

# Carver County, Minnesota Popular Annual Financial Report

For the Fiscal Year Ended December 31, 2015

Prepared by the Carver County Financial Services Department / June 2016

# Residents encouraged to review County finances

This publication is an attempt to explain County finances and show how tax dollars are put to use. Most of the financial information in this report is taken from the County's 2015 Comprehensive Annual Financial Report (CAFR), which provides more detailed and complete financial information. The annual CAFR is prepared in conformance with Generally Accepted Accounting Principles and is audited by independent auditors. It receives a unqualified or "clean" opinion. The CAFR includes information on the Carver County Community Development Agency (CDA), a discretely presented component unit. This document does not include information on the CDA or agency funds. The Government Finance Officers Association (GFOA) has awarded Certificates of Achievement for Excellence in Financial Reporting to County CAFRs each year since 1996.

This report is referred to as a Popular Annual Financial Report (PAFR) by the GFOA since it is designed to give the populace a more general, less technical summary of county government and its financial condition. In addition to using information from the CAFR, it includes condensed information from other county publications. Because this report is a summary, it does not conform to Generally Accepted Accounting Principles and reporting requirements for government entities and

should not be used as a substitute for the CAFR. This is the sixth year Carver County has produced this type of report. The County received an Award for Outstanding Achievement in Popular Annual Financial Reporting for the last five years and is submitting this report for GFOA review. We encourage taxpayers to use these reports as a starting point for understanding Carver County finances and operations. Included in this report is an overview of the organizational structure, demographics, financial statements, and highlights of projects in 2015.

The PAFR is produced for use primarily as an online resource. **This publication, the CAFR, and other financial reports can be viewed on the County website at [www.co.carver.mn.us/departments/property-financial-services/financial-services](http://www.co.carver.mn.us/departments/property-financial-services/financial-services).** If you have questions or would like a printed copy of this report sent to you, please call me at 952-361-1506 or email [dfrischmon@co.carver.mn.us](mailto:dfrischmon@co.carver.mn.us).



Dave Frischmon  
Property and Financial Services Division Director



Pictured above, from left to right, are Carver County Commissioners Randy Maluchnik, Jim Ische, Gayle Degler, Tim Lynch, and Tom Workman. Elected county officials also include Sheriff Jim Olson, pictured above on the right, and County Attorney Mark Metz.

## Carver County leaders committed to transparency in government

Carver County is governed by the Carver County Board of Commissioners who represent the five districts in the county. The Board and the County's two other elected officials, the County Sheriff and the County Attorney, are committed to making information on County finances and programs available to the public. More information on Carver County is available on its website, [www.co.carver.mn.us](http://www.co.carver.mn.us).

### Quick Facts on Carver County

County Established	1855
Land Area (square miles)	357
<b>2015 Population Estimate</b>	<b>98,714</b>
County Population Rank (of 87)	11
Percent of Population over 65, 2014	9.7%
Percent of Population under 18, 2014	27.8%
<b>2040 Population Estimate</b>	<b>161,020</b>
<b>Housing Units, 2014</b>	<b>36,424</b>
Average Household Size, 2014	2.78
Median Age, 2014 estimate	36.7
<b>Median Household Income, 2014</b>	<b>\$83,594</b>
Per Capita Income, 2014 dollars	\$59,984
Percent Living in Poverty, 2013	4.3%
<b>Total Labor Force, 2014</b>	<b>53,852</b>
Unemployment Rate, 2014	3.6%
<b>Major Employers Estimated No. Employees</b>	
Ridgeview Medical Center	1,500
Rosemount, Inc.	1,400
Eastern Carver County Schools ISD 112	1,400
Instant Web Companies	1,100
Entegris, Inc.	1,000
Beckman Coulter, Inc.	780

# County divisions, departments support a full range of services

A number of key upper-level retirements and resignations prompted an organization review in 2015. The outcome of that review was that the number of divisions under the direction of the County Administrator was reduced from seven to five. The following summarizes the work of each of the County divisions and lists the current division directors.

## County Administrator

David Hemze is the head of the County responsible for the management of County affairs. His division implements the directives, resolutions, ordinances, and policies of the County Board.



David Hemze

## Kerie Anderka is the director of the **Employee Relations Division**.

The division provides a full range of personnel services including personnel administration, staffing, classification and compensation, staff benefits, labor relations, training and development, risk management and safety, and employee health and wellness.



Kerie Anderka

## Rod Franks is the director of the **Health and Human Services Division** created as part of the 2015 restructuring effort by combining the Public Health Department with the former Community Social Services Division.

The division provides a wide variety of social services and public health services and supports to children and families, vulnerable adults, and individuals who are dis-



Rod Franks

abled, mentally ill, or medically compromised. The staff provides assessments and assists with applications for state and federal programs, makes referrals for community resources, and provides direct services related to local programs.

## Dave Frischmon is the director of the **Property and Financial Services Division**.

The division is responsible for all phases of County budget planning, preparation and monitoring, and long-term financial planning, and it is responsible for a wide range of services related to taxation, surveying and land records, property assessment, elections, ditches and the operation of two license/service centers. The division performs accounting and payroll services, financial management, capital improvement planning, debt financing, fixed asset inventory, independent audit assistance, grant reporting contract management, and cash and investment management. The new division was created in 2015 when the former Financial Services Division was combined with the former Property Records and Taxpayer Services Division, and the County Surveyor was moved out of the Public Works Division and into the new division.



Dave Frischmon

## Tom Vellenga is the director of the **Public Services Division**.

The division provides library, environment, land management, planning, water management, technology, and veteran services for the County. Internally, it provides administrative, communications, facility, planning, and technological sup-



Tom Vellenga

port for the County's operations. The County Board approved the division's creation as part of the organizational restructuring in 2015. The restructuring combined the former Administration Services Division (Information Technology, Facility Services, Library, and Veterans Services departments, and the University of Minnesota Extension program related to the County) with three departments from the former Public Health and Environment Division (Environmental Services, Land Management, and Planning and Water Management). The division maintains a working relationship with the Historical Society, the Soil and Water Conservation District, and the Community Development Agency, which is a separate tax levy authority.

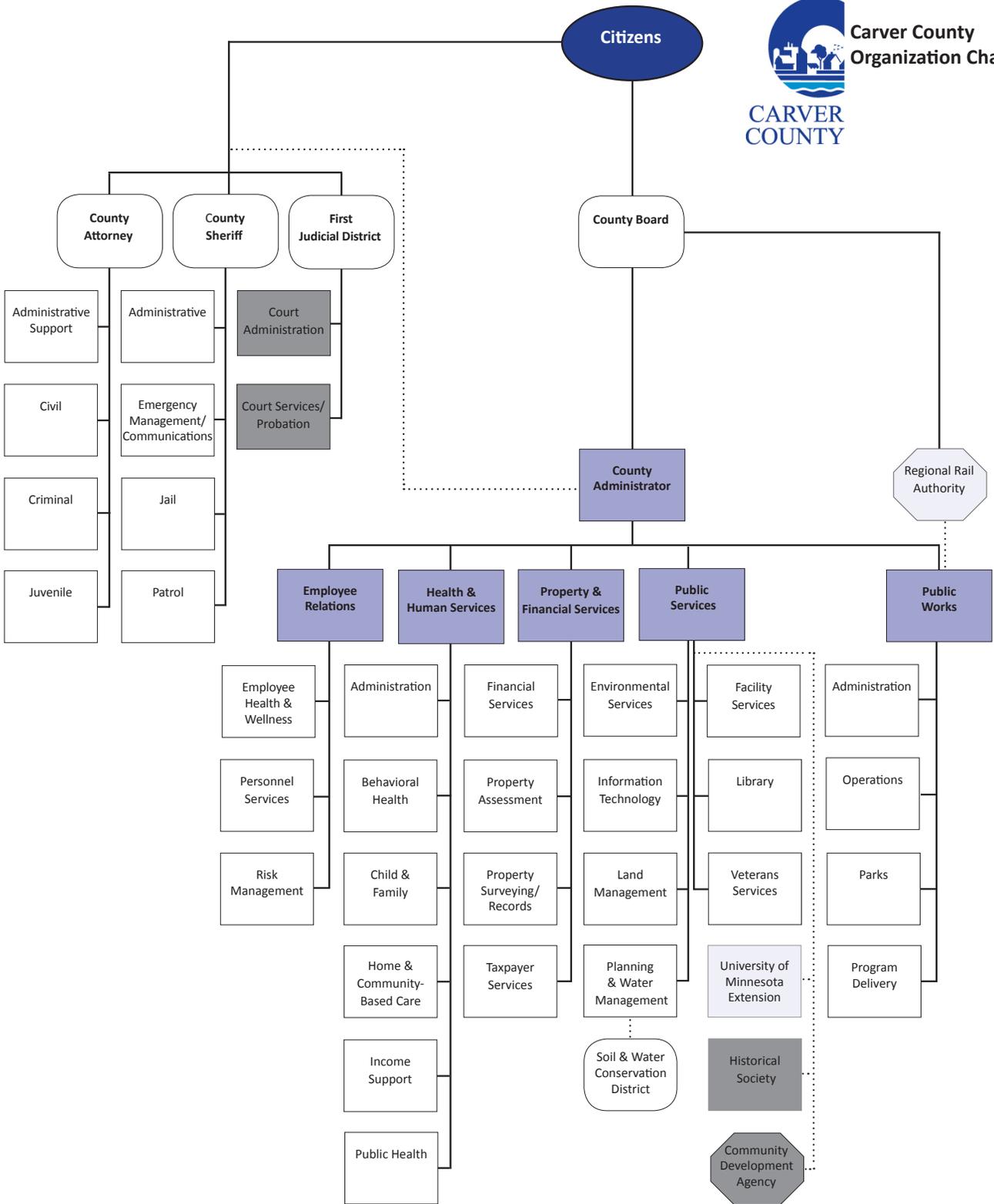
## Lyndon Robjent is the director of the **Public Works Division**.

The division administers all functions associated with the County highway and County parks systems. The division maintains a functional working relationship with the Carver County Regional Rail Authority, a separate tax levy authority that oversees designated rail transportation corridors in the county.



Lyndon Robjent

Judges Janet L. Barke Cain, Kevin W. Eide, Philip T. Kanning, and Richard C. Perkins have been elected to serve as judges for the **First Judicial Court**. The District Court processes filings for civil, criminal, traffic, family, probate and juvenile matters. Court Administrator Kristen Trebil oversees Court Administration under the First Judicial Court. Eric Johnson serves as the Director of Court Services/ Probation, a community-based corrections agency that serves under the authority of Minnesota Statue 244 and the First Judicial District.



Key

Elected Officials	Divisions	Separate Agency With County Employee Positions	Separate Tax Levy Authority/County Commissioners
Direct Report	Departments	Separate Agency/Non-County Employees	Separate Tax Levy Authority/Non-County Employees
Indirect Report			

## Completion of major construction project decreases the budget

Financial planning policies and practices for Carver County are designed to maintain the County's commitment to a balanced budget: Every dollar budgeted to be spent during the fiscal year must be paired with an offsetting dollar of funding. The 2015 Budget approved by the Board of Commissioners in December of 2014 called for total expenditures of \$94,518,950 balanced by an equal amount of revenue. The **Budget Comparison Table** compares the revenue and expenditure amounts for 2014 and 2015.

The 2015 Budget is a decrease of \$67.8 million from the 2014 Budget with the most significant change being in Street and Highway Construction, Intergovernmental, and Miscellaneous. The decreases in both revenues and expenditures are primarily due to the Highway 101 River Crossing/Highway 61 construction project known as the Southwest Reconnection Project. This project is expected to be completed by July 1, 2016.

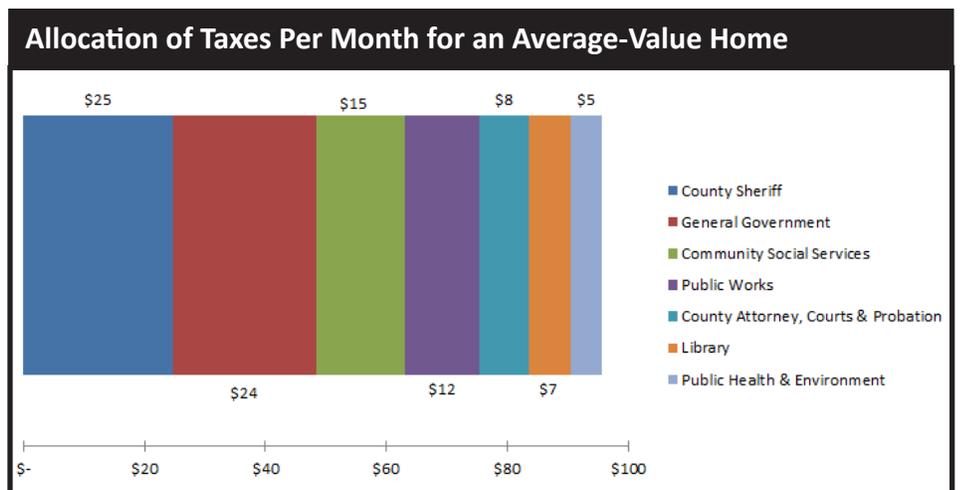
The 2015 Budget also reflects the use of \$700,000 in Capital Reserves for the Next Generation Phone System that will be paid with existing 911 fees that have been set aside in preparation of this purchase.

### How tax dollars are used

In 2015, owners of an average-valued home (a home valued at \$294,100) paid \$1,149 a year, or approximately \$96 a month, in County taxes.

The **Allocation of Taxes Per Month for an Average-Value Home Chart** indicates the breakdown of how those taxes were allocated in 2015. The largest allocations are for the County Sheriff, General Government, and Social Services.

2014-2015 Budget Comparison		
	2014 Budget	2015 Budget
<b>Revenue</b>		
Tax Levy:		
County	47,546,920	49,861,920
Carver County Water Management Organization	556,984	575,498
Carver County Rail Authority	120,000	120,000
Special Assessments and Other Taxes & Penalties	1,754,963	1,754,963
Licenses and Permits	891,430	946,924
Intergovernmental	63,081,234	24,268,319
Charges for Services	11,285,231	11,866,348
Fine and Forfeits	230,634	225,586
Interest on Investments	2,148,661	1,644,661
Miscellaneous	34,426,616	2,554,731
<b>Total Revenues</b>	<b>162,042,673</b>	<b>93,818,950</b>
<b>Expenditures</b>		
General Government	18,576,327	19,367,770
Public Safety	18,805,924	19,192,141
Highway and Streets (excluding construction)	6,355,537	6,740,804
Human Services	20,147,629	20,757,161
Health	2,336,592	2,391,397
Culture and Recreation	4,769,097	5,222,806
Conservation of Natural Resources	3,242,768	3,413,432
Street and Highway Construction	77,401,214	6,361,998
Capital Outlay (includes buildings)	3,209,350	3,790,206
Debt Service- Principal	4,890,690	4,351,500
Interest and Fiscal Charges	1,022,175	1,461,365
Transfers Out	1,605,370	1,468,370
<b>Total Expenditures</b>	<b>162,362,673</b>	<b>94,518,950</b>
<b>Capital Reserves Used</b>	320,000	700,000



# Budget reflects strategy to reduce tax impact on homeowners

The 2015 property tax levy of \$49,861,920 set by the County Board is an increase of \$2,315,000 (4.9%) from the 2014 levy. The levy increase captured the new construction tax base as well as the tax base from decertifying a large Tax Increment Financing (TIF) District in Chaska.

The 2015 Adopted Budget reinforced the Board's ongoing strategy to reduce the tax impact on the average-value home. The **County Property Taxes on Average-Value Home Chart** shows how the County's portion of the property tax bill on an average-value home has decreased or remained the same since 2009. It also shows how the average-home value decreased from 2009-2013 and now has increased to \$294,100 in 2015.

**2015 Actual Revenue Sources:** The Certified Property Tax Levy is the primary funding source for the County budget, and the source of revenue over which the County has the most control.

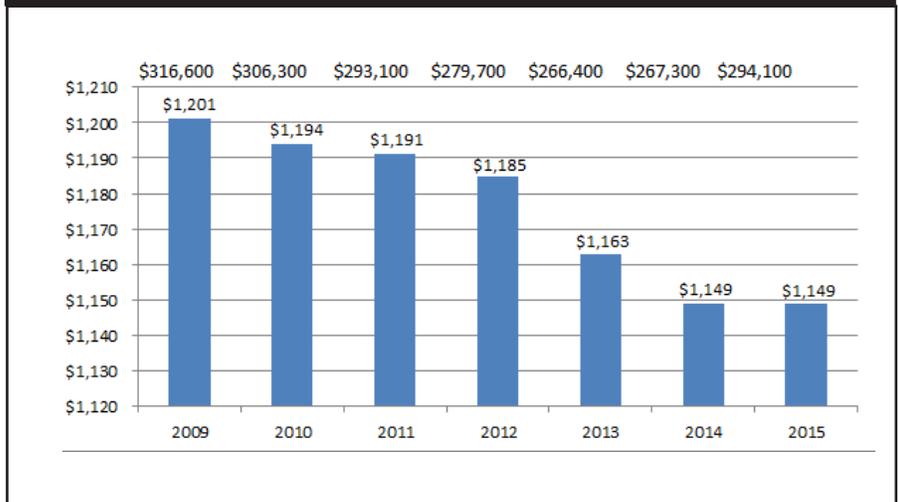
The preliminary levy for the following year is set by the County Board in September, and the levy is adopted in December. Once established, the property tax levy cannot be increased during the year. The County's annual budget includes the amount of property taxes levied for the year and estimated penalty fees.

In 2015, a combination of property taxes and special assessments comprised 48.8% of all revenue sources, as shown in the **2015 Revenue Sources Chart**.

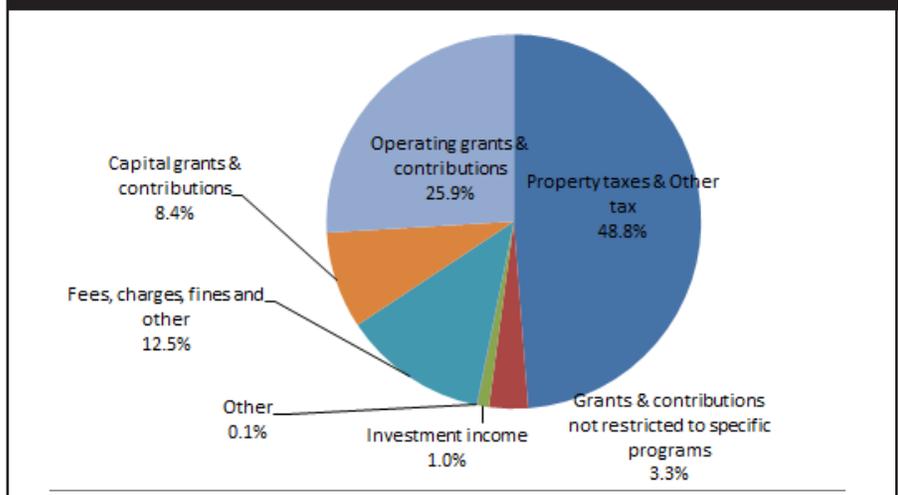
**2015 Actual Expenses:** The County classifies expenses by function for General Government, Public Safety, Highways and Streets, Human Services, Health, Culture and Recreation, Conservation of Natural Resources, and Interest.

As the **2015 Expenses Chart** indicates, Human Services had the largest amount of expenses in 2015, comprising 26.9% of the total, followed by Public Safety at 24.9%, General Government at 17.4%, and Highways and Streets at 15.6%.

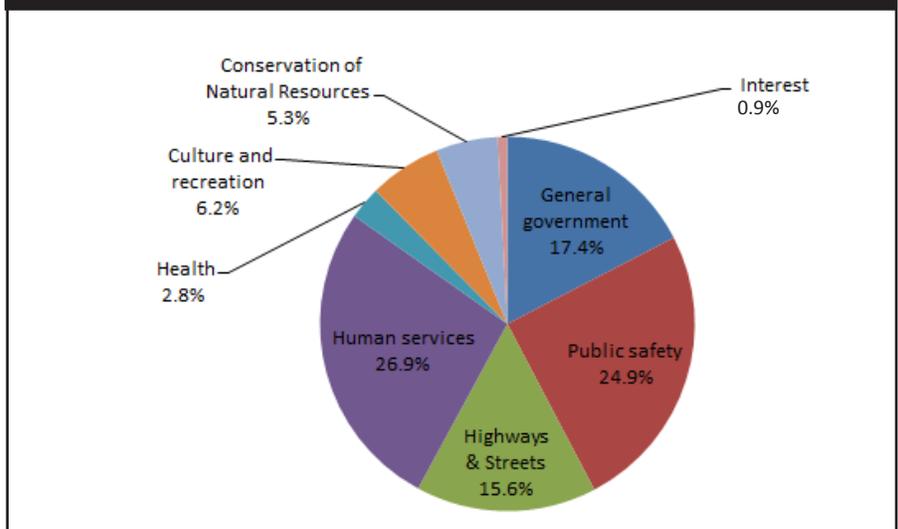
**County Property Taxes on Average-Value Home**



**2015 Revenue Sources**



**2015 Expenses**



# Statements reflect County's net position, financial activity, total debt

## Statement of Net Position

The County's Statement of Net Position offers a summary of what the County owns (assets) and owes (liabilities) to provide a snapshot of the financial health of the County in any given year. As in past years, the assets of Carver County have exceeded its liabilities at the close of the most recent fiscal year. The following is a summary of the County's Statement of Net Position. It can be found in much more detail in the 2015 Comprehensive Annual Financial Report (CAFR).

2015		2014, restated	
Assets	\$368,218,201	Assets	\$335,313,235
Deferred Outflows of Resources	6,151,297	Deferred Outflows of Resources	1,665,916
Liabilities	(94,731,791)	Liabilities	(84,733,107)
Deferred Inflows of Resources	(3,798,023)	Deferred Inflows of Resources	-
<b>Net Position</b>	<b>\$275,839,684</b>	<b>Net Position, as restated</b>	<b>\$252,246,044</b>

The largest portion of the County's net position (84% or \$231,830,246 in 2015) reflects the County's net investment in capital assets (i.e. infrastructure, land, buildings, machinery and equipment) less any related debt used to acquire those assets that is still outstanding. Approximately 8 percent of Carver County's net position (\$20,748,412) represents resources that are subject to external restrictions on how they may be used. These restrictions are imposed by grantors, contributors, laws, and governmental regulations and restrictions. Approximately 8% of the remaining balance of net position (\$23,261,026 unrestricted) may be used to meet the government's ongoing obligations to citizens and creditors.

## Statement of Activities

The County's Statement of Activities reflects all of the financial activity for the County during the fiscal year. It presents information to show how the County's net position changed during the year as a result of the financial activity (i.e. revenues and expenses). This is a summarized version of the more detailed Statement of Activity found in the 2015 CAFR.

2015		2014, restated	
Revenues	\$111,384,674	Revenues	\$136,739,466
Expenses	(87,791,034)	Expenses	(120,386,607)
Net Position, beginning of year, restated	\$252,246,044	Net Position, beginning of year	\$235,893,185
Net Position, end of year	\$275,839,684	Net Position, end of year, restated	\$252,246,044
<b>Change in Net Position</b>	<b>\$23,593,640</b>	<b>Change in Net Position</b>	<b>\$16,352,859</b>

County revenues decreased in 2015 mainly because in 2014 the County received federal and state money for the Southwest Reconnection Project. The County's total net position increased by \$23,593,640 from the end of Fiscal Year 2014 to the end of Fiscal Year 2015. This increase was primarily the result of an increase in capital assets largely funded by non-County dollars, such as Lake Minnewashta Park, Southwest Reconnection Project, and other road projects.

## Outstanding Net Total Debt

2015		2014	
General Obligation Bonds	\$25,117,349	General Obligation Bonds	\$28,146,667
General Obligation Notes Payable	13,439,062	General Obligation Notes Payable	-
Loans	878,319	Loans	1,051,707
Compensated Absences	5,133,691	Compensated Absences	5,503,833
<b>Total</b>	<b>\$44,568,421</b>	<b>Total</b>	<b>\$34,702,207</b>

As this summary of outstanding debt illustrates, the County's total debt increased by \$9,866,214 during the 2015 fiscal year, which is a 28% increase. The General Obligation (GO) Bond category decrease relates to principal payments made during the year. The General Obligation Notes Payable relates to the Southwest Reconnection Project. This is a note that was issued through the Minnesota Public Facilities Authority (MPFA). There was a reduction in the Loans Payable balance due to the repayment of loans to the State being larger than the loans issued during the year. There was an decrease to Compensated Absences during 2015, which consists of earned but unpaid accumulated annual vacation or paid time off (PTO) and sick leave balances that an employee is eligible to receive upon termination. The 2015 CAFR offers information on outstanding debt in greater detail. **Note: The 2015 CAFR and other financial publications can be accessed at [www.co.carver.mn.us/departments/property-financial-services/financial-services](http://www.co.carver.mn.us/departments/property-financial-services/financial-services).**

# Financial outlook remains stable as County proceeds with projects

## County remains financially healthy

Carver County has retained its AAA bond rating, the highest rating possible, as it continues sound financial practices. The budget set in 2015 marked the eleventh consecutive year that the County achieved the Board's goal of setting a budget that reduced or flat-lined the County's tax impact on the average-value home.

## Public Works projects improve traffic flow

The Public Works Division took the lead in managing the project delivery and design effort of the Southwest Reconnection Project. The scope of the \$54 million project included construction of a



4,200-foot-long, four-lane bridge over the floodplain of the Minnesota River, a bike trail, a roundabout at the "Y" intersection of the two highways, and additional improvements along County Highway 61. Construction work on the bridge (pictured on the cover of this report) began in 2014, and the new bridge was opened to traffic in November of 2015. Funding for the project included approximately \$22 million from the MnDOT Flood Mitigation Program. Local Road Improvement Program and County Turn-Back funds from the state and funding from Carver County, Scott County, and the City of Chanhassen have also been used to finance the project.

In addition, Public Works completed the County Road 10 Bridge in Watertown, the County Road 40 Bridge over Bevens Creek, two township bridges, and the reconstruction of County Road 10 from Waconia to Highway 7 in 2015. The division also completed eight miles of paving overlays, 31 miles of crack sealing, and 30 miles of road seal coating to improve road conditions and traffic flow on County roads.

## County begins Resilient Communities Project

Carver County was selected as the partner community by the University of Minnesota's Resilient Communities Project. The partnership brings the expertise of university staff and students to work on community-identified projects. The County submitted the winning application for the 2015-2016 program in partnership with the Cities of Victoria, Chaska, and Watertown, the Carver County Community Development Agency, Eastern Carver County Independent School District 112, Carver County Historical Society, and SouthWest Transit.

## New website easier to navigate

The County launched a new website at the end of 2015. The new site at [www.co.carver.mn.us](http://www.co.carver.mn.us) contains more news features, online services, interactive maps and calendars. Residents are able to pay property taxes and fines online, reserve campgrounds, purchase park permits, search land records information, research and apply for County jobs, report crimes, and sign up for email notifications on County events, projects and job openings. A new online Service Request feature allows residents to make and track service requests to the Public Works Division.

## CCWMO earns 'Top Performer' status

The County received high marks and was recognized as a "Top Performer" by the State in a 2015 performance review of the Carver County Water Management Organization (CCWMO). The organization was held up as an example statewide in delivery of water management.

## Improvements made to Lake Minnewashta Park

Roads and parking lots were reconstructed and paved as part of improvements to Lake Minnewashta Regional Park in 2015. In addition to maintaining the County's three regional parks and its trail systems, the Parks Department offered more than 200 outdoor recreation programs in 2015 including day camps, archery, maple syrup demonstrations, biking, camping, and star gazing at the Onan Observatory.

## Library opens new facilities

Carver County held a ribbon cutting for its newest library, the library in Victoria, on March 7, 2015. The Victoria Library is a new concept for Carver County with a small footprint, flexible spaces, and a focus on technology. The Carver Express Library, a collaboration with the City of Carver and SouthWest Transit, opened in January of 2015.

## Assistant County Veterans Services Officer hired

Veterans Services is seeing rapid growth in the number of veterans utilizing its services. The County created the position of Assistant County Veterans Service Officer in 2015 to meet the growing demand and serve local veterans. The position was filled by Paul Thorn, who will work with Veterans Services Officer Dan Tengwall.

## Public Health leads ACT on Alzheimer's

Through leadership and coordination from the Public Health Department, the City of Chanhassen developed an ACT on Alzheimer's Action Team to make the city a dementia-friendly community, a first for Carver County communities.

### **County ranks No. 1 for health outcomes**

Carver County ranked first in health outcomes among all Minnesota counties for the third consecutive year, according to the 2015 County Health Rankings report released by the Robert Wood Johnson Foundation and the University of Wisconsin Population Health Institute.

### **Child Protection staff promotes Signs of Safety**

Four of the County's Child Protection staff members were keynote speakers at the Signs of Safety World Conference held in Chaska in October of 2015. Carver County has seen a drop in the number of out-of-home placements of children since it started the Signs of Safety program, and the County's Child and Family Department continues to be a leader in promoting safety-organized child protective services.

### **Public Health receives national recognition**

The Public Health Department received national recognition for being awarded Healthy Families America Home Visiting Accreditation with Metro Alliance for Healthy Families Partners. The first time a group like this in Minnesota has received such accredited status.

### **Master Recycler/Composter classes begin**

Carver County and Scott County worked in partnership to offer the two-county region's first Master Recycler/Composter program in 2015. A total of 25 volunteers participated in the seven-week course. To be certified as a Master Recycler/Composter, each volunteer must spend at least 30 hours inspiring action throughout the community.

### **Child support collection rate ranks No. 1 in Metro**

Carver County's Child Support Team achieved a Support Collection rate of 79.47% in 2015. This rate was the highest collection rate of any of the seven counties in the Metro Region.

### **Recycling practices increase in the County**

The Environmental Center collected materials from more than 32,000 visitors in 2015, a 30% increase over the 2014 participation level. The Environmental Services Department provided resources for two local school districts to establish recycling and organics composting programs in 2015. The program now reaches a total of 14,600 students and staff members. Environmental Services has long advocated for State legislated paint product stewardship. In 2015, the State enacted a law and the County received its first reimbursement for 50% of paint recycling costs.

### **County creates new AIS program coordinator position**

The County created a new position to coordinate its Aquatic Invasive Species (AIS) Management Program. The County was one of three recipients statewide of Lessard Sams Outdoor Heritage Council's Initiative Foundation grant funds. Those funds will be used to support the AIS program.



Government Finance Officers Association

## **Award for Outstanding Achievement in Popular Annual Financial Reporting**

Presented to

**Carver County  
Minnesota**

For its Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2014**

A handwritten signature in black ink, reading 'Jeffrey R. Emer'.

Executive Director/CEO

### **GFOA Award given for Popular Report**

The Government Finance Officers Association of the United States and Canada (GFOA) has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to Carver County for its Popular Annual Financial Report for the fiscal year ended Dec. 31, 2014. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports.

In order to receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a government unit must publish a Popular Annual Financial Report in which the contents conform to program standards of creativity, presentation, understandability and reader appeal. An Award for Outstanding Achievement in Popular Annual Financial Reporting is valid for a period of one year only. Financial Services staff believe the current report continues to conform to the Popular Annual Financial Reporting requirements and is submitting it to GFOA for review.

# Popular Annual Financial Report

## About This Report

This type of community report is referred to as a Popular Annual Financial Report (PAFR) since it is designed to give the populace a general, less technical summary of county government and its financial condition. This report was produced in June of 2016 for the fiscal year ended Dec. 31, 2015.

This PAFR was produced by Carver County using in-house resources. A limited number of copies have been printed on recycled paper and are available at the Carver County Government Center.

Taxpayers are encouraged to view the online edition of this report by visiting the Financial Services Department on the Carver County website [www.co.carver.mn.us](http://www.co.carver.mn.us).

Carver County is an equal opportunity employer. Our staff welcomes your questions and comments. Please call the Financial Services Department at 952-361-1506 if you would like more information or have questions.

## Carver County Financial Documents On The Web

[www.co.carver.mn.us/departments/property-financial-services/financial-services](http://www.co.carver.mn.us/departments/property-financial-services/financial-services)



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