



(Encore Adult Day Service's 40th Anniversary)



(Mental Wellness Facility)

# CARVER COUNTY

Chaska, Minnesota

## COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR YEAR ENDED DECEMBER 31, 2017



(County Road 61 over Chaska Creek facing west)



(New Veteran Services space in the Chaska Government Center)

*"Where the future embraces the past in keeping Carver County a great place to live, work, and play for a lifetime"*

The Carver County Comprehensive Annual Financial Report (CAFR) is produced by the Financial Services Division of Carver County. This report is submitted for the fiscal year ended December, 31, 2017. The report has been prepared in conformity with generally accepted accounting principles (GAAP). It can be accessed on the Carver County website at [www.co.carver.mn.us](http://www.co.carver.mn.us) or obtained from the Financial Services Department by calling 952-361-1511.



COMPREHENSIVE ANNUAL FINANCIAL REPORT

**CARVER COUNTY  
CHASKA, MINNESOTA**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2017

Prepared by the Financial Services Department

**CARVER COUNTY  
CHASKA, MINNESOTA**

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**CARVER COUNTY  
CHASKA, MINNESOTA**

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# **INTRODUCTORY SECTION**

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## Property and Financial Services Division

Carver County Government Center  
Administration Building  
600 East Fourth Street  
Chaska, MN 55318-1202  
Phone: 952-361-1508 Fax: 952-361-1541

DATE: June 26, 2018

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

SUBJECT: *2017 COMPREHENSIVE ANNUAL FINANCIAL REPORT*

The Comprehensive Annual Financial Report (CAFR) of Carver County is submitted for the fiscal year ended December 31, 2017. The County's Financial Services Department prepared this report in conformity with generally accepted accounting principles (GAAP). Responsibility for both the accuracy and completeness of the presented data and the fairness of the presentation, including all disclosures, rests with the County. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and sets forth the financial position and results of operations and cash flows of the County, as measured by the financial activity of its various funds, and all disclosures necessary to enable maximum understanding of the County's financial affairs.

Generally accepted accounting principles (GAAP) require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it.

### **Profile of the Government**

Carver County was organized in 1855 as a County in the State of Minnesota. It has an area of 357 square miles including 11 cities and 10 townships. The 2017 population was 102,119. It is one of seven counties comprising the Twin Cities metropolitan area. The County seat, Chaska, is located on the Minnesota River 26 miles southwest of the state capital, Saint Paul.

Carver County operates under an elected five-member County Board, each member representing a district of the County. The County Board is responsible, among other things, for passing ordinances, adopting the budget, and hiring the County's Administrator. The County Administrator is responsible for carrying out the policies and ordinances of the County Board, for overseeing day-to-day operations of the government, and for appointing the heads of the divisions and departments. The County Board is elected on a non-partisan basis. County Board members serve four-year staggered terms.

The County provides a full range of services including: public safety and law enforcement; courts and probation services; tax assessment and collection; vital statistics and public records; health and human services; highways, parks, public works and planning; environmental management; and recreation and cultural services.

Various potential component units were evaluated to determine whether they should be reported in the County's financial report. A component unit was considered to be part of the County's reporting entity when it was concluded that the County was financially accountable for the entity or the nature and significance of the relationship between

the County and the entity was such that exclusion would cause the County's basic financial statements to be misleading or incomplete. Carver County has two blended component units: the Carver County Regional Rail Authority (Rail Authority) and the Carver County Water Management Organization (WMO). Both the Rail Authority and WMO were created pursuant to Minnesota Statutes. The Carver County Board of Commissioners comprises the Rail Authority's and WMO's five-member board. The Carver County Community Development Agency (CDA) is a discretely presented component unit. The CDA was established in 1980 pursuant to special Minnesota legislation. Its five-member board is also appointed by the Carver County Board of Commissioners and is comprised of residents from the five districts in the County.

### **Local Economy**

The information presented in financial statements is perhaps best understood when considered from the broader perspective of the specific environment within which the County operates. Carver County is one of the fastest growing counties in Minnesota during the last decade, and it is expected to keep growing. Forecasts project the County will experience one of the highest population growth rates in the Twin Cities Metro Region into 2040 when its population is expected to exceed 161,000. By then, Chanhassen and Chaska will be "built out," meaning there will be very little developable land left. Development will move further west, and the cities of Carver, Victoria and Waconia are expected to grow and look similar to the way Chaska and Chanhassen are today. Several factors are contributing to the County's growth: Land availability – cities to the east, such as Eden Prairie and Bloomington in Hennepin County, are running out of developable land pushing growth to Carver County where land is available for development. Landscape – Carver County's abundant lakes, wetlands, woods and open space are attractive features. Transportation – metro access has improved with Highway 212 and other road construction projects. Quality of life – Carver County is generally characterized as having a high quality of life, with "small town feel" and "rural setting" often cited.

The significant growth will increase the need for public investment in infrastructure. Many of these investments will need to occur prior to or along with residential or business development by the private sector. Other impacts include those investments made to the schools, parks, library system, law enforcement, court system and more. We will need more officers, judges, maintenance workers, social workers, County staff, and equipment to keep up with the demand for services.

The population of County seniors ages 65 and older will be the fastest growing age group between 2012 and 2040. In 2040, persons age 65 and older will constitute about 28.2 percent of the total County population; up from 10.8 percent in 2016 (2017 data was not available). The aging of the population will impact the level and type of services that will need to be provided by the County in the future.

In 2016, based on Bureau of Economic Analysis, Carver County was ranked second in the State for per capita personal income of \$64,473 (2017 data was not available). This was 124 percent of the State average and 131 percent of the national average. Nationwide, Carver County ranks 97th for per capita personal income.

Throughout the downturn in the economy, Carver County has since 2009 maintained a credit rating of AAA from Standard and Poor's (S&P) Rating Services, which is the best possible rating. The rating reflects the County's consistently strong finances, good financial management, solid income and market value per capita, and location.

### **Long-Term Financial Planning**

The County annually updates the Long-Term Financial Plan prepared by the Financial Services Division with inputs from all County divisions. This plan along with the 2018 Annual Budget fulfills the County Board's direction to "connect financial strategies to the County's short-term and long-term strategic goals and objectives." The County has identified approximately \$266.6 million in capital projects and equipment that range from currently underway or essential to operations to those that are desirable but in need of further study. Road and Bridge projects totaling \$246.9 million make up the largest portion of these projects followed by Parks and Trails projects totaling \$6.6 million. The most significant cost driver for future operating budgets is the staffing costs needed to address the increasing

service demands from a growing county. Specific financial strategies to address these challenges are included in the Long-Term Financial Plan. The Long-Term Financial Plan for 2019 and Beyond is available for viewing from the Financial Services Department or on our website at <https://www.co.carver.mn.us/>

Planning & Water Management, with the help of the CDA, elected officials, community groups, and citizens, developed a County Comprehensive Plan through the year 2030. The plan, which was approved in 2010, addresses the broad range of issues facing Carver County residents over the next 20 plus years. The elements of the plan consist of land use including economic development, historic preservation, and housing; transportation including roadways and transit; water resources; and parks, open space, and trails. Amendments to the 2030 Comprehensive Plan were adopted in July 2014 and January 2015. An updated 2030 Comprehensive Plan can be viewed on the Carver County website at <https://www.co.carver.mn.us/>. The County has prepared a Draft 2040 County Comprehensive plan after community engagement process. The draft plan will be reviewed by all affected jurisdictions/parties and must be approved by the County Board prior to submission to the Metropolitan Council. The final version of the plan must be adopted by the County Board before it goes into effect.

### **Major Initiatives**

**Implementation of the ½ percent Local Option Sales Tax and increase in Wheelage Tax** – In May of 2017, the Carver County Board of Commissioners implemented two transportation taxes: new ½ percent Local Option Sales Tax and an increase in the Wheelage Tax to \$20, both were approved for 20 years (through 2038). The Local Sales Tax went into effect October of 2017, and the \$10 Wheelage Tax increase January 2018. The revenue from the local sales tax will be used on transportation projects.

**Lake Waconia Regional Park Development** – Carver County was awarded \$1.5 million in grant funding during the 2018 legislative session. The grant is to be used for predesign, design, and engineering for the development of Lake Waconia Regional Park. \$1.5 million in local matching funds are required in order for the State to release the grant funds for the project. Phase I work would consist of construction of sewer and water utilities, site grading, parking areas, and road improvements.

**Steiner-Kelting Mental Wellness Facility** – The County purchased the Marie Steiner Kelting Hospice Home in 2017 and secured \$1.25M in State bond funds to transform the facility into a Mental Wellness Facility, which would provide critical mental wellness services to area residents. Planning in design is currently underway and construction will begin Fall of 2018.

**Master Space Plan** – Carver County has been working with an Architect to develop a space plan analysis and recommendations to achieve service delivery goals. The plan will describe how the County facilities will develop by addressing immediate needs over the next five years while planning for the long term evolution of services and facilities over the next 20 years. The County anticipates the plan to be completed by the summer of 2018.

**Innovation** – Since 2012, Carver County has made an organizational commitment to Innovation. We are focused on using the LEAN Kaizen process to achieve continuous improvements in processes, and we employ other methods to eliminate waste, achieve efficiencies, save money, and improve performance across the entire County. We held several events this year, and we will continue to hold Innovation events through 2018. Our Innovation Leadership Team advises the Innovation Program, which has the strong support of the Board and staff leadership.

### **Budgetary Controls**

The annual budget serves as the foundation for Carver County Government financial planning and control. The County budgets are presented at a more detailed level than is required by law in Minnesota or for federal programs. The budgets are developed by divisions and departments on a line-item basis to cover clients' needs, keeping in mind general guidelines set by the County's Board of Commissioners. The divisions and departments submit their budget requests to the County Administrator, who must balance the competing needs against available resources.

The County Board makes final adjustments to the budgets, which are then adopted and available for use on January 1<sup>st</sup> of the year. Budgetary control has traditionally been maintained at the department level.

Division and department managers are held responsible for their budget performance. Compliance with budgets is essential for the County to maintain its sound financial condition.

### **Relevant Financial Policies**

The County has adopted a comprehensive set of financial policies; this includes but is not limited to the following:

**The Budget and Long-Term Financial Plan Policy** provides a general set of guiding principles for developing the annual budget and the long-term financial plan, along with an overview of the process and schedule.

**The Fund Balance Policy** ensures that the County maintains adequate fund balances and reserves in order to provide a stable financial environment for the County's operations.

Additional policies that are being updated and added in 2018 are: Business Card Purchasing, Employee Expense Reimbursement, Frequent Flyer Miles, and Internal Controls Policy.

### **Independent Audit**

Minnesota State Law requires an audit to be made of the books of account, financial records and transactions of the County. CliftonLarsonAllen, LLP, has issued an unmodified ("clean") opinion on the County's financial statements for the year ended December 31, 2017. The independent auditor's report is located at the front of the financial section of this report. CliftonLarsonAllen, LLP, will issue a management and compliance letter covering the review, made as a part of the audit of the County's system of internal control and compliance with applicable legal provisions. The management and compliance letter will not modify or affect, in any way, this report on the financial statements.

### **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 evaluation by management and the internal staff of the County.

Office of Management and Budget (OMB) Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) sets forth the audit requirements for state and local governments receiving federal assistance. It provides for a single independent audit of the financial operations, including the compliance with certain provisions of federal laws and regulations. The requirements have been established to ensure that audits are made on an organizational wide basis rather than a grant-by-grant basis. The grants for which these requirements applied are identified in Schedule of Expenditures of Federal Awards (SEFA).

As a part of the government's single audit, tests are made to determine the adequacy of the internal controls, including that portion related to federal financial assistance programs, as well as to determine that the County has complied with applicable laws and regulations.

### **Internal Controls**

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

All internal control evaluations occur within the above framework. We believe the County's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions. The County's internal controls are supported by policies and procedures and are continually reviewed, evaluated, and modified to meet current needs. In 2018, the County Financial Services staff plans to again internally test the controls that are in place.

#### **Awards and Acknowledgements**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Carver County for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2016. This was the 21<sup>st</sup> consecutive year that the County has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report. This must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to meet the Certificate of Achievement program requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

The timely preparation of this report could not have been accomplished without the professional and dedicated hard work of the entire staff of the Financial Services Division. Also, cooperation was essential from many other divisions. We wish to express our appreciation to all members of the staff who assisted and contributed to the report's preparation. We also wish to thank the members of the County Board for their interest and support this past year in planning and conducting the financial operations of the County in a responsible and progressive manner.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'David Frischmon', written in a cursive style.

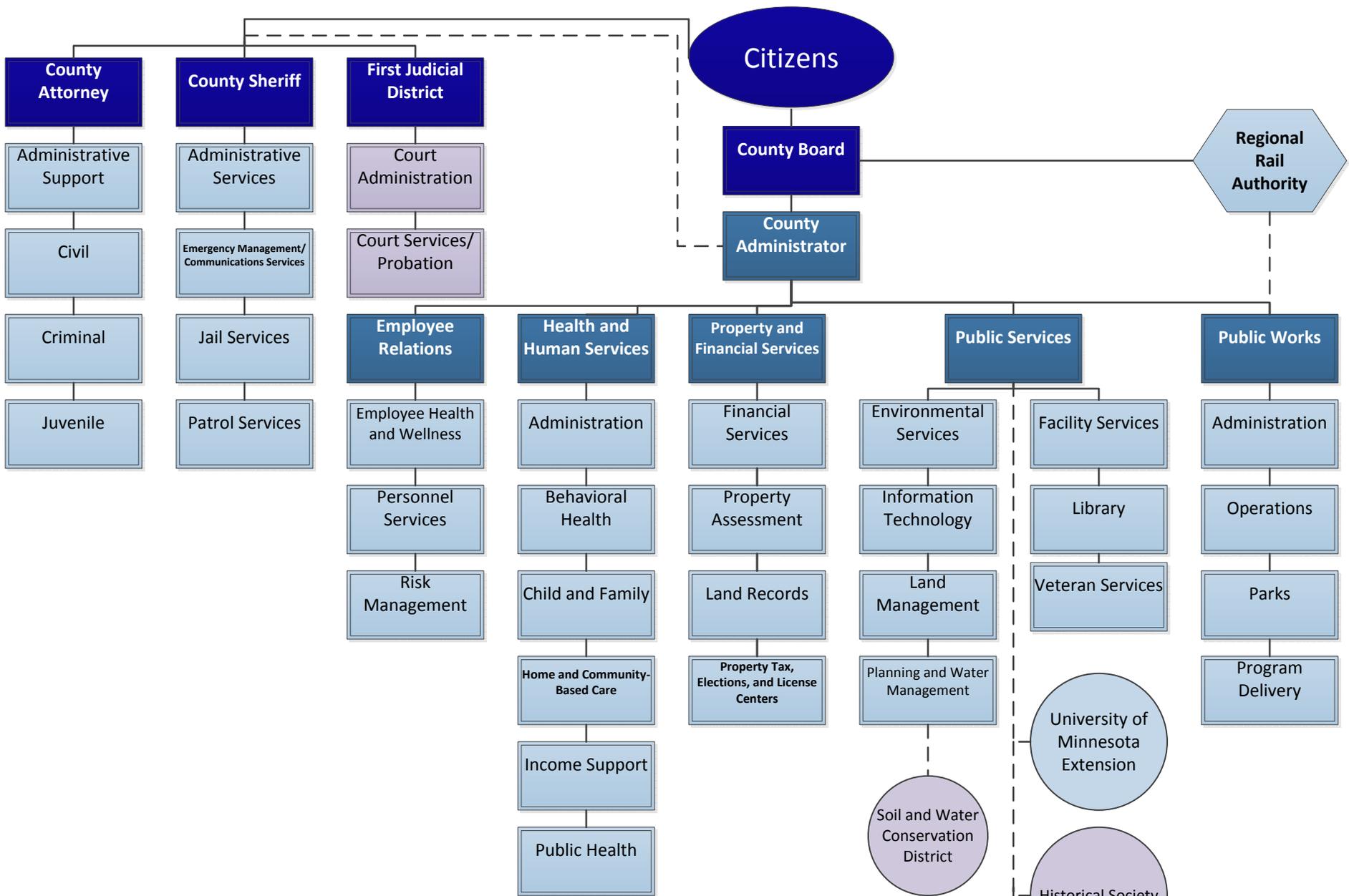
David Frischmon  
Property and Financial Services Director

CARVER COUNTY  
CHASKA, MINNESOTA

LIST OF ELECTED AND APPOINTED OFFICIALS  
DECEMBER 31, 2017

Office	Name	Term of Office	
		From	To
<b>Commissioners:</b>			
1st District	Gayle Degler, Vice Chair	January 2003	December 2020
2nd District	Tom Workman	January 2003	December 2018
3rd District	Randy Maluchnik	January 2007	December 2020
4th District	Tim Lynch	January 2005	December 2018
5th District	James M. Ische, Chair	January 1997	December 2020
<b>Officers:</b>			
<b>Elected:</b>			
Attorney	Mark Metz	January 2011	December 2018
Sheriff	Jim Olson	January 2011	December 2018
<b>Appointed:</b>			
Administrator	Dave Hemze	March 2003	Indefinite
Assessor	Angie Johnson	November 1999	Indefinite
Medical Examiner	Quinn Strobl M.D.	January 2013	December 2018
Veterans Services Officer	Dan Tengwall	September 2014	Indefinite
Division Directors:			
Employee Relations Director	Kerie Anderka	June 2013	Indefinite
Health and Human Services Director	Rod Franks	September 2015	Indefinite
Property and Financial Services Director	Dave Frischmon	April 2007	Indefinite
Public Services Director	Tom Vellenga	April 2014	Indefinite
Public Works Director	Lyndon Robjent	August 2009	Indefinite

Note: All Commissioners and all Officers are covered by the employee Blanket Bond.



**Legend:**

- Elected Officials:** Dark blue rectangle
- Divisions:** Medium blue rectangle
- Departments:** Light blue rectangle
- Direct Report:** Solid line
- Indirect Report:** Dashed line
- Separate Agency/Non-County Employees:** Light purple circle
- Separate Agency with County Employee Positions:** Light blue circle
- Separate Tax Levy Authority/County Commissioners:** Light purple hexagon
- Separate Tax Levy Authority/Non-County Employees:** Light blue hexagon



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**Carver County  
Minnesota**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2016**

*Christopher P. Morill*

Executive Director/CEO

# **FINANCIAL SECTION**

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## INDEPENDENT AUDITORS' REPORT

Board of County Commissioners  
Carver County  
Chaska, 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 remaining fund information of Carver County, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise Carver 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.

### ***Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Carver County Community Development Agency, which represents 100% of the assets, net position, and revenues of the discretely presented component unit. Those financial 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 Carver County Community Development Agency discretely presented component unit, is based solely on 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 *Governmental 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 auditors' 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 entity'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 entity'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 upon our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Carver County as of December 31, 2017, and the respective changes in financial position and, where applicable, cash flows thereof 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, budgetary comparison schedules, schedule of funding progress – other postemployment benefit plan, schedule of proportionate share of net pension liability – GERP, PEPFF and PECF plans, and schedule of pension contributions – GERP, PEPFF and PECF plans, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a 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.

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Carver County's basic financial statements. The supplementary information on pages 83 through 97 and pages 101 through 103, the introductory section on pages 1 through 8, and the statistical section on pages 104 through 126, 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 schedule of expenditures of federal awards on pages 98 through 100 is presented for purposes of additional analysis as required by U.S. Office of Management and Budget and Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and is also not a required part of the basic financial statements.

The supplementary information and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relates 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 supplementary information and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Matters (Continued)**

*Other Information (Continued)*

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 26, 2018, on our consideration of Carver 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 this report is solely 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 effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.



**CliftonLarsonAllen LLP**

Minneapolis, Minnesota  
June 26, 2018

**CARVER COUNTY  
CHASKA, MN**

**Management's Discussion and Analysis  
December 31, 2017  
(Unaudited)**

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The Financial Management of Carver County offers the readers of Carver County's financial statements this narrative overview and analysis of the financial activities of Carver County for the fiscal year ended December 31, 2017. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal and the notes to the financial statements.

**Financial Highlights**

- The assets and deferred outflows of resources of Carver County exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$294,181,385 (net position). Of this amount, \$14,826,838 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net position increased by \$9,940,740 for the year ended December 31, 2017.
- As of the close of the current fiscal year, Carver County governmental funds reported combined ending fund balances of \$71,261,066. Approximately, 76 percent of this amount, \$54,119,952, is available for spending at the government's discretion (assigned and unassigned fund balance is the discretionary fund balance).
- At the end of the current fiscal year, assigned and unassigned fund balance for the General Fund was \$21,578,127, or 40 percent of the total General Fund expenditures and transfers out.
- Carver County's total long-term debt decreased by \$9,511,265 (21 percent) during the current fiscal year. The key factor was the debt service payments which reduced the outstanding debt, and the payoff of the 2008A bonds. This was offset by the County drawing down on the General Obligation Notes Payable that were issued through the Minnesota Public Facilities Authority (MPFA) in 2014.
- The County purchased the Steiner-Kelting Mental Wellness Facility for \$2,504,109 in 2017. The plan is to expand the facility to increase the bed capacity of the current building. The expansion will be funded by State of Minnesota bond funds; planning and construction is projected to begin in 2018.

**Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to Carver County's basic financial statements. Carver County's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other 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 Carver County's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of Carver County's assets, liabilities, and deferred outflows and inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of Carver County is improving or deteriorating. Consideration of other nonfinancial factors need to be included in the analysis as well, such as, changes in the County's property tax base and the condition of the County's infrastructure, to assess the overall health of the County.

The statement of activities presents information showing how Carver County'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 only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of Carver County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges. The governmental activities of Carver County include general government, public safety, highways and streets, human services, health, culture and recreation, and conservation of natural resources.

The government-wide financial statements include not only Carver County itself (known as the primary government), but also a legally separate Carver County Community Development Agency for which Carver County is financially accountable. Financial information for the component unit is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 20-22 of this report.

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CHASKA, MN**

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**Fund 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. Carver County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related requirements. All of the funds of Carver County can be divided into three categories: governmental funds, proprietary 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, governmental fund 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 near-term financing decisions. Both the governmental funds 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.

Carver County maintains ten individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, Road and Bridge Fund, Health and Human Services Fund, Debt Service Fund, Buildings Capital Improvement Fund, Road & Bridge Capital Improvement Fund, and Parks & Trails Capital Improvement Fund, all of which are considered major funds. The Rail Authority Fund, Water Management Organization Fund, and Ditch Fund are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

Carver County adopts an annual appropriated budget for its seven major governmental funds and its three nonmajor funds. A budgetary comparison statement has been provided for these funds to demonstrate compliance with their budgets.

The basic fund financial statements can be found on pages 23-30 of this report.

*General Fund.* The General Fund is used to account for all financial resources not accounted for in another fund.

*Special Revenue Funds.* Special Revenue governmental funds account for the proceeds of specific revenue sources that are restricted to expenditures for specified purposes. The Special Revenue Funds include:

- Road and Bridge
- Health and Human Services
- Rail Authority
- Water Management Organization
- Ditch

*Debt Service Fund.* The Debt Service Fund accounts for the payment of principal, interest and fiscal charges on long-term obligations of Carver County.

*Capital Projects Funds.* The Capital Projects Funds track major construction projects. The Capital Projects Funds include:

- Buildings Capital Improvement Fund (CIP)
- Road & Bridge Capital Improvement Fund (CIP)
- Parks & Trails Capital Improvement Fund (CIP)

**Proprietary funds.** Carver County uses only one type of proprietary fund. These internal service funds are an accounting device used to accumulate and allocate costs internally among Carver County's various functions. Carver County has three internal service funds: Self Insurance Fund, Compensated Absences Fund, and the Other Post Employment Benefits Fund. The Self Insurance Fund allocates costs of risk management to the various county departments. The Compensated Absences Fund accounts for the change in the vacation, sick and retiree insurance balances. This fund has no net position because the cash balance is offset by its liability. The Other Post Employment Benefits (OPEB) Fund allocates costs for the yearly contribution made to the revocable trust account, that the County maintains with the State Board of Investment, to the various county departments. This fund also reports the Net OPEB Obligation; the County plans to continue the yearly contribution to the revocable trust account to offset this liability.

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**Fiduciary Funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because resources of those funds are not available to support Carver County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on page 30 of this report.

**Notes to the Financial Statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 31-69 of this report.

**Other Information.** In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information. The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the budgetary comparisons of the Capital Projects Funds in the supplementary section. Combining and individual fund statements and schedules can be found on pages 70-103 of this report.

**Government-wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Carver County, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$294,181,385 at the close of the most recent fiscal year.

Net Investment in Capital Assets, \$250,468,438 (e.g., land, buildings, machinery and equipment, infrastructure, improvements - other than buildings, and construction in progress, less any related debt used to acquire assets that is still outstanding) represents 85 percent of total net position. Carver County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Carver County's investments in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Approximately 9.8 percent of Carver County's net position or \$28,886,109 represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$14,826,838 or approximately 5.0 percent is unrestricted and may be used to meet the government's ongoing obligations to citizens and creditors.

**Carver County's Net Position**

	<b>Governmental Activities</b>	
	<b>2017</b>	<b>2016</b>
Current and other assets	\$ 116,000,065	\$ 116,155,352
Capital assets	285,016,691	274,810,804
<b>Total Assets</b>	<b>401,016,756</b>	<b>390,966,156</b>
<b>Deferred Outflows of Resources</b>	24,553,234	40,271,217
Long-term liabilities outstanding	90,323,727	120,405,265
Other liabilities	15,067,230	19,183,800
<b>Total Liabilities</b>	<b>105,390,957</b>	<b>139,589,065</b>
<b>Deferred Inflows of Resources</b>	21,519,371	7,407,663
Net Position:		
Net Investment in Capital Assets	250,468,438	241,043,777
Restricted	28,886,109	29,155,238
Unrestricted	14,826,838	14,041,630
<b>Total Net Position</b>	<b>\$ 294,181,385</b>	<b>\$ 284,240,645</b>

At the end of the current fiscal year, Carver County is able to report positive balances in all three components of net position. The same held true for the prior fiscal year.

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Carver County's net position increased by \$9,940,740 during the current fiscal year.

This increase is the combination of many surpluses and deficits but the primary changes include:

- An increase in capital assets that were largely or partially funded by non-County dollars, such as, the MN River Bluffs Trail and road and bridge projects that completed or in construction in progress at the end of 2017.
- Starting October of 2017, a 0.5% transit sales and use tax and a \$20 vehicle excise tax was implemented generating \$899,967 in 2017 to be used on transportation projects throughout the county.
- Public Safety expenses decreased by \$1,493,681 from the previous year, this is mainly due to the County's proportionate share of the Public Employees Police and Fire's net pension liability decreasing over \$16 million from 2016.

**Carver County's Changes in Net Position**

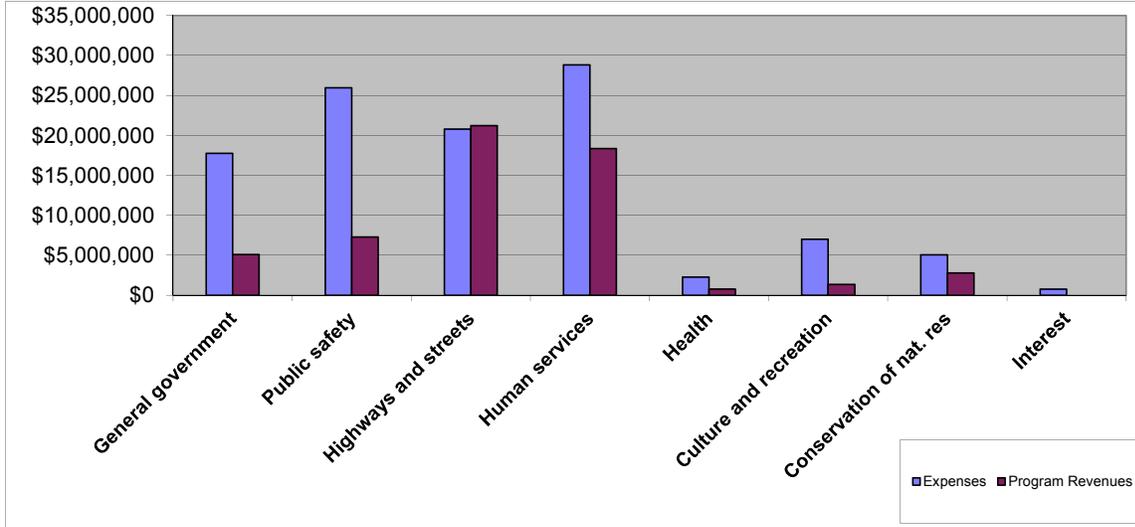
	<b>Governmental Activities</b>	
	<b>2017</b>	<b>2016</b>
<b>Revenues:</b>		
Program revenues:		
Fees, Charges, Fines and Other	\$ 16,375,022	\$ 15,635,455
Operating grants & contributions	37,889,184	29,465,961
Capital grants & contributions	2,516,483	5,655,606
General revenues:		
Property taxes	52,402,357	50,862,084
Wheelage tax	893,982	850,204
Transportation tax	899,967	-
Gravel tax	81,015	57,458
Grants & contributions not restricted to specific programs	3,461,103	3,461,341
Payment in lieu of taxes	188,352	166,705
Investment income	2,393,439	1,576,539
Miscellaneous	1,204,144	1,100,583
<b>Total Revenues</b>	<b>118,305,048</b>	<b>108,831,936</b>
<b>Expenses:</b>		
General government	17,755,764	15,543,460
Public safety	25,936,255	27,429,936
Highways and streets	20,778,791	14,206,084
Human services	28,809,030	27,281,389
Health	2,278,107	2,285,038
Culture and recreation	6,985,503	7,691,214
Conservation of natural resources	5,055,487	4,642,206
Interest	765,371	990,752
<b>Total Expenses</b>	<b>108,364,308</b>	<b>100,070,079</b>
Increase in net position	9,940,740	8,761,857
<b>Net Position 1/1</b>	<b>284,240,645</b>	<b>275,478,788</b>
<b>Net Position 12/31</b>	<b>\$ 294,181,385</b>	<b>\$ 284,240,645</b>

The expenses stated for each function of government above are reflective after the allocation of indirect expense.

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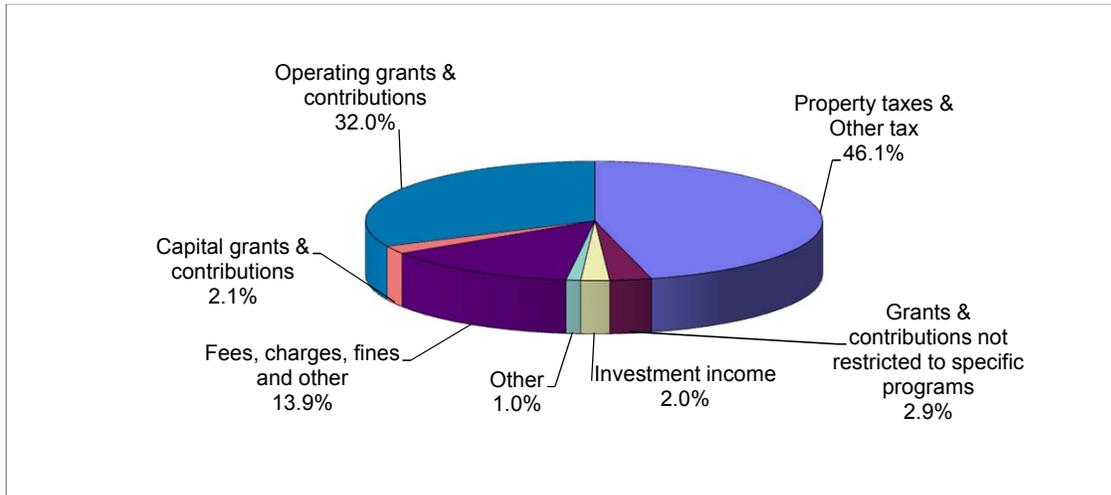
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**2017 Expenses and Program Revenues - Governmental Activities**



*Expenses presented in this graph are reflective after the indirect expense allocation, see page 22 of this report.*

**2017 Revenues by Source - Governmental Activities**



**Financial Analysis of the Government's Funds**

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

**Governmental Funds.** The focus of Carver County governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing Carver 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.

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As of the end of the current fiscal year, Carver County's governmental funds reported combined ending fund balances of \$71,261,066, a decrease of \$13,030,481 in comparison with the prior year. Most of the total amount, \$54,119,952 constitutes assigned or unassigned fund balance, which is available for spending at the government's discretion. The remainder of fund balance is not available for new spending because it has been restricted for specific purposes or is nonspendable.

The General Fund is the chief operating fund of Carver County. At the end of the current fiscal year assigned and unassigned fund balance of the General Fund was \$21,578,127, while total fund balance reached \$23,987,508. As a measure of the General Fund's liquidity, it may be useful to compare assigned and unassigned fund balance and the total fund balance to total fund expenditures and transfers out. Assigned and unassigned fund balance represents 40 percent of total General Fund expenditures and transfers out, while total fund balance represents approximately 44 percent of that same amount. The fund balance of Carver County's General Fund increased by \$1,157,271 during the current fiscal year. This is largely attributed to projects that were funded in 2017, but not completed prior to year end. Therefore, fund balance has been assigned to those incomplete projects.

The Road and Bridge Fund had a total fund balance of \$3,834,364 at the end of the current fiscal year. The fund balance of the Road and Bridge Fund decreased by \$150,906 during the current year due to the spend down of funds transferred and accumulated in previous years for equipment purchases and the compilation of the 2040 Comprehensive Plan.

The Health and Human Services Fund had a total fund balance of \$10,758,752 at the end of the current fiscal year. The fund balance of the Health and Human Services Fund increased by \$830,865 during the current fiscal year. This change is primarily due to the funds received on an old receivable from the Carver Scott Educational Cooperative, as well as, the transfer of funds to insure the proper level of fund balance to cover 35% of next year's operating budget needs.

The Ditch Fund had a negative fund balance of \$25,062 at the end of the current fiscal year. The fund balance of the Ditch Fund increased by \$24,988 during the fiscal year, due to special assessments received during the year.

The Rail Authority Fund had a fund balance of \$88,772 at the end of the current fiscal year. The fund balance of the Rail Authority Fund increased by \$41,118 during the current fiscal year due to no project transfers made during the year.

The Water Management Organization Fund had a fund balance of \$284,368 at the end of the current fiscal year. The fund balance of the Water Management Organization Fund decreased by \$14,870 during the current fiscal year due to more project expenses during the year.

The Debt Service Fund had a total fund balance of \$12,710,587 at the end of the current fiscal year which is available for payment of debt service. The fund balance of the Debt Service Fund decreased by \$5,542,891 during the current fiscal year. This is largely due to the execution of the 2008A crossover refunding that happened in May of 2017, which retired the 2007A GO bonds.

The Buildings Capital Improvement Fund had a total fund balance of \$3,079,612 at the end of the current fiscal year. This fund balance is assigned for capital projects, the Public Works (PW) Northwest Satellite Facility Site Improvements, and the Year-End Savings (YES) account. The fund balance of the Buildings Capital Improvement Fund increased by \$282,753 during the current fiscal year. This increase is largely due to funded projects in 2017 not being completed within the current year.

The Road and Bridge Capital Improvement Fund had a total fund balance of \$13,379,242 at the end of the current fiscal year. The restricted fund balance is for the 2014 bond projects. The remaining balance is assigned to: capital projects, TH212 turnback, transportation tax projects, and the YES account. The fund balance of the Road and Bridge Capital Improvement Fund decreased by \$8,072,236 during the fiscal year. The key factors for the decrease is the spend-down of the 2014A bond funds and the completion of some large infrastructure projects, such as, CSAH 18.

The Parks & Trails Capital Improvement Fund had a total fund balance of \$3,162,923 at the end of the current fiscal year. These funds are restricted to Coney Island improvements and assigned for: park land acquisition, capital projects, and the YES account. The fund balance for the Parks and Trails Capital Improvement Fund decreased by \$1,586,573 during the fiscal year. This change is primarily due to the transfer of \$2 million in park land acquisition funds to the Buildings CIP fund, for the purchase of the Steiner-Kelting Mental Wellness Facility.

**General Fund Budgetary Highlights**

The difference between the original budget expenditures and other financing uses and the final amended budget expenditures and other financing uses was an increase of \$4,275,088 during the fiscal year. The difference between the original budget revenues and other financing sources and the final amended budget revenues and other financing sources was an increase of \$3,144,017. The significant budget changes during the current fiscal year were:

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- Increasing intergovernmental revenue by \$389,796, mainly for additional grants that were awarded in 2017 and were not a part of the 2017 adopted budget.
- Increasing charges for services by \$389,796, largely due to increased police contract revenue that wasn't included in the 2017 adopted budget.
- Increasing transfers in by \$2,141,872, largely due to the allocation of the State Turnback reimbursement, for projects and purchases approved by the Board; as well as, the vacancy savings allocation.
- Increasing transfers out by \$2,569,789, is made up mainly from adjusting the working capital amount across the operating funds and transferring excess funds to the YES account maintained in the CIP funds.
- Increasing and decreasing budgeted expenditures for: Vacany Savings budget was allocated out to the respective departmental budgets based on anticipated vacancy savings; and the large decrease in current- other budget relates to the allocation of the compensation and classification study. The budget for the compensation and classification study was put into current-other for the adopted budget due to the unknowns at the time on the impact of the study, since then, the budget was allocated out.

The final amended budget expenditures and transfers out exceeded actual expenditures and other financing uses by \$1,480,885 during fiscal year. The actual revenues and other financing sources were greater than the final amended budget revenues and other financing sources by \$807,457. Significant variances during the current fiscal year included the following:

- Actual Taxpayer Services, Information Technology, Human Resources, Property Records, Sheriff, and Library expenditures were \$106,469, \$349,140, \$112,554, \$118,504, \$479,466 and \$125,866, respectively, less than final budgeted expenditures as a result of vacancy savings and tighter restrictions on discretionary spending.
- Actual court administration expenditures were \$131,177 over the final budgeted expenditures as a result of increased number and duration of both Civil Commitments and CHIPS cases during the year.
- Commissioner's contingency of \$54,798 was not used during the year.
- Investment Income was lower than the budgeted amount by \$235,241. This is largely due to low interest rates. The County also had a \$8,278 negative mark to market adjustment.
- Intergovernmental revenue was higher than the final budget by \$424,529, largely resulting from agricultural preserve credit not budgeted for but were received. Police aid and payments in lieu of taxes also came in higher than budgeted.
- Charges for Services was higher than the final budget by \$616,975, mainly due to the unbudgeted increase in inmate revenue related to ICE (Immigration and Customs Enforcement) detention services.

**Capital Asset and Debt Administration**

**Capital Assets.** Carver County's investment in capital assets for its governmental activities as of December 31, 2017, is \$285,016,691 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings, improvements other than buildings, machinery and equipment, and infrastructure. The total increase in Carver County's investment in capital assets for the current year was approximately 3.7 percent. The increase in capital assets was mainly due to an increase of \$18,214,470 in infrastructure.

Major capital asset events during the current fiscal year included the following:

- Completion of 3 road projects and 5 bridge projects, \$17,922,126.
- Purchase of the Steiner-Kelting Mental Wellness Facility, \$2,504,109.
- Continued road construction during 2017, an increase in construction in progress of \$13,480,907, note this was offset by the completion of road and bridge projects completed during 2017.
- Depreciation expense for the year of \$7,901,445.

**Carver County's Capital Assets  
(net of depreciation)**

	Governmental Activities	
	2017	2016
Land	\$ 30,019,426	\$ 30,019,426
Construction in Progress	96,812,230	100,776,562
Buildings	37,648,102	36,822,310
Improvements other than buildings	152,652	519,342
Machinery and Equipment	6,152,176	6,575,744
Infrastructure	114,232,105	100,097,420
<b>Total</b>	<b>\$ 285,016,691</b>	<b>\$ 274,810,804</b>

Additional information on Carver County's capital assets can be found in Note 3.C on page 44 of this report.

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**Management's Discussion and Analysis  
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**Long-term Debt.** At the end of the current fiscal year, Carver County had total bonded debt outstanding of \$36,604,277. This is a decrease of \$9,464,090 from the start of the year. Current and future County tax levies are used to finance all bonded debt.

Carver County's total debt decreased by \$9,511,265 during the current fiscal year; resulting from the payoff of the 2008A bonds, and other debt retirements. The decrease was offset by further draw downs on the MPFA notes payable.

**Carver County's Outstanding Debt**

	<b>Governmental Activities</b>	
	<b>2017</b>	<b>2016</b>
General obligation bonds	\$ 22,325,218	\$ 30,828,356
General obligation notes payable	13,588,245	14,549,197
Loans	690,814	737,989
<b>Total</b>	<b>\$ 36,604,277</b>	<b>\$ 46,115,542</b>

Carver County's bond credit rating increased from a rating of Aa2 in 2009 to an AAA rating because of the future economic outlook and sound fiscal management. The AAA bond credit rating was maintained through 2017 and into 2018.

State statutes limit the amount of general obligation debt a county can incur to no more than 3% of the assessed value of taxable property in the county. The current debt limitation for Carver County is \$381,681,216, which is significantly in excess of Carver County's outstanding general obligation debt.

Additional information on Carver County's long-term debt can be found in Note 3.F on pages 47-48 of this report.

**Economic Factors and Next Year's Budgets and Rates**

- The 2017 average unemployment rate for Carver County was 3.1%, which is a decrease from a rate of 3.3% a year ago. This compares favorably to the State's average unemployment rate of 3.3% and the national average of 4.1%.
- County General Fund expenditures for 2018 are budgeted to increase 2.56% from 2017.
- Main economic benchmarks, including property market values and new construction, showed improved growth over 2017. For example, the County's \$320,700 average value home increased in value by 5% compared to last year. Capturing these potential new revenue sources is, however, limited by the County Board's direction that the County budget results in a minimal impact on the average-value home. This presents a financial challenge in light of the increase in costs and demands for County services. The budget recommendation for 2018 meets this challenge by limiting the County's tax impact to an inflationary increase of 1.9% on an average-valued residential property, a 1% increase on an average-valued commercial property, and a 3% decrease on an average-value agricultural property.

**Requests for Information**

This financial report is designed to provide a general overview of Carver County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Financial Services Department, 600 East Fourth Street, Government Center, Administration Building, Chaska, MN 55315-2183. Or visit our website at <https://www.co.carver.mn.us/>

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# **Basic Financial Statements**

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**CARVER COUNTY  
CHASKA, MINNESOTA**

**STATEMENT OF NET POSITION  
DECEMBER 31, 2017**

	<u>Primary Government</u>	<u>Component Unit</u>
	<u>Governmental</u>	<u>Community</u>
	<u>Activities</u>	<u>Development</u>
	<u>Agency</u>	<u>Agency</u>
<b><u>Assets</u></b>		
Current assets		
Cash and Pooled Investments	\$ 75,035,008	\$ 6,530,605
Petty Cash and Change Funds	7,240	-
Departmental Cash	98,361	-
Undistributed Cash in Agency Funds	4,478,277	-
Investments with Trust Account	6,720,451	-
Cash with Fiscal Agent	2,448,127	-
Minnesota Foundation Endowment	58,468	-
Taxes Receivable		
Delinquent	351,226	-
Special Assessments Receivable		
Delinquent	372	-
Deferred	493,900	-
Accounts Receivable	862,463	39,331
Accrued Interest Receivable	368,259	26,716
Note Receivable	-	40,945
Due From Other Governments	23,870,795	94,463
Inventories	658,177	-
Prepaid Items	548,941	75,608
Restricted Assets		
Cash and Pooled Investments	-	5,420,477
Total Current Assets	<u>116,000,065</u>	<u>12,228,145</u>
Noncurrent assets		
Capital Assets - Not being Depreciated		
Land	30,019,426	7,345,248
Construction in Progress	96,812,230	-
Capital Assets - Net of Depreciation		
Buildings	37,648,102	28,708,425
Improvements other than Buildings	152,652	202,988
Machinery and Equipment	6,152,176	279,619
Infrastructure	114,232,105	-
Notes, Loans & Mortgages Receivable - Noncurrent	-	1,139,041
Total Noncurrent Assets	<u>285,016,691</u>	<u>37,675,321</u>
<b>Total Assets</b>	<u>\$ 401,016,756</u>	<u>\$ 49,903,466</u>
<b><u>Deferred Outflows of Resources</u></b>		
Deferred Charges on Refunding	\$ -	\$ 504,811
Deferred Pension Resources	24,553,234	-
<b>Total Deferred Outflows of Resources</b>	<u>\$ 24,553,234</u>	<u>\$ 504,811</u>

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

**CARVER COUNTY  
CHASKA, MINNESOTA**

**STATEMENT OF NET POSITION  
DECEMBER 31, 2017  
(Continued)**

	<u>Primary Government</u>	<u>Component Unit</u>
	<u>Governmental Activities</u>	<u>Community Development Agency</u>
<b><u>Liabilities</u></b>		
Current liabilities		
Accounts Payable	\$ 1,600,021	\$ 210,124
Accrued Interest Payable	386,258	375,997
Salaries Payable	1,052,274	4,530
Contracts Payable	1,419,861	-
Retainage Payable	571,479	-
Other current liabilities	-	268,534
Customer deposits	1,112,773	304,785
Due to other Governments	1,711,561	14,175
General Obligation Bonds Payable - due within one year (net of premium/ discount)	5,210,432	905,000
Notes Payable - due within one year	984,245	170,162
Loans Payable - due within one year	152,866	-
Compensated Absences - due within one year	316,837	135,050
Unearned Revenue	548,623	66,301
<b>Total Current Liabilities</b>	<b>15,067,230</b>	<b>2,454,658</b>
Noncurrent liabilities:		
General Obligation Bonds Payable - due in more than one year (net of premium/ discount)	17,114,786	21,914,164
Notes Payable - due in more than one year	12,604,000	8,628,167
Loans Payable - due in more than one year	537,948	-
Compensated Absences - due in more than one year	4,919,079	-
Net OPEB Obligation - due in more than one year	7,266,844	-
Net Pension Liability - due in more than one year	47,881,070	-
<b>Total Noncurrent Liabilities</b>	<b>90,323,727</b>	<b>30,542,331</b>
<b>Total Liabilities</b>	<b>\$ 105,390,957</b>	<b>\$ 32,996,989</b>
<b><u>Deferred Inflows of Resources</u></b>		
Deferred Pension Resources	\$ 21,519,371	\$ -
Property Taxes Collected for Subsequent Period	4,478,277	-
<b>Total Deferred Inflows of Resources</b>	<b>\$ 25,997,648</b>	<b>\$ -</b>
<b><u>Net Position</u></b>		
Net Investment in Capital Assets	\$ 250,468,438	\$ 5,423,598
Restricted for:		
CDA	-	5,386,575
Coney Island Improvements	900,000	-
Recorder's Equipment	364,188	-
Recorder's Information Technology	96,099	-
Minnesota Foundation Endowment (Nonexpendable)	58,468	-
Restitution	53,820	-
Law Library	69,796	-
ATOD Program	5,280	-
Conceal and Carry	246,378	-
Attorney Forfeitures	56,374	-
Posse	7,365	-
Gifts/Donations	5,905	-
Solid Waste Fees	58,490	-
Watershed Districts	284,370	-
Sheriff Forfeitures	66,733	-
Sheriff Explorers	566	-
Sheriff Reserves	8,045	-
E-911	429,865	-
MNDOT Allotments	15,823,411	-
Ditch Maintenance	70,573	-
Debt Service	10,280,383	-
Unrestricted	14,826,838	6,601,115
<b>Total Net Position</b>	<b>\$ 294,181,385</b>	<b>\$ 17,411,288</b>

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

CARVER COUNTY  
CHASKA, MINNESOTA

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2017

	Expenses	Indirect Expense Allocation	Fees, Charges, Fines and Other	Program Revenues		Net (Expense)/Revenue and Change in Net Position	
				Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Governmental Activities	Component Unit Community Development Agency
<b>Functions/Programs</b>							
<b>Primary Government</b>							
<b>Governmental activities:</b>							
General government	\$ 24,133,362	\$ (6,377,598)	\$ 4,171,182	\$ 803,385	100,000	\$ (12,681,197)	\$ -
Public safety	23,895,811	2,040,444	5,830,716	1,465,360	-	(18,640,179)	-
Highways and streets	20,133,499	645,292	24,278	19,241,902	1,945,213	432,602	-
Human services	26,273,147	2,535,883	4,034,007	14,297,507	-	(10,477,516)	-
Health	2,058,583	219,524	24,333	727,938	-	(1,525,836)	-
Culture and recreation	6,337,896	647,607	497,969	367,829	471,270	(5,648,435)	-
Conservation of natural resources	4,766,639	288,848	1,792,537	985,263	-	(2,277,687)	-
Interest	765,371	-	-	-	-	(765,371)	-
<b>Total primary government</b>	<b>\$ 108,364,308</b>	<b>\$ -</b>	<b>\$ 16,375,022</b>	<b>\$ 37,889,184</b>	<b>2,516,483</b>	<b>\$ (51,583,619)</b>	<b>\$ -</b>
<b>Component unit:</b>							
Community Development Agency	\$ 8,548,145	\$ -	\$ 5,767,939	\$ 3,621,828	-	\$ -	\$ 841,622
<b>General revenues:</b>							
Property Taxes						\$ 52,402,357	\$ -
Wheelage Tax						893,982	-
Transportation Tax						899,967	-
Gravel Tax						81,015	-
Grants and contributions not restricted to specific programs						3,461,103	-
Payment in lieu of taxes						188,352	-
Investment income						2,393,439	56,139
Miscellaneous						1,204,144	-
<b>Total general revenues</b>						<b>61,524,359</b>	<b>56,139</b>
Change in net position						9,940,740	897,761
<b>Net position - beginning</b>						<b>284,240,645</b>	<b>16,513,527</b>
<b>Net position - ending</b>						<b>\$ 294,181,385</b>	<b>\$ 17,411,288</b>

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

CARVER COUNTY  
CHASKA, MINNESOTA

BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2017

<u>Assets</u>	Road & Bridge Special Revenue Fund		Health & Human Services Special Revenue Fund	Debt Service	Buildings CIP	Road & Bridge CIP	Parks & Trails CIP	Other Governmental Funds	Total Governmental Funds
	General	Special Revenue Fund	Special Revenue Fund	Service	CIP	CIP	CIP	Funds	Funds
Cash and Pooled Investments	\$ 26,313,967	\$ 3,593,094	\$ 9,608,782	\$ 10,242,543	\$ 3,098,743	\$ 10,615,595	\$ 3,188,839	\$ 474,127	\$ 67,135,690
Petty Cash and Change Funds	6,390	100	750	-	-	-	-	-	7,240
Departmental Cash	98,361	-	-	-	-	-	-	-	98,361
Undistributed Cash in Agency Funds	2,618,449	372,145	942,229	379,310	-	166,144	-	-	4,478,277
Cash with Fiscal Agent	-	-	-	2,448,127	-	-	-	-	2,448,127
Minnesota Foundation Endowment	58,468	-	-	-	-	-	-	-	58,468
Taxes Receivable									
Delinquent	211,492	28,048	62,694	31,822	54	12,389	8	4,719	351,226
Special Assessments Receivable									
Delinquent	-	-	-	-	-	-	-	372	372
Unavailable	386,289	-	-	-	-	-	-	107,611	493,900
Accounts Receivable	178,708	30,675	639,922	-	-	-	-	13,158	862,463
Accrued Interest Receivable	362,241	-	-	6,018	-	-	-	-	368,259
Due from other Funds	64,560	22,192	-	-	-	15,000	-	472	102,224
Due from other Governments	960,669	54,791	2,335,136	-	-	20,502,269	-	17,930	23,870,795
Inventories	-	658,177	-	-	-	-	-	-	658,177
Prepaid Items	483,756	45,323	19,862	-	-	-	-	-	548,941
<b>Total Assets</b>	<b>31,743,350</b>	<b>4,804,545</b>	<b>13,609,375</b>	<b>13,107,820</b>	<b>3,098,797</b>	<b>31,311,397</b>	<b>3,188,847</b>	<b>618,389</b>	<b>101,482,520</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>									
<b>Liabilities:</b>									
Accounts Payable	629,149	312,036	503,376	-	1,686	13,618	-	64,226	1,524,091
Salaries Payable	635,233	74,855	342,186	-	-	-	-	-	1,052,274
Contracts Payable	374,043	133,362	28,379	-	10,106	815,035	25,919	33,017	1,419,861
Retainage Payable	-	-	-	-	-	571,479	-	-	571,479
Customer Deposits Payable	1,112,773	-	-	-	-	-	-	-	1,112,773
Due to other Funds	17,744	2,600	59,184	-	7,363	333	-	15,000	102,224
Due to other Governments	1,291,757	1,646	358,864	-	-	32,504	-	26,790	1,711,561
Unearned Revenue	165,957	-	382,666	-	-	-	-	-	548,623
<b>Total Liabilities</b>	<b>4,226,656</b>	<b>524,499</b>	<b>1,674,655</b>	<b>-</b>	<b>19,155</b>	<b>1,432,969</b>	<b>25,919</b>	<b>139,033</b>	<b>8,042,886</b>
<b>Deferred Inflows of Resources:</b>									
Unavailable revenue	910,737	73,537	233,739	17,923	30	16,333,042	5	131,278	17,700,291
Property Taxes Collected for Subsequent Period	2,618,449	372,145	942,229	379,310	-	166,144	-	-	4,478,277
<b>Total Deferred Inflows of Resources</b>	<b>3,529,186</b>	<b>445,682</b>	<b>1,175,968</b>	<b>397,233</b>	<b>30</b>	<b>16,499,186</b>	<b>5</b>	<b>131,278</b>	<b>22,178,568</b>
<b>Fund Balances:</b>									
<b>Non-spendable:</b>									
Inventories	-	658,177	-	-	-	-	-	-	658,177
Minnesota Foundation Endowment	58,468	-	-	-	-	-	-	-	58,468
Prepays	483,756	45,323	19,862	-	-	-	-	-	548,941
Missing Heirs	93,728	-	-	-	-	-	-	-	93,728
<b>Restricted for:</b>									
Coney Island Improvements	-	-	-	-	-	-	900,000	-	900,000
Septic Loan Program	304,525	-	-	-	-	-	-	-	304,525
Recorder's Information Technology	96,099	-	-	-	-	-	-	-	96,099
Recorder's Equipment	364,188	-	-	-	-	-	-	-	364,188
Gifts and Donations	5,905	-	-	-	-	-	-	-	5,905
Restitution	53,820	-	-	-	-	-	-	-	53,820
Attorney Forfeitures	56,374	-	-	-	-	-	-	-	56,374
Law Library	69,796	-	-	-	-	-	-	-	69,796
ATOD Program	5,280	-	-	-	-	-	-	-	5,280
Conceal and Carry	246,378	-	-	-	-	-	-	-	246,378
Posse	7,365	-	-	-	-	-	-	-	7,365
Solid Waste Fees	58,490	-	-	-	-	-	-	-	58,490
Watershed Districts	-	-	-	-	-	-	-	284,368	284,368
Sheriff Forfeitures	66,733	-	-	-	-	-	-	-	66,733
Sheriff Explorers	566	-	-	-	-	-	-	-	566
Sheriff Reserves	8,045	-	-	-	-	-	-	-	8,045
E-911	429,865	-	-	-	-	-	-	-	429,865
Debt Service	-	-	-	12,710,587	-	-	-	-	12,710,587
2014 Bond Projects	-	-	-	-	-	42,843	-	-	42,843
Ditch Maintenance	-	-	-	-	-	-	-	70,573	70,573
Assigned to (Note 3.G.):	3,142,612	3,130,864	10,738,890	-	3,079,612	13,336,399	2,262,923	88,772	35,780,072
Unassigned:	18,435,515	-	-	-	-	-	-	(95,635)	18,339,880
<b>Total Fund Balances</b>	<b>23,987,508</b>	<b>3,834,364</b>	<b>10,758,752</b>	<b>12,710,587</b>	<b>3,079,612</b>	<b>13,379,242</b>	<b>3,162,923</b>	<b>348,078</b>	<b>71,261,066</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balance</b>	<b>\$ 31,743,350</b>	<b>\$ 4,804,545</b>	<b>\$ 13,609,375</b>	<b>\$ 13,107,820</b>	<b>\$ 3,098,797</b>	<b>\$ 31,311,397</b>	<b>\$ 3,188,847</b>	<b>\$ 618,389</b>	<b>\$ 101,482,520</b>

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

**CARVER COUNTY  
CHASKA, MINNESOTA**

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION  
DECEMBER 31, 2017**

<b>Fund Balances - Total Governmental Funds</b>		<b>\$ 71,261,066</b>
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>		
<p>Internal Service Funds are used by management to charge costs of insurance, compensated absences, other post-employment benefits to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of activities.</p>		2,041,079
<p>Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds</p>		285,016,691
<p>Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the governmental funds.</p>		
General Obligation Bonds Payable	(22,325,218)	
Notes Payable	(13,588,245)	
Loans Payable	(690,814)	
Net Pension Liability	(47,881,070)	
Accrued Interest Payable	(386,258)	(84,871,605)
<p>Deferred outflows of resources and deferred inflows of resources are created as a result of various differences related to pensions that are not recognized in the governmental funds.</p>		
Deferred outflow of resources	24,553,234	
Deferred inflow or resources	(21,519,371)	3,033,863
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.</p>		17,700,291
<b>Net Position of Governmental Activities</b>		<b><u>\$ 294,181,385</u></b>

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

CARVER COUNTY  
CHASKA, MINNESOTA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2017

	General	Road & Bridge Special Revenue Fund	Health & Human Services Special Revenue Fund	Debt Service	Buildings CIP	Road & Bridge CIP	Parks & Trails CIP	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>									
Taxes	\$ 31,874,362	\$ 4,122,334	\$ 9,365,384	\$ 4,480,365	\$ 74	\$ 3,659,430	\$ -	\$ 771,077	\$ 54,273,026
Special Assessments	104,682	-	4,583	-	-	-	-	159,018	268,283
Licenses and Permits	1,304,877	-	-	-	-	-	-	55,873	1,360,750
Intergovernmental	6,731,958	3,059,195	14,935,539	19,778	198,274	10,819,677	599,003	526	36,363,950
Charges for Services	10,338,561	4,025	4,397,600	-	-	-	-	17,200	14,757,386
Fines and Forfeits	239,068	-	-	-	-	-	-	-	239,068
Gifts and Contributions	49,823	-	3,917	-	-	-	-	-	53,740
Investment Income	1,320,302	-	-	38,574	-	42,843	-	759	1,402,478
Miscellaneous	777,172	160,367	190,270	-	-	-	23,508	10,538	1,161,855
<b>Total Revenues</b>	<b>52,740,805</b>	<b>7,345,921</b>	<b>28,897,293</b>	<b>4,538,717</b>	<b>198,348</b>	<b>14,521,950</b>	<b>622,511</b>	<b>1,014,991</b>	<b>109,880,536</b>
<b>Expenditures:</b>									
Current:									
General Government	20,661,514	-	-	-	2,044	-	-	-	20,663,558
Public Safety	21,177,920	-	-	-	103,880	-	-	-	21,281,800
Highways and Streets	-	7,706,784	-	-	-	2,836,932	-	-	10,543,716
Human Services	-	-	25,654,536	-	-	-	-	-	25,654,536
Health	30,000	-	1,996,456	-	-	-	-	-	2,026,456
Culture and Recreation	5,520,132	-	-	-	17,328	-	-	58,417	5,595,877
Conservation of Natural Resources	3,790,355	-	-	-	60,000	-	-	767,513	4,617,868
Intergovernmental	-	186,766	-	-	-	-	-	-	186,766
Capital Outlay	-	-	-	-	2,843,042	18,789,454	438,251	-	22,070,747
Debt Service:									
Principal Retirement	163,897	-	-	3,784,000	-	-	-	-	3,947,897
Interest and Fiscal Charges	-	-	-	1,002,608	-	-	-	-	1,002,608
<b>Total Expenditures</b>	<b>51,343,818</b>	<b>7,893,550</b>	<b>27,650,992</b>	<b>4,786,608</b>	<b>3,026,294</b>	<b>21,626,386</b>	<b>438,251</b>	<b>825,930</b>	<b>117,591,829</b>
Excess (Deficiency) of Revenues over (under) Expenditures	1,396,987	(547,629)	1,246,301	(247,891)	(2,827,946)	(7,104,436)	184,260	189,061	(7,711,293)
<b>Other Financing Sources (Uses):</b>									
Transfers In	2,206,872	597,160	1,126,611	315,000	3,159,449	624,835	412,417	-	8,442,344
Transfers Out	(2,569,789)	(200,000)	(1,542,047)	-	(48,750)	(1,760,683)	(2,183,250)	(137,825)	(8,442,344)
Loans Issued	116,722	-	-	-	-	-	-	-	116,722
Payment to Refunding Bond Escrow Agent	-	-	-	(5,610,000)	-	-	-	-	(5,610,000)
Notes Issued	-	-	-	-	-	168,048	-	-	168,048
Proceeds from Sale of Capital Assets	6,479	16,656	-	-	-	-	-	-	23,135
<b>Total Other Financing Sources (Uses)</b>	<b>(239,716)</b>	<b>413,816</b>	<b>(415,436)</b>	<b>(5,295,000)</b>	<b>3,110,699</b>	<b>(967,800)</b>	<b>(1,770,833)</b>	<b>(137,825)</b>	<b>(5,302,095)</b>
<b>Net Change in Fund Balances</b>	<b>1,157,271</b>	<b>(133,813)</b>	<b>830,865</b>	<b>(5,542,891)</b>	<b>282,753</b>	<b>(8,072,236)</b>	<b>(1,586,573)</b>	<b>51,236</b>	<b>(13,013,388)</b>
Fund Balance - January 1	22,830,237	3,985,270	9,927,887	18,253,478	2,796,859	21,451,478	4,749,496	296,842	84,291,547
Increase (Decrease) in Inventories	-	(17,093)	-	-	-	-	-	-	(17,093)
<b>Fund Balance - December 31</b>	<b>\$ 23,987,508</b>	<b>\$ 3,834,364</b>	<b>\$ 10,758,752</b>	<b>\$ 12,710,587</b>	<b>\$ 3,079,612</b>	<b>\$ 13,379,242</b>	<b>\$ 3,162,923</b>	<b>\$ 348,078</b>	<b>\$ 71,261,066</b>

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

**CARVER COUNTY  
CHASKA, MINNESOTA**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2017**

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds	\$	(13,013,388)
Change in net position from the Internal Service Funds		1,063,329

Capital Outlays are reported as expenditures in governmental funds. However in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period.

Capital Outlay	\$	18,157,216		
Depreciation Expense		<u>(7,901,445)</u>		
		<u>\$ 10,255,771</u>		10,255,771

Various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and retirements) decrease net position.

Disposals	\$	(49,884)		(49,884)
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The issuance of long term debt (e.g., bonds, loans payable) provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of the governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The amounts below are the effects of these differences in the treatment of long-term debt and related items.

Issuance of Notes Payable		(168,048)		
Proceeds from Loan		(116,722)		
Principal Repayments		9,557,896		
Net Adjustment to Interest Payable		(898)		
Amortization of Bond Discount		(912)		
Amortization of Bond Premium		<u>239,050</u>		
		<u>\$ 9,510,366</u>		9,510,366

Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the governmental funds.

Net Adjustment to Unavailable Revenue	\$	7,141,074		7,141,074
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The reduction of some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Change in Net Pension Liability	\$	24,880,256		
Change in Net Deferred Pension Outflows		(15,717,983)		
Change in Net Deferred Pension Inflows		(14,111,708)		
Change in Inventory		<u>(17,093)</u>		
		<u>\$ (4,966,528)</u>		<u>(4,966,528)</u>

Changes in net position of governmental activities	\$	<u>9,940,740</u>
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Notes to the financial statements are an integral part of this statement.

CARVER COUNTY  
CHASKA, MINNESOTA

STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
DECEMBER 31, 2017

	<u>Governmental Activities Internal Service Funds</u>
<b><u>Assets</u></b>	
<b>Current</b>	
Cash and Pooled Investments	\$ 7,899,318
Investments with Trust Account	<u>6,720,451</u>
<b>Total Current Assets</b>	<u>14,619,769</u>
<b><u>Liabilities</u></b>	
<b>Current</b>	
Accounts Payable	75,930
Compensated Absences - due within one year	<u>316,837</u>
<b>Total Current Liabilities</b>	392,767
<b>Non-Current</b>	
Compensated Absences - due in more than one year	4,919,079
Net OPEB Obligation - due in more than one year	<u>7,266,844</u>
<b>Total Noncurrent Liabilities</b>	<u>12,185,923</u>
<b>Total Liabilities</b>	<u>12,578,690</u>
<b><u>Net Position</u></b>	
Unrestricted	<u><u>\$ 2,041,079</u></u>

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

CARVER COUNTY  
CHASKA, MINNESOTA

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND  
NET POSITION- PROPRIETARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2017

	Governmental Activities Internal Service Funds
<b>Operating Revenues:</b>	
Charges for Services	\$ 1,867,324
Insurance Refunds	224,700
Total Operating Revenues	2,092,024
<b>Operating Expenses:</b>	
Risk Management	1,058,452
Professional Services	822
Personnel Benefits	934,254
Total Operating Expenses	1,993,528
Operating Income (Loss)	98,496
Nonoperating Revenues (Expenses):	
Investments Income	964,833
Change in Net Position	1,063,329
Net Position - Beginning	977,750
Net Position-Ending	\$ 2,041,079

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

CARVER COUNTY  
CHASKA, MINNESOTA

STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2017

	Governmental Activities Internal Service Funds
Cash Flows from Operating Activities	
Receipts from Internal Services Provided	\$ 1,867,324
Refunds from Insurance Provider	224,700
Disbursements for Internal Services Provided	<u>(1,314,306)</u>
Total Cash Flows from Operating Activities	777,718
Cash Flows from Investing Activities	
Purchase of Investments	<u>(717,878)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	59,840
Cash and Cash Equivalents at January 1	<u>7,839,478</u>
Cash and Cash Equivalents at December 31	<u><u>7,899,318</u></u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:	
Operating Income (Loss)	<u>98,496</u>
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:	
(Decrease) Increase in Accounts Payable	51,090
(Decrease) Increase in Compensated Absences Payable	169,430
(Decrease) Increase in Net OPEB Obligation	<u>458,702</u>
Total Adjustments	<u><u>679,222</u></u>
Net cash provided by operating activities	<u><u>\$ 777,718</u></u>

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

CARVER COUNTY  
CHASKA, MINNESOTA

STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
DECEMBER 31, 2017

<u>Assets</u>	<u>Agency Funds</u>
Cash and Pooled Investments	\$ 16,072,962
Accounts Receivable	16,929
Due from other Governments	152,189
Prepaid Items	6,525
<b>Total Assets</b>	<u><u>16,248,605</u></u>
 <u>Liabilities</u>  	
Due to other Governments	<u><u>\$ 16,248,605</u></u>

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

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# **Notes to Financial Statements**

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CARVER COUNTY  
CHASKA, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2017

**Note 1 - Summary of Significant Accounting Policies**

The financial reporting policies of the County conform to generally accepted accounting principles.

**A. Financial Reporting Entity**

Carver County was established March 3, 1855, 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. The County Administrator, appointed by the Board, serves as the clerk of the Board of Commissioners but has no vote.

**Individual Component Unit Disclosures**

***Blended Component Units***

The Carver County Regional Rail Authority (CCRRA) is governed by a five-member board consisting of the County Commissioners with the power to levy taxes, issue bonds, and enter into contracts. The Authority was established for the preservation and improvement of local rail service. The Authority may purchase abandoned railroad lines within the County to preserve them for the long-range plans that may include light rail transportation or to improve the trail system. The CCRRA is included in the Carver County reporting entity as a Nonmajor Special Revenue Fund. Carver County has the ability to impose its will on the CCRRA. The CCRRA is presented as blended because the operational responsibility rests with the management of Carver County. Separate financial statements are not available.

The Carver County Water Management Organization (CCWMO) is governed by a five-member board consisting of the County Commissioners with the power to levy taxes and enter into contracts. The CCWMO was established to carry out the Water Management Plan in the County's watersheds. The CCWMO is included in the Carver County reporting entity as a Nonmajor Special Revenue Fund. Carver County has the ability to impose its will on the CCWMO. The CCWMO is presented as blended because the operational responsibility rests with the management of Carver County. Separate financial statements are not available.

***Discretely Presented Component Unit***

Carver County has determined that the Carver County Community Development Agency (CDA) meets the criteria to be presented as a component unit of Carver County. The CDA is included in the County's reporting entity because (1) the Board appoints a voting majority of the component unit's governing body and (2) the potential for the organization to impose specific financial burdens on the County. It is reported in a separate column or row in the County's government-wide statements emphasizing that the CDA is legally separate from Carver County. The CDA operates as a local government unit for the purpose of providing housing and redevelopment services and economic development assistance to Carver County. Note 5 is the beginning of the Community Development Agency notes which are presented immediately following the primary government notes to the financial statements. The complete financial statements of the CDA can be obtained by writing to the Carver County Community Development Agency, 705 Walnut Street, Chaska, Minnesota 55318.

**B. Government-wide and fund financial statements**

The government-wide statements of net position and the statement of activities display information about the primary government (the County) and its component units. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities, with the exception of interfund services provided and used, which are not eliminated in the process of consolidation. These statements distinguish between the governmental and business-type activities of the County. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions.

The statement of activities presents a comparison between direct expenses and program revenues for the different activities of the County and for each function of the County's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

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

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Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Operating expenses, such as risk management and self insurance expenses, results from a direct payment made during the current fiscal year for worker's compensation claims and health insurance deductible payments.

**C. Measurement Focus, Basis of Accounting**

The government-wide, proprietary fund, and fiduciary fund financial statements are presented on a consolidated basis and reported using the economic resources measurement focus and the full accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The County considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Property taxes, sales taxes, franchise taxes, licenses, and interest are considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. 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, then unrestricted resources as they are needed.

The County reports the following major governmental funds:

General Fund

The General Fund is the general operating fund of the County. It is used to account for all financial resources except those accounted for in another fund.

Road & Bridge Special Revenue Fund

The Road & Bridge Fund accounts for the maintenance and construction costs of streets and highways. Financing comes primarily from committed annual property tax levy, restricted and assigned intergovernmental revenue from local, state and federal governments, as well as assigned fees for services and other miscellaneous revenue.

Health & Human Services Special Revenue Fund

The Health & Human Services Fund accounts for all health and human services costs. Financing comes primarily from committed annual property tax levy, restricted and assigned intergovernmental revenue from the state and federal governments, as well as assigned fees for services and other miscellaneous revenue.

Debt Service Fund

The Debt Service Fund accounts for the resources accumulated and payments made for the principal and interest on long-term debt of the government.

Buildings Capital Improvement (CIP) Capital Projects Fund

The Buildings Capital Improvement Fund accounts for, and reports, financial resources that are restricted, committed or assigned to the acquisition or construction of major capital facilities or improvements.

Road & Bridge Capital Improvement (CIP) Capital Projects Fund

The Road & Bridge Capital Improvement Fund accounts for, and reports, financial resources that are restricted, committed or assigned to the acquisition or construction of road and bridge improvements.

Parks & Trails Capital Improvement (CIP) Capital Projects Fund

The Parks & Trails Capital Improvement Fund accounts for, and reports, financial resources that are restricted, committed or assigned to the acquisition or construction of parks and trails or improvements to existing parks and trails.

Additionally, the County reports the following fund types:

Internal Service Funds

Internal service funds account for general liability and malpractice, worker's compensation insurance coverages provided to other departments on a cost-reimbursement basis, employee compensated absences, retiree benefits, and other post employment benefits.

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Fiduciary Fund

Agency funds are the only fiduciary fund type in the County. Agency funds account for monies held on behalf of school districts, special districts, and retirement boards that use the County as a depository; property taxes collected on behalf of other governments; and surety bonds and performance deposits. Agency funds are custodial in nature, and do not present results of operations or have a measurement focus.

Under the terms of grant agreements, the County funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted resources available to finance the program. It is the County's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

**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 for the purpose of increasing earnings through investment activities. Pooled and fund investments are reported at their fair value. A market approach is used to value all investments other than external investment pools, which are measured at the net asset value. Pursuant to Minn. Stat. Section 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 2017 the County recorded a "net decrease in fair value of investments" of \$8,278 as part of investment income. Interest earnings from cash and pooled investments for 2017 were \$1,410,756. Total investment earnings for 2017 were \$1,402,478. Pooled investment earnings for 2017 in the General Fund were \$1,320,302.

Carver 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 investment in the pool is measured at the net asset value per share provided by the pool.

Additionally, the County invests funds held for post-employment benefits with the State Board of Investments. The fair value of the investment is the fair value per share of the underlying portfolio.

***2. Cash and Cash Equivalents***

The County considers cash and cash equivalents in proprietary funds to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. In addition, because the Treasury Pool is sufficiently liquid to permit withdrawal of cash at any time without prior notice or penalty, equity in the pool is also deemed to be a cash equivalent.

Investments with trust accounts are stated at fair value. Investment earnings on investments in trust accounts are credited to the funds in which they are held.

***3. Receivables and Payables***

The County is responsible for the assessment, collection, and apportionment of property taxes for all jurisdictions including the schools and special districts within the County. Property taxes are levied January 1st on property values assessed as of the prior year. The tax levy is divided into two billings: first half is due May 15th and second half is due October 15th. No allowance for uncollectible taxes and special assessments have been provided because such amounts are not expected to be material. Taxes, which remain unpaid by property owners at December 31st, are considered delinquent. Special assessments receivable consist of delinquent special assessments and noncurrent special assessments.

***4. Inventories and Prepaid Items***

Inventories are valued at cost using the first-in/first-out (FIFO) method. Inventory cost in the Road & Bridge Fund is recorded as an expenditure/expense at the time the individual items are used rather than when purchased.

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 when purchased.

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**5. Capital Assets**

Capital assets, which include property, buildings, equipment, and infrastructure (e.g., roads, bridges, culverts and similar items), are reported in the governmental activities column in the government-wide financial statements. The government defines capital assets as assets with an initial, individual cost equal to, or greater than, \$5,000 to more than \$50,000 depending on the asset type and category, and an estimated life equal to or greater than two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition price at the date of acquisition.

The costs of normal maintenance and repairs that do not add to the value of the asset or extend the useful life of the asset are not capitalized.

Property, building, and equipment of the primary government, as well as the blended component units, are depreciated using the straight-line method.

For the County, the estimated useful lives are:

<u>Assets</u>	<u>Years</u>
Buildings & Building Improvements	10-50
Improvements other than buildings	10-20
Infrastructure	30-75
Machinery & equipment	2-25

**6. Deferred outflows/inflows of resources**

In addition to assets, the statement of financial position reports 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 will not be recognized as an outflow of resources (expense/expenditure) until then.

The County only has one item that qualifies for reporting in this category. Accordingly, the item, deferred pension resources, is reported only in the statement of net position. This item results from pension plan contributions paid subsequent to the measurement date, change in actuarial assumptions, pension plan changes in proportionate share, differences between expected and actual pension plan economic experiences and also the differences between projected and actual earnings on pension plan investments.

In addition to liabilities, the statement of financial position reports 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 will not be recognized as an inflow of resources (revenue) until that time.

The County has three types of items. The first, unavailable revenue, arises only under a modified accrual basis of accounting, and is reported only in the governmental funds balance sheet. This amount is deferred and recognized as an inflow of resources in the period that the amounts become available. Another item, property taxes collected for subsequent periods, that qualifies for reporting in this category. This item is reported in both the governmental funds balance sheet, as well as, the statement of net position. This amount results from the pre-payment of property taxes for subsequent levy years. The County also has deferred inflows related to pension obligations. The difference between expected and actual economic experience are recognized over a four or six year period, depending on retirement plan. The other deferred pension inflows, are deferred and the length of the expense recognition period is equal to the average of the expected remaining service lives of all employees that are provided with pension through the pension plan, determined at the beginning of the measurement period.

**7. Compensated Absences**

The liability for compensated absences reported in the government-wide and proprietary fund 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. The current portion of this liability is based on an estimate of the cost of severances during the upcoming year. A liability for these amounts is reported in governmental funds only if they have matured, as a result of employee resignations and retirements.

Under the County's personnel policies and union contracts, County employees are granted vacation or paid time off (PTO) in varying amounts based on their length of service. Certain County employees are also granted compensatory time. Vacation accruals for full-time employees varies from 10-25 days per year based on years of service. Sick leave accrual is 12 days per year. Paid time off (PTO) accruals vary from 20-35 days per year.

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**8. Pension Plan**

For purposes of measuring the net pension liability, deferred outflows/inflows of resources, and pension expense, information about the fiduciary net position of the Public Employees Retirement Association (PERA) and additions to/deductions from PERA's fiduciary net position have been determined on the same basis as they are reported by PERA except that PERA's fiscal year end is June 30. For this purpose, plan contributions are recognized as of employer payroll paid dates and benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Plan investments are reported at fair value. The net pension liability is liquidated primarily by the General Fund, Road & Bridge Special Revenue Fund, and the Health and Human Services Special Revenue Fund.

**9. Long-term obligations**

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, or proprietary fund type statement of net position. Bond premiums and discounts are amortized over the life of the bonds using the straight-line interest 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 debt 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.

At December 31, 2007 the County began to calculate and record a net other post employment benefit obligation (NOPEBO). The NOPEBO is, in general, the cumulative difference between the actuarial required contribution and the actual contributions since the actuarial valuation date of January 1, 2017.

**10. Net Position**

Net position in the government-wide and proprietary fund financial statements is displayed in three components:

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

Restricted - consists of restricted assets 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 net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that do not meet the definition of "restricted" or "net investment in capital assets".

The County applies restricted- net position prior to utilizing unrestricted- net position.

**11. Classification of Fund Balance**

Working Capital Policy -

The Board has determined that 35% of next year's operating budget needs to be available for working capital until the first half tax collections are received. Working capital by major fund are as follows:

General Fund -	\$ 18,435,516
Road & Bridge Fund -	2,962,735
Health and Human Services Fund -	10,421,797

These amounts are included in the General Fund as unassigned fund balance and as assigned fund balance in the Road & Bridge and Health and Human Services Funds.

The working capital amount is established by formal action of the County Board and the cash cannot be used for any other purpose unless approved by the Board.

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 - the nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or 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.

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Restricted - fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions or enabling legislation.

Committed - the committed fund balance classification includes 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 - the assigned fund balance classification includes amounts that are internally imposed constraints established by the County Board. The County Board has adopted a fund balance policy, which delegates the authority to the County Administrator or his designee to assign amounts to be used for specific purposes, but 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. See note 3.G, for assigned fund balance detail.

Unassigned - the Unassigned General Fund Balance is appropriated by the Board as 35% of next year's operating budget for the specific purpose of providing working capital until first half tax collections are received. 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.

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.

#### **12. 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 certain estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources; 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.

### **E. Revenues**

#### **1. Revenues**

In accordance with GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, revenues for nonexchange transactions are recognized based on the principal characteristics of the revenue. Exchange transactions are recognized as revenue when the exchange occurs. The modified accrual basis of accounting is used by all governmental fund types. Under this basis, revenue is not recognized in the financial statements unless it is available to finance current expenditures.

#### **2. Imposed Nonexchange Transactions**

Imposed nonexchange transactions result from assessments by governments on non-governmental entities and individuals. Property taxes, fines and penalties, and property forfeitures are imposed nonexchange transactions. Revenues from property taxes are recognized in the period for which the taxes were levied, to the extent they are collected in the current period or soon enough thereafter to be used to pay liabilities of the current period. Property taxes receivable but not available are reported as a deferred inflow of resources and will be recognized as revenue in the fiscal year that they become available. Fines and penalties and property forfeitures are recognized in the period received.

#### **3. Intergovernmental**

Government-mandated nonexchange transactions occur when a government at one level provides resources to a government at another level and requires that government to use them for a specific purpose. The provider government establishes purpose restrictions and also may establish time requirements. Federal and state grants mandating the County perform particular programs are government-mandated nonexchange transactions. Revenues are recognized when eligibility and time requirements are met, usually when the corresponding expenditure is incurred.

Voluntary nonexchange transactions result from legislative or contractual agreements, such as grants, entitlements, appropriations, and donations. The provider may establish purpose restrictions or eligibility requirements. Revenues are recognized in the year to which they apply according to the statute or contract. Gifts and contributions from individuals are also considered voluntary nonexchange transactions and are generally recognized when received.

Tax credits paid by the state are included in intergovernmental revenues and are recognized as revenue in the fiscal year that they become available. Subject to the availability criterion, state-aid highway allotments for highway maintenance and construction are recognized as revenue in the year of allotment.

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**4. Exchange Transactions**

Special assessments levied against benefiting properties are recognized under the modified accrual basis when available to finance current expenditures. Other revenues, such as licenses and permits, charges for services, and investment income are recognized as revenue when earned.

**Note 2 - Stewardship, compliance, and accountability**

**A. Budgetary information**

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. Each appropriation lapses at the end of the fiscal year to the extent that it has not been expended.

The appropriated budget is prepared by fund, function, and department. The County's budgets may be amended or modified at any time by the County Board. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department level. Adjustments to the approved budget, requested by originating departments, can be approved by the Property and Financial Services Director after review for adequate transfer of existing budget or addition of new revenue sources. All other changes greater than \$5,000 require Board approval, and changes of \$5,000 or less require the Property and Financial Services Director's approval. The material supplemental budgetary appropriations were:

Debt Service Fund	\$ 5,620,000
Buildings Capital Improvement Fund	2,946,390
Road & Bridge Capital Improvement Fund	(8,456,542)
Parks & Trails Capital Improvement Fund	(223,283)
Rail Authority Fund	(41,118)
Water Management Organization Fund	(3,709)
Ditch Fund	114,018
Total	<u><u>\$ (44,244)</u></u>

**B. Tax Abatements**

Cities within the County have entered into tax abatement agreements pursuant to Minnesota Statute 469. These agreements meet the criteria for disclosure under Governmental Accounting Standards Board (GASB) Statement No. 77, Tax Abatement Disclosures. Under this statute the cities annually abate taxes collected above the district's base tax capacity which is established during adoption of the tax increment financing (TIF) district. These agreements are established to foster economic development and redevelopment through the creation of jobs, provision of affordable housing, or other public services.

Under each agreement, the city and developer agree on an amount of development costs to be reimbursed to the developer by the city through tax revenues from the additional taxable value of the property generated by the development (tax increment). A "pay-as-you-go" note is established for this amount, on which the city makes payments for a fixed period of time with available tax increment revenue after deducting certain administrative costs. All known agreements, regardless of dollar amount, are displayed below individually, by the city, within Carver County. Due to the abatement agreements entered into by cities within the County, the County's tax base decreased by \$192,540 in 2017. This reduction of the County's tax base theoretically reduces County revenue if consistent tax rates are applied throughout the district.

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As of December 31, 2017, the following pay-as-you-go tax abatement agreements from cities within the County were in effect:

City of Carver:

Name	Agreement Amount (P)	Paid during 2017 (P)	Outstanding at 12/31/17 (P)
TIF 1-8 Mills Fleet Farm	\$ 991,287	\$ 173,534	\$ 460,955

City of Waconia:

Name	Agreement Amount (P)	Paid during 2017 (P & I)	Outstanding at 12/31/17 (P & I)
TIF #2 Auburn Meadows, LLC	\$ 1,175,840	\$ 140,621	\$ 952,201
TIF #3 Waconia Mill IV, LLC	397,000	10,802	396,579
TIF #4 Nordic Components, Inc.	149,999	26,995	121,803
TIF #5 MWF Properties, LLC	300,000	19,649	248,391
	<u>\$ 2,022,839</u>	<u>\$ 198,067</u>	<u>\$ 1,718,974</u>

City of Chaska:

Name	Agreement Amount (P)	Paid during 2017 (P & I)	Outstanding at 12/31/17 (P & I)
Chaska Place Apartments	\$ 922,221	\$ 60,204	\$ 1,393,408
Clover Field Sinclair, LLP	3,100,000	142,205	4,011,714
City Square, LLC	111,000	-	135,243
Chaska Heights Senior Living, LLC	2,874,667	-	2,874,667
Creek's Run Phase II, LLC	242,500	-	242,500
	<u>\$ 7,250,388</u>	<u>\$ 202,409</u>	<u>\$ 8,657,532</u>

City of Victoria:

Name	Agreement Amount (P & I)	Paid during 2017 (P)	Outstanding at 12/31/17 (P)
Victoria City Center LLC TIF 1-4 Downtown Redevelopment Project	\$ 898,955	\$ -	\$ 400,000

City of Norwood Young America:

Name	Agreement Amount (P & I)	Paid during 2017 (P)	Outstanding at 12/31/17 (P)
Peace Villa TIF #1-5	\$ 2,060,474	\$ 30,603	\$ 2,029,871

(P) = Principal

(P & I) = Principal and interest

**Ditch Special Revenue Fund**

The Ditch Special Revenue Fund has a deficit fund balance of \$25,062. The deficit will be eliminated with future special assessment levies against the benefited properties. The following is a summary of the individual ditch systems:

10 ditches with positive fund balances	\$ 70,573
8 ditches with deficit fund balances	(95,635)
Total Fund Balance	<u>\$ (25,062)</u>

**Other Post Employment Benefits Internal Service Fund**

At December 31, 2017, the Other Post Employment Benefits Internal Service Fund had a deficit net position of \$546,393. This deficit was expected. The County is not required to fund the Net OPEB liability, however, the County does plan to continue contributing yearly to the revocable trust account that the County maintains with the State Board of Investment. The County plans to continue contributing to the revocable trust account until the County reaches the accumulated liability for the initial years when the County's actual contribution was below its annual required contribution.

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**Note 3 - Detailed notes on all funds**

**A. Deposits and investments**

**1. Deposits**

Minn. Stat. Ch. 118A authorizes the County to designate a depository for public funds. Minnesota statutes require that all County deposits be covered by insurance, surety bond, or collateral. The market value of collateral pledged shall be at least ten percent more than the amount of the deposits. Deposits shall be collateralized as required by Minnesota statutes for any amount exceeding FDIC or other federal deposit coverage.

Authorized collateral includes treasury bills, notes and bonds; issues of U.S. government agencies; general obligations rated "A" or better; revenue obligations rated "AA" or better; irrevocable standby letters of credit issued by the Federal Home Loan Bank; and certificates of deposit. Minn. Stat. 118A.03 subd. 7, requires that securities pledged as collateral be held in safekeeping at a federal reserve bank or the trust department of a financial institution other than that furnishing the collateral.

At December 31, 2017 the carrying amount of the County's deposits was \$5,798,604. Bank balances were \$7,692,638, of which \$495,276 was covered by Federal depository insurance coverage, and the remaining \$7,197,362 was collateralized with securities held by the pledging financial institution's agent in the County's name.

**2. Investments**

The funds of the County shall be deposited or invested in accordance with Minn. Stat. Ch. 118A, any other applicable laws, and County investment policy. Four objectives are taken into consideration in the County's investment policy. It is the policy of the County when investing public monies to follow these objectives in the order of importance as listed: legality, safety, liquidity, and yield.

Minnesota Statute Section 118A.04 and 118A.05 generally authorize the following types of investments as available to the County:

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 Minnesota Statute Section 118A.04, subdivision 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. Banker's acceptances of United States banks;
5. Commercial paper issued by United States corporations or their Canadian subsidiaries that is of the highest quality category by two nationally recognized rating agencies and matures in 270 days or less;
6. With certain restrictions, in repurchase agreements, securities lending agreements, joint powers investment trusts, and guaranteed investment contracts; and
7. Time deposits that are fully insured by the Federal Deposit Insurance Corporation.

**Reverse Repurchase Agreements.** *Minnesota Statutes, Section 118A.07 permits the County to enter into reverse repurchase agreements, that is, a sale of securities with a simultaneous agreement to repurchase the securities in the future at the same price plus a contract rate of interest. The percentage of the County investment portfolio and its use of reverse repurchase agreements are governed by Statute. Reverse repurchase agreements can provide the County with funds during periods of low cash without requiring the sale of longer-dated securities. By using these instruments, typically for a term of less than twelve months, the County is able to avoid the sale of securities prior to maturity and the potential risk of related capital losses. During 2017, the County chose to not invest in reverse repurchase agreements.*

**Fair Value of Investment.**

The County measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- Level 1: Quoted prices for identical investments in active markets;
- Level 2: Observable inputs other than quoted market prices; and,
- Level 3: Unobservable inputs.

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At December 31, 2017 the County had the following recurring fair value measurements.

	Fair Value Measurements Using			
	31-Dec-17	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level				
Debt Securities				
U.S. Treasury Securities	\$ 2,448,123	\$ 2,448,123	\$ -	\$ -
U.S. Agencies	26,793,036	-	26,793,036	-
Municipal/Public Bonds	25,214,884	-	25,214,884	-
Corporate Bonds	583,594	-	583,594	-
Asset-Backed Securities	119,052	-	119,052	-
Negotiable Certificates of Deposit	241,280	-	241,280	-
Total Debt Securities	<u>\$ 55,399,969</u>	<u>\$ 2,448,123</u>	<u>\$ 52,951,846</u>	<u>\$ -</u>
Equity Securities				
Common Stock	5,071,345	5,071,345	-	-
Real Estate Investment Trust	149,010	149,010	-	-
Total Equity Securities	<u>5,220,355</u>	<u>5,220,355</u>	<u>-</u>	<u>-</u>
Total Investments at Fair Value	<u>\$ 5,220,355</u>	<u>\$ 5,220,355</u>	<u>\$ -</u>	<u>\$ -</u>
Investments measured at amortized cost				
MAGIC Portfolio	\$ 12,343,136			
Investments measured at the net asset value (NAV)				
MAGIC Term	<u>\$ 21,400,000</u>			
Total Investments	<u>\$ 94,363,460</u>			

Note: Cash and Cash Equivalents are not leveled per GASB 72. The County had \$212,840 in cash and cash equivalents on December, 31, 2017.

Debt and equity securities classified in Level 1 are valued using a market approach quoted in active markets for identical assets or liabilities. Debt securities classified in Level 2 are valued using the following approaches:

- U.S. Agencies, Municipal/Public Bonds, Corporate Bonds, Asset-Backed Securities: a market approach by utilizing quoted prices for identical securities in markets that are not active;
- Negotiable Certificates of Deposit: a market approach using quoted prices for similar securities in markets that are not active;

The MAGIC Portfolio is valued using amortized cost. Shares of the MAGIC Portfolio are available to be redeemed upon proper notice without restrictions under normal operating conditions. There are no limits to the number of redemptions that can be made as long as the County has a sufficient number of shares to meet there redemption request. The MAGIC Fund's Board of Trustees can suspend the right of withdrawal or postpone the date of payment if the Trustees determine that there is an emergency that makes the sale of a Portfolio's securities or determination of its new asset value not reasonably practical.

The MAGIC term investment pool is valued at net asset value (NAV) as it does not meet the liquidity criteria to be valued at amortized cost. The County would face penalties if early redemptions were made from the term investment pool. There are no unfunded commitments related to this investment. The County reports its investment in the term investment pool at the NAV per share, the fair value established by the pool.

Shares of MAGIC Term Series are purchased to mature upon pre-determined maturity dates selected by the County at the time of purchase. Should the County need to redeem shares in a MAGIC Term Series prematurely they must provide notice at least 7 days prior to premature redemption date. The value of a premature redemption is equal to the original price for such share, plus dividends thereon, at the projected yield less such share's allocation of any losses incurred by the series, less a premature redemption penalty, if any.

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The County also holds \$6,720,451 with the State Board of Investment in the Internal Equity Pool and Internal Fixed Pool, an external investment pool. The fair value of the investment is the fair value per share of the underlying portfolio. Pursuant to Minn. Stat. § 471.6175, the County may only redeem these funds for the use of postemployment benefits. The County invests in this pool due to the increased investment authority, historically high rate of return on investments, and the reduction of the postemployment benefit liability recorded in its financial statements.

**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. To minimize the County's exposure to interest rate risk the County put a policy in place to manage it by: investing in both shorter-term and longer-term investments; evenly timing cash flows from maturities; and monitoring the expected mark-to-market adjustment if interest rates increase by 100-200 Basis Points.

The following table represents the potential interest rate risk related to the county's investments using the segmented time distribution method, assumptions are based on an average life calculation that takes into account interest rates at year-end and the statistical probability of a full or early call.

At December 31, 2017, the County had the following investment maturities:

Investment Type	Fair Value	Segmented Time Distribution (in Years)			
		Less than 1	1 - 5	6 - 10	More than 10
<b>U.S. Agency Securities (a):</b>					
Federal Home Loan Bank	\$ 5,961,896	\$ -	\$ 5,961,896	\$ -	\$ -
Federal Home Loan Mtg Corp	6,686,276	-	6,686,276	-	-
Federal National Mtg Assn.	7,195,863	-	7,195,863	-	-
Financing Corp (FICO)	4,024,739	493,375	3,531,364	-	-
Resolution Corp	468,340	-	468,340	-	-
Government National Mtg Assn.	6,367	-	6,367	-	-
Small Business Administration	893,199	-	893,199	-	-
Tennessee Valley Authority	1,358,610	-	1,358,610	-	-
Municipal Bonds	24,814,272	2,892,400	17,818,265	3,439,349	664,258
Negotiable CD's	241,280	-	-	241,280	-
Investment Pool	33,743,136	33,743,136	-	-	-
Cash with Broker	13,749	13,749	-	-	-
<b>Total</b>	<b>\$ 85,407,727</b>	<b>\$ 37,142,660</b>	<b>\$ 43,920,180</b>	<b>\$ 3,680,629</b>	<b>\$ 664,258</b>

**(a)** This classification has some investments that are fixed income and have fixed expiration dates with no interim payments of interest. The majority of interest is paid every six months. Each individual fixed security has unique terms which may change the interest rate at set intervals (step-ups), or may be called before expiration by the issuer. Mortgage-backed securities and CMO's are backed by mortgage packages which make monthly payments of principal and interest to the County. The monthly payments accelerate as the underlying mortgage instruments are paid in full, when the underlying properties are sold or the underlying mortgage is refinanced.

**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. It is the County's policy to invest only in securities that meet the ratings requirements set by state statute.

**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. The County shall diversify its investments to avoid incurring unreasonable risks inherent in over-investing in specific instruments, individual financial institutions or maturities. Within these parameters, portfolio maturities shall be staggered to avoid undue concentration of assets in a specific maturity sector. In accordance with the County's investment policy, restrictions placed on the County's current investments are as follows:

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<u>Investment Securities</u>	<u>Maximum Portfolio Exposure</u>	<u>Exposure per Issuer</u>	<u>Additional Restrictions</u>
(1) Obligations issued or guaranteed by an Agency of the United States	100%	Unlimited	None
(2) Agency mortgage backed securities including collateralized mortgage obligations	75%	10% in any one mortgage pool or CMO	No more than 50% in mortgage pools or sequential CMO's
(3) Repos and Reverse Repos	20%	10%	90 days maturity or less
(4) General Obligation of any State of the US which is a general obligation of any state or local government with taxing powers	50%	5%	Rated "A" or better by at least one major rating agency
(5) Any security which is a revenue obligation of any state or local government with taxing powers	50%	5%	Rated "AA" or better by a national bond rating service

Following is a summary of the credit risk, par values and fair values of securities at December 31, 2017:

<u>Carver County:</u>	<u>Credit Risk</u>	<u>Par</u>	<u>Fair Value</u>	<u>% of total Portfolio</u>
U.S. Agency Securities <b>(a)(b)</b>	N/R-AAA	\$ 26,449,261	\$ 26,595,290	31.1%
Municipal Bonds <b>(b)</b>	B-AAA	24,958,486	24,814,272	29.1%
Negotiable CD's	N/R	251,370	241,280	0.3%
Investment Pool	N/R	33,743,136	33,743,136	39.5%
Cash with Broker	N/R	13,749	13,749	0.0%
Total		<u>\$ 85,416,002</u>	<u>\$ 85,407,727</u>	<u>100.0%</u>

**(a)** Investments in any one issuer that represent 5% or more of the County's investments are as follows: FNMA- \$7,195,863, FHLMC- \$6,686,276, and FHLB- \$5,961,896.

**(b)** Moody's Investor Service was used as the primary agency for the U.S. agency securities and municipal bond ratings, in the case that Moody's did not provide a rating, Standard & Poor's was used. At December 31, 2017, the County had four bonds rated below an A. The County determined to hold onto these bonds and continue to closely monitor them. Below is the fair value of U.S. agency securities and municipal bonds by credit rating:

<u>U.S. Agency Credit Rating</u>		<u>Municipal Bond Credit Rating</u>			
AAA	\$ 11,371,531	AAA	\$ 2,896,312	A1	\$ 3,903,881
AA+	1,483,365	AA1	3,473,973	A2	2,417,061
AA-	6,635,205	AA+	748,250	A3	550,275
N/R	7,105,189	AA2	6,881,611	A-	265,255
		AA	689,922	BAA3	145,009
		AA3	1,917,565	BB	595,158
		AA-	330,000		

**Custodial credit risk - deposits.** In the case of deposits, this is the risk that in the event of a bank failure, the County's deposits may not be returned to it. The County's policy is in accordance with Minnesota Statutes. Refer to note 3.A.1. for details regarding this risk.

**Custodial credit risk - investments.** For an investment, this is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. In accordance with the County's investment policy, all investment securities purchased by the County shall be held in third party safekeeping by an institution designated as primary agent. The primary agent shall issue a safekeeping receipt to the County listing the specific instrument, rate of maturity and other pertinent information. Portfolio investments shall not exceed 50% of the County's investment portfolio with anyone institution, to avoid concentration of assets. Of the County's \$85,407,727 investment portfolio, \$72,765,443 was insured or registered, or securities were held by the County or its agent in the County's name and \$12,642,284 was uninsured and unregistered, with securities held by the counterparty, or by its trust agent, but not in the County's name.

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Total Investments held by Investment Manager	\$ 85,407,727
Checking Account	5,700,243
Investments with Trust Account	6,720,451
Cash with Fiscal Agent	2,448,127
Minnesota Foundation Endowment	58,468
Departmental Cash	98,361
Petty Cash and Change Funds	7,240
	<u>7,240</u>
<b><u>Total Cash, Deposits and Investments</u></b>	<b><u>\$ 100,440,617</u></b>

On the Government Fund Balance Sheet, the Proprietary Fund Statement of Net Position and the Statement of Fiduciary Net Position, cash, deposits and investments are:

Cash and Pooled Investments	\$ 91,107,970
Petty Cash and Change Funds	7,240
Departmental Cash	98,361
Investments with Trust Account	6,720,451
Cash with Fiscal Agent	2,448,127
Minnesota Foundation Endowment	58,468
	<u>58,468</u>
<b><u>Total Cash, Deposits and Investments</u></b>	<b><u>\$ 100,440,617</u></b>

**B. Receivables**

There is currently no allowance for uncollectible receivables. The collection rate for taxes on average exceeds 98% and it has been determined that the other receivables will be collected.

Receivables at December 31, 2017, are:

	Total Receivable	Amounts Not Scheduled for Collection in the Subsequent Year
Taxes	\$ 351,226	\$ -
Special assessments	494,272	493,528
Accounts receivable	862,463	-
Accrued interest	368,259	-
Due from other governments	23,870,795	-
	<u>23,870,795</u>	<u>-</u>
<b>Total accounts receivable for Governmental funds</b>	<b><u>\$ 25,947,015</u></b>	<b><u>\$ 493,528</u></b>

Governmental funds report a deferred inflow of resources for revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of unavailable revenue, property taxes collected for subsequent period, and unearned revenue reported in the governmental funds were as follows:

	Unavailable Revenue	Property Taxes Collected For Subsequent Period	Unearned Revenue
Delinquent property taxes receivable	\$ 197,758	\$ -	\$ -
Delinquent special assessments receivable	372	-	-
Special assessments not yet due	493,901	-	-
Interest receivable that does not provide current financial resources	165,406	-	-
Accounts receivable that do not provide current financial resources	61,751	-	-
Grant receivables that do not provide current financial resources	16,781,103	-	-
Grant drawdowns prior to meeting all eligibility requirements	-	-	548,623
Property taxes collected for subsequent period	-	4,478,277	-
	<u>-</u>	<u>4,478,277</u>	<u>-</u>
<b>Total unavailable and unearned revenue for governmental funds</b>	<b><u>\$ 17,700,291</u></b>	<b><u>\$ 4,478,277</u></b>	<b><u>\$ 548,623</u></b>

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**C. Capital assets**

Capital asset activity for the year ended December 31, 2017 was as follows:

**Primary Government**

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Capital assets, not being depreciated				
Land	\$ 30,019,426	\$ -	\$ -	\$ 30,019,426
Construction in progress	100,776,562	14,059,590	(18,023,922)	96,812,230
Total capital assets, not being depreciated	<u>130,795,988</u>	<u>14,059,590</u>	<u>(18,023,922)</u>	<u>126,831,656</u>
Capital assets, being depreciated				
Buildings	63,293,891	2,721,046	(69,895)	65,945,042
Improvements other than buildings	2,210,374	-	-	2,210,374
Machinery and equipment	23,628,597	1,186,032	(3,958,218)	20,856,411
Infrastructure	170,367,921	18,214,470	-	188,582,391
Total capital assets being depreciated	<u>259,500,783</u>	<u>22,121,548</u>	<u>(4,028,113)</u>	<u>277,594,218</u>
Less accumulated depreciated for:				
Buildings	(26,471,581)	(1,895,254)	69,895	(28,296,940)
Improvements other than buildings	(2,031,392)	(26,330)	-	(2,057,722)
Machinery and equipment	(17,018,436)	(1,594,133)	3,908,334	(14,704,235)
Infrastructure	(69,964,558)	(4,385,728)	-	(74,350,286)
Total accumulated depreciation	<u>(115,485,967)</u>	<u>(7,901,445)</u>	<u>3,978,229</u>	<u>(119,409,183)</u>
Total capital assets, being depreciated, net	<u>144,014,816</u>	<u>14,220,103</u>	<u>(49,884)</u>	<u>158,185,035</u>
Governmental activities capital assets, net	<u>\$ 274,810,804</u>	<u>\$ 28,279,693</u>	<u>\$ (18,073,806)</u>	<u>\$ 285,016,691</u>

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

Governmental activities:	
General government	\$ 2,081,943
Public safety	618,696
Highways and streets, including depreciation of general infrastructure assets	4,648,371
Human services	63,922
Culture and recreation	427,980
Conservation of natural resources	60,533
Total depreciation expense--governmental activities	<u>\$ 7,901,445</u>

**D. Interfund receivables, payables, and transfers**

The composition of interfund balances as of December 31, 2017, is as follows:

**Due to/from other funds:**

<u>Receivable</u>	<u>Amount</u>	<u>Payable</u>	<u>Amount</u>
General Fund	\$ 64,560	General Fund	\$ 17,744
Road & Bridge Fund	22,192	Road & Bridge Fund	2,600
Road & Bridge CIP Fund	15,000	Health & Human Services Fund	59,184
Other Governmental Funds	472	Road & Bridge CIP Fund	333
	<u>\$ 102,224</u>	Building CIP Fund	7,363
		Other Governmental Funds	15,000
			<u>\$ 102,224</u>

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In the fund financial statements interfund receivables and payables totaled \$102,224. Receivables in the General Fund were for costs associated with attorney fees, data processing supplies, data connectivity, civil process, and juvenile placement fees collected on old cases. The receivables in the Road & Bridge Fund were due to expenditures related to fuel costs, and vehicle maintenance. Receivables in the Water Management Organization Fund relate to engineering review on Public Works projects.

**Interfund transfers:**

Transfer Out:	Transfer In:			
	General Fund (1)(3)(4)(5)(6)(8)	Road and Bridge Fund (5)(6)(8)(9)(12)	Health & Human Services Fund (7)(8)(9)(11)(13)	Debt Service Fund (15)
General Fund	\$ -	\$ 266,160	\$ 943,611	\$ -
Road & Bridge Fund	200,000	-	-	-
Health & Human Services	1,542,047	-	-	-
Buildings CIP Fund	3,000	-	45,750	-
Road & Bridge CIP Fund	350,000	305,000	91,500	315,000
Parks & Trails CIP Fund	-	-	-	-
Nonmajor Governmental Funds	111,825	26,000	45,750	-
<b>Totals</b>	<b>\$ 2,206,872</b>	<b>\$ 597,160</b>	<b>\$ 1,126,611</b>	<b>\$ 315,000</b>

Transfer Out:	Transfer In:					Total
	Buildings CIP Fund (2)(5)(10)(14)	Road & Bridge CIP Fund (10)	Parks & Trails CIP Fund (5)(10)	NonMajor Funds		
General Fund	\$ 422,766	\$ 624,835	\$ 312,417	\$ -	\$ -	\$ 2,569,789
Road & Bridge Fund	-	-	-	-	-	200,000
Health and Human Services	-	-	-	-	-	1,542,047
Buildings CIP Fund	-	-	-	-	-	48,750
Road & Bridge CIP Fund	599,183	-	100,000	-	-	1,760,683
Parks & Trails CIP Fund	2,137,500	-	-	-	-	2,137,500
Nonmajor Governmental Funds	-	-	-	-	-	183,575
<b>Totals</b>	<b>\$ 3,159,449</b>	<b>\$ 624,835</b>	<b>\$ 412,417</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 8,442,344</b>

Transfers were used for the following:

- (1) Transfer of unassigned funds, generated from the SW Metro Educational Cooperative receivable, for the Human Resource Information System (HRIS) project
- (2) Transfer of funds for GIS and Veteran Services remodel
- (3) Transfer of funds for the Aquatic Invasive Species Program operated by the Planning & Water Management Department
- (4) Transfer of funds to Planning & Water Management Department for WMO costs related to the CWL Grant
- (5) Transfer of State Turnback reimbursement. As part of the financing package for the SW Reconnection Project, the County financed the State's Turnback Contribution with the 2014 Bond Sale. The State will continue to reimburse the County over the next 5 years, the reimbursed funds are to be spent on Board approved projects and purchases.
- (6) Transfer of funds to cover CCRRA's portion of the shared Highway Maintenance Worker FTE and shared administration costs.
- (7) Transfer of funds to expand MEND medical services in the County Jail to include mental health
- (8) Transfer of salary budget for pay for performance, utilization of county-wide STOC pool, and vacancy savings allocation
- (9) Transfer of funds to meet 35% working capital needs
- (10) Transfer of funds to Year-end Savings Account (YES) per County Fund Balance Policy
- (11) Transfer of funds to Health and Human Services, related to 2016 estate auction proceeds
- (12) Transfer of CSAH funds to purchase Public Works equipment and staffing
- (13) Transfer of funds for HCBC software project, project was budgeted for in 2016
- (14) Transfer of prior year YES funds and utilization of park land acquisition funds for the Steiner-Kelting Mental Wellness Facility purchase.
- (15) Transfer of Wheelage tax for debt service payments

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**E. Liabilities**

**Construction commitments**

The County has active construction projects as of December 31, 2016. These projects are primarily comprised of construction on roads and bridges. At year-end, the government's major commitments with contractors are as follows:

<u>Project</u>	<u>Spent-to-Date</u>	<u>Remaining Commitment</u>
Road and Bridge Construction	\$ 63,273,479	\$ 5,874,522

Road and bridge construction projects are being financed by County taxes, bonds, and intergovernmental revenue from Local, State, and Federal Governments.

**Operating lease**

The County is obligated under certain leases accounted for as operating leases. During fiscal year 2017, lease expenditures approximated \$87,713 for noncancelable leases with terms in excess of one year. These expenditures were for the radio tower rental, the use of multi-function copiers, printers, and scanners, as well as rental of office space for Library administration and Behavioral Health Services. The following is a schedule, by years, of the future minimum rental payments required under operating leases that have an initial or remaining noncancelable lease terms in excess of one year as of December 31, 2017.

<u>Year Ended December 31</u>	<u>Amount</u>
2018	\$ 173,376
2019	174,262
2020	175,175
2021	148,927
2022	117,492

**Loans for Septic Program**

The County has entered into a loan agreement for \$2,028,357 with the Minnesota Department of Agriculture to operate a loan fund for the purpose of funding the repair of failing septic systems. The loans will be paid from special assessments. The loan due to the Department of Agriculture will be paid back in semi-annual payments over 18 years beginning April 2009 with no interest. Loan payments for 2017 totaled \$163,897. The future minimum principal and interest payments are as follows:

<u>Year Ended December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 152,866	\$ -	\$ 152,866
2019	150,400	-	150,400
2020	106,339	-	106,339
2021	100,730	-	100,730
2022	73,022	-	73,022
2023-2027	103,407	-	103,407
2028	4,050	-	4,050
Total	<u>\$ 690,814</u>	<u>\$ -</u>	<u>\$ 690,814</u>

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**F. Long-term debt**

**General Obligation Bonds:**

In August of 2016, \$7,190,000 in refunding bonds were issued through an advanced refunding of the County's 2008A G.O. Capital Improvement Bonds, and 2008B G.O. Capital Improvement Bonds, originally issued to fund certain road and other capital projects related to the approved capital improvement plan. \$5,000,000 of the refunding amount was issued to crossover refund the 2008A Bonds that was executed on May 1, 2017 at a net interest cost of 1.1154%. The results of the refunding are a net present value economic gain of \$492,698.65. The final maturity remains in 2023. The remaining \$2,190,000 of the refunding amount was issued to net cash refund a portion of the 2008B Bonds to be executed on February 1, 2018 at a net interest cost of 1.1932%. The results of this refunding are a net present value economic gain of \$249,367.43. The final maturity remains in 2024.

Bonds payable at December 31, 2017, are composed of the following issues:

\$5,020,000 2008B G.O. Capital Improvement Bonds maturing annually on February 1 from 2010 to 2018, at a net interest rate of 4.2591 percent.	\$ 2,745,000
\$1,460,000 2012A G.O. Tax Abatement Bonds maturing annually on February 1 from 2014 to 2024, at a net interest rate of 2.0463 percent	955,000
\$5,150,000 2013A G.O. Capital Improvement Refunding Bonds maturing annually on February 1 from 2014 to 2020, at a net interest rate of 0.8763 percent	2,555,000
\$9,555,000 2014A G.O. Capital Improvement Bonds maturing annually on February 1 from 2015 to 2029, at a net interest rate of 2.2914 percent	7,555,000
\$7,190,000 2016A G.O. Refunding Bonds maturing annually on February 1 from 2017 to 2024, at a net interest rate of 1.1427 percent	7,180,000
<i>Total Bonds Payable</i>	20,990,000
Discount on Bonds Issued	(5,938)
Premium on Bonds Issued	1,341,156
<i>Net Bonds Payable</i>	\$ 22,325,218

General obligation bonds are direct obligations and pledge the full faith and credit of the County. These bonds generally are issued as 15 to 20-year serial bond with increasing amounts of principal maturing each year. General obligation bonds currently outstanding are as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
Governmental activities - improvement	0.8763 - 4.2591%	\$ 20,990,000

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

<u>Year Ending December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 5,000,000	\$ 641,155	\$ 5,641,155
2019	2,630,000	524,732	3,154,732
2020	2,710,000	440,450	3,150,450
2021	1,920,000	355,250	2,275,250
2022	1,995,000	273,008	2,268,008
2023-2027	5,285,000	533,651	5,818,651
2028-2029	1,450,000	43,800	1,493,800
Total	\$ 20,990,000	\$ 2,812,046	\$ 23,802,046

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**General Obligation Notes Payable**

In October 2014, an \$18,000,000 General Obligation Capital Improvement Note was issued through the Minnesota Public Facilities Authority (MPFA). Payment for the G.O. Capital Improvement Note shall be disbursed to the MPFA, in installments, as eligible costs of the Southwest Reconnection Project are reimbursed. The interest rate on the G.O. Capital Improvement Note is 1.00%. As of December 31, 2017 the County has submitted \$15,835,245 in project costs for reimbursement, and has repaid \$2,247,000 on the G.O. Capital Improvement Note. In November of 2017, the G.O. Capital Improvement Note with MPFA was closed out; no further drawdowns on this note will occur.

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
Governmental activities - improvement	1.0000%	<u>\$ 13,588,245</u>

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

<u>Year Ending December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 984,245	\$ 135,579	\$ 1,119,824
2019	994,000	126,040	1,120,040
2020	1,004,000	116,100	1,120,100
2021	1,014,000	106,060	1,120,060
2022	1,024,000	95,920	1,119,920
2023-2027	5,274,000	323,970	5,597,970
2028-2030	3,294,000	66,100	3,360,100
<b>Total</b>	<b>\$ 13,588,245</b>	<b>\$ 969,769</b>	<b>\$ 14,558,014</b>

**Changes in long-term liabilities**

<u>Government Activities</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
General Obligation Bonds and Notes Payable					
General Obligation Bonds	\$ 29,255,000	\$ -	\$ (8,265,000)	\$ 20,990,000	\$ 5,000,000
Notes Payable	14,549,197	168,048	(1,129,000)	13,588,245	984,245
Less Amounts:					
For Issuance Discounts	(6,850)	-	912	(5,938)	(912)
Plus Amounts:					
For Issuance Premiums	1,580,206	-	(239,050)	1,341,156	211,344
<b>Total Bonds and Notes Payable</b>	<b>45,377,553</b>	<b>168,048</b>	<b>(9,632,138)</b>	<b>35,913,463</b>	<b>6,194,677</b>
Loans Payable	737,988	116,722	(163,896)	690,814	152,866
Compensated Absences	5,066,485	3,189,010	(3,019,579)	5,235,916	316,837
<b>Government Activity Long-term Liabilities</b>	<b>\$ 51,182,026</b>	<b>\$ 3,473,780</b>	<b>\$ (12,815,613)</b>	<b>\$ 41,840,193</b>	<b>\$ 6,664,380</b>

The internal service fund predominantly serves the governmental funds. Accordingly, long-term liabilities for it are included as part of the above totals for governmental activities. Also, for the governmental activities, compensated absences and other post employment benefit obligations are generally liquidated by the internal service fund, while pension liabilities are generally liquidated by the General Fund, Road and Bridge Fund, and Health and Human Services Fund. Bonded debt is paid from the Debt Service Fund.

**Debt payment history**

Neither the County nor the CDA have ever defaulted in the payment of principal and interest on its debt.

**County General Obligation Pledged for CDA 2011 and 2016 Bond Sales**

The CDA's \$3,710,000 Bond Sale in 2011 and \$4,710,000 Refunding Bond Sale in 2016, are backed by the County's General Obligation to repay the bonds in the event the CDA fails to make the debt service payments. The bond indenture includes several provisions designed to protect the interest of the County's taxpayers in the unlikely event that the CDA would not be able to pay the debt service from the housing project's revenues.

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**G. Fund Balance**

Per County Policy: Assigned fund balance may be used to supplement "pay as you go" capital outlay, one-time operating expenditures, tentative management plans, or prepay existing County debt. At year-end divisions can request uncompleted professional service obligations and/or capital appropriations and unexpended grants be rolled over to the subsequent year by submitting a listing to the County Administrator for approval.

Fund balances:

Assigned to:	Health & Human				
	General	Road & Bridge	Services	Buildings CIP	Road & Bridge CIP
Petty Cash	\$ 6,390	\$ 100	\$ 750	\$ -	\$ -
Software Projects	1,093,221	-	170,495	-	-
Capital Projects	514,268	-	-	1,404,658	6,045,124
Aquatic Invasive Species Program	53,083	-	-	-	-
Highway and Streets	-	2,962,735	-	-	-
Sheriff ARMER Purchase	347,940	-	-	-	-
Public Safety	8,989	-	-	-	-
Public Works Capital Equipment	-	168,029	-	-	-
Transportation Tax Projects	-	-	-	-	867,502
Public Health	-	-	6,032	-	-
Human Services	-	-	10,561,613	-	-
CarverLink	627,463	-	-	-	-
Culture and Recreation	32,986	-	-	-	-
Conservation of Natural Resources	37,223	-	-	-	-
General Government	13,900	-	-	-	-
Juvenile Placement	75,000	-	-	-	-
PW Northwest Satellite Facility Site Improvements	-	-	-	129,639	-
Building Permits	118,785	-	-	-	-
TH212 Turnback	-	-	-	-	3,333,142
ISTS Loan Program	100,000	-	-	-	-
Waconia Event Center	43,364	-	-	-	-
Yard Waste Collection Site	70,000	-	-	-	-
Year-End Savings Account	-	-	-	1,545,315	3,090,631
<b>Total Assigned</b>	<b>\$ 3,142,612</b>	<b>\$ 3,130,864</b>	<b>\$ 10,738,890</b>	<b>\$ 3,079,612</b>	<b>\$ 13,336,399</b>

Assigned to:	Nonmajor		Total
	Parks & Trails CIP	Special Revenue	
Petty Cash	\$ -	\$ -	\$ 7,240
Software Projects	-	-	1,263,716
Capital Projects	583,864	-	8,547,914
Aquatic Invasive Species Program	-	-	53,083
Highway and Streets	-	-	2,962,735
Sheriff ARMER Purchase	-	-	347,940
Public Safety	-	-	8,989
Public Works (PW) Capital Equipment	-	-	168,029
Transportation Tax Projects	-	-	867,502
Public Health	-	-	6,032
Human Services	-	-	10,561,613
CarverLink	-	-	627,463
Culture and Recreation	-	88,772	121,758
Conservation of Natural Resources	-	-	37,223
General Government	-	-	13,900
Juvenile Placement	-	-	75,000
Park Land Acquisition	133,745	-	133,745
PW Northwest Satellite Facility Site Improvements	-	-	129,639
Building Permits	-	-	118,785
TH212 Turnback	-	-	3,333,142
ISTS Loan Program	-	-	100,000
Waconia Event Center	-	-	43,364
Yard Waste Collection Site	-	-	70,000
Year-End Savings Account	1,545,314	-	6,181,260
<b>Total Assigned</b>	<b>\$ 2,262,923</b>	<b>\$ 88,772</b>	<b>\$ 35,780,072</b>

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**Note 4 - Other information**

**A. Risk Management**

The 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. The County has entered into a joint powers agreement with other Minnesota counties to form the Minnesota Counties Intergovernmental Trust (MCIT) to protect against losses from workers' compensation and property and casualty. There were no significant reductions in coverage from the previous year or settlements in excess of coverage for any of the past three years.

The Workers' Compensation Division of MCIT is fully funded. Total contributions plus compounded earnings on these contributions will equal the amount needed to satisfy claim liabilities and other expenses. MCIT participates in the Workers' Compensation Reinsurance Association with coverage at \$500,000 per claim in 2017 and \$500,000 in 2018. 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 fully funded and the County pays an annual premium/contribution to cover current and future losses. The MCIT carries reinsurance for its property and casualty exposures 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.

The County pays MCIT contributions from the County's Self Insurance Internal Service Fund. The Self Insurance fund is reimbursed from other County funds for their share.

The County, through its Self Insurance Fund retains some risk of loss through the self funding of automobile damage losses to vehicles. Automobile liability has a zero deductible with bodily injury and property damage limits of \$500,000 per claimant; \$1,500,000 per occurrence. Auto physical damage coverage is self funded by the County. At the beginning of the year, there was no liability as claims are paid on a per claim basis. In addition, the County carries Workers' Compensation with a per claim deductible of \$50,000 and an Aggregate Deductible of \$350,000 per year. General Liability has a \$2,500 per Occurrence /Wrongful Act Deductible. The General liability limits are \$500,000 per claimant; \$1,500,000 per occurrence. The County's management is not aware of any incurred but not reported claims.

**B. Contingent Liabilities**

The County, in connection with the normal conduct of its affairs, is involved in various claims, judgments, and litigation. The County Attorney estimates that the potential claims against the County not covered by insurance resulting from such litigation would not materially affect the financial statements of the County.

**C. Grants**

The County receives significant financial assistance from numerous federal, state and local governmental agencies in the form of grants and entitlements. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements. The financial assistance received may be subject to an audit pursuant to Uniform Guidance or audits by the grantor agency.

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**D. Agricultural Best Management Loan Program**

The County has entered into a loan agreement for \$2,028,357 with the Minnesota Department of Agriculture to operate a loan fund for the purpose of funding the repair of failing septic systems. The loans will be paid from special assessments. The loan due to the Department of Agriculture will be paid back in semi-annual payments over 17 years beginning April 2009 with no interest. The following information summarizes the activity of loans made to participants in the program.

	Prior Years	During 2017	Program To Date
Number of loans made	271	10	281
Number of loans repaid	216	7	223
Number of loans past due	-	-	-
Loan amounts past due	\$ -	\$ -	\$ -
Loans outstanding - January 1	N/A	353,437	N/A
Loans made	2,962,855	131,566	3,094,421
Payments received	(2,609,418)	(98,713)	(2,708,131)
Loans outstanding - December 31	<u>\$ 353,437</u>	<u>\$ 386,290</u>	<u>\$ 386,290</u>

On the County's Financial Statements Loans Outstanding are:

Special Assessments Receivable Delinquent	\$ -
Special Assessments Receivable Unavailable	<u>386,290</u>
Total Loans outstanding - December 31	<u>\$ 386,290</u>

**E. Jointly-Governed Organizations**

***Region Five- Southwest Minnesota Homeland Security Emergency Management Organization***

The Region Five – Metro Minnesota Security Emergency Management Organization (Metro) was established to provide for regional coordination of planning, training, purchase of equipment, and allocating emergency services and staff in order to better respond to emergencies and natural or other disasters within the Metro region. Control is vested in the Board, which is composed of representatives appointed by each Board of County Commissioners. Carver County's responsibility does not extend beyond making this appointment.

***Minnesota Counties Computer Cooperative (MCCC)***

Under Minnesota Joint Powers Law, Minn. Stat. § 471.59, Minnesota counties have created MCCC to jointly provide for the establishment, operation, and maintenance of data processing systems, facilities, and management information systems. During the year, Carver County expended \$156,471 to the MCCC.

**F. Joint Ventures**

***Mental Health Crisis Program with McLeod County***

Pursuant to Minn. Stat. 471.59, Carver County entered into a joint powers agreement with McLeod County. The purpose of this agreement is to receive funding, administer mental health crisis and other related services to eligible clients in McLeod and Carver counties. This agreement is effective from January 1, 2017 through December 31, 2017. The County's duties include providing mental health crisis services pursuant to the joint powers agreement, act as the fiscal agent of the parties, and assume the responsibility for billing the client's insurance for services received. The County has no other financial obligations.

***Carver County Integrated Services Council***

The Carver County Collaborative was established February 1, 1997 pursuant to Minn. Stat. §§ 471.59 and 124D.23. The Collaborative includes the CAP Agency, Carver County Health and Human Services, Carver County Community Health Services, Carver County Court Services, Carver County Sheriff's Office, Central School District, Eastern Carver County School District, Waconia School District, and the Watertown-Mayer School District.

The purpose of the Collaborative is to plan and coordinate services to children and their families and encourage early identification and intervention for children and families expressing mental health, social service and health needs.

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The Collaborative is composed of one administrative representative designated by the directors of each member organization.

Financing is provided by state and federal grants. Carver County, in an agent capacity, records the cash transactions of the Collaborative in its financial statements as an agency fund.

***Metropolitan Emergency Services Board***

Pursuant to Minn. Stat. § 471.59, Carver County entered into a joint powers agreement with the Counties of Anoka, Chisago, Dakota, Hennepin, Isanti, Ramsey, Scott, Washington, and the City of Minneapolis. The purposes of the agreement are: (a) the implementation and administration of a regional 911 system, and (b) encouraging the development of new resources and the coordination of emergency medical services. Carver County paid annual dues of \$40,017 in 2017. Except for annual dues the County has no other financial obligations. Current financial statements are available at the 911 Board Office, 2099 University Avenue, Saint Paul, Minnesota 55104-3431.

***Southwest Metro Drug Task Force***

The Southwest Metro Drug Task Force was established in 2000 under the authority of the Joint Powers Act, pursuant to Minn. Stat. § 471.59, and includes Carver, McLeod and Scott Counties, and the Cities of South Lake Minnetonka, Chaska, Chanhassen, Shakopee, Mound, Hutchinson, West Hennepin, and Minnetrista. The Drug Task Force's objectives are to detect, investigate, and apprehend controlled substance offenders in the three-county area.

Control of the Southwest Metro Drug Task Force is vested in the Southwest Metro Drug Task Force Executive Committee. The Executive Committee consists of one designated official from each of the three counties and eight cities. In the event of dissolution of the Drug Task Force, the remaining net position will be distributed among the agencies based on their level of participation. However, if only one agency terminates the agreement and the Drug Task Force continues, all equipment will remain with the Drug Task Force.

Financing is provided by grants, forfeiture money, and appropriations from members. Complete financial information can be obtained from the Southwest Metro Drug Force Commander, 600 East 4th Street, Chaska, Minnesota 55318.

***Metropolitan Library Service Agency (MELSA)***

Carver County entered into a joint powers agreement with the other six metropolitan area counties and the Cities of Saint Paul and Minneapolis to improve public library services within the various jurisdictions. The Board of Directors of MELSA consists of one member from each member entity. Financing is provided by gifts, grants, and other property of assistance from the federal government, the State of Minnesota, and other government and private sources. The MELSA agency handles the accounting function of the Board. Current financial statements are available from the MELSA office, 1619 Dayton Avenue, Suite 314, Saint Paul, Minnesota 55104-6276.

***SmartLink Transit***

Pursuant to Minn. Stat. §471.59, Carver County entered into a joint powers agreement with Scott County. The objective of the agreement is to work together to provide transportation services to residents in Carver and Scott County by partnering to use existing resources and develop expanded transit services in order to increase the scope, availability, and quality of the two-county region's transit system.

Both entities are governed by their respective Boards. The Management Team, consisting of equal partners from both counties, is responsible for major operational and budgetary decisions, long-range planning and capital equipment purchases. Scott County is the fiscal agent, receiving funds on behalf of both counties for administration of the programs and services. Separate financial statements are not available.

***Crow River Joint Powers Agreement***

In April 1999, the County entered into a joint powers agreement with Hennepin, Kandiyohi, McLeod, Meeker, Pope, Renville, Sibley, Stearns, and Wright Counties creating the Crow River Joint Powers Agreement. The Agreement is authorized by Minn. Stat. §§ 103B.311 and 103B.315. The Prairie County Resource Conservation and Development Council is the fiscal agent for this Joint Powers Agreement.

The Board of Directors meets at least two times per year, or more often if needed, at the location to be set by the chair of the Joint Powers Board. The purpose of this Agreement is the joint exercise of powers by the member counties to promote the orderly water quality improvement and management of the Crow River Watershed through information sharing, education, coordination, and related support to the member counties by assisting in the implementation and goal achievement of comprehensive water plans.

The governing board is composed of one Board member from each of the participating counties. Financing is provided by state proceeds. Current financial statements are not available.

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**G. Pension Plans**

**Defined Benefit Pension Plans**

***Plan Description***

All full-time and certain part-time employees of Carver 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. PERA's defined benefit pension plans are tax qualified plans under Section 401(a) of the Internal Revenue Code.

General Employees Retirement Plan (General Employees Plan (accounted for in the General Employees Fund)). All full-time and certain part-time employees of the County are covered by the General Employees Plan. General Employee Plan 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. The Basic Plan was closed to new members in 1967. All new members must participate in the Coordinated Plan, for which benefits vest after five years of credited service.

Public Employees Police and Fire Plan (Police and Fire Plan (accounted for in the Police and Fire Fund)). The Police and Fire Plan, originally established for police officers and firefighters hired since 1980. Effective July 1, 1999, the Police and Fire Plan also covers police officers and firefighters belonging to local relief associations that elected to merge with and transfer assets and administration to PERA.

Local Government Correctional Plan (Correctional Plan (accounted for in the Correctional Fund)). The Correctional Plan was established for correctional officers serving the county and regional corrections facilities. Eligible participants must be responsible for the security, custody, and control of the facilities and their inmates.

***Benefits Provided***

PERA provides retirement benefits as well as disability benefits to members and benefits to survivors upon death of eligible members. Benefit provisions are established by state statute and can be modified only by the state legislature. Benefit increases are provided to benefit recipients each January. Increases are related to the funding ratio of the plan. Members in plans that are at least 90 percent funded for two consecutive years are given 2.5 percent increases. Members in plans that have not exceeded 90 percent funded, or have fallen below 80 percent, are given one percent increases.

The benefit provisions stated in the following paragraph 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 their public service.

**General Employees Plan Benefits**

General Employees Plan benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service. Two methods are used to compute benefits for PERA's 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. The annuity accrual rate for a Coordinated Plan member 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 members hired prior to July 1, 1989 a full annuity is available when age plus years of service equal 90 and normal retirement age is 65. For members hired on or after July 1, 1989 normal retirement age is the age for unreduced Social Security benefits capped at 66.

**Police and Fire Plan Benefits**

Benefits for Police and Fire Plan members first hired after June 30, 2010 but before July 1, 2014 vest on a prorated basis from 50 percent after five years up to 100 percent after ten years of credited service. Benefits for Police and Fire Plan members first hired after June 30, 2014 vest on a prorated basis from 50 percent after ten years up to 100 percent after twenty years of credited service. The annuity accrual rate is 3 percent of average salary for each year of service. For Police and Fire Plan members who were first hired prior to July 1, 1989 a full annuity is available when age plus years of service equal at least 90.

**Correctional Plan Benefits**

Benefits for Correctional Plan members first hired after June 30, 2010 vest on a prorated basis from 50 percent after five years up to 100 percent after ten years of credited service. The annuity accrual rate is 1.9 percent of average salary for each year of service in that plan. For Correctional Plan members who were first hired prior to July 1, 1989 a full annuity is available when age plus years of service equal at least 90.

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**Contributions**

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. General Employees Retirement Fund Basic Plan members and Coordinated Plan members were required to contribute 9.10 percent and 6.50 percent, respectively, of their annual covered salary in 2017. Public Employees Police and Fire Fund members were required to contribute 10.80 percent of their annual covered salary in 2017. Public Employees Correctional Fund members were required to contribute 5.83 percent of their annual covered salary in 2017.

In 2017, the County was required to contribute the following percentages of annual covered salary:

	2017
<b>General Employees Retirement Fund</b>	
Basic Plan Members	11.78%
Coordinated Plan Members	7.50%
<b>Public Employees Police and Fire Fund</b>	16.20%
<b>Public Employees Correctional Fund</b>	8.75%

The County's contributions for the year ended December 31, 2017, to the pension plans were:

General Employees Retirement Fund	\$ 2,720,343
Public Employees Police and Fire Fund	1,001,217
Public Employees Correctional Fund	265,015

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

**Pension Costs**

General Employees Fund Pension Costs

At December 31, 2017, the County reported a liability of \$35,047,798 for its proportionate share of the General Employees Fund's net pension liability. The County's net pension liability reflected a reduction due to the State of Minnesota's contribution of \$6 million to the fund in 2017. The State of Minnesota is considered a non-employer contributing entity and the state's contribution meets the definition of a special funding situation. The State of Minnesota's proportionate share of the net pension liability associated with the County totaled \$440,729. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability was based on the County's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2017, through June 30, 2017, relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2017, the County's proportion was 0.5490 percent which was an increase of 5.760 percent from its proportion measured as of June 30, 2016.

For the year ended December 31, 2017 the County recognized pension expense of \$5,228,410 for its proportionate share of the General Employees Plan's pension expense. In addition, the County recognized an additional \$12,729 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of \$6 million to the General Employees Fund.

At December 31, 2017, the County reported its proportionate share of the General Employees Plan deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 1,155,069	\$ 2,134,876
Changes in actuarial assumptions	5,501,789	3,513,545
Difference between projected and actual investment earnings	-	101,725
Changes in proportion Contributions paid to PERA subsequent to the measurement date	1,820,799	475,646
Contributions paid to PERA subsequent to the measurement date	1,431,094	-
Total	\$ 9,908,751	\$ 6,225,792

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A total of \$1,431,094 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2018. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31	Pension Expense Amount
2018	\$ 1,520,712
2019	2,363,330
2020	(144,465)
2021	(1,487,712)

Police and Fire Fund Pension Costs

At December 31, 2017, the County reported a liability of \$8,586,757 for its proportionate share of the Public Employees Police and Fire Fund's net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability was based on the County's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2016 through June 30, 2017 relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2017 the County's proportion was 0.636 percent which was an increase of 1.113 percent from its proportion measured as of June 30, 2016.

The County also recognized \$57,240 for the year ended December 31, 2017 as revenue and an offsetting reduction of net pension liability for its proportionate share of the State of Minnesota's on-behalf contributions to the Police and Fire Fund. Legislation passed in 2013 required the State of Minnesota to begin contributing \$9 million to the Police and Fire Fund each year, starting in fiscal year 2014.

For the year ended December 31, 2017 the County recognized pension expense of \$2,157,773 for its proportionate share of the Police and Fire Plan's pension expense.

At December 31, 2017 the County reported its proportionate share of the Police and Fire Plan's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 197,650	\$ 2,281,363
Changes in actuarial assumptions	11,113,801	12,191,064
Difference between projected and actual investment earnings	96,543	-
Changes in proportion Contributions paid to PERA subsequent to the measurement date	352,906	75,749
Contributions paid to PERA subsequent to the measurement date	503,351	-
<b>Total</b>	<b>\$ 12,264,251</b>	<b>\$ 14,548,176</b>

\$503,351 reported as deferred outflows of resources related to pensions resulting from county contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2018. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31	Pension Expense Amount
2018	\$ 182,699
2019	182,699
2020	(133,558)
2021	(667,254)
2022	(2,351,862)

Correctional Plan Pension Costs

At December 31, 2017, the County reported a liability of \$4,246,515 for its proportionate share of the Public Employees Correctional Fund's net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability was based on the County's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2016, through June 30, 2017, relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2017, the County's proportion was 1.490 percent which was an increase of 1.361 percent from its proportion measured as of June 30, 2016.

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For the year ended December 31, 2017 the County recognized pension expense of \$1,607,069 for its proportionate share of the Correctional Plan's pension expense.

At December 31, 2017 the County reported its proportionate share of the Correctional Plan's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 2,803	\$ 68,886
Changes in actuarial assumptions	2,280,940	739,189
Difference between projected and actual investment earnings	-	30,231
Changes in proportion Contributions paid to PERA subsequent to the measurement date	54,797	3,640
Contributions paid to PERA subsequent to the measurement date	138,235	-
Total	\$ 2,476,775	\$ 841,946

\$138,235 reported as deferred outflows of resources related to pensions resulting from county contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2018. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31	Pension Expense Amount
2018	\$ 914,003
2019	944,919
2020	(244,119)
2021	(118,209)

**Total Pension Expense**

The total pension expense for all plans recognized by the County for the year December 31, 2017, was \$9,005,981.

**Actuarial Assumptions**

The total pension liability in the June 30, 2017, actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50% per year
Active member payroll growth	3.25% per year
Investment rate of return	7.50%

Salary increases were based on a service-related table. Mortality rates for active members, retirees, survivors, and disabled members were based on RP-2014 tables all plans for males or females, as appropriate, with slight adjustments to fit PERA's experience. Cost of living benefit increases for retirees are assumed to be: 1% per year for the General Employees Plan through 2044 and Police and Fire Plan through 2064, and then 2.5% thereafter for both plans; and 2.5% for all years for the Correctional Plan.

Actuarial assumptions used in the June 30, 2017 valuation were based on the results of actuarial experience studies. The most recent four-year experience study in the General Employees Plan was completed in 2015. The most recent five-year experience study for Police and Fire Plan was completed in 2016. Experience studies have not been prepared for the Correctional Plan, but assumptions are reviewed annually.

The following changes in actuarial assumptions occurred in 2017:

General Employees Fund

- The Combined Service Annuity (CSA) loads were changed from 0.8% for active members and 60% for vested and non-vested deferred members. The revised CSA loads are now 0.0% for active member liability, 15.0% percent for vested deferred member liability and 3.0% for non-vested deferred member liability.
- The assumed post-retirement benefit increase rate was changed from 1.0% per year for all years to 1.0% per year through 2044 and 2.5% per year thereafter.

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Police and Fire Fund

- Assumed salary increases were changed as recommended in the June 30, 2016 experience study. The net effect is proposed rates that average 0.34% lower than the previous rates.
- Assumed rates of retirement were changed, resulting in fewer retirements.
- The Combined Service Annuity (CSA) load was 30% for vested and non-vested deferred members. The CSA has been changed to 33% for vested members and 2% for non-vested members.
- The base mortality table for healthy annuitants was changed from the RP-2000 fully generational table to the RP-2014 fully generational table (with a base year of 2006), with male rates adjusted by a factor of 0.96. The mortality improvement scale was changed from Scale AA to Scale MP-2016. The base mortality table for disabled annuitants was changed from the RP-2000 disabled mortality table to the mortality tables assumed for healthy retirees.
- Assumed termination rates were decreased to 3.0% for the first three years of service. Rates beyond the select period of three years were adjusted, resulting in more expected terminations overall.
- Assumed percentage of married female members was decreased from 65% to 60%.
- Assumed age difference was changed from separate assumptions for male members (wives assumed to be three years younger) and female members (husbands assumed to be four years older) to the assumption that males are two years older than females.
- The assumed percentage of female members electing Joint and Survivor annuities was increased.
- The assumed post-retirement benefit increase rate was changed from 1.00% for all years to 1.00% per year through 2064 and 2.50% thereafter.

Correctional Fund

- The base mortality table for healthy annuitants was changed from the RP-2000 fully generational table to the RP-2014 fully generational table (with a base year of 2006), with male rates adjusted by a factor of 0.96. The mortality improvement scale was changed from Scale AA to Scale MP-2016 and is applied to healthy and disabled members. The base mortality table for disabled annuitants was changed from the RP-2000 disabled mortality table to the RP-2014 disabled annuitant mortality table (with future mortality improvement according to MP-2016).
- The Combined Service Annuity (CSA) load was 30% for vested and non-vested, deferred members. The CSA has been changed to 35% for vested members and 1% for non-vested members.
- The Single Discount Rate was changed from 5.31% per annum to 5.96% per annum.

The State Board of Investment, which manages the investments of PERA, prepares an analysis of the reasonableness on a regular basis of the long-term expected rate of return using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce an expected long-term rate of return by weighting the expected future rates of return by the target asset allocation percentages. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Real Rate of Return
Domestic stocks	39%	5.10%
International stocks	19%	5.30%
Bonds	20%	0.75%
Alternate assets	20%	5.90%
Cash	2%	0.00%
Total	100%	

**Discount Rate**

The discount rate used to measure the total pension liability in 2017 was 7.50%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at rates set in Minnesota Statutes. Based on these assumptions, the fiduciary net position of the General Employees Fund and the Police and Fire Funds was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

In the Correctional Fund, the fiduciary net position was projected to be available to make all projected future benefit payments of current plan members through June 30, 2061. Beginning in fiscal years ended June 30, 2062, when projected benefit payments exceed the funds' projected fiduciary net position, benefit payments were discounted at the municipal bond rate of 3.56% based on an index of 20-year general obligation bonds with an average AA credit rating at the measurement date. An equivalent single discount rate of 5.96% for the Correctional Fund was determined that produced approximately the same present value of projected benefits when applied to all years of projected benefits as the present value of projected benefits using 7.50% applied to all years of projected benefits through the point of asset depletion and 3.56% after.

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**Pension Liability Sensitivity**

The following presents the County's proportionate share of the net pension liability calculated using the discount rate disclosed in the preceding paragraph, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate 1.0 percentage point lower or 1.0 percentage point higher than the current discount rate:

	General Employees Fund		Police and Fire Fund		Correctional Fund	
1% Lower	6.50%	\$ 54,361,738	6.50%	\$ 16,171,368	4.96%	\$ 6,997,725
Current Discount Rate	7.50%	35,047,798	7.50%	8,586,757	5.96%	4,246,515
1% Higher	8.50%	19,235,829	8.50%	2,325,241	6.96%	2,099,157

**Pension Plan Fiduciary Net Position**

Detailed information about the pension plan's fiduciary net position is available in a separately issued PERA financial report that includes financial statements and required supplementary information. That report may be obtained on the internet at [www.mnpera.org](http://www.mnpera.org); by writing to PERA at 60 Empire Drive, Suite 200, St. Paul, Minnesota 55103-2088; or by calling (651) 296 7460 or 1-800-652-9026.

**Defined Contribution Plan**

Four Board Members of Carver County are covered by the Public Employees Defined Contribution Plan, a multiple-employer deferred compensation plan administered by PERA. The plan is established and administered in accordance with Minn. Stat. ch. 353D, which may be amended by the State Legislature. The plan is a tax qualified plan under Section 401(a) of the Internal Revenue Code, and all contributions by or on behalf of employees are tax deferred until time of withdrawal.

Plan benefits depend solely on amounts contributed to the plan plus investment earnings, less administrative expenses. For those qualified personnel who elect to participate, Minn. Stat. § 353D.03 specifies plan provisions, including the employee and employer contribution rates. An eligible elected official who decides to participate contributes 5.00 percent of salary, which is matched by the employer. 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, 2017, were:

	Employee		Employer	
Contribution amount (a)	\$	12,412	\$	12,412
Covered Payroll (b)		248,256		248,256
Percentage of covered payroll (a/b)		5.00%		5.00%

**H. Other Post-employment Benefits**

**Plan description**

The County provides post-employment health care benefits (OPEB) for retired employees through a single employer defined benefit plan. The benefits, benefit levels, employee contributions and employer contributions are governed by the County and can be amended by the County through its personnel policy manual and union contracts within the guidelines of Minnesota Statute. Minnesota Statute requires eligibility to be available for pension-eligible retirees (i.e. retirement after age 55 with 3 years of service). The plan does not issue a separate report.

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**Summary of Plan Provisions**

Following is a summary of the major plan provisions used to determine the plan's financial position:

Plan Sponsor	Carver County
Contract Group	<b>AFSCME, Teamsters, SMACC, Non-Bargaining, and Elected Officials</b>
Effective Date	January 1, 2007 through December 31, 2017
Coverage after age 65	No Implicit Rate subsidy is included for Medical after Medicare eligibility
Employees included	Actives, Retirees, and Beneficiaries
Service Considered	From Date of Hire
Access to Group Insurance Eligibility:	Implicit Rate Medical subsidy to Medicare eligibility is available to pension-eligible retirees (Age 55 or older with at least 5 years of service (3 years if hired prior to July 1, 2010)). Implicit Rate Dental subsidy is available to pension-eligible retirees. No Implicit Rate Life subsidy.
Medical Monthly Blended Premium	Pre-65 blended premium is \$609 for single and \$1,598 for family
Dental Monthly Blended Premium	Blended premium is \$38 for single and \$121 for family

**Subsidized Benefits**

Medical Benefit	
Eligibility:	Hired before June 1, 2010: Retirement at or after age 60 with at least 20 consecutive years of service. The County contributes same as actives until Medicare eligibility. Benefits maybe deferred until age 60 if employee has 20 years of service at retirement. 2017 County contribution is up to \$690 per month toward the single medical premium.
Retiree Benefit:	
Spouse Benefit:	Hired before June 1, 2010: County contributes a set amount (by Board review annually) until Medicare eligibility if dependent coverage is in force at the time of retirement. Benefits may be deferred until age 60 if employee has 20 years of service at retirement. 2017 County contribution is up to an additional \$485 monthly for the spouse medical premium for a total of \$1,175 toward the family medical premium.
Dental Benefit	None
Life Insurance	None

Plan Sponsor	Carver County
Contract Group	<b>Teamsters, LELS, and Sergeants</b>
Effective Date	January 1, 2007 through December 31, 2017
Coverage after age 65	No Implicit Rate subsidy is included for Medical after Medicare eligibility
Employees included	Actives, Retirees, and Beneficiaries
Service Considered	From Date of Hire
Access to Group Insurance Eligibility:	Implicit Rate Medical subsidy to Medicare eligibility is available to pension-eligible retirees (Age 50-55 or older with at least 5 years of service (3 years if hired prior to July 1, 2010)). Implicit Rate Dental subsidy is available to pension-eligible retirees. No Implicit Rate Life subsidy.
Medical Monthly Blended Premium	Pre-65 blended premium is \$609 for single and \$1,598 for family
Dental Monthly Blended Premium	Blended premium is \$38 for single and \$121 for family

**Subsidized Benefits**

Medical Benefit	None
Dental Benefit	None
Life Insurance	None

**Participants**

At January 1, 2017, membership consisted of:

Active Participants	621
Retired Participants Receiving Benefits (Including LTD participants)	43
Spouses of Retired Participants' Receiving Benefits	6
Total	<u>670</u>
Participating Employers	<u>1</u>

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**Funding Policy**

The County currently covers the cost of OPEB benefits to the retirees on an annual basis (pay as you go). For fiscal year 2017 the County contributed \$421,875 to the plan. The County established a revocable trust for the future costs of OPEB. Public Employees Retirement Association (PERA) serves as the trust administrator for the revocable trust. Since the trust is not irrevocable, the assets in the trust cannot be used to offset the Actuarial Accrued Liability in determining the Unfunded Actuarial Accrued Liability, therefore, the actuarial value of assets is zero. During 2017, the County contributed \$718,700 and had a year-end balance in the OPEB revocable trust of \$6,720,451. The OPEB revocable trust is reported in the Other Post Employment Benefits Internal Service Fund as investments with trust account, using the accrual basis of accounting.

**Annual OPEB Costs and Net OPEB Obligation**

The County's last actuarial valuation was performed for the plan on January 1, 2017 to determine the funded status of the plan as well as the employer's annual required contribution (ARC) for the fiscal year ended December 31, 2017. The County's annual OPEB cost (expense) was \$880,577 for 2017. The transition liability was set at zero as of January 1, 2007. The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2017 were as follows:

Fiscal Year Ended	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2015	\$ 960,875	\$ (403,570)	42.00%	\$ 6,320,235
2016	978,304	(490,397)	50.13%	6,808,142
2017	880,577	(421,875)	47.91%	7,266,844

The net OPEB obligation (NOPEBO) as of December 31, 2017, was calculated as follows:

Annual Required Contribution	\$ 994,321
Interest on Net OPEB Obligation	272,326
Amortization of Net OPEB Obligation (with interest)	<u>(386,070)</u>
Annual OPEB Cost	880,577
Contributions Made	<u>(421,875)</u>
Increase (Decrease) in Net OPEB Obligation	458,702
Net OPEB Obligation Beginning of Year	<u>6,808,142</u>
<b>NET OPEB OBLIGATION END OF YEAR</b>	<b><u>\$ 7,266,844</u></b>

Funded Status and Funding Progress. The funded status of the plan as of January 1, 2017 (the most recent valuation date), was as follows:

Actuarial accrued liability (AAL)	\$ 8,094,590
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	8,094,590
Funded ratio (actuarial value of plan assets/AAL)	0.00%
Covered payroll (active plan members)	41,004,978
UAAL as a percentage of covered payroll	19.7%

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 healthcare cost trend. 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, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial liabilities for benefits.

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***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 plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members up to that date. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with long-term perspective of the calculations.

In the January 1, 2017 actuarial valuation the projected unit credit method was used. The actuarial assumptions included a 4.00% discount rate (net of investment expenses). The actuarial assumptions also included a current year medical cost trend rate of 6.50% in 2017 grading to 5.00% over 6 years and an underlying inflation rate of 2.50%. The dental trend rate was 4.00%. The actuarial value of assets was not determined as the County has not advanced funded its obligation. The plan's unfunded actuarial accrued liability is being amortized as a level amount of projected payroll on a closed basis. The remaining amortization period as of December 31, 2017, was a weighted period of twenty years.

**I. Donor-restricted Endowment**

The County has a donor restricted endowment that exists in the General Fund. The Minnesota Community Foundation endowment allows the County to spend the prior year investment earnings less administrative expenses on certain Library expenses. For 2017, the County had net investment gain of \$5,634. The County reported the related net position as restricted in the Statement of Net Position. The Library Director is authorized to spend the amount available for spending through the County's regular claim approval process.

**Carver County Community Development Agency Component Unit Notes**

**Note 5 - Summary of Significant Accounting Policies**

**A. Reporting Entity**

The Carver County Community Development Agency (the CDA) Chaska, Minnesota was established April 3, 1980. The CDA is governed by a five-member Board of Commissioners (the Board) appointed by the Carver County (the County) Board of Commissioners from the five districts in the County. The CDA provides affordable housing for the citizens within the County. The CDA has considered all potential component units for which it is financially accountable, and other organizations for which the nature and significance of their relationship with the CDA are such that exclusion would cause the CDA's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board (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 CDA has no component units however, the CDA is reported as a component unit in the County's financial statements.

**B. Measurement Focus, Basis of Accounting and Basis of Presentation**

The CDA is considered a single enterprise fund for financial reporting purposes. The activities of the CDA are recorded under various programs established for the administration of the CDA's programs. For the most part, the effect of interprogram activity has been removed from the statements of net position and the statement of activities. The CDA'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 federal housing assistance programs. The CDA's basic financial statements are presented on the accrual basis of accounting. The CDA applies all applicable Government Accounting Standards Board (GASB) pronouncements.

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.

Non-exchange transactions, in which the CDA receives value without directly giving equal value in return, include property taxes, grants, entitlements 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 CDA must provide local resources to be used for a specific purpose, and expenditure requirements, in which the resources are provided to the CDA on a reimbursement basis.

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Proprietary funds distinguish operating revenues and expenses from nonoperating revenue 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 City 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 this definition are reported as nonoperating revenues and expenses.

**C. Assets, Deferred Outflows of Resources, Liabilities, and Net Position**

**1. *Deposits and Investments***

The CDA'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 cash and temporary investments pool is considered to be cash and cash equivalents for purposes of the Statements of Cash Flows.

The CDA may invest idle funds as authorized by Minnesota statutes, as follows:

1. Direct obligations or obligations guaranteed by the United States or its agencies.
2. Shares of investment companies registered under the Federal Investment Company Act of 1940 and received the highest credit rating, rated in one of the two highest rating categories by a statistical rating agency, and have a final maturity of thirteen months or less.
3. General obligations of the State or local government with taxing powers rated "A" or better; revenue obligations rated "AA" or better.
4. General obligations of the Minnesota Housing Finance Agency rated "A" or better.
5. Obligations of school district with an original maturity not exceeding 13 months and (i) rated in the highest category by a national bond rating service or (ii) enrolled in the credit enhancement program pursuant to statute section 126C.55.
6. Bankers' acceptances of United States banks eligible for purchase by the Federal Reserve System.
7. Commercial paper issued by United States banks corporations or their Canadian subsidiaries, of highest quality category by at least two nationally recognized rating agencies, and maturing in 270 days or less.
8. 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, a primary reporting dealer in U.S. government securities to the Federal Reserve Bank of New York, or certain Minnesota securities broker-dealers.
9. Guaranteed investment contracts (GIC's) 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.

Broker money market funds operate in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the shares.

The CDA categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The CDA has the following recurring fair value measurements as of year end:

- US Treasury securities are valued using quoted market prices (Level 1 inputs)
- Broker Certificates of Deposit are valued using a matrix pricing model (Level 2 inputs)

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**2. Property Taxes**

The CDA Board annually adopts a levy and certifies it to the County for collection. The County is responsible for collecting all property taxes for the CDA. 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 CDA three times per year, in January, July and December.

Delinquent taxes receivable include the past six years' uncollected taxes.

**3. Accounts Receivable**

Accounts receivable include amounts billed for services provided before year end. All trade receivables are shown net of an allowance for uncollectible. Because the CDA has written off all accounts that are considered to be uncollectible, there is no allowance for uncollectible accounts at year end.

**4. Prepaid Items**

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

**5. Capital Assets**

Capital assets, which include property, plant and equipment are reported in the government-wide financial statements. Capital assets are defined by the CDA as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market 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 CDA are depreciated using the straight line method over the following estimated useful lives:

Assets	Years
Buildings	30 to 40
Furniture, equipment and machinery	3 to 15
Leasehold improvements	15

**6. Deferred outflows of resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

The CDA only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

**7. 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 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 of the period incurred.

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**8. Unearned Revenue**

The CDA reports unearned revenue on its statement of net position. Unearned revenue arises when resources are received by the CDA before it has legal claim to them, as when grant monies are received prior to the incurrence of qualifying expense. In subsequent periods, when revenue recognition criteria is met, or when the CDA has a legal claim to the resources, the liability for unearned revenue is removed from the statement of net position and revenue is recognized.

**9. Compensated Absences**

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

**10. Net Position**

Net position represents the difference between assets and deferred outflows and liabilities. Net position is displayed in three components:

- a. Net investment in capital assets - Consists of capital assets, net of accumulated depreciation reduced by any outstanding debt attributable to acquire capital assets.
- b. Restricted net position - Consist of net position balances restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, laws or regulations of other governments.
- c. Unrestricted net position - All other net position balances that does not meet the definition of "restricted" or "net investment in capital assets"

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

**Note 6 - Detailed Notes**

**A. Deposits and Investments**

**Deposits**

Custodial credit risk for deposits and investments is the risk that in the event of a bank failure, the CDA's deposits may not be returned or the CDA 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 CDA maintains deposits at those depository banks which are members of the Federal Reserve System.

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

Authorized collateral in lieu of a corporate surety bond includes:

- United States government Treasury bills, Treasury notes, 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 Banks 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 that is not owned or controlled by the financial institution furnishing the collateral. The selection should be approved by the government entity.

At December 31, 2017, the CDA's carrying amount of deposits was \$6,700,088 and the bank balance was \$7,273,688, all of which was covered by federal depository insurance and by collateral held by the CDA's agent in the CDA's name.

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**Investments**

As of December 31, 2017, the CDA had the following investments:

Types of Investments	Credit Quality/ Rating (1)	Segmented Time Distribution (2)	Amount	Fair Value Measurement Using		
				Level 1	Level 2	Level 3
Non-pooled investments at fair value						
U.S. Treasuries	AAA	Less than 6 months	\$ 4,046,233	\$ 4,046,233	\$ -	\$ -
Certificates of Deposit	N/A	Less than 6 months	150,533	-	150,533	-
Pooled investments at amortized costs						
Broker Money Market	N/A	N/A	1,052,878	-	-	-
			<u>\$ 5,249,644</u>	<u>\$ 4,046,233</u>	<u>\$ 150,533</u>	<u>\$ -</u>

(1) Ratings are provided by various credit rating agencies where applicable to indicate associated credit risk.

(2) Interest rate risk is disclosed using the segmented time distribution method.

N/A Indicates not applicable or available

A reconciliation of cash and temporary investments as shown on the statement of net position as of December 31, 2017 for the CDA follows:

Carrying amounts of deposits	\$ 6,700,088
Investments	5,249,644
Cash on hand	<u>1,350</u>
<b>Total</b>	<b><u>\$ 11,951,082</u></b>
Cash and pooled investments	
Cash-unrestricted	\$ 6,366,611
Cash-tenant security deposits	334,827
Investments-unrestricted	163,994
Investments-restricted	3,502,287
Investments-restricted for payment of current liability	<u>1,583,363</u>
<b>Total</b>	<b><u>\$ 11,951,082</u></b>

The investments are subject to the following risks:

**Credit Risk** - Credit risk is the risk that an issue 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 CDA's investments.

**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 that is in possession of an outside party. The CDA limits its exposure to custodial credit risk by purchasing insured or registered investments.

**Interest Rate Risk** - Using the segmented time distribution method, the interest rate risk of these investments varies as listed in the investment summaries.

**Concentration of Credit Risk** - The concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. In accordance with its investment policy, the CDA will diversify use of investment instruments to avoid incurring unreasonable risks inherent in over-investing in specific instruments, individual financial institutions or maturities. The money market mutual funds are exempt from consideration of concentration of credit risk.

CARVER COUNTY  
CHASKA, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2017

**B. Capital Assets**

Capital asset activity for the year ended December 31, 2017 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Business-type activities</b>				
Capital assets not being depreciated				
Land	\$ 7,345,248	\$ -	\$ -	\$ 7,345,248
Total capital assets not being depreciated	<u>7,345,248</u>	<u>-</u>	<u>-</u>	<u>7,345,248</u>
Capital assets being depreciated				
Land improvements	385,387	12,026	-	397,413
Buildings	51,385,482	594,857	-	51,980,339
Furniture, equipment and machinery				
Dwelling	1,241,816	34,775	-	1,276,591
Administration	348,276	48	-	348,324
Total capital assets being depreciated	<u>53,360,961</u>	<u>641,706</u>	<u>-</u>	<u>54,002,667</u>
Less accumulated depreciation for				
Land improvements	(172,874)	(21,551)	-	(194,425)
Buildings	(21,622,143)	(1,649,771)	-	(23,271,914)
Furniture, equipment and machinery				
Dwelling	(989,539)	(86,079)	-	(1,075,618)
Administration	(219,043)	(50,635)	-	(269,678)
Total accumulated depreciation	<u>(23,003,599)</u>	<u>(1,808,036)</u>	<u>-</u>	<u>(24,811,635)</u>
Total capital assets being depreciated, net	<u>30,357,362</u>	<u>(1,166,330)</u>	<u>-</u>	<u>29,191,032</u>
Business-type activities capital assets, net	<u>\$ 37,702,610</u>	<u>\$ (1,166,330)</u>	<u>\$ -</u>	<u>\$ 36,536,280</u>

**C. Long-term Debt**

**General Obligation Bonds**

The following bonds were issued to finance the construction of rental buildings and will be repaid from rental income:

Description	Authorized and Issued	Interest Rate	Issue Date	Maturity Date	Balance at Year End
Centennial Hill - Series 2014	\$ 2,110,000	2.00 - 2.50%	08/28/14	01/01/25	\$ 1,670,000
Centennial Hill - Series 2014T	2,370,000	3.30 - 4.00	08/28/14	01/01/34	2,370,000
Lake Grace - Series 2011	3,710,000	2.00 - 4.00	03/29/11	07/01/28	2,555,000
Chaska Brickyard - Series 2010	2,850,000	2.00 - 4.13	08/01/10	01/01/40	2,470,000
Chaska Brickyard - Series 2000	420,000	5.60 - 6.00	01/18/00	01/01/28	245,000
Crossings at Town Center - Series 2011A	6,555,000	2.00 - 3.60	12/01/11	02/01/34	5,460,000
Bluff Creek - Series 2011B	785,000	1.25 - 3.50	12/01/11	02/01/29	600,000
Oak Grove - Series 2009B	1,605,000	3.00 - 3.88	11/05/09	02/01/24	1,020,000
Oak Grove - Series 2016	4,710,000	3.00 - 3.50	12/29/16	02/01/44	4,710,000
Waybury Apartments - Series 2011C	1,700,000	1.50 - 4.38	12/29/11	02/01/41	<u>1,585,000</u>
Total General Obligation Bonds					<u>\$ 22,685,000</u>

CARVER COUNTY  
CHASKA, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2017

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

Year Ending December 31,	<b>G.O. Bonds</b>			Total
	Principal	Business-type Activities		
		Interest	Subsidy Credit	
2018	\$ 905,000	\$ 757,679	\$ (108,615)	\$ 1,554,064
2019	960,000	735,622	(108,615)	1,587,007
2020	990,000	711,556	(108,615)	1,592,941
2021	1,015,000	685,512	(108,615)	1,591,897
2022	1,040,000	657,016	(108,615)	1,588,401
2023-2027	5,725,000	2,765,884	(535,820)	7,955,064
2028-2032	5,235,000	1,740,548	(456,029)	6,519,519
2033-2037	3,455,000	883,869	(339,291)	3,999,578
2038-2042	2,760,000	339,829	(192,581)	2,907,248
2043-2044	600,000	21,174	(32,998)	588,176
<b>Total</b>	<b>\$ 22,685,000</b>	<b>\$ 9,298,689</b>	<b>\$ (2,099,794)</b>	<b>\$ 29,883,895</b>

**Notes Payable**

The following notes were issued to fund project costs and will be repaid with revenue from the project.

Description	Authorized and Issued	Interest Rate	Issue Date	Maturity Date	Balance at Year End
Jonathan Acres Mortgage note payable	\$ 3,155,233	3.74%	04/01/10	05/01/45	\$ 3,106,895
Waybury Mortgage note payable	4,421,000	6.35	02/01/12	08/01/37	3,920,235
Second mortgage Note payable	1,400,000	-	02/01/12	08/01/37	1,400,000
CCFDA Deferred Note Payable	127,300	-	12/01/14	12/01/44	127,300
Spruce Rehab, Notes Payable	243,900	-	01/10/13	01/10/33	243,899
<b>Total Notes</b>					<b>\$ 8,798,329</b>

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

Year Ending December 31,	<b>Notes Payable</b>		
	Principal	Business-type Activities	
		Interest	Total
2018	\$ 170,162	\$ 361,019	\$ 531,181
2019	179,467	351,714	531,181
2020	189,311	341,870	531,181
2021	199,727	331,454	531,181
2022	210,750	320,432	531,182
2023-2027	1,243,015	1,412,891	2,655,906
2028-2032	1,633,655	1,022,251	2,655,906
2033-2037	3,681,423	501,880	4,183,303
2038-2042	758,224	150,070	908,294
2043-2045	532,595	18,573	551,168
<b>Total</b>	<b>\$ 8,798,329</b>	<b>\$ 4,812,154</b>	<b>\$ 13,610,483</b>

CARVER COUNTY  
CHASKA, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2017

**Changes in long-term liabilities**

Long-term liability activity for the year ended December 31, 2017, was as follows:

	Balance 12/31/2016	Issued	Retired	Balance 12/31/2017	Due Within One Year
G.O. Bonds	\$ 28,480,000	\$ -	\$ (5,795,000)	\$ 22,685,000	\$ 905,000
Premium on bonds	142,550	-	(8,386)	134,164	-
Notes Payable	9,019,452	3,155,233	(3,376,356)	8,798,329	170,162
<b>Total</b>	<b>\$ 37,642,002</b>	<b>\$ 3,155,233</b>	<b>\$ (9,179,742)</b>	<b>\$ 31,617,493</b>	<b>\$ 1,075,162</b>

**Note 7 - Other Information**

**A. Risk Management**

The CDA participates in the Minnesota Counties Intergovernmental Trust public entity risk pool and is exposed to various risks of losses including general liability, property damage and employee bodily injury. The insurance coverage of this trust is considered to be adequate to cover unexpected claims against the CDA. The CDA retains the responsibility to cover any settlements exceeding the specific coverage. 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 (IBNRs). The CDA's management is not aware of any incurred but not reported claims.

**B. Restricted Investments**

The bond indenture require the CDA to establish and maintain various trust funds related to construction of the projects, bond sinking and reserve funds, and operating reserve funds. Balances in the various funds are subject to increase or release based upon annual calculations.

**Note 8 - Capital Grant Program**

The CDA receives Capital Grant funds from HUD. The following schedule reconciles the grants with the current activity:

Grant number	Grant Year		
	MN46P21150115 2015	MN46P21150116 2016	MN46P21150117 2017
Funds Approved	\$ 74,431	\$ 77,541	\$ 77,767
Funds Expended	(74,431)	-	-
Excess of funds approved	\$ -	\$ 77,541	\$ 77,767
2017 Revenue	\$ 29,557	\$ -	\$ -

**Note 9 - Subsequent Event**

The CDA issued \$6,110,000 governmental development refunding bonds, series 2018A on February 28, 2018 to refund the Waybury mortgage note and to fund capital projects. The bonds will mature on February 1, 2041 and have a net interest cost of 3.41%.

**Note 10 - Retirement Plan**

All permanent full-time employees of the CDA are eligible to participate in the Housing-Renewal and Local Agency Restated Retirement Plan (the Plan). The Plan is a defined contribution plan administered by a trustee. Employees under this Plan receive a pension based on the amount placed in the Plan by the employee, employer and investment income earned. Therefore, the Plan is fully funded at all times.

CARVER COUNTY  
CHASKA, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2017

Participating employees vest in the CDA's future and past service contributions based on each full year of continuous employment. Total payroll for employees covered by the Plan for the year ended December 31, 2017 and 2016, was \$1,603,329, and \$1,425,483, respectively.

The CDA made contributions into the Plan of \$155,629 and \$149,343 for the years ended December 31, 2017 and 2016, respectively.

As of December 31, 2017, the Plan held no securities issued by the CDA or other related parties.

**Note 11 - Joint Ventures**

The CDA and the City of Norwood Young America (City) entered into a joint powers agreement for the purpose of the redevelopment of approximately 4.5 acres known as the Oak Grove Dairy property. To the extent deemed necessary by the CDA, the Agencies shall enter into additional written agreements from time to time relating to specific activities. It is the intent of the parties that any governmentally owned housing development project would be developed, owned and operated by the CDA. The CDA and the City initially paid one-half the preliminary property acquisition costs and one-half on any cost of carrying the property following the acquisition. On December 15, 2016 the Joint Powers Agreement was amended to reflect the conveyance of the CDA's undivided 50% interest in the Commercial Parcels for a sum of \$260,000 and a final contribution to the CDA's bond obligation of \$45,000. Specific amendment of the language in Clause i. of Section 2.b eliminates references to the City's annual contribution of \$48,500, the pledge of net sale proceeds of the Commercial Parcels to the payments of Housing Bonds, and any payment to the City of surplus revenues generated by the Housing Parcel. Except as modified by this Amendment, the Joint Powers Agreement shall continue in full force and subject to the terms thereof.

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## **Required Supplementary Information**

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CARVER COUNTY  
CHASKA, MINNESOTA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGETARY COMPARISON  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 32,177,950	\$ 32,183,450	\$ 31,874,362	\$ (309,088)
Special Assessments	208,000	106,464	104,682	(1,782)
Licenses and Permits	1,143,323	1,146,803	1,304,877	158,074
Intergovernmental	5,917,633	6,307,429	6,731,958	424,529
Charges for Services	9,307,016	9,721,586	10,338,561	616,975
Fines and Forfeits	212,286	233,471	239,068	5,597
Gifts and Contributions	17,735	32,395	49,823	17,428
Investments Income	1,545,391	1,555,543	1,320,302	(235,241)
Miscellaneous	525,070	652,686	777,172	124,486
<b>Total Revenues</b>	<b>51,054,404</b>	<b>51,939,827</b>	<b>52,740,805</b>	<b>800,978</b>
<b>Expenditures:</b>				
Current:				
General Government				
Commissioners	524,127	529,627	469,931	59,696
Courts	235,000	235,000	366,177	(131,177)
County Administration	399,821	404,909	402,768	2,141
Taxpayer Services	2,118,399	2,047,321	1,940,852	106,469
Finance	1,040,431	1,050,040	1,018,925	31,115
Property Assessment	1,271,321	1,254,617	1,175,578	79,039
Public Services Administration	604,835	563,645	489,116	74,529
Information Technology	5,633,301	5,602,332	5,253,192	349,140
Human Resources	1,713,297	1,707,249	1,594,695	112,554
Attorney	3,450,710	3,499,259	3,454,769	44,490
Property Records	668,271	754,097	635,593	118,504
Buildings and Plant	2,889,391	2,847,962	2,830,405	17,557
Veterans Service Officer	339,419	346,239	334,543	11,696
Land & Water Administration	-	72,432	-	72,432
Land Management	615,856	615,856	691,525	(75,669)
Vacancy Savings	(2,955,557)	-	-	-
Other	1,592,008	7,904	3,445	4,459
General Government	<b>20,140,630</b>	<b>21,538,489</b>	<b>20,661,514</b>	<b>876,975</b>
Public Safety				
Sheriff	19,493,702	19,297,674	18,818,208	479,466
Medical Examiner	238,856	238,856	236,930	1,926
Court Services	2,050,782	2,096,502	2,122,782	(26,280)
Public Safety	<b>21,783,340</b>	<b>21,633,032</b>	<b>21,177,920</b>	<b>455,112</b>

CARVER COUNTY  
CHASKA, MINNESOTA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGETARY COMPARISON  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2017  
(Continued)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Health				
Community Health Services	30,000	30,000	30,000	-
Culture and Recreation				
Library	4,160,645	4,266,707	4,140,841	125,866
Parks	1,165,937	1,198,367	1,170,447	27,920
Historical Society	208,844	208,844	208,844	-
Culture and Recreation	5,535,426	5,673,918	5,520,132	153,786
Conservation of Natural Resources				
Minnesota Extension Services	327,326	330,104	313,475	16,629
Planning & Water Management	710,489	881,823	862,169	19,654
Environmental Services	2,038,996	2,220,243	2,261,514	(41,271)
Soil and Water Conservation District	302,197	302,197	302,197	-
Agricultural Society	51,000	51,000	51,000	-
Conservation of Natural Resources	3,430,008	3,785,367	3,790,355	(4,988)
Debt Service:				
Principal Retirement	200,000	163,897	163,897	-
Total Expenditures	51,119,404	52,824,703	51,343,818	1,480,885
Excess of Revenues over (under) Expenditures	(65,000)	(884,876)	1,396,987	2,281,863
Other Financing Sources (Uses):				
Transfers In	65,000	2,206,872	2,206,872	-
Transfers Out	-	(2,569,789)	(2,569,789)	-
Loans Issued	-	116,722	116,722	-
Proceeds from Sale of Capital Assets	-	-	6,479	6,479
Total Other Financing Sources (Uses)	65,000	(246,195)	(239,716)	6,479
Net Change in Fund Balance	-	(1,131,071)	1,157,271	2,288,342
Fund Balance - January 1	22,830,237	22,830,237	22,830,237	-
Fund Balance - December 31	\$ 22,830,237	\$ 21,699,166	\$ 23,987,508	\$ 2,288,342

Notes to the required supplementary information are an integral part of this schedule.

CARVER COUNTY  
CHASKA, MINNESOTA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGETARY COMPARISON  
ROAD AND BRIDGE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ 4,227,411	\$ 4,248,545	\$ 4,122,334	\$ (126,211)
Intergovernmental	2,856,564	3,064,297	3,059,195	(5,102)
Charges for Services	15,000	15,000	4,025	(10,975)
Miscellaneous	205,000	231,363	160,367	(70,996)
<b>Total Revenues</b>	<b>7,303,975</b>	<b>7,559,205</b>	<b>7,345,921</b>	<b>(213,284)</b>
<b>Expenditures:</b>				
Current:				
Highways and Streets				
Engineering	2,584,683	2,980,354	2,876,491	103,863
Maintenance	3,050,880	3,222,904	3,144,967	77,937
Administration	613,942	541,314	526,554	14,760
Highway	1,310,470	1,310,470	1,158,772	151,698
Highways and Streets	7,559,975	8,055,042	7,706,784	348,258
Intergovernmental:				
Highways and Streets	-	186,766	186,766	-
<b>Total Expenditures</b>	<b>7,559,975</b>	<b>8,241,808</b>	<b>7,893,550</b>	<b>348,258</b>
Excess of Revenues over (under) Expenditures	(256,000)	(682,603)	(547,629)	134,974
Other Financing Sources (Uses):				
Transfers In	256,000	597,160	597,160	-
Transfers Out	-	(200,000)	(200,000)	-
Proceeds from Sale of Capital Assets	-	-	16,656	16,656
<b>Total Other Financing Sources (Uses)</b>	<b>256,000</b>	<b>397,160</b>	<b>413,816</b>	<b>16,656</b>
Net Change in Fund Balance	-	(285,443)	(133,813)	151,630
Fund Balance - January 1	3,985,270	3,985,270	3,985,270	-
Increase (Decrease) in Inventories	-	-	(17,093)	(17,093)
<b>Fund Balance - December 31</b>	<b>\$ 3,985,270</b>	<b>\$ 3,699,827</b>	<b>\$ 3,834,364</b>	<b>\$ 134,537</b>

Notes to the required supplementary information are an integral part of this schedule.

CARVER COUNTY  
CHASKA, MINNESOTA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGETARY COMPARISON  
HEALTH & HUMAN SERVICES FUND  
FOR THE YEAR ENDED DECEMBER 31, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 9,446,405	\$ 9,446,405	\$ 9,365,384	\$ (81,021)
Special Assessments	-	-	4,583	4,583
Intergovernmental	13,783,386	15,104,403	14,935,539	(168,864)
Charges for Services	3,858,149	4,502,905	4,397,600	(105,305)
Gifts and Contributions	500	500	3,917	3,417
Miscellaneous	74,900	74,900	190,270	115,370
Total Revenues	<u>27,163,340</u>	<u>29,129,113</u>	<u>28,897,293</u>	<u>(231,820)</u>
<b>Expenditures:</b>				
Current:				
Human Services				
Social Services	21,080,436	21,889,075	22,067,388	(178,313)
Income Maintenance	3,850,780	3,850,780	3,587,148	263,632
Human Services	<u>24,931,216</u>	<u>25,739,855</u>	<u>25,654,536</u>	<u>85,319</u>
Health				
Community Health Services	2,232,124	2,416,754	1,996,456	420,298
Total Expenditures	<u>27,163,340</u>	<u>28,156,609</u>	<u>27,650,992</u>	<u>505,617</u>
Excess of Revenues over (under) Expenditures	-	972,504	1,246,301	273,797
Other Financing Sources (Uses):				
Transfers In	-	1,126,611	1,126,611	-
Transfers Out	-	(1,542,047)	(1,542,047)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(415,436)</u>	<u>(415,436)</u>	<u>-</u>
Net Change in Fund Balance	-	557,068	830,865	273,797
Fund Balance - January 1	<u>9,927,887</u>	<u>9,927,887</u>	<u>9,927,887</u>	<u>-</u>
Fund Balance - December 31	<u>\$ 9,927,887</u>	<u>\$ 10,484,955</u>	<u>\$ 10,758,752</u>	<u>\$ 273,797</u>

Notes to the required supplementary information are an integral part of this schedule.

CARVER COUNTY  
CHASKA, MINNESOTA

SCHEDULE OF FUNDING PROGRESS  
OTHER POST-EMPLOYMENT BENEFIT PLAN  
FOR THE CURRENT AND TWO PRECEDING VALUATIONS

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b - a) / c)
01/01/13	\$ -	\$ 7,943,844	\$ 7,943,844	0.00%	\$ 33,515,765	23.70%
01/01/15	-	8,636,479	8,636,479	0.00%	37,177,986	23.23%
01/01/17	-	8,094,590	8,094,590	0.00%	41,004,978	19.74%

Notes to the required supplementary information are an integral part of this schedule.

CARVER COUNTY  
CHASKA, MINNESOTA

Schedule of Proportionate Share of Net Pension Liability  
PERA General Employees Retirement Plan  
December 31, 2017

Measurement Date**	Employer's Proportion of the Net Pension Liability (Asset)	Employer's Proportionate Share of the Net Pension Liability (Asset) (a)	State's Proportionate Share of the Net Pension Liability Associated with Carver County (b)	Employer's and State's Proportionate Share of the Net Pension Liability (a+b)	Covered Payroll (c)	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll (a/b)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2017	0.5490%	\$35,047,798	\$440,729	\$35,488,527	\$35,369,950	99.09%	75.9%
2016	0.5191%	42,148,346	550,494	42,698,840	32,213,915	130.84%	68.9%
2015	0.5225%	27,078,662	N/A	27,078,662	30,704,863	88.19%	78.2%

\* This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

\*\* The measurement date for each year is June 30.

Notes to the required supplementary information are an integral part of this schedule.

CARVER COUNTY  
CHASKA, MINNESOTA

Schedule of Contributions  
PERA General Employees Retirement Plan  
December 31, 2017

Year Ending**	Statorily Required Contribution (a)	Actual Contributions in Relation to the Statorily Required Contributions (b)	Contribution (Deficiency) Excess (a-b)	Covered Payroll (c)	Actual Contributions as a Percentage of Covered Payroll (b/c)
2017	\$ 2,720,343	\$ 2,720,343	\$ -	\$36,262,907	7.50%
2016	2,498,355	2,498,355	-	33,311,362	7.50%
2015	2,447,612	2,447,612	-	32,634,805	7.50%

\* This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

\*\* The County's year-end is December 31.

Notes to the required supplementary information are an integral part of this schedule.

CARVER COUNTY  
CHASKA, MINNESOTA

Schedule of Proportionate Share of Net Pension Liability  
PERA Public Employees Police and Fire Plan  
December 31, 2017

Measurement Date**	Employer's Proportion of the Net Pension Liability (Asset)	Employer's Proportionate Share of the Net Pension Liability (Asset) (a)	Covered Payroll (b)	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll (a/b)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2017	0.636%	\$8,586,757	\$6,523,965	131.62%	85.4%
2016	0.629%	25,242,864	6,061,806	416.42%	63.9%
2015	0.639%	7,260,535	5,853,455	124.04%	86.6%

\* This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

\*\* The measurement date for each year is June 30.

Notes to the required supplementary information are an integral part of this schedule.

CARVER COUNTY  
CHASKA, MINNESOTA

Schedule of Contributions  
PERA Public Employees Police and Fire Plan  
December 31, 2017

Year Ending**	Statutorily Required Contribution (a)	Actual Contributions in Relation to the Statutorily Required Contributions (b)	Contribution (Deficiency) Excess (a-b)	Covered Payroll (c)	Actual Contributions as a Percentage of Covered Payroll (b/c)
2017	\$ 1,001,217	\$ 1,001,217	\$ -	\$ 6,180,356	16.20%
2016	1,018,152	1,018,152	-	6,284,887	16.20%
2015	998,228	998,228	-	6,161,902	16.20%

\* This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

\*\* The County's year-end is December 31.

Notes to the required supplementary information are an integral part of this schedule.

CARVER COUNTY  
CHASKA, MINNESOTA

Schedule of Proportionate Share of Net Pension Liability  
PERA Public Employees Correctional Plan  
December 31, 2017

Measurement Date**	Employer's Proportion of the Net Pension Liability (Asset)	Employer's Proportionate Share of the Net Pension Liability (Asset) (a)	Covered Payroll (b)	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll (a/b)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2017	1.490%	\$4,246,515	\$2,979,552	142.52%	67.9%
2016	1.470%	5,370,116	2,762,755	194.38%	58.2%
2015	1.500%	231,900	2,690,897	8.62%	96.9%

\* This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

\*\* The measurement date for each year is June 30.

Notes to the required supplementary information are an integral part of this schedule.

CARVER COUNTY  
CHASKA, MINNESOTA

Schedule of Contributions  
PERA Public Employees Correctional Plan  
December 31, 2017

Year Ending**	Statutorily Required Contribution (a)	Actual Contributions in Relation to the Statutorily Required Contributions (b)	Contribution (Deficiency) Excess (a-b)	Covered Payroll (c)	Actual Contributions as a Percentage of Covered Payroll (b/c)
2017	\$ 265,015	\$ 265,015	\$ -	\$ 3,028,736	8.75%
2016	248,228	248,228	-	2,836,894	8.75%
2015	242,211	242,211	-	2,768,124	8.75%

\* This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

\*\* The County's year-end is December 31.

Notes to the required supplementary information are an integral part of this schedule.

CARVER COUNTY  
CHASKA, MINNESOTA  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
December 31, 2017

**I. Stewardship, compliance, and accountability**

**A. *Budgetary information***

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. Each appropriation lapses at the end of the fiscal year to the extent that it has not been expended.

The appropriated budget is prepared by fund, function, and department. The County's budgets may be amended or modified at any time by the County Board. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department level. Adjustments to the approved budget, requested by originating departments, can be approved by the Property and Financial Services Director after review for adequate transfer of existing budget or addition of new revenue sources. All other changes greater than \$5,000 require board approval, and changes of \$5,000 or less require Property and Financial Services Director approval. The material supplemental budgetary appropriations changes were:

General Fund	\$ 1,705,299
Road & Bridge	681,833
Health & Human Services	<u>993,269</u>
	<u>\$ 3,380,401</u>

**B. *Excess of expenditures over appropriations***

For the year ended December 31, 2017 Courts exceeded appropriations in the General Fund by \$131,177. This is a result of an increased number and duration of both Civil Commitments and CHIPS cases during the year. The increase in CHIPS cases is largely due to the change in legislation. Land Management exceeded appropriations by \$75,669 largely due to increased costs related to inspection and plan reviews, which is offset with the increased revenue received for permits being issued. Court Services exceeded appropriations by \$26,280, this is due to projections in salary and benefits being lower than actuals. Environmental Services exceeded appropriations by \$41,271, this relates to increased costs for Environmental Center operations. These additional costs will be addressed through fee increases in 2018.

In the Health and Human Services Fund, Social Services exceeded appropriations by \$178,313, which is largely due to the opioid epidemic increasing the number and costs of child placements.

**C. *Other Post-Employment Benefits***

As disclosed on the Schedule of Funding Progress, no assets have been placed in trust to advance fund the employer's obligation.

See note 4.H., Other Post-employment Benefits, for more information.

**D. *Defined Benefit Pension Plans Changes in Significant Plan Provisions, Actuarial Methods and Assumptions***

The following changes were reflected in the valuation performed on behalf of the Public Employees Retirement Association for the year ended June 30, 2017:

General Employees Retirement Fund

- The assumed post-retirement benefit increase rate was changed from 1.0% per year for all years to 1.0% per year through 2044 and 2.5% per year thereafter.
- The Combined Service Annuity (CSA) loads were changed from 0.8% for active members and 60% for vested and non-vested deferred members. The revised CSA loads are now 0.0% for active member

CARVER COUNTY  
CHASKA, MINNESOTA  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
December 31, 2017

liability, 15.0% for vested deferred member liability and 3.0% for non-vested deferred member liability.

Public Employees Police and Fire Fund

- Assumed salary increases were changed as recommended in the June 30, 2016 experience study. The net effect is proposed rates that average 0.34 percent lower than the previous rates.
- Assumed rates of retirement were changed, resulting in fewer retirements.
- The Combined Service Annuity (CSA) load was 30% for vested and non-vested deferred members. The CSA has been changed to 33% for vested members and 2% for non-vested members.
- The base mortality table for healthy annuitants was changed from the RP-2000 fully generational table to the RP-2014 fully generational table (with a base year of 2006), with male rates adjusted by a factor of 0.96. The mortality improvement scale was changed from Scale AA to Scale MP-2016. The base mortality table for disabled annuitants was changed from the RP-2000 disabled mortality table to the mortality tables assumed for healthy retirees.
- Assumed termination rates were decreased to 3.0% for the first three years of service. Rates beyond the select period of three years were adjusted, resulting in more expected terminations overall.
- Assumed percentage of married female members was decreased from 65% to 60%.
- Assumed age difference was changed from separate assumptions for male members (wives assumed to be three years younger) and female members (husbands assumed to be four years older) to the assumption that males are two years older than females.
- The assumed percentage of female members electing Joint and Survivor annuities was increased.
- The assumed post-retirement benefit increase rate was changed from 1.0% for all years to 1.0% per year through 2064 and 2.5% thereafter.

Public Employees Correctional Fund

- The base mortality table for healthy annuitants was changed from the RP-2000 fully generational table to the RP-2014 fully generational table (with a base year of 2006), with male rates adjusted by a factor of 0.96. The mortality improvement scale was changed from Scale AA to Scale MP-2016 and is applied to healthy and disabled members. The base mortality table for disabled annuitants was changed from the RP-2000 disabled mortality table to the RP-2014 disabled annuitant mortality table (with future mortality improvement according to MP-2016).
- The Combined Service Annuity (CSA) load was 30% for vested and non-vested, deferred members. The CSA has been changed to 35% for vested members and 1% for non-vested members.
- The Single Discount Rate was changed from 5.31% per annum to 5.96% per annum.

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# **Supplementary Information**

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CARVER COUNTY  
CHASKA, MINNESOTA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGETARY COMPARISON  
DEBT SERVICE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 4,522,422	\$ 4,522,422	\$ 4,480,365	\$ (42,057)
Intergovernmental	19,778	19,778	19,778	-
Investments Income	-	-	38,574	38,574
<b>Total Revenues</b>	<u>4,542,200</u>	<u>4,542,200</u>	<u>4,538,717</u>	<u>(3,483)</u>
<b>Expenditures:</b>				
Debt Service:				
Principal Retirement	3,619,284	9,394,000	9,394,000	-
Interest and Fiscal Charges	1,237,916	1,083,200	1,002,608	80,592
<b>Total Expenditures</b>	<u>4,857,200</u>	<u>10,477,200</u>	<u>10,396,608</u>	<u>80,592</u>
Excess of Revenues over (under) Expenditures	<u>(315,000)</u>	<u>(5,935,000)</u>	<u>(5,857,891)</u>	<u>77,109</u>
Other Financing Sources (Uses):				
Transfers In	<u>315,000</u>	<u>315,000</u>	<u>315,000</u>	<u>-</u>
Net Change in Fund Balance	-	(5,620,000)	(5,542,891)	77,109
Fund Balance - January 1	<u>18,253,478</u>	<u>18,253,478</u>	<u>18,253,478</u>	<u>-</u>
Fund Balance - December 31	<u>\$ 18,253,478</u>	<u>\$ 12,633,478</u>	<u>\$ 12,710,587</u>	<u>\$ 77,109</u>

CARVER COUNTY  
CHASKA, MINNESOTA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGETARY COMPARISON  
BUILDINGS CAPITAL IMPROVEMENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ -	\$ 74	\$ 74	\$ -
Intergovernmental	79,904	198,274	198,274	-
<b>Total Revenues</b>	<u>79,904</u>	<u>198,348</u>	<u>198,348</u>	<u>-</u>
<b>Expenditures:</b>				
Current:				
General Government				
Veterans Service Officer	-	2,044	2,044	-
Public Safety				
Sheriff	-	103,880	103,880	-
Highways and Streets				
Culture and Recreation				
Library	-	17,328	17,328	-
Conservation of Natural Resources				
Agricultural Society	60,000	60,000	60,000	-
Capital Outlay	19,904	2,843,042	2,843,042	-
<b>Total Expenditures</b>	<u>79,904</u>	<u>3,026,294</u>	<u>3,026,294</u>	<u>-</u>
Excess of Revenues over (under) Expenditures	-	(2,827,946)	(2,827,946)	-
Other Financing Sources (Uses):				
Transfers In	-	3,159,449	3,159,449	-
Transfers Out	-	(48,750)	(48,750)	-
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>3,110,699</u>	<u>3,110,699</u>	<u>-</u>
Net Change in Fund Balance	-	282,753	282,753	-
Fund Balance - January 1	<u>2,796,859</u>	<u>2,796,859</u>	<u>2,796,859</u>	<u>-</u>
Fund Balance - December 31	<u>\$ 2,796,859</u>	<u>\$ 3,079,612</u>	<u>\$ 3,079,612</u>	<u>\$ -</u>

CARVER COUNTY  
CHASKA, MINNESOTA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGETARY COMPARISON  
ROAD & BRIDGE CAPITAL IMPROVEMENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ 2,741,994	\$ 3,659,430	\$ 3,659,430	\$ -
Intergovernmental	27,885,934	10,819,677	10,819,677	-
Investments Income	-	42,843	42,843	-
Total Revenues	30,627,928	14,521,950	14,521,950	-
<b>Expenditures:</b>				
Current:				
Highways and Streets				
Maintenance	2,619,084	2,836,932	2,836,932	-
Capital Outlay	27,463,844	18,789,454	18,789,454	-
Total Expenditures	30,082,928	21,626,386	21,626,386	-
Excess of Revenues over (under) Expenditures	545,000	(7,104,436)	(7,104,436)	-
Other Financing Sources (Uses):				
Transfers In	-	624,835	624,835	-
Transfers Out	(545,000)	(1,760,683)	(1,760,683)	-
Notes Issued	-	168,048	168,048	-
Total Other Financing Sources (Uses)	(545,000)	(967,800)	(967,800)	-
Net Change in Fund Balance	-	(8,072,236)	(8,072,236)	-
Fund Balance - January 1	21,451,478	21,451,478	21,451,478	-
Fund Balance - December 31	\$ 21,451,478	\$ 13,379,242	\$ 13,379,242	\$ -

CARVER COUNTY  
CHASKA, MINNESOTA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGETARY COMPARISON  
PARKS & TRAILS CAPITAL IMPROVEMENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Intergovernmental	\$ 661,534	\$ 599,003	\$ 599,003	\$ -
Miscellaneous	-	23,508	23,508	-
<b>Total Revenues</b>	<b>661,534</b>	<b>622,511</b>	<b>622,511</b>	<b>-</b>
<b>Expenditures:</b>				
Capital Outlay	661,534	438,251	438,251	-
Excess of Revenues over (under) Expenditures	-	184,260	184,260	-
Other Financing Sources (Uses):				
Transfers In	-	412,417	412,417	-
Transfers Out	-	(2,183,250)	(2,183,250)	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>(1,770,833)</b>	<b>(1,770,833)</b>	<b>-</b>
Net Change in Fund Balance	-	(1,586,573)	(1,586,573)	-
Fund Balance - January 1	4,749,496	4,749,496	4,749,496	-
Fund Balance - December 31	\$ 4,749,496	\$ 3,162,923	\$ 3,162,923	\$ -

CARVER COUNTY  
CHASKA, MINNESOTA

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2017

<u>Assets</u>	Rail Authority Special Revenue Fund	Water Management Organization Special Revenue Fund	Ditch Special Revenue Fund	Total
Cash and Pooled Investments	\$ 91,856	\$ 339,447	\$ 42,824	\$ 474,127
Taxes Receivable				
Delinquent	925	3,794	-	4,719
Special Assessments Receivable				
Delinquent	-	-	372	372
Unavailable	-	-	107,611	107,611
Accounts Receivable	-	13,158	-	13,158
Due from other Funds	-	472	-	472
Due from other Governments	-	2,082	15,848	17,930
<b>Total Assets</b>	<b>92,781</b>	<b>358,953</b>	<b>166,655</b>	<b>618,389</b>
<b><u>Liabilities, Deferred Inflows of Resources, and Fund Balances</u></b>				
<b>Liabilities:</b>				
Accounts Payable	3,027	6,376	54,823	64,226
Contracts Payable	461	32,556	-	33,017
Due to other Funds	-	15,000	-	15,000
Due to other Governments	-	13,727	13,063	26,790
<b>Total Liabilities</b>	<b>3,488</b>	<b>67,659</b>	<b>67,886</b>	<b>139,033</b>
<b>Deferred Inflows of Resources:</b>				
Unavailable revenue	521	6,926	123,831	131,278
<b>Fund Balances:</b>				
Restricted for:				
Watershed Districts	-	284,368	-	284,368
Ditch Maintenance	-	-	70,573	70,573
Assigned for:				
Culture and Recreation	88,772	-	-	88,772
Unassigned	-	-	(95,635)	(95,635)
<b>Total Fund Balance</b>	<b>88,772</b>	<b>284,368</b>	<b>(25,062)</b>	<b>348,078</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balance</b>	<b>\$ 92,781</b>	<b>\$ 358,953</b>	<b>\$ 166,655</b>	<b>\$ 618,389</b>

CARVER COUNTY  
CHASKA, MINNESOTA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2017

	Rail Authority Special Revenue Fund	Water Management Organization Special Revenue Fund	Ditch Special Revenue Fund	Total
<b>Revenues:</b>				
Taxes	\$ 138,203	\$ 632,874	\$ -	\$ 771,077
Special Assessments	-	-	159,018	159,018
Licenses and Permits	-	55,873	-	55,873
Intergovernmental	294	232	-	526
Charges for Services	-	17,200	-	17,200
Investments Income	-	-	759	759
Miscellaneous	2,038	8,500	-	10,538
<b>Total Revenues</b>	<b>140,535</b>	<b>714,679</b>	<b>159,777</b>	<b>1,014,991</b>
<b>Expenditures:</b>				
Current:				
Culture and Recreation	58,417	-	-	58,417
Conservation of Natural Resources	-	632,724	134,789	767,513
<b>Total Expenditures</b>	<b>58,417</b>	<b>632,724</b>	<b>134,789</b>	<b>825,930</b>
Excess of Revenues over (under) Expenditures	82,118	81,955	24,988	189,061
Other Financing Sources (Uses):				
Transfers Out	(41,000)	(96,825)	-	(137,825)
Net Change in Fund Balances	41,118	(14,870)	24,988	51,236
Fund Balance - January 1	47,654	299,238	(50,050)	296,842
Fund Balance - December 31	\$ 88,772	\$ 284,368	\$ (25,062)	\$ 348,078

CARVER COUNTY  
CHASKA, MINNESOTA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGETARY COMPARISON  
NONMAJOR RAIL AUTHORITY FUND  
FOR THE YEAR ENDED DECEMBER 31, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ 140,000	\$ 140,000	\$ 138,203	\$ (1,797)
Intergovernmental	-	-	294	294
Miscellaneous	4,000	4,000	2,038	(1,962)
Total Revenues	144,000	144,000	140,535	(3,465)
<b>Expenditures:</b>				
Culture and Recreation	103,000	61,882	58,417	3,465
Excess of Revenues over (under) Expenditures	41,000	82,118	82,118	-
Other Financing Sources (Uses):				
Transfers Out	(41,000)	(41,000)	(41,000)	-
Net Change in Fund Balance	-	41,118	41,118	-
Fund Balance - January 1	47,654	47,654	47,654	-
Fund Balance - December 31	\$ 47,654	\$ 88,772	\$ 88,772	\$ -

CARVER COUNTY  
CHASKA, MINNESOTA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGETARY COMPARISON  
NONMAJOR WATER MANAGEMENT ORGANIZATION FUND  
FOR THE YEAR ENDED DECEMBER 31, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ 643,933	\$ 632,874	\$ 632,874	\$ -
Licenses and Permits	24,500	55,873	55,873	-
Intergovernmental	-	232	232	-
Charges for Services	18,000	17,200	17,200	-
Miscellaneous	-	8,500	8,500	-
Total Revenues	686,433	714,679	714,679	-
<b>Expenditures:</b>				
Current:				
Conservation of Natural Resources	636,433	632,724	632,724	-
Excess of Revenues over (under) Expenditures	50,000	81,955	81,955	-
Other Financing Sources (Uses):				
Transfers Out	(50,000)	(96,825)	(96,825)	-
Net Change in Fund Balance	-	(14,870)	(14,870)	-
Fund Balance - January 1	299,238	299,238	299,238	-
Fund Balance - December 31	\$ 299,238	\$ 284,368	\$ 284,368	\$ -

CARVER COUNTY  
CHASKA, MINNESOTA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGETARY COMPARISON  
NONMAJOR DITCH FUND  
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>Revenues:</b>				
Special Assessments	\$ 45,000	\$ 159,018	\$ 159,018	\$ -
Investments Income	1,270	1,270	759	(511)
Total Revenues	<u>46,270</u>	<u>160,288</u>	<u>159,777</u>	<u>(511)</u>
<b>Expenditures:</b>				
Current:				
Conservation of Natural Resources	46,270	160,288	134,789	25,499
Net Change in Fund Balance	-	-	24,988	24,988
Fund Balance - January 1	<u>(50,050)</u>	<u>(50,050)</u>	<u>(50,050)</u>	-
Fund Balance - December 31	<u>\$ (50,050)</u>	<u>\$ (50,050)</u>	<u>\$ (25,062)</u>	<u>\$ 24,988</u>

**CARVER COUNTY  
CHASKA, MINNESOTA**

**DITCH BALANCE SHEET  
DITCH SPECIAL REVENUE FUND  
DECEMBER 31, 2017**

	Assets					Liabilities		Deferred Inflows of Resources	Fund Balance			Total Liabilities, Deferred Inflows Of Resources and Fund Balances
	Cash	Delinquent Assessments	Unavailable Assessments	Due from other Governments	Total Assets	Accounts Payable	Due to Other Governments	Unavailable Revenue	Restricted for Ditch Maintenance	Unassigned	Fund Balances	Fund Balances
		Receivable	Receivable									
County Ditches												
CD #2-3	\$ 6,741	\$ -	\$ -	\$ -	\$ 6,741	\$ -	\$ -	\$ -	\$ 6,741	\$ -	\$ 6,741	\$ 6,741
CD #4A	44,149	75	-	-	44,224	-	45	75	44,104	-	44,104	44,224
CD #5	36,384	2	5,000	-	41,386	37,400	380	5,002	-	(1,396)	(1,396)	41,386
CD #6	(440)	-	15,000	-	14,560	-	640	15,000	-	(1,080)	(1,080)	14,560
CD #7	6,276	-	-	-	6,276	-	-	-	6,276	-	6,276	6,276
CD #9	(620)	-	8,000	-	7,380	-	-	8,000	-	(620)	(620)	7,380
CD #10	1,351	138	10,000	-	11,489	-	-	10,138	1,351	-	1,351	11,489
Total County Ditches	93,841	215	38,000	-	132,056	37,400	1,065	38,215	58,472	(3,096)	55,376	132,056
Judicial Ditches												
JD #1	7,534	42	5,000	273	12,849	-	384	5,315	7,150	-	7,150	12,849
JD #2	447	-	-	-	447	-	17	-	430	-	430	447
JD #3A	(38,767)	-	17,611	250	(20,906)	-	3,760	17,861	-	(42,527)	(42,527)	(20,906)
JD #4CH	23	-	-	-	23	-	-	-	23	-	23	23
JD #4CMW	3,673	115	10,000	3,330	17,118	9,350	1,354	13,445	-	(7,031)	(7,031)	17,118
JD #5	(33,083)	-	31,000	8,886	6,803	-	2,261	39,886	-	(35,344)	(35,344)	6,803
JD #21	2,175	-	-	-	2,175	-	497	-	1,678	-	1,678	2,175
JD #22	1,323	-	6,000	3,109	10,432	8,073	875	9,109	-	(7,625)	(7,625)	10,432
JD #23	1,003	-	-	-	1,003	-	-	-	1,003	-	1,003	1,003
JD #24	4,667	-	-	-	4,667	-	2,850	-	1,817	-	1,817	4,667
JD #28	(12)	-	-	-	(12)	-	-	-	-	(12)	(12)	(12)
Total Judicial Ditches	(51,017)	157	69,611	15,848	34,599	17,423	11,998	85,616	12,101	(92,539)	(80,438)	34,599
Total All Ditches	\$ 42,824	\$ 372	\$ 107,611	\$ 15,848	\$ 166,655	\$ 54,823	\$ 13,063	\$ 123,831	\$ 70,573	\$ (95,635)	\$ (25,062)	\$ 166,655

This schedule is presented in the format prescribed by Minnesota Statute Sec. 375.17.

CARVER COUNTY  
CHASKA, MINNESOTA

COMBINING STATEMENT OF NET POSITION  
INTERNAL SERVICE FUNDS  
DECEMBER 31, 2017

<u>Assets</u>	Self Insurance	Compensated Absences	Other Post Employment Benefits	Total
<b>Current</b>				
Cash and Pooled Investments	\$ 2,663,402	\$ 5,235,916	\$ -	\$ 7,899,318
Investments with Trust Account	-	-	6,720,451	6,720,451
<b>Total Current Assets</b>	<u>2,663,402</u>	<u>5,235,916</u>	<u>6,720,451</u>	<u>14,619,769</u>
 <u>Liabilities</u>				
<b>Current</b>				
Accounts Payable	75,930	-	-	75,930
Compensated Absences - due within one year	-	316,837	-	316,837
<b>Total Current Liabilities</b>	<u>75,930</u>	<u>316,837</u>	<u>-</u>	<u>392,767</u>
<b>Noncurrent</b>				
Compensated Absences - due in more than one year	-	4,919,079	-	4,919,079
Net OPEB Obligation - due in more than one year	-	-	7,266,844	7,266,844
<b>Total Noncurrent Liabilities</b>	<u>-</u>	<u>4,919,079</u>	<u>7,266,844</u>	<u>12,185,923</u>
 <b>Total Liabilities</b>	<u>75,930</u>	<u>5,235,916</u>	<u>7,266,844</u>	<u>12,578,690</u>
 <u>Net Position</u>				
<b>Unrestricted</b>	<u>\$ 2,587,472</u>	<u>\$ -</u>	<u>\$ (546,393)</u>	<u>\$ 2,041,079</u>

CARVER COUNTY  
CHASKA, MINNESOTA

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

	Self Insurance	Compensated Absences	Other Post Employment Benefits	Total
<b>Operating Revenues:</b>				
Charges for Services	\$ 673,072	\$ 475,552	\$ 718,700	\$ 1,867,324
Insurance Refunds	224,700	-	-	224,700
<b>Total Operating Revenues</b>	<b>897,772</b>	<b>475,552</b>	<b>718,700</b>	<b>2,092,024</b>
<b>Operating Expenses:</b>				
Risk Management	1,058,452	-	-	1,058,452
Professional Services	-	-	822	822
Personnel Benefits	-	475,552	458,702	934,254
<b>Total Operating Expenses</b>	<b>1,058,452</b>	<b>475,552</b>	<b>459,524</b>	<b>1,993,528</b>
Operating Income	(160,680)	-	259,176	98,496
Nonoperating Revenues (Expenses):				
Investments Income	-	-	964,833	964,833
Change in Net Position	(160,680)	-	1,224,009	1,063,329
Net Position - Beginning	2,748,152	-	(1,770,402)	977,750
<b>Net Position - Ending</b>	<b>\$ 2,587,472</b>	<b>\$ -</b>	<b>\$ (546,393)</b>	<b>\$ 2,041,079</b>

CARVER COUNTY  
CHASKA, MINNESOTA

COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2017

	Self Insurance	Compensated Absences	Other Post Employment Benefits	Total
Cash Flows from Operating Activities				
Receipts from Internal Services Provided	\$ 673,072	\$ 475,552	\$ 718,700	\$ 1,867,324
Refunds from Insurance Provider	224,700	-	-	224,700
Disbursements for Internal Services Provided	(1,007,362)	(306,122)	(822)	(1,314,306)
Total Cash Flows from Operating Activities	(109,590)	169,430	717,878	777,718
Cash Flows from Investing Activities				
Purchase of Investments	-	-	(717,878)	(717,878)
Net Increase (Decrease) in Cash and Cash Equivalents	(109,590)	169,430	-	59,840
Cash and Cash Equivalents at January 1	2,772,992	5,066,486	-	7,839,478
Cash and Cash Equivalents at December 31	2,663,402	5,235,916	-	7,899,318
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:				
Operating Income (Loss)	(160,680)	-	259,176	98,496
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
(Decrease) Increase in Accounts Payable	51,090	-	-	51,090
(Decrease) Increase in Compensated Absences Payable	-	169,430	-	169,430
(Decrease) Increase in Net OPEB Obligation	-	-	458,702	458,702
Total Adjustments	51,090	169,430	458,702	679,222
Net cash provided by operating activities	\$ (109,590)	\$ 169,430	\$ 717,878	\$ 777,718

**CARVER COUNTY  
CHASKA, MINNESOTA**

**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
AGENCY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Balance January 1	Additions	Deductions	Balance December 31
<b>Agency</b>				
Assets:				
Cash and pooled investments	\$ 2,459,060	\$ 223,922,315	\$ 212,534,127	\$ 13,847,248
Liabilities:				
Due to other governments	\$ 2,459,060	\$ 223,922,315	\$ 212,534,127	\$ 13,847,248
<b>Collaborative</b>				
Assets:				
Cash and pooled investments	\$ 760,329	\$ 575,518	\$ 430,652	\$ 905,195
Liabilities:				
Due to other governments	\$ 760,329	\$ 575,518	\$ 430,652	\$ 905,195
<b>Lower Minnesota Watershed District</b>				
Assets:				
Cash and pooled investments	\$ 1,212,660	\$ 810,744	\$ 702,885	\$ 1,320,519
Accounts Receivable	6,341	17,774	7,186	16,929
Due from other governments	147,141	86,151	81,103	152,189
Prepaid Items	5,637	6,525	5,637	6,525
Total assets	\$ 1,371,779	\$ 921,194	\$ 796,811	\$ 1,496,162
Liabilities:				
Due to other governments	\$ 1,371,779	\$ 921,194	\$ 796,811	\$ 1,496,162
<b>Total All Agency Funds</b>				
Assets:				
Cash and pooled investments	\$ 4,432,049	\$ 225,308,577	\$ 213,667,664	\$ 16,072,962
Accounts Receivable	6,341	17,774	7,186	16,929
Due from other governments	147,141	86,151	81,103	152,189
Prepaid Items	5,637	6,525	5,637	6,525
Total assets	\$ 4,591,168	\$ 225,419,027	\$ 213,761,590	\$ 16,248,605
Liabilities:				
Due to other governments	\$ 4,591,168	\$ 225,419,027	\$ 213,761,590	\$ 16,248,605

**CARVER COUNTY  
CHASKA, MINNESOTA**

**SCHEDULE OF INTERGOVERNMENTAL REVENUE  
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Special Revenue Funds									Total All Funds
	General Fund	Road and Bridge Fund	Health and Human Services Fund	Nonmajor Funds	Total	Debt Service Fund	Buildings CIP Fund	Road & Bridge CIP Fund	Parks & Trails CIP Fund	
Appropriations and Shared Revenue										
State										
Ag Conservation Credit	\$ 161,636	\$ -	\$ -	\$ 259	\$ 259	\$ -	\$ -	\$ -	\$ -	\$ 161,895
Market Value Credit	137,819	17,843	41,335	-	59,178	19,778	-	8,235	-	225,010
Disparity Reduction Aid	2,315	-	-	-	-	-	-	-	-	2,315
Highway Users Tax	-	2,989,352	-	-	2,989,352	-	-	7,549,712	28,121	10,567,185
PERA Aid	90,840	-	-	-	-	-	-	-	-	90,840
Police Aid	603,206	-	-	-	-	-	-	-	-	603,206
E911	185,591	-	-	-	-	-	-	-	-	185,591
CPA	2,610,600	-	-	-	-	-	98,274	168,993	89,089	2,966,956
Local Performance Aid	14,087	-	-	-	-	-	-	-	-	14,087
County Aquatic ISP Aid	126,092	-	-	-	-	-	-	-	-	126,092
SCORE Grant	289,009	-	-	-	-	-	-	-	-	289,009
<b>Total Appropriations and Shared Revenue</b>	<b>4,221,195</b>	<b>3,007,195</b>	<b>41,335</b>	<b>259</b>	<b>3,048,789</b>	<b>19,778</b>	<b>98,274</b>	<b>7,726,940</b>	<b>117,210</b>	<b>15,232,186</b>
Reimbursement for Services										
State										
Minnesota Department of Human Services	19,050	-	4,130,309	-	4,130,309	-	-	-	-	4,149,359
Grants										
State										
Housing Finance Agency	-	-	237,059	-	237,059	-	-	-	-	237,059
Corrections	439,787	-	-	-	-	-	-	-	-	439,787
Employment and Economic Development	-	-	29,586	-	29,586	-	-	-	-	29,586
Health	-	-	368,409	-	368,409	-	-	-	-	368,409
Human Services	-	-	4,178,616	-	4,178,616	-	-	-	-	4,178,616
Jobs and Training	-	-	258,993	-	258,993	-	-	-	-	258,993
Natural Resources	55,904	-	-	-	-	-	-	-	-	55,904
Pollution Control	361,679	-	-	-	-	-	-	-	-	361,679
Public Safety	26,074	-	-	-	-	-	-	-	-	26,074
Supreme Court	13,793	-	-	-	-	-	-	-	-	13,793
Transportation	-	36,000	-	-	36,000	-	-	336,671	-	372,671
Trial Courts	7,217	-	-	-	-	-	100,000	-	-	107,217
Veterans Affairs	22,573	-	-	-	-	-	-	-	-	22,573
Peace Officers Standards & Training Board	23,209	-	-	-	-	-	-	-	-	23,209
Water & Soil Resources Board	97,630	-	-	-	-	-	-	-	-	97,630
<b>Total State</b>	<b>1,047,866</b>	<b>52,000</b>	<b>5,072,663</b>	<b>-</b>	<b>5,124,663</b>	<b>-</b>	<b>100,000</b>	<b>336,671</b>	<b>-</b>	<b>6,609,200</b>
Federal										
U.S. Department of Agriculture	82,840	-	347,986	-	347,986	-	-	-	-	430,826
U.S. Department of Justice	49,671	-	-	-	-	-	-	-	-	49,671
U.S. Department of Labor	-	-	205,579	-	205,579	-	-	-	-	205,579
U.S. Department of Transportation	10,241	-	-	-	-	-	-	542,353	137,745	690,339
U.S. Department of Homeland Security	86,386	-	-	-	-	-	-	-	-	86,386
U.S. Department of Education	-	-	2,038	-	2,038	-	-	-	-	2,038
U.S. Department of Health and Human Services	580,437	-	5,109,910	-	5,109,910	-	-	-	-	5,690,347
<b>Total Federal</b>	<b>809,575</b>	<b>-</b>	<b>5,665,513</b>	<b>-</b>	<b>5,665,513</b>	<b>-</b>	<b>-</b>	<b>542,353</b>	<b>137,745</b>	<b>7,155,186</b>
Local	448,025	-	25,719	-	25,719	-	-	2,213,713	344,048	3,031,505
<b>Total Grants</b>	<b>2,305,466</b>	<b>52,000</b>	<b>10,763,895</b>	<b>-</b>	<b>10,815,895</b>	<b>-</b>	<b>100,000</b>	<b>3,092,737</b>	<b>481,793</b>	<b>16,795,891</b>
Payments in Lieu of Taxes	186,247	-	-	267	267	-	-	-	-	186,514
<b>Intergovernmental</b>	<b>\$ 6,731,958</b>	<b>\$ 3,059,195</b>	<b>\$ 14,935,539</b>	<b>\$ 526</b>	<b>\$ 17,995,260</b>	<b>\$ 19,778</b>	<b>\$ 198,274</b>	<b>\$ 10,819,677</b>	<b>\$ 599,003</b>	<b>\$ 36,363,950</b>

**CARVER COUNTY  
CHASKA, MINNESOTA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

Federal Grantor Pass-Through Agency Program or Cluster Title	Federal CFDA Number	Pass-through Grant Numbers	Expenditures	Passed Through to Subrecipients
U.S. Department of Agriculture				
Passed Through Minnesota Department of Education Child and Adult Care Food Program	10.558	Not provided	\$ 9,144	\$ -
Passed Through Minnesota Department of Human Services State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (SNAP Cluster)	10.561	172MN101S2514	423,127	-
Total U.S. Department of Agriculture			<u>\$ 432,271</u>	<u>\$ -</u>
U.S. Department of Justice				
Direct				
Bulletproof Vest Partnership Program	16.607	Not provided	\$ 5,820	\$ -
Crime Victim Assistance	16.575	F-CVSP-2017-CARVERAO	28,484	-
Crime Victim Assistance	16.575	F-CVSP-2018-CARVERAO	15,367	-
Total CFDA #16.575			<u>\$ 43,851</u>	<u>\$ -</u>
Total U.S. Department of Justice			<u>\$ 49,671</u>	<u>\$ -</u>
U.S. Department of Labor				
Passed Through Hennepin County				
WIOA Cluster				
WIOA Adult Program	17.258	7093100	\$ 41,787	-
WIOA Youth Activities	17.259	7093600	66,774	-
WIOA Dislocated Worker Formula Grants (Total Expenditures for WIA/WIOA Cluster \$205,959)	17.278	6098000	98,673	-
Total U.S. Department of Labor			<u>\$ 207,234</u>	<u>\$ -</u>
U.S. Department of Transportation				
Passed Through Minnesota Department of Transportation				
Highway Planning and Construction Cluster	20.205	00010	\$ 641,965	\$ -
Passed Through Minnesota Department of Public Safety				
Highway Safety Cluster				
State and Community Highway Safety	20.600	A-ENFORC17-2017-CARVERSO	3,027	1,522
National Priority Safety Programs (Total Expenditures for Highway Safety Cluster \$5,491)	20.616	A-ENFORC17-2017-CARVERSO	2,464	1,591
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	A-ENFORC17-2017-CARVERSO	\$ 2,366	\$ 1,192
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	A-ENFORC18-2018-CARVERSO	2,384	1,196
Total CFDA #20.608			<u>\$ 4,750</u>	<u>\$ 2,388</u>
Total U.S. Department of Transportation			<u>\$ 652,206</u>	<u>\$ 5,501</u>
U.S. Department of Education				
Passed Through Minnesota Department of Employment & Economic Development				
Rehabilitation Services Vocational Rehabilitation Grants to States	84.126	Not provided	\$ 105	\$ -
Passed Through Minnesota Department of Health				
Special Education-Grants for Infants and Families	84.181	75299	1,933	-
Total U.S. Department of Transportation			<u>\$ 2,038</u>	<u>\$ -</u>
U.S. Department of Health and Human Services				
Passed Through the National Association of County and City Health Officials				
Medical Reserve Corps Small Grant Program	93.008	MRC11-226	\$ 195	\$ -
Passed Through Minnesota Department of Health				
Public Health Emergency Preparedness	93.069	12-700-000062	99,573	-
Universal Newborn Hearing Screening	93.251	12-700-000062	375	-
Immunization Cooperative Agreements	93.268	12-700-000062	1,600	-
Early Hearing Detection and Intervention Information System (EHDI-IS) Surveillance Program	93.314	12-700-000062	300	-
PPHF Capacity Building Assistance to Strengthen Public Health				
Immunization Infrastructure and Performance financed in part by Prevention and Public Health Funds	93.539	12-700-000062	1,225	-
Temporary Assistance for Needy Families Cluster (Total Temporary Assistance for Needy Families 93.558-\$394,968)	93.558	12-700-000062	36,968	-
Maternal and Child Health Services Block Grant to the States	93.994	12-700-000062	49,378	-

**CARVER COUNTY  
CHASKA, MINNESOTA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2017  
(Continued)**

Federal Grantor Pass-Through Agency Program or Cluster Title	Federal CFDA Number	Pass-through Grant Numbers	Expenditures	Passed Through to Subrecipients
U.S. Department of Health and Human Services (continued)				
Passed Through Minnesota Department of Human Services				
Promoting Safe and Stable Families	93.556	G-1601MNFPS	\$ 34,537	\$ -
Temporary Assistance for Needy Families Cluster (Total Temporary Assistance for Needy Families 93.558-\$394,968)	93.558	1601MNTANF	358,000	-
Child Support Enforcement	93.563	1704MNCSES	1,136,324	-
Refugee and Entrant Assistance-State Administered Programs	93.566	1701MNRCA	1,013	-
Child Care and Development Block Grant (CCDF Cluster)	93.575	G-1701MNCCDF	50,699	-
Community-Based Child Abuse Prevention Grants	93.590	G-1502MNFPRG	27,883	-
Stephanie Tubbs Jones Child Welfare Services Program	93.645	G-1601MNCWSS	18,180	-
Foster Care-Title IV-E	93.658	1701MNFOST	708,239	-
Social Services Block Grant	93.667	G-1701MNSOSR	340,555	-
Chafee Foster Care Independence Program	93.674	G-1601MNCILP	3,800	-
Children's Health Insurance Program	93.767	05-1705MN0301	584	-
Medical Assistance Program (Medicaid Cluster)	93.778	05-1705MN5ADM	3,102,189	-
Medical Assistance Program (Medicaid Cluster)	93.778	05-1705MN5MAP	19,497	-
Total CFDA #93.778			<u>\$ 3,121,686</u>	<u>\$ -</u>
Total U.S. Department of Health and Human Services			<u>\$ 5,991,114</u>	<u>\$ -</u>
U.S. Department of Homeland Security				
Passed Through Minnesota Department of Natural Resources				
Boating Safety Financial Assistance	97.012	R29G40CGFFY16	\$ 7,610	-
Passed Through Minnesota Department of Public Safety				
Emergency Management Performance Grants	97.042	A-EMPG-2017-CARVERCO	51,993	-
Homeland Security Grant Program	97.067	A-UASI-2015-CARVERCO	7,445	-
Homeland Security Grant Program	97.067	A-UASI-2016-CARVERCO	14,903	-
Total CFDA #97.067			<u>\$ 22,348</u>	<u>\$ -</u>
Total U.S. Department of Homeland Security			<u>\$ 81,951</u>	<u>\$ -</u>
Total Federal Awards			<u>\$ 7,416,485</u>	<u>\$ 5,501</u>

See notes to Schedule of Expenditures of Federal Awards

CARVER COUNTY  
CHASKA, MINNESOTA  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2017

**I. Reporting Entity**

The Schedule of Expenditures of Federal Awards presents the activities of federal award programs expended by Carver County. Carver County's financial statements include the operations of the Carver County Community Development Agency (the CDA) component unit, which expended \$8,082,255 in federal awards during the year ended December 31, 2017, which are not included in the Schedule of Expenditures of Federal Awards. The CDA has its own single audit. The County's reporting entity is defined in Note 1 to the financial statements.

**II. Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Carver County under programs of the federal government for the year ended December 31, 2017. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of Carver County, it is not intended to and does not present the financial position, changes in net position, or cash flows of Carver County.

**III. Summary of Significant Accounting Policies**

Expenditures reported on the schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles contained in OMB Circular A-87, *Cost Principles for State, Local and Indian Tribal Governments*, or the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Carver County has elected to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

**IV. Reconciliation to Schedule of Intergovernmental Revenue**

Federal grant revenue per Schedule of Intergovernmental Revenue		\$	7,155,186
Grants received more than 60 days after year-end, unavailable in 2017			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	CFDA	10.561	
WIOA Adult Program	CFDA	10.558	\$ 1,445
Promoting Safe and Stable Families	CFDA	93.556	1,655
Temporary Assistance for Needy Families	CFDA	93.558	4,871
Child Support Enforcement	CFDA	93.563	68,782
Community-Based Child Abuse Prevention Grants	CFDA	93.590	41,700
Stephanie Tubbs Jones Child Welfare Services Program	CFDA	93.645	8,688
Chafee Foster Care Independence Program	CFDA	93.674	4,227
Homeland Security Grant Program	CFDA	97.067	950
Unavailable in 2016, recognized as revenue in 2017			
Highway Planning and Construction	CFDA	20.205	1,692
Promoting Safe and Stable Families	CFDA	93.556	(38,133)
Temporary Assistance for Needy Families	CFDA	93.558	(1,670)
Community-Based Child Abuse Prevention Grants	CFDA	93.590	(5,404)
Stephanie Tubbs Jones Child Welfare Services Program	CFDA	93.645	(4,352)
Maternal and Child Health Services Block Grant to the States	CFDA	93.994	(1,610)
Homeland Security Grant Program	CFDA	97.067	(17,132)
Collaborative Grants (received into an agency fund)			
Foster Care Title-IV-E	CFDA	93.658	(6,127)
Medical Assistance Program	CFDA	93.778	115,485
			<u>86,232</u>
Expenditures Per Schedule of Expenditures of Federal Awards		\$	<u>7,416,485</u>

**CARVER COUNTY  
CHASKA, MINNESOTA**

**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS  
SCHEDULE BY SOURCE  
December 31, 2017**

	<b>2017</b>
<b>Governmental funds capital assets</b>	
Land	\$ 30,019,426
Improvements other than buildings	2,210,374
Buildings	65,945,042
Machinery and equipment	20,856,411
Infrastructure	188,582,391
Construction in progress	96,812,230
Total governmental funds capital assets	<b>\$ 404,425,874</b>
 <b>Investments in governmental funds capital assets by source:</b>	
General Fund	\$ 35,641,546
Special Revenue Funds:	
Road and Bridge	144,225,279
Health and Human Services	2,699,726
Water Management Organization	58,997
Rail Authority	1,096,730
Total Special Revenue Funds	148,080,732
Capital Projects Funds	220,703,596
Total governmental funds capital assets	<b>\$ 404,425,874</b>

**CARVER COUNTY  
CHASKA, MINNESOTA  
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS  
SCHEDULE BY FUNCTION AND ACTIVITY  
DECEMBER 31, 2017**

Function and Activity	Land	Improvements Other than Buildings	Buildings	Machinery and Equipment	Infrastructure	Construction in Progress	Totals 2017
General Government							
Commissioners	\$ -	\$ -	\$ -	\$ 37,807	\$ -	\$ -	\$ 37,807
Administration	6,128,096	1,741,901	40,881,247	49,006	8,505,592	595,940	57,901,782
Auditor	-	-	4,749,598	202,177	-	-	4,951,775
Assessor	-	-	-	181,346	-	-	181,346
Information Services	-	-	-	3,425,672	99,486	-	3,525,158
Attorney	-	-	-	5,717	-	-	5,717
Recorder	-	-	-	84,725	-	-	84,725
Building Maintenance	-	70,533	-	547,720	-	-	618,253
Veterans Services	-	-	61,870	127,261	-	-	189,131
Planning and Zoning	-	-	-	61,686	-	-	61,686
Total General Government	<u>6,128,096</u>	<u>1,812,434</u>	<u>45,692,715</u>	<u>4,723,117</u>	<u>8,605,078</u>	<u>595,940</u>	<u>67,557,380</u>
Public Safety							
Sheriff	-	-	4,150,235	4,725,869	-	-	8,876,104
Court Services	-	-	-	32,750	-	-	32,750
Total Public Safety	<u>-</u>	<u>-</u>	<u>4,150,235</u>	<u>4,758,619</u>	<u>-</u>	<u>-</u>	<u>8,908,854</u>
Highways and Streets							
Public Works	<u>14,317,782</u>	<u>22,284</u>	<u>9,804,076</u>	<u>9,326,269</u>	<u>171,040,065</u>	<u>95,743,632</u>	<u>300,254,108</u>
Human Services							
Health and Human Services	<u>-</u>	<u>-</u>	<u>3,689,821</u>	<u>334,304</u>	<u>-</u>	<u>133,710</u>	<u>4,157,835</u>
Health							
Community Health Services	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,089</u>	<u>-</u>	<u>-</u>	<u>13,089</u>
Culture and Recreation							
Parks	8,271,734	289,091	1,299,116	836,004	8,908,917	-	19,604,862
Library	-	-	-	582,344	-	338,948	921,292
Regional Rail Authority	1,096,730	-	-	-	-	-	1,096,730
Total Culture and Recreation	<u>9,368,464</u>	<u>289,091</u>	<u>1,299,116</u>	<u>1,418,348</u>	<u>8,908,917</u>	<u>338,948</u>	<u>21,622,884</u>
Conservation of Natural Resources							
Environmental Services	205,084	65,959	1,309,079	272,605	-	-	1,852,727
Water Management Organization	-	20,606	-	10,060	28,331	-	58,997
Total Conservation of Natural Resources	<u>205,084</u>	<u>86,565</u>	<u>1,309,079</u>	<u>282,665</u>	<u>28,331</u>	<u>-</u>	<u>1,911,724</u>
Total governmental funds capital assets	<u>\$ 30,019,426</u>	<u>\$ 2,210,374</u>	<u>\$ 65,945,042</u>	<u>\$ 20,856,411</u>	<u>\$ 188,582,391</u>	<u>\$ 96,812,230</u>	<u>\$ 404,425,874</u>

**CARVER COUNTY  
CHASKA, MINNESOTA  
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS  
SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017**

<b>Function and Activity</b>	<b>Governmental Funds Capital Assets January 1</b>	<b>Additions</b>	<b>Deductions</b>	<b>Transfers</b>	<b>Governmental Funds Capital Assets December 31</b>
General Government					
Commissioners	\$ 37,807	\$ -	\$ -	\$ -	\$ 37,807
Courts	41,234	-	(41,234)	-	-
Administration	57,113,595	432,588	(101,796)	457,395	57,901,782
Auditor	4,840,863	130,580	-	(19,668)	4,951,775
Assessor	159,925	-	-	21,421	181,346
Information Services	4,909,263	241,500	(1,530,719)	(94,886)	3,525,158
Attorney	17,635	-	(11,918)	-	5,717
Recorder	84,725	-	-	-	84,725
Building Maintenance	615,547	31,290	(28,584)	-	618,253
Veterans Services	149,211	61,870	(21,950)	-	189,131
Planning and Zoning	33,313	-	-	28,373	61,686
<b>Total General Government</b>	<b>68,003,118</b>	<b>897,828</b>	<b>(1,736,201)</b>	<b>392,635</b>	<b>67,557,380</b>
Public Safety					
Sheriff	8,708,562	310,305	(166,783)	24,020	8,876,104
Court Services	32,750	-	-	-	32,750
Emergency Management	104,447	-	(74,819)	(29,628)	-
<b>Total Public Safety</b>	<b>8,845,759</b>	<b>310,305</b>	<b>(241,602)</b>	<b>(5,608)</b>	<b>8,908,854</b>
Highways and Streets					
Public Works	287,423,026	32,031,404	(19,167,192)	(33,130)	300,254,108
Human Services					
Human Services	2,220,078	2,588,854	(356,744)	(294,353)	4,157,835
Health					
Community Health Services	13,089	-	-	-	13,089
Culture and Recreation					
Parks	19,684,543	338,949	(47,315)	(371,315)	19,604,862
Library	1,046,762	8,583	(474,197)	340,144	921,292
Regional Rail Authority	1,096,730	-	-	-	1,096,730
<b>Total Culture and Recreation</b>	<b>21,828,035</b>	<b>347,532</b>	<b>(521,512)</b>	<b>(31,171)</b>	<b>21,622,884</b>
Conservation of Natural Resources					
Environmental Services	1,876,296	5,215	(28,784)	-	1,852,727
Planning and Water	28,373	-	-	(28,373)	-
Water Management Organization	58,997	-	-	-	58,997
<b>Total Conservation of Natural Resources</b>	<b>1,963,666</b>	<b>5,215</b>	<b>(28,784)</b>	<b>(28,373)</b>	<b>1,911,724</b>
<b>Total Governmental Funds Capital Assets</b>	<b>\$ 390,296,771</b>	<b>\$ 36,181,138</b>	<b>\$(22,052,035)</b>	<b>\$ -</b>	<b>\$ 404,425,874</b>

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# **STATISTICAL SECTION**

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**CARVER COUNTY  
CHASKA, MINNESOTA**

STATISTICAL SECTION

This part of Carver County's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says 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.

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**REVENUE CAPACITY**

These schedules contain information to help the reader assess the County's most significant revenue source, the property tax.

111-114

**DEBT CAPACITY**

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

115-118

**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.

119-120

**OPERATING INFORMATION**

These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs.

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**CARVER COUNTY  
CHASKA, MINNESOTA**

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Governmental activities										
Net investment in capital assets	\$ 125,053,969	\$ 135,342,648	\$ 141,153,936	\$ 153,259,833	\$ 165,563,517	\$ 175,763,062	\$ 197,728,098	\$ 231,830,246	\$ 241,043,777	\$ 250,468,438
Restricted	22,460,088	19,451,662	17,778,489	17,649,505	15,481,707	24,200,320	37,103,158	20,748,412	29,155,238	28,886,109
Unrestricted	29,442,693	36,879,050	41,918,547	44,736,522	49,433,265	35,929,803	48,625,773	22,900,130	14,041,630	14,826,838
Total Primary government net position	\$ 176,956,750	\$ 191,673,360	\$ 200,850,972	\$ 215,645,860	\$ 230,478,489	\$ 235,893,185	\$ 283,457,029	\$ 275,478,788	\$ 284,240,645	\$ 294,181,385

**Note:** Accounting standards require that net position be reported in three components in the financial statements: net investment in capital assets; restricted; and unrestricted. Net position is considered restricted when (1) an external party, such as the state or federal government, places a restriction on how the resources may be used, or (2) enabling legislation is enacted by the county.

\*\* The County implemented GASB Statement No. 68 and GASB Statement No. 71 in fiscal year 2015. Years prior to 2015 have not been restated.

**Data Source:** Yearly Financial Statements

**CARVER COUNTY  
CHASKA, MINNESOTA**

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Expenses</b>										
Governmental activities:										
General government	\$ 14,630,943	\$ 13,633,146	\$ 14,165,675	\$ 13,306,090	\$ 14,840,072	\$ 14,265,140	\$ 19,925,750	\$ 15,267,539	\$ 15,543,460	\$ 17,755,764
Public safety	19,158,558	19,233,646	19,758,542	19,435,408	18,956,494	19,305,739	21,283,870	21,879,618	27,429,936	25,936,255
Highway & streets	9,456,035	10,571,310	8,663,795	9,466,523	10,706,534	15,069,854	13,752,617	13,683,801	14,206,084	20,778,791
Human services	23,690,203	23,502,744	24,390,153	22,631,006	21,731,309	21,450,703	21,611,714	23,600,282	27,281,389	28,809,030
Health	4,169,472	3,490,548	3,622,979	2,959,570	2,354,942	2,364,279	2,429,229	2,471,990	2,285,038	2,278,107
Culture and recreation	5,313,972	5,249,823	5,784,320	5,203,494	4,234,993	5,547,611	5,612,724	5,840,587	7,691,214	6,985,503
Conservation of natural resources	3,848,693	4,486,738	4,288,885	4,190,525	4,112,644	3,766,146	3,844,004	4,669,976	4,642,206	5,055,487
Economic development	5,550	-	-	-	-	-	-	-	-	-
Interest on long-term debt	944,516	1,200,323	1,081,722	1,002,242	934,639	935,677	715,714	738,137	990,752	765,371
Total primary government expenses	81,217,942	81,368,278	81,756,071	78,194,858	77,871,627	82,705,149	89,175,622	88,151,930	100,070,079	108,364,308
<b>Program Revenues</b>										
Governmental activities:										
Fees, Charges, Fines, and Other										
General government	2,769,063	2,942,600	3,102,343	2,887,971	3,314,900	3,012,090	3,113,220	3,716,560	3,877,261	4,171,182
Public safety	5,181,164	5,305,357	5,148,267	4,778,224	4,540,507	4,538,185	4,990,779	4,768,670	5,474,860	5,830,716
Human services	3,464,285	3,976,599	4,124,033	3,820,210	3,056,919	4,077,600	3,197,118	3,221,894	3,924,148	4,034,007
Culture and recreation	329,543	443,645	463,119	496,723	511,671	636,969	503,684	493,846	498,878	497,969
Conservation of natural resources	1,314,244	1,282,252	1,401,856	1,456,382	1,529,848	1,647,643	1,597,290	1,686,370	1,824,328	1,792,537
Other activities	39,837	875,587	23,199	131,577	28,547	122,522	122,390	30,330	35,980	48,611
Operating grants and contributions	15,076,544	15,630,452	21,617,364	21,156,084	19,955,234	24,364,936	21,275,095	28,898,485	29,465,961	37,889,184
Capital grants and contributions	6,619,540	12,308,996	1,393,777	4,935,290	7,303,933	1,140,351	42,448,305	9,324,391	5,655,606	2,516,483
Total primary government program revenues	34,794,220	42,765,488	37,273,958	39,662,461	40,241,559	39,540,296	77,247,881	52,140,546	50,757,022	56,780,689
<b>Net (Expense) Revenue</b>										
Governmental activities:										
Total primary government net expense	(46,423,722)	(38,602,790)	(44,482,113)	(38,532,397)	(37,630,068)	(43,164,853)	(11,927,741)	(36,011,384)	(49,313,057)	(51,583,619)
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Taxes	44,028,626	45,179,226	46,741,078	45,485,260	46,001,355	46,551,697	49,802,503	54,160,050	51,769,746	54,277,321
Unrestricted grants and contributions	2,114,318	3,553,674	2,247,820	2,261,220	1,871,271	2,875,240	3,621,280	3,723,619	3,461,341	3,461,103
Payment in lieu of taxes	121,400	134,406	132,830	143,767	140,852	163,782	206,050	172,997	166,705	188,352
Investment earnings	3,585,823	1,885,477	2,541,019	3,159,565	2,240,215	(2,724,070)	4,517,459	1,122,182	1,576,539	2,393,439
Miscellaneous	2,338,351	2,566,617	1,996,978	2,277,473	2,209,004	1,712,900	1,344,293	65,280	1,100,583	1,204,144
Total primary government	52,188,518	53,319,400	53,659,725	53,327,285	52,462,697	48,579,549	59,491,585	59,244,128	58,074,914	61,524,359
<b>Change in Net Position</b>										
Governmental activities:										
Total primary government net expense	\$ 5,764,796	\$ 14,716,610	\$ 9,177,612	\$ 14,794,888	\$ 14,832,629	\$ 5,414,696	\$ 47,563,844	\$ 23,232,744	\$ 8,761,857	\$ 9,940,740

**Note:** The County implemented GASB Statement No. 68 and GASB Statement No. 71 in fiscal year 2015. Years prior to 2015 have not been restated.

**Date Source:** Yearly Financial Statements

**CARVER COUNTY  
CHASKA, MINNESOTA**

**GOVERNMENT-WIDE EXPENSES BY FUNCTION  
ALL GOVERNMENTAL FUND TYPES  
LAST TEN FISCAL YEARS**

Year	General Government	Public Safety	Highways and Streets	Human Services	Health	Culture and Recreation	Conservation of Natural Resources	Economic Development	Interest on Long-term Debt	Total
2008	\$ 19,303,229	\$ 17,430,385	\$ 9,028,694	\$ 22,125,125	\$ 3,849,459	\$ 4,851,224	\$ 3,679,760	\$ 5,550	\$ 944,516	\$ 81,217,942
2009	19,401,256	17,315,251	10,096,931	21,765,397	3,135,311	4,736,140	3,717,669	-	1,200,323	81,368,278
2010	19,630,479	17,903,453	8,206,740	22,710,418	3,364,444	5,296,084	3,562,731	-	1,081,722	81,756,071
2011	19,263,489	17,278,639	8,906,785	20,543,342	2,672,747	4,619,435	3,908,179	-	1,002,242	78,194,858
2012	20,002,788	17,118,959	10,220,783	19,891,745	2,111,800	3,728,342	3,862,571	-	934,639	77,871,627
2013	19,183,247	17,559,440	14,602,187	19,645,333	2,145,263	5,053,216	3,580,786	-	935,677	82,705,149
2014	25,108,762	19,454,418	13,223,549	19,738,198	2,206,845	5,087,898	3,640,238	-	715,714	89,175,622
2015	20,945,709	19,928,239	13,126,863	21,487,159	2,262,363	4,876,417	4,787,043	-	738,137	88,151,930
2016	21,830,861	25,383,057	13,585,132	24,813,149	2,064,432	7,050,761	4,351,935	-	990,752	100,070,079
2017	24,133,362	23,895,811	20,133,499	26,273,147	2,058,583	6,337,896	4,766,639	-	765,371	108,364,308

\* The government-wide expenses in this table reflect expenses prior to the indirect expense allocation of four internal departments: Administration, Finance, Information Services and Human Resources to the appropriate functions of government.

**Data Source:** Yearly Financial Statements

**CARVER COUNTY  
CHASKA, MINNESOTA**

**GOVERNMENT-WIDE REVENUES  
LAST TEN FISCAL YEARS**

**PROGRAM REVENUES**

**GENERAL REVENUES**

Fiscal Year	Fees, Charges, Fines and Other	Operating Grants and Contributions	Capital Grants and Contributions
2008	\$ 13,098,136	\$ 15,076,544	\$ 6,619,540
2009	14,826,040	15,630,452	12,308,996
2010	14,262,817	21,617,364	1,393,777
2011	13,571,087	21,156,084	4,935,290
2012	12,982,392	19,955,234	7,303,933
2013	14,035,009	24,364,936	1,140,351
2014	13,524,481	21,275,095	42,448,305
2015	13,917,670	28,898,485	9,324,391
2016	15,635,455	29,465,961	5,655,606
2017	16,375,022	37,889,184	2,516,483

Taxes	Payment in lieu of taxes	Grants and contributions not restricted to specific programs	Investment Income	Miscellaneous	Total
\$ 44,028,626	\$ 121,400	\$ 2,114,318	\$ 3,585,823	\$ 2,338,351	\$ 86,982,738
45,179,226	134,406	3,553,674	1,885,477	2,566,617	96,084,888
46,741,078	132,830	2,247,820	2,541,019	1,996,978	90,933,683
45,485,260	143,767	2,261,220	3,159,565	2,277,473	92,989,746
46,001,355	140,852	1,871,271	2,240,215	2,209,004	92,704,256
46,551,697	163,782	2,875,240	(2,724,070)	1,712,900	88,119,845
49,802,503	206,050	3,621,280	4,517,459	1,344,293	136,739,466
54,160,050	172,997	3,723,619	1,122,182	65,280	111,384,674
51,769,746	166,705	3,461,341	1,576,539	1,100,583	108,831,936
54,277,321	188,352	3,461,103	2,393,439	1,204,144	118,305,048

Data Source: Yearly Financial Statements

**CARVER COUNTY  
CHASKA, MINNESOTA**

**FUND BALANCES, GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS**

*(modified accrual basis of accounting)*

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
General Fund										
Reserved for										
Encumbrances	\$ 110,413	\$ -	\$ 3,340	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special projects and programs	2,488,126	2,747,623	2,494,138	-	-	-	-	-	-	-
Unreserved	22,506,434	25,048,637	22,107,632	-	-	-	-	-	-	-
Nonspendable	-	-	-	3,285	1,220	1,257	3,651	113,857	443,622	635,952
Restricted	-	-	-	2,578,313	2,747,430	3,009,881	2,413,900	1,983,569	1,872,875	1,773,429
Committed	-	-	-	745,733	1,256,247	-	-	-	-	-
Assigned	-	-	-	4,479,321	4,684,986	1,567,617	2,296,747	2,943,302	2,537,949	3,142,612
Unassigned	-	-	-	16,986,718	17,093,255	16,888,267	17,729,149	17,873,769	17,975,791	18,435,515
Subtotal General fund	<u>\$ 25,104,973</u>	<u>\$ 27,796,260</u>	<u>\$ 24,605,110</u>	<u>\$ 24,793,370</u>	<u>\$ 25,783,138</u>	<u>\$ 21,467,022</u>	<u>\$ 22,443,447</u>	<u>\$ 22,914,497</u>	<u>\$ 22,830,237</u>	<u>\$ 23,987,508</u>
All Other Governmental Funds										
Reserved for:										
Encumbrances	\$ -	\$ -	\$ 9,750	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Inventories and prepayments	343,553	369,557	366,460	-	-	-	-	-	-	-
Special projects and programs	41,385	4,497,235	-	-	-	-	-	-	-	-
Unreserved reported in:										
Special revenue funds	12,904,018	13,131,833	11,776,381	-	-	-	-	-	-	-
Capital projects funds	17,540,648	10,968,782	15,653,860	-	-	-	-	-	-	-
Debt service fund	4,541,611	4,902,746	5,362,236	-	-	-	-	-	-	-
Nonspendable	-	-	-	444,098	494,768	367,815	440,925	420,507	753,579	723,362
Restricted	-	-	-	8,617,792	5,956,658	11,773,887	21,785,674	14,637,058	24,721,056	14,008,371
Assigned	-	-	-	24,015,251	27,037,493	19,802,349	31,216,231	28,045,056	36,089,408	32,637,460
Unassigned	-	-	-	(54,216)	(111,520)	(98,493)	(157,563)	(158,189)	(102,733)	(95,635)
Subtotal all other governmental funds	<u>\$ 35,371,215</u>	<u>\$ 33,870,153</u>	<u>\$ 33,168,687</u>	<u>\$ 33,022,925</u>	<u>\$ 33,377,399</u>	<u>\$ 31,845,558</u>	<u>\$ 53,285,267</u>	<u>\$ 42,944,432</u>	<u>\$ 61,461,310</u>	<u>\$ 47,273,558</u>

\*The County implemented GASB Statement No.54 in 2011, this schedule shows the change in fund balance prospectively.

Data Source: Yearly Financial Statements

**CARVER COUNTY  
CHASKA, MINNESOTA**

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

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Revenues</b>										
Taxes	\$ 42,908,024	\$ 44,718,511	\$ 46,915,750	\$ 45,668,869	\$ 46,101,715	\$ 46,857,907	\$ 49,983,300	\$ 54,195,713	\$ 51,854,610	\$ 54,273,026
Special assessments	212,586	203,167	232,413	277,977	297,938	347,158	341,754	291,192	266,629	268,283
Licenses and permits	622,071	618,318	634,271	668,780	807,896	812,964	983,560	1,284,711	1,297,747	1,360,750
Intergovernmental	24,532,989	33,052,602	21,490,580	26,443,248	30,079,014	25,981,031	63,738,773	44,321,031	39,656,315	36,363,950
Charges for services	11,878,012	12,762,273	11,915,232	11,865,726	11,555,901	11,262,696	11,937,514	12,802,819	13,903,477	14,757,386
Fines and forfeits	371,569	304,802	231,712	406,302	253,144	258,682	242,376	214,048	255,563	239,068
Investment income	3,377,703	1,844,807	2,600,455	3,083,556	2,295,420	(3,046,485)	4,269,682	1,062,014	1,127,312	1,402,478
Other revenue	2,149,382	2,275,195	1,756,210	1,800,418	2,609,598	2,821,443	1,347,243	911,811	1,947,430	1,215,595
<b>Total revenues</b>	<b>86,052,336</b>	<b>95,779,675</b>	<b>85,776,623</b>	<b>90,214,876</b>	<b>94,000,626</b>	<b>85,295,396</b>	<b>132,844,202</b>	<b>115,083,339</b>	<b>110,309,083</b>	<b>109,880,536</b>
<b>Expenditures</b>										
<b>Current</b>										
General government	16,461,357	16,998,111	16,920,391	17,731,317	17,365,841	16,870,571	17,694,942	18,412,909	20,095,672	20,663,558
Public safety	17,604,635	17,541,708	18,252,972	17,289,670	17,222,771	17,860,004	19,528,952	20,301,344	21,093,525	21,281,800
Highways & streets	7,272,033	7,136,671	6,580,542	6,450,822	8,094,693	11,002,326	9,572,041	10,416,222	10,793,726	10,543,716
Human services	22,305,324	21,876,001	22,946,853	20,519,994	19,890,353	19,689,653	20,198,027	21,309,360	24,127,091	25,654,536
Health	3,932,962	3,171,772	3,354,761	2,644,407	2,159,582	2,209,043	2,252,817	2,271,435	1,976,590	2,026,456
Culture and recreation	7,673,805	4,754,472	5,366,141	6,554,766	4,562,998	4,965,586	5,027,012	6,166,266	5,408,151	5,595,877
Conservation of nat. resources	3,712,184	3,635,863	3,470,886	3,977,270	3,825,998	3,596,957	3,653,552	4,356,961	4,275,207	4,617,868
Economic development	5,550	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	141,972	152,861	160,737	166,093	165,748	175,449	181,991	186,766
Highways & streets	-	-	-	-	-	-	-	-	-	-
Capital outlay	18,240,984	16,476,631	9,380,801	11,130,176	18,100,857	14,654,107	33,240,103	52,301,994	10,074,355	22,070,747
Debt Service	-	-	-	-	-	-	-	-	-	-
Principal	1,761,066	2,171,639	2,492,556	3,036,370	3,025,086	3,192,841	8,477,967	3,195,164	3,898,252	3,947,897
Interest	822,868	1,388,262	1,111,516	1,019,989	964,395	949,815	812,715	790,794	947,638	1,002,608
<b>Total expenditures</b>	<b>99,792,768</b>	<b>95,151,130</b>	<b>90,019,391</b>	<b>90,507,642</b>	<b>95,373,311</b>	<b>95,156,996</b>	<b>120,623,876</b>	<b>139,697,898</b>	<b>102,872,198</b>	<b>117,591,829</b>
Excess of revenues over (under) expenditures	(13,740,432)	628,545	(4,242,768)	(292,766)	(1,372,685)	(9,861,600)	12,220,326	(24,614,559)	7,436,885	(7,711,293)
<b>Other Financing Sources (Uses)</b>										
General obligation bonds issued	16,420,000	-	-	-	1,460,000	-	9,555,000	-	7,190,000	-
Notes Payable Issued	-	-	-	-	-	-	-	13,439,062	2,228,135	168,048
Loans issued	211,750	293,849	337,090	265,866	155,628	72,048	81,429	51,776	54,922	116,722
Proceeds from sale of capital assets	23,950	239,689	16,159	49,842	1,042,373	75,550	60,224	1,242,265	64,350	23,135
Refunding bonds issued	7,295,000	-	-	-	-	5,150,000	-	-	-	-
Payments to bond escrow agent	(7,155,000)	-	-	-	-	-	-	-	-	(5,610,000)
Premium/(Discount) on debt issued	82,337	-	-	-	(10,950)	57,003	441,317	-	1,165,325	-
Transfers in	8,461,511	2,513,979	8,543,411	5,719,922	4,527,201	6,848,919	9,066,284	4,408,492	4,942,070	8,442,344
Transfers out	(8,461,511)	(2,513,979)	(8,543,411)	(5,775,714)	(4,507,480)	(8,060,166)	(9,066,284)	(4,358,997)	(4,942,070)	(8,442,344)
<b>Total other financing sources (uses)</b>	<b>16,878,037</b>	<b>533,538</b>	<b>353,249</b>	<b>259,916</b>	<b>2,666,772</b>	<b>4,143,354</b>	<b>10,137,970</b>	<b>14,782,598</b>	<b>10,702,732</b>	<b>(5,302,095)</b>
Increase (decrease) in inventories	40,164	28,142	(3,097)	75,348	50,155	(129,711)	57,838	(37,824)	293,001	(17,093)
<b>Net change in fund balances</b>	<b>\$ 3,177,769</b>	<b>\$ 1,190,225</b>	<b>\$ (3,892,616)</b>	<b>\$ 42,498</b>	<b>\$ 1,344,242</b>	<b>\$ (5,847,957)</b>	<b>\$ 22,416,134</b>	<b>\$ (9,869,785)</b>	<b>\$ 18,432,618</b>	<b>\$ (13,030,481)</b>
Debt service as a percentage of noncapital expenditures	3.34%	4.58%	4.60%	5.35%	5.24%	5.14%	10.08%	4.66%	5.36%	4.98%

Data Source: Yearly Financial Statements

**CARVER COUNTY  
CHASKA, MINNESOTA**

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

Fiscal / Payable Year	Real Property		Personal Property		Total			% of Net Tax Capacity to
	Net Tax Capacity	Taxable Market Value	Net Tax Capacity	Taxable Market Value	Net Tax Capacity	Taxable Market Value	Total Direct Tax Rate	Total Taxable Market Value
2008	\$ 118,107,075	\$ 10,752,112,600	\$ 985,685	\$ 49,560,900	\$ 119,092,760	\$ 10,801,673,500	37.563	1.10%
2009	121,484,284	11,039,100,400	1,082,397	54,908,100	122,566,681	11,094,008,500	38.033	1.10%
2010	122,066,328	11,060,458,800	1,129,271	57,289,300	123,195,599	11,117,748,100	39.509	1.11%
2011	114,265,462	10,397,063,800	1,353,218	68,523,800	115,618,680	10,465,587,600	41.752	1.10%
2012	105,789,671	9,618,986,133	1,597,924	104,945,867	107,387,595	9,723,932,000	43.562	1.10%
2013	101,614,589	9,275,084,900	1,755,654	88,778,500	103,370,243	9,363,863,400	46.115	1.10%
2014	107,482,644	9,897,391,400	1,855,628	93,777,200	109,338,272	9,991,168,600	45.211	1.09%
2015	120,238,736	11,119,177,400	2,013,792	101,685,400	122,252,528	11,220,862,800	40.488	1.09%
2016	127,018,663	11,735,551,900	2,289,681	115,481,000	129,308,344	11,851,032,900	38.880	1.09%
2017	130,232,512	12,017,771,700	2,653,398	133,855,000	132,885,910	12,151,626,700	38.851	1.09%

Valuations are determined as of January 1 of the year preceding the tax collection year.  
 Amounts are shown for the year in which taxes are payable.  
 Assessed value is prior to Fiscal Disparity and Tax Increment District Adjustments.

**Data Source:** Taxpayer Services Department

**CARVER COUNTY  
CHASKA, MINNESOTA**

**DIRECT AND OVERLAPPING PROPERTY TAX RATES  
LAST TEN FISCAL YEARS**

Carver County					Average Rates Within Each Classification		
Tax Year	General	Bonds	Total	Carver County Regional Rail Authority	Cities/ Townships	School Districts	Special Districts
2009	35.013	3.020	38.033	0.104	31.727	22.721	0.946
2010	36.244	3.265	39.509	0.101	32.744	24.528	0.983
2011	38.351	3.401	41.752	0.109	35.382	25.953	1.001
2012	39.957	3.605	43.562	0.117	39.997	28.700	1.145
2013	41.831	4.284	46.115	0.121	41.379	30.577	1.183
2014	40.138	5.072	45.210	0.114	42.254	31.924	1.189
2015	36.238	4.250	40.488	0.097	38.246	29.565	1.232
2016	34.830	4.051	38.881	0.110	40.595	30.070	1.255
2017	35.434	3.417	38.851	0.105	40.475	28.729	1.362
2018	34.266	3.169	37.435	0.114	38.547	28.411	1.327



Note: For the City rate, the Urban tax Capacity Rate was used. For the Township rate, the Proper rate and the rate for Fire Districts was used.

Data Source: Taxpayer Services Department

**CARVER COUNTY  
CHASKA, MINNESOTA**

**PRINCIPAL PROPERTY TAX PAYERS  
CURRENT AND NINE YEARS AGO**

<u>Taxpayer</u>	2017		<u>Taxpayer</u>	2008	
	<u>Taxable Assessed Value</u>	<u>Percentage of Total County Taxable Assessed Value</u>		<u>Taxable Assessed Value</u>	<u>Percentage of Total County Taxable Assessed Value</u>
Northern States Power	\$ 59,282,800	0.49%	Northern States Power	\$ 27,272,800	0.27%
CenterPoint Energy Minnegasco	47,054,100	0.39%	Target Corporation T-0862	27,076,000	0.27%
Target Corporation	34,522,000	0.28%	Rosemount Inc	19,872,100	0.20%
United HealthCare Services Inc.	22,841,000	0.19%	IRET Properties	19,205,300	0.19%
Istar Minnesota LLC	21,658,000	0.18%	Centerpoint Energy Minnegasco	18,582,700	0.19%
SGO MN West Village LLC	21,388,800	0.18%	IDS Financial Services Inc.	19,349,900	0.19%
Northern Natural Gas Co	19,733,100	0.16%	Istar Minnesota LLC	16,427,900	0.16%
Aurora Investments LLC	19,584,100	0.16%	Aurora Investments LLC	16,213,100	0.16%
Mill Properties LLC	17,061,800	0.14%	Fluoroware Inc	15,315,000	0.15%
Rosemount Inc.	16,204,500	0.13%	Klein Financial Inc	14,778,700	0.15%
<b>Total</b>	<b>\$ 279,330,200</b>	<b>2.30%</b>	<b>Total</b>	<b>\$ 194,093,500</b>	<b>1.95%</b>

Data Source: Taxpayer Services Department

**CARVER COUNTY  
CHASKA, MINNESOTA**

**PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS**

Fiscal Year	Certified Tax Levy	Abatements/ Adjustments (3)	Market Value Credit Adjustment (2)	Adjusted Certified Tax Levy	Collection within the Fiscal Year of the Levy (3)		Collections in Subsequent Years	Total Collections to Date		Outstanding Delinquent	
					Amount (1)	% of Levy		Amount	% of Levy	Amount	% of Levy
2008	\$ 43,124,587	\$ (146,067)	\$ -	\$ 42,978,520	\$ 42,233,204	98.27%	\$ 722,575	\$ 42,952,631	99.94%	\$ 1,968	0.00%
2009	45,065,587	(420,974)	-	44,644,613	43,873,564	98.27%	752,983	44,621,805	99.95%	1,911	0.00%
2010	46,779,720	(516,242)	(714,517)	45,548,961	44,820,092	98.40%	497,891	45,310,254	99.48%	1,611	0.00%
2011	46,179,720	(407,913)	(816,418)	44,955,389	44,052,056	97.99%	627,256	44,674,428	99.38%	1,445	0.00%
2012	44,779,720	(300,801)	-	44,478,919	44,004,472	98.93%	314,081	44,314,892	99.63%	2,222	0.00%
2013	45,629,720	(178,737)	-	45,450,983	45,042,675	99.10%	404,136	45,134,495	99.30%	2,136	0.00%
2014	47,546,920	(150,519)	-	47,396,401	47,174,883	99.53%	210,467	47,053,381	99.28%	9,175	0.02%
2015	49,861,920	(156,236)	-	49,705,684	49,551,666	99.69%	126,077	49,287,845	99.16%	26,273	0.05%
2016	50,242,700	(236,532)	-	50,006,168	49,858,227	99.70%	91,594	49,444,647	98.88%	54,193	0.11%
2017	51,649,500	(71,013)	-	51,578,487	51,333,497	99.53%	-	51,333,497	99.53%	242,944	0.47%

(1) This amount includes fiscal disparities and any tax aid.

(2) The county receives market value credit from the state, which is included in the gross tax levy. During 2010 and 2011 market value credit was cut by \$714,517 and \$816,418, respectively. Since this money will not be collected, the certified tax levy was adjusted to account for this cut.

(3) These amounts include agricultural preserve and agricultural market value credits. This change was made during 2017.

**Data Sources:**

Taxpayer Services Department  
Financial Services Division

CHASKA, MINNESOTA

RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS

Fiscal Year	General Obligation Bonds	General Obligation Notes Payable	Loans Payable	Capital Leases	Less Debt Service Funds	Net Total Debt	Total Debt Per Capita		Percentage of Personal Income	
							Total	Net	Total	Net
2008	\$ 32,643,194	\$ -	\$ 715,750	\$ 396,506	\$ 4,541,611	\$ 29,213,839	\$ 376.67	\$ 325.99	0.70%	0.60%
2009	30,665,344	-	994,701	214,765	4,902,746	26,972,064	349.40	295.66	0.69%	0.58%
2010	28,281,811	-	1,272,658	161,342	5,362,236	24,353,575	326.40	267.50	0.60%	0.49%
2011	25,513,278	-	1,428,496	-	5,623,923	21,317,851	292.51	231.45	0.50%	0.39%
2012	24,104,252	-	1,414,038	-	5,873,056	19,645,234	272.68	231.45	0.44%	0.34%
2013	26,354,561	-	1,243,245	-	11,698,722	15,899,084	289.09	166.55	0.47%	0.27%
2014	28,146,667	-	1,051,707	-	7,264,955	21,933,419	300.51	225.74	0.50%	0.38%
2015	25,117,349	13,439,062.00	878,319	-	9,041,305	30,393,425	399.48	307.89	0.63%	0.49%
2016	30,828,356	14,549,197	737,989	-	18,253,478	27,862,064	459.95	277.89	0.71%	0.43%
2017	22,325,218	13,588,245	690,814	-	12,710,587	23,893,690	358.45	233.98	Not Available	Not Available

Data Sources:

Yearly Financial Statements

See Schedule XV for Personal Income and Population Information

**CARVER COUNTY  
CHASKA, MINNESOTA**

**RATIOS OF NET BONDED DEBT TO ASSESSED VALUE  
AND NET BONDED DEBT PER CAPITA  
LAST TEN FISCAL YEARS**

Fiscal Year	Total		General Obligation Bonds	General Obligation Notes Payable	Less Debt Service Funds	Net Bonded Debt	Bonded Debt Per Capita		Bonded Debt to Actual Taxable Market Value		Bonded Debt to Net Tax Capacity	
	Taxable Market Value	Net Tax Capacity					Total	Net	Total %	Net %	Total %	Net %
2008	\$ 10,801,673,500	\$ 119,092,760	\$ 32,643,194	\$ -	\$ 4,541,611	\$ 28,101,583	364.26	\$ 313.58	0.30%	0.26%	27.41%	23.60%
2009	11,094,008,500	122,566,681	30,665,344	-	4,902,746	25,762,598	336.14	282.40	0.28%	0.23%	25.02%	21.02%
2010	11,117,748,100	123,195,599	28,281,811	-	5,362,236	22,919,575	310.65	251.75	0.25%	0.21%	22.96%	18.60%
2011	10,465,587,600	115,618,680	25,513,278	-	5,623,923	19,889,355	277.01	215.94	0.24%	0.19%	22.07%	17.20%
2012	9,723,932,000	107,387,595	24,104,252	-	5,873,056	18,231,196	257.57	194.81	0.25%	0.19%	22.45%	16.98%
2013	9,363,863,400	103,370,243	26,354,561	-	11,698,722	14,655,839	276.07	153.52	0.28%	0.16%	25.50%	14.18%
2014	9,991,168,600	109,338,272	28,146,667	-	7,264,955	20,881,712	289.69	214.92	0.28%	0.21%	25.74%	19.10%
2015	11,220,862,800	122,252,528	25,117,349	13,439,062	9,041,305	29,515,106	390.59	299.00	0.34%	0.26%	31.54%	24.14%
2016	11,851,032,900	129,308,344	30,828,356	14,549,197	18,253,478	27,124,075	452.59	270.53	0.38%	0.23%	35.09%	20.98%
2017	12,151,626,700	132,885,910	22,325,218	13,588,245	12,710,587	23,202,876	351.68	227.21	0.30%	0.19%	27.03%	17.46%

Valuations are determined as of January 1 of the year preceding the tax collection year.  
 Amounts are shown for the year in which taxes are payable.  
 Assessed value is prior to Fiscal Disparity and Tax Increment District Adjustments.

**Data Sources:**

Yearly Financial Statements  
 See Schedule XV for Population Information

**CARVER COUNTY  
CHASKA, MINNESOTA**

**COMPUTATION OF DIRECT, UNDERLYING AND OVERLAPPING DEBT  
AS OF DECEMBER 31, 2017**

Government Unit	Debt Outstanding (1)	Applicable to Carver County Percent	Amount
<b>Direct:</b>			
<b>Government Unit</b>			
General Obligation Bonds Payable (net of discount)	\$ 22,325,218	100.0%	\$ 22,325,218
General Obligation Notes Payable	13,588,245	100.0%	13,588,245
Loans Payable	690,814	100.0%	690,814
<b>Carver County</b>	<b>36,604,277</b>	<b>100.0%</b>	<b>36,604,277</b>
<b>Underlying:</b>			
Carver City	20,238,000	100.0%	20,238,000
Chanhassen City	29,695,000	97.7%	29,022,557
Chaska City	116,535,000	100.0%	116,535,000
Cologne	15,357,861	100.0%	15,357,861
Hamburg City	1,613,088	100.0%	1,613,088
Mayer	6,456,000	100.0%	6,456,000
New Germany City	8,178,154	100.0%	8,178,154
Norwood Young America City	19,976,000	100.0%	19,976,000
Victoria City	24,718,718	100.0%	24,718,718
Waconia City	45,868,839	100.0%	45,868,839
Watertown City	7,182,000	100.0%	7,182,000
<b>Total cities</b>	<b>295,818,660</b>	<b>99.8%</b>	<b>295,146,217</b>
School District #108	10,125,000	96.3%	9,753,413
School District #110	126,785,000	82.0%	103,976,379
School District #111	37,365,000	75.7%	28,266,623
School District #112	170,605,000 (2)	100.0%	170,605,000
School District #276	183,533,266	18.6%	34,155,541
School District #424	3,370,000	0.2%	6,066
School District #716	28,055,000 (3)	9.1%	2,550,200
School District #2687	43,030,000	0.6%	245,271
School District #2859	23,265,000	0.1%	30,245
<b>Total school districts</b>	<b>626,133,266</b>	<b>55.8%</b>	<b>349,588,735</b>
<b>Total Underlying debt</b>	<b>921,951,926</b>	<b>69.9%</b>	<b>644,734,952</b>
<b>Overlapping:</b>			
Metro Council	188,620,614 (4)	3.6%	6,829,198
<b>Total Overlapping debt</b>	<b>188,620,614</b>	<b>3.6%</b>	<b>6,829,198</b>
<b>Total direct, underlying and overlapping debt</b>	<b>\$ 1,147,176,817</b>	<b>60.0%</b>	<b>\$ 688,168,427</b>

(1) Direct debt includes all of the debt instruments related to the governmental activities (i.e., general obligation bonds payable, and loans payable). Underlying and Overlapping debt only includes those taxing jurisdictions with general obligation debt outstanding. Does not include non-general obligation debt, self-supporting general obligation revenue debt, short-term general obligation debt, or general obligation tax/aid anticipation certificates of indebtedness.

(2) Currently, the State of MN is paying approximately 3.83% of the principal and interest on the Eastern Carver County School District's general obligation bonds. Assuming this percentage continues for the life of the bonds, the State's proportionate share of principal is \$6,534,172.

(3) Currently, the State of Minnesota is paying approximately 7.56% of the principal and interest on the Belle Plaine School District's general obligation bonds. Assuming this percentage continues for the life of the bonds, the State's proportionate share of principal is \$2,120,958.

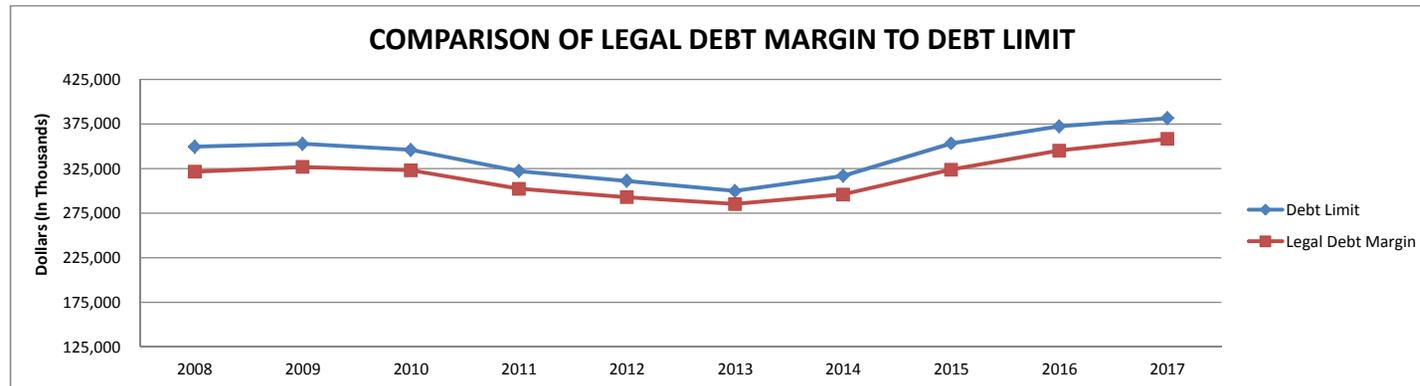
(4) The above includes all outstanding general obligation debt supported by taxes of the Metropolitan Council. The Council also has general obligation sewer revenue, wastewater revenue, and radio revenue bonds, and lease obligations outstanding all of which are supported entirely by revenues and have not been included in the Overlapping Debt or Debt Ratios sections.

**Data Source:** Provided by Taxpayer Services Department

**CARVER COUNTY  
CHASKA, MINNESOTA**

**LEGAL DEBT MARGIN  
LAST TEN FISCAL YEARS**

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<b>Assessor's Estimated Market Value</b>	\$ 11,658,999,100	\$ 11,761,192,900	\$ 11,536,624,900	\$ 10,745,987,800	\$ 10,376,803,300	\$ 10,001,109,700	\$ 10,567,048,000	\$ 11,782,984,500	\$ 12,421,561,200	\$ 12,722,707,200
<b>Legal debt margin</b>										
Debt limit (3% of Assessor's EMV)	349,769,973	352,835,787	346,098,747	322,379,634	311,304,099	300,033,291	317,011,440	353,489,535	372,646,836	381,681,216
Debt applicable to limit: (see schedule XII)										
General Obligation bonds & notes	32,643,194	30,665,344	28,281,811	25,513,278	24,104,252	26,354,561	28,146,667	38,556,411	45,377,553	35,913,463
Less: Amount reserved for repayment of general obligation debt	(4,541,611)	(4,902,746)	(5,362,236)	(5,623,923)	(5,873,056)	(11,698,722)	(7,264,955)	(9,041,305)	(18,253,478)	(12,710,587)
<b>Total debt applicable to limit</b>	<b>28,101,583</b>	<b>25,762,598</b>	<b>22,919,575</b>	<b>19,889,355</b>	<b>18,231,196</b>	<b>14,655,839</b>	<b>20,881,712</b>	<b>29,515,106</b>	<b>27,124,075</b>	<b>23,202,876</b>
<b>Legal debt margin</b>	<b>\$ 321,668,390</b>	<b>\$ 327,073,189</b>	<b>\$ 323,179,172</b>	<b>\$ 302,490,279</b>	<b>\$ 293,072,903</b>	<b>\$ 285,377,452</b>	<b>\$ 296,129,728</b>	<b>\$ 323,974,429</b>	<b>\$ 345,522,761</b>	<b>\$ 358,478,340</b>
<b>Total debt applicable to the limit as a percentage of debt limit</b>	<b>8.03%</b>	<b>7.30%</b>	<b>6.62%</b>	<b>6.17%</b>	<b>5.86%</b>	<b>4.88%</b>	<b>6.59%</b>	<b>8.35%</b>	<b>7.28%</b>	<b>6.08%</b>



Minn. Stat. Section 475.53, subd. 1 states that except as otherwise provided in Minn. Stat. Sections 474.74 to 475.51, no municipality except a school district or a city of the first class, shall incur or be subject to a net debt in excess of three percent of the estimated market value.

**Data Source:** Assessed values are provided by Taxpayer Services Division.

**CARVER COUNTY  
CHASKA, MINNESOTA**

**DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS**

Year	Population (1)(2)*	Personal Income (3)	Median Age (1)	Public School Enrollment K thru 12 (4)
2008	89,615	\$ 4,831,653,000	34.3**	14,847
2009	91,228	4,641,842,000	36.7**	15,075
2010	91,042	4,939,629,000	35.8	15,284
2011	92,104	5,439,073,000	36.9**	15,584
2012	93,584	5,826,217,000	36.8**	15,769
2013	95,463	5,930,653,000	36.7**	16,071
2014	97,162	5,838,766,000	36.8**	16,115
2015	98,798	6,249,370,000	36.9	16,494
2016	100,621	6,464,183,000	37.4	17,954
2017	102,119	Not Available	37.1	18,201

**Average Labor Statistics**

Year	Carver County		State		National	
	Per Capita Income (3)	Unemployment Rate (5)	Per Capita Income (3)	Unemployment Rate (5)	Per Capita Income (3)	Unemployment Rate (5)
2008	\$ 53,003	4.9%	\$ 43,256	5.4%	\$ 41,052	5.8%
2009	49,310	7.2%	41,064	7.8%	39,366	9.3%
2010	51,136	6.7%	42,567	7.4%	40,274	9.6%
2011	54,748	5.5%	45,214	6.5%	42,459	8.9%
2012	57,810	4.8%	47,293	5.6%	44,247	8.1%
2013	57,901	4.3%	47,410	4.9%	44,408	7.4%
2014	59,984	3.6%	48,998	4.1%	46,030	6.2%
2015	63,291	3.2%	50,541	3.7%	47,685	5.3%
2016	64,473	3.3%	52,038	3.8%	49,246	4.5%
2017	Not Available	3.1%	Not Available	3.3%	Not Available	4.1%

**Data Sources:**

- 1.) United States Census Bureau <<http://www.census.gov>>
- 2.) Metropolitan Council Population
- 3.) Bureau of Economic Analysis <<http://www.bea.gov/>>
- 4.) Minnesota Department of Education <<http://education.state.mn.us>>
- 5.) DEED: Local Area Unemployment Statistics <<http://www.deed.state.mn.us/lmi/tools/laus>>

\* All population estimates come from the Metropolitan Council

\*\* United States Census Bureau (estimates)

**CARVER COUNTY  
CHASKA, MINNESOTA**

**PRINCIPAL EMPLOYERS  
CURRENT AND TEN YEARS AGO**

2018 (1)			2009		
<u>Employer</u>	Estimated No. of Employees	Percentage of Total County Employment	<u>Employer</u>	Estimated No. of Employees	Percentage of Total County Employment
Ridgeview Medical Center	1,500	3.82%	Rosemount, Inc.	1,592	3.34%
Eastern Carver County ISD 112	1,500	3.82%	Ridgeview Medical Center	1,202	2.52%
Rosemount, Inc.	1,200	3.06%	I.S.D. No. 112 (Eastern Carver County)	1,001	2.10%
Lifetime Fitness	1,160	2.95%	SuperValu Corporate Headquarters (West)	950	2.00%
United Mailing	1,100	2.80%	Instant Web, Inc.	824	1.73%
Entegris, Inc.	1,000	2.55%	Entegris, Inc.	798	1.68%
Instant Web Companies	1,000	2.55%	Beckman Coulter	750	1.58%
Beckman Coulter, Inc.	780	1.99%	Lake Region Manufacturing	711	1.49%
Target (3 locations)	700	1.78%	Medallion Cabinetry, Inc.	671	1.41%
Carver County	682	1.74%	Carver County	664	1.39%
<b>Total</b>	<b>10,622</b>	<b>27.07%</b>	<b>Total</b>	<b>9,163</b>	<b>19.25%</b>
Total County Employment (2)	39,263		Total County Employment (3)	47,604	

**Note:** Employment is within Carver County and not necessarily company wide for employers listed.

**Data Sources:**

- 1.) ReferenceUSA. (Verified by a combination of Cities and employers).
- 2.) Metropolitan Council <<http://stats.metc.state.mn.us/>>.
- 3.) Minnesota Department of Employment and Economic Development <<http://www.deed.state.mn.us/lmi/tools/laus.htm>>

**CARVER COUNTY  
CHASKA, MINNESOTA**

**COUNTY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS**

<u>Function/program</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<b>General Government</b>										
Administration	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Administration Services	2.10	2.00	2.00	3.30	3.00	3.00	3.20	4.70	4.20	4.20
Property Assessment	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	13.00
Attorney	29.88	29.88	28.68	28.88	28.88	29.20	31.20	31.20	31.35	32.35
Taxpayer Services	23.54	23.54	23.54	22.90	22.90	22.90	25.10	25.10	26.10	24.10
Commissioners	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Facilities Management	17.00	16.00	16.00	16.00	16.00	16.00	16.00	16.00	16.00	16.00
Finance	6.70	6.70	7.70	7.70	7.70	7.70	7.70	7.70	7.70	7.70
Employee Relations	6.50	6.50	7.00	9.00	9.00	9.00	11.00	11.00	12.00	12.00
Information Services	26.20	26.40	25.40	24.80	23.45	23.45	24.70	27.95	28.80	29.80
Property Records	9.60	8.60	7.00	6.00	6.00	6.00	6.00	7.00	5.00	8.00
Veterans Services	3.70	3.70	3.70	3.70	3.70	3.70	4.10	4.60	4.60	4.60
Land Management	6.00	7.00	5.50	5.00	5.00	5.00	5.00	5.00	5.00	5.00
<b>Public Safety</b>										
Court Services	16.05	14.55	14.55	14.55	14.55	16.05	16.10	16.10	16.10	16.10
Emergency Management	3.00	3.00	2.00	2.00	2.00	0.00	-	-	-	-
Sheriff	170.01	169.01	169.14	161.66	155.76	157.77	160.77	160.77	160.19	160.50
<b>Highways &amp; Streets</b>										
Public works	47.25	46.25	46.25	46.25	45.55	46.55	51.15	50.48	53.48	55.85
<b>Human Services</b>										
Social Services	171.28	167.53	168.20	172.50	172.50	179.70	181.13	191.53	212.58	219.48
<b>Health</b>										
Public Health Services	35.55	33.05	26.45	23.70	22.80	21.80	21.50	19.00	19.00	19.00
<b>Culture &amp; Recreation</b>										
Library	41.92	40.77	40.17	38.67	37.92	37.62	38.94	43.70	43.75	44.02
Parks	9.19	9.19	9.19	9.59	9.59	11.59	11.80	10.98	11.41	12.03
<b>Conservation of Natural Resources</b>										
University of MN Extension	1.65	1.80	1.80	1.80	1.70	1.70	1.70	1.70	1.70	1.70
Planning & Water Management	6.50	5.50	5.50	5.60	5.60	6.60	6.85	9.00	10.40	10.40
Environmental Services	10.93	10.93	10.93	10.93	11.15	10.15	11.15	11.40	12.90	12.90
<b>Total</b>	<b>663.55</b>	<b>650.90</b>	<b>639.70</b>	<b>633.53</b>	<b>623.75</b>	<b>634.48</b>	<b>654.09</b>	<b>673.91</b>	<b>701.26</b>	<b>715.73</b>

**Note:**

In 2013, Emergency Management was moved to the Sheriff's Office.

Employees listed by FTE Equivalent

**Data Source:** Financial Services Division

**CARVER COUNTY  
CHASKA, MINNESOTA**

**OPERATING INDICATORS BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS**

<u>Function/program</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<b>General Government</b>										
Administrative Services										
Square Feet of Building Space (1)	565,665	610,665	610,665	610,665	610,665	610,665	610,665	610,665	610,665	618,665
Employee Relations										
New Hires Processed	166	139	98	112	109	168	192	163	205	214
Terminations Processed	130	155	121	74	116	123	165	140	174	187
Collective Bargaining Agreements	8	8	11	11	11	11	11	11	11	11
Financial Services										
Cash Receipts Processed	5,319	5,977	6,142	5,310	6,798	6,862	5,854	5,811	6,278	5,950
Payroll Checks Issued	2,842	2,667	856	365	498	480	587	423	516	467
Payroll Stubs Issued	16,830	16,841	18,337	17,905	17,968	19,005	18,390	19,767	19,402	19,895
Claims Paid	16,549	15,019	14,464	15,010	13,016	13,507	13,603	14,001	13,147	12,502
Contracts Maintained	323	344	444	367	306	424	482	616	601	548
Journal Entries	828	884	804	806	726	776	646	728	721	699
Budget Amendments Entered	171	101	88	150	107	127	127	141	179	162
Capital Assets Inventoried	72	66	91	65	71	81	62	80	60	56
Property Records and Taxpayer Services										
Deeds Recorded	2,215	2,059	2,394	2,701	3,422	3,962	3,447	3,857	3,864	5,051
Birth and Death Certificate Copies Issued	4,682	4,315	4,416	4,262	4,797	5,792	5,783	5,835	6,207	6,308
Marriage Licenses Processed	439	448	387	408	443	507	485	478	507	508
Passports Processed	2,637	1,988	3,094	2,885	3,947	4,310	4,869	6,520	6,972	6,858
Motor Vehicle Registrations	23,169	23,040	34,704	39,801	52,690	56,697	59,332	61,577	66,066	63,529
% of Voter Turnout (General Election)	94%	0%	70%	0%	96%	0%	65%	0%	91%	0%
Real Estate Documents Processed (6)	20,153	24,135	23,246	19,724	25,840	24,822	17,828	16,419	11,452	9,948
Electronic Documents Received (6)	-	-	-	-	-	-	-	4,735	10,163	10,825
Real Property Parcels (2)	38,179	39,539	39,746	39,876	41,424	42,617	43,173	42,759	41,517	41,800
Personal Property Parcels (2)	151	-	-	-	-	-	-	-	188	185
Number of New Homes Constructed	250	283	314	386	394	610	573	508	641	627
Properties Appraised	8,527	8,486	7,173	7,756	7,498	8,670	9,144	8,871	8,428	8,363

**CARVER COUNTY  
CHASKA, MINNESOTA**

**OPERATING INDICATORS BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS  
(Continued)**

<u>Function/program</u>	<u>Fiscal Year</u>									
	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<u>Public Safety</u>										
Sheriff's Office										
Calls for Service Received:	57,319	54,239	53,329	53,180	50,430	50,640	53,068	53,081	55,221	53,687
Chaska Calls	14,336	13,064	13,294	12,811	11,802	11,375	11,298	10,864	11,289	11,568
County Calls	42,983	41,175	40,035	40,369	38,628	39,265	41,770	42,217	43,932	42,119
Part I Crimes	1,161	903	856	896	865	818	865	928	246	-
Part II Crimes	2,536	2,064	1,768	1,802	1,627	1,587	1,645	1,789	655	-
Group A Crimes	-	-	-	-	-	-	-	-	1,047	1,650
Group B Crimes	-	-	-	-	-	-	-	-	306	554
Misc. Non-Criminal Incidents	39,272	38,065	37,376	37,671	36,136	36,860	39,260	39,500	41,674	15,459
Fire Calls	618	573	570	590	552	640	730	769	720	760
Medical Calls	2,056	2,041	2,098	2,124	2,309	2,445	2,549	2,531	2,786	2,942
Drug Cases	238	118	118	123	145	222	267	260	241	672
Crashes	1,505	1,264	1,323	1,185	1,052	1,410	1,424	1,463	1,429	1,454
Fatal Crashes	9	8	7	5	3	6	9	4	1	3
Personal Injury Crashes	228	142	174	135	156	194	160	190	180	164
Property Damage Crashes	1,268	1,113	1,142	1,045	896	1,210	1,255	1,269	1,248	1,287
Alarm calls	1,933	1,712	1,752	1,614	1,587	1,400	1,312	1,297	1,232	1,290
Citations Issued	6,147	5,200	5,105	4,830	4,315	4,313	4,530	5,180	8,298	5,492
Total Arrests	1,329	1,430	1,284	1,252	664	542	590	590	964	1,203
Drug Arrests	144	204	189	221	289	76	100	89	224	288
Civil Papers Served	1,530	1,736	1,996	1,708	1,513	1,201	1,183	1,259	1,334	1,530
Warrants	1,118	1,256	1,042	1,109	1,001	753	948	893	892	1,088
Number of Prisoners Transported	548	574	485	417	539	425	574	472	568	526
Prisoners Transported (Miles)	37,520	46,082	38,813	33,311	55,850	41,738	57,906	40,133	53,693	53,165
Inmates Booked:	2,442	2,289	1,910	2,083	1,956	1,927	1,856	1,831	2,023	2,223
Total Carver County Inmates Booked	1,603	1,583	1,488	1,581	1,488	1,352	1,511	1,507	1,529	1,614
Males Booked	1,247	1,264	1,172	1,243	1,151	1,050	1,166	1,168	1,216	1,193
Females Booked	356	319	316	338	337	302	345	339	313	421
Boarded Inmates from Other Jurisdictions	839	698	422	502	468	575	345	324	494	609
Average Daily Inmate Population	89	85	74	75	69	62	76	63	83	89
Prisoners Days Stayed	32,380	31,044	27,015	27,286	24,959	22,398	27,775	23,005	30,529	32,493
Jail Medical Unit- Inmate Interaction (4)	-	2,049	1,910	2,332	2,390	2,279	1,948	1,795	1,970	4,283
Total Juveniles Booked:	243	225	283	317	306	265	284	272	245	242
Carver County Juveniles Booked	138	139	138	126	138	87	113	128	109	89
Male Juveniles Booked	111	106	106	96	119	72	75	78	74	62
Female Juveniles Booked	27	33	32	30	19	15	38	50	35	27
Boarded Juveniles from Other Jurisdictions	105	86	145	191	168	178	171	144	136	153
Average Daily Juvenile Population	2	2	2	3	3	3	3	3	3	3
Juvenile Resident Days Stayed	721	691	872	1,009	1,059	980	1,142	1,226	1,123	1,125

**CARVER COUNTY  
CHASKA, MINNESOTA**

**OPERATING INDICATORS BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS  
(Continued)**

<u>Function/program</u>	<u>Fiscal Year</u>									
	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<u>Court Services</u>										
Number of Probation Supervision Clients/Offenders	1,329	1,279	1,220	1,161	1,123	1,274	1,136	1,102	1,071	1,122
Number of Probation Supervision Cases	1,949	1,903	1,521	1,469	1,293	1,470	1,167	1,208	1,206	1,434
Number of Offender Risk Assessments Completed	1,010	969	939	801	749	650	855	677	680	766
Number of Offender Drug/Alcohol Tests Completed	1,950	1,789	2,160	3,040	3,583	3,457	4,479	3,638	3,861	3,384
Number of Offender Probation Violations Filed	255	281	257	303	366	288	273	251	238	263
<u>Highways &amp; Streets</u>										
<u>Road &amp; Bridge</u>										
Resurfacing (miles)	11.5	11.3	5.6	7.2	6.5	11.2	9.9	9.4	8.5	8.7
Vehicle/Equipment Units Serviced	344	344	355.0	355.0	355.0	355.0	360.0	361.0	256.0	319.0
<u>Human Services</u>										
<u>Health and Human Services</u>										
Financial Assistance End of Year Caseload	2,505	2,952	3,219	3,361	3,295	3,453	6,165	6,674	7,792	7,744
Child Support Annual Disbursements	\$ 8,655,895	\$ 8,522,442	\$ 8,231,783	\$ 8,218,129	\$ 8,164,867	\$ 8,440,219	\$ 8,627,101	\$8,644,514	\$8,481,691	\$8,330,537
Open Child and Family Workgroups	352	344	362	320	319	300	335	730	730	770
Developmentally Disabled Clients	318	333	358	344	341	346	334	341	352	377
Crisis Program Clients Served	3,776	3,814	3,819	5,691	8,858	9,459	9,098	8,738	5,762	6,991
Detox Visits	329	334	185	153	176	193	163	166	167	146
Child Support End of Year Caseload	1,890	1,899	1,904	1,864	1,934	1,902	1,816	1,779	1,838	1,821
Children in Out-Of Home Placement	66	62	61	54	56	53	59	91	161	83
Child Care Assistance End of Year Caseload	153	168	179	128	165	132	128	131	141	143
Licensed Family Day Care Homes	199	198	197	188	182	167	155	144	139	128
Encore Adult Day Services Participants	54	50	51	54	48	46	48	54	58	54
DD Screening	181	165	158	174	173	222	212	N/A	N/A	N/A
MnChoices Assessments	N/A	N/A	N/A	N/A	N/A	N/A	N/A	451	585	1,133
Workforce Resource Center Average Daily Client Usage	85	105	93	84	81	77	69	58	52	51
Workforce Services Enrolled Clients	855	1,161	1,256	828	720	644	640	584	600	617
SmartLink Transit Passenger Trips	52,615	206,284	220,462	223,549	209,956	193,832	190,023	154,143	161,088	159,292
<u>Health</u>										
<u>Public Health</u>										
Information & Resources Calls (3)(5)	695	3,047	728	675	748	646	594	420	363	501
Jail Medical Unit - Inmate Interactions (4)	2,572	-	-	-	-	-	-	-	-	-
Children 0-3 Enrolled in Follow Along Program	1,083	924	1,061	1,178	1,201	1,309	1,241	1,170	846	946
MRC Volunteers Registered	100	107	111	113	120	120	120	120	112	113

**CARVER COUNTY  
CHASKA, MINNESOTA**

**OPERATING INDICATORS BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS  
(Continued)**

<u>Function/program</u>	<u>Fiscal Year</u>									
	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<u>Culture &amp; Recreation</u>										
Library										
Library Visits	586,391	622,502	600,750	584,998	580,242	557,219	551,358	535,064	525,656	505,807
Library Circulation	988,974	1,072,908	1,115,108	1,113,621	1,078,004	1,039,915	1,059,994	1,064,549	1,018,472	993,786
Number of Materials	242,468	246,403	256,206	233,209	240,780	242,603	255,474	279,462	273,183	267,642
Queries for Information	80,670	76,158	66,671	42,861	37,310	67,353	56,186	57,954	59,954	48,672
Public Service Hours	14,125	13,210	13,286	13,374	13,364	13,217	13,303	14,994	15,348	15,185
Attendance of Library Hosted Programs	20,818	27,575	30,373	26,387	36,245	27,441	29,042	34,650	35,028	32,145
Park										
Park Admissions (annual use)	265,000	265,500	307,000	443,900	582,000	615,000	675,120	686,240	583,000	Not Available
Historical Society										
Attendance of Programs hosted in Schools	4,364	3,463	2,819	2,099	1,174	2,546	4,373	4,038	3,675	4,018
Attendance of Programs hosted in Museum	1,302	2,539	1,549	1,493	3,169	2,798	1,592	1,193	1,035	787
Attendance of Programs hosted in Library	690	897	823	711	653	478	648	1,067	1,035	643
Attendance of Programs - other	2,612	2,957	3,130	4,073	2,377	2,341	4,869	2,995	3,367	3,746
<u>Conservation of Natural Resources</u>										
Land & Water Services										
Environmental Center Visits	18,932	23,451	24,918	25,799	26,158	26,812	27,423	33,641	35,000	40,146
Appliances Recycled (in units)	2,741	3,778	3,546	3,266	2,862	3,036	2,952	3,111	3,811	3,975
Tons of Tires Recycled	31	37	27	24	32	33	37	30	44	39
Tons of Electronics Recycled	200	266	297	286	276	316	292	292	350	308
Tons of Household Hazardous Waste Recycled	194	226	172	203	212	210	215	228	380	332
Building Permits Issued	615	598	551	598	596	478	557	635	615	652
New & Replacement On-site Sewer Systems	119	134	114	115	100	95	95	107	70	100
Hazardous Waste Generators Licensed/Re-licensed	307	310	317	293	307	297	300	304	340	307
Planning Commission/Board of Adjustment Actions	40	26	29	30	47	45	42	60	58	55
Minor Subdivisions	33	24	21	26	34	35	31	43	22	69
Zoning Permits Issued	252	277	528	228	243	172	167	120	159	263
Wetland Conservation Act Cases	380	308	121	205	170	271	266	137	223	244
Number of Water Projects Approved	38	33	49	54	62	62	65	109	49	56
Number of Feedlot Inspections	54	44	80	78	55	58	71	49	17	19

**Note:** (1) Square feet of Building Space does not include leased space. (2) In 2008, personal property parcels combined with real property. (3) In 2009, there was an increase in Public Health Calls related to H1N1. (4) Inmate interactions transferred to the Sheriff's Office in April of 2009. (5) The number of Information & resources calls has increased from 2010, but due to changes in processing calls and the database used, the 2011 I&R number was lower than expected. (6) Electronic documents started being received in 2015, and began being broken out from total real estate documents processed in 2016.

**Data Sources:**  
Various County Departments

SCHEDULE XIX (Unaudited)

**CARVER COUNTY  
CHASKA, MINNESOTA  
CAPITAL ASSET AND INFRASTRUCTURE STATISTICS BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS**

<u>Function/program</u>	<u>Fiscal Year</u>									
	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
General Government										
Government Center	1	1	1	1	1	1	1	1	1	1
Public Safety										
Justice Center	1	1	1	1	1	1	1	1	1	1
Patrol Units	31	31	35	36	38	40	40	40	42	42
Emergency management vehicles	2	2	2	2	2	2	1	2	2	2
Highways & Streets										
Mileage:										
County State Aid Highway (CSAH)	213	213	222	222	228	226	229	223	230	233
County Road	52	52	50	50	47	50	55	50	44	44
Bridges (total)	23	23	23	23	23	23	24	24	24	25
Traffic signals	3	3	3	3	3	30	30	27	27	29
Culverts	32	32	32	32	32	32	32	32	32	35
Human Services										
Transportation buses	9	-	-	-	-	-	-	-	-	-
Culture and Recreation										
Parks acreage	678	682	855	869	869	899	899	894	894	894
County parks	1	1	1	1	1	1	1	1	1	1
Regional parks & trails	3	3	4	5	5	6	6	6	6	6
Playground structures	4	4	4	4	4	4	4	4	4	4
Buildings/shelters	21	21	21	21	21	21	21	21	21	21
Fairgrounds	1	1	1	1	1	1	1	1	1	1
Libraries	5	5	5	5	5	5	5	6	6	6
Conservation of Natural Resources										
Environmental Resource Facility	1	1	1	1	1	1	1	1	1	1

**Note:** Starting in 2009, Carver County and Scott County partnered together to create Smartlink Transit. Human Services no longer maintains the transportation buses.

**Data Sources:** Various County divisions  
Various County Divisions