscal charges	-	-
Administrative charges	-	-
Total Expenditures	**$ 28,061,476**	**$ 14,096,150**
Excess of Revenues Over (Under) Expenditures	**$ 807,654**	**$ (813,148)**

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
$ 4,681,331	$ 3,963,487	$ -	$ 241,481	$ 32,475,367
-	-	-	254,530	254,530
-	-	-	8,350	711,931
6,102,165	787,606	-	152,793	19,255,470
976,139	-	-	16,513	3,902,975
-	-	-	-	124,327
-	-	-	-	16,072
-	-	1,354	-	2,012,907
72,029	51,048	-	2,500	709,879
$ 11,831,664	**$ 4,802,141**	**$ 1,354**	**$ 676,167**	**$ 59,463,458**
$ 201,380	$ -	$ -	$ -	$ 11,846,873
-	-	-	-	10,346,140
-	-	-	-	13,936,142
-	-	-	527,660	527,660
10,611,083	-	-	-	10,611,083
1,498,980	-	-	-	1,498,980
-	-	-	-	254,090
-	-	-	266,156	1,044,628
-	-	-	-	835,625
-	-	-	-	523,315
-	-	495,808	-	4,334,157
-	3,330,000	-	-	3,330,000
-	1,667,490	-	-	1,667,490
-	9,950	-	-	9,950
$ 12,311,443	**$ 5,007,440**	**$ 495,808**	**$ 793,816**	**$ 60,766,133**
$ (479,779)	**$ (205,299)**	**$ (494,454)**	**$ (117,649)**	**$ (1,302,675)**

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, 2014

	General	Road and Bridge
Other Financing Sources (Uses)		
Transfers in	$ 111,500	$ -
Transfers out	-	-
Capital lease	929,495	-
Proceeds from the sale of capital assets	110,712	-
Total Other Financing Sources (Uses)	**$ 1,151,707**	**$ -**
Net Change in Fund Balances	**$ 1,959,361**	**$ (813,148)**
Fund Balances - January 1	**22,165,263**	**3,642,092**
Increase (decrease) in inventories	**-**	**259,168**
Fund Balances - December 31	**$ 24,124,624**	**$ 3,088,112**

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

EXHIBIT 5

Human Services	Debt Service	County Capital Projects	Other Funds	Total
$ -	$ -	$ -	$ -	$ 111,500
-	-	-	(111,500)	(111,500)
-	-	-	-	929,495
-	-	-	-	110,712
$ -	**$ -**	**$ -**	**$ (111,500)**	**$ 1,040,207**
$ (479,779)	**$ (205,299)**	**$ (494,454)**	**$ (229,149)**	**$ (262,468)**
8,775,098	**5,346,286**	**2,584,830**	**2,245,759**	**44,759,328**
-	-	-	-	**259,168**
$ 8,295,319	**$ 5,140,987**	**$ 2,090,376**	**$ 2,016,610**	**$ 44,756,028**

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, 2014

Net change in fund balance - total governmental funds (Exhibit 5)		**$ (262,468)**
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	$ 14,488,958	
Net book value of disposed assets	(144,664)	
Current year depreciation	(5,441,384)	8,902,910
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 allottments, which are earned in the statement of activities in the year of allottment.		(951,505)
The issuance of long-term debt provides current financial resources to governmental funds, while the payment of the principal of long-term debt consumes current financial resources of the funds. Neither transaction, however, has an effect on net position. Also, the funds report, premiums, discounts, and similar items when debt is first issued; whereas, those amounts are deferred and amortized in the statement of activities.		
Debt Issued:		
Capital lease		(929,495)
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
General obligation bonds	3,140,000	
Capital note	190,000	
Capital lease	195,460	3,525,460
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	$ 34,484	
Amortization of premiums, and deferred charges on bond refunding	(346,906)	
Change in compensated absences	(214,523)	
Change in net OPEB Liabilty	(349,584)	
Change in inventories	259,168	(617,361)
Change in Net Position of Governmental Activities (Exhibit 2)		**$ 9,667,541**

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, 2014

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Taxes	$ 17,307,357	$ 17,307,357	$ 17,476,178	$ 168,821
Licenses and permits	454,450	454,450	697,746	243,296
Intergovernmental	4,488,336	4,488,336	5,144,098	655,762
Charges for services	3,027,666	3,027,666	2,814,854	(212,812)
Fines and forfeits	162,000	162,000	124,327	(37,673)
Gifts and contributions	3,000	3,000	16,072	13,072
Investment earnings	400,000	400,000	2,011,553	1,611,553
Miscellaneous	328,444	328,444	584,302	255,858
Total Revenues	**$ 26,171,253**	**$ 26,171,253**	**$ 28,869,130**	**$ 2,697,877**
Expenditures				
Current				
General government				
Commissioners	$ 269,747	$ 269,747	$ 260,812	$ 8,935
Courts	140,000	140,000	155,856	(15,856)
Law library	37,000	34,985	28,624	6,361
County administrator	534,477	534,477	543,279	(8,802)
County auditor	451,753	451,753	443,879	7,874
County treasurer	302,933	302,933	276,935	25,998
County assessor	753,100	753,100	739,583	13,517
Elections	44,500	68,015	73,943	(5,928)
Data processing	4,029,399	4,273,293	4,747,122	(473,829)
Central services	66,480	66,480	102,825	(36,345)
Attorney	1,397,667	1,397,667	1,384,856	12,811
Attorney forfeitures	-	8,814	8,473	341
Recorder	465,420	465,420	333,075	132,345
Planning and zoning	821,938	821,938	859,407	(37,469)
Maintenance	452,394	452,394	449,848	2,546
Other general government	1,695,225	1,711,552	1,076,968	634,584
Total general government	**$ 11,462,033**	**$ 11,752,568**	**$ 11,485,485**	**$ 267,083**

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, 2014

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Expenditures				
Current (Continued)				
Public safety				
Sheriff	$ 4,705,068	$ 4,705,068	$ 5,068,715	$ (363,647)
Driver Awareness Program	-	-	3,595	(3,595)
Boat and water safety	32,200	32,200	51,101	(18,901)
Project Lifesaver	-	-	2,162	(2,162)
Coroner	120,215	120,215	120,215	-
Enhanced 911 system	137,000	137,000	137,000	-
County jail	3,336,902	3,336,902	3,454,729	(117,827)
Caseload reduction	76,166	76,166	78,963	(2,797)
Jail canteen fund	-	28,050	7,716	20,334
Probation and parole	756,261	756,261	814,412	(58,151)
Sentenced to serve	56,992	56,992	58,156	(1,164)
Electronic monitoring	19,100	19,100	33,447	(14,347)
Juvenile substance abuse court	-	-	8,871	(8,871)
Civil defense	-	-	250	(250)
Emergency management	131,576	131,576	112,676	18,900
Other public safety	518,480	518,480	394,132	124,348
Total public safety	**$ 9,889,960**	**$ 9,918,010**	**$ 10,346,140**	**$ (428,130)**
Culture and recreation				
Historical society	$ 27,000	$ 27,000	$ 27,000	$ -
Parks	224,809	224,809	218,824	5,985
Other	-	-	8,266	(8,266)
Total culture and recreation	**$ 251,809**	**$ 251,809**	**$ 254,090**	**$ (2,281)**
Conservation of natural resources				
Cooperative extension	$ 113,125	$ 113,125	$ 108,852	$ 4,273
Soil and water conservation	320,444	320,444	323,645	(3,201)
Water craft inspectors	46,500	46,500	51,881	(5,381)
Agricultural society/County fair	13,050	13,050	13,050	-
Almelund SSD Sewer System	2,400	155,501	41,281	114,220
Water planning	68,251	127,201	121,372	5,829
Wetland challenge	90,468	90,468	91,667	(1,199)
Other	-	-	26,724	(26,724)
Total conservation of natural resources	**$ 654,238**	**$ 866,289**	**$ 778,472**	**$ 87,817**

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

CHISAGO COUNTY
CENTER CITY, MINNESOTA

EXHIBIT 7

BUDGETARY COMPARISON STATEMENT
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2014

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Expenditures				
Current (Continued)				
Economic development				
Community development	$ 110,000	$ 110,000	$ 132,997	$ (22,997)
Other	781,318	781,318	702,628	78,690
Total economic development	**$ 891,318**	**$ 891,318**	**$ 835,625**	**$ 55,693**
Intergovernmental				
Library	**$ 523,015**	**$ 523,015**	**$ 523,315**	**$ (300)**
Capital outlay				
General government	1,986,141	4,858,371	3,189,315	1,669,056
Public safety	622,408	622,408	185,178	437,230
Highways and streets	938,636	938,636	387,056	551,580
Culture and recreation	-	-	7,599	(7,599)
Economic development	15,200	15,200	69,201	(54,001)
Total Capital outlay	**$ 3,562,385**	**$ 6,434,615**	**$ 3,838,349**	**$ 2,596,266**
Total Expenditures	**$ 27,234,758**	**$ 30,637,624**	**$ 28,061,476**	**$ 2,576,148**
Excess of Revenues Over (Under) Expenditures	**$ (1,063,505)**	**$ (4,466,371)**	**$ 807,654**	**$ 5,274,025**
Other Financing Sources (Uses)				
Transfers in	$ 119,000	$ 119,000	$ 111,500	$ (7,500)
Capital lease	-	-	929,495	929,495
Proceeds from the sale of capital assets	-	-	110,712	110,712
Total Other Financing Sources/(Uses)	**$ 119,000**	**$ 119,000**	**$ 1,151,707**	**$ 1,032,707**
Net Change in Fund Balance	**$ (944,505)**	**$ (4,347,371)**	**$ 1,959,361**	**$ 6,306,732**
Fund Balance - January 1	**22,165,263**	**22,165,263**	**22,165,263**	**-**
Fund Balance - December 31	**$ 21,220,758**	**$ 17,817,892**	**$ 24,124,624**	**$ 6,306,732**

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, 2014

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Taxes	$ 5,547,449	$ 5,547,449	$ 6,112,890	$ 565,441
Licenses and permits	7,000	7,000	5,835	(1,165)
Intergovernmental	6,362,807	6,362,807	7,068,808	706,001
Charges for services	519,500	519,500	95,469	(424,031)
Total Revenues	**$ 12,436,756**	**$ 12,436,756**	**$ 13,283,002**	**$ 846,246**
Expenditures				
Current				
General government				
Surveyor	**$ 192,661**	**$ 192,661**	**$ 160,008**	**$ 32,653**
Highways and streets				
Administration	$ 616,319	$ 616,319	$ 1,391,229	$ (774,910)
Engineering	1,171,985	1,171,985	653,385	518,600
Maintenance	4,355,719	4,355,719	3,393,316	962,403
Construction	5,246,191	5,246,191	7,401,186	(2,154,995)
Equipment, maintenance, and shop	853,881	853,881	1,097,026	(243,145)
Total highways and streets	**$ 12,244,095**	**$ 12,244,095**	**$ 13,936,142**	**$ (1,692,047)**
Total Expenditures	**$ 12,436,756**	**$ 12,436,756**	**$ 14,096,150**	**$ (1,659,394)**
Net Change in Fund Balance	**$ -**	**$ -**	**$ (813,148)**	**$ (813,148)**
Fund Balance - January 1	**3,642,092**	**3,642,092**	**3,642,092**	**-**
Increase (decrease) in inventories	**-**	**-**	**259,168**	**259,168**
Fund Balance - December 31	**$ 3,642,092**	**$ 3,642,092**	**$ 3,088,112**	**$ (553,980)**

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, 2014

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Taxes	$ 4,684,498	$ 4,684,498	$ 4,681,331	$ (3,167)
Intergovernmental	5,899,319	5,899,319	6,102,165	202,846
Charges for services	1,013,550	1,013,550	976,139	(37,411)
Miscellaneous	116,250	116,250	72,029	(44,221)
Total Revenues	**$ 11,713,617**	**$ 11,713,617**	**$ 11,831,664**	**$ 118,047**
Expenditures				
Current				
General government				
Veterans services	**$ 176,138**	**$ 176,138**	**$ 201,380**	**$ (25,242)**
Human services				
Income maintenance	$ 3,168,014	$ 3,168,014	$ 3,676,456	$ (508,442)
Social services	6,899,210	6,899,210	6,934,627	(35,417)
Total human services	**$ 10,067,224**	**$ 10,067,224**	**$ 10,611,083**	**$ (543,859)**
Health				
Nursing service	$ 1,013,935	$ 1,013,935	$ 846,318	$ 167,617
Maternal and child health	606,320	606,320	652,662	(46,342)
Total health	**$ 1,620,255**	**$ 1,620,255**	**$ 1,498,980**	**$ 121,275**
Total Expenditures	**$ 11,863,617**	**$ 11,863,617**	**$ 12,311,443**	**$ (447,826)**
Net Change in Fund Balance	**$ (150,000)**	**$ (150,000)**	**$ (479,779)**	**$ (329,779)**
Fund Balance - January 1	**8,775,098**	**8,775,098**	**8,775,098**	**-**
Fund Balance - December 31	**$ 8,625,098**	**$ 8,625,098**	**$ 8,295,319**	**$ (329,779)**

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, 2014

		Agency
Assets		
Cash and pooled investments	**$**	**1,578,860**
Liabilities		
Accounts payable	$	4,348
Deferred benefits		460,964
Due to other governments		1,113,548
Total Liabilities	**$**	**1,578,860**

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

CHISAGO COUNTY
CENTER CITY, MINNESOTA

NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2014

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, 2014. 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, 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 funds. 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. The agency fund is accounted for using the accrual basis of accounting. This fund is used to account for assets that the county holds for others in an agency capacity, including pass-through funds that are equivalent to pure cash conduits; Flexible Benefit Plan and other governmental agency funds held in the custody of the Treasurer; and revenues collected on behalf of other governmental units related to property taxes.

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. 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, 2014, 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 2014, the county reports investment earnings of $2,012,907.

1. Summary of Significant Accounting Policies

D. 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. The investment in the pool is measured at the amortized cost per share provided by the pool which would closely approximate fair value.

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.

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

D. 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. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than purchased.

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

D. 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 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 and Unearned Revenues

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. Governmental funds

1. Summary of Significant Accounting Policies

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

6. Deferred Outflows/Inflows of Resources and Unearned Revenue (Continued)

and government-wide financial statements report unearned revenue in connection with resources that have been received, but not yet earned.

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

D. 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 (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 (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 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

D. 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.

11. Future Change in Accounting Standards

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, replaces Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, and Statement No. 50, *Pension Disclosures*, as they relate to employer governments that provide pensions through pension plans administered as trusts or similar arrangement that meet certain criteria. GASB Statement 68 requires governments providing defined

1. Summary of Significant Accounting Policies

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

      11. Future Change in Accounting Standards (Continued)

      benefit pension plans to recognize their long-term obligation for pension benefits as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. This statement will be effective for the county's calendar year 2015. The county has not yet determined the financial statement impact of adopting this new standard.

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, 2014.

	Expenditures	Final Budget	Excess
General Fund			
General government			
County courts	$ 155,856	$ 140,000	$ 15,856
County administrator	543,279	534,477	8,802
Elections	73,943	68,015	5,928
Data processing	4,747,122	4,273,293	473,829
Central services	102,825	66,480	36,345
Planning and zoning	859,407	821,938	37,469
Public safety			
Sheriff	5,068,715	4,705,068	363,647
Driver awareness program	3,595	0	3,595
Boat and water safety	51,101	32,200	18,901
Project lifesaver	2,162	0	2,162
County jail	3,454,729	3,336,902	117,827
Caseload reduction	78,963	76,166	2,797
Probation and parole	814,412	756,261	58,151
Sentenced to serve	58,156	56,992	1,164
Electronic monitoring	33,447	19,100	14,347
Juvenile substance abuse court	8,871	0	8,871
Civil defense	250	0	250
Culture and recreation			
Other	8,266	0	8,266
Conservation of natural resources			
Soil and water conservation	323,645	32,444	3,201
Water craft inspectors	51,881	46,500	5,381
Wetland challenge	91,667	90,468	1,199
Other	26,724	0	26,724
Economic development			
Community development	132,997	110,000	22,997
Intergovernmental			
Library	523,315	523,015	300
Capital outlay			
Culture and recreation	7,599	0	7,599
Economic development	69,201	15,200	54,001
Special revenue funds			
Road and bridge			
Administration	1,391,229	616,319	774,910
Construction	7,401,186	5,246,191	2,154,995
Equip., maint., and shop	1,097,026	853,881	243,145
Human Services			
Veterans services	201,380	176,138	25,242
Income maintenance	3,676,456	3,168,014	508,442
Social service	6,934,627	6,899,210	35,417
Maternal and child health	652,662	606,320	46,342

2. Stewardship, Compliance, and Accountability

B. Excess of Expenditures Over Budget (Continued)

Lake improvement district			
Lake improvement district	266,156	232,500	33,656
Solid waste			
Recycling	183,689	174,616	9,073
Debt service fund			
Interest	1,667,490	1,537,433	130,057
Fiscal charges	9,950	-	9,950

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

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	$ 45,119,016
Statement of fiduciary net position	
Cash and pooled investments	1,578,860
Total Cash and Investments	$ 46,697,876

Deposits	$ 4,511,313
Petty cash and change funds	2,150
Departmental cash	14,739
Investments	42,169,674
Total Deposits, Cash on Hand, and Investments	$ 46,697,876

3. Detailed Notes on All Funds

A. Assets

1. Deposits and Investments (Continued)

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, 2014, 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, 2014, the County had the following investments:

	Fair Value	Less Than 1 Year	1 - 5 Years	5+ Years
U.S. agency securities	$ 23,595,030	$ -	$ 2,500,830	$ 21,094,200
MAGIC Fund	14,052,394	14,052,394	-	-
Negotiable certificates of deposit	4,522,250	-	4,096,695	425,555
Total Investments	$ 42,169,674	$ 14,052,394	$ 6,597,525	$ 21,519,755

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.	$ 23,595,030

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, 2014, is as follows:

	S & P Rating	Fair Value
U.S. agency securities	AA+	$ 23,595,030
MAGIC Fund	N/R	14,052,394
Negotiable certificates of deposit	N/A	4,522,250
Total		$ 42,169,674

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	$ 19,469,676
MAGIC Fund	14,052,394
FHLMC – Wells Fargo Advisors	2,323,781

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, 2014, the County's investments were not exposed to custodial credit risk.

2. Receivables

Receivables as of December 31, 2014, for the County's governmental activities are as follows:

	Total Receivables	Amounts Not Scheduled for Collection During the Subsequent Year
Governmental Activities		
Taxes	$ 1,499,378	$ -
Special assessments	78,159	51,716
Accounts	304,909	-
Accrued interest	87,421	-
Notes	1,000,000	1,000,000
Due from other governments	1,295,989	-
Loans	150,487	125,014
Total Governmental Activities	$ 4,416,343	$ 1,176,730

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
2015	$ 25,473	$ 2,665	$ 28,138
2016	25,940	2,198	28,138
2017	26,415	1,723	28,138
2018	26,900	1,238	28,138
2019	20,785	745	28,138
2020 - 2024	24,974	986	25,960
Total	$ 150,487	$ 9,555	$ 160,042

3. Detailed Notes on All Funds

A. Assets (Continued)

3. Capital Assets

Capital asset activity for the year ended December 31, 2014, was as follows:

	Beginning Balance	Increase	Decrease	Ending Balance
Capital assets not depreciated				
Land	$ 16,181,287	$ 331,893	$ 104,100	$ 16,409,080
Construction in progress	10,504,618	3,529,843	10,420,517	3,613,944
Total capital assets not depreciated	$ 26,685,905	$ 3,861,736	$ 10,524,617	$ 20,023,024
Capital assets depreciated				
Buildings	$ 25,421,484	$ 2,922,140	$ 20,800	$ 28,322,824
Machinery, furniture, and equipment	18,940,531	2,445,376	960,220	20,425,687
Computer software	753,935	-	-	753,935
Infrastructure	141,883,485	15,680,223	-	157,563,708
Total capital assets depreciated	$ 186,999,435	$ 21,047,739	$ 981,020	$ 207,066,154
Less: accumulated depreciation for				
Buildings	$ 9,514,786	$ 650,283	$ 3,337	$ 10,161,732
Machinery, furniture, and equipment	11,499,918	1,770,801	937,119	12,333,600
Computer software	238,746	150,787	-	389,533
Infrastructure	26,976,273	2,869,513	-	29,845,786
Total accumulated depreciation	$ 48,229,723	$ 5,441,384	$ 940,456	$ 52,730,651
Total capital assets depreciated, net	$ 138,769,712	$ 15,606,355	$ 40,564	$ 154,335,503
Capital Assets, Net	$ 165,455,617	$ 19,486,091	$ 10,565,181	$ 174,358,527

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

Governmental Activities	
General government	$ 637,011
Public safety	1,330,265
Highways and streets, including depreciation of infrastructure assets	3,134,581
Sanitation	8,959
Health	65,407
Culture and recreation	215,749
Economic development	49,412
Total Depreciation Expense - Governmental Activities	$ 5,441,384

3. Detailed Notes on All Funds (Continued)

B. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of December 31, 2014, is as follows:

1. Due From/To Other Funds

Receivable Fund	Payable Fund	Amount	Purpose
General	Human Services	$ 42,740	Services provided
General	Road and Bridge	205	Services provided
Human Services	General	16,495	Services provided
Total Due To/From Other Funds		$ 59,440	

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, 2014, consisted of the following:

	Transfers In	Description
Transfers to General Fund from Solid waste fund	$ 111,500	Purchase of vehicle

3. Detailed Notes on All Funds (Continued)

C. Liabilities

1. Accounts Payable

Accounts payable at December 31, 2014, were as follows:

	Governmental Activities
Accounts	$ 853,348
Salaries	570,080
Contracts	191,819
Total Accounts Payable	$ 1,615,247

2. Unearned Revenue

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

Unearned revenue at December 31, 2014, is summarized below by fund:

Fund	Deferred Special Assessments	State & Federal Grants	Total
Debt Service	$37,751	-	$37,751
Lake Improvement District	13,965	-	13,965
Solid Waste	-	82,786	82,786
	51,716	82,786	134,502

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, 2014, are as follows:

Type of Indebtedness	Final Maturity	Installment Amounts	Interest Rates (%)	Original Issue Amount	Balance December 31, 2014
2005A Road Reconstruction Bonds	2017	$590,000 - 835,000	3.50 - 4.00	7,000,000	2,400,000
2005B Capital Notes	2015	$125,000 - 195,000	3.60 - 4.00	1,500,000	195,000
2009A Refunding Bonds	2018	$85,000 - 510,000	2.00 - 3.00	3,315,000	1,180,000
2010B Capital Improvement Bonds (Build America Bonds)	2026	$340,000 - 605,000	1.70 - 4.85	7,000,000	6,660,000
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	1,770,000
2012B Capital Improvement Refunding Bonds	2032	$210,000 - 2,300,000	2.00 - 3.125	24,430,000	22,250,000
Total general obligation bonds and notes				$ 57,150,000	$ 45,805,000
Add: unamortized premium					1,137,856
Total Bonds and Notes, Net					$46,942,856

3. Detailed Notes on All Funds

C. Liabilities

3. Long-Term Debt (Continued)

Defeasance of Debt

In 2012, Chisago County refunded a bond by placing proceeds of the new bond in an irrevocable escrow account to provide for all future debt service payments on the old bond. Accordingly, the bond is considered defeased for financial reporting purposes. The escrow account assets and the liabilities for the refunded bond is not included in the financial statements of Chisago County nor its Discretely Presented Component unit HRA-EDA. On December 31, 2014 the bond considered defeased was as follows:

Bond Issue	Balance of Defeased Debt As of 12/31/14	Scheduled Maturity/ Call Date
2006 G.O. Capital Improvement Bonds	13,295,000	February 1, 2016

The total balance held by the trustee in the refunding escrow account was $14,290,800 at December 31, 2014.

4. Debt Service Requirements

Debt service requirements at December 31, 2014, were as follows:

Year Ending December 31	General Obligation Bonds		Capital Notes	
	Principal	Interest	Principal	Interest
	$	$	$	$
2015	2,745,000	1,585,758	195,000	3,900
2016	3,015,000	1,510,454	-	-
2017	3,100,000	1,428,445	-	-
2018	3,185,000	1,337,451	-	-
2019	2,805,000	1,246,811	-	-
2020 – 2024	15,330,000	4,734,069	-	-
2025 – 2029	11,565,000	2,055,236	-	-
2030 - 2032	3,865,000	203,788	-	-
Total	$ 45,610,000	$ 14,102,012	$ 195,000	$ 3,990

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 (BABS), 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 BABS interest credit. Pursuant to the requirements of the Balanced Budget and Emergency Deficit Control Act of 1985 the refundable credit has been reduced by 7.3 percent from sequestration.

Taking into consideration the BABS interest credit, as of December 31, 2014, the County's net annual debt service requirements to amortize all taxable general obligation bonds outstanding, including interest of $11,002,533 on the governmental activities debt, is as follows:

Year Ending December 31	Principal	Interest	Federal Subsidy	Net Interest	Total Payment
	$	$	$	$	$
2015	2,745,000	1,585,758	(286,537)	1,299,221	4,044,221
2016	3,015,000	1,510,454	(282,015)	1,228,439	4,243,439
2017	3,100,000	1,428,445	(274,692)	1,153,753	4,253,753
2018	3,185,000	1,337,451	(265,088)	1,072,363	4,257,363
2019	2,805,000	1,246,811	(254,076)	992,735	3,797,735
2020 – 2024	15,330,000	4,734,069	(1,066,496)	3,667,573	18,997,573
2025 – 2029	11,565,000	2,055,236	(610,936)	1,444,300	13,009,300
2030 – 2032	3,865,000	203,788	(59,639)	144,149	4,009,149
Total	$ 45,610,000	$ 14,102,012	$ (3,099,479)	$ 11,002,533	$ 56,612,533

3. Detailed Notes on All Funds

C. Liabilities (Continued)

5. Capital Lease

The County has entered into a capital lease agreement for computer equipment. This agreement qualifies as a capital lease for accounting purposes. The computer equipment is recorded by the County as a capital asset at the present value of the future minimum lease payments as of the inception of the lease.

Lease	Maturity	Installment	Payment Amount	Original	Balance
Computer equipment	2018	Annually	$ 195,460	$ 929,495	$ 734,035

The future minimum lease obligation and the net present value of the minimum lease payments as of December 31, 2014, were as follows:

Year Ending December 31	
2015	195,460
2016	195,460
2017	195,460
2018	195,460
Total minimum lease payments	781,840
Less amount representing interest	(47,805)
Present Value of Minimum Lease Payments	734,035

3. Detailed Notes on All Funds

C. Liabilities (Continued)

6. Changes in Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2014, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds and notes payable					
General obligation bonds	$ 48,750,000	-	$ 3,140,000	$ 45,610,000	$ 1,745,000
Capital notes	385,000	-	190,000	195,000	195,000
Add: unamortized premium	1,217,128	-	79,273	1,137,855	-
Total bonds and notes Payable	$ 50,352,128	$ -	$ 3,409,273	$ 46,942,855	$ 2,940,000
Capital lease	-	929,495	195,460	734,035	176,578
Compensated absences	3,992,934	2,263,216	2,048,693	4,207,457	1,409,816
Net OPEB liability	1,724,669	349,584	-	2,074,253	-
Long-Term Liabilities	$ 56,069,731	$ 3,542,295	$ 5,653,426	$ 53,958,600	$ 4,526,394

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

7. Construction Commitments

The County has various active construction projects at December 31, 2014. The related projects and commitments are as follows:

	Spent to Date	Remaining Commitment
Roads	$ 8,222,408	$ 191,819

8. Operating Lease Commitments

The County has 59 operating leases for office space, office equipment, and motor vehicles with varying expiration dates. The latest of which expires November 30, 2018. The lease terms range from 24-60 months. Including usage charges, the total cost for these leases in 2014 was $256,973.

3. Detailed Notes on All Funds

C. Liabilities

8. Operating Lease Commitments (Continued)

Following are the future minimum operating lease payments:

Year	Future Minimum Lease Payments
2015	$ 279,044
2016	247,383
2017	201,827
2018	147,052
2019	22,924
Total	$ 898,231

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, 2014, is summarized below by fund:

Fund	Taxes and Special Assessments	State and Federal Grants, Highway Allotments	Total
General	$ 686,555	$ 59,199	$ 745,754
Road and Bridge	239,150	234,934	474,084
Human Services	225,104	13,520	238,624
Debt Service	170,047	-	170,047
Lake Improvement Dist.	5,641	-	5,641
Solid Waste	13,961	-	13,961
Ditch	414	-	414
Total	$ 1,340,872	$ 307,653	$ 1,648,525

3. Detailed Notes on All Funds

D. Deferred Inflows of Resources (Continued)

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, 2014 are $2,015,124.

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.

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.

4. Employee Retirement Systems and Pension Plans

A. Defined Benefit Plans

Plan Description (Continued)

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 yearly salary for the five highest-paid consecutive years of allowable service, age, and years of credit at termination of service.

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. 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 remaining 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 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.

4. Employee Retirement Systems and Pension Plans

A. Defined Benefit Plans

Plan Description (Continued)

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.

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 were required to contribute 9.10 and 6.25 percent, respectively, of their annual covered salary in 2014. Public Employees Police and Fire Fund members were required to contribute 10.20 percent of their annual covered salary in 2014. Public Employees Correctional Fund members were required to contribute 5.83 percent of their annual covered salary.

In 2014, the County was required to contribute the following percentages of annual covered payroll:

General Employees Retirement Fund	
Basic Plan members	11.78%
Coordinated Plan members	7.25
Public Employees Police and Fire Fund	15.30
Public Employees Correctional Fund	8.75

4. Employee Retirement Systems and Pension Plans

A. Defined Benefit Plans

Funding Policy (Continued)

The County's contributions for the years ending December 31, 2014, 2013, and 2012, for the General Employees Retirement Fund, the Public Employees Police and Fire Fund, and the Public Employees Correctional Fund were:

	2014	2013	2012
General Employees Retirement Fund	$ 1,064,040	$ 1,021,207	$ 1,007,890
Public Employees Police and Fire Fund	456,233	421,899	408,293
Public Employees Correctional Fund	84,788	87,539	84,861

These contribution amounts are equal to the contractually required contributions for each year as set by state statute. Contribution rates increased on January 1, 2015, in the General Employees Retirement Fund Coordinated Plan (6.50 percent for members and 7.50 percent for employers) and the Public Employees Police and Fire Fund (10.80 percent for members and 16.20 percent for employers).

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 of Chisago County 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, 2014, were:

	Employee	Employer
Contribution amount	$ 4,623	$ 4,623
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 362 participants in the plan, including 45 retirees and 10 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 2014, the amount actually contributed to the plan, and changes in the County's net OPEB obligation.

ARC	$	534,723
Interest on net OPEB obligation		68,987
Adjustment to ARC		(103,034)
Annual OPEB cost (expense)	$	500,676
Contributions made during the year		(151,092)
Increase in net OPEB obligation	$	349,584
Net OPEB Obligation - Beginning of Year		1,724,669
Net OPEB Obligation - End of Year	$	2,074,253

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, 2012 through 2014, were as follows:

Fiscal Year-End	Annual OPEB Cost	Employer Contribution	Percent of Annual OPEB Cost Contributed	Net OPEB Obligation
December 31, 2012	409,458	140,033	34.2%	1,506,747
December 31, 2013	404,058	186,136	46.1	1,724,669
December 31, 2014	500,676	151,092	30.2	2,074,253

Funded Status and Funding Progress

As of January 1, 2014, the most recent actuarial valuation date, the plan was zero percent funded. The actuarial accrued liability for benefits was $3,547,229, and the actuarial value of assets was zero, resulting in an unfunded actuarial accrued liability (UAAL) of $3,547,229. The covered payroll (annual payroll of active employees covered by the plan) was $16,742,922, and the ratio of the UAAL to the covered payroll was 21.2 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, 2014, actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions include a 4.0 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 7.5 percent initially, reduced by decrements to an ultimate rate of 5.0 percent over 10 years. Both rates included a 2.5 percent inflation assumption. The UAAL is being amortized over 30 years on a closed basis. The remaining amortization period at December 31, 2014, was 24 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 HRA-EDA 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 $480,000 per claim in 2014 and $490,000 per claim in 2015. 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 HealthPartners 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 is as follows:

	2014	2013
Unpaid Claims at January 1	$ 8,751	$ 0
Current year claims	49,697	51,384
Claims payments	(43,328)	(42,633)
Liability at December 31	$ 15,120	$ 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 2014, the County collected premiums of $339,149 from County departments. For 2014, claims and administrative costs paid were $268,306. 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	
	2014	2013
Asset (liability) at January 1	$ 73,273	$ 66,105
Current year premiums	339,149	283,790
Current year Claims payments	(268,306)	(276,622)
Asset (Liability) at December 31	$ 144,116	$ 73,273

	Year Ended December 31	
	2014	2013
Unpaid claims at December 31	$ 0	$ 23,938

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. Subsequent Events

On June 17, the County Board approved the issuance of General Obligation Capital Improvement Refunding Bonds, Series 2015A, in the amount of $9,630,000. The bond proceeds and a cash contribution of $1,500,000 are for the purpose of retiring the County's Series 2010C Build America Bonds.

D. 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 $9,060,552 as of December 31, 2014.

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

5. Summary of Significant Contingencies and Other Items

D. Joint Ventures (Continued)

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.

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, 2013 (most recent figures available):

Total Assets	$ 13,928,012
Total Liabilities	5,863,971
Total Net Position	$ 8,064,041
Operating and nonoperating revenues	$ 5,479,409
Operating and nonoperating expenses	5,012,709
Change in Net Position	$ 466,700

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

5. Summary of Significant Contingencies and Other Items

D. Joint Ventures (Continued)

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

Library's financial statements for the year ended December 31, 2014, show total assets of $2,826,057, total liabilities of $492,707, and total net position of $2,333,350. Chisago County's contribution for 2014 was $523,015.

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 2014 was $20,793. 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.

5. Summary of Significant Contingencies and Other Items

D. Joint Ventures

Rush Line Corridor Task Force (Continued)

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 2014. For more information, please contact the Rush Line Coordinator staff lead: Mike Rogers, Ramsey County (651-266-2773).

E. 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. § 124D.23 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.

Joint Ventures

The HRA-EDA is a general partner Wyoming I and Wyoming II, both limited partnerships that were formed to construct and operate workforce housing townhome developments throughout Chisago County and financed, in part, with low income housing tax credits which place certain restrictions on rental rates and require tenants to qualify for occupancy based on income levels. Contributions and distributions, if any, are recorded as direct adjustments to the investment in joint ventures on the Statement of Net Position. Any income or loss from the operation of these limited partnerships is also recorded as a direct adjustment to the investment in joint ventures based on the HRA-EDA's ownership percentage, which is 50 percent for both Wyoming I and Wyoming II.

6. Component Unit Disclosures

A. Summary of Significant Accounting Policies (Continued)

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 position 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.

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.

6. Component Unit Disclosures

A. Summary of Significant Accounting Policies

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

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.

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;

6. Component Unit Disclosures

A. Summary of Significant Accounting Policies

3. Assets, Liabilities and Net Position

Deposits and Investments (Continued)

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

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.

6. Component Unit Disclosures

A. Summary of Significant Accounting Policies

3. Assets, Liabilities and Net Position (Continued)

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.

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

6. Component Unit Disclosures

A. Summary of Significant Accounting Policies

3. Assets, Liabilities and Net Position (Continued)

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.

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.

6. Component Unit Disclosures

B. Detailed Notes on All Funds

1. Deposits and Investments (Continued)

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.

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, 2014, the HRA-EDA's carrying amount of deposits was $1,440,284 and the bank balance was $1,459,008, 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.

6. Component Unit Disclosures

B. Detailed Notes on All Funds

1. Deposits and Investments (Continued)

Investments

As of December 31, 2014, 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.

A reconciliation of cash and temporary investments as shown on the statement of net position as of December 31, 2014, for the HRA-EDA follows:

Carrying amount of deposits	$ 1,440,824
Cash on hand	100
Total	$ 1,440,924
Cash and investments	
Cash and temporary investments - unrestricted	$ 1,385,270
Cash - restricted for tenant security deposits	55,654
Total	$ 1,440,924

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.

6. Component Unit Disclosures

B. Detailed Notes on All Funds

1. Deposits and Investments

Investments (Continued)

- 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.

- 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 2014 payment until 2015, both years' payments are due in 2015.

6. Component Unit Disclosures

B. Detailed Notes on All Funds

2. Receivables

Loans Receivable (Continued)

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.

In 2014, the HRA-EDA approved a non interest loan to the City of Rush City to help them finance a redevelopment property in the amount of $100,000. The City will reimburse the HRA-EDA in $10,000 increments for ten years starting in 2015 with final payment in 2024

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

The following is a schedule of future loan receivable payments.

Year Ending December 31	Loan Receivable
2015	$ 25,000
2016	15,000
2017	15,000
2018	15,000
2019	120,000
2020-2024	220,000
Total	$ 410,000

6. Component Unit Disclosures

B. Detailed Notes on All Funds

2. Receivables (Continued)

Accounts Receivable

As of December 31, 2014, accounts receivable at year-end were $2,205. These amounts represent amounts earned in 2014 but not received until 2015.

3. Investment in Joint Venture

As explained in Note 1A, the HRA-EDA is a general partner Wyoming I, LLC and Wyoming II, LLC, both limited partnerships that were formed to construct and operate workforce housing townhome developments throughout Chisago County and financed, in part, with low income housing tax credits which place certain restrictions on rental rates and require tenants to qualify for occupancy based on income levels. Contributions and distributions, if any, are recorded as direct adjustments to the investment in joint ventures on the Statement of Net Position. Any income or loss from the operation of these limited partnerships is also recorded as a direct adjustment to the investment in joint ventures based on the HRA-EDA's ownership percentage, which is 50 percent for both Wyoming I and Wyoming II.

6. Component Unit Disclosures

B. Detailed Notes on All Funds

3. Investment in Joint Venture (Continued)

For the year ended December 31, 2014, the HRA-EDA's investment in joint ventures is as follows:

	Beginning 12/31/2013	Increases	Decreases	Ending 12/31/2014
Wyoming I, LLC	$ -	$ -	$ (3,165)	$ (3,165)
Wyoming II, LLC	-	23,246	-	23,246
Total Capital Assets, Net	$ -	$ 23,246	$ (3,165)	$ 20,081

Separate financial statements for each of these limited partnerships can be obtained by contacting the Executive Director of the Chisago County HRA-EDA, 38871 7th Avenue, P.O. Box 815, North Branch, Minnesota 55123.

6. Component Unit Disclosures

B. Detailed Notes on All Funds (Continued)

4. Capital Assets

Capital asset activity for the year ended December 31, 2014, 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	31,584			31,584
Improvements	107,028	11,940	(602)	118,366
Total capital assets depreciated	$ 6,412,411	$ 11,940	$ (602)	$ 6,423,749
Less: accumulated depreciation for				
Buildings	$ 1,351,938	$ 135,036	$ -	$ 1,486,974
Furniture, equipment, and machinery	20,133	1,640		21,773
Improvements	58,388	6,186	(542)	64,032
Total accumulated depreciation	$ 1,430,459	$ 142,862	$ (542)	$ 1,572,779
Total capital assets depreciated, net	$ 4,981,952	$ 130,922	$ 60	$ 4,850,970
Total Capital Assets, Net	$ 5,225,133	$ 130,922	$ 60	$ 5,094,151

6. Component Unit Disclosures

B. Detailed Notes on All Funds (Continued)

5. Long-Term Debt

General Obligation Bonds

General obligation bonds outstanding as of December 31, 2014, 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	$ 1,230,000
G.O. Housing Development Refunding Bonds, Series 2014A	1,590,000	2.00 - 3.25	10/28/2014	01/01/2035	1,590,000
Total General Obligation Bonds					$ 2,820,000

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
2015	-	47,408	47,408
2016	130,000	78,368	208,368
2017	145,000	75,953	220,953
2018	145,000	73,273	218,273
2019	150,000	70,433	220,433
2020 – 2024	830,000	289,735	1,119,735
2025 – 2029	735,000	172,755	907,755
2030 – 2034	625,000	59,276	684,276
2035	60,000	975	60,975
Total	$ 2,820,000	$ 868,176	$ 3,688,176

6. Component Unit Disclosures

B. Detailed Notes on All Funds

5. Long-Term Debt (Continued)

Taxable Revenue Bonds

Taxable revenue bonds outstanding as of December 31, 2014, 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	$ 610,726

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
2015	$ 27,007	$ 12,268	$ 39,275
2016	583,719	23,674	607,393
Total	$ 610,726	$ 35,942	$ 646,668

Note Payable

In 2006, the HRA-EDA entered into an interest-only loan with Chisago County. The note payable outstanding as of December 31, 2014 is as follows:

Description	Authorized and Issued	Interest Rate (%)	Issue Date	Maturity Date	Ending Balance
Chisago County Promissory Note	$ 1,000,000	3.00	11/28/2006	11/28/2026	$ 1,000,000

6. Component Unit Disclosures

B. Detailed Notes on All Funds

5. 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
2015	$ -	$ 37,500	$ 37,500
2016	-	37,500	37,500
2017	-	37,500	37,500
2018	-	37,500	37,500
2019	-	37,500	37,500
2020 – 2024	-	187,500	187,500
2025 - 2026	1,000,000	75,000	1,075,000
Total	$ 1,000,000	$ 450,000	$ 1,450,000

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, 2014, 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	$ 157,493
Mortgage 02	45,896	3.000	03/05/1968	03/05/2018	10,621
Mortgage 03	382,434	7.250	06/30/1993	06/30/2043	343,344
Total Mortgages Payable					$ 511,458

6. Component Unit Disclosures

B. Detailed Notes on All Funds

5. 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
2015	$ 11,676	$ 36,076	$ 47,752
2016	13,374	35,278	48,652
2017	14,226	34,426	48,652
2018	13,061	33,540	46,601
2019	12,626	32,664	45,290
2020 – 2024	78,641	147,809	226,450
2025 – 2029	112,457	113,993	226,450
2030 – 2034	74,505	78,306	152,811
2035 – 2039	92,670	49,971	142,641
2040 - 2043	88,222	11,889	100,111
Total	$ 511,458	$ 573,952	$ 1,085,410

Changes in Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2014, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
General obligation bonds	$ 4,815,000	$ 1,590,000	$ 3,585,000	$ 2,820,000	$ -
Taxable revenue bonds	842,411	-	231,685	610,726	27,007
Notes payable	1,000,000	-	-	1,000,000	-
Mortgages payable	523,135	-	11,677	511,458	11,676
Compensated absences	25,526	20,356	14,424	31,458	15,729
Total	$ 7,206,072	$ 1,610,356	$ 3,842,786	$ 4,973,642	$ 54,412

6. Component Unit Disclosures

B. Detailed Notes on All Funds

5. Long-Term Debt (Continued)

Advanced Refunding

On October 28, 2014 the HRA-EDA issued $1,590,000 of General Obligation Housing Development Refunding Bonds, Series 2014A. The bond issued will refund the General Obligation Housing Development Bonds, Series 2005A. The proceeds of the bonds were deposited into the HRA-EDA's account and will be used to refund the old bonds. The bonds will be refunded on January 1, 2015. The old bonds are considered defeased as payment was made on December 29, 2014. As a result of refunding issue, the HRA-EDA will save $239,975 in debt service payments and achieve an economic gain (the present value of the difference between the old and the new debt service) of $166,005.

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, 2014, the aggregate principal amount of this conduit debt obligation outstanding amounted to $500,000.

6. Component Unit Disclosures

C. Other Information (Continued)

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.

Total payroll for employees covered by the plan for the year ended December 31, 2014 was $137,597. The HRA-EDA made contributions into the plan of $6,646, $6,467, and $6,004 for the years ended December 31, 2014, 2013, and 2012, respectively.

As of December 31, 2014, 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.

6. Component Unit Disclosures

C. Other Information

3. Commitments and Contingencies - Joint Agreements (Continued)

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 2015. 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.

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.

REQUIRED SUPPLEMENTARY INFORMATION

CHISAGO COUNTY
CENTER CITY, MINNESOTA

SCHEDULE 1

SCHEDULE OF FUNDING PROGRESS - OTHER POSTEMPLOYMENT BENEFITS
DECEMBER 31, 2014

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, 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
January 1, 2014	$ -	$ 3,547,229	$ 3,547,229	0.00%	$ 16,742,992	21.2

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, 2014

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Taxes	$ 3,970,717	$ 3,970,717	$ 3,963,487	$ (7,230)
Intergovernmental	906,716	906,716	787,606	(119,110)
Miscellaneous	50,000	50,000	51,048	1,048
Total Revenues	**$ 4,927,433**	**$ 4,927,433**	**$ 4,802,141**	**$ (125,292)**
Expenditures				
Current				
Debt service				
Principal retirement	$ 3,390,000	$ 3,390,000	$ 3,330,000	$ 60,000
Interest	1,537,433	1,537,433	1,667,490	(130,057)
Fiscal charges	-	-	9,950	(9,950)
Total Expenditures	**$ 4,927,433**	**$ 4,927,433**	**$ 5,007,440**	**$ (80,007)**
Net Change in Fund Balance	**$ -**	**$ -**	**$ (205,299)**	**$ (205,299)**
Fund Balance - January 1	**5,346,286**	**5,346,286**	**5,346,286**	**-**
Fund Balance - December 31	**$ 5,346,286**	**$ 5,346,286**	**$ 5,140,987**	**$ (205,299)**

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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 – The Jail Capital Projects Fund is used to account for the preconstruction costs of the new jail that previously was funded by the issuance of temporary jail bonds. Current activity represents a refund of a prior payment for infrastructure costs which were not utilized.

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CHISAGO COUNTY
CENTER CITY, MINNESOTA

STATEMENT 1

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2014

	Special Revenue Funds					
	Parks	Ditch	Lake Improvement District	Solid Waste	Jail Capital Projects	Total
Assets						
Cash and pooled investments	$ 456,623	$ 145,731	$ 188,355	$ 952,146	$ 375,656	$ 2,118,511
Undistributed cash in agency funds	-	129	2,722	3,455	-	6,306
Taxes receivable						
Prior	-	-	6,679	-	-	6,679
Special assessments receivable						
Prior	-	416	-	13,961	-	14,377
Noncurrent	-	-	13,965	-	-	13,965
Total Assets	**$ 456,623**	**$ 146,276**	**$ 211,721**	**$ 969,562**	**$ 375,656**	**$ 2,159,838**
Liabilities, Deferred Inflows of Resources, and Fund Balances						
Liabilities						
Accounts payable	$ -	$ -	$ 2,526	$ 19,065	$ -	$ 21,591
Salaries payable	-	-	1,899	2,289	-	4,188
Due to other governments	-	-	260	422	-	682
Unearned revenue	-	-	13,965	82,786	-	96,751
Total Liabilities	**$ -**	**$ -**	**$ 18,650**	**$ 104,562**	**$ -**	**$ 123,212**
Deferred Inflows of Resources						
Unavailable revenue	$ -	$ 414	$ 5,641	$ 13,961	$	$ 20,016
Fund Balances						
Restricted for						
Solid waste	-	-	-	851,039	-	851,039
Park acquisition	456,623	-	-	-	-	456,623
Lake Improvement District	-	-	187,430	-	-	187,430
Ditch maintenance	-	145,862	-	-	-	145,862
Assigned for						
Capital projects	-	-	-	-	375,656	375,656
Total Fund Balances	**$ 456,623**	**$ 145,862**	**$ 187,430**	**$ 851,039**	**$ 375,656**	**$ 2,016,610**
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	**$ 456,623**	**$ 146,276**	**$ 211,721**	**$ 969,562**	**$ 375,656**	**$ 2,159,838**

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, 2014

	Special Revenue Funds					
	Parks	Ditch	Lake Improvement District	Solid Waste	Jail Capital Projects	Total
Revenues						
Taxes	$ -	$ -	$ 241,481	$ -	$ -	$ 241,481
Special assessments	-	9,073	-	245,457	-	254,530
Licenses and permits	-	-	-	8,350	-	8,350
Intergovernmental	-	-	833	151,960	-	152,793
Charges for services	-	-	-	16,513	-	16,513
Miscellaneous	-	-	2,500	-	-	2,500
Total Revenues	**$ -**	**$ 9,073**	**$ 244,814**	**$ 422,280**	**$ -**	**$ 676,167**
Expenditures						
Current						
Sanitation	-	-	-	527,660	-	527,660
Conservation of natural resources	-	-	266,156	-	-	266,156
Total Expenditures	**$ -**	**$ -**	**$ 266,156**	**$ 527,660**	**$ -**	**$ 793,816**
Excess of Revenues Over (Under) Expenditures	**$ -**	**$ 9,073**	**$ (21,342)**	**$ (105,380)**	**$ -**	**$ (117,649)**
Other Financing Sources (Uses)						
Transfers out	$ -	$ -	$ -	$ (111,500)	$ -	$ (111,500)
Net Change in Fund Balance	**$ -**	**$ 9,073**	**$ (21,342)**	**$ (216,880)**	**$ -**	**$ (229,149)**
Fund Balance - January 1	**456,623**	**136,789**	**208,772**	**1,067,919**	**375,656**	**2,245,759**
Fund Balance - December 31	**$ 456,623**	**$ 145,862**	**$ 187,430**	**$ 851,039**	**$ 375,656**	**$ 2,016,610**

CHISAGO COUNTY
CENTER CITY, MINNESOTA

SCHEDULE 3

BUDGETARY COMPARISON SCHEDULE
PARKS SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2014

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Intergovernmental	$ 1,375,000	$ 1,375,000	$ -	$ (1,375,000)
Charges for services	10,000	10,000	-	(10,000)
Total Revenues	**$ 1,385,000**	**$ 1,385,000**	**$ -**	**$ (1,385,000)**
Expenditures				
Capital outlay				
Culture and recreation	1,385,000	1,385,000	-	1,385,000
Net Change in Fund Balance	**$ -**	**$ -**	**$ -**	**$ -**
Fund Balance - January 1	**456,623**	**456,623**	**456,623**	**-**
Fund Balance - December 31	**$ 456,623**	**$ 456,623**	**$ 456,623**	**$ -**

CHISAGO COUNTY
CENTER CITY, MINNESOTA

SCHEDULE 4

BUDGETARY COMPARISON SCHEDULE
DITCH SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2014

	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
Net Change in Fund Balance	**$ -**	**$ -**	**$ 9,073**	**$ 9,073**
Fund Balance - January 1	**136,789**	**136,789**	**136,789**	**-**
Fund Balance - December 31	**$ 136,789**	**$ 136,789**	**$ 145,862**	**$ 9,073**

CHISAGO COUNTY
CENTER CITY, MINNESOTA

SCHEDULE 5

BUDGETARY COMPARISON SCHEDULE
LAKE IMROVEMENT DISTRICT SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2014

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Taxes	$ 240,000	$ 240,000	$ 241,481	$ 1,481
Intergovernmental	-	-	833	833
Miscellaneous	-	-	2,500	2,500
Total Revenues	**$ 240,000**	**$ 240,000**	**$ 244,814**	**$ 4,814**
Expenditures				
Current				
Conservation of natural resources				
Lake Improvement District	$ 232,500	$ 232,500	$ 266,156	$ (33,656)
Excess of Revenues Over (Under) Expenditures	**$ 7,500**	**$ 7,500**	**$ (21,342)**	**$ (28,842)**
Other Financing Sources (Uses)				
Transfers out	(7,500)	(7,500)	-	7,500
Net Change in Fund Balance	**$ -**	**$ -**	**$ (21,342)**	**$ (21,342)**
Fund Balance - January 1	**208,772**	**208,772**	**208,772**	**-**
Fund Balance - December 31	**$ 208,772**	**$ 208,772**	**$ 187,430**	**$ (21,342)**

CHISAGO COUNTY
CENTER CITY, MINNESOTA

SCHEDULE 6

BUDGETARY COMPARISON SCHEDULE
SOLID WASTE SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2014

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Special assessments	$ 210,000	$ 210,000	$ 245,457	$ 35,457
Licenses and permits	8,000	8,000	8,350	350
Intergovernmental	154,491	154,491	151,960	(2,531)
Charges for services	14,000	14,000	16,513	2,513
Total Revenues	**$ 386,491**	**$ 386,491**	**$ 422,280**	**$ 35,789**
Expenditures				
Current				
Sanitation				
Recycling	$ 174,616	$ 174,616	$ 183,689	$ (9,073)
Hazardous waste	420,036	420,036	343,971	76,065
Total Expenditures	**$ 594,652**	**$ 594,652**	**$ 527,660**	**$ 66,992**
Excess of Revenues Over (Under) Expenditures	**$ (208,161)**	**$ (208,161)**	**$ (105,380)**	**$ 102,781**
Other Financing Sources (Uses)				
Transfers out	(261,500)	(261,500)	(111,500)	150,000
Net Change in Fund Balance	**$ (469,661)**	**$ (469,661)**	**$ (216,880)**	**$ 252,781**
Fund Balance - January 1	**1,067,919**	**1,067,919**	**1,067,919**	**-**
Fund Balance - December 31	**$ 598,258**	**$ 598,258**	**$ 851,039**	**$ 252,781**

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, 2014

	Balance January 1	Additions	Deductions	Balance December 31
EMPLOYEE RECOGNITION				
Assets				
Cash and pooled investments	$ 3,829	$ 635	$ 116	$ 4,348
Liabilities				
Accounts payable	$ 3,829	$ 635	$ 116	$ 4,348
FLEXIBLE BENEFITS PLAN				
Assets				
Cash and pooled investments	$ 37,626	$ 3,413,479	$ 2,990,141	$ 460,964
Liabilities				
Deferred benefits	$ 37,626	$ 3,413,479	$ 2,990,141	$ 460,964
REGION 7E				
Assets				
Cash and pooled investments	$ -	$ 94,475	$ 94,475	$ -
Liabilities				
Due to other governments	$ -	$ 94,475	$ 94,475	$ -

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, 2014

	Balance January 1	Additions	Deductions	Balance December 31
SCHOOL DISTRICTS				
Assets				
Cash and pooled investments	**$ -**	**$ 18,416,442**	**$ 18,416,442**	**$ -**
Liabilities				
Due to other governments	**$ -**	**$ 18,416,442**	**$ 18,416,442**	**$ -**
TAX AND PENALTIES				
Assets				
Cash and pooled investments	**$ 822,315**	**$ 77,778,618**	**$ 77,988,322**	**$ 612,611**
Liabilities				
Unapportioned taxes	$ -	$ 453,522	$ 453,522	$ -
Unapportioned special assessments	-	3,584	3,584	-
Due to other governments	822,315	77,321,512	77,531,216	612,611
Total Liabilities	**$ 822,315**	**$ 77,778,618**	**$ 77,988,322**	**$ 612,611**
FORFEITED TAX SALE				
Assets				
Cash and pooled investments	**$ 9,867**	**$ 112,658**	**$ 102,581**	**$ 19,944**
Liabilities				
Due to other governments	**$ 9,867**	**$ 112,658**	**$ 102,581**	**$ 19,944**

CHISAGO COUNTY
CENTER CITY, MINNESOTA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2014

	Balance January 1	Additions	Deductions	Balance December 31
TOWNS AND CITIES				
Assets				
Cash and pooled investments	$ -	$ 26,829,756	$ 26,829,756	$ -
Liabilities				
Due to other governments	$ -	$ 26,829,756	$ 26,829,756	$ -
AGENCY				
Assets				
Cash and pooled investments	$ 295,264	$ 3,372,330	$ 3,330,573	$ 337,021
Liabilities				
Unapportioned taxes	-	65,916	65,916	-
Due to other governments	295,264	3,306,414	3,264,657	337,021
Total Liabilities	$ 295,264	$ 3,372,330	$ 3,330,573	$ 337,021
LOCAL COLLABORATIVES				
Assets				
Cash and pooled investments	$ 189,940	$ 154,483	$ 200,451	$ 143,972
Liabilities				
Due to other governments	$ 189,940	$ 154,483	$ 200,451	$ 143,972

CHISAGO COUNTY
CENTER CITY, MINNESOTA

STATEMENT 3

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2014

	Balance January 1	Additions	Deductions	Balance December 31
TOTAL ALL AGENCY FUNDS				
Assets				
Cash and pooled investments	**$ 1,358,841**	**$ 130,172,876**	**$ 129,952,857**	**$ 1,578,860**
Liabilities				
Accounts payable	$ 3,829	$ 635	$ 116	$ 4,348
Unapportioned taxes	-	519,438	519,438	-
Unapportioned special assessments	-	3,584	3,584	-
Deferred benefits	37,626	3,413,479	2,990,141	460,964
Due to other governments	1,317,386	126,235,740	126,439,578	1,113,548
Total Liabilities	**$ 1,358,841**	**$ 130,172,876**	**$ 129,952,857**	**$ 1,578,860**

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SUPPLEMENTARY INFORMATION

CHISAGO COUNTY
CENTER CITY, MINNESOTA

SCHEDULE OF INTERGOVERNMENTAL REVENUE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2014

Shared Revenue		
State		
Highway users tax	$	6,351,436
Market value credit		190,420
PERA rate reimbursement		48,855
Disparity reduction aid		2,892
County program aid		2,575,551
Police aid		300,197
E-911		137,732
Watercraft inspectors - invasive species		62,914
Total shared revenue	**$**	**9,669,997**
Reimbursement for Services		
State		
Minnesota Department of Human Services	**$**	**529,250**
Payments		
Local		
Payments in lieu of taxes	**$**	**336,115**
Grants		
State		
Minnesota Department/Board of		
Agriculture	$	1,131
Corrections		283,863
Public Safety		50,000
Transportation		1,498,662
Health		324,799
Natural Resources		27,984
Revenue		3,529
Human Services		1,536,677
Water and Soil Resources		241,287
Veteran's Affairs		25,000
Peace Officer Standards and Training Board		12,872
Pollution Control Agency		151,096
Total state	**$**	**4,156,900**

CHISAGO COUNTY
CENTER CITY, MINNESOTA

SCHEDULE 7

SCHEDULE OF INTERGOVERNMENTAL REVENUE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2014

Grants (Continued)		
Federal		
Department of		
Agriculture	$	617,730
Justice		414
Transportation		462,962
Health and Human Services		3,357,295
Homeland Security		102,634
Environmental Protection Agency		22,173
Total federal	**$**	**4,563,208**
Total state and federal Grants	**$**	**8,720,108**
Total Intergovernmental Revenue	**$**	**19,255,470**

CHISAGO COUNTY
CENTER CITY, MINNESOTA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2014

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	$ 158,723
Passed Through Minnesota Department of Human Services		
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	387,639
Total U.S. Department of Agriculture		**$ 546,362**
U.S. Department of Justice		
Direct		
State Criminal Alien Assistance	16.606	**$ 414**
U.S. Department of Transportation		
Passed Through Minnesota Department of Transportation		
Highway Planning and Construction	20.205	$ 276,261
Passed Througth Isanti County Minnesota		
Formula Grants for Rural Areas	20.509	42,375
Passed Through Minnesota Department of Public Safety		
State and Community Highway Safety	20.600	21,095
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	7,203
Total U.S. Department of Transportation		**$ 346,934**
U.S. Environmental Protection Agency		
Passed Through Minnesota Pollution Control Agency		
NonPoint Source Implementation Grant	66.460	**$ 22,173**
U.S. Department of Health and Human Services		
Passed Through Minnesota Department of Human Services		
Public Health Emergency Preparedness	93.069	$ 57,163
Promoting Safe and Stable Families	93.556	7,068
Temporary Assistance for Needy Families	93.558	579,789
(Total Temporary Assistance for Needy Families 93.558 $625,183)		
Child Support Enforcement	93.563	696,224
Refugee and Entrant Assistance - State Administered Programs	93.566	1,515
Child Care and Development Block Grant	93.575	18,532
Stephanie Tubbs Jones Child Welfare Services Program	93.645	4,659
Foster Care Title IV-E	93.658	146,996
Social Services Block Grant	93.667	242,520
Child Abuse and Neglect State Grants	93.669	2,611
Chafee Foster Care Independence Program	93.674	523
Children's Health Insurance Program	93.767	204
Medical Assistance Program	93.778	1,191,366

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, 2014

Federal Grantor Pass-Through Agency Grant Program Title	Federal CFDA Number	Expenditures
Passed Through Minnesota Department of Health		
Immunization Cooperative Agreements	93.268	3,000
PPHF National Public Health Improvement Initiative	93.507	2,000
Temporary Assistance for Needy Families	93.558	45,394
(Total Temporary Assistance for Needy Families 93.558 $625,183)		
Maternal and Child Health Services Block Grant to the States	93.994	33,549
Total U.S. Department of Health and Human Services		**$ 3,033,113**
U.S. Department of Homeland Security		
Passed Through Minnesota Department of Natural Resources		
Boating Safety Financial Assistance	97.012	$ 10,241
Passed Through Minnesota Department of Public Safety		
Emergency Management Performance Grants	97.042	31,203
Homeland Security Grant Program	97.067	61,190
Total U.S. Department of Homeland Security		**$ 102,634**
Total Federal Awards		**$ 4,051,630**

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, 2014

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, 2014. 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. There are no clusters for 2014.

5. Reconciliation to Schedule of Intergovernmental Revenues

Federal grant revenue per Schedule of Intergovernmental Revenue	$	4,563,208
Unavailable revenue in 2014-Grants received more than 60 days after year end		
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (CFDA #10.561)		1,031
Temporary Assistance for Needy Families (CFDA #93.558)		900
Child Care and Development Block Grant (CFDA #93.575)		869
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 Rural 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)
Expenditures Per Schedule of Expenditures of Federal Awards	$	4,051,630

6. Subrecipients

The County did not pass any federal money to subrecipients during the year ended December 31, 2014.

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.

Contents **Page**

Financial Trends
These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time. 151

Revenue Capacity
These schedules contain information to help the reader assess the factors affecting the County's ability to generate its property taxes. 160

Debt Capacity
These schedules present information to help the reader assess the factors affecting the County's current levels of outstanding debt and the County's ability to issue additional debt in the future. 168

Demographic and Economic Information
These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place and to help make comparisons over time and with other governments. 172

Operating Information
These schedules contain information about the County's operations and resources to help the reader understand how the County's financial information relates to the services the County provides and the activities it performs. 174

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)

	2005	2006	2007	2008	2009
Governmental activities					
Net investment in capital assets	$ 72,572,189	$ 80,638,861	$ 73,197,229	$ 83,046,458	$ 91,763,731
Restricted	2,732,264	6,782,414	4,846,412	5,433,371	7,572,797
Unrestricted	10,415,734	4,367,586	17,842,060	14,820,989	17,450,140
Total Net Position	$ 85,720,187	$ 91,788,861	$ 95,885,701	$ 103,300,818	$ 116,786,668

	2010	2011	2012	2013	2014
Governmental activities					
Net investment in capital assets	$ 99,618,353	$ 112,327,612	$ 115,296,909	$ 118,179,036	$ 128,041,933
Restricted	20,106,691	18,449,046	10,571,003	11,007,768	10,034,140
Unrestricted	6,473,177	12,005,983	25,047,218	29,177,060	29,955,332
Total Net Position	$ 126,198,221	$ 142,782,641	$ 150,915,130	$ 158,363,864	$ 168,031,405

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)

	2005	2006	2007	2008
Expenses				
Governmental activities:				
General government	$ 5,156,497	$ 9,425,901	$ 9,543,145	$ 10,185,364
Public safety	7,626,890	9,870,211	11,040,267	11,592,485
Highways and streets	4,901,118	7,012,530	11,028,603	7,387,306
Sanitation	70,095	80,520	331,909	447,775
Human services	11,048,988	13,198,134	9,997,372	10,384,380
Health	2,145,158	2,252,484	2,686,486	2,914,001
Culture and recreation	5,031,182	429,249	611,105	722,872
Conservation of natural resources	509,716	579,089	602,465	935,904
Economic development	1,041,646	1,215,035	1,300,694	1,358,859
Interest	1,148,606	1,590,682	2,132,420	1,996,537
Total Expenses	$ 38,679,896	$ 45,653,835	$ 49,274,466	$ 47,925,483
Program Revenues				
Governmental activities:				
Charges for services				
General government	$ 2,787,038	$ 2,575,721	$ 2,344,600	$ 2,289,995
Public safety	769,629	968,128	987,225	1,064,635
Human services	792,037	2,579,305	681,769	467,140
Health	729,266	859,039	889,941	858,211
Other activities	1,145,689	652,754	927,507	594,136
Operating grants and contributions	10,129,585	12,735,039	12,893,997	11,524,909
Capital grants and contributions	4,428,379	2,067,228	2,156,051	4,693,823
Total program revenues	$ 20,781,623	$ 22,437,214	$ 20,881,090	$ 21,492,849
Net (expense)/revenue	$ (17,898,273)	$ (23,216,621)	$ (28,393,376)	$ (26,432,634)
General Revenues and other changes in net position				
Governmental activities:				
Property taxes	$ 21,519,837	$ 23,485,715	$ 26,367,496	$ 29,028,664
Gravel taxes	-	55,358	45,590	76,522
Wheelage Tax	-	-	-	-
Mortgage registry and deed tax	112,973	85,597	71,978	43,125
Payments in lieu of tax	228,574	585,714	585,719	588,147
Unrestricted grants and contributions	3,608,010	3,483,226	3,539,746	2,986,326
Investment earnings	803,095	1,532,803	1,786,777	1,073,667
Insurance dividends	-	-	-	-
Miscellaneous	79,973	56,882	92,910	51,300
Total general revenues	$ 26,352,462	$ 29,285,295	$ 32,490,216	$ 33,847,751
Change in Net Position	$ 8,454,189	$ 6,068,674	$ 4,096,840	$ 7,415,117

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

2009	2010	2011	2012	2013	2014
$ 10,911,564	$ 11,664,214	$ 10,695,966	$ 11,130,866	$ 10,982,065	$ 11,618,194
10,097,062	11,080,555	10,924,587	11,140,810	11,219,268	11,717,569
7,779,210	6,432,904	10,509,001	12,401,875	8,881,773	7,661,025
334,342	309,618	327,024	385,494	379,046	559,182
9,680,067	8,950,239	8,679,096	8,748,237	9,760,075	10,941,581
2,885,232	2,933,008	2,834,449	2,101,501	1,326,722	1,523,996
591,247	526,555	475,769	552,993	542,761	990,979
835,981	935,046	1,312,231	860,392	907,383	1,049,532
1,355,708	1,538,651	1,581,637	1,688,537	1,448,820	896,534
1,887,535	1,750,764	2,053,550	1,787,390	1,538,205	1,989,862
$ 46,357,948	$ 46,121,554	$ 49,393,310	$ 50,798,095	$ 46,986,118	$ 48,948,454
$ 2,091,635	$ 1,978,686	$ 2,070,335	$ 2,300,478	$ 2,095,221	$ 2,123,056
1,104,768	1,094,477	1,081,583	1,400,387	1,514,918	1,503,626
558,612	492,142	616,791	970,074	1,197,014	821,679
937,169	1,013,572	973,201	334,925	212,030	229,137
703,783	370,536	1,209,973	570,590	892,915	792,279
16,787,898	11,860,912	17,574,820	14,092,488	9,834,309	11,897,476
2,538,498	4,177,937	7,841,697	5,551,798	4,750,786	3,551,499
$ 24,722,363	$ 20,988,262	$ 31,368,400	$ 25,220,740	$ 20,497,193	$ 20,918,752
$ (21,635,585)	$ (25,133,292)	$ (18,024,910)	$ (25,577,355)	$ (26,488,925)	$ (28,029,702)
$ 30,504,263	$ 30,530,695	$ 30,418,914	$ 32,170,052	$ 31,947,360	$ 31,567,534
42,620	37,059	42,168	56,511	56,754	65,916
-	-	-	-	-	545,317
44,967	36,518	31,719	46,947	49,927	43,227
596,436	595,563	313,442	311,867	353,534	336,115
3,425,311	2,612,239	2,607,687	1,790,042	2,273,447	2,817,718
481,571	412,172	626,469	502,861	(1,293,468)	2,014,280
-	315,739	535,230	93,633	436,707	203,094
26,267	4,860	33,701	771,616	113,398	104,042
$ 35,121,435	$ 34,544,845	$ 34,609,330	$ 35,743,529	$ 33,937,659	$ 37,697,243
$ 13,485,850	$ 9,411,553	$ 16,584,420	$ 10,166,174	$ 7,448,734	$ 9,667,541

(Unaudited)

CHISAGO COUNTY
CENTER CITY, MINNESOTA

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

	2005	2006	2007	2008
General Fund				
Reserved	$ -	$ 1,688,227	$ 1,847,359	$ 2,171,054
Unreserved	6,956,416	6,929,308	7,435,385	7,795,201
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total General Fund	$ 6,956,416	$ 8,617,535	$ 9,282,744	$ 9,966,255
All other governmental funds				
Reserved	$ 3,168,967	$ 5,094,187	$ 2,999,053	$ 3,262,317
Unreserved, reported in				
Special revenue funds	13,814,439	11,448,553	10,825,526	11,544,255
Capital projects funds	-	3,299,917	3,942,274	1,153,169
Debt service fund	-	89,000	409,501	38,372
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total all other governmental funds	$ 16,983,406	$ 19,931,657	$ 18,176,354	$ 15,998,113

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

2009	2010	2011	2012 (Restated)	2013	2014
$ 2,466,847	$ 2,682,605	$ -	$ -	$ -	$ -
9,016,452	9,752,649	-	-	-	-
-	-	1,347,545	1,262,562	1,211,824	1,203,573
-	-	1,662,514	1,701,559	1,889,873	1,957,149
-	-	1,058,623	2,204,464	1,596,249	1,596,249
-	-	1,913,463	2,100,429	4,886,538	4,901,493
-	-	9,449,788	12,793,017	12,580,779	14,466,160
$ 11,483,299	$ 12,435,254	$ 15,431,933	$ 20,062,031	$ 22,165,263	$ 24,124,624
$ 5,107,750	$ 17,424,086	$ -	$ -	$ -	$ -
13,433,945	15,732,053	-	-	-	-
890,232	-	-	-	-	-
664,705	636,539	-	-	-	-
-	-	924,735	1,206,837	624,678	883,748
-	-	16,786,532	8,869,444	9,117,895	8,076,991
-	-	2,468,276	595,719	447,537	447,537
-	-	12,296,775	10,781,110	12,403,955	11,223,128
-	-	(487)	(487)	-	-
$ 20,096,632	$ 33,792,678	$ 32,475,831	$ 21,452,623	$ 22,594,065	$ 20,631,404

(Unaudited)

CHISAGO COUNTY
CENTER CITY, MINNESOTA

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

	2005	2006	2007	2008
Revenues				
Taxes	$ 21,511,677	$ 23,505,272	$ 26,257,374	$ 28,907,291
Special assessments	489,640	497,180	376,786	256,767
Licenses and permits	809,293	627,437	429,140	378,894
Intergovernmental	17,959,533	17,468,972	15,672,594	21,858,077
Charges for services	4,513,684	6,185,207	3,738,016	3,780,690
Fines and forfeits	344,533	239,272	238,848	277,657
Gifts and contributions	103,078	34,445	47,255	4,990
Investment earnings	803,095	1,532,803	1,786,777	1,017,091
Miscellaneous	4,948,316	545,414	1,558,881	680,048
Total Revenues	$ 51,482,849	$ 50,636,002	$ 50,105,671	$ 57,161,505
Expenditures				
General government	$ 9,356,009	$ 8,381,549	$ 9,871,460	$ 10,508,552
Public safety	7,562,347	8,971,613	9,498,140	9,253,468
Highways and streets	16,399,796	13,291,120	13,260,036	12,720,193
Sanitation	483,479	511,701	322,153	421,040
Human services	11,047,989	12,499,488	10,382,669	10,116,782
Health	2,140,418	2,227,734	2,606,952	2,871,440
Culture and recreation	675,752	406,081	514,958	442,648
Conservation of natural resources	509,689	577,777	599,864	931,653
Economic development	596,451	665,140	703,656	743,211
Intergovernmental	445,141	493,641	518,440	565,130
Capital outlay	4,526,337	9,631,588	7,998,604	4,614,027
Debt service				
Principal	1,550,000	1,800,831	2,294,266	3,300,080
Interest and fiscal charges	1,021,406	1,255,484	2,008,952	2,041,060
Bond issue costs	-	-	63,200	-
Payment to escrow	-	-	-	-
Administrative charges	-	-	-	-
Total Expenditures	$ 56,314,814	$ 60,713,747	$ 60,643,350	$ 58,529,284
Excess of revenues over (under) expenditures	$ (4,831,965)	$ (10,077,745)	$ (10,537,679)	$ (1,367,779)

(Unaudited)

TABLE 4
(Continued)

2009	2010	2011	2012	2013	2014
$ 30,320,481	$ 30,301,692	$ 30,487,813	$ 32,309,111	$ 32,162,824	$ 32,475,367
253,702	251,930	255,897	253,384	258,447	254,530
326,249	310,124	454,953	538,125	671,334	711,931
24,181,247	21,119,339	27,840,812	22,251,007	16,632,537	19,255,470
3,692,119	3,712,380	4,380,463	3,986,423	4,290,327	3,902,975
230,346	215,873	175,554	152,680	161,954	124,327
7,004	337,707	9,092	7,423	10,129	16,072
533,712	363,642	618,456	540,316	(1,312,099)	2,012,907
988,166	780,747	1,215,927	1,361,298	983,678	709,879
$ 60,533,026	$ 57,393,434	$ 65,438,967	$ 61,399,767	$ 53,859,131	$ 59,463,458
$ 10,264,305	$ 10,073,241	$ 9,634,966	$ 10,018,846	$ 10,223,150	$ 11,846,873
9,665,095	9,528,033	9,089,021	9,463,866	10,004,871	10,346,140
15,587,282	18,660,928	20,441,149	19,330,118	9,933,932	13,936,142
362,716	299,758	301,234	373,921	367,363	527,660
9,478,687	8,872,597	8,503,515	8,617,005	9,458,207	10,611,083
2,847,997	2,875,930	2,811,044	2,305,210	1,446,092	1,498,980
330,378	295,414	265,340	282,347	258,888	254,090
832,177	929,357	1,303,566	850,279	902,014	1,044,628
716,714	941,804	966,163	1,067,784	826,642	835,625
567,738	551,288	534,849	534,637	518,483	523,315
738,182	2,171,986	4,310,179	7,643,795	1,906,464	4,334,157
5,231,768	8,769,691	3,932,797	10,436,098	3,180,000	3,330,000
1,884,205	1,689,852	1,878,555	1,920,087	1,409,265	1,667,490
19,344	139,374	-	295,982	-	-
-	-	-	6,374	-	-
5,743	5,756	9,524	-	4,411	9,950
$ 58,532,331	$ 65,805,009	$ 63,981,902	$ 73,146,349	$ 50,439,782	$ 60,766,133
$ 2,000,695	$ (8,411,575)	$ 1,457,065	$ (11,746,582)	$ 3,419,349	$ (1,302,675)

(Unaudited)

CHISAGO COUNTY
CENTER CITY, MINNESOTA

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

	2005	2006	2007	2008
Other Financing Sources (Uses)				
Transfers in	$ 1,403,025	$ 4,436,010	$ 1,689,008	$ 7,936,876
Transfers out	(1,403,025)	(4,436,010)	(1,689,008)	(7,936,876)
Bonds issued	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)	$ 8,550,804	$ 14,557,493	$ 9,416,512	$ -
Net Change in Fund Balances	$ 3,718,839	$ 4,479,748	$ (1,121,167)	$ (1,367,779)
Debt service as a percentage of noncapital expenditures	6.81%	6.94%	9.01%	11.50%

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

2009	2010	2011	2012	2013	2014
$ 2,234,092	$ 1,265,251	$ 2,925,808	$ 1,260,931	$ 371,075	$ 115,500
(2,234,092)	(1,265,251)	(2,925,808)	(1,260,931)	(371,075)	(115,500)
-	18,350,000	-	-	-	-
-	-	-	-	-	-
3,315,000	4,870,000	-	25,985,000	-	929,495
(37,294)	(165,166)	-	-	-	-
86,628	-	-	1,221,481	-	-
-	-	-	-	-	-
24,936	8,396	52,860	93,633	405,113	110,712
-	-	-	(15,832,623)	-	-
-	-	-	(4,653,721)	-	-
$ 3,389,270	$ 23,063,230	$ 52,860	$ 6,813,770	$ 405,113	$ 1,040,207
$ 5,389,965	$ 14,651,655	$ 1,509,925	$ (4,932,812)	$ 3,824,462	$ (262,468)
15.15%	20.82%	12.11%	21.73%	10.45%	9.74%

(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)
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
2014	22,352,697	4,402,220	6,760,495	6,254,780

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
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
1,153,582	40,923,774	4,218,960,600	3,790,497,300	1.08%	77.998

(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**
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
2014	43.657	9.271	13.827	9.904	1.339

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

Total County	Overlapping Rates Average Rates Within Each Classification: Cities and Townships	School Districts	Special Districts (2)	Average Total Direct and Overlapping Rates (3)	Referendum Market Value Rates
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
77.998	42.907	30.090	2.657	153.652	0.11710
			Tax Year 2014		
	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

	2014		
Taxpayer	**Net Tax Capacity Value**	**Rank**	**Percentage of Total Taxable Net Tax Capacity Value**
Xcel Energy	$ 1,491,913	1	3.65%
North Branch Marketplace	421,066	2	1.03%
Polaris Industries	285,692	3	0.70%
Northern Natural Gas	243,794	4	0.60%
North Branch Outlets 1-21 LLC	241,814	5	0.59%
Fairview Hospital and Healthcare	193,832	6	0.47%
Hallberg Inc	179,250	7	0.44%
East Central Energy	114,403	8	0.28%
NB Group LLC	106,406	9	0.26%
Great River Energy	100,509	10	0.25%
Total principal taxpayers	$ 3,378,679		8.26%
All other taxpayers	37,545,095		91.74%
Total County	$ 40,923,774		100.00%

	2005		
Taxpayer	**Net Tax Capacity Value**	**Rank**	**Percentage of Total Taxable Net Tax Capacity Value**
Xcel Energy	$ 893,304	1	2.24%
Tanger Properties	194,814	2	0.49%
Northern Natural Gas	153,996	3	0.39%
Hallberg Inc	132,218	4	0.33%
Cooperative Power Association	115,768	5	0.29%
East Central Energy	96,445	6	0.24%
Jae's Precast	84,218	7	0.21%
Plastic Research	83,630	8	0.21%
Board of Christian Service	71,002	9	0.18%
Hallberg Marine, Inc	64,290	10	0.16%
Total principal taxpayers	$ 1,889,685		4.75%
All other taxpayers	37,923,321		95.25%
Total County	$ 39,813,006		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
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%
2014	31,397,021	30,816,590	98.15%

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 taxpaye

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
476,979	22,655,039	99.94%	13,759	0.06%
630,500	24,528,316	99.91%	21,992	0.09%
784,270	27,210,556	99.85%	40,286	0.15%
942,144	29,711,113	99.79%	62,312	0.21%
976,701	31,643,556	99.67%	103,584	0.33%
1,011,900	31,547,977	99.62%	119,690	0.38%
743,946	31,431,687	99.25%	235,980	0.75%
639,278	31,410,749	99.19%	256,918	0.81%
368,006	31,109,178	99.08%	287,843	0.92%
-	30,816,595	98.15%	580,431	1.85%

(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**
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	937	2.45%
2014	46,942,856	195,000	734,035	47,871,891	886	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**
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
2014	46,942,856	734,035	5,140,987	42,535,904	1.12%	787

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	$ 46,942,856	100.00%	$ 46,942,856
Overlapping Debt			
City of Center City	$ 1,053,685	100.00%	$ 1,053,685
City of Chisago City	7,095,000	100.00%	7,095,000
City of Harris	5,958,239	100.00%	5,958,239
City of Lindstrom	3,557,876	100.00%	3,557,876
City of North Branch	52,755,018	100.00%	52,755,018
City of Rush City	4,244,628	100.00%	4,244,628
City of Shafer	1,877,032	100.00%	1,877,032
City of Stacy	6,570,706	100.00%	6,570,706
City of Taylors Falls	2,378,000	100.00%	2,378,000
City of Wyoming	3,594,000	100.00%	3,594,000
Amador Township	793,925	100.00%	793,925
Fish Lake Township	105,000	100.00%	105,000
Franconia Township	-	100.00%	-
Nessel Township	57,000	100.00%	57,000
Shafer Township	-	100.00%	-
Braham Schools	6,860,000	22.96%	1,575,056
Cambridge Schools	77,895,000	3.33%	2,593,904
Chisago Lakes Schools	15,435,000	95.28%	14,706,468
Forest Lake Schools	23,455,000	13.48%	3,161,734
North Branch Schools	25,835,000	90.23%	23,310,921
Rush City Schools	13,450,000	92.75%	12,474,875
Total Overlapping Debt	$ 252,970,109		$ 147,863,066
Total Direct and Overlapping Debt	$ 299,912,965		$ 194,805,922

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

	2005	2006	2007	2008	2009
Total market value of taxable property	$3,775,596,700	$4,359,363,200	$4,913,509,300	$5,289,796,400	$5,316,652,000
Debt limit (% of market value) (1)	$ 75,511,934	$ 87,187,264	$ 98,270,186	$ 158,693,892	$ 159,499,560
Debt applicable to limit:					
General obligation bonds and notes	$ 28,683,368	$ 41,654,834	$ 49,433,180	$ 46,177,685	$ 44,332,311
Less: Amounts set aside for payment of general obligation debt	(1,986,746)	(3,254,599)	(2,609,501)	(2,683,372)	(4,664,705)
Total net debt applicable to limit	$ 26,696,622	$ 38,400,235	$ 46,823,679	$ 43,494,313	$ 39,667,606
Legal debt margin	$ 48,815,312	$ 48,787,029	$ 51,446,507	$ 115,199,579	$ 119,831,954
Total net debt applicable to the limit as a percentage of the debt limit	35.35%	44.04%	47.65%	27.41%	24.87%

	2010	2011	2012	2013	2014
Total market value of taxable property	$5,113,872,600	$4,673,872,800	$4,063,753,000	$3,778,660,500	$3,790,497,300
Debt limit (% of market value) (1)	$ 153,416,178	$ 140,216,184	$ 121,912,590	$ 113,359,815	$ 113,714,919
Debt applicable to limit:					
General obligation bonds and notes	$ 58,782,614	$ 54,849,817	$ 52,315,000	$ 49,135,000	$ 45,805,000
Less: Amounts set aside for payment of general obligation debt	(5,041,539)	(4,586,981)	(4,744,030)	(5,346,286)	(5,140,987)
Total net debt applicable to limit	$ 53,741,075	$ 50,262,836	$ 47,570,970	$ 43,788,714	$ 40,664,013
Legal debt margin	$ 99,675,103	$ 89,953,348	$ 74,341,620	$ 69,571,101	$ 73,050,906
Total net debt applicable to the limit as a percentage of the debt limit	35.03%	35.85%	39.02%	38.63%	35.76%

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
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	53,743	0.31%	2,052,481	38,178	28,989	5.90%	5.10%
2014	54,025	0.84%	Not Available	Not Available	28,533	4.40%	4.50%

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

	2014		
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	500	4	1.83%
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	5,197		19.03%
Total County Employment (3)	27,272		

	2005		
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		19.22%
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	2005	2006	2007	2008
General government (1)	79.70	78.95	79.70	75.60
Public safety	87.50	88.00	96.50	97.50
Highways and streets	39.00	39.00	42.00	38.00
Health and human services	132.50	135.25	137.00	135.00
Culture and recreation	2.80	2.80	2.80	2.80
Environmental services	4.15	4.15	4.15	4.30
Conservation of natural resources	1.40	1.40	1.40	0.40
Economic development	9.00	9.00	9.00	9.00
Total	356.05	358.55	372.55	362.60

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

2009	2010	2011	2012	2013	2014
80.35	77.20	77.40	78.10	79.10	81.40
88.50	88.50	90.00	91.00	91.80	95.40
35.00	35.00	33.00	34.00	35.20	36.00
124.80	124.80	120.00	107.00	107.20	114.30
1.50	1.50	1.80	1.80	1.80	2.00
4.00	4.15	4.45	4.50	4.15	2.10
0.00	0.00	0.00	0.00	0.00	0.50
9.00	9.00	9.00	9.00	9.00	9.10
343.15	340.15	335.65	325.40	328.25	340.80

(Unaudited)

CHISAGO COUNTY
CENTER CITY, MINNESOTA

Operating Indicators by Function
Last Ten Fiscal Years

Function and Program	2005	2006	2007	2008
General Government				
Warrants issued	23,366	23,186	22,677	23,092
Number of documents recorded/processed	21,258	17,761	15,030	12,112
Number of parcels	28,014	28,944	29,793	29,834
New housing permits issued	198	125	69	30
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	1,244	1,269	1,361	1,426
Juvenile probation offenders	155	164	142	143
Highways and Streets				
CSAH/County road projects during year	40	47	36	32
Miles of paving	N/A	N/A	N/A	N/A
Miles of roads graveled	17	20	16	20
Miles of roads shouldered	194	88	9	55
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	54
Number of bridges rebuilt/constructed	N/A	N/A	N/A	N/A
Public Health				
Number of WIC participants	N/A	N/A	1,830	1,930
Number of maternal child health visits	N/A	N/A	N/A	2,097
Number of follow along visits	350	355	329	625
Human Services				
Number of SNAP (food assistance) cases	N/A	N/A	N/A	734
Number of health care assistance cases	N/A	N/A	N/A	2,447
Number of child support cases	2,135	2,172	2,136	2,183
Child care assistance cases	N/A	N/A	N/A	N/A
Unduplicated number of children in out of home placement	180	213	154	129
Dollars spent for children's shelter	N/A	51,411	54,797	40,160
Dollars spent for children's foster care	N/A	784,233	660,820	417,220
Dollars spent for children's rule 5 foster care	N/A	467,694	268,937	178,224
Number of children's mental health cases	249	253	206	211
Number of adult mental health cases	191	279	294	312
Number of DD cases	199	203	221	232
Number of adult services cases				
Environmental Services				
Tons of hazardous waste collected	N/A	N/A	109	115
Tons of recycling collected	N/A	N/A	8,306	8,648
Tons of municipal solid waste collected	N/A	N/A	23,823	22,545

Source: Various County departments.

N/A - information is not available

TABLE 16

2009	2010	2011	2012	2013	2014
22,055	20,572	20,176	20,198	19,436	20,523
12,982	11,966	11,582	13,813	13,009	9,672
30,386	29,329	29,426	29,433	29,411	29,412
23	26	24	49	90	98
301	335	376	390	300	348
N/A	N/A	N/A	678	588	646
N/A	N/A	N/A	N/A	64,315	53,698
N/A	N/A	N/A	N/A	4,282	3,878
N/A	N/A	N/A	N/A	885	603
N/A	N/A	N/A	N/A	2,851	1,631
1,310	1,180	991	978	1,002	1,127
120	116	97	77	81	110
31	44	35	33	27	18
N/A	N/A	N/A	N/A	5	16
8	N/A	19	8	7	8
144	N/A	149	82	52	6
N/A	N/A	N/A	N/A	3	16
N/A	N/A	N/A	N/A	2	16
103	N/A	31	10	41	33
N/A	N/A	N/A	N/A	4	4
1,735	1,607	1,400	1,288	1,275	1,276
2,389	2,560	2,150	1,620	1,588	1,207
1,172	1,637	2,117	2,233	2,495	2,447
1,006	1,264	1,469	1,486	1,486	2,220
2,690	2,806	3,133	3,118	3,155	4,616
2,173	2,167	2,192	2,218	2,226	2,541
122	124	126	119	161	154
112	92	91	90	83	99
39,947	15,723	8,826	10,823	10,125	8,524
247,103	166,339	124,906	152,480	276,008	437,105
281,311	86,341	109,784	120,313	135,741	216,109
209	157	124	105	103	98
365	344	324	318	290	264
230	241	238	250	227	248
317	377	349	459	468	399
114	117	125	142	212	129
8,683	8,324	8,335	11,810	11,388	7,025
21,960	21,924	26,002	25,693	24,223	27,145

CHISAGO COUNTY

CENTER CITY, MINNESOTA

Capital Assets Statistics by Function
Last Ten Fiscal Year

Function and Program	2005	2006	2007	2008
General Government				
Court house building complex (1)	1	1	1	1
Motor pool vehicles	12	13	16	16
Public Safety				
Vehicles	N/A	N/A	52	55
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	19	21	24	18
Miles of county road	139	138	138	135
Miles of county state aid road	234	234	234	231
Office, garages, storage facilities	6	6	6	6
Graders, loaders, tractors, heavy trucks	40	39	37	42
Health and Human services				
Office Buildings	-	-	1	1
Culture and Recreation				
Number of county parks	5	5	5	5
Park buildings & shelters	15	16	16	16
Number of libraries (2)	-	3	4	4
Environmental Services				
Household hazardous waste facility	1	1	1	1
Economic Development				
Number of transit buses	N/A	N/A	5	6

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

2009	2010	2011	2012	2013	2014
1	1	1	1	1	1
17	17	17	12	9	0
55	57	58	62	63	48
2	2	2	2	2	1
1	1	1	1	1	1
5	5	5	8	13	12
-	-	-	1	1	1
20	18	17	17	17	18
135	126	127	127	123	117
234	234	232	232	232	239
6	6	4	4	4	6
43	43	42	41	43	35
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	7	7	9	9

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