

**ISANTI**



**COUNTY**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2008**

**ISANTI COUNTY  
CAMBRIDGE, MINNESOTA**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2008**

**ISANTI COUNTY  
CAMBRIDGE, MINNESOTA**

PREPARED BY:

ISANTI COUNTY AUDITOR-TREASURER DEPARTMENT

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**ISANTI COUNTY  
CAMBRIDGE, MINNESOTA**

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**ISANTI COUNTY  
CAMBRIDGE, MINNESOTA**

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## **INTRODUCTORY SECTION**

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**ISANTI COUNTY  
CAMBRIDGE, MINNESOTA**

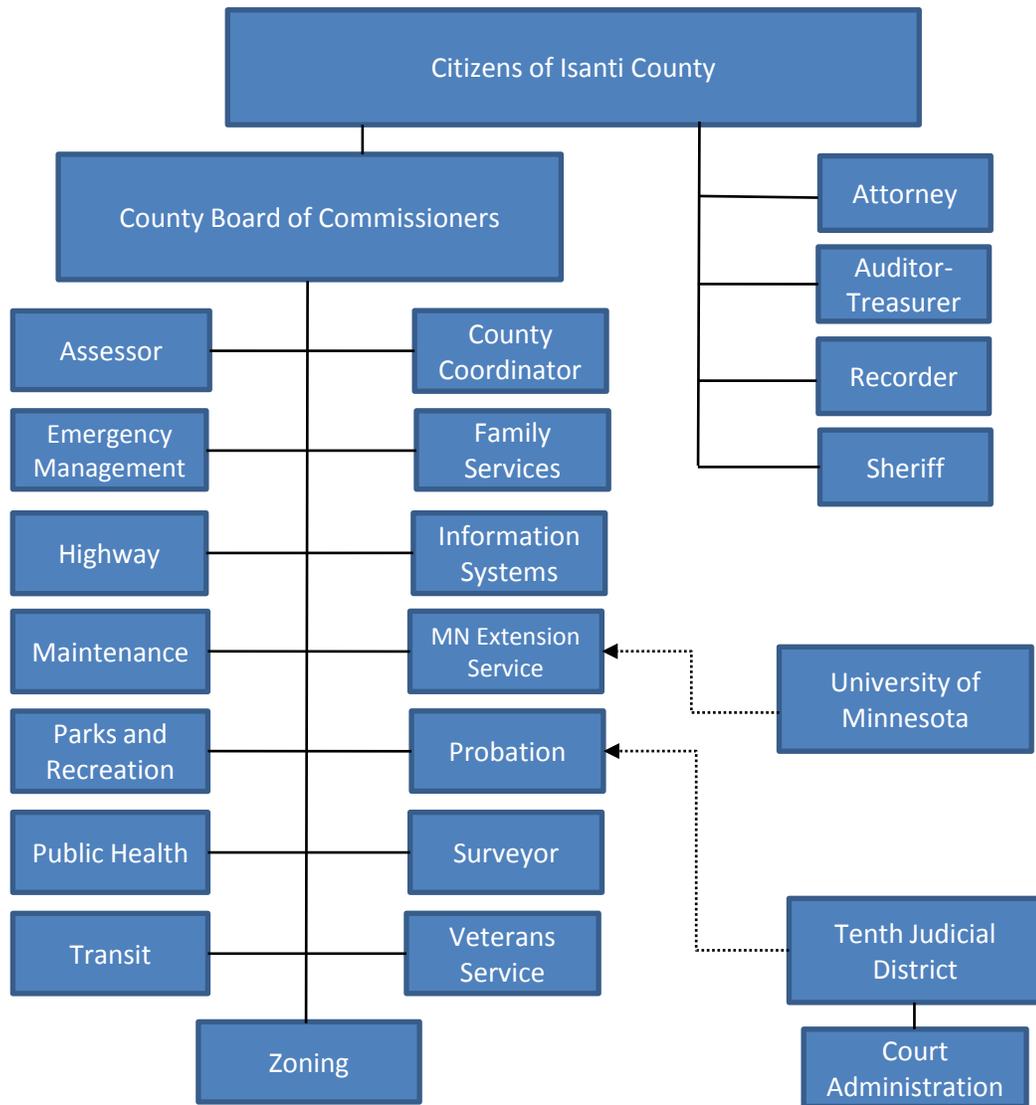
**PRINCIPAL OFFICIALS  
DECEMBER 31, 2008**

Office	Name	Term Expires
<b>Elected</b>		
<b>Commissioners</b>		
District 1	George I. Larson**	January 2011
District 2	Larry L. Southerland	January 2009
District 3	Tom Pagel	January 2009
District 4	Kurt Daudt	January 2009
District 5	Susan Morris	January 2011
Attorney	Jeffrey R. Edblad	January 2011
Auditor-Treasurer	Terry F. Treichel	January 2011
Recorder/Registrar of Titles	Karen D. Anderson	January 2011
Sheriff	Mike Ammend	January 2011
<b>Appointed</b>		
Assessor	Michelle Bolen	December 2012
Building Facilities Supervisor	Tom Schibilla	Indefinite
County Coordinator	Jerry T. Tvedt	Indefinite
Court Administrator	Susan A. LaBore	Indefinite
Emergency Management Director	Mari DeLage	Indefinite
Family Services Director	Kevin VanHooser	Indefinite
Information Services Manager	Kristy Anderson	Indefinite
Highway Engineer	Richard Heilman	April 2010
Parks and Recreation Director	Barry Wendorf	Indefinite
Probation Director	Tim MacMillan	Indefinite
Public Health Director	Kathy Minkler	Indefinite
Surveyor	Don E. Hansen	February 2011
Transit System Director	Jacqueline S. Forner	Indefinite
Veterans Service Director	Jim Rostberg	February 2010
Zoning Administrator	Tim Anderson	Indefinite

\*\* - Chair of the Board of Commissioners

**ISANTI COUNTY  
CAMBRIDGE, MINNESOTA**

**ORGANIZATIONAL CHART  
DECEMBER 31, 2008**





## **Isanti County Auditor-Treasurer**

**Terry F. Treichel**

Phone (763) 689-1644  
(763) 689-1781  
Fax (763) 689-8210

Government Center  
555 18<sup>th</sup> Avenue Southwest  
Cambridge, Minnesota 55008-9386

**DATE:** June 26, 2009

**TO:** The Citizens of Isanti County  
The Board of County Commissioners

**SUBJECT:** 2008 Comprehensive Annual Financial Report

This Comprehensive Annual Financial Report of Isanti County is submitted for the fiscal year ended December 31, 2008. This report was prepared by the Auditor-Treasurer department with assistance from various other County departments. The responsibility for the accuracy of the presented data and completeness and fairness of the presentation, including all disclosures, rests with County management. This report conforms to generally accepted accounting principles (GAAP) as set forth in the pronouncements of the Governmental Accounting Standards Board (GASB).

GAAP requires 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. Isanti County's MD&A can be found immediately following the independent auditor's report.

The County is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and the United States Office of Management and Budget Circular A-133 "Audits of States, Local Governments, and Non-Profit Organizations."

Copies of this report will be sent to elected officials, county management, bond rating agencies, financial institutions, government agencies, and others that have expressed an interest in the County's financial affairs.

### **GENERAL INFORMATION**

Isanti County is located in East Central Minnesota approximately 40 miles north of the Minneapolis-St. Paul metropolitan area. The County encompasses an area of 440 square miles and contains 3 cities and 13 townships. With an estimated population of 38,881, the County is the 25<sup>th</sup> most populous county in Minnesota. The County was organized on February 13, 1857, and is governed by the general laws of the State of Minnesota.

The Isanti County Board of Commissioners consists of five commissioners elected from five districts within the County. All commissioners serve overlapping four-year terms of office. Each member of the board serves on various committees.

Until January 2009, the County Board appointed a County Coordinator. The Coordinator served as the clerk of the County Board and was responsible for the preparation of the County's annual budget.

In January 2009, the County Board created the appointed position of County Administrator. The County Administrator carries out the functions of the County Coordinator, including preparation of the annual budget, but is also responsible for the supervision of the County's non-elected department heads and administration of the County Board's policies.

The County's functions and employees are divided among 19 departments. After the combination of the Auditor and Treasurer offices in early 2008, four of these departments (Attorney, Auditor-Treasurer, Recorder, and Sheriff) are currently managed by elected department heads. The remaining department heads are appointed by the County Board with the exception of the Probation Director who is appointed by the State of Minnesota Tenth Judicial District.

The County provides a full range of services. These services include health and social service programs, tax assessment and collection, judicial, law enforcement and jail services, the construction and maintenance of highways and infrastructure, parks and recreational areas, planning and zoning, and general administrative services.

## ECONOMIC CONDITION AND OUTLOOK

The County continues to have a positive economic condition and outlook. The County remains one of the fastest growing counties in Minnesota with an estimated population increase of 26% over the past decade. This population growth is driven by the availability of affordable land and low housing costs as well as the close proximity to the Minneapolis-St. Paul metropolitan area.

Of course, the County's economy is not immune to the numerous economic challenges facing the nation. For example, the County experienced the highest foreclosure rate in the state for 2008. In addition, the County's unemployment rate has been higher than both state and national averages for the last three years.

As a result of these challenges, the County has undertaken various initiatives to help ensure the area's long-term economic health. In 2007, the Isanti County Economic Development Authority was created to encourage and financially support economic development, contribute to diversification of the tax base, and increase employment opportunities in the County. The County's two largest cities, Cambridge and Isanti, also have active economic development authorities.

The County also stands to potentially benefit from two different mass transit rail projects. One of these projects, a passenger rail line connecting the Minneapolis-St. Paul and Duluth-Superior metropolitan areas is in the planning stages and includes a proposed station located within the County. The other project, the Northstar Commuter Rail that connects Minneapolis to its northwest suburbs, will not run through the County. However, the rail line is likely to create a positive economic impact throughout the area north of Minneapolis, including Isanti County.

## FINANCIAL INFORMATION

Isanti County's strong financial management continues to provide the citizens of the County with several initiatives designed to enhance its strong financial position: (1) investing funds not immediately needed for expenditures to maximize non-tax revenue; (2) allocating County resources to those areas that meet community needs as expressed by the County Board of Commissioners; (3) using advice and recommendations from the general public to improve productivity in the delivery of County services.

## BUDGETARY CONTROL

Budgetary control is maintained at the department level and is subject to periodic review by the County Board. Significant open encumbrances are reported as reservations of fund balance.

In addition, the County maintains other budgetary controls. The objective of these budgetary controls is to ensure compliance with provisions embodied in the annual appropriated budget approved by the County Board. Activities of the General Fund, the Human Services Special Revenue Fund, the Road and Bridge Special Revenue Fund and the Debt Service Fund are included in the annual appropriated budget. Project length financial plans are adopted for the Capital Project Fund. According to state laws, County governments are required to adopt budgets but are not required to use them as legal limits.

## INTERNAL CONTROL

The County's system of internal control is supported by policies and procedures that are continually reviewed, evaluated, and modified to meet current needs.

In developing and evaluating the County's accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition, and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived, and (2) the evaluation of costs and benefits requires estimates and judgements by management.

All internal control evaluations occur within the above framework. We believe that the County's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

## SINGLE AUDIT

As a recipient of federal, state, and local financial assistance, the County is responsible for ensuring that adequate internal controls are in place to ensure compliance with applicable laws and regulations related to those programs. These internal controls are subject to periodic review by management.

The Office of Management and Budget (OMB) Circular A-133 sets forth the audit requirement for local governments receiving federal awards. It provides for a single independent audit of the financial operations including compliance with certain provisions of federal laws and regulations. The requirements have been established to ensure audits are made on an organizational-wide basis rather than a grant-by-grant basis.

## INDEPENDENT AUDIT

Minnesota state statutes require an annual audit of the books of account, financial records, and transactions of the County by the Office of the State Auditor. In addition to meeting the requirements set forth in state statutes, the audit is designed to meet the requirements of the federal Single Audit Act Amendments of 1996 and related OMB circular A-133. These requirements have been complied with and the independent auditor's report has been included in this report.

The Office of the State Auditor will issue management and compliance letters covering the review made as part of its audit of the County's system of internal control and compliance with applicable legal provisions. The management and compliance letters will not modify or affect, in any way, their report on the financial statements.

## ACKNOWLEDGEMENTS

Finally, I wish to acknowledge the professional contribution and hard work put forth by the entire staff in the Auditor-Treasurer's office throughout the year and during the preparation of this report. A special thank you is extended to the accounting staff in the Family Services, Highway, and Public Health departments for their contributions to this report. Finally, I especially would like to thank the County Board of Commissioners for their interest and support in planning and conducting the County's financial activities in a responsible and progressive manner. The County's solid financial status is a tribute to that involvement.

Sincerely,



Terry F. Treichel  
Isanti County Auditor-Treasurer

## **FINANCIAL SECTION**

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REBECCA OTTO  
STATE AUDITOR

# STATE OF MINNESOTA

## OFFICE OF THE STATE AUDITOR

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(651) 296-4755 (Fax)  
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1-800-627-3529 (Relay Service)

### INDEPENDENT AUDITOR'S REPORT

Board of County Commissioners  
Isanti County

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Isanti County, Minnesota, as of and for the year ended December 31, 2008, which collectively comprise the County's basic financial statements. These financial statements are the responsibility of Isanti County's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Isanti County as of December 31, 2008, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis and the required supplementary information listed in the table of contents are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Isanti County's basic financial statements. The supplementary information listed as combining and individual fund statements and supplementary information in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 18, 2009, on our consideration of Isanti County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.



REBECCA OTTO  
STATE AUDITOR



GREG HIERLINGER, CPA  
DEPUTY STATE AUDITOR

June 18, 2009

**ISANTI COUNTY  
CAMBRIDGE, MINNESOTA**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended December 31, 2008  
(Unaudited)**

As management of Isanti County, we offer readers of the County's financial statements this narrative overview and analysis of the County's financial activities for the fiscal year ended December 31, 2008. We encourage readers to consider the information presented here in conjunction with additional information that has been furnished in the letter of transmittal, which can be found in the introductory section of this report. All amounts, unless otherwise indicated, are expressed in whole dollars.

**FINANCIAL HIGHLIGHTS**

- The assets of Isanti County exceeded its liabilities by \$66,815,239 at the end of 2008. Of this amount, \$8,968,479 (13.4%) is available to finance the County's day-to-day operations and ongoing obligations to citizens and creditors.
- The County's total net assets increased by \$1,508,182 during 2008. This is an increase of 2.3% from the previous year.
- The governmental funds' combined fund balances increased \$1,555,117 in 2008 primarily as a result of the receipt of bond proceeds for future capital projects.
- The County's capital assets increased \$1,864,750 (3.0%) as the County completed construction projects relating to County roads and a transit facility.
- The County's total debt increased \$1,476,999 (15.5%) due to the issuance of capital improvement bonds.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to Isanti County's basic financial statements. The County's basic financial statements consist of three parts: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report 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 Isanti County's finances in a manner similar to a private-sector business.

The Statement of Net Assets presents information on all of the County's assets and liabilities, with the difference being reported as net assets. Over time, increases or decreases in the County's net assets may serve as a useful indicator of whether its financial position is improving or deteriorating.

The Statement of Activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets 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 expenditures 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).

The County's government-wide financial statements report functions of the County principally supported by taxes and intergovernmental revenue. These functions are collectively referred to as governmental activities. The governmental activities of the County include general government, public safety, highways and streets, human services, health, culture and recreation, conservation of natural resources, and economic development.

The government-wide financial statements include not only Isanti County itself (known as the primary government), but also legally separate entities known as the Green Lake Improvement District and the Long Lake Improvement District. Although legally separate, these entities are fiscally dependent on Isanti County. Financial information for these discretely presented component units is reported separately from the financial information presented herein for the primary government itself.

The government-wide statements can be found on pages 26 and 28 of this report.

### **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. Isanti County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with financial-related legal requirements. All of the funds of the County can be divided into two categories: governmental funds and fiduciary 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 financial requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar

information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's short-term financial decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance are followed by a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Isanti County maintains eight individual governmental funds. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance for the five major funds: General Fund, Road and Bridge Special Revenue Fund, Human Services Special Revenue Fund, Debt Service Fund, and Capital Projects Fund. Data from the other governmental funds are combined into a single, aggregated presentation.

The basic governmental fund financial statements can be found on pages 30 through 36 of this report.

Fiduciary Funds are used to account for assets held for the benefit of external parties. Isanti County's fiduciary funds consist of three agency funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve the results of operations. Data from the agency funds are combined into a single, aggregated presentation. In addition, the agency funds are not reflected in the government-wide financial statements because those resources are not available to support the County's own programs.

The basic fiduciary fund financial statement can be found on page 37 of this report.

### **Notes to the Financial Statements**

The notes to the financial statements provide additional information that is essential for 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 41 through 76 of this report.

### **Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information on the budgets for the General Fund, Human Services Special Revenue Fund, and the Road and Bridge Special Revenue Fund. Required supplementary information can be found on pages 79 through 86 of this report.

This report also presents other supplementary information including the combining statements and schedules as well as information on the County's taxes and intergovernmental revenue. This other supplementary information can be found on pages 89 through 102 of this report.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, the change in net asset amounts may serve as a useful indicator of a government's financial position over time. Isanti County's assets exceeded liabilities by \$66,815,239 at the close of 2008.

### Isanti County's Net Assets

	Governmental Activities	
	2008	2007
Current and other assets	\$ 17,403,659	\$ 15,509,440
Capital assets	64,125,274	62,260,524
Total Assets	\$ 81,528,933	\$ 77,769,964
Long-term liabilities	\$ 12,773,961	\$ 10,687,642
Other liabilities	1,939,733	1,775,265
Total Liabilities	\$ 14,713,694	\$ 12,462,907
Net Assets		
Invested in capital assets, net of related debt	\$ 54,446,421	\$ 52,831,962
Restricted	3,400,339	1,948,487
Unrestricted	8,968,479	10,526,608
Total Net Assets	\$ 66,815,239	\$ 65,307,057

The largest portion of Isanti County's net assets, \$54,446,421 (81.5% of total net assets), reflects the County's investment in capital assets (e.g. land, buildings, infrastructure, and equipment) less any outstanding debt used to acquire those assets. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the investment in 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.

The restricted net asset amount of \$3,400,339 (5.1%) represents resources whose use is restricted by external requirements such as debt covenants and legislation. The unrestricted net asset amount of \$8,968,479 (13.4%) may be used to meet the County's ongoing obligations to citizens and creditors.

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

During the current fiscal year, Isanti County's net assets increased by \$1,508,182. This represents a 2.3% increase from the previous year's net assets. This increase is primarily due to the acquisition of capital assets including the completion of building and highway construction

projects. Other factors that led to the increase include a increase in property tax revenue and the receipt of additional capital grant revenue.

### Isanti County's Change in Net Assets

	Governmental Activities	
	2008	2007
Revenues		
Program revenues		
Fees, fines, and charges	\$ 3,797,738	\$ 4,191,915
Operating grants and contributions	11,357,076	11,049,266
Capital grants and contributions	1,823,365	1,514,686
General revenues		
Property taxes	13,852,738	12,573,581
Other taxes	187,179	114,486
Grants not restricted to specific programs	2,724,515	2,960,026
Investment earnings	456,703	664,535
Miscellaneous	-	13,000
Total Revenues	\$ 34,199,314	\$ 33,081,495
Expenses		
General government	\$ 6,620,404	\$ 6,025,655
Public safety	7,082,556	6,511,479
Highways and streets	3,565,275	3,282,783
Human services	11,613,036	11,106,826
Health	1,354,755	1,107,556
Culture and recreation	622,107	659,006
Conservation of natural resources	314,305	267,419
Economic development	1,116,949	944,630
Interest	401,745	383,033
Total Expenses	\$ 32,691,132	\$ 30,288,387
Increase in Net Assets	\$ 1,508,182	\$ 2,793,108

In general, the increase in the County's total expenses reflects inflation and growth in the demand for County services. The governmental function experiencing the largest percentage increase in expenses was health which increased 22.3% from 2007 to 2008.

### FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

#### Governmental Funds

The focus of the County's governmental funds is to provide information on short-term inflows,

outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$13,190,689. This is a increase of \$1,555,117 (13.4%) in comparison with the prior year. Unreserved fund balance of \$11,598,335 is available for spending at the County's discretion. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed for various reasons.

The General Fund is the chief operating fund of Isanti County. At the end of the current fiscal year, it has an unreserved fund balance \$3,655,617, while total fund balance reached \$4,675,777. As a measure of the General Fund's liquidity, it may be useful to compare unreserved fund balance and total fund balance to total expenditures. The General Fund unreserved balance represents 22.3% of total General Fund expenditures, while total fund balance represents 28.5% of the same amount.

The General Fund's total fund balance increased by \$70,388 (1.5%) during 2008. One reason for this increase was an increase in the General Fund portion of the property tax levy from the previous year. The additional revenue from property taxes was necessary to compensate for significant declines in revenue from licenses and permits as well as investment income.

The General Fund also received a transfer of \$605,000 from the Capital Projects Fund. This transfer represents reimbursement for capital expenditures previously incurred by the General Fund during the renovation of the Oakview Office Complex and other capital projects.

This increase in available General Fund resources was partially offset by the purchase of several capital items. During the year, the County expended \$504,308 from the General Fund on capital acquisitions including enhancements to the 911 system, a transit bus, and sheriff vehicles.

The Road & Bridge Special Revenue Fund's unreserved fund balance of \$941,563 at year end represents 17.5% of the fund's annual expenditures. In 2008, the total fund balance increased \$15,622 (1.1%) as the County obtained sufficient revenue from property taxes and state allotments to finance its road construction and maintenance operations.

The Human Services Special Revenue Fund's unreserved fund balance of \$4,480,000 at year end represents 39.3% of the fund's annual expenditures. In 2008, the total fund balance decreased \$16,297 (0.4%). This minor decrease reflects a slight reduction in the property tax levy for human services.

The Debt Service Fund had a total fund balance of \$1,352,409 at year end. In 2008, the fund balance increased \$119,788 (9.7%). This increase corresponds with additional debt service requirements due in the early part of 2009.

The Capital Projects Fund had a total fund balance of \$1,150,837 at year end. In 2008, the fund balance increased \$1,332,310 due to the receipt of bond proceeds for various capital projects. The majority of these proceeds are expected to be expended in the next fiscal year for the remodeling of the Isanti County Government Center.

**General Fund Budgetary Highlights**

During 2008, there were no changes in appropriations between the original and final amended budget.

The General Fund’s actual revenues fell short of budgeted amounts by \$450,837 in 2008. This is primarily due to a number of factors outside of the County’s control. For example, the decline in the housing market had a significant effect on the County’s related revenues such as building permits and recording fees. Similarly, the County received significantly less program aid than promised by the State of Minnesota due to the budget deficits at the state level.

However, the County managed these lower than anticipated revenue amounts by taking a conservative approach to its expenditures. For 2008, the General Fund’s actual expenditures were \$110,026 less than budgeted amounts. In order to remain under budget, the County employed numerous cost-saving mechanisms such as not filling certain vacant positions.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

Isanti County’s investment in capital assets for its governmental activities at December 31, 2008, totaled \$64,125,274 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, infrastructure, and construction in progress. The County’s investment in capital assets increased \$1,864,750 (3.0%) from the previous year.

**Isanti County’s Capital Assets  
(net of depreciation)**

	Governmental Activities	
	2008	2007
Land	\$ 4,250,517	\$ 4,116,904
Buildings	13,722,513	13,429,173
Improvements other than buildings	180,804	182,675
Machinery, furniture, and equipment	2,871,037	2,265,297
Infrastructure	42,848,731	41,202,816
Construction in progress	251,672	1,063,659
<b>Total</b>	<b>\$ 64,125,274</b>	<b>\$ 62,260,524</b>

In 2008, the major capital asset events included the following:

- The Heartland Express Transit Center opened in July 2008. The building was purchased and renovated at a total cost of \$661,322 to provide office space, storage space, and a maintenance facility for the County’s transit department.
- The County completed road construction projects at a cost of \$2,899,887, including related right-of-way purchases.
- The County purchased new vehicles for the sheriff, transit, highway and family services departments to replace older vehicles. The total cost of the new vehicles was \$229,074.

Additional information on the County’s capital assets can be found in the notes to the financial statements.

**Long-Term Debt**

At the end of 2008, Isanti County had total outstanding bonded debt of \$11,023,557 which was backed by the full faith, credit, and taxing powers of the County.

**Isanti County’s Outstanding Debt**

	Governmental Activities	
	2008	2007
General obligation bonds, net	\$ 11,023,557	\$ 9,546,558

The County’s outstanding debt increased \$1,476,999 (15.5%) during 2008. The major debt-related transactions included the following:

- The County issued \$2,155,000 in capital improvement bonds to finance a portion of the construction costs for the Isanti County Oakview Office Complex, the Heartland Express Transit Center, and the remodeling of the Isanti County Government Center.
- The County continued to make debt service payments on its other general obligation bonds. The debt service payments included \$715,000 in principal and \$343,909 in interest.

The County currently maintains an “A2” rating from Moody’s Investor Service for its general obligation debt.

Minnesota state statutes limit the amount of debt a county may levy to two percent of its total taxable market value. At the end of the current fiscal year, Isanti County’s ratio of debt to taxable market value was significantly below this limit.

Additional information on the County’s long-term debt can be found in the notes to the financial statements.

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

- The County's population continues to grow, albeit at a slower rate than in previous years. According to a State Demographic Center estimate, the County's population is 38,881 in 2007 (the latest year available).
- As indicated previously, the State of Minnesota is dealing with a significant budget deficit over the next several years. In December 2008, the state withheld \$278,157 of the County's 2008 program aid. Further cuts to county program aid are anticipated in the future.
- During its 2008 legislative session, the state legislature imposed property tax levy limitations on all counties. These levy limitations became effective for taxes payable in 2009.
- The County's average unemployment rate for 2008 was 7.0%, which is an increase from the rate of 6.0% a year ago. This compares to the state's average unemployment rate of 5.4% and national average rate of 5.8%.

All of these factors were considered in preparing the County's budget for the 2009 fiscal year.

On December 17, 2008, the Isanti County Board of Commissioners approved the 2009 budget in the amount of \$34,723,133. This budget included a net property tax levy of \$15,322,895, which represents an increase of 3.0% from the previous year's levy.

The 2009 budget reflects an expected increase in expenditures related to County roads and human services. These increases are anticipated to be funded with additional grants from the state and federal government. The County also anticipates using \$290,525 in available fund balance to offset budgeted expenditures in excess of projected revenues.

## **REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the County's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Isanti County Auditor-Treasurer, Isanti County Government Center, 555 - 18th Avenue S.W., Cambridge, Minnesota 55008. The telephone number is (763) 689-1644.

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## **BASIC FINANCIAL STATEMENTS**

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**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

**ISANTI COUNTY  
CAMBRIDGE, MINNESOTA**

***EXHIBIT 1***

**STATEMENT OF NET ASSETS  
DECEMBER 31, 2008**

<u>Assets</u>	<u>Primary Government Governmental Activities</u>	<u>Discretely Presented Component Units</u>
Cash and pooled investments	\$ 12,564,181	\$ 97,362
Petty cash and change funds	3,920	-
Departmental cash	14,393	-
Taxes receivable		
Prior - net	984,316	126
Special assessments receivable		
Prior - net	-	4,033
Noncurrent - net	5,036	-
Accounts receivable - net	167,601	-
Accrued interest receivable	90,720	-
Due from other governments	2,336,344	-
Due from component units	25,000	-
Leases receivable	-	-
Due within one year - net	75,898	-
Due in more than one year - net	191,271	-
Loans receivable		
Due within one year - net	21,095	-
Due in more than one year - net	161,094	-
Inventories	505,767	-
Prepaid items	98,534	35
Advances to component units	11,500	-
Deferred charges	146,989	-
Capital assets		
Non-depreciable	4,502,189	-
Depreciable - net of accumulated depreciation	59,623,085	51,274
<b>Total Assets</b>	<b>\$ 81,528,933</b>	<b>\$ 152,830</b>

**ISANTI COUNTY  
CAMBRIDGE, MINNESOTA**

***EXHIBIT 1  
(Continued)***

**STATEMENT OF NET ASSETS  
DECEMBER 31, 2008**

	<b>Primary Government Governmental Activities</b>	<b>Discretely Presented Component Units</b>
<b><u>Liabilities</u></b>		
Accounts payable	\$ 451,292	\$ -
Salaries payable	480,956	-
Due to other governments	340,752	-
Due to primary government	-	25,000
Contracts payable	43,345	-
Accrued interest payable	188,987	-
Deposits held for others	13,048	-
Unearned revenue	421,353	-
Advances from primary government	-	11,500
Long-term liabilities		
Due within one year	1,480,280	-
Due in more than one year	11,293,681	-
<b>Total Liabilities</b>	<b>\$ 14,713,694</b>	<b>\$ 36,500</b>
<b><u>Net Assets</u></b>		
Invested in capital assets - net of related debt	\$ 54,446,421	\$ 51,274
Restricted for		
General government	793,504	-
Public safety	125,999	-
Debt service	1,352,409	-
Capital projects	1,128,427	-
Unrestricted	8,968,479	65,056
<b>Total Net Assets</b>	<b>\$ 66,815,239</b>	<b>\$ 116,330</b>

**ISANTI COUNTY  
CAMBRIDGE, MINNESOTA**

*EXHIBIT 2*

**STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2008**

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets	
		Fees, Charges, Fines, and Other	Operating Grants and Contributions	Capital Grants and Contributions	Primary Governmental Activities	Discretely Presented Component Units
<b>Functions/Programs</b>						
<b>Primary Government</b>						
<b>Governmental activities</b>						
General government	\$ 6,620,404	\$ 1,797,427	\$ 519,566	\$ -	\$ (4,303,411)	
Public safety	7,082,556	811,549	804,935	-	(5,466,072)	
Highways and streets	3,565,275	179,541	1,318,563	1,581,677	(485,494)	
Human services	11,613,036	534,788	7,243,999	-	(3,834,249)	
Health	1,354,755	317,588	562,581	-	(474,586)	
Culture and recreation	622,107	23,161	55,314	-	(543,632)	
Conservation of natural resources	314,305	1,170	10,500	-	(302,635)	
Economic development	1,116,949	132,514	841,618	241,688	98,871	
Interest	401,745	-	-	-	(401,745)	
<b>Total primary government</b>	<b>\$ 32,691,132</b>	<b>\$ 3,797,738</b>	<b>\$ 11,357,076</b>	<b>\$ 1,823,365</b>	<b>\$ (15,712,953)</b>	
<b>Discretely Presented Component Units</b>	<b>\$ 77,323</b>	<b>\$ 67,518</b>	<b>\$ 25,525</b>	<b>\$ -</b>		<b>\$ 15,720</b>
<b>General Revenues</b>						
Property taxes					\$ 13,852,738	\$ 16,832
Mortgage registry and deed tax					90,762	-
Taxes - other					17	-
Payments in lieu of tax					96,400	-
Grants and contributions not restricted to specific programs					2,724,515	410
Investment income					456,703	-
<b>Total general revenues</b>					<b>\$ 17,221,135</b>	<b>\$ 17,242</b>
<b>Change in Net Assets</b>					<b>\$ 1,508,182</b>	<b>\$ 32,962</b>
<b>Net Assets - Beginning</b>					<b>65,307,057</b>	<b>83,368</b>
<b>Net Assets - Ending</b>					<b>\$ 66,815,239</b>	<b>\$ 116,330</b>

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

## **FUND FINANCIAL STATEMENTS**

**ISANTI COUNTY  
CAMBRIDGE, MINNESOTA**

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2008**

	<u>General</u>	<u>Road and Bridge</u>	<u>Human Services</u>
<b><u>Assets</u></b>			
Cash and pooled investments	\$ 4,645,997	\$ 1,129,666	\$ 4,234,150
Petty cash and change funds	3,920	-	-
Departmental cash	14,393	-	-
Taxes receivable			
Prior - net	570,097	116,196	229,713
Special assessments receivable			
Noncurrent - net	5,036	-	-
Accounts receivable - net	142,920	-	24,681
Accrued interest receivable	88,243	-	-
Due from other governments	585,307	800,061	950,723
Due from other funds	143,450	1,217	2,488
Due from component units	25,000	-	-
Leases receivable - net	267,169	-	-
Loans receivable - net	-	-	-
Inventories	-	505,767	-
Prepaid items	84,213	332	13,989
Advances to component units	11,500	-	-
<b>Total Assets</b>	<b><u>\$ 6,587,245</u></b>	<b><u>\$ 2,553,239</u></b>	<b><u>\$ 5,455,744</u></b>
<b><u>Liabilities and Fund Balances</u></b>			
<b>Liabilities</b>			
Accounts payable	\$ 207,308	\$ 106,226	\$ 135,183
Salaries payable	315,115	46,764	119,077
Contracts payable	-	36,994	-
Due to other funds	-	19,580	112,491
Due to other governments	147,570	6,802	167,101
Deferred revenue - unavailable	820,122	824,057	427,903
Deferred revenue - unearned	421,353	-	-
Deposits held for others	-	13,048	-
<b>Total Liabilities</b>	<b><u>\$ 1,911,468</u></b>	<b><u>\$ 1,053,471</u></b>	<b><u>\$ 961,755</u></b>
<b>Fund Balances</b>			
Reserved for			
Encumbrances	\$ 1,024	\$ 52,106	\$ -
Law library	106,463	-	-
Petty cash and change funds	3,920	-	-
Inventories	-	505,767	-
Prepaid items	84,213	332	13,989
Advances to component units	11,500	-	-
Missing heirs	11,381	-	-
Recorder's equipment	388,265	-	-
Land records compliance	254,581	-	-
DARE program	32,086	-	-
Permit to carry program	63,748	-	-
Sheriff's forfeited property	30,165	-	-
Attorney's forfeited property	32,814	-	-
Unreserved			
Designated for township parks	192,449	-	-
Designated for county parks and recreation	131,294	-	-
Undesignated	3,331,874	941,563	4,480,000
Unreserved, reported in nonmajor			
Special revenue funds	-	-	-
<b>Total Fund Balances</b>	<b><u>\$ 4,675,777</u></b>	<b><u>\$ 1,499,768</u></b>	<b><u>\$ 4,493,989</u></b>
<b>Total Liabilities and Fund Balances</b>	<b><u>\$ 6,587,245</u></b>	<b><u>\$ 2,553,239</u></b>	<b><u>\$ 5,455,744</u></b>

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

**EXHIBIT 3**

<u>Debt Service</u>	<u>Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 1,341,882	\$ 1,159,763	\$ 52,723	\$ 12,564,181
-	-	-	3,920
-	-	-	14,393
68,310	-	-	984,316
-	-	-	5,036
-	-	-	167,601
-	-	2,477	90,720
-	-	253	2,336,344
704	-	-	147,859
-	-	-	25,000
-	-	-	267,169
-	-	182,189	182,189
-	-	-	505,767
-	-	-	98,534
-	-	-	11,500
<u>\$ 1,410,896</u>	<u>\$ 1,159,763</u>	<u>\$ 237,642</u>	<u>\$ 17,404,529</u>
\$ -	\$ 2,575	\$ -	\$ 451,292
-	-	-	480,956
-	6,351	-	43,345
-	-	15,788	147,859
-	-	19,279	340,752
58,487	-	184,666	2,315,235
-	-	-	421,353
-	-	-	13,048
<u>\$ 58,487</u>	<u>\$ 8,926</u>	<u>\$ 219,733</u>	<u>\$ 4,213,840</u>
\$ -	\$ -	\$ -	\$ 53,130
-	-	-	106,463
-	-	-	3,920
-	-	-	505,767
-	-	-	98,534
-	-	-	11,500
-	-	-	11,381
-	-	-	388,265
-	-	-	254,581
-	-	-	32,086
-	-	-	63,748
-	-	-	30,165
-	-	-	32,814
-	-	-	192,449
-	-	-	131,294
1,352,409	1,150,837	-	11,256,683
-	-	17,909	17,909
<u>\$ 1,352,409</u>	<u>\$ 1,150,837</u>	<u>\$ 17,909</u>	<u>\$ 13,190,689</u>
<u>\$ 1,410,896</u>	<u>\$ 1,159,763</u>	<u>\$ 237,642</u>	<u>\$ 17,404,529</u>

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**ISANTI COUNTY  
CAMBRIDGE, MINNESOTA**

*EXHIBIT 4*

**RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO  
THE GOVERNMENT-WIDE STATEMENT OF NET ASSETS--GOVERNMENTAL ACTIVITIES  
DECEMBER 31, 2008**

**Fund Balances - Total Governmental Funds (Exhibit 3) \$ 13,190,689**

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

Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds. 64,125,274

Other assets are not available to pay for current-period expenditures and, therefore, are deferred in governmental funds. 2,315,235

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds.

General obligation bonds	\$ (11,020,000)	
Other post-employment benefits liability	(472,045)	
Unamortized premium on bonds	(41,231)	
Unamortized discount on bonds	37,674	
Deferred debt issuance charges	146,989	
Accrued interest payable	(188,987)	
Compensated absences	(1,278,359)	(12,815,959)

**Net Assets of Governmental Activities (Exhibit 1) \$ 66,815,239**

**ISANTI COUNTY  
CAMBRIDGE, MINNESOTA**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>General</u>	<u>Road and Bridge</u>	<u>Human Services</u>
<b>Revenues</b>			
Taxes	\$ 8,246,512	\$ 1,659,953	\$ 2,966,779
Special assessments	1,462	-	-
Licenses and permits	347,250	-	-
Intergovernmental	4,135,587	3,548,484	7,890,746
Charges for services	1,571,897	143,139	115,078
Fines and forfeits	34,188	-	-
Gifts and contributions	119,266	-	-
Investment earnings	456,703	-	-
Miscellaneous	945,588	36,402	421,650
	<u>\$ 15,858,453</u>	<u>\$ 5,387,978</u>	<u>\$ 11,394,253</u>
<b>Expenditures</b>			
<b>Current</b>			
General government	\$ 6,130,150	\$ -	\$ -
Public safety	6,793,490	-	-
Highways and streets	-	5,177,821	-
Human services	-	-	11,410,550
Health	1,308,310	-	-
Culture and recreation	252,332	-	-
Conservation of natural resources	310,719	-	-
Economic development	1,205,384	-	-
<b>Capital outlay</b>	-	-	-
<b>Intergovernmental</b>	392,680	194,535	-
<b>Debt service</b>			
Principal	-	-	-
Interest	-	-	-
Bond issuance costs	-	-	-
Administrative (fiscal) charges	-	-	-
	<u>\$ 16,393,065</u>	<u>\$ 5,372,356</u>	<u>\$ 11,410,550</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>\$ (534,612)</u>	<u>\$ 15,622</u>	<u>\$ (16,297)</u>
<b>Other Financing Sources (Uses)</b>			
Transfers in	\$ 605,000	\$ -	\$ -
Transfers out	-	-	-
Premium on bonds issued	-	-	-
Bonds issued	-	-	-
	<u>\$ 605,000</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Net Change in Fund Balance</b>	<u>\$ 70,388</u>	<u>\$ 15,622</u>	<u>\$ (16,297)</u>
<b>Fund Balance - January 1</b>	<u>4,605,389</u>	<u>1,427,061</u>	<u>4,510,286</u>
<b>Increase (decrease) in reserved for inventories</b>	<u>-</u>	<u>57,085</u>	<u>-</u>
<b>Fund Balance - December 31</b>	<u>\$ 4,675,777</u>	<u>\$ 1,499,768</u>	<u>\$ 4,493,989</u>

**EXHIBIT 5**

<u>Debt Service</u>	<u>Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 929,654	\$ -	\$ -	\$ 13,802,898
-	-	-	1,462
-	-	-	347,250
189,002	251,688	-	16,015,507
-	-	3,875	1,833,989
-	-	32,803	66,991
-	-	-	119,266
-	-	-	456,703
-	-	-	1,403,640
<b>\$ 1,118,656</b>	<b>\$ 251,688</b>	<b>\$ 36,678</b>	<b>\$ 34,047,706</b>
\$ -	\$ -	\$ 59,418	\$ 6,189,568
-	-	1,039	6,794,529
-	-	-	5,177,821
-	-	-	11,410,550
-	-	-	1,308,310
-	-	-	252,332
-	-	-	310,719
-	-	-	1,205,384
-	400,090	-	400,090
-	-	-	587,215
715,000	-	-	715,000
343,909	-	-	343,909
-	44,176	-	44,176
1,801	-	-	1,801
<b>\$ 1,060,710</b>	<b>\$ 444,266</b>	<b>\$ 60,457</b>	<b>\$ 34,741,404</b>
<b>\$ 57,946</b>	<b>\$ (192,578)</b>	<b>\$ (23,779)</b>	<b>\$ (693,698)</b>
\$ 61,842	\$ -	\$ -	\$ 666,842
-	(666,842)	-	(666,842)
-	36,730	-	36,730
-	2,155,000	-	2,155,000
<b>\$ 61,842</b>	<b>\$ 1,524,888</b>	<b>\$ -</b>	<b>\$ 2,191,730</b>
\$ 119,788	\$ 1,332,310	\$ (23,779)	\$ 1,498,032
1,232,621	(181,473)	41,688	11,635,572
-	-	-	57,085
<b>\$ 1,352,409</b>	<b>\$ 1,150,837</b>	<b>\$ 17,909</b>	<b>\$ 13,190,689</b>

**ISANTI COUNTY  
CAMBRIDGE, MINNESOTA**

*EXHIBIT 6*

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE  
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES--GOVERNMENTAL ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2008**

**Net Change in Fund Balances - Total Governmental Funds (Exhibit 5) \$ 1,498,032**

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

Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Expenditures for general capital assets, infrastructure, and other related capital assets	\$ 4,132,466	
Net book value of assets disposed or sold	(34,616)	
Current year depreciation	<u>(2,233,100)</u>	1,864,750

In the funds, under the modified accrual basis, receivables not available for expenditures are deferred. In the statement of activities, those revenues are recognized when earned. The adjustment to revenues between the fund statements and the statement of activities is the increase (decrease) in revenues deferred as unavailable.

Deferred revenue - December 31	\$ 2,315,235	
Deferred revenue - January 1	<u>(2,129,011)</u>	186,224

The issuance of debt provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. This amount is the net effect of debt issuance. (2,147,554)

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. 715,000

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 accrued interest payable	\$ (40,584)	
Amortization of discounts, premiums, and deferred issuance charges	(15,451)	
Change in compensated absences	(137,275)	
Change in other post-employment benefits liability	(472,045)	
Change in inventories	<u>57,085</u>	<u>(608,270)</u>

**Change in Net Assets of Governmental Activities (Exhibit 2) \$ 1,508,182**

**ISANTI COUNTY  
CAMBRIDGE, MINNESOTA**

*EXHIBIT 7*

**STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
DECEMBER 31, 2008**

	<u>Agency</u>
<b><u>Assets</u></b>	
Cash and pooled investments	<u>\$ 707,881</u>
<b><u>Liabilities</u></b>	
Due to other governments	<u>\$ 707,881</u>

**ISANTI COUNTY  
CAMBRIDGE, MINNESOTA**

*EXHIBIT 8*

**COMBINING STATEMENT OF NET ASSETS  
DISCRETELY PRESENTED COMPONENT UNITS  
DECEMBER 31, 2008**

	<u>Green Lake Improvement District</u>	<u>Long Lake Improvement District</u>	<u>Total Discrete Component Units</u>
<b><u>Assets</u></b>			
Cash and pooled investments	\$ 25,516	\$ 71,846	\$ 97,362
Taxes receivable			-
Prior - net	126	-	126
Special assessments receivable			
Prior - net	-	4,033	4,033
Prepaid items	-	35	35
Capital assets			
Depreciable - net	51,274	-	51,274
<b>Total Assets</b>	<b>\$ 76,916</b>	<b>\$ 75,914</b>	<b>\$ 152,830</b>
<b><u>Liabilities</u></b>			
Current liabilities			
Due to primary government	\$ -	\$ 25,000	\$ 25,000
Noncurrent liabilities			
Advances from primary government	11,500	-	11,500
<b>Total Liabilities</b>	<b>\$ 11,500</b>	<b>\$ 25,000</b>	<b>\$ 36,500</b>
<b><u>Net Assets</u></b>			
Invested in capital assets	\$ 51,274	\$ -	\$ 51,274
Unrestricted	14,142	50,914	65,056
<b>Total Net Assets</b>	<b>\$ 65,416</b>	<b>\$ 50,914</b>	<b>\$ 116,330</b>

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

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**ISANTI COUNTY  
CAMBRIDGE, MINNESOTA**

*EXHIBIT 9*

**COMBINING STATEMENT OF ACTIVITIES  
DISCRETELY PRESENTED COMPONENT UNITS  
FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Assets</u>		
		<u>Fees, Charges, Fines, and Other</u>	<u>Operating Grants and Contributions</u>	<u>Green Lake Improvement District</u>	<u>Long Lake Improvement District</u>	<u>Total</u>
<b><u>Component Units</u></b>						
Green Lake Improvement District	\$ 6,347	\$ 756	\$ -	\$ (5,591)	\$ -	\$ (5,591)
Long Lake Improvement District	70,976	66,762	25,525	-	21,311	21,311
<b>Total Component Units</b>	<b>\$ 77,323</b>	<b>\$ 67,518</b>	<b>\$ 25,525</b>	<b>\$ (5,591)</b>	<b>\$ 21,311</b>	<b>\$ 15,720</b>
<b>General Revenues and Other Items</b>						
Property taxes				\$ 16,832	\$ -	\$ 16,832
Grants and contributions not restricted to specific programs				410	-	410
<b>Total general revenues</b>				<b>\$ 17,242</b>	<b>\$ -</b>	<b>\$ 17,242</b>
<b>Change in Net Assets</b>				<b>\$ 11,651</b>	<b>\$ 21,311</b>	<b>\$ 32,962</b>
<b>Net Assets - Beginning</b>				<b>53,765</b>	<b>29,603</b>	<b>83,368</b>
<b>Net Assets - Ending</b>				<b>\$ 65,416</b>	<b>\$ 50,914</b>	<b>\$ 116,330</b>

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

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**ISANTI COUNTY  
CAMBRIDGE, MINNESOTA**

NOTES TO THE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2008

1. Summary of Significant Accounting Policies

The County’s financial statements are prepared in accordance with generally accepted accounting principles (GAAP) as of and for the year ended December 31, 2008. The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (statements and interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989, (when applicable) that do not conflict with or contradict GASB pronouncements. The more significant accounting policies established in GAAP and used by the County are discussed below.

A. Financial Reporting Entity

Isanti County was established February 13, 1857, and is an organized county having the powers, duties, and privileges granted counties by Minn. Stat. ch. 373. As required by accounting principles generally accepted in the United States of America, these financial statements present Isanti County (primary government) and its component units for which the County is financially accountable. 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.

Blended Component Unit

Blended component units are legally separate organizations that are, in substance, part of the County’s operations. Therefore, they are reported as if they were part of the County.

<u>Component Unit</u>	<u>Component Unit Reporting Entity Because</u>	<u>Separate Financial Statements</u>
Isanti County Economic Development Authority	County Commissioners are the voting members of the EDA Board	Separate financial statements are not prepared.

The Isanti County Board of Commissioners formally established the Isanti County Economic Development Authority (EDA) on October 16, 2007. However, the County EDA has not conducted any financial operations and, therefore, is not included in the accompanying financial statements for the year ended December 31, 2008.

**ISANTI COUNTY  
CAMBRIDGE, MINNESOTA**

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1. Summary of Significant Accounting Policies

A. Financial Reporting Entity (Continued)

Discretely Presented Component Units

While part of the reporting entity, the discretely presented component units are presented in a separate column in the government-wide financial statements to emphasize that they are legally separate from the County. The County’s significant accounting policies are also used by the discrete component units. The following component units of Isanti County are discretely presented:

<u>Component Unit</u>	<u>Component Unit Reporting Entity Because</u>	<u>Separate Financial Statements</u>
Green Lake Improvement District	County is financially accountable for the District as a result of fiscal dependency.	Separate financial statements are not prepared.
Long Lake Improvement District	County is financially accountable for the District as a result of fiscal dependency.	Separate financial statements are not prepared.

Joint Ventures and Jointly-Governed Organization

The County participates in several joint ventures which are described in Note 6.C. The County also participates in a jointly-governed organization which is described in Note 6.D.

B. Basic Financial Statements

1. Government-Wide Statements

The government-wide financial statements (the statement of net assets and the statement of activities) display information about the primary government and its component units. These statements include the financial activities of the overall County government, except for fiduciary activities.

As a general rule, eliminations have been made to minimize the double-counting of internal activities. The exceptions to this general rule are transactions between funds, such as purchasing goods or services, which would be treated as revenues, expenditures, or expenses if they involved external organizations. Elimination of

**ISANTI COUNTY  
CAMBRIDGE, MINNESOTA**

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1. Summary of Significant Accounting Policies

B. Basic Financial Statements

1. Government-Wide Statements (Continued)

these charges would distort the direct costs and program revenues reported for the various functions.

Governmental activities are activities normally supported by taxes and intergovernmental revenues.

In the government-wide statement of net assets, the governmental activities column: (a) is presented on a consolidated basis by column; and (b) is reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations.

Isanti County's net assets are reported in three parts: (1) invested in capital assets, net of related debt; (2) restricted net assets; and (3) unrestricted net assets. The County first utilizes restricted resources to finance qualifying activities.

The statement of activities demonstrates the degree to which the direct expenses of each function of the County's governmental activities are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or activity. Program revenues include: (1) fees, fines, and charges paid by the recipients of goods, services, or privileges provided by a given function or activity; and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or activity. Revenues not classified as program revenues, including all taxes, are presented as general revenues.

2. Fund Financial Statements

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

**ISANTI COUNTY  
CAMBRIDGE, MINNESOTA**

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1. Summary of Significant Accounting Policies

B. Basic Financial Statements

2. Fund Financial Statements (Continued)

The County reports the following major governmental funds:

- The General Fund is the County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The Road and Bridge Special Revenue Fund is used to account for revenues and expenditures of the County Highway Department which is responsible for the construction and maintenance of roads, bridges, and other projects affecting County roadways.
- The Human Services Special Revenue Fund is used to account for economic assistance and community social services programs.
- The Debt Service Fund is used to account for revenues and expenditures related to the County's debt activity.
- The Capital Projects Fund is used to account for financial resources to be used for capital acquisition, construction, or improvements of capital facilities.

Additionally, the County reports the following fund type:

- The Agency Funds are custodial in nature and do not present results of operations or have a measurement focus. These funds account for assets that the County holds for others in an agency capacity.

C. Measurement Focus and Basis of Accounting

The government-wide and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

**ISANTI COUNTY  
CAMBRIDGE, MINNESOTA**

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1. Summary of Significant Accounting Policies

C. Measurement Focus and Basis of Accounting (Continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Isanti County considers all revenues to be available if they are collected within 60 days after the end of the current period. Property and other taxes, licenses, and interest are all 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, compensated absences, and claims and judgments, which are recognized as expenditures to the extent that they have matured. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

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

D. Assets, Liabilities, and Net Assets or Equity

1. Deposits and Investments

The cash balances of substantially all funds are pooled and invested by the County Auditor-Treasurer for the purpose of increasing earnings through investment activities. Pooled and fund investments are reported at their fair value at December 31, 2008, based on market prices. Pursuant to Minn. Stat. § 385.07, investment earnings on cash and pooled investments are credited to the General Fund. Other funds may receive investment earnings based on other state statutes, grant agreements, contracts, and bond covenants. Pooled investment earnings for 2008 were \$456,703.

Isanti County invests in an external investment pool, the Minnesota Association of Governments Investing for Counties (MAGIC) Fund, which is created under a joint powers agreement pursuant to Minn. Stat. § 471.59. The MAGIC Fund is not registered with the Securities and Exchange Commission, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Therefore, the fair value of the County's position in the pool is the same as the value of the pool shares.

**ISANTI COUNTY  
CAMBRIDGE, MINNESOTA**

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1. Summary of Significant Accounting Policies

D. Assets, Liabilities, and Net Assets or Equity (Continued)

2. Receivables and Payables

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as either “due to/from other funds” (the current portion of interfund loans) or “advances to/from other funds” (the noncurrent portion of interfund loans).

Similarly, activity between the County and its discretely presented component units that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as either “due to/from component units” (the current portion of loans) or “advances to/from component units” (the noncurrent portion of loans).

Advances between funds or between the County and its discretely presented component units, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

All receivables, including those of the discretely presented component units, are shown net of an allowance for uncollectible accounts.

Property taxes are levied as of January 1 on property values assessed as of the same date. The tax levy notice is mailed in March with the first half payment due on May 15 and the second half payment due October 15. Unpaid taxes at December 31 become liens on the respective property and are classified in the financial statements as delinquent taxes receivable.

Loans receivable consists of contracts for deed between the County and private landowners for the purchase of tax forfeited property.

3. Inventories and Prepaid Items

All inventories are valued at cost using the first in/first out (FIFO) method. Inventories in governmental funds are recorded as expenditures when purchased rather than when consumed.

**ISANTI COUNTY  
CAMBRIDGE, MINNESOTA**

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1. Summary of Significant Accounting Policies

D. Assets, Liabilities, and Net Assets or Equity

3. Inventories and Prepaid Items (Continued)

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.

4. Restricted Assets

Certain funds of the County are classified as restricted assets on the statement of net assets because the restriction is either imposed by law through constitutional provisions or enabling legislation or imposed externally by creditors, grantors, contributors, or laws or regulations of other governments. Therefore, their use is limited by applicable laws and regulations.

5. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the governmental column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost equal to or greater than \$1 for land and \$5,000 for all other classes of assets and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant, and equipment of the primary government, as well as the component units, are depreciated using the straight-line method over the following estimated useful lives:

**ISANTI COUNTY  
CAMBRIDGE, MINNESOTA**

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1. Summary of Significant Accounting Policies

D. Assets, Liabilities, and Net Assets or Equity

5. Capital Assets (Continued)

Assets	Years
Buildings	25 to 50
Improvements other than buildings	10 to 40
Infrastructure	20 to 75
Intangible assets	5 to 7
Machinery and equipment	5 to 20

6. Compensated Absences

The liability for compensated absences reported in the financial statements consists of unpaid, accumulated annual vacation and sick leave balances. The liability has been calculated using the vesting method, in which leave amounts for both employees who currently are eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included. Compensated absences are accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

7. Deferred Revenue

Governmental funds report deferred 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.

8. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

**ISANTI COUNTY  
CAMBRIDGE, MINNESOTA**

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1. Summary of Significant Accounting Policies

D. Assets, Liabilities, and Net Assets or Equity

8. Long-Term Obligations (Continued)

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

9. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

10. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

2. Stewardship, Compliance, and Accountability

Individual Fund Deficits

The Ditch Special Revenue Fund had a positive fund balance of \$10,243 as of December 31, 2008. However, two of the four drainage systems within the fund have incurred expenditures in excess of revenues and available resources. The following summary shows individual drainage system balances as of December 31, 2008:

**ISANTI COUNTY  
CAMBRIDGE, MINNESOTA**

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2. Stewardship, Compliance, and Accountability

Individual Fund Deficits (Continued)

2 ditches with positive balances	\$ 15,551
2 ditches with negative balances	<u>(5,308)</u>
Total	<u>\$ 10,243</u>

3. Detailed Notes on All Funds

A. Assets

1. Deposits and Investments

Reconciliation of Isanti County's total deposits, cash on hand, and investments to the basic financial statements follows:

Government-wide statement of net assets	
Governmental activities	
Cash and pooled investments	\$ 12,564,181
Petty cash and change funds	3,920
Departmental cash	14,393
Discretely presented component units	
Cash and pooled investments	97,362
Statement of fiduciary net assets	
Cash and pooled investments	<u>707,881</u>
Total Cash and Investments	<u>\$ 13,387,737</u>
Deposits	\$ 5,874,607
Petty cash and change funds	3,920
Departmental cash	14,393
Investments	<u>7,494,817</u>
Total Deposits, Cash on Hand, and Investments	<u>\$ 13,387,737</u>

Deposits

Minn. Stat. §§ 118A.02 and 118A.04 authorize the County to designate a depository for public funds and to invest in certificates of deposit. Minn. Stat. § 118A.03 requires that all County deposits be protected by insurance, surety bond, or collateral. The market value of collateral pledged shall be at least ten percent more than the amount on deposit plus accrued interest at the close of the financial institution's banking day, not covered by insurance or bonds.

**ISANTI COUNTY  
CAMBRIDGE, MINNESOTA**

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3. Detailed Notes on All Funds

A. Assets

1. Deposits and Investments (Continued)

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 standard letters of credit issued by the Federal Home Loan Bank; and certificates of deposit. Minnesota statutes require that securities pledged as collateral be held in safekeeping in a restricted account at the Federal Reserve Bank or in an account at a trust department of a commercial bank or other financial institution that is not owned or controlled by the financial institution furnishing the collateral.

Custodial Credit Risk for Deposits

Custodial credit risk is the risk that in the event of a financial institution failure, the County’s deposits may not be returned to it. The County’s policy for custodial credit risk is to maintain adequate collateral for its deposits. The policy’s collateral requirements are consistent with Minnesota statutes. As of December 31, 2008, the County’s deposits were not exposed to custodial credit risk.

Investments

The funds of the county shall be deposited or invested in accordance with Minn. Stat. § 118A, any other applicable laws, and County investment policy. The objectives, in order of priority, will be to preserve principal, maintain liquidity, and earn the optimum rate of return.

Minn. Stat. §§ 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 Minn. Stat. § 118A.04, subd. 6;
- (2) mutual funds through shares of registered investment companies provided the mutual fund receives certain ratings depending on its investments;

**ISANTI COUNTY  
CAMBRIDGE, MINNESOTA**

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3. Detailed Notes on All Funds

A. Assets

1. Deposits and Investments (Continued)

- (3) general obligations of the State of Minnesota and its municipalities, and in certain state agency and local obligations of Minnesota and other states provided such obligations have certain specified bond ratings by a national bond rating service;
- (4) bankers' acceptances of United States banks;
- (5) commercial paper issued by United States corporations or their Canadian subsidiaries that is rated in the highest quality category by two nationally recognized rating agencies and matures in 270 days or less; and
- (6) with certain restrictions, in repurchase agreements, securities lending agreements, joint powers investment trusts, and guaranteed investment contracts.

Interest Rate Risk

Interest rate risk is the risk that changes in the market interest rates will adversely affect the fair value of an investment. In accordance with the County's investment policy, investments will be sufficiently diverse to avoid risk and enhance return.

At December 31, 2008, the County had the following investments:

<u>Investment Type</u>	<u>Total Fair Value</u>	<u>Less Than 2 Years</u>	<u>2 – 5 Years</u>	<u>More Than 5 Years</u>
U.S. government agency securities	\$ 2,058,941	\$ -	\$ -	\$ 2,058,941
MAGIC Fund	2,547,111	2,547,111	-	-
Negotiable certificates of deposit	<u>2,888,765</u>	<u>2,699,546</u>	<u>189,219</u>	<u>-</u>
Total Investments	<u>\$ 7,494,817</u>	<u>\$ 5,246,657</u>	<u>\$ 189,219</u>	<u>\$ 2,058,941</u>

**ISANTI COUNTY  
CAMBRIDGE, MINNESOTA**

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3. Detailed Notes on All Funds

A. Assets

1. Deposits and Investments (Continued)

In accordance with the County's investment policy, total long term investments with maturities greater than five years shall not exceed 25 percent of the investment portfolio. The County's investments exceeded this limitation as of December 31, 2008. However, the investments with maturities greater than five years contained call options that allowed the County to reinvest the funds and minimize the interest rate risk.

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.

Following is a summary of the credit risk and fair values of the County's investments as of December 31, 2008:

<u>Investment Type</u>	<u>Moody's Rating</u>	<u>Carrying (Fair) Value</u>
U.S. government agency securities	Aaa	\$ 2,058,941
MAGIC Fund	N/R	2,547,111
Negotiable certificates of deposit	N/R	<u>2,888,765</u>
Total Investments		<u>\$ 7,494,817</u>

N/R – Not Rated

Custodial Credit Risk for Investments

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The County does not an investment policy for custodial credit risk. At December 31, 2008, none of the County's investments were subject to custodial credit risk.

**ISANTI COUNTY  
CAMBRIDGE, MINNESOTA**

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3. Detailed Notes on All Funds

A. Assets

1. Deposits and Investments (Continued)

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 does not have a specific policy governing concentration of credit risk.

Investments in any one issuer that represent five percent or more of the County's investments are as follows:

Issuer	Reported Amount
Federal Home Loan Mortgage Corporation	\$ 1,306,323
Federal National Mortgage Association	752,618

2. Receivables

Receivables at December 31, 2008, for the County's governmental activities, including any applicable allowances for uncollectible accounts, are as follows:

	Total Receivables	Amounts Not Scheduled for Collection During the Subsequent Year
Governmental Activities		
Taxes	\$ 984,316	\$ -
Special assessments	5,036	5,036
Accounts	167,601	-
Interest	90,720	-
Due from other governments	2,336,344	-
Due from component units	25,000	-
Advances to component units	11,500	11,500
Leases	267,169	191,271
Loans	182,189	161,094
Total Governmental Activities	\$ 4,069,875	\$ 368,901

**ISANTI COUNTY  
CAMBRIDGE, MINNESOTA**

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3. Detailed Notes on All Funds

A. Assets

2. Receivables (Continued)

Leases Receivable

The County has leased portions of the Oakview Office Complex to the State of Minnesota and various non-profit organizations to be used as office space. There are five lease agreements with varying expiration dates.

The County has leased land behind the Isanti County Government Center to T-Mobile for placement of a communications tower. The lease agreement expires on December 31, 2014.

Amounts due under the lease agreements have been recorded as leases receivable and deferred revenue in the General Fund at December 31, 2008. The amounts for 2009 are considered current and due within one year. Amounts remaining to be paid are as follows:

<u>Year</u>	<u>Oakview Office Space</u>	<u>Communications Tower</u>	<u>Total</u>
2009	\$ 70,195	\$ 5,703	\$ 75,898
2010	71,886	5,874	77,760
2011	49,770	6,050	55,820
2012	33,228	6,232	39,460
2013	5,200	6,419	11,619
2014	-	6,612	6,612
Total	<u>\$ 230,279</u>	<u>\$ 36,890</u>	<u>\$ 267,169</u>

Due from Component Units

The due from component units balance of \$25,000 represents a temporary borrowing to the Long Lake Improvement District component unit. The entire amount borrowed will be repaid with special assessment revenues early in the subsequent year.

**ISANTI COUNTY  
CAMBRIDGE, MINNESOTA**

3. Detailed Notes on All Funds

A. Assets

2. Receivables (Continued)

Advances to Component Units

The advance to component units balance of \$11,500 represents a long-term borrowing to the Green Lake Improvement District component unit. The advance will be repaid with future tax and special assessment revenue.

3. Capital Assets

Capital asset activity for the year ended December 31, 2008, was as follows:

Primary Government

	Beginning Balance	Increase	Decrease	Ending Balance
Capital assets not depreciated				
Land	\$ 4,116,904	\$ 133,613	\$ -	\$ 4,250,517
Construction in progress	1,063,659	511,274	1,323,261	251,672
<b>Total capital assets not depreciated</b>	<b>\$ 5,180,563</b>	<b>\$ 644,887</b>	<b>\$ 1,323,261</b>	<b>\$ 4,502,189</b>
Capital assets depreciated				
Buildings	\$ 17,723,349	\$ 744,353	\$ -	\$ 18,467,702
Improvements other than buildings	245,273	8,520	-	253,793
Machinery, furniture, and equipment	7,061,062	1,285,413	160,529	8,185,946
Infrastructure	54,059,477	2,772,554	-	56,832,031
<b>Total capital assets depreciated</b>	<b>\$ 79,089,161</b>	<b>\$ 4,810,840</b>	<b>\$ 160,529</b>	<b>\$ 83,739,472</b>
Less: accumulated depreciation for				
Buildings	\$ 4,294,176	\$ 451,013	\$ -	\$ 4,745,189
Improvements other than buildings	62,598	10,391	-	72,989
Machinery, furniture, and equipment	4,795,765	645,057	125,913	5,314,909
Infrastructure	12,856,661	1,126,639	-	13,983,300
<b>Total accumulated depreciation</b>	<b>\$ 22,009,200</b>	<b>\$ 2,233,100</b>	<b>\$ 125,913</b>	<b>\$ 24,116,387</b>
<b>Total capital assets depreciated, net</b>	<b>\$ 57,079,961</b>	<b>\$ 2,577,740</b>	<b>\$ 34,616</b>	<b>\$ 59,623,085</b>
<b>Primary Government Capital Assets, Net</b>	<b>\$ 62,260,524</b>	<b>\$ 3,222,627</b>	<b>\$ 1,357,877</b>	<b>\$ 64,125,274</b>

**ISANTI COUNTY  
CAMBRIDGE, MINNESOTA**

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3. Detailed Notes on All Funds

A. Assets

3. Capital Assets (Continued)

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

General government	\$	365,707
Public safety		438,076
Highways and streets, including depreciation of infrastructure assets		1,288,171
Human services		72,462
Health		4,332
Culture and recreation		10,810
Economic development		53,542
		\$ 2,233,100
Total		\$ 2,233,100

B. Interfund Receivables, Payables, and Transfers

Interfund Balances

The composition of interfund balances as of December 31, 2008, is as follows:

Due To/From Other Funds

Receivable Fund	Payable Fund	Amount	Purpose
General Fund	Human Services Fund	\$ 112,491	Services rendered
General Fund	Road and Bridge Fund	19,580	Services rendered
General Fund	Forfeited Tax Sale Fund	11,379	Tax sale proceeds
Human Services Fund	Forfeited Tax Sale Fund	2,488	Tax sale proceeds
Road and Bridge Fund	Forfeited Tax Sale Fund	1,217	Tax sale proceeds
Debt Service Fund	Forfeited Tax Sale Fund	704	Tax sale proceeds
		\$ 147,859	
Total Due To/From Other Funds		\$ 147,859	

**ISANTI COUNTY  
CAMBRIDGE, MINNESOTA**

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3. Detailed Notes on All Funds

B. Interfund Receivables, Payables, and Transfers (Continued)

Interfund Transfers

Interfund transfers for the year ended December 31, 2008, consisted of the following:

Description	Amount	Purpose
Transfers to General Fund from the Capital Projects Fund	\$ 605,000	Capital project reimbursement
Transfers to Debt Service Fund from the Capital Projects Fund	<u>61,842</u>	Bond proceeds for debt service
Total Interfund Transfers	<u>\$ 666,842</u>	

C. Liabilities

1. Payables

Payables at December 31, 2008, are as follows:

	Governmental Activities
Accounts	\$ 451,292
Salaries	480,956
Contracts	43,345
Due to other governments	340,752
Interest	<u>188,987</u>
Total Governmental Activities	<u>\$ 1,505,332</u>

2. Deferred Revenue

Deferred revenue consists of amounts receivable from taxes, special assessments, and other revenue sources that are not considered available to pay current liabilities.

**ISANTI COUNTY  
CAMBRIDGE, MINNESOTA**

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3. Detailed Notes on All Funds

C. Liabilities

2. Deferred Revenue (Continued)

The unavailable portion of deferred revenue as of December 31, 2008, is as follows:

Fund	Delinquent Taxes and Special Assessments	Other Unavailable Revenues	Total Unavailable Deferred Revenue
General Fund	\$ 493,084	\$ 327,038	\$ 820,122
Human Services Fund	198,107	229,796	427,903
Road and Bridge Fund	99,030	725,027	824,057
Debt Service Fund	58,487	-	58,487
Forfeited Tax Sale Fund	-	184,666	184,666
<b>Total</b>	<b>\$ 848,708</b>	<b>\$ 1,466,527</b>	<b>\$ 2,315,235</b>

Deferred revenue also includes grant resources received, but not yet earned, as well as amounts receivable from leases. The unearned portion of deferred revenue as of December 31, 2008, is as follows:

	Unearned Grant Revenue	Unearned Lease Revenue	Total Unearned Revenue
General Fund	\$ 154,184	\$ 267,169	\$ 421,353

3. Other Post-Employment Benefits

In 2008, the County implemented the requirements of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. This pronouncement required the County to calculate and record a net other post-employment benefits (OPEB) obligation at December 31, 2008. The net OPEB obligation is, in general, the cumulative difference between the actuarial required contribution and the actual contributions since January 1, 2008.

**ISANTI COUNTY  
CAMBRIDGE, MINNESOTA**

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3. Detailed Notes on All Funds

C. Liabilities

3. Other Post-Employment Benefits (Continued)

Plan Description

Pursuant to Minn. Stat. § 471.61, subd. 2a, the County provides post-employment health care and dental benefits for eligible retired employees, spouses, and dependents through a single employer defined benefit plan.

Qualified retirees are eligible to receive a post-employment benefit that covers the cost of single health care insurance coverage. In order to qualify for this benefit, retirees must meet the following criteria:

- (1) 65 years of age or 62 years of age with 10 years of County service or 20 years of County service.
- (2) Full-time employee as of December 31, 1991 and remains full-time status through retirement.
- (3) Meets Minnesota Public Employees Retirement Association (PERA) requirements for retirement.

Retirees that receive health care benefits from subsequent employment are no longer eligible for this benefit. Also, retirees must take any available Medicare benefits. The benefit terminates upon the death of the retiree.

In addition, the County provides benefits for other retirees and spouses of retirees as required by Minn. Stat. § 471.61, subd. 2b. These benefits include access to the same health care and dental insurance coverage provided by the County to active employees.

The benefits are administered by the County Board of Commissioners and can be amended through its personnel manual and labor contracts. A separate benefits plan report is not issued. The activity of the plan is reported in the government-wide financial statements.

**ISANTI COUNTY  
CAMBRIDGE, MINNESOTA**

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3. Detailed Notes on All Funds

C. Liabilities

3. Other Post-Employment Benefits (Continued)

Participants

Participants of the plan consisted of the following at January 1, 2008, the date of the first actuarial valuation:

Active employees	280
Retired employees	54
Spouses of retirees	<u>5</u>
Total plan participants	<u><u>339</u></u>

Funding Policy

The contribution requirements of plan members and the County are established and may be amended by the Isanti County Board of Commissioners. The County finances the plan on a “pay-as-you-go” basis. During 2008, the County expended \$280,568 for these benefits.

For those qualified retirees that meet the criteria for a full medical insurance benefit, the County contributes 100% of the benefit cost. All other retirees and their spouses contribute 100% of the premium cost for medical and dental insurance. Since the premium is a blended rate determined on the entire active and retiree population, the retirees receive an implicit rate subsidy.

Annual OPEB Cost and Net OPEB Obligation

The County’s annual other post employment benefit (OPEB) cost is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The following table shows the components of the County’s OPEB cost for 2008, the amount actuarially contributed to the plan, and changes in the County’s net OPEB obligation.

**ISANTI COUNTY  
CAMBRIDGE, MINNESOTA**

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3. Detailed Notes on All Funds

C. Liabilities

3. Other Post-Employment Benefits (Continued)

Annual required contribution (ARC)	\$	752,613
Interest on net OPEB obligation		-
Adjustment to ARC		-
Annual OPEB cost		752,613
Contributions during the year		(280,568)
Increase in net OPEB obligation		472,045
Net OPEB – beginning of the year		-
		-
Net OPEB – end of the year	\$	472,045

The County’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2008 were as follows:

Fiscal Year Ended	Annual OPEB Cost	Employer Contribution	Percentage Contributed	Net OPEB Obligation
December 31, 2008	\$ 752,613	\$ 280,568	37.28%	\$ 472,045

Funding Status

The County currently has no assets that have been irrevocably deposited in a trust for future health benefits. Therefore, the actuarial value of plan assets is zero.

Actuarial accrued liability (AAL)	\$	8,621,249
Actuarial value of plan assets		-
Unfunded actuarial accrued liability (UAAL)	\$	8,621,249
Funded ratio (actuarial value of plan assets/AAL)		0.00%
Covered payroll (active plan members)	\$	11,198,374
UAAL as a percentage of covered payroll		76.99%

**ISANTI COUNTY  
CAMBRIDGE, MINNESOTA**

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3. Detailed Notes on All Funds

C. Liabilities

3. Other Post-Employment Benefits (Continued)

Actuarial valuations of an ongoing plan involve estimates of 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 accrued liabilities for benefits.

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 to that point. 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 plan assets, consistent with the long-term perspective of the calculations.

In the January 1, 2008, actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions include a 4.5 percent investment rate of return and an annual health care cost trend rate of 9.0 percent initially, reduced by decrements to an ultimate rate of 5.0 percent after eight years. The actuarial value of plan assets was set equal to the market value of assets. The unfunded actuarial accrued liability is being amortized over 30 years on a closed group basis.

**ISANTI COUNTY  
CAMBRIDGE, MINNESOTA**

3. Detailed Notes on All Funds

C. Liabilities (Continued)

4. Long-Term Debt

Bonds Issued

During 2008, the County issued \$2,155,000 General Obligation Capital Improvement Plan Bonds, Series 2008A. The proceeds of the bonds were used to finance the remaining construction costs for the Oakview Office Complex building and a County transit facility. The proceeds will also be used to finance the remodeling of the Isanti County Government Center in Cambridge, Minnesota.

Bonds payable as of December 31, 2008 consist of the following issues:

Description of Issue	Outstanding Balance December 31 2008
\$2,770,000 General Obligation Jail Bonds Series 2003A; due in annual installments of \$50,000 to \$355,000 through February 1, 2021; with interest rates of 1.125 to 3.85 percent.	\$ 2,205,000
\$1,400,000 General Obligation Jail Bonds Series 2004A; due in annual installments of \$25,000 to \$320,000 through February 1, 2022; with interest rates of 3.75 to 4.40 percent.	1,350,000
\$2,140,000 General Obligation Capital Improvement Plan Bonds Series 2007A; due in annual installments of \$70,000 to \$325,000 through February 1, 2018; with interest rates of 3.75 to 3.85 percent.	2,070,000
\$3,805,000 General Obligation Capital Improvement Plan Bonds Series 2007B; due in annual installments of \$135,000 to \$665,000 through February 1, 2014; with interest rate of 3.75 percent.	3,240,000
\$2,155,000 General Obligation Capital Improvement Plan Bonds Series 2008A; due in annual installments of \$30,000 to \$775,000 through February 1, 2023; with interest rates of 3.75 to 4.00 percent.	2,155,000
Total Bonds Payable	\$ 11,020,000
Plus: unamortized premium	41,231
Less: unamortized discount	(37,674)
Total Bonds Payable, Net	\$ 11,023,557

**ISANTI COUNTY  
CAMBRIDGE, MINNESOTA**

3. Detailed Notes on All Funds

C. Liabilities

4. Long-Term Debt (Continued)

Debt Service Requirements

Debt service requirements at December 31, 2008, were as follows:

Year Ending December 31	General Obligation Bonds	
	Principal	Interest
2009	\$ 775,000	\$ 420,853
2010	805,000	372,340
2011	835,000	342,119
2012	870,000	310,675
2013	900,000	278,050
2014-2018	3,265,000	1,014,849
2019-2023	3,570,000	371,599
Total	\$ 11,020,000	\$ 3,110,485

Long-term liability activity for the year ended December 31, 2008, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
General obligation bonds	\$ 9,580,000	\$ 2,155,000	\$ 715,000	\$ 11,020,000	\$ 775,000
Plus: deferred amounts for issuance premiums	7,285	36,730	2,784	41,231	-
Less: deferred amounts for issuance discounts	(40,727)	-	(3,053)	(37,674)	-
Total bonds payable	\$ 9,546,558	\$ 2,191,730	\$ 714,731	\$ 11,023,557	\$ 775,000
Net OPEB payable	-	752,613	280,568	472,045	-
Compensated absences	1,141,084	1,186,492	1,049,217	1,278,359	705,280
Governmental Activity Long-Term Liabilities	\$ 10,687,642	\$ 4,130,835	\$ 2,044,516	\$ 12,773,961	\$ 1,480,280

**ISANTI COUNTY  
CAMBRIDGE, MINNESOTA**

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3. Detailed Notes on All Funds

C. Liabilities (Continued)

5. Operating Lease Commitments

The County has 19 operating leases for office equipment. The monthly lease payments generally consist of a minimum payment and an additional amount based on usage. The total cost under the operating leases was \$74,996 in 2008. The last of the leases is scheduled to expire in February 2014. The following is a schedule of future minimum operating lease payments:

Year	Minimum Lease Payments
2009	\$ 39,463
2010	34,654
2011	24,584
2012	15,948
2013	8,306
2014-2018	72
Total	\$ 123,027

6. Construction Commitments

The County has active construction projects as of December 31, 2008. The projects and related commitments include the following:

	Spent-to-Date	Remaining Commitment
Governmental Activities		
Roads	\$ 736,630	\$ 52,106

4. Employee Retirement Systems and Pension Plans

A. Defined Benefit Plans

Plan Description

All full-time and certain part-time employees of Isanti County are covered by defined benefit pension plans administered by the Public Employees Retirement Association of

**ISANTI COUNTY  
CAMBRIDGE, MINNESOTA**

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4. Employee Retirement Systems and Pension Plans

A. Defined Benefit Plans (Continued)

Minnesota (PERA). The PERA administers the Public 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.

Public Employees Retirement Fund members belong to either the Coordinated Plan or the Basic Plan. Coordinated Plan members are covered by Social Security, and Basic Plan members are not. All new members must participate in the Coordinated Plan. All police officers, firefighters, and peace officers who qualify for membership by statute are covered by the Public Employees Police and Fire Fund. Members who are employed in a county correctional institution as a correctional guard or officer, a joint jailer/dispatcher, or as a supervisor of correctional guards or officers or of joint jailers/dispatchers and are directly responsible for the direct security, custody, and control of the county correctional institution and its inmates, are covered by the Public Employees Correctional Fund.

PERA provides retirement benefits as well as disability benefits to members and benefits to survivors upon death of eligible members. Benefits are established by state statute and vest after three years of credited service. The defined retirement 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 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 year thereafter. For a Coordinated Plan member, the annuity accrual rate is 1.2 percent of average salary for each of the first ten years and 1.7 percent for each successive year. Under Method 2, the annuity accrual rate is 2.7 percent of average salary for Basic Plan members and 1.7 percent for Coordinated Plan members for each year of service. For Public Employees Police and Fire Fund members, the annuity accrual rate is 3.0 percent of average salary for each year of service. For Public Employees Correctional Fund members, the annuity accrual rate is 1.9 percent of average salary for each year of service.

**ISANTI COUNTY  
CAMBRIDGE, MINNESOTA**

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4. Employee Retirement Systems and Pension Plans

A. Defined Benefit Plans (Continued)

For all Public Employees Retirement Fund members hired prior to July 1, 1989, whose annuity is calculated using Method 1, and for all Public Employees Police and Fire Fund and Public Employees Correctional Fund members, a full annuity is available when age plus years of service equal 90. Normal retirement age is 55 for Public Employees Police and Fire Fund members and Public Employees Correctional Fund members, and either 65 or 66 (depending on date hired) for Public Employees Retirement Fund members. A reduced retirement annuity is also available to eligible members seeking early retirement.

The benefit provisions stated in the previous paragraphs of this section are current provisions and apply to active plan participants. Vested, terminated employees who are entitled to benefits but are not yet receiving them are bound by the provisions in effect at the time they last terminated public service.

The PERA issues a publicly available financial report that includes financial statements and required supplementary information for the Public Employees Retirement Fund, the Public Employees Police and Fire Fund, and the Public Employees Correctional Fund. That report may be obtained on the internet at [www.mnpera.org](http://www.mnpera.org); by writing to PERA at 60 Empire Drive, Suite 200, Saint Paul, Minnesota 55103-2088, or by calling 651-296-7460 or 1-800-652-9026.

Funding Policy

Pension benefits are funded from member and employer contributions and income from the investment of fund assets. Minn. Stat. ch. 353 sets the rates for employer and employee contributions. The County makes annual contributions to the pension plans equal to the amount required by state statutes. Public Employees Retirement Fund Basic Plan members and Coordinated Plan members are required to contribute 9.1 and 6.0 percent, respectively, of their annual covered salary. Public Employees Police and Fire Fund members were required to contribute 8.6 percent of their annual covered salary in 2008. That rate increased to 9.4 percent in 2009. Public Employees Correctional Fund members are required to contribute 5.83 percent of their annual covered salary.

**ISANTI COUNTY  
CAMBRIDGE, MINNESOTA**

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4. Employee Retirement Systems and Pension Plans

A. Defined Benefit Plans (Continued)

The County is required to contribute the following percentages of annual covered payroll in 2008 and 2009:

	2008	2009
Public Employees Retirement Fund		
Basic Plan members	11.78%	11.78%
Coordinated Plan members	6.50	6.75
Public Employees Police and Fire Fund	12.90	14.10
Public Employees Correctional Fund	8.75	8.75

The County's contributions for the years ending December 31, 2008, 2007, and 2006, for the Public Employees Retirement Fund, the Public Employees Police and Fire Fund, and the Public Employees Correctional Fund were:

	2008	2007	2006
Public Employees Retirement Fund	\$ 603,779	\$ 543,671	\$ 493,671
Public Employees Police and Fire Fund	160,409	137,979	116,632
Public Employees Correctional Fund	126,863	121,309	107,028

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

B. Defined Contribution Plan

Two elected officials of the County are covered by the Public Employees Defined Contribution Plan, a multiple-employer, deferred compensation plan administered by PERA in accordance with Minn. Stat. ch. 353D. 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. Minn. Stat. § 353D.03 specifies the plan provisions, including the employee and employer contribution rates for those qualified personnel who elect to participate. An eligible elected official who decides to participate contributes 5.0 percent of salary, which is matched by the employer.

**ISANTI COUNTY  
CAMBRIDGE, MINNESOTA**

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4. Employee Retirement Systems and Pension Plans

B. Defined Contribution Plan

Employees may elect to make member contributions in an amount not to exceed the employer share. Employee and employer contributions are combined and used to purchase shares in one or more of the seven accounts of the Minnesota Supplemental Investment Fund. For administering the plan, PERA receives 2.00 percent of employer contributions and 0.25 percent of the assets in each member account annually.

Total contributions by dollar amount and percentage of covered payroll made by the County during the year ended December 31, 2008, were:

	<u>Employee</u>	<u>Employer</u>
Contribution amount	\$ 3,213	\$ 3,213
Percentage of covered payroll	5.00%	5.00%

Required contribution rates were 5.00 percent.

5. 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. In order to manage these risks, the County has entered into a joint powers agreement with other Minnesota counties to form the Minnesota Counties Insurance Trust (MCIT). The County is a member of both the MCIT Workers' Compensation and Property and Casualty Divisions. The County is self-insured for a portion of its health benefits plan. For other risk, the County carries commercial insurance. There were no significant reductions in insurance 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 self-sustaining based on the contributions charged, so that total contributions plus compounded earnings on these contributions will equal the amount needed to satisfy claims liabilities and other expenses. MCIT participates in the Workers' Compensation Reinsurance Association with coverage at \$410,000 per claim in 2008 and \$430,000 per claim in 2009. Should the MCIT Workers' Compensation Division liabilities exceed assets, MCIT may assess the County in a method and amount to be determined by MCIT.

**ISANTI COUNTY  
CAMBRIDGE, MINNESOTA**

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5. Risk Management (Continued)

The Property and Casualty Division of MCIT is self-sustaining, and the County pays an annual premium to cover current and future losses. The MCIT carries reinsurance for its property lines to protect against catastrophic losses. Should the MCIT Property and Casualty Division liabilities exceed assets, MCIT may assess the County in a method and amount to be determined by MCIT.

The County contracts with Hanratty & Associates to administer health benefit plans for its employees. Under these plans, the County obtains commercial health insurance with an annual deductible. The County is self-insured for the cost of health claims up to the deductible for employees. These deductible amounts were \$5,000 (single coverage) and \$9,900 (family coverage) in 2008 and \$3,000 (single coverage) and \$6,000 (family coverage) in 2009. Hanratty & Associates processes the self-insured health benefit claims and charges the County an administrative fee. All claims are paid from the General Fund.

The County sets annual premiums for the self-insured portion of the plans based on the recommendation of the plan administrators and accumulates premiums collected from all participating funds in the General Fund.

The County's self-insurance health claims liability represents claims costs incurred but not paid by the County prior to December 31. The liability is reported in the General Fund as part of accounts payable. The County's management is not aware of any claims incurred but not reported (IBNRs); such amounts are not considered to be material. Changes in the balances of claims liabilities for the past two years are as follows:

	2008	2007	
Unpaid claims – January 1	\$ 86,543	\$ 116,580	
Current year claims	682,864	560,311	
Claim payments	(705,928)	(590,348)	
Unpaid claims – December 31	\$ 63,479	\$ 86,543	

**ISANTI COUNTY  
CAMBRIDGE, MINNESOTA**

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6. Summary of Significant Contingencies and Other Items

A. Subsequent Events

On January 20, 2009, the Isanti County Board of Commissioners awarded a contract to Don Fiedler Companies in the amount of \$752,885 for the remodeling of the Isanti County Government Center.

B. Contingent Liabilities

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of the expenditures that may be disallowed by the grantor cannot be determined at this time, although the County expects such amounts, if any, to be immaterial.

The County is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the County Attorney, the resolution of these matters will not have a material adverse effect on the financial condition of the government.

C. Joint Ventures

East Central Regional Library

The East Central Regional Library was established by a joint powers agreement among Aitkin, Chisago, Isanti, Kanabec, Mille Lacs, and Pine Counties to provide an efficient and improved regional library service. The Library Service Board comprises 18 members, one County Board member and two appointees from each member county.

Isanti County's contribution for 2008 was \$392,140. Complete financial statements of the East Central Regional Library can be obtained at 244 South Birch, Cambridge, Minnesota 55008.

East Central Solid Waste Commission

The East Central Solid Waste Commission was established in March 1988 by a joint powers agreement among Chisago, Isanti, Kanabec, Mille Lacs, and Pine Counties to conduct a solid waste management program on behalf of the participating counties.

**ISANTI COUNTY  
CAMBRIDGE, MINNESOTA**

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6. Summary of Significant Contingencies and Other Items

C. Joint Ventures (Continued)

The Commission is an organized joint venture having powers, duties, and privileges granted joint powers by Minn. Stat. § 471.59.

The Commission has five voting members, one from each county. At its annual meeting, the Board of County Commissioners of each county chooses a member and an alternate, both County Commissioners, as representatives of the county. Each county has one voting member and, in the absence of the voting member, the alternate votes.

Each county's proportionate share of the total operating cost is based on the most recent census data available and is to be adjusted upon the admission of additional counties or the withdrawal of present counties. The Commission will remain in existence so long as two or more of the counties remain as parties to the agreement. Upon dissolution of the Commission, there will be an accounting to determine assets and liabilities. The assets of the Commission will be liquidated and, after payment of liabilities, the proceeds will be distributed to the counties based on their respective ratios set by the most recent census data.

Each county's share of the Commission's assets, liabilities, and equities cannot be accurately determined since it will fluctuate with census data rather than ownership interest.

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

D. Jointly-Governed Organization

Isanti County, in conjunction with other governmental entities and various private organizations, has formed the jointly-governed organization listed below:

Isanti County Integrated Collaborative

The Isanti County Integrated Collaborative was established February 18, 1998, under the authority of the Joint Powers Act, pursuant to Minn. Stat. §§ 471.59 and 124D.23. The Collaborative includes Isanti County Family Services, Braham Area School District #314, Cambridge-Isanti Independent School District #911, Isanti County Public Health, and the Isanti County Probation Department.

**ISANTI COUNTY  
CAMBRIDGE, MINNESOTA**

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6. Summary of Significant Contingencies and Other Items

D. Jointly-Governed Organization (Continued)

The purpose of the Collaborative is to provide culturally appropriate programs and services to children and families, prevent children from developing more severe disabilities, and provide for the safety and security of the community and its children.

Control of the Isanti County Integrated Collaborative is vested in a five-member Governance Board appointed by the member parties.

Financing is provided by state and federal grants and contributions from its member parties. Isanti County, in an agent capacity, reports the cash transactions of the Isanti County Integrated Collaborative's Integrated Fund as an agency fund in its financial statements.

Financial statements of the Isanti County Integrated Collaborative's Integrated Fund can be obtained at Isanti County Family Services Department, 1700 East Rum River Drive S., Suite A, Cambridge, Minnesota 55008.

7. Discretely Presented Component Unit Disclosures

A. Summary of Significant Accounting Policies

In addition to those identified in Note 1, the County's discretely presented component units have the following significant accounting policies.

Reporting Entities

The Green Lake Improvement District is governed by a nine-member board of directors elected by eligible property owners within the District.

The Long Lake Improvement District is governed by a seven-member board of directors elected by property owners within the District.

Due to the entities' financial dependency on the County, the County classifies both entities as discrete component units.

**ISANTI COUNTY  
CAMBRIDGE, MINNESOTA**

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7. Discretely Presented Component Unit Disclosures

A. Summary of Significant Accounting Policies (Continued)

Basis of Presentation

The Green Lake Improvement District and the Long Lake Improvement District both present their activities as a single governmental fund.

Basis of Accounting

The Green Lake Improvement District and the Long Lake Improvement District General Funds are accounted for on the modified accrual basis of accounting.

Cash and Pooled Investments

All cash of the Green Lake Improvement District and the Long Lake Improvement District is deposited with the County Auditor-Treasurer.

B. Detailed Notes on All Funds

1. Assets

Receivables

Receivables as of December 31, 2008, for each discretely presented component unit, including any applicable allowances for uncollectible accounts, are as follows:

	Green Lake Improvement District	Long Lake Improvement District	Total
Taxes	\$ 126	\$ -	\$ 126
Special assessments	-	4,033	4,033
Total Component Units	\$ 126	\$ 4,033	\$ 4,159

All receivable amounts for the discretely presented component units are scheduled for collection during the subsequent year.

**ISANTI COUNTY  
CAMBRIDGE, MINNESOTA**

**B. Detailed Notes on All Funds**

**1. Assets (Continued)**

**Capital Assets**

The Long Lake Improvement District does not have any capital assets as of December 31, 2008.

The Green Lake Improvement District capital asset activity for the year ended December 31, 2008, was as follows:

	<u>Beginning Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>Ending Balance</u>
Capital assets depreciated Improvements other than buildings	\$ 76,909	\$ -	\$ -	\$ 76,909
Less: accumulated depreciation	<u>21,790</u>	<u>3,845</u>	<u>-</u>	<u>25,635</u>
Component Unit Capital Assets, Net	<u>\$ 55,119</u>	<u>\$ 3,845</u>	<u>\$ -</u>	<u>\$ 51,274</u>

Depreciation expense was charged to functions/programs of the Green Lake Improvement District as follows:

Green Lake Improvement District	<u>\$ 3,845</u>
---------------------------------	-----------------

**2. Liabilities**

**Deferred Revenue**

Deferred revenue consists of amounts receivable from taxes, special assessments, and other revenue sources that are not considered available to pay current liabilities.

	<u>Green Lake Improvement District</u>	<u>Long Lake Improvement District</u>	<u>Total</u>
Delinquent taxes	\$ 40	\$ -	\$ 40
Delinquent special assessments	<u>-</u>	<u>4,033</u>	<u>4,033</u>
Total Deferred Revenue	<u>\$ 40</u>	<u>\$ 4,033</u>	<u>\$ 4,073</u>

**REQUIRED SUPPLEMENTARY INFORMATION**

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**ISANTI COUNTY  
CAMBRIDGE, MINNESOTA**

Schedule 1

**BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Taxes	\$ 8,252,419	\$ 8,252,419	\$ 8,246,512	\$ (5,907)
Special assessments	-	-	1,462	1,462
Licenses and permits	480,909	480,909	347,250	(133,659)
Intergovernmental	4,342,407	4,342,407	4,135,587	(206,820)
Charges for services	1,923,575	1,923,575	1,571,897	(351,678)
Fines and forfeits	28,000	28,000	34,188	6,188
Gifts and contributions	14,600	14,600	119,266	104,666
Investment earnings	450,000	450,000	456,703	6,703
Miscellaneous	817,380	817,380	945,588	128,208
<b>Total Revenues</b>	<b>\$ 16,309,290</b>	<b>\$ 16,309,290</b>	<b>\$ 15,858,453</b>	<b>\$ (450,837)</b>
<b>Expenditures</b>				
<b>Current</b>				
<b>General government</b>				
Commissioners	\$ 244,570	\$ 244,570	\$ 245,917	\$ (1,347)
Courts	52,000	52,000	40,288	11,712
Law library	34,566	34,566	32,980	1,586
County administration	860,807	860,807	869,053	(8,246)
County auditor-treasurer	882,174	882,174	849,361	32,813
Auditing and accounting services	38,000	38,000	62,059	(24,059)
County assessor	407,963	407,963	381,409	26,554
Elections	35,700	35,700	32,234	3,466
Management information systems	425,737	425,737	301,259	124,478
Central services	10,000	10,000	53,863	(43,863)
Human rights commission	1,000	1,000	734	266
Attorney	1,072,254	1,072,254	1,027,549	44,705
Recorder	441,808	441,808	273,294	168,514
Surveyor	45,000	45,000	70,443	(25,443)
Geographic information systems	24,000	24,000	24,579	(579)
Planning and zoning	509,199	509,199	528,280	(19,081)
Buildings and maintenance	1,265,458	1,265,458	1,000,780	264,678
Veterans service	130,462	130,462	137,614	(7,152)
County contingency	100,000	100,000	68,347	31,653
Appropriations	98,687	98,687	98,986	(299)
Other general government	-	-	31,121	(31,121)
<b>Total general government</b>	<b>\$ 6,679,385</b>	<b>\$ 6,679,385</b>	<b>\$ 6,130,150</b>	<b>\$ 549,235</b>

(Continued)

**ISANTI COUNTY  
CAMBRIDGE, MINNESOTA**

*Schedule 1*  
*(Continued)*

**BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Expenditures</b>				
<b>Current (Continued)</b>				
<b>Public safety</b>				
Sheriff	\$ 5,195,199	\$ 5,195,199	\$ 5,754,162	\$ (558,963)
Safety and rescue	14,000	14,000	24,801	(10,801)
Probation and parole	945,032	945,032	827,191	117,841
Medical examiner	105,000	105,000	107,823	(2,823)
Emergency management	106,678	106,678	79,513	27,165
<b>Total public safety</b>	<b>\$ 6,365,909</b>	<b>\$ 6,365,909</b>	<b>\$ 6,793,490</b>	<b>\$ (427,581)</b>
<b>Health</b>				
Public health	<b>\$ 1,633,285</b>	<b>\$ 1,633,285</b>	<b>\$ 1,308,310</b>	<b>\$ 324,975</b>
<b>Culture and recreation</b>				
Parks	\$ 220,350	\$ 220,350	\$ 156,672	\$ 63,678
Bike trails	-	-	56,494	(56,494)
Historical society	35,000	35,000	38,531	(3,531)
Celebrations	1,000	1,000	635	365
<b>Total culture and recreation</b>	<b>\$ 256,350</b>	<b>\$ 256,350</b>	<b>\$ 252,332</b>	<b>\$ 4,018</b>
<b>Conservation of natural resources</b>				
Extension service	\$ 149,877	\$ 149,877	\$ 146,310	\$ 3,567
Soil and water conservation	40,000	40,000	50,000	(10,000)
Oak wilt program	59,807	59,807	62,664	(2,857)
Agricultural society and county fair	30,000	30,000	30,000	-
Agricultural inspections	11,030	11,030	8,354	2,676
Predator control	8,000	8,000	13,391	(5,391)
<b>Total conservation of natural resources</b>	<b>\$ 298,714</b>	<b>\$ 298,714</b>	<b>\$ 310,719</b>	<b>\$ (12,005)</b>
<b>Economic development</b>				
Transit	\$ 819,308	\$ 819,308	\$ 1,142,371	\$ (323,063)
Economic development	43,000	43,000	32,530	10,470
Rail authority	15,000	15,000	30,483	(15,483)
<b>Total economic development</b>	<b>\$ 877,308</b>	<b>\$ 877,308</b>	<b>\$ 1,205,384</b>	<b>\$ (328,076)</b>
<b>Intergovernmental</b>				
Library	<b>\$ 392,140</b>	<b>\$ 392,140</b>	<b>\$ 392,680</b>	<b>\$ (540)</b>

**ISANTI COUNTY  
CAMBRIDGE, MINNESOTA**

*Schedule 1*  
*(Continued)*

**BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Total Expenditures</b>	<b>\$ 16,503,091</b>	<b>\$ 16,503,091</b>	<b>\$ 16,393,065</b>	<b>\$ 110,026</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>\$ (193,801)</b>	<b>\$ (193,801)</b>	<b>\$ (534,612)</b>	<b>\$ (340,811)</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 605,000</u>	<u>\$ 605,000</u>
<b>Net Change in Fund Balance</b>	<b>\$ (193,801)</b>	<b>\$ (193,801)</b>	<b>\$ 70,388</b>	<b>\$ 264,189</b>
<b>Fund Balance - January 1</b>	<u>4,605,389</u>	<u>4,605,389</u>	<u>4,605,389</u>	<u>-</u>
<b>Fund Balance - December 31</b>	<u><u>\$ 4,411,588</u></u>	<u><u>\$ 4,411,588</u></u>	<u><u>\$ 4,675,777</u></u>	<u><u>\$ 264,189</u></u>

**ISANTI COUNTY  
CAMBRIDGE, MINNESOTA**

Schedule 2

**BUDGETARY COMPARISON SCHEDULE  
ROAD AND BRIDGE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Taxes	\$ 1,688,094	\$ 1,688,094	\$ 1,659,953	\$ (28,141)
Intergovernmental	3,236,111	3,236,111	3,548,484	312,373
Charges for services	121,800	121,800	143,139	21,339
Miscellaneous	2,000	2,000	36,402	34,402
<b>Total Revenues</b>	<b>\$ 5,048,005</b>	<b>\$ 5,048,005</b>	<b>\$ 5,387,978</b>	<b>\$ 339,973</b>
<b>Expenditures</b>				
<b>Current</b>				
<b>Highways and streets</b>				
Administration	\$ 308,523	\$ 308,523	\$ 314,765	\$ (6,242)
Maintenance	1,249,660	1,249,660	1,193,976	55,684
Construction	3,281,835	3,281,835	2,856,535	425,300
Equipment and shop	716,163	716,163	812,545	(96,382)
<b>Total highways and streets</b>	<b>\$ 5,556,181</b>	<b>\$ 5,556,181</b>	<b>\$ 5,177,821</b>	<b>\$ 378,360</b>
<b>Intergovernmental</b>	<b>\$ 193,000</b>	<b>\$ 193,000</b>	<b>\$ 194,535</b>	<b>\$ (1,535)</b>
Town roads	193,000	193,000	194,535	(1,535)
<b>Total Expenditures</b>	<b>\$ 5,749,181</b>	<b>\$ 5,749,181</b>	<b>\$ 5,372,356</b>	<b>\$ 376,825</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>\$ (701,176)</b>	<b>\$ (701,176)</b>	<b>\$ 15,622</b>	<b>\$ 716,798</b>
<b>Fund Balance - January 1</b>	<b>1,427,061</b>	<b>1,427,061</b>	<b>1,427,061</b>	<b>-</b>
<b>Increase (decrease) in reserved for inventories</b>	<b>-</b>	<b>-</b>	<b>57,085</b>	<b>57,085</b>
<b>Fund Balance - December 31</b>	<b>\$ 725,885</b>	<b>\$ 725,885</b>	<b>\$ 1,499,768</b>	<b>\$ 773,883</b>

**ISANTI COUNTY  
CAMBRIDGE, MINNESOTA**

Schedule 3

**BUDGETARY COMPARISON SCHEDULE  
HUMAN SERVICES FUND  
FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Taxes	\$ 2,993,827	\$ 2,993,827	\$ 2,966,779	\$ (27,048)
Intergovernmental	6,898,266	7,800,632	7,890,746	90,114
Charges for services	103,873	103,873	115,078	11,205
Miscellaneous	519,139	519,139	421,650	(97,489)
<b>Total Revenues</b>	<b>\$ 10,515,105</b>	<b>\$ 11,417,471</b>	<b>\$ 11,394,253</b>	<b>\$ (23,218)</b>
<b>Expenditures</b>				
<b>Current</b>				
<b>Human services</b>				
Income maintenance	\$ 2,616,882	\$ 2,623,182	\$ 2,565,699	\$ 57,483
Social services	8,618,223	9,514,289	8,844,851	669,438
<b>Total Expenditures</b>	<b>\$ 11,235,105</b>	<b>\$ 12,137,471</b>	<b>\$ 11,410,550</b>	<b>\$ 726,921</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>\$ (720,000)</b>	<b>\$ (720,000)</b>	<b>\$ (16,297)</b>	<b>\$ 703,703</b>
<b>Fund Balance - January 1</b>	<b>4,510,286</b>	<b>4,510,286</b>	<b>4,510,286</b>	<b>-</b>
<b>Fund Balance - December 31</b>	<b>\$ 3,790,286</b>	<b>\$ 3,790,286</b>	<b>\$ 4,493,989</b>	<b>\$ 703,703</b>

**ISANTI COUNTY  
CAMBRIDGE, MINNESOTA**

Schedule 4

**SCHEDULE OF FUNDING PROGRESS  
OTHER POST-EMPLOYMENT BENEFITS PLAN  
DECEMBER 31, 2008**

Actuarial valuation date	January 1, 2008
Actuarial value of plan assets	\$ -
Actuarial accrued liability (projected unit credit cost method)	<u>8,621,249</u>
Unfunded actuarial accrued liability	<u><u>\$ 8,621,249</u></u>
Funded ratio	0.00%
Covered payroll	\$ 11,198,374
Unfunded actuarial accrued liability as percentage of covered payroll	76.99%

**ISANTI COUNTY  
CAMBRIDGE, MINNESOTA**

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2008

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1. Budgetary Information

General Budget Policies

The County Board adopts annual estimated revenue and expenditure budgets for the General Fund, the Road & Bridge Special Revenue Fund, the Human Services Special Revenue Fund, and the Debt Service Fund. Annual budgets are not adopted for the Capital Projects Fund, the Sheriff's Contingency Special Revenue Fund, the Forfeited Tax Sale Special Revenue Fund, and Ditch Special Revenue Fund.

The 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 fund level for all funds except the General Fund. In the General Fund, the legal level of budgetary control is the department level.

Budget Basis of Accounting

Budgets for the General Fund and budgeted special revenue funds are adopted on a basis consistent with generally accepted accounting principles.

Encumbrances

Encumbrance accounting, under which commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is used in the governmental funds. Encumbrances outstanding at year-end are reported as reserved fund balances since they do not constitute expenditures or actual liabilities.

**ISANTI COUNTY  
CAMBRIDGE, MINNESOTA**

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2008

1. Budgetary Information (Continued)

Expenditures in Excess of Appropriations

For the year ended December 31, 2008, expenditures exceeded appropriations in the departments and funds as follows:

Fund or Department	Excess
General Fund	
Commissioners	\$ 1,347
County administration	8,246
Auditing and accounting services	24,059
Central services	43,863
Surveyor	25,443
Geographic information systems	579
Planning and zoning	19,081
Veteran services	7,152
Appropriations	299
Other general government	31,121
Sheriff	558,963
Safety and rescue	10,801
Medical examiner	2,823
Bike trails	56,494
Historical society	3,531
Soil and water conservation	10,000
Oak wilt program	2,857
Predator control	5,391
Transit	323,063
Rail authority	15,483
Library	540

These expenditures in excess of appropriations were funded by greater than anticipated revenues and the use of available fund balance.

2. Other Post-Employment Benefits Funding Status

The County implemented the requirements of Governmental Accounting Standards Board (GASB) Statement No. 45 for the fiscal year ended December 31, 2008. As a result, prior year information on funding progress for the County's other post-employment benefits plan is not available.

**COMBINING AND INDIVIDUAL FUND STATEMENTS**

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**ISANTI COUNTY  
CAMBRIDGE, MINNESOTA**

*Schedule 5*

**BUDGETARY COMPARISON SCHEDULE  
DEBT SERVICE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Taxes	\$ 954,237	\$ 954,237	\$ 929,654	\$ (24,583)
Intergovernmental	207,024	207,024	189,002	(18,022)
<b>Total Revenues</b>	<b><u>\$ 1,161,261</u></b>	<b><u>\$ 1,161,261</u></b>	<b><u>\$ 1,118,656</u></b>	<b><u>\$ (42,605)</u></b>
<b>Expenditures</b>				
<b>Debt service</b>				
Principal	\$ 715,000	\$ 715,000	\$ 715,000	\$ -
Interest	446,261	446,261	343,909	102,352
Administrative charges	-	-	1,801	(1,801)
<b>Total Expenditures</b>	<b><u>\$ 1,161,261</u></b>	<b><u>\$ 1,161,261</u></b>	<b><u>\$ 1,060,710</u></b>	<b><u>\$ 100,551</u></b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 57,946</u></b>	<b><u>\$ 57,946</u></b>
<b>Other Financing Sources (Uses)</b>				
Transfers in	\$ -	\$ -	\$ 61,842	\$ 61,842
<b>Net Change in Fund Balance</b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 119,788</u></b>	<b><u>\$ 119,788</u></b>
<b>Fund Balance - January 1</b>	<b><u>1,232,621</u></b>	<b><u>1,232,621</u></b>	<b><u>1,232,621</u></b>	<b><u>-</u></b>
<b>Fund Balance - December 31</b>	<b><u><u>\$ 1,232,621</u></u></b>	<b><u><u>\$ 1,232,621</u></u></b>	<b><u><u>\$ 1,352,409</u></u></b>	<b><u><u>\$ 119,788</u></u></b>

**ISANTI COUNTY  
CAMBRIDGE, MINNESOTA**

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

The Forfeited Tax Sale Fund accounts for the proceeds from the sale of property forfeited due to unpaid taxes.

The Sheriff's Contingency Fund accounts for monies set aside for special investigations by the County Sheriff.

The Ditch Fund accounts for the construction and repair of ditch systems.

**ISANTI COUNTY  
CAMBRIDGE, MINNESOTA**

Statement 1

**COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2008**

	<b>Forfeited Tax Sale</b>	<b>Sheriff's Contingency</b>	<b>Ditch</b>	<b>Total (Exhibit 3)</b>
<b><u>Assets</u></b>				
Cash and pooled investments	\$ 36,984	\$ 5,496	\$ 10,243	\$ 52,723
Accrued interest receivable	2,477	-	-	2,477
Due from other governments	-	253	-	253
Loans receivable	182,189	-	-	182,189
<b>Total Assets</b>	<b>\$ 221,650</b>	<b>\$ 5,749</b>	<b>\$ 10,243</b>	<b>\$ 237,642</b>
 <b><u>Liabilities and Fund Balances</u></b>				
<b>Liabilities</b>				
Due to other funds	\$ 15,788	\$ -	\$ -	\$ 15,788
Due to other governments	19,279	-	-	19,279
Deferred revenue - unavailable	184,666	-	-	184,666
<b>Total Liabilities</b>	<b>\$ 219,733</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 219,733</b>
 <b>Fund Balances</b>				
Unreserved				
Undesignated	<b>\$ 1,917</b>	<b>\$ 5,749</b>	<b>\$ 10,243</b>	<b>\$ 17,909</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 221,650</b>	<b>\$ 5,749</b>	<b>\$ 10,243</b>	<b>\$ 237,642</b>

**ISANTI COUNTY  
CAMBRIDGE, MINNESOTA**

Statement 2

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
NONMAJOR GOVERNMENTAL FUNDS  
SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>Forfeited Tax Sale</u>	<u>Sheriff's Contingency</u>	<u>Ditch</u>	<u>Total (Exhibit 5)</u>
<b>Revenues</b>				
Charges for services	\$ 3,875	\$ -	\$ -	\$ 3,875
Fines and forfeits	31,309	1,494	-	32,803
<b>Total Revenues</b>	<b>\$ 35,184</b>	<b>\$ 1,494</b>	<b>\$ -</b>	<b>\$ 36,678</b>
<b>Expenditures</b>				
<b>Current</b>				
General government	\$ 59,418	\$ -	\$ -	\$ 59,418
Public safety	-	1,039	-	1,039
<b>Total Expenditures</b>	<b>\$ 59,418</b>	<b>\$ 1,039</b>	<b>\$ -</b>	<b>\$ 60,457</b>
<b>Excess of Revenues Over (Under)</b>				
<b>Expenditures</b>	<b>\$ (24,234)</b>	<b>\$ 455</b>	<b>\$ -</b>	<b>\$ (23,779)</b>
<b>Fund Balance - January 1</b>	<b>26,151</b>	<b>5,294</b>	<b>10,243</b>	<b>41,688</b>
<b>Fund Balance - December 31</b>	<b>\$ 1,917</b>	<b>\$ 5,749</b>	<b>\$ 10,243</b>	<b>\$ 17,909</b>

**ISANTI COUNTY  
CAMBRIDGE, MINNESOTA**

**AGENCY FUNDS**

The Agency Fund accounts for the collection and payment of monies on behalf of the state, other local governmental units, and other entities

The Taxes and Penalties Fund accounts for the collection and apportionment of taxes and penalties collected on behalf of the County and other taxing districts.

The Collaborative Fund accounts for monies passed through to the Isanti County Integrated Collaborative.

**ISANTI COUNTY  
CAMBRIDGE, MINNESOTA**

*Statement 3*

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
ALL AGENCY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>Balance January 1</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance December 31</u>
<b><u>AGENCY</u></b>				
<b><u>Assets</u></b>				
Cash and pooled investments	<u>\$ 139,185</u>	<u>\$ 2,605,597</u>	<u>\$ 2,663,029</u>	<u>\$ 81,753</u>
<b><u>Liabilities</u></b>				
Due to other governments	<u>\$ 139,185</u>	<u>\$ 2,605,597</u>	<u>\$ 2,663,029</u>	<u>\$ 81,753</u>
<b><u>TAXES AND PENALTIES</u></b>				
<b><u>Assets</u></b>				
Cash and pooled investments	<u>\$ 416,849</u>	<u>\$ 41,182,840</u>	<u>\$ 41,175,537</u>	<u>\$ 424,152</u>
<b><u>Liabilities</u></b>				
Due to other governments	<u>\$ 416,849</u>	<u>\$ 41,182,840</u>	<u>\$ 41,175,537</u>	<u>\$ 424,152</u>
<b><u>COLLABORATIVE</u></b>				
<b><u>Assets</u></b>				
Cash and pooled investments	<u>\$ 223,985</u>	<u>\$ 408,084</u>	<u>\$ 430,093</u>	<u>\$ 201,976</u>
<b><u>Liabilities</u></b>				
Due to other governments	<u>\$ 223,985</u>	<u>\$ 408,084</u>	<u>\$ 430,093</u>	<u>\$ 201,976</u>

**ISANTI COUNTY  
CAMBRIDGE, MINNESOTA**

Statement 3  
(Continued)

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
ALL AGENCY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>Balance January 1</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance December 31</u>
<b><u>TOTAL ALL AGENCY FUNDS</u></b>				
<b><u>Assets</u></b>				
Cash and pooled investments	<u>\$ 780,019</u>	<u>\$ 44,196,521</u>	<u>\$ 44,268,659</u>	<u>\$ 707,881</u>
<b><u>Liabilities</u></b>				
Due to other governments	<u>\$ 780,019</u>	<u>\$ 44,196,521</u>	<u>\$ 44,268,659</u>	<u>\$ 707,881</u>

**ISANTI COUNTY  
CAMBRIDGE, MINNESOTA**

Statement 4

**BALANCE SHEET  
DISCRETELY PRESENTED COMPONENT UNITS  
DECEMBER 31, 2008**

	<b>Green Lake Improvement District</b>	<b>Long Lake Improvement District</b>	<b>Total</b>
<b><u>Assets</u></b>			
Cash and pooled investments	\$ 25,516	\$ 71,846	\$ 97,362
Taxes receivable			
Prior - net	126	-	126
Special assessments receivable			
Prior - net	-	4,033	4,033
Prepaid items	-	35	35
	<b>\$ 25,642</b>	<b>\$ 75,914</b>	<b>\$ 101,556</b>
<b><u>Liabilities and Fund Balances</u></b>			
<b>Liabilities</b>			
Due to primary government	\$ -	\$ 25,000	\$ 25,000
Deferred revenue - unavailable	40	4,033	4,073
	<b>\$ 40</b>	<b>\$ 29,033</b>	<b>\$ 29,073</b>
<b>Fund Balances</b>			
Unreserved			
Undesignated	\$ 25,602	\$ 46,881	\$ 72,483
	<b>\$ 25,642</b>	<b>\$ 75,914</b>	<b>\$ 101,556</b>

**Reconciliation of Fund Balance to Net Assets**

<b>Fund Balance</b>	<b>\$ 72,483</b>
Capital assets are reported on the statement of net assets but not on the balance sheet.	51,274
Assets not available to pay current expenditures are deferred in the funds.	4,073
Long-term liabilities, including advances payable, are not reported in the funds.	(11,500)
<b>Net Assets</b>	<b>\$ 116,330</b>

**ISANTI COUNTY  
CAMBRIDGE, MINNESOTA**

Statement 5

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
DISCRETELY PRESENTED COMPONENT UNITS  
FOR THE YEAR ENDED DECEMBER 31, 2008**

	Green Lake Improvement District	Long Lake Improvement District	Total
<b>Revenues</b>			
Taxes	\$ 16,937	\$ -	\$ 16,937
Special assessments	-	65,571	65,571
Intergovernmental	410	20,000	20,410
Gifts and contributions	-	5,525	5,525
Miscellaneous	756	108	864
	<b>\$ 18,103</b>	<b>\$ 91,204</b>	<b>\$ 109,307</b>
<b>Expenditures</b>			
<b>Current</b>			
Conservation of natural resources	\$ 2,502	\$ 70,976	\$ 73,478
<b>Excess of Revenues Over (Under)</b>			
<b>Expenditures</b>	\$ 15,601	\$ 20,228	\$ 35,829
<b>Fund Balance - January 1</b>	<b>10,001</b>	<b>26,653</b>	<b>36,654</b>
<b>Fund Balance - December 31</b>	<b>\$ 25,602</b>	<b>\$ 46,881</b>	<b>\$ 72,483</b>

**Reconciliation of the Change in Fund Balance to the Change in Net Assets**

**Net Change in Fund Balance** **\$ 35,829**

In the funds, receivables not available for expenditure are deferred. In the statement of activities, these revenues are recognized when earned.

Deferred revenue - January 1	(3,095)
Deferred revenue - December 31	4,073

The funds report capital outlay as expenditures. However in the statement of activities, the cost of those assets is allocated over the assets' estimated useful lives and reported as depreciation expense.

	(3,845)
<b>Net Change in Net Assets</b>	<b>\$ 32,962</b>

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**SUPPLEMENTARY INFORMATION**

**ISANTI COUNTY  
CAMBRIDGE, MINNESOTA**

Schedule 6

**TAX CAPACITY, TAX RATES, LEVIES, AND PERCENTAGE OF COLLECTIONS**

	2007		2008		2009	
	Amount	Net Tax Capacity Rate (%)	Amount	Net Tax Capacity Rate (%)	Amount	Net Tax Capacity Rate (%)
<b>Tax Capacity</b>						
Real property	\$ 31,805,767		\$ 34,520,884		\$ 35,971,580	
Personal property	498,977		550,122		552,634	
Less: tax increment	(455,967)		(539,003)		(312,558)	
<b>Net Tax Capacity</b>	<b>\$ 31,848,777</b>		<b>\$ 34,532,003</b>		<b>\$ 36,211,656</b>	
<b>Taxes Levied for County Purposes</b>						
General	\$ 8,720,837	24.613	9,679,477	25.265	9,404,810	23.168
Road and bridge	1,663,613	4.695	2,054,705	5.363	2,156,747	5.313
Human services	3,853,970	10.877	3,644,031	9.512	4,409,244	10.862
Capital improvement debt service	150,000	0.423	202,700	0.528	292,300	0.718
Jail debt service	213,615	0.603	221,961	0.578	224,667	0.552
Government center debt service	730,805	2.063	736,600	1.919	734,800	1.805
<b>Total Levy for County Purposes</b>	<b>\$ 15,332,840</b>	<b>43.274</b>	<b>\$ 16,539,474</b>	<b>43.165</b>	<b>\$ 17,222,568</b>	<b>42.418</b>
<b>Less: Credits Payable by State</b>	<b>1,550,557</b>		<b>1,662,877</b>		<b>1,899,673</b>	
<b>Net Levy for County Purposes</b>	<b>\$ 13,782,283</b>		<b>\$ 14,876,597</b>		<b>\$ 15,322,895</b>	
<b>Percentage of Tax Collections for All Purposes</b>	<b>95.69%</b>		<b>95.19%</b>			

**ISANTI COUNTY  
CAMBRIDGE, MINNESOTA**

*Schedule 7*

**BALANCE SHEET BY DITCH  
DITCH SPECIAL REVENUE FUND  
DECEMBER 31, 2008**

	<b>County Ditches</b>				
	<b>1</b>	<b>3</b>	<b>4</b>	<b>16</b>	<b>Totals</b>
 <u><b>Assets</b></u>					
Cash and pooled investments	\$ 15,489	\$ (4,584)	\$ 62	\$ (724)	\$ 10,243
 <u><b>Fund Balances</b></u>					
Unreserved, undesignated	\$ 15,489	\$ (4,584)	\$ 62	\$ (724)	\$ 10,243

**ISANTI COUNTY  
CAMBRIDGE, MINNESOTA**

*Schedule 8*

**SCHEDULE OF INTERGOVERNMENTAL REVENUE  
FOR THE YEAR ENDED DECEMBER 31, 2008**

	<b>Governmental Funds</b>	<b>Discretely Presented Component Units</b>
<b>Shared Revenue</b>		
<b>State</b>		
Highway users tax	\$ 3,114,173	\$ -
Market value credit	1,262,354	410
PERA rate reimbursement	37,531	-
Disparity reduction aid	39,910	-
County program aid	1,384,720	-
Police aid	128,710	-
	<b>\$ 5,967,398</b>	<b>\$ 410</b>
<b>Reimbursement for Services</b>		
<b>State</b>		
Minnesota department of human services	\$ 538,037	\$ -
<b>Payments</b>		
<b>Local</b>		
Local contributions	\$ 110,500	\$ -
Local reimbursements	53,815	-
Payments in lieu of taxes	96,400	-
	<b>\$ 260,715</b>	<b>\$ -</b>
<b>Grants</b>		
<b>State</b>		
Minnesota department/board of		
Corrections	\$ 287,202	\$ -
Public safety	156,361	-
Transportation	393,176	-
Peace officer standards and training	8,011	-
Health	152,398	-
Natural resources	6,591	20,000
Human services	3,702,840	-
Soil and water resources	121,216	-
Veteran's Affairs	46,107	-
Pollution control agency	86,651	-
	<b>\$ 4,960,553</b>	<b>\$ 20,000</b>
<b>Federal</b>		
Department of		
Agriculture	\$ 379,550	\$ -
Justice	11,246	-
Transportation	656,062	-
Election assistance commission	772	-
Health and human services	3,219,578	-
Homeland security	21,596	-
	<b>\$ 4,288,804</b>	<b>\$ -</b>
<b>Total State and Federal Grants</b>	<b>\$ 9,249,357</b>	<b>\$ 20,000</b>
<b>Total Intergovernmental Revenue</b>	<b>\$ 16,015,507</b>	<b>\$ 20,410</b>

## **STATISTICAL SECTION**

**ISANTI COUNTY  
CAMBRIDGE, MINNESOTA**

**STATISTICAL SECTION**

This part of Isanti 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 government’s overall financial health.

<b><u>Contents</u></b>	<b><u>Page</u></b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the County’s financial performance and well-being have changed over time.	105
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the County’s most significant local revenue source, the property tax.	112
<b>Debt Capacity</b> 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.	116
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the County’s financial activities take place.	120
<b>Operating Information</b> 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.	123

Sources: Unless otherwise noted, the information in these schedules is derived from the County’s annual financial reports for the relevant year.

**Isanti County  
Net Assets by Component  
Last Six Fiscal Years  
(accrual basis of accounting)**

**TABLE 1**

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Governmental activities						
Invested in capital assets, net of related debt	\$ 32,920,115	\$ 40,824,860	\$ 43,684,647	\$ 49,603,612	\$ 52,831,962	\$ 54,446,421
Restricted	6,509,349	1,652,284	2,028,957	1,833,944	1,948,487	3,400,339
Unrestricted	<u>10,626,045</u>	<u>11,047,829</u>	<u>13,026,708</u>	<u>11,076,393</u>	<u>10,526,608</u>	<u>8,968,479</u>
Total net assets	<u>\$ 50,055,509</u>	<u>\$ 53,524,973</u>	<u>\$ 58,740,312</u>	<u>\$ 62,513,949</u>	<u>\$ 65,307,057</u>	<u>\$ 66,815,239</u>

Notes

A. Isanti County does not engage in any business-type activities.

B. Isanti County implemented GASB 34 for the fiscal year ended December 31, 2003. Prior fiscal years were not restated and therefore are not available.

Source: Isanti County's annual financial statements

**Isanti County**  
**Changes in Net Assets**  
**Last Six Fiscal Years**  
**(accrual basis of accounting)**

**TABLE 2**

	2003	2004	2005	2006	2007	2008
<b>Expenses</b>						
Governmental activities:						
General government	\$ 5,145,333	\$ 5,249,287	\$ 5,491,008	\$ 5,448,844	\$ 6,025,655	\$ 6,620,404
Public safety	4,830,047	5,125,504	5,015,073	5,884,399	6,511,479	7,082,556
Human services	9,148,791	9,160,593	8,677,376	9,423,712	11,106,826	11,613,036
Highways and streets	2,521,305	1,931,377	3,910,593	2,906,716	3,282,783	3,565,275
Sanitation	13,153	113,336	-	-	-	-
Health	1,161,940	1,242,222	1,337,553	1,438,786	1,107,556	1,354,755
Culture and recreation	377,647	427,298	521,885	625,225	659,006	622,107
Conservation of natural resources	227,573	233,669	241,606	299,708	267,419	314,305
Economic development	575,209	636,553	744,030	862,950	944,630	1,116,949
Interest on long-term debt	331,143	322,900	273,299	365,060	383,033	401,745
<b>Total expenses</b>	<b>\$ 24,332,141</b>	<b>\$ 24,442,739</b>	<b>\$ 26,212,423</b>	<b>\$ 27,255,400</b>	<b>\$ 30,288,387</b>	<b>\$ 32,691,132</b>
<b>Program revenues</b>						
Governmental activities:						
Charges for services:						
General government	\$ 2,068,772	\$ 2,269,199	\$ 1,998,197	\$ 1,465,758	\$ 1,702,688	\$ 1,797,427
Public safety	608,101	426,281	821,779	675,416	925,642	811,549
Human services	1,065,621	766,912	532,212	405,709	676,303	534,788
Other activities	462,273	557,965	695,598	1,056,817	887,282	653,974
Operating grants and contributions	10,057,744	8,370,562	8,423,376	9,936,564	11,049,266	11,357,076
Capital grants and contributions	1,101,419	1,702,523	2,851,537	2,029,510	1,514,686	1,823,365
<b>Total program revenues</b>	<b>\$ 15,363,930</b>	<b>\$ 14,093,442</b>	<b>\$ 15,322,699</b>	<b>\$ 15,569,774</b>	<b>\$ 16,755,867</b>	<b>\$ 16,978,179</b>
<b>Net (expense)/revenue</b>	<b>\$ (8,968,211)</b>	<b>\$ (10,349,297)</b>	<b>\$ (10,889,724)</b>	<b>\$ (11,685,626)</b>	<b>\$ (13,532,520)</b>	<b>\$ (15,712,953)</b>

**TABLE 2**  
**(Continued)**

**General revenues and other changes in net assets**

Governmental activities:						
Property taxes	\$ 9,601,392	\$ 10,328,885	\$ 11,195,225	\$ 11,780,833	\$ 12,573,581	\$ 13,852,738
Mortgage registry and deed tax	89,626	91,342	55,737	35,237	17,451	90,762
Other taxes	2,202	348	8,271	67	15	17
Payments in lieu of tax	31,409	60,789	33,691	96,433	97,020	96,400
Unrestricted grants and contributions	3,422,673	3,001,600	2,902,096	2,969,987	2,960,026	2,724,515
Investment earnings	249,120	329,323	354,817	550,972	664,535	456,703
Miscellaneous	11,454	6,474	6,781	25,734	13,000	-
<b>Total general revenues</b>	<b>\$ 13,407,876</b>	<b>\$ 13,818,761</b>	<b>\$ 14,556,618</b>	<b>\$ 15,459,263</b>	<b>\$ 16,325,628</b>	<b>\$ 17,221,135</b>
<b>Change in net assets</b>	<b>\$ 4,439,665</b>	<b>\$ 3,469,464</b>	<b>\$ 3,666,894</b>	<b>\$ 3,773,637</b>	<b>\$ 2,793,108</b>	<b>\$ 1,508,182</b>

Notes

- A. Isanti County does not engage in any business-type activities.  
 B. Isanti County implemented GASB 34 for the fiscal year ended December 31, 2003. Prior fiscal years were not restated and therefore are not available.

Source: Isanti County's annual financial statements

**Isanti County**  
**Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**

**TABLE 3**

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
General fund				
Reserved	\$ 481,289	\$ 547,504	\$ 577,333	\$ 774,265
Unreserved	<u>3,900,333</u>	<u>3,895,690</u>	<u>4,452,879</u>	<u>4,929,957</u>
Total general fund	<u>\$ 4,381,622</u>	<u>\$ 4,443,194</u>	<u>\$ 5,030,212</u>	<u>\$ 5,704,222</u>
All other governmental funds				
Reserved	\$ 7,071,161	\$ 7,018,710	\$ 6,908,762	\$ 1,421,479
Unreserved, reported in:				
Special revenue funds	2,156,975	1,628,797	2,039,773	2,687,517
Debt service fund	582,977	657,504	711,131	682,837
Capital projects fund	<u>399,565</u>	<u>399,565</u>	<u>370,973</u>	<u>318,292</u>
Total all other governmental funds	<u>\$ 10,210,678</u>	<u>\$ 9,704,576</u>	<u>\$ 10,030,639</u>	<u>\$ 5,110,125</u>

Source: Isanti County's annual financial statements

**TABLE 3**  
**(Continued)**

<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
\$ 805,414	\$ 469,233	\$ 818,218	\$ 963,218	\$ 883,150	\$ 1,020,160
<u>5,036,106</u>	<u>5,135,143</u>	<u>5,082,859</u>	<u>4,641,755</u>	<u>3,722,239</u>	<u>3,655,617</u>
<u>\$ 5,841,520</u>	<u>\$ 5,604,376</u>	<u>\$ 5,901,077</u>	<u>\$ 5,604,973</u>	<u>\$ 4,605,389</u>	<u>\$ 4,675,777</u>
\$ 901,575	\$ 1,027,125	\$ 1,035,266	\$ 954,317	\$ 786,628	\$ 572,194
4,152,715	4,557,513	5,151,032	6,138,638	5,501,822	5,439,472
1,106,176	923,407	1,161,822	1,049,618	1,232,621	1,352,409
<u>2,350,554</u>	<u>944,222</u>	<u>48,495</u>	<u>(921,297)</u>	<u>(490,888)</u>	<u>1,150,837</u>
<u>\$ 8,511,020</u>	<u>\$ 7,452,267</u>	<u>\$ 7,396,615</u>	<u>\$ 7,221,276</u>	<u>\$ 7,030,183</u>	<u>\$ 8,514,912</u>

**Isanti County**  
**Changes in Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**

**TABLE 4**

	1999	2000	2001	2002
<b>Revenues</b>				
Taxes	\$ 7,639,791	\$ 8,068,463	\$ 9,739,393	\$ 8,893,377
Special assessments	-	-	-	-
Licenses and permits	394,813	422,423	438,615	601,015
Intergovernmental	11,343,838	12,045,558	11,664,272	16,492,300
Charges for services	967,141	1,068,789	1,237,898	1,519,527
Fines and forfeits	281,174	277,725	270,128	240,591
Gifts and contributions	39,989	50,188	30,562	51,238
Investment earnings	671,187	857,144	741,348	473,473
Miscellaneous	1,548,574	1,656,624	1,496,342	1,556,683
<b>Total revenues</b>	<b>\$ 22,886,507</b>	<b>\$ 24,446,914</b>	<b>\$ 25,618,558</b>	<b>\$ 29,828,204</b>
<b>Expenditures</b>				
General government	\$ 3,795,362	\$ 3,961,917	\$ 4,185,531	\$ 4,612,223
Public safety	3,674,874	3,724,358	4,108,467	4,493,739
Highways and streets	4,388,155	3,635,470	3,167,158	5,608,066
Sanitation	475,053	526,069	436,598	411,886
Human services	8,524,227	9,535,000	9,237,114	9,583,906
Health	1,025,125	941,113	963,163	1,133,080
Culture and recreation	217,291	170,259	55,046	195,754
Conservation of natural resources	240,515	221,563	273,200	281,148
Economic development	604,552	437,914	619,607	561,786
Unallocated	7,181	282,842	44,849	-
Intergovernmental	189,676	209,585	230,307	263,711
Capital outlay	123,382	-	28,592	50,865
Debt service				
Principal	470,000	567,605	1,188,595	6,334,015
Interest	747,597	817,198	809,927	569,337
Other charges	-	-	-	-
<b>Total expenditures</b>	<b>\$ 24,482,990</b>	<b>\$ 25,030,893</b>	<b>\$ 25,348,154</b>	<b>\$ 34,099,516</b>
Excess of revenues over (under) expenditures	\$ (1,596,483)	\$ (583,979)	\$ 270,404	\$ (4,271,312)
<b>Other financing sources (uses)</b>				
Transfers in	\$ 126,334	\$ 3,107	\$ 3,153	\$ 1,787
Transfers out	(126,334)	(3,107)	(3,153)	(1,787)
Bonds issued	-	-	621,720	-
Premium on bonds issued	-	-	-	-
Discount on bonds issued	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Capital leases	-	144,788	-	-
Sale of capital assets	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>\$ -</b>	<b>\$ 144,788</b>	<b>\$ 621,720</b>	<b>\$ -</b>
<b>Net change in fund balances</b>	<b>\$ (1,596,483)</b>	<b>\$ (439,191)</b>	<b>\$ 892,124</b>	<b>\$ (4,271,312)</b>
Debt service as a percentage of noncapital expenditures	5.30%	5.68%	7.95%	20.66%

Source: Isanti County's annual financial statements

**TABLE 4**  
**(Continued)**

2003	2004	2005	2006	2007	2008
\$ 9,671,669	\$ 10,420,993	\$ 11,308,110	\$ 11,729,027	\$ 12,406,125	\$ 13,802,898
-	-	-	2,236	10,655	1,462
649,094	669,271	711,245	510,976	487,477	347,250
13,676,214	13,394,848	13,352,203	16,634,510	15,156,140	16,015,507
1,647,093	1,482,161	1,794,946	2,045,560	1,950,031	1,833,989
234,082	269,065	339,462	121,302	86,811	66,991
94,330	147,535	30,656	126,326	174,306	119,266
249,120	329,323	354,817	550,972	664,535	456,703
2,512,619	1,602,947	1,115,888	1,203,521	1,662,418	1,403,640
<u>\$ 28,734,221</u>	<u>\$ 28,316,143</u>	<u>\$ 29,007,327</u>	<u>\$ 32,924,430</u>	<u>\$ 32,598,498</u>	<u>\$ 34,047,706</u>
\$ 4,881,832	\$ 5,040,806	\$ 5,305,942	\$ 5,353,483	\$ 6,141,306	\$ 6,189,568
4,625,076	5,045,893	5,159,033	5,444,616	6,475,597	6,794,529
4,066,247	4,039,828	4,586,393	6,320,139	5,005,557	5,177,821
13,153	103,496	585	-	-	-
9,131,407	9,132,197	8,700,846	9,656,824	11,004,697	11,410,550
1,161,940	1,242,222	1,340,376	1,434,575	1,095,877	1,308,310
95,574	146,570	205,655	257,041	1,394,436	252,332
226,194	232,290	241,606	299,845	266,860	310,719
575,209	646,513	662,598	774,164	990,885	1,205,384
-	-	-	-	-	-
511,610	503,537	496,878	535,697	364,882	587,215
667,813	3,699,549	1,409,906	2,463,789	1,781,718	400,090
1,639,573	775,000	315,000	550,000	1,063,351	715,000
314,832	414,411	359,338	364,696	366,145	343,909
36,876	28,944	3,107	3,126	84,900	45,977
<u>\$ 27,947,336</u>	<u>\$ 31,051,256</u>	<u>\$ 28,787,263</u>	<u>\$ 33,457,995</u>	<u>\$ 36,036,211</u>	<u>\$ 34,741,404</u>
\$ 786,885	\$ (2,735,113)	\$ 220,064	\$ (533,565)	\$ (3,437,713)	\$ (693,698)
\$ 444,939	\$ 679,572	\$ -	\$ 426,817	\$ 447,021	\$ 666,842
(444,939)	(679,572)	-	(426,817)	(447,021)	(666,842)
2,770,000	1,400,000	-	-	5,945,000	2,155,000
-	557	-	-	8,220	36,730
(39,652)	(13,443)	-	-	-	-
-	-	-	-	(3,771,649)	-
-	-	-	-	-	-
-	3,656	8,037	-	-	-
<u>\$ 2,730,348</u>	<u>\$ 1,390,770</u>	<u>\$ 8,037</u>	<u>\$ -</u>	<u>\$ 2,181,571</u>	<u>\$ 2,191,730</u>
<u>\$ 3,517,233</u>	<u>\$ (1,344,343)</u>	<u>\$ 228,101</u>	<u>\$ (533,565)</u>	<u>\$ (1,256,142)</u>	<u>\$ 1,498,032</u>
8.05%	5.08%	2.68%	3.47%	5.10%	3.61%

(Unaudited)

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**Isanti County**  
**Net Tax Capacity and Estimated Actual Value of Taxable Property**  
**Last Ten Fiscal Years**

**TABLE 5**

Net Tax Capacity								
Real Property								Ratio of Net Tax Capacity to Taxable Market Value
Payable Year	Residential Homestead	Agricultural	Commercial & Industrial	Other	Personal Property	Total Net Tax Capacity	Taxable Market Value	
1999	\$ 7,321,878	\$ 2,976,929	\$ 2,490,461	\$ 829,138	\$ 405,032	\$ 14,023,438	\$ 1,093,319,500	1.28%
2000	8,131,331	3,098,809	2,540,968	877,537	401,278	15,049,923	1,192,466,900	1.26%
2001	9,386,899	3,486,830	2,931,535	980,959	395,802	17,182,025	1,331,888,500	1.29%
2002	8,914,450	3,526,303	1,949,277	882,714	281,733	15,554,477	1,502,306,800	1.04%
2003	10,368,611	3,928,276	2,276,902	980,349	304,340	17,858,478	1,724,082,605	1.04%
2004	12,161,584	4,545,080	2,599,042	1,252,743	331,804	20,890,253	2,018,201,200	1.04%
2005	14,396,388	4,804,759	2,983,242	1,999,613	369,334	24,553,336	2,375,005,700	1.03%
2006	16,732,654	5,502,141	3,420,324	2,485,818	398,387	28,539,324	2,766,434,000	1.03%
2007	18,785,795	6,169,088	3,765,846	3,085,681	498,977	32,305,387	3,132,883,700	1.03%
2008	20,079,560	6,737,033	3,758,698	3,945,593	550,122	35,071,006	3,409,144,200	1.03%

Notes

A. In Minnesota, all taxable property is valued and classified according to its intended use on January 2 of each year. Property is valued at "market value" which is defined as the most probable selling price in an arm's length transaction. The market value is multiplied by a classification rate set by the State Legislature to arrive at a "net tax capacity" value. The net tax capacity value is then used as the tax base for levying, extending, and collecting taxes.

B. Total net tax capacity includes tax increment amounts.

Source: Isanti County Auditor-Treasurer's Office

TABLE 6

**Isanti County  
Property Tax Rates -  
Direct and Overlapping Governments  
Last Ten Fiscal Years**

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Governmental Unit										
Isanti County	55.416	53.505	54.317	64.354	61.193	56.535	50.811	46.035	43.274	43.165
Cities										
Braham	75.848	68.652	67.594	78.096	73.184	60.676	53.149	50.937	47.110	46.977
Cambridge	76.134	72.470	71.987	100.949	94.469	80.960	73.707	66.316	63.415	63.827
Isanti	39.140	44.056	47.246	77.169	77.747	73.854	74.211	68.579	64.718	59.886
Townships										
Athens	25.725	23.779	21.715	30.009	30.586	28.387	26.239	27.408	26.995	25.396
Bradford	20.542	18.240	16.598	21.752	19.323	18.892	18.378	17.622	15.852	15.194
Cambridge	15.457	19.874	19.974	29.404	26.542	23.186	21.362	20.900	18.808	18.482
Dalbo	22.527	20.907	21.204	29.233	26.399	24.546	21.086	17.809	15.900	14.578
Isanti	20.536	19.814	20.766	29.542	26.942	25.885	25.335	24.789	22.323	21.495
Maple Ridge	11.410	14.968	13.023	21.883	23.524	22.154	19.271	16.586	14.221	13.375
North Branch	22.101	21.392	18.748	25.257	23.638	20.402	17.395	16.851	17.956	17.335
Oxford	23.673	22.879	21.783	28.320	26.963	24.405	20.927	19.275	17.330	17.076
Spencer Brook	19.681	20.473	17.013	27.587	26.008	22.592	19.616	18.682	20.687	22.532
Spencer Brook (I.S.D. #477)	19.567	20.369	16.923	27.508	25.939	22.532	19.564	18.682	20.687	22.532
Springvale	16.594	14.809	13.708	23.094	22.286	20.290	22.410	21.509	20.026	26.655
Stanchfield	10.952	10.468	13.956	18.148	20.655	17.994	16.830	15.965	15.581	16.834
Stanford	18.456	20.990	19.695	30.261	26.272	25.289	22.766	21.304	21.334	21.631
Wyanett	10.423	10.257	9.863	14.615	16.058	15.594	13.270	12.241	11.766	12.808
School districts										
I.S.D. #15	59.333	59.386	48.179	29.057	28.662	19.063	18.524	23.077	24.625	23.174
I.S.D. #138	64.690	60.970	55.111	28.466	41.474	39.751	40.126	34.413	33.268	28.731
I.S.D. #314	68.144	73.047	66.590	30.445	32.393	27.714	25.528	20.067	20.473	17.897
I.S.D. #332	54.982	54.658	53.941	21.140	19.922	17.256	15.963	16.003	15.579	14.911
I.S.D. #333	61.556	67.832	61.357	47.422	44.145	41.036	42.177	40.118	42.589	44.079
I.S.D. #477	61.262	58.398	55.693	31.212	29.468	28.186	23.604	23.253	20.773	18.412
I.S.D. #728	59.886	56.027	63.870	45.969	41.352	30.953	32.848	35.950	33.208	32.344
I.S.D. #911	62.916	59.129	54.156	35.142	36.459	25.834	32.168	27.644	19.869	26.272
I.S.D. #912	64.325	69.544	58.562	37.420	24.969	28.800	21.430	20.933	21.627	22.967
Intermediate School District #916	0.333	0.261	0.314	0.070	0.098	0.083	0.075	0.066	-	-
Other taxing districts										
Green Lake Improvement District	-	-	-	1.350	4.963	1.038	-	6.076	2.825	3.302
East Central Regional Development Commission	0.243	0.229	0.211	0.288	0.260	0.231	0.202	0.178	0.163	0.154

Note

The property tax rate is calculated by dividing a taxing district's property tax levy amount by the district's tax capacity.

Source: Isanti County Auditor-Treasurer's Office

**Isanti County  
Principal Property Taxpayers  
Current Year and Nine Years Ago**

**TABLE 7**

2008			1999		
Taxpayer	Net Tax Capacity	Percentage of Total County Net Tax Capacity	Taxpayer	Net Tax Capacity	Percentage of Total County Net Tax Capacity
United Power Association	\$ 258,996	0.74%	United Power Association	\$ 177,591	1.27%
Wal-Mart Real Estate Business Trust	213,838	0.61%	East Central Energy	158,073	1.13%
Menards Inc.	200,806	0.57%	Allina Medical Group	126,072	0.90%
East Central Energy	172,532	0.49%	Wal-Mart Stores, Inc.	106,830	0.76%
Target Corporation	140,412	0.40%	Cambridge Metals & Plastics	103,541	0.74%
Centerpoint Energy Minnegasco	94,158	0.27%	Memorial Hospital Association of Cambridge	86,897	0.62%
Iverson Real Estate Corporation	82,867	0.24%	Minnesota Intrastate Transportation System	82,556	0.59%
Allina Medical Clinic	70,256	0.20%	Arrow Tank & Engineering Co.	62,072	0.44%
Isanti Village Apartments LLC	67,936	0.19%	Candadian Harvest, LP	56,158	0.40%
Minnco Credit Union	67,316	0.19%	Cambridge Nursing Home, Inc.	55,610	0.40%
Total principal taxpayers	\$ 1,369,117	3.90%	Total principal taxpayers	\$ 1,015,400	7.24%
All other taxpayers	33,701,889	96.10%	All other taxpayers	13,008,038	92.76%
Total	<u>\$ 35,071,006</u>	<u>100.00%</u>	Total	<u>\$ 14,023,438</u>	<u>100.00%</u>

Source: Isanti County Auditor-Treasurer's Office

(Unaudited)

**Isanti County  
Property Tax Levies and Collections  
Last Ten Fiscal Years**

**TABLE 8**

Fiscal Year	Total Net Tax Levy	Collected in Year of Levy	Percent of Levy Collected in Year of Levy	Collected in Subsequent Years	Total Tax Collections	Percent of Total Tax Collections to Tax Levy	Outstanding Delinquent Taxes	Percent of Delinquent Taxes to Tax Levy
1999	\$ 7,468,968	\$ 7,233,152	96.84%	\$ 233,203	\$ 7,466,355	99.97%	\$ 2,613	0.03%
2000	7,893,808	7,667,317	97.13%	223,991	7,891,308	99.97%	2,500	0.03%
2001	9,134,962	8,864,151	97.04%	267,869	9,132,020	99.97%	2,942	0.03%
2002	9,901,872	9,671,570	97.67%	227,493	9,899,063	99.97%	2,809	0.03%
2003	10,794,578	10,551,346	97.75%	238,902	10,790,248	99.96%	4,330	0.04%
2004	11,642,555	11,388,697	97.82%	241,196	11,629,893	99.89%	12,662	0.11%
2005	12,295,435	12,000,081	97.60%	267,016	12,267,097	99.77%	28,338	0.23%
2006	12,966,766	12,550,950	96.79%	349,745	12,900,695	99.49%	66,071	0.51%
2007	13,782,283	13,283,278	96.38%	326,614	13,609,892	98.75%	172,391	1.25%
2008	14,876,597	14,222,816	95.61%	-	14,222,816	95.61%	653,781	4.39%

Source: Isanti County Auditor-Treasurer's Office

(Unaudited)

**Isanti County**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**

**TABLE 9**

Fiscal Year	Governmental Activities		Total Debt	Total Debt Per Capita	Percentage of Personal Income
	General Obligation Bonds	Capital Lease			
1999	\$ 2,710,000	\$ 12,185,000	\$ 14,895,000	\$ 483	2.00%
2000	2,355,000	12,020,000	14,375,000	459	1.73%
2001	1,990,000	11,860,000	13,850,000	428	1.57%
2002	1,585,000	5,965,000	7,550,000	224	0.82%
2003	2,970,000	5,740,000	8,710,000	247	0.90%
2004	3,815,000	5,520,000	9,335,000	256	0.90%
2005	3,765,000	5,255,000	9,020,000	239	0.83%
2006	3,710,000	4,760,000	8,470,000	220	0.73%
2007	9,580,000	-	9,580,000	246	0.78%
2008	11,020,000	-	11,020,000	n/a	n/a

n/a - Information is not yet available as of publication date.

Note

Isanti County does not engage in any business-type activities.

Source: Isanti County Auditor-Treasurer's Office

**Isanti County**  
**Ratio of Net General Bonded Debt Outstanding**  
**Last Ten Fiscal Years**

**TABLE 10**

Fiscal Year	General Obligation Bonds	Capital Lease	Total Gross General Bonded Debt	Less: Amounts in Debt Service Fund	Total Net General Bonded Debt	Percentage of Net Bonded Debt to Estimated Actual Value of Taxable Property	Total Net Bonded Debt Per Capita
1999	\$ 2,710,000	\$ 12,185,000	\$ 14,895,000	\$ 7,211,352	\$ 7,683,648	0.70%	\$ 249
2000	2,355,000	12,020,000	14,375,000	7,272,505	7,102,495	0.60%	227
2001	1,990,000	11,860,000	13,850,000	7,302,304	6,547,696	0.49%	203
2002	1,585,000	5,965,000	7,550,000	1,485,790	6,064,210	0.40%	180
2003	2,970,000	5,740,000	8,710,000	1,607,429	7,102,571	0.41%	201
2004	3,815,000	5,520,000	9,335,000	1,425,766	7,909,234	0.39%	217
2005	3,765,000	5,255,000	9,020,000	1,668,455	7,351,545	0.31%	195
2006	3,710,000	4,760,000	8,470,000	1,559,827	6,910,173	0.25%	180
2007	9,580,000	-	9,580,000	1,232,621	8,347,379	0.27%	215
2008	11,020,000	-	11,020,000	1,352,409	9,667,591	0.28%	n/a

(Unaudited)

**Isanti County**  
**Computation of Direct and Overlapping Debt**  
**As of December 31, 2008**

**TABLE 11**

<u>Governmental Unit</u>	<u>General Obligation Debt Outstanding<sup>1</sup></u>	<u>Percentage of Tax Capacity in Isanti County<sup>2</sup></u>	<u>General Obligation Debt Applicable to Isanti County</u>
Direct			
Isanti County	\$ 11,020,000	100.00%	\$ 11,020,000
Overlapping			
City of Braham	\$ 2,213,221	99.87%	\$ 2,210,344
City of Cambridge	9,222,535	100.00%	9,222,535
City of Isanti	17,883,165	100.00%	17,883,165
Independent School District #15	44,845,000	7.09%	3,179,511
Independent School District #138	42,735,000	9.17%	3,918,800
Independent School District #314	5,550,000	52.59%	2,918,745
Independent School District #332	4,250,000	0.01%	535
Independent School District #333	2,705,000	6.12%	165,546
Independent School District #477	27,070,000	14.98%	4,055,086
Independent School District #728	323,430,000	0.01%	17,097
Independent School District #911	58,955,000	96.58%	56,938,739
Independent School District #912	16,565,000	0.55%	91,108
Total overlapping	\$ 555,423,921		\$ 100,601,211
Total direct and overlapping debt	\$ 566,443,921		\$ 111,621,211

Source: 1) County Report of Outstanding Indebtedness and 2) Isanti County Auditor-Treasurer's Office

(Unaudited)

**TABLE 12**

**Isanti County  
Legal Debt Margin Information  
Last Ten Fiscal Years**

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
Total market value of taxable property	\$ 1,093,319,500	\$ 1,192,466,900	\$ 1,331,888,500	\$ 1,502,164,000	\$ 1,724,082,600
Debt limit (2% of market value)	\$ 21,866,390	\$ 23,849,338	\$ 26,637,770	\$ 30,043,280	\$ 34,481,652
Debt applicable to limit					
General obligation bonds	\$ 14,895,000	\$ 14,375,000	\$ 13,850,000	\$ 7,550,000	\$ 8,710,000
Less: amounts set aside for repayment of general obligation debt	<u>(7,211,352)</u>	<u>(7,272,505)</u>	<u>(7,302,304)</u>	<u>(1,485,790)</u>	<u>(1,607,429)</u>
Total net debt applicable to the limit	\$ 7,683,648	\$ 7,102,495	\$ 6,547,696	\$ 6,064,210	\$ 7,102,571
Legal debt margin	<u>\$ 14,182,742</u>	<u>\$ 16,746,843</u>	<u>\$ 20,090,074</u>	<u>\$ 23,979,070</u>	<u>\$ 27,379,081</u>
Total debt applicable to the limit as a percentage of debt limit	35.14%	29.78%	24.58%	20.18%	20.60%
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Total market value of taxable property	\$ 2,018,201,200	\$ 2,375,005,700	\$ 2,766,434,000	\$ 3,132,883,700	\$ 3,409,144,200
Debt limit (2% of market value)	\$ 40,364,024	\$ 47,500,114	\$ 55,328,680	\$ 62,657,674	\$ 68,182,884
Debt applicable to limit					
General obligation bonds	\$ 9,335,000	\$ 9,020,000	\$ 8,470,000	\$ 9,580,000	\$ 11,020,000
Less: amounts set aside for repayment of general obligation debt	<u>(1,425,766)</u>	<u>(1,668,455)</u>	<u>(1,559,827)</u>	<u>(1,232,621)</u>	<u>(1,352,409)</u>
Total net debt applicable to the limit	\$ 7,909,234	\$ 7,351,545	\$ 6,910,173	\$ 8,347,379	\$ 9,667,591
Legal debt margin	<u>\$ 32,454,790</u>	<u>\$ 40,148,569</u>	<u>\$ 48,418,507</u>	<u>\$ 54,310,295</u>	<u>\$ 58,515,293</u>
Total debt applicable to the limit as a percentage of debt limit	19.59%	15.48%	12.49%	13.32%	14.18%

Source: Isanti County Auditor-Treasurer's Office

(Unaudited)

**Isanti County  
Demographic and Economic Statistics  
Last Ten Fiscal Years**

**TABLE 13**

Year	Population <sup>1</sup>	Population Growth	Personal Income <sup>2</sup> (in thousands)	Per Capita Personal Income <sup>2</sup>	Unemployment Rates <sup>3</sup>		
					Isanti County	State of Minnesota	United States
1999	30,826	2.62%	746,021	24,373	3.50%	2.80%	4.20%
2000	31,287	1.50%	829,753	26,330	3.40%	3.10%	4.00%
2001	32,332	3.34%	880,753	26,997	4.30%	3.80%	4.70%
2002	33,757	4.41%	922,631	27,334	5.30%	4.50%	5.80%
2003	35,321	4.63%	966,234	27,425	5.70%	4.90%	6.00%
2004	36,512	3.37%	1,035,406	28,573	5.20%	4.60%	5.60%
2005	37,699	3.25%	1,084,520	29,150	4.90%	4.20%	5.10%
2006	38,436	1.95%	1,153,128	30,279	4.90%	4.00%	4.60%
2007	38,881	1.16%	1,225,299	31,570	6.00%	4.60%	4.60%
2008	n/a	n/a	n/a	n/a	7.00%	5.40%	5.80%

n/a - Information is not yet available as of publication date

Sources: 1) Minnesota State Demographic Center, 2) U.S. Department of Commerce - Bureau of Economic Analysis, and 3) Minnesota Department of Employment and Economic Development

**Isanti County  
Principal Employers  
Current Year and Five Years Ago**

**TABLE 14**

2008			2003		
Employer <sup>1</sup>	Estimated Number of Employees <sup>1</sup>	Estimated Percentage of Total County Employment	Employer <sup>1</sup>	Estimated Number of Employees <sup>1</sup>	Estimated Percentage of Total County Employment
Cambridge Medical Center	858	4.21%	Cambridge Medical Center	930	5.91%
I.S.D. No. 911	826	4.06%	I.S.D. No. 911	697	4.43%
Grandview Christian Home	440	2.16%	Wal-Mart Supercenter	515	3.27%
Wal-Mart Supercenter	400	1.97%	Grandview Christian Home	410	2.61%
Isanti County	288	1.41%	Isanti County	281	1.79%
TEAM Industries Cambridge, Inc.	220	1.08%	TEAM Industries Cambridge, Inc.	240	1.53%
Industries, Inc.	205	1.01%	Cambridge Metals & Plastics Inc.	208	1.32%
Minnesota Extended Treatment Options	184	0.90%	Cambridge Health Care Center	200	1.27%
East Central Electric Energy	180	0.88%	Minnesota Extended Treatment Options	190	1.21%
Cambridge Health Care Center	170	0.84%	I.S.D. No. 314	139	0.88%
<b>Total Principal Employers</b>	<b>3,771</b>	<b>18.53%</b>	<b>Total Principal Employers</b>	<b>3,810</b>	<b>24.22%</b>
<b>Total County Employment<sup>2</sup></b>	<b>20,356</b>		<b>Total County Employment<sup>2</sup></b>	<b>15,732</b>	

**Note**

Information for the period nine years prior was not available. As a result, the County is reporting the earliest data available for comparison purposes

Sources: 1) Bond disclosure document issued during respective year and 2) Minnesota Department of Employment and Economic Development

**Isanti County  
Percentage of Registered Voters Voting  
Last Ten General Elections**

**TABLE 15**

General Election	Number of Voters	Total Registered Voters	Percentage of Registered Voters Voting
November 4, 2008	20,122	25,277	79.61%
November 7, 2006	14,746	22,892	64.42%
November 2, 2004	19,368	23,439	82.63%
November 5, 2002	15,018	21,024	71.43%
November 7, 2000	15,064	20,365	73.97%
November 3, 1998	13,700	18,630	73.54%
November 5, 1996	13,022	18,025	72.24%
November 8, 1994	10,678	16,459	64.88%
November 3, 1992	13,458	17,677	76.13%
November 6, 1990	10,755	15,507	69.36%

Source: Isanti County Auditor-Treasurer's Office

**Isanti County  
Operating Indicators by Function  
Last Six Fiscal Years**

**TABLE 16**

Function and program	2003	2004	2005	2006	2007	2008
General government						
Drivers licenses processed	10,821	11,490	11,045	10,834	10,765	11,430
Warrants issued	n/a	n/a	n/a	7,883	7,964	7,767
Number of parcels	19,583	20,276	20,992	21,890	22,215	22,298
Public safety						
Physical arrests in County	554	584	664	578	408	n/a
Applications for permits to carry handguns	n/a	n/a	96	105	103	n/a
Adult probation offenders	591	700	892	914	1,155	n/a
Juvenile probation offenders	313	271	287	213	202	n/a
Highways and streets						
Active road projects	29	35	25	25	23	25
Health						
Family health referrals	n/a	460	575	527	491	282
WIC participants	n/a	902	1,131	1,939	2,091	2,325
Flu shots provided	n/a	181	200	348	392	340
Long-term care clients	n/a	141	137	190	215	219
Emergency preparedness exercises	n/a	3	6	4	10	12
Human services						
Intake and crisis calls	n/a	1,412	1,641	1,333	1,605	n/a
Food support cases	n/a	3,819	4,883	5,254	5,777	n/a
Economic development						
Number of transit passengers	63,084	61,457	59,214	62,078	55,004	n/a

n/a - Information is not yet available as of publication date.

Note

Isanti County could accurately provide only six years of information for this schedule.

Source: Various County departments and state agencies

(Unaudited)

**Isanti County  
Capital Asset Statistics by Function  
Last Six Fiscal Years**

**TABLE 17**

<u>Function and program</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
General government						
Buildings	1	1	1	1	2	2
Public safety						
Number of squad cars	23	25	26	26	24	22
Highways and streets						
Buildings	1	1	1	1	1	1
Miles	360	360	360	359	359	359
Economic development						
Number of transit buses	7	7	7	8	9	9

**Note**

Isanti County could provide only six years of information for this schedule.

Source: Isanti County Auditor-Treasurer's Office

**Isanti County  
County Employees by Function and Program  
Last Ten Fiscal Years**

**TABLE 18**

Function and program	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General government										
Assessor	6	6	6	6	6	6	6	6	6	5
Attorney	12	12	12	12	12	12	12	12	12	12
Auditor-Treasurer	7	7	7	8	8	8	10	10	10	13
Buildings and maintenance	6	6	5	6	6	6	7	7	8	8
Commissioners	5	5	5	5	5	5	5	5	5	5
Coordinator	3	3	3	3	3	3	3	3	3	3
Court administration	7	10	10	11	11	11	-	-	-	-
Information systems	2	2	2	2	2	2	2	2	2	2
Recorder	3	3	4	4	4	5	4	4	4	4
Treasurer	2	3	3	5	2	3	3	3	3	-
Veterans services	1	1	2	2	2	2	2	2	4	4
Victim services	2	2	2	2	2	2	2	2	2	2
Zoning	7	6	7	7	7	7	7	7	7	5
Public safety										
Emergency management	1	1	1	1	1	1	1	1	1	2
Probation	7	8	9	9	8	10	11	13	13	13
Sheriff	55	60	62	60	62	65	70	71	77	77
Highways and streets										
Highway	20	20	20	21	20	21	20	21	20	21
Health										
Public health	20	21	26	23	21	20	23	23	20	21
Human services										
Family services	53	55	58	57	61	61	64	68	71	71
Culture and recreation										
Parks and recreation	1	1	1	1	1	1	1	2	2	2
Conservation of natural resources										
Agricultural inspector	1	1	1	1	1	1	1	1	1	1
County extension service	2	2	2	1	3	1	1	1	1	1
Economic development										
Transit	7	7	8	8	9	11	11	11	11	12
<b>Total</b>	<b>230</b>	<b>242</b>	<b>256</b>	<b>255</b>	<b>257</b>	<b>264</b>	<b>266</b>	<b>275</b>	<b>283</b>	<b>284</b>

Notes

- A. The number of employees is based on a count of the number of employees as of December 31 of each year.
- B. The employees in the court administration department became employees of the State of Minnesota on July 1, 2005.
- C. The auditor and treasurer departments were combined on March 1, 2008.

Source: Isanti County Auditor-Treasurer's Office

(Unaudited)

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