



## Steele County Agenda Item

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**Subject:** 1<sup>st</sup> Quarter 2021 Financial Reports

**Department:** Treasurer's Office/Finance

**Committee Meeting Date:** June 15, 2021

**Board Meeting Date:** June 22, 2021

**Consent Agenda:**  Yes  No

**Resolution:**  Yes  No

**Policy Committee Recommendation:**

**Recommendation:**

Informational item only

**Background (*Including Budget Impact*):**

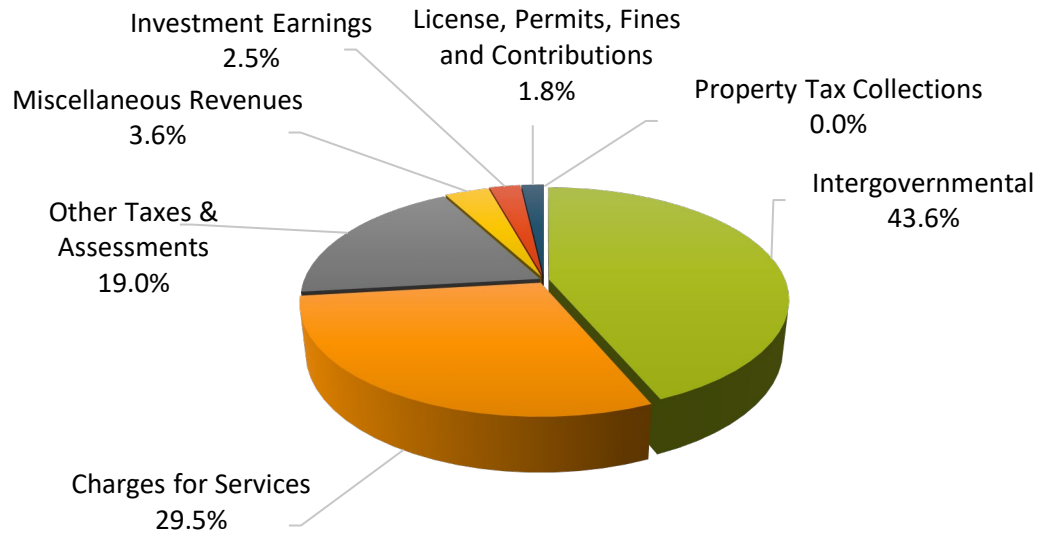
Attached are the financial reports for the three months ended March 31, 2021. Expenditures exceeded revenues by \$3.2 million. Revenues received for the first quarter of 2021 was \$3.9 million less than the 1<sup>st</sup> quarter of the prior year largely due to the bond proceeds received for the Detention Center project in 2020. Expenditures spent were almost \$1.0 million less than the prior year due to a combination of factors including the disbursements made relating to the business relief grants and the decrease in capital expenditures.

Overall, revenues and expenditures were consistent with prior year results excluding the bond proceeds received in 2020 and consistent with budget expectations.

**Steele County**  
**Summary of Revenues and Expenditures**  
**For Three Months Ending March 31, 2021 (Cash Basis)**

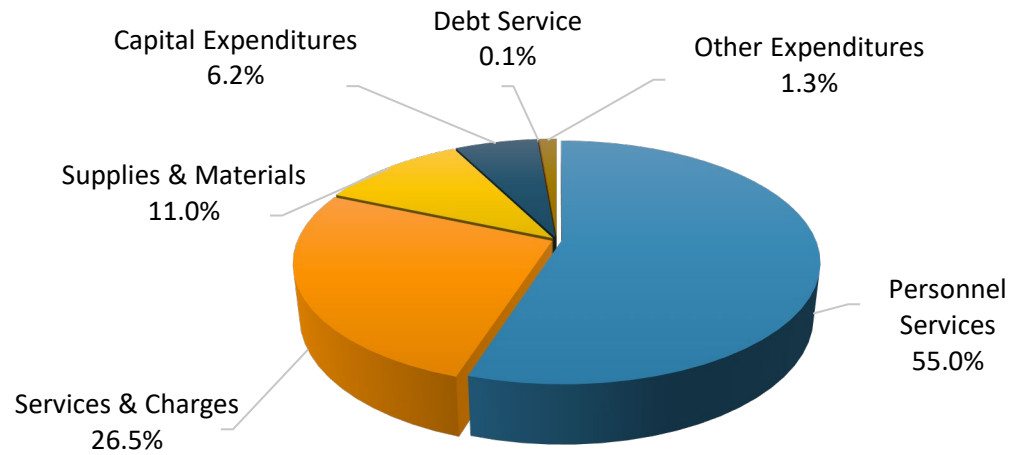
**January - March 2021 Revenues**

Property Tax Collections	\$ -
Intergovernmental	2,531,520
Charges for Services	1,715,343
Other Taxes & Assessments	1,101,037
Miscellaneous Revenues	207,112
Investment Earnings	145,920
License, Permits, Fines and Contributions	104,652
<b>Total Revenues</b>	<b>\$ 5,805,584</b>



**January - March 2021 Expenditures**

Personnel Services	\$ 4,969,189
Services & Charges	2,394,543
Supplies & Materials	989,635
Capital Expenditures	560,863
Debt Service	5,870
Other Expenditures	117,025
<b>Total Expenditures</b>	<b>\$ 9,037,125</b>



**Steele County**  
**Overview of Activities**  
**For Three Months Ending March 31, 2021**

**Revenues**

The County collected just over \$5.8 million in revenue during the first three months of 2021, a decrease of 40.3% in comparison to the prior year, as outlined below:

Summary of Steele County Revenues					
Description	2020 Jan - Mar	2021 Jan - Mar	\$ Change	% Change	
Property Tax Collections	\$ 148,264	\$ -	\$ (148,264)	(100.0%)	
Other Taxes & Assessments	969,010	1,101,037	132,027	13.6%	
Intergovernmental	1,779,213	2,531,520	752,307	42.3%	
Charges for Services	1,660,142	1,715,343	55,201	3.3%	
Investment Earnings	348,297	145,920	(202,377)	(58.1%)	
Licenses, Fines, and Contributions	27,227	104,652	77,425	284.4%	
Detention Center Bonds	4,674,126	-	(4,674,126)	(100.0%)	
Miscellaneous / Other Financing Sources	114,793	207,112	92,319	80.4%	
<i>Total Revenues</i>	<u>\$ 9,721,072</u>	<u>\$ 5,805,584</u>	<u>\$ (3,915,488)</u>	<u>(40.3%)</u>	

Significant changes between 2020 and 2021 are outlined below:

- **Property Tax Collections** decreased 100.0% from the prior year due to a switch in revenue recognition of County property taxes. The 3rd settlement of property tax (from 11/16 to 12/31) will now be recognized in December instead of January.
- **Other Taxes and Assessments** increased 13.6% primarily from an increase in sales and wheelage tax collections.
- **Intergovernmental** revenues increased 42.3% primarily from the funds received in January from the Economic Relief Grant Program .
- **Investment Earnings** decreased 58.1% due to lower interest rates as a result from the COVID - 19 pandemic. For example, in March of 2020 checking account interest rates were at 1.36% and as of March 2021 interest rates were at 0.04%. This is an overall decrease of 97.1%.
- **License, Fines and Contributions** increased 284.4% due to increases in licenses and permits and recognition of the in-kind contribution for the Four Seasons. Historically, Owatonna Public Utilities has contributed up to \$100,000 of utilities relating to Four Seasons. This contribution was typically recorded at year end; but starting in 2021, the contribution will be recorded on a monthly basis based on actual utility costs, up to the \$100,000.
- **Detention Center Bonds** decreased 100.0% due to the County issuing bonds for the Detention Center HVAC and LED lighting conversion in 2020.
- **Miscellaneous / Other Financing Sources** increased 80.4% primary due to the timing of receipts for rental income from MNPrairie County Alliance and reimbursements received from other county funds for 2021 insurance allocations.

**Steele County**  
**Overview of Activities (Continued)**  
**For Three Months Ending March 31, 2021**

**Expenditures**

County spending totaled just over \$9.0 million during the first three months of 2021, a decrease of 9.6% in comparison to the prior year, as outlined below:

<b>Summary of Steele County Expenditures</b>					
<b>Description</b>	<b>2020</b>		<b>2021</b>		
	<b>Jan - Mar</b>	<b>Jan - Mar</b>	<b>Jan - Mar</b>	<b>Jan - Mar</b>	<b>% Change</b>
General Government	\$ 2,042,902	\$ 2,983,959	\$ 941,057		46.1%
Public Safety	2,699,927	2,710,633	10,706		0.4%
Highway	1,368,682	1,401,032	32,350		2.4%
Sanitation	381,925	378,912	(3,013)		(0.8%)
Human Services (includes Cedarview)	-	-	-		0.0%
Public Health	640,332	637,768	(2,564)		(0.4%)
Culture and Recreation	234,547	229,131	(5,416)		(2.3%)
Conservation of Natural Resources	130,239	132,928	2,689		2.1%
Debt Service	513,650	1,900	(511,750)		(99.6%)
Capital Improvements	1,988,635	560,862	(1,427,773)		(71.8%)
<i>Total Expenditures</i>	<u>\$ 10,000,839</u>	<u>\$ 9,037,125</u>	<u>\$ (963,714)</u>		<u>(9.6%)</u>

Significant changes between 2020 and 2021 are outlined below:

- For the majority of County departments, personnel costs are the main driver for expenditures. In comparison to last year, personnel services increased by \$127,423 or 2.6%. These increases are due to the cost of living adjustment (COLA), step changes, health insurance, and retirement costs.
- **General Government** increased 46.1% mainly due to the Steele County Economic Relief Grant Program which awarded \$715,024 in business grants. The remaining increase was due to an increase in personnel services, equipment & building maintenance, non-capitalized inventory, and insurance.
- **Debt Service** decreased 99.6% due to the payoff of the 2007 Administration Building bond payoff in 2020 which had payment dates in February. The current outstanding bonds have payments due in June and December.
- **Capital Improvement** expenditures decreased by 71.8% mainly due to the Detention Center HVAC conversion that was done during 2020.

**Steele County**  
**Comparative Financial Statements**

**For Three Months Ending March 31, 2021 in Comparison to Annual Budget (Cash Basis)**

<b>Revenues</b>	<b>January 2021 Actual</b>	<b>February 2021 Actual</b>	<b>March 2021 Actual</b>	<b>YTD Q1 2021</b>	<b>2021 Budget</b>	<b>% of 2021 Budget</b>
Property Tax Collections	\$ -	\$ -	\$ -	\$ -	\$ 26,256,867	0.0%
Other Taxes & Assessments	318,721	434,988	347,328	1,101,037	4,277,800	25.7%
Intergovernmental	875,875	1,475,075	180,570	2,531,520	12,040,738	21.0%
Charges for Services	290,687	748,200	676,456	1,715,343	7,993,826	21.5%
Licenses and Permits	18,251	19,627	20,570	58,448	160,500	36.4%
Fines and Forfeitures	2,384	349	731	3,464	28,000	12.4%
Investment Earnings	52,678	46,782	46,460	145,920	310,000	47.1%
Gifts and Contributions	-	-	42,740	42,740	100,000	42.7%
Miscellaneous / Other Financing Sources	95,501	60,004	51,607	207,112	5,557,830	3.7%
<b>Total Revenues</b>	<b>1,654,097</b>	<b>2,785,025</b>	<b>1,366,462</b>	<b>5,805,584</b>	<b>56,725,561</b>	<b>10.2%</b>
<b>Expenditures</b>						
<i>Personnel Services</i>						
Wages and Overtime	1,119,825	1,130,304	1,139,628	3,389,757	15,593,213	21.7%
Health, Life and Disability Insurance	246,290	246,435	247,916	740,641	3,148,855	23.5%
PERA Contributions	96,728	98,196	98,623	293,547	1,371,270	21.4%
FICA / Medicare Tax	72,809	73,413	74,629	220,851	1,039,641	21.2%
Other Payroll Related Expenses	317,864	1,855	4,674	324,393	475,360	68.2%
Total Personnel Services	1,853,516	1,550,203	1,565,470	4,969,189	21,628,339	23.0%
Services & Charges	632,392	718,318	1,043,833	2,394,543	12,613,281	19.0%
Supplies & Materials	301,700	497,619	190,316	989,635	15,130,497	6.5%
Capital Expenditures	163,959	281,851	115,053	560,863	4,520,293	12.4%
Debt Service Levy	-	-	-	-	1,861,756	0.0%
Non-Levied Debt	-	5,870	-	5,870	121,331	4.8%
Other Expenditures	102,304	9,395	5,326	117,025	850,064	13.8%
<b>Total Expenditures</b>	<b>3,053,871</b>	<b>3,063,256</b>	<b>2,919,998</b>	<b>9,037,125</b>	<b>56,725,561</b>	<b>15.9%</b>
<b>Net Expenditures (Over) Under Revenues</b>	<b>\$ (1,399,774)</b>	<b>\$ (278,231)</b>	<b>\$ (1,553,536)</b>	<b>\$ (3,231,541)</b>	<b>\$ -</b>	

**Steele County**  
**Comparative Fund Financial Statements**  
**For Three Months Ending March 31, 2021 (Cash Basis)**

<b>Revenues</b>	<b>General</b>	<b>Highway</b>	<b>Debt Service</b>	<b>Capital Projects</b>	<b>All Other Funds/Dept</b>	<b>Total</b>
Property Tax Collections	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Taxes & Assessments	12,306	1,023,372	-	-	65,359	1,101,037
Intergovernmental	1,284,955	1,246,565	-	-	-	2,531,520
Charges for Services	755,064	548,305	-	-	411,974	1,715,343
Licenses and Permits	56,538	1,910	-	-	-	58,448
Fines and Forfeitures	3,464	-	-	-	-	3,464
Investment Earnings	145,893	-	-	27	-	145,920
Gifts and Contributions	42,740	-	-	-	-	42,740
Miscellaneous / Other Financing Sources	194,087	7,371	-	5,550	104	207,112
<b>Total Revenues</b>	<b>2,495,047</b>	<b>2,827,523</b>	<b>-</b>	<b>5,577</b>	<b>477,437</b>	<b>5,805,584</b>
<b>Expenditures</b>						
<i>Personnel Services</i>						
Wages and Overtime	2,993,078	329,185	-	-	67,494	3,389,757
Health, Life and Disability Insurance	635,948	92,938	-	-	11,755	740,641
PERA Contributions	264,069	24,543	-	-	4,935	293,547
FICA / Medicare Tax	192,908	22,910	-	-	5,033	220,851
Other Payroll Related Expenses	262,524	50,199	-	-	11,670	324,393
Total Personnel Services	4,348,527	519,775	-	-	100,887	4,969,189
Services & Charges	1,880,302	350,590	-	-	163,651	2,394,543
Supplies & Materials	415,688	530,667	-	-	43,280	989,635
Capital Expenditures	21,056	-	-	424,371	115,436	560,863
Debt Service Levy	-	-	-	-	-	-
Non-Levied Debt	-	-	-	-	5,870	5,870
Other Expenditures	114,233	-	1,900	-	892	117,025
<b>Total Expenditures</b>	<b>6,779,806</b>	<b>1,401,032</b>	<b>1,900</b>	<b>424,371</b>	<b>430,016</b>	<b>9,037,125</b>
<b>Net Expenditures (Over) Under Revenues</b>	<b>\$ (4,284,759)</b>	<b>\$ 1,426,491</b>	<b>\$ (1,900)</b>	<b>\$ (418,794)</b>	<b>\$ 47,421</b>	<b>\$ (3,231,541)</b>

**Steele County**  
**Budget to Actual Comparison**  
**For Three Months Ending March 31, 2020 and 2021 in Comparison to Annual Budget (Cash Basis)**

	<b>2020</b>	<b>2020</b>	<b>% of</b>	<b>2021</b>	<b>2021</b>	<b>% of</b>
	<b>Jan - Mar Actual</b>	<b>Budget</b>	<b>2020 Budget</b>	<b>Jan - Mar Actual</b>	<b>Budget</b>	<b>2021 Budget</b>
<i>Revenues</i>						
Property Tax Collections	\$ 148,264	\$ 25,697,008	0.6%	\$ -	\$ 26,256,867	0.0%
Other Taxes & Assessments	969,010	3,636,400	26.6%	1,101,037	4,277,800	25.7%
Intergovernmental	1,779,213	11,390,193	15.6%	2,531,520	12,040,738	21.0%
Charges for Services	1,660,142	9,036,953	18.4%	1,715,343	7,993,826	21.5%
Licenses and Permits	24,384	168,500	14.5%	58,448	160,500	36.4%
Fines and Forfeitures	2,693	28,000	9.6%	3,464	28,000	12.4%
Investment Earnings	348,297	310,000	112.4%	145,920	310,000	47.1%
Gifts and Contributions	150	100,000	0.2%	42,740	100,000	42.7%
Detention Center Bonds	4,674,126	4,581,241	102.0%	-	-	0.0%
Miscellaneous / Other Financing Sources	114,793	3,264,964	3.5%	207,112	5,557,830	3.7%
<i>Total Revenue</i>	<u>9,721,072</u>	<u>58,213,259</u>	16.7%	<u>5,805,584</u>	<u>56,725,561</u>	10.2%
<i>Expenditures</i>						
<i>General Government</i>						
Commissioners	50,656	222,236	22.8%	49,987	216,859	23.1%
Courts	58,133	390,750	14.9%	86,273	315,750	27.3%
Law Library	1,880	36,000	5.2%	3,101	36,000	8.6%
County Administrator	60,701	267,426	22.7%	60,328	265,713	22.7%
Human Resources	104,387	445,096	23.5%	120,972	474,938	25.5%
County Auditor	104,997	550,509	19.1%	116,016	557,962	20.8%
Treasurer/Finance	131,877	473,320	27.9%	149,195	468,425	31.9%
Information Technology	117,505	492,013	23.9%	159,322	516,054	30.9%
Central Services	59,224	254,100	23.3%	72,396	246,100	29.4%
Auditor Elections	21,063	66,150	31.8%	2,219	63,268	3.5%
County Attorney	303,729	1,274,965	23.8%	320,816	1,306,840	24.5%
Recorder	100,026	418,135	23.9%	114,833	423,027	27.1%
Surveyor	6,990	25,000	28.0%	2,633	30,000	8.8%
County Assessor	176,899	748,675	23.6%	168,486	770,515	21.9%
Geographic Information Systems (GIS)	21,092	99,984	21.1%	58,713	137,642	42.7%
Planning & Zoning	105,248	645,699	16.3%	115,445	521,689	22.1%
Buildings and Grounds	394,172	1,595,840	24.7%	397,472	1,640,175	24.2%
Veterans Service	45,534	217,120	21.0%	50,939	224,342	22.7%
Other General Government	178,789	618,638	28.9%	934,813	639,920	146.1%
<i>Total General Government</i>	<u>2,042,902</u>	<u>8,841,656</u>	23.1%	<u>2,983,959</u>	<u>8,855,219</u>	33.7%
<i>Public Safety</i>						
Sheriff	814,349	3,234,552	25.2%	824,604	3,387,803	24.3%
Coroner	13,583	80,000	17.0%	16,559	90,000	18.4%
Detention Center	1,099,679	4,746,787	23.2%	1,075,122	4,883,911	22.0%
Community Corrections	418,786	1,800,962	23.3%	429,424	1,798,988	23.9%
Law Enforcement Center	106,892	509,128	21.0%	113,345	537,224	21.1%
Joint Dispatch	224,013	896,053	25.0%	227,901	911,605	25.0%
Emergency Management	22,625	99,230	22.8%	23,678	97,946	24.2%
<i>Total Public Safety</i>	<u>2,699,927</u>	<u>11,366,712</u>	23.8%	<u>2,710,633</u>	<u>11,707,477</u>	23.2%
<i>Road and Bridge</i>						
Highway	1,368,682	16,392,836	8.3%	1,401,032	17,325,246	8.1%

**Steele County**  
**Budget to Actual Comparison (Continued)**  
**For Three Months Ending March 31, 2020 and 2021 in Comparison to Annual Budget (Cash Basis)**

	<b>2020</b>	<b>2020</b>	<b>% of</b>	<b>2021</b>	<b>2021</b>	<b>% of</b>
	<b>Jan - Mar Actual</b>	<b>Budget</b>	<b>2020 Budget</b>	<b>Jan - Mar Actual</b>	<b>Budget</b>	<b>2021 Budget</b>
<i>Sanitation</i>						
Environmental Services	166,510	703,700	23.7%	168,196	725,300	23.2%
Landfill	215,415	1,443,270	14.9%	210,716	1,503,971	14.0%
<b>Total Sanitation</b>	<b>381,925</b>	<b>2,146,970</b>	<b>17.8%</b>	<b>378,912</b>	<b>2,229,271</b>	<b>17.0%</b>
<i>Human Services</i>						
MNPrairie County Alliance	-	5,365,528	0.0%	-	5,463,475	0.0%
Community Wellness (including Cedarview)	-	278,175	0.0%	-	-	0.0%
<b>Total Human Services</b>	<b>-</b>	<b>5,643,703</b>	<b>0.0%</b>	<b>-</b>	<b>5,463,475</b>	<b>0.0%</b>
<i>Health</i>						
Public Health Nursing	640,332	2,957,766	21.6%	637,768	2,948,708	21.6%
Community Health	-	250	0.0%	-	-	0.0%
<b>Total Health</b>	<b>640,332</b>	<b>2,958,016</b>	<b>21.6%</b>	<b>637,768</b>	<b>2,948,708</b>	<b>21.6%</b>
<i>Culture and Recreation</i>						
Historical Society	-	8,000	0.0%	-	8,000	0.0%
Parks and Recreation	78,292	298,520	26.2%	51,689	304,591	17.0%
Four Seasons Center	149,007	491,298	30.3%	174,218	492,965	35.3%
Community Center	7,248	19,750	36.7%	3,224	14,950	21.6%
<b>Total Culture and Recreation</b>	<b>234,547</b>	<b>817,568</b>	<b>28.7%</b>	<b>229,131</b>	<b>820,506</b>	<b>27.9%</b>
<i>Conservation of Natural Resources</i>						
U of M Extension	27,267	352,869	7.7%	29,075	357,679	8.1%
Soil and Water Conservation	-	135,000	0.0%	-	135,000	0.0%
Agricultural Society/County Fair	3,460	43,000	8.0%	-	72,500	0.0%
County Ditch	94,177	300,000	31.4%	97,360	300,000	32.5%
Clean Water Loan Program	-	139,000	0.0%	-	111,800	0.0%
Bixby Sewer Project	5,335	24,150	22.1%	6,493	16,631	39.0%
<b>Total Conservation of NR</b>	<b>130,239</b>	<b>994,019</b>	<b>13.1%</b>	<b>132,928</b>	<b>993,610</b>	<b>13.4%</b>
<i>Debt Service</i>						
Debt Service Levy	513,650	1,840,318	27.9%	1,900	1,861,756	0.1%
<i>Capital Improvements</i>						
General Government	339,075	1,177,640	28.8%	93,425	936,248	10.0%
Public Safety	1,261,626	4,779,641	26.4%	352,001	2,221,900	15.8%
Highway	379,035	610,000	62.1%	-	601,000	0.0%
Culture and Recreation	-	70,000	0.0%	-	30,000	0.0%
Public Health	5,475	8,000	68.4%	-	-	0.0%
Landfill	-	545,000	0.0%	115,436	650,000	17.8%
Fairgrounds	-	21,180	0.0%	-	81,145	0.0%
Public Works Facility	3,424	-	0.0%	-	-	0.0%
<b>Total Capital Improvements</b>	<b>1,988,635</b>	<b>7,211,461</b>	<b>27.6%</b>	<b>560,862</b>	<b>4,520,293</b>	<b>12.4%</b>
<b>Total Expenditures</b>	<b>10,000,839</b>	<b>58,213,259</b>	<b>17.2%</b>	<b>9,037,125</b>	<b>56,725,561</b>	<b>15.9%</b>
<b>Net Expenditures (Over) Under Revenues</b>	<b>\$ (279,767)</b>	<b>\$ -</b>		<b>\$ (3,231,541)</b>	<b>\$ -</b>	



**Steele County**  
**Summary of Expenditures by Function**  
**For Three Months Ending March 31, 2020 and 2021 in Comparison to Annual Budget (Cash Basis)**

<i>Expenditures by Function</i>	2020		% of 2020 Budget	2021		% of 2021 Budget
	Jan - Mar Actual	Budget		Jan - Mar Actual	Budget	
General Government	\$ 2,042,902	\$ 8,841,656	23.1%	\$ 2,983,959	\$ 8,855,219	33.7%
Public Safety	2,699,927	11,366,712	23.8%	2,710,633	11,707,477	23.2%
Road and Bridge	1,368,682	16,392,836	8.3%	1,401,032	17,325,246	8.1%
Sanitation	381,925	2,146,970	17.8%	378,912	2,229,271	17.0%
Human Services (including Cedarview)	-	5,643,703	0.0%	-	5,463,475	0.0%
Health	640,332	2,958,016	21.6%	637,768	2,948,708	21.6%
Culture and Recreation	234,547	817,568	28.7%	229,131	820,506	27.9%
Conservation of Natural Resources	130,239	994,019	13.1%	132,928	993,610	13.4%
Debt Service	513,650	1,840,318	27.9%	1,900	1,861,756	0.1%
Capital Improvements	1,988,635	7,211,461	27.6%	560,862	4,520,293	12.4%
<b>Total Expenditures</b>	<b>\$ 10,000,839</b>	<b>\$ 58,213,259</b>	<b>17.2%</b>	<b>\$ 9,037,125</b>	<b>\$ 56,725,561</b>	<b>15.9%</b>

**Summary of Expenditures by Function**

