

BIG STONE COUNTY SUMMARY FINANCIAL STATEMENTS

For the Year Ended December 31, 2012

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.

2012 COUNTY OFFICIALS

1st District Commissioner	Walter Wulff	(320) 748-7562
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) 839-6197

A PROFILE OF BIG STONE COUNTY

	2012	2011	Percent Inc/Dec
Estimated Population	5,164	5,240	0.00%
Total Tax Capacity	8,858,859	7,593,062	16.67%
Percent of Property Taxes Collected	98.645%	98.330%	0.32%
Total General Revenues	\$5,115,693	\$4,746,461	7.78%
Total Program Revenues	\$5,837,150	\$5,724,532	1.97%
Total Expenses	\$10,021,955	\$9,428,010	6.30%
Capital Assets (Net)	\$24,137,831	\$23,617,215	2.20%
Total Outstanding Net Bonded Debt of the County	\$905,000	\$975,000	-7.18%
Total Government-Wide Net Position	\$31,420,783	\$30,489,855	3.05%
Total Number of Full Time Employees	60	60	0.00%

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 auditor'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.

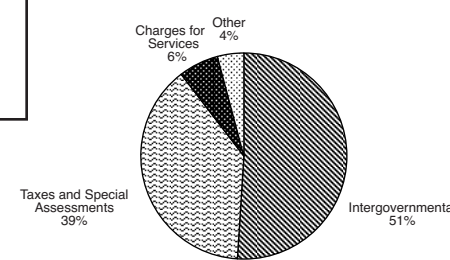
Summary of Big Stone County's Statement of Net Position December 31, 2012

Assets	
Cash and pooled investments	\$ 5,943,590
Investments	1,222,700
Receivables - net	2,063,628
Inventories	221,707
Prepaid Items	1,419
Deferred charges	18,188
Capital assets	
Non-depreciable	713,010
Depreciable - net	23,424,821
Total Assets	\$ 33,609,063
Liabilities	
Accounts payable and other current liabilities	\$ 237,839
Accrued interest payable	12,327
Long-term liabilities	
Due within one year	120,096
Due in more than one year	1,818,018
Total Liabilities	\$ 2,188,280
Net Position	
Net investment in capital assets	\$ 23,352,785
Restricted	1,921,712
Unrestricted	6,146,286
Total Net Position	\$ 31,420,783

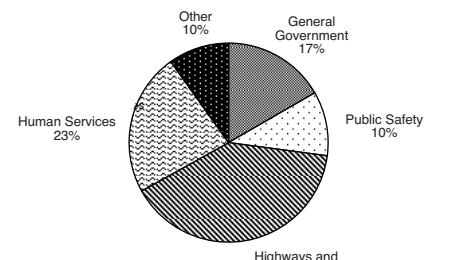
Summary of Big Stone County's Statement of Activities For the Year Ended December 31, 2012

Functions/Programs	Expenses	Program Revenues	Net (Expense) Revenue and Changes in Net Assets Governmental Activities
Governmental activities			
General government	\$ 1,857,090	\$ 320,521	\$ (1,536,569)
Public safety	1,076,274	254,679	(821,595)
Highways and streets	3,782,048	3,252,124	(529,924)
Sanitation	197,571	181,636	(15,935)
Human services	2,490,439	1,655,153	(835,286)
Health	87,418	1,125	(86,293)
Culture and recreation	172,749	53,316	(119,433)
Conservation of natural resources	292,362	118,636	(173,726)
Economic development	33,344	-	(33,344)
Interest	32,660	-	(32,660)
Total governmental activities	\$ 10,021,955	\$ 5,837,190	\$ (4,184,765)
General revenues			
Taxes			\$ 4,203,287
Other general revenues			912,406
Total general revenues			\$ 5,115,693
Change in net position			\$ 930,928

Where it comes from...



Where it goes...



A Summary of Fiduciary Net Position For the Year Ended December 31, 2012

Assets	
Cash and pooled investments	\$ 243,987
Liabilities	
Accounts payable	\$ 5,835
Due to other governments	236,179
Advance from other funds	1,973
Total Liabilities	\$ 243,987

A Summary Balance Sheet of Governmental Funds December 31, 2012

	General	Highway	Family Services	Ditch	Debt Service	Total Governmental Funds
Assets						
Cash and investments	\$ 2,255,550	\$ 2,225,940	\$ 2,405,418	\$ 190,175	\$ 89,207	\$ 7,166,290
Taxes receivable	63,724	21,845	21,635	-	1,781	108,985
Special assessments receivable	14,480	-	-	89,279	-	103,759
Accounts receivable	4,374	-	4,177	-	-	8,551
Accrued interest receivable	15,505	2,145	-	-	-	17,650
Loans receivable	100,000	-	-	-	-	100,000
Due from other governments	38,876	1,476,155	205,707	1,972	-	1,722,710
Advance to other funds	90,173	-	-	-	-	90,173
Inventories	-	221,707	-	-	-	221,707
Prepaid items	1,419	-	-	-	-	1,419
Total Assets	\$ 2,584,101	\$ 3,947,792	\$ 2,636,937	\$ 281,426	\$ 90,988	\$ 9,541,244
Liabilities & Fund Balances						
Liabilities						
Accounts payable	\$ 17,710	\$ 7,687	\$ 88,412	\$ -	\$ -	\$ 113,809
Salaries payable	31,742	24,077	25,066	-	-	80,885
Due to other governments	35,988	1,742	5,415	-	-	43,145
Advance from other funds	-	-	-	88,200	-	88,200
Deferred revenue - unavailable	84,635	1,391,080	21,635	91,251	1,781	1,590,382
Total Liabilities	\$ 170,075	\$ 1,424,586	\$ 140,528	\$ 179,451	\$ 1,781	\$ 1,916,421
Fund Balances						
Nonspendable	\$ 124,925	\$ 221,707	\$ -	\$ -	\$ -	\$ 346,632
Restricted	217,936	366,907	-	101,975	89,207	776,025
Committed	676,745	146,979	150,000	-	-	973,724
Assigned	23,980	1,787,613	2,346,409	-	-	4,158,002
Unassigned	1,370,440	-	-	-	-	1,370,440
Total Fund Balances	\$ 2,414,026	\$ 2,523,206	\$ 2,496,409	\$ 101,975	\$ 89,207	\$ 7,624,823
Total Liabilities & Fund Balances	\$ 2,584,101	\$ 3,947,792	\$ 2,636,937	\$ 281,426	\$ 90,988	\$ 9,541,244

A Summary of Governmental Funds Revenues and Expenditures For the Year Ended December 31, 2012

	General	Highway	Family Services	Ditch	Debt Service	Total Governmental Funds
Revenues						
Taxes	\$ 2,468,334	\$ 880,669	\$ 816,123	\$ -	\$ 85,035	\$ 4,250,161
Special assessments	117,610	-	-	103,549	-	221,159
Licenses and permits	16,231	-	-	-	-	16,231
Intergovernmental	803,047	3,781,778	1,320,775	-	3,255	5,908,855
Charges for services	200,200	154,735	371,440	-	-	726,375
Gifts and contributions	500	-	-	-	-	500
Investment earnings	46,105	7,495	-	95	-	53,695
Miscellaneous	314,708	42,358	52,028	-	-	409,094
Total Revenues	\$ 3,966,735	\$ 4,867,035	\$ 2,560,366	\$ 103,644	\$ 88,290	\$ 11,586,070
Expenditures						
Current						
General government	\$ 1,748,080	\$ -	\$ -	\$ -	\$ -	\$ 1,748,080
Public safety	1,095,767	-	-	-	-	1,095,767
Highways and streets	-	4,175,783	-	-	-	4,175,783
Sanitation	193,188	-	-	-	-	193,188
Human services	-	-	2,433,030	-	-	2,433,030
Health	36,957	-	-	-	-	36,957
Culture and recreation	158,541	-	-	-	-	158,541
Conservation of natural resources	227,694	-	-	64,491	-	292,185
Economic development	33,344	-	-	-	-	33,344
Intergovernmental	50,461	170,012	-	-	-	220,473
Debt Service						
Principal	-	-	-	15,000	55,000	70,000
Interest	-	-	-	420	29,998	30,418
Administrative (fiscal) fees	-	-	-	-	450	450
Total Expenditures	\$ 3,544,032	\$ 4,345,795	\$ 2,433,030	\$ 79,911	\$ 85,448	\$ 10,488,216
Excess of Revenues Over (Under) Expenditures	\$ 422,703	\$ 521,240	\$ 127,336	\$ 23,733	\$ 2,842	\$ 1,097,854
Other Financing Sources (Uses)						
Proceeds from sale of assets	1,500	-	-	-	-	1,500
Net Change in Fund Balances	\$ 424,203	\$ 521,240	\$ 127,336	\$ 23,733	\$ 2,842	\$ 1,099,354

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 2012. 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
Akron Township	\$ 17,796.51
Almond Township	\$ 10,052.20
American Solutions for Business	\$ 5,313.01
Artichoke Township	11,093.35
Ascano, Dr. R. P.	5,200.00
Association of Minnesota Counties	\$ 6,478.00
Barr's-Conroy Electric Inc.	\$ 5,697.61
Bear Graphics	\$ 5,289.50
Big Stone Area Growth	\$ 30,000.00
Big Stone County Ag Society	\$ 15,000.00
Big Stone County Historical Society	\$ 24,969.41
Big Stone County LCTS	\$ 55,480.00
Big Stone SWCD	\$ 68,109.29
Big Stone Township	\$ 16,449.11
Bituminous Paving, Inc.	\$ 47,289.71
Bonanza Education Center	\$ 8,000.00
Bond Trust Services Corporation	\$ 85,447.50
Border States Cooperative	\$ 36,004.43
Browns Valley Township	\$ 13,664.74
BSLA Sno Riders	\$ 43,653.60
Business Brothers Inc.	\$ 8,139.65
CarQuest of Ortonville	\$ 6,645.38
Cashtown Service	\$ 7,620.23
Central Specialties, Inc	\$ 2,366,262.32
CenturyLink	\$ 12,522.79
City of Graceville	\$ 10,277.26
City of Ortonville	\$ 56,057.10
Computer Professionals Unlimited	\$ 56,517.04
Countryside Public Health	\$ 155,379.45
Crop Production Services	\$ 11,667.80
D & G Drainage, Inc.	\$ 19,048.47
Dakotah Paper Co.	\$ 5,516.50
Dallas I. Hanson Construction, Inc.	\$ 14,221.72
Dell Marketing LP	\$ 25,070.28
Divine House, Inc.	\$ 88,446.42
Election Systems & Software	\$ 13,747.90
Elmore Academy - Horizons	\$ 56,379.99
Engbarth Directional Drilling Inc.	\$ 26,007.52
Envirotech Services, Inc.	