

BIG STONE COUNTY SUMMARY FINANCIAL STATEMENTS

For the Year Ended December 31, 2016

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

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

2016 COUNTY OFFICIALS

1st District Commissioner	Jay Backer	(605) 880-1417
2nd District Commissioner	Wade Athey	(320) 325-9988
3rd District Commissioner	Brent Olson	(320) 273-2297
4th District Commissioner	Roger Sandberg	(320) 305-1721
5th District Commissioner	Joseph Berning	(320) 839-3909
County Sheriff	John Haukos	(320) 839-3558
County Auditor	Michelle R. Knutson	(320) 839-6366
County Treasurer	Cindy Nelson	(320) 839-6395
County Recorder	Elaine Martig	(320) 839-6390
County Attorney	William J. Watson	(320) 487-1206

Summary of Big Stone County's Statement of Activities For the Year Ended December 31, 2016

Functions/Programs	Expenses	Program Revenues	Net (Expense) Revenue and Changes in Net Assets
Governmental activities			Governmental Activities
General government	\$ 2,150,864	\$ 274,075	\$(1,876,789)
Public safety	1,249,668	205,103	(1,044,565)
Highways and streets	4,198,476	3,652,653	(545,823)
Sanitation	209,890	193,165	(16,725)
Human services	2,941,207	1,925,385	(1,015,822)
Health	112,144	875	(111,269)
Culture and recreation	184,777	36,633	(148,144)
Conservation of natural resources	475,243	354,448	(120,795)
Economic development	204,169	155,762	(48,407)
Interest	13,843	-	(13,843)
Total governmental activities	\$ 11,740,281	\$ 6,798,099	\$(4,942,182)
General revenues			
Taxes			\$ 4,509,632
Other general revenues			799,089
Total general revenues			\$ 5,308,721
Change in Net Position			\$ (366,539)

A Summary of Fiduciary Net Position

For the Year Ended December 31, 2016	
Assets	
Cash and pooled investments	\$ 274,272
Liabilities	
Accounts payable	\$ 6,796
Due to other governments	262,232
Advance from other funds	5,244
Total Liabilities	\$ 274,272

A PROFILE OF BIG STONE COUNTY

	2016	2015	Percent Inc/Dec
Estimated Population*	5,054	5,054	0.00%
Total Tax Capacity	11,911,639	11,719,148	1.64%
Percent of Property Taxes Collected	99.213%	98.940%	0.28%
Total General Revenues	\$5,308,721	\$5,197,747	2.14%
Total Program Revenues	\$6,798,099	\$6,186,066	9.89%
Total Expenses	\$11,740,281	\$11,413,638	2.86%
Capital Assets (Net)	\$26,955,130	\$27,483,293	-1.92%
Total Outstanding Net Bonded Debt of the County	\$4,670,000	\$4,730,000	-1.27%
Total Government-Wide Net Position	\$30,768,102	\$30,401,563	1.21%
Total Number of Full Time Employees	62	60	3.33%

*2016 estimate not available

A User's Guide to County Financial Statements

Basic Financial Statements

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

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

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

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

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

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

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

County Governmental Fund Types

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

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

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

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

County Fiduciary Funds

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

Character Classification of County Expenditures

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

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

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

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

Intergovernmental represent resources transferred by the county to other governments.

Classification of County Functions

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

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

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

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

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

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

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

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

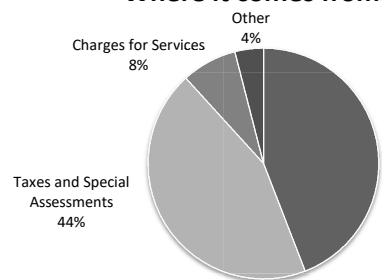
Conservation involves activities designed to conserve and develop such natural resources as water, soil, and forests and includes such programs as soil and water conservation, county extension, water planning, and other.

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

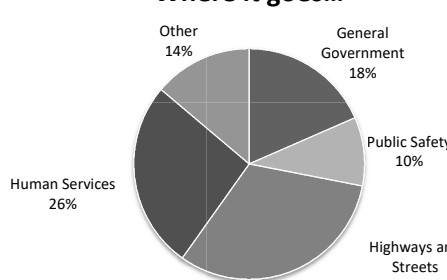
Summary of Big Stone County's Statement of Net Position December 31, 2016

Assets	
Cash and pooled investments	\$ 7,990,253
Investments	372,700
Receivables - net	5,746,076
Inventories	125,947
Capital assets	
Non-depreciable	952,794
Depreciable - net	26,002,336
Total Assets	\$ 41,190,106
Deferred Pension Outflows of Resources	\$ 2,515,446
Liabilities	
Accounts payable and other current liabilities	\$ 407,537
Accrued interest payable	68,949
Unearned revenue	300,000
Long-term liabilities	
Due within one year	149,297
Due in more than one year	5,193,371
Net pension obligation	5,001,551
Other post employment benefits	1,232,472
Total Liabilities	\$ 12,353,177
Deferred Pension Inflows of Resources	\$ 584,273
Net Position	
Net investment in capital assets	\$ 26,405,085
Restricted	2,340,234
Unrestricted	2,022,783
Total Net Position	\$ 30,768,102

Where it comes from...



Where it goes...



A Summary Balance Sheet of Governmental Funds December 31, 2016

	General	Highway	Family Services	Ditch	Debt Service	Total Governmental Funds
Assets						
Cash and investments	\$ 4,340,865	\$ 1,819,019	\$ 1,920,011	\$ 171,865	\$ 111,193	\$ 8,362,953
Taxes receivable	19,601	6,107	5,499	-	616	31,823
Special assessments receivable	7,614	-	-	140,108	-	147,722
Accounts receivable	675	11,690	70,024	-	-	82,389
Accrued interest receivable	3,289	-	-	-	-	3,289
Loans receivable	3,931,139	-	-	-	-	3,931,139
Due from other governments	27,231	1,404,878	105,122	150	-	1,537,381
Advance to other funds	243,844	-	-	-	-	243,844
Advance to other governments	-	-	7,089	-	-	7,089
Inventories	-	125,947	-	-	-	125,947
Total Assets	\$ 8,574,258	\$ 3,367,641	\$ 2,107,745	\$ 312,123	\$ 111,809	\$14,473,576
Liabilities, Deferred Inflows of Resources, & Fund Balance						
Liabilities						
Accounts payable	\$ 46,606	\$ 58,394	\$ 69,072	\$ -	\$ -	\$ 174,072
Salaries payable	54,820	45,151	48,132	-	-	148,103
Due to other governments	68,427	975	15,960	-	-	85,362
Unearned revenue	-	-	300,000	-	-	300,000
Advance from other funds	-	-	-	238,600	-	238,600
Total Liabilities	\$ 169,853	\$ 104,520	\$ 433,164	\$ 238,600	\$ -	\$ 946,137
Deferred Inflows of Resources						
Unavailable revenue	\$ 42,326	\$ 1,287,713	\$ 86,499	\$ 140,108	\$ 616	\$ 1,557,262
Fund Balances						
Nonspendable	\$ 4,164,983	\$ 125,947	\$ -	\$ -	\$ -	\$ 4,290,930
Restricted	459,278	203,592	152,283	170,922	111,193	1,097,268
Committed	843,601	412,035	150,000	-	-	1,405,636
Assigned	167,525	1,233,834	1,285,799	-	-	2,687,158
Unassigned	2,726,692	-	-	(237,507)	-	2,489,185
Total Fund Balances	\$ 8,362,079	\$ 1,975,408	\$ 1,588,082	\$ (66,585)	\$ 111,193	\$11,970,177
Total Liabilities, Deferred Inflows of Resources & Fund Balances	\$ 8,574,258	\$ 3,367,641	\$ 2,107,745	\$ 312,123	\$ 111,809	\$14,473,576

A Summary of Governmental Funds Revenues and Expenditures For the Year Ended December 31, 2016

	General	Highway	Family Services	Ditch	Debt Service	Total Governmental Funds
Revenues						
Taxes	\$ 2,802,539	\$ 945,998	\$ 762,859	\$ -	\$ 88,533	\$ 4,599,929
Special assessments	116,704	-	-	203,538	-	320,242
Licenses and permits	26,252	1,455	-	-	-	27,707
Intergovernmental	882,510	2,626,935	1,403,061	-	5,557	4,918,063
Charges for services	181,836	211,996	469,607	-	-	863,439
Miscellaneous earnings	28,208	745	-	-	-	28,953
Miscellaneous	337,124	32,483	19,462	-	-	389,069
Total Revenues	\$ 4,375,173	\$ 3,819,612	\$ 2,654,989	\$ 203,538	\$ 94,090	\$11,147,402
Expenditures						
Current						
General government	\$ 1,947,570	\$ -	\$ -	\$ -	\$ -	\$ 1,947,570
Public safety	1,018,423	-	-	-	-	1,018,423
Highways and streets	-	3,354,278	-	-	-	3,354,278
Sanitation	201,618	-	-	-	-	201,618
Human services	-	-	2,781,489	-	-	2,781,489
Health	53,717	-	-	-	-	53,717
Culture and recreation	188,216	-	-	-	-	188,216
Conservation of natural resources	289,931	-	-	179,007	-	468,938
Economic development	48,407	-	-	-	-	48,407
Intergovernmental	58,427	200,603	-	-	-	259,030
Debt Service						
Principal	-	-	-	-	60,000	60,000
Interest	155,312	-	-	-	25,035	180,347
Administrative (fiscal) fees	450	-	-	-	1,200	1,650
Total Expenditures	\$ 3,962,071	\$ 3,554,881	\$ 2,781,489	\$ 179,007	\$ 86,235	\$ 10,563,683
Excess of Revenues Over (Under) Expenditures	\$ 413,102	\$ 264,731	\$ (126,500)	\$ 24,531	\$ 7,855	\$ 583,719
Other Financing Sources (Uses)						
Proceeds from sale of assets	1,525	22,321	-	-	-	23,846
Net Change in Fund Balances	\$ 414,627	\$ 287,052	\$ (126,500)	\$ 24,531	\$ 7,855	\$ 607,565

MAJOR RECIPIENTS OF BIG STONE COUNTY EXPENDITURES

The following is a list of recipients of Big Stone County expenditures totaling \$5,000 or more during 2016. The list does not include salaries to county employees nor does it include individuals who received federal, state or county human services aid.

NAME OF RECIPIENT	AMOUNT
3D SPECIALTIES, INC.	\$7,673.25
4-BAR-G FARMS	275,000.00
AKRON TOWNSHIP	21,126.67
ALMOND TOWNSHIP	11,832.01
ARTICHOKE TOWNSHIP	12,990.51
ASCANO/DR. R.P.	10,162.50
ASSN OF MN COUNTIES	5,636.30
ATWATER FORD	26,782.52
BARR'S-CONROY ELECTRIC INC.	6,615.93
BAUER COUNTRYSIDE AG SERVICE, INC.	9,188.50
BERGER'S WELDING, INC.	5,258.32
BIG STONE AG SERVICE, LLC.	7,434.01
BIG STONE AREA GROWTH	40,000.00
BIG STONE CO. AG SOCIETY	24,000.00
B	