



2020

Comprehensive Annual
Financial Report

Year ended December 31, 2020

**Comprehensive
Annual Financial Report
of
Washington County
Minnesota**

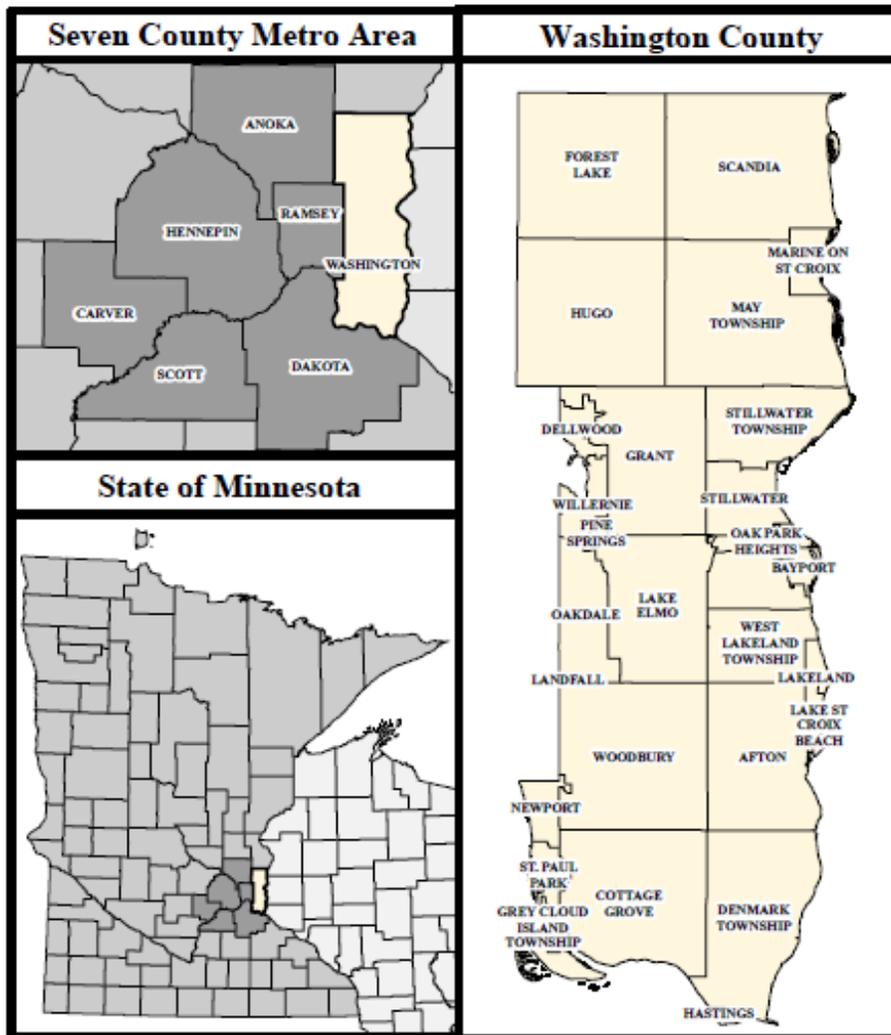
for the Year Ended December 31, 2020



Accounting and Finance Department
Issued June 2021

Washington County
14949 – 62nd Street North
Stillwater, Minnesota 55082
651-430-6030
Fax 651-430-6060

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Established: October 27, 1849

County Seat: Stillwater

Population: 262,748

Board Meetings: Most Tuesdays

Commissioners: Fran Miron, District 1
 Stan Karwoski, District 2
 Gary Kriesel, District 3
 Wayne Johnson, District 4
 Lisa Weik, District 5

Area: 423 Square Miles

Major Highways: Interstate (I)-94,494/694,35
 State Roads (TH)-8,36,61/10,95,96,97,120,244
 County Roads (CSAH)-1 through 45
 (CR) 4A,13B,15A,17A,17B,19A,30A,38A,52 through 83

Railroads: BNSF
 Soo Line
 Union Pacific
 Wisconsin Central

Index

	<u>Page</u>
INTRODUCTORY SECTION	
Letter of Transmittal	1
GFOA Certificate of Achievement	7
County Organizational Chart	8
List of Principal Officials	9
FINANCIAL SECTION	
Independent Auditors' Report	10
Management's Discussion and Analysis	13
Basic Financial Statements	
Government-wide Financial Statements:	
Statement of Net Position	23
Statement of Activities	25
Fund Financial Statements:	
Balance Sheet – Governmental Funds	26
Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position	
Governmental Activities	27
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	28
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of	
Governmental Funds to the Statement of Activities – Governmental Activities	29
Statement of Fiduciary Net Position	30
Statement of Changes in Fiduciary Net Position	31
Notes to the Financial Statements	32
Required Supplementary Information	
Other Postemployment Benefit Related Schedules:	
Changes in Total OPEB Liability, Related Ratios and Notes	76
Budgetary Comparison Schedules:	
General Fund	77
Regional Rail Authority Fund	79
Metro Gold Line Fund	80
Pension Related Schedules:	
Schedule of Proportionate Share of Net Pension Liability	81
Schedule of Pension Contributions	82
Notes to the Required Supplementary Information	83
Supplementary Information	
Budgetary Comparison Schedules:	
Debt Service Fund	91
Capital Projects Fund	92
Combining Statement of Fiduciary Net Position	94
Combining Statement of Changes in Fiduciary Net Position	95
Capital Assets Used in the Operation of Governmental Funds:	
Comparative Schedule by Source	97
Schedule by Function and Activity	98
Schedule of Changes by Function and Activity	99
Governmental Revenue Schedules:	
Schedule of Intergovernmental Revenue	101
Schedule of Expenditures of Federal Awards	102

Index (Continued)

	<u>Page</u>
STATISTICAL SECTION (UNAUDITED)	
Statistical Section Index	106
Net Position by Component	107
Changes in Net Position	108
Fund Balances of Governmental Funds	109
Changes in Fund Balances of Governmental Funds	110
Market Value and Tax Capacity of Taxable Property	111
Property Tax Rates – Direct and Overlapping Governments	112
Principal Property Taxpayers	115
Property Tax Levies and Collections	116
Ratios of Outstanding Debt by Type	117
Ratios of General Bonded Debt Outstanding	118
Direct and Overlapping Governmental Activities Debt	119
Computation of Legal Debt Limitation	120
Demographic and Economic Statistics	121
Principal Employers	122
Employees by Function	123
Operating Indicators by Function	124
Capital Asset Statistics by Function	125

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WASHINGTON COUNTY

Introductory Section

Our Mission:

Providing quality services through responsible leadership, innovation and the cooperation of dedicated people.

Our Vision:

A great place to live, work and play...today and tomorrow.

Our Goals:

- To promote the health, safety and quality of life of citizens
- To provide accessible, high-quality services in a timely and respectful manner
- To address today's needs while proactively planning for the future
- To maintain public trust through responsible use of public resources, accountability and openness of government

Our Values:

- Ethical: to ensure public trust through fairness, consistency, and transparency
- Stewardship: to demonstrate tangible, cost-effective results and protect public resources
- Quality: to ensure that services delivered to the public are up to the organization's highest standards
- Responsive: to deliver services that are accessible, timely, respectful, and efficient
- Respectful: to believe in and support the dignity and value of all members of this community
- Leadership: to actively advocate for and guide the county toward a higher quality of life



INTRODUCTORY SECTION

- Letter of Transmittal
- GFOA Certificate of Achievement
- County Organizational Chart
- List of Principal Officials



Accounting and Finance
Department

Tabatha Hansen
Director

June 11, 2021

Honorable Chair and Commissioners
Washington County Board of Commissioners
14949 – 62nd Street North
Stillwater, Minnesota 55082

Commissioners:

This Comprehensive Annual Financial Report of Washington County has been prepared by the County's Accounting & Finance Department and is hereby submitted for publication for the fiscal year ended December 31, 2020. We have prepared this report in conformity with Generally Accepted Accounting Principles to comply with the County Board's policy and to meet Minnesota Statute chapter 375.17 requirements for local government annual financial reporting.

Generally Accepted Accounting Principles require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. Washington County's MD&A can be found immediately following the report of the independent auditors.

The responsibility for both the data presented including the accuracy, the completeness, and the fairness of the presentation, including all disclosures, rests with the County. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to fairly present the financial position and results of operations of the County's various funds. All disclosures necessary to allow the reader to understand the County's financial activities have been included.

The County is required to undergo an annual Single Audit in conformity with the provisions of the Single Audit Act of 1984, the Single Audit Act Amendments of 1996, and Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Information related to this Single Audit, including the Schedule of Expenditures of Federal Awards, is part of the supplementary information section of this report.

This report includes all funds of the County. The County provides a full range of services that include: health and human services; tax assessment and collection; law enforcement and jail services; the construction and maintenance of highways and infrastructure; recreational facilities; libraries; and general administrative services. The Regional Rail Authority is included in the reporting entity because it is a blended component unit. A blended component unit is a separate legal entity that exists primarily for the benefit of the primary government or has the same governing body as the primary government. If these characteristics exist, the component unit is reported as though it is part of the operations of the Primary Government. The Washington County Community Development Agency is included as a discretely presented component unit. A discretely presented component unit is also a separate legal entity. Its governing body is appointed by the Primary Government and it can have varying degrees of financial dependence on the Primary Government. It is presented in the financial reports of the Primary Government because exclusions of the information could be misleading for statement users. However, the Washington Conservation District, Carnelian Marine Watershed District, Ramsey Washington Metro Watershed District, Rice Creek Watershed District, and the Valley Branch Watershed District have not met the established criteria for inclusion in the reporting entity and, accordingly, are excluded from this report.

This report is available to the public, elected officials, County management, bond rating agencies, and other financial institutions that have expressed an interest in Washington County's financial affairs. This report is also available through the County website.

County Profile

Washington County is located along the St. Croix River Valley in the east-central part of Minnesota on the eastern side of the Twin Cities metropolitan area. It is comprised of 423 square miles of land and it was officially created on October 27, 1849, as one of nine original counties in the historic Minnesota Territory.

The county operates under the County Administrator form of government with five elected commissioners representing population defined districts within the County. The County's original adopted 2021 budget employs a workforce of 1,324.13, which is a 0.7% increase over the 2020 levels for full-time equivalents, includes planned expenditures of \$288.5M representing an increase of 2.18%, and a net levy of \$114.5M, which is unchanged from 2020.

The estimated population of Washington County increased from 2019's estimate of 261,512 which keeps its ranking at fifth out of the 87 Minnesota counties. The American Community Survey reports the County's median household income at \$100,596 with an average age of 39.6 years. Although considered a "suburban" county, it has a diverse base of residential, commercial, industrial, agricultural, and natural resources.

Economic Condition and Outlook

Over the years, Washington County has consistently maintained and improved its quality of life in the areas of education, environment, safety, and recreation. The County is strategically located close to the metropolitan downtown area and enjoys a number of favorable characteristics including rural and natural surroundings with a significant portion of land that is still undeveloped. These qualities help the County to maintain its attractiveness to individuals and businesses. Washington County's leaders truly value fiscal responsibility while promoting health, safety, and quality of life for citizens. The economic trends continue to show growth in construction and investments in the County. The County is experiencing steady growth in property values adding to the level of optimism.

Key Economic Indicators

The economic condition of the County has been relatively stable, with evidence of some growth in areas such as per capita personal income. The County's 2020 operating budget per capita was \$729, ranking among the lowest of the seven metro counties. The number of households and overall population increased, while the County's unemployment rate, as reflected in the table below, has remained below the statewide level of 6.2%. The following are some key items:

<u>Economic Indicators*</u>	<u>Amount</u>	<u>Percent Increase/ (Decrease)</u>
Unemployment Rate (2020)	5.3%	49.28%
Number of Households (2020)	98,214	1.82%
Population (2020)	262,748	0.47%

[*See Table 13 of the Statistical section for further detail.](#)

	<u>Estimated Market Value (000's)</u>		<u>Net Tax Capacity (000's)</u>	
	<u>Amount</u>	<u>Percent of Growth</u>	<u>Amount</u>	<u>Percent of Growth</u>
	2016	\$ 28,527,184	2.74%	\$ 306,207
2017	29,341,812	2.86%	316,408	3.33%
2018	31,420,940	7.09%	340,485	7.61%
2019	33,499,306	6.61%	364,223	6.97%
2020	36,222,848	8.13%	394,910	8.43%

[*See Table 5 of the Statistical section for further detail.](#)

Economic and Taxation Trends

Washington County enjoys a tax base that is diverse in its mix of commercial, industrial, and residential property. The County is not overly reliant on a single or even a few large property owners for property taxes, and its commercial base is diverse, ranging from large shopping centers in Woodbury and Oakdale to many small businesses in its smaller cities like Afton, Mahtomedi, and Hugo. The County benefits from its proximity to the Minneapolis and St. Paul regional center, with the added benefit of sought-after environmental features including two rivers and many recreational lakes.

The housing market within Washington County and the metropolitan region continues to show gains. Recent reports from the Regional Associations of Realtors show an ongoing increase in both average and median sale prices. Countywide estimated market value increased 4.8% from Pay 2020 to Pay 2021 and is projected to increase 5.4% from Pay 2021 to Pay 2022. Taxable market value continues to follow the estimated market value trends in the County. The estimated market value of all taxable property is approximately \$38.0 billion. From Pay 2017 to Pay 2021, the County's estimated market value posted a net increase of 29.4%. These measures, along with growth in new construction, are strong indicators of a healthy tax base in Washington County. The County's diverse tax base and strong underlying demographics position it for robust growth in the future.

In addition to appreciation in existing values, the County continues to experience moderate growth in taxable market value in new construction. For taxes payable in 2021, new construction added \$620 million in taxable value.

Residential Development

In calendar year 2020, 1,466 new residential properties were started countywide. Of that total, 1,247 were single family units and the remaining 219 were townhomes and condominiums. The City of Woodbury experienced the most residential housing starts with 383 residential starts. The City of Cottage Grove was the second highest with 359 new residential starts.

Commercial Development

The commercial real estate market in Washington County is stable with a 8.4% appreciation in 2020 and adjustments over the last 5 years ranging from 2.4% to 5.9%. In 2020, there were fourteen new commercial properties started in the County. This holds steady with the fourteen new starts in 2019, down from the thirty-three new starts in 2018, and the twenty-three new commercial starts in 2017.

Tax Rate & Collections

Washington County continues to have the second-lowest county tax rate of all metropolitan counties. For taxes payable in 2021, a home valued at \$300,600 in Washington County would pay a county tax of \$806. By comparison, that same valued home in Dakota County would pay \$660 and would pay more than \$900 in Anoka, Carver, Hennepin, Ramsey, and Scott counties.

The delinquency rate for Pay 2020 continues to remain low at 0.6%. Historically, the County's delinquency rate hovers between 1% and 1.25%, but has been less than 1% since 2014. Minnesota's property tax laws related to penalty and interest on unpaid taxes, along with the potential for forfeiture if not paid within 3 years, contribute to very strong collection rates. Of the delinquent amounts, on average just under 70% is normally collected in the following year and over 80% by the end of year two.

Tax Petitions

Property owners who believe their property is over-valued have a number of informal local steps in which to appeal their value. Local boards meet in April and May and the County Board of Appeal and Equalization meets in June. If after those appeals, property owners still believe their property is over-valued, they may petition the tax court for a reduction. A vast majority of tax court petitions are commercial or industrial property and often these businesses do not appeal at the local level, but instead appeal directly to the tax court.

A total of 187 tax petitions were filed to contest the value for taxes payable in 2020, this volume has been relatively flat for the past few years and is a significant reduction from the peak level of 327 petitions filed for taxes payable in 2010. The total value under petition remains a manageable figure.

Other Operational Highlights

- The Department of Public Health and Environment (PHE) spent 2020 fully engaged and committed to the response to the COVID-19 Pandemic. Service delivery methods were adjusted to continue health and environmental services required amid COVID-19 to protect against all health hazards, not only COVID-19. Specific to COVID-19, PHE staff provided comprehensive public information and education on prevention strategies such as masking, social distancing, personal hygiene and vaccination. The PHE Department conducted community testing, contact tracing and case investigations. When vaccine became available in late 2020, staff activated vaccination plans and offered services to specific priority populations such as health care workers, emergency medical services, first responders, educators and child care providers. The COVID-19 response also included the development and activation of a Food Security Unit providing nutritious food to those in need by coordinating with food shelves, and other food agencies such as Second Harvest Heartland, for equitable distribution.

- The Community Services Department successfully secured over \$750,000 in COVID-19 Emergency Response Funds to be used to fund emergency shelter for people who are experiencing homelessness and at risk during the pandemic. This funding served 101 households, or 137 total individuals, in 2020. Additional funding was secured to enable the continuation of the emergency shelter into 2021.
- The Community Services Department also implemented a rental assistance program for eligible households that had a loss of income due to COVID-19. The program spent over \$2.8 million of CARES Act funds to assist 631 eligible Washington County households avoid eviction and the shut off of utilities.
- New electronic rosters were used countywide on election day increasing accuracy in voter registrations and efficiency at the polling locations. Staff created and conducted training for election judges both in-person and online for this new technology. During the statewide general election over sixty percent of voters used absentee voting.
- In February of 2020, the Sheriff's Office implemented numerous pandemic procedures to keep staff, visitors and inmates safe from exposure to the Covid-19 virus. A 14 day inmate quarantine was instituted inside the jail, as well as temperature checking, mask wearing, increased cleaning and disinfecting, new arrest screening, COVID-19 testing and a strict arrest criteria. There were less than ten total positive inmate COVID-19 tests and no major inmate COVID-19 outbreaks. For those positive inmates, the use of the infirmary negative pressure room helped reduce transmission in the congregate setting.
- In 2020, the Washington County Sheriff's Office completed the development and implementation of a Peer Support Team with volunteers from each division to represent and provide peer counseling assistance for their coworkers. Each volunteer received 16 hours of training and ongoing quarterly training to provide a formalized approach to responding to employees in need of resources. The Peer Support Team includes retirees and representatives in all ranks throughout the Sheriff's Office. Additionally, this program is assisted by a clinician to provide guidance, training and support to our Peer Support Team Members. This program has been well received and a model for other agencies in Minnesota and many other states.
- As a Deputy Registrar of the State of Minnesota Department of Vehicle Services, the County implemented new motor vehicle and driver's license software called MNDRIIVE. Along with this implementation, a process improvement was added to allow for scanning of all customer documents related to transactions directly into the system for review by the State of Minnesota.
- The County Attorney's Office sponsors criminal justice training both in-office and statewide as part of its commitment to strengthen relationships with municipalities, city attorneys, law enforcement departments, nonprofits, community advocates and citizens. The County Attorney's Office has sponsored over 42 hours of training in 2020 to over 3,107 people. In addition, the office regularly provides training over the noon hour on a wide variety of criminal justice topics.
- Human Resources created a Diversity, Equity and Inclusion (DEI) Steering Team with department representation from every department to oversee and guide countywide DEI efforts. The DEI Steering Team and County Leadership created the new countywide DEI strategic vision, goals and roadmap.
- Due to COVID-19, Information Technology 2020 efforts focused intensely on the ability for Washington County employees to work from home in a secure way. In partnership with the other County departments, IT realigned committed projects by prioritizing pandemic efforts and postponing non-pandemic work efforts. IT completed over fifty pandemic projects and met the deadlines required by the CARES funding. The major infrastructure improvement included the refresh of the Washington County's Core Network to improve connectivity and reliability.
- The Public Works Department continues to deliver transportation, facility, and park investments consistent with the county comprehensive and strategic plans, including, rehabilitation and reconstruction of arterial highways, construction of regional interchanges along Minnesota Trunk Highway 36, design and siting efforts for County Yard Waste operations and a Northern Household Hazardous Waste facility, and construction of a new visitor center at Cottage Grove Ravine Regional Park.

Single Audit

As a recipient of federal, state, and local financial assistance, the County must have adequate internal controls and procedures to ensure financial integrity and to be in compliance with the applicable laws and regulations related to those programs. Our internal controls are evaluated periodically by management and the internal audit staff. In addition, our internal controls are subject to review annually by our external auditors.

The Uniform Guidance sets forth the audit requirements for state and local governments receiving federal assistance. It provides for a single independent audit of the financial operations, including the compliance with certain provisions of federal law and regulations. The requirements have been established to ensure that audits are made on an organizational-wide basis rather than a grant-by-grant basis. The grants for which these requirements apply are identified in the Schedule of Expenditures of Federal Awards.

Internal Controls

The County's system of internal controls is supported by written policies and procedures and is continually reviewed, evaluated, and modified to meet current needs. The system is supplemented by an Internal Auditor, who reports to the Audit Advisory Committee on auditing matters and to the County Administrator on administrative matters. The Internal Auditor administers a broad scope auditing program to review and evaluate the adequacy and effectiveness of the County's internal controls.

The Audit Advisory Committee consists of a County Commissioner appointed by the Chair of the County Board, two private citizens who are not public officials, and the County Administrator. The Audit Committee reviews the annual audit report with the external auditors. The Internal Auditor, other County personnel, and representatives from our auditors meet periodically with the Audit Advisory Committee to discuss audit concerns.

In developing and evaluating the County's financial management system, consideration is given to the adequacy of the internal accounting controls. These controls provide reasonable, but not absolute, assurance in the following areas: (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 judgments 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.

Budgeting Controls

The County's budget is appropriated annually by the County Board and is maintained at the fund level. Budgets are adopted in conformance with generally accepted accounting principles. The County adopts the budget on a fund level and maintains budgetary controls at a department level. Any unspent funds at the fiscal year end may be moved forward to a future year. Expenditures may not exceed budgeted appropriations at the fund level. Activities of the General, Special Revenue, Debt Service, and Capital Projects Funds are included in the annual appropriated budget.

As demonstrated by the statements and schedules included in the financial section of this report, the County continues to meet its responsibility for sound financial management.

Debt Administration

The County's bond rating was most recently reviewed in 2019 by both Moody's Investor Service (Moody's) and Standard & Poor's Ratings Services (S&P) rating agencies for the County's 2019A bond issuance. Both agencies maintained the County's rating at Aaa, the highest rating attainable.

Under state statute chapter 475.53, the County's general obligation bonded debt issuances are subject to a legal limitation based on 3% of the market value of taxable property. Currently, Washington County is in compliance with the state statute and with more conservative, self-imposed limitations. Tables 9-12 in the Statistical Section present more detailed information about the debt position of the County.

Long-Term Financial Planning

The County Board, department heads, and other key staff members continue to engage in strategic planning to fulfill the County's vision, mission and values that reaffirm key County goals. Focusing on long-term financial planning, the County annually updates the 5-Year Financial Planning Document, Capital Improvement Plan, Debt Service Plan, and Capital Equipment and Technology Plan.

The County's commitment to financial planning has historically been identified as a particular strength when Moody's and S&P released the County's bond ratings.

Independent Audit

Minnesota State Statutes require an audit to be made of the books of account, financial records, and transactions of the County by an independent auditor team. In addition to meeting the requirements in the state statutes, the audit must also meet the requirements of the federal Single Audit Act of 1984, the Single Audit Amendment of 1996, and the Uniform Guidance. The County has complied with these requirements and the Auditor's opinion has been included in this report. The Auditor will also issue a management and compliance letter covering the testing of the County's system of internal controls and compliance with applicable legal provisions. The management and compliance letter will not modify or affect this report on the financial statements.

Awards

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2019. This was the 35th consecutive year that the County has received this prestigious award. To be awarded a Certificate of Achievement, the County must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. The 2019 report satisfied both generally accepted accounting principles and applicable legal requirements.

In addition, each year since 1998, the GFOA has awarded Washington County with the Distinguished Budget Presentation Award in recognition of solid budgetary practices.

The County was also recognized by the GFOA for the 2019 Popular Annual Financial Statement (PAFR), the second PAFR award received by the County. The PAFR is intended as a supplement to the Comprehensive Annual Financial Report with simpler reports designed to assist those who need or desire a less detailed overview of a government's financial activities.

Invitation and Acknowledgments

We invite you to read the remainder of this Comprehensive Annual Financial Report. Washington County provides a variety of services financed with various funds. It must follow specific rules and policies in the administration of these resources. If you have questions regarding any of the materials presented, please contact the Accounting and Finance Department. Our goal is to keep you well informed about your county's government.

We would like to recognize the contributions made by the staff of County departments toward the completion of this Comprehensive Annual Financial Report. This report would not have been completed without the professional dedication of the entire staff.

Finally, we especially want to thank the County's Administration, the Department Heads, and the County Board of Commissioners for their interest and support in planning and conducting the financial activities in a responsible and progressive manner. The County's excellent financial status is a tribute to that discipline and vision.

Respectfully submitted,



Tabatha Hansen
Accounting and Finance Director



Dee Bernard
Accounting and Finance Deputy Director



Carl Jacobson, CPA
Principal Accountant



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Washington County
Minnesota**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

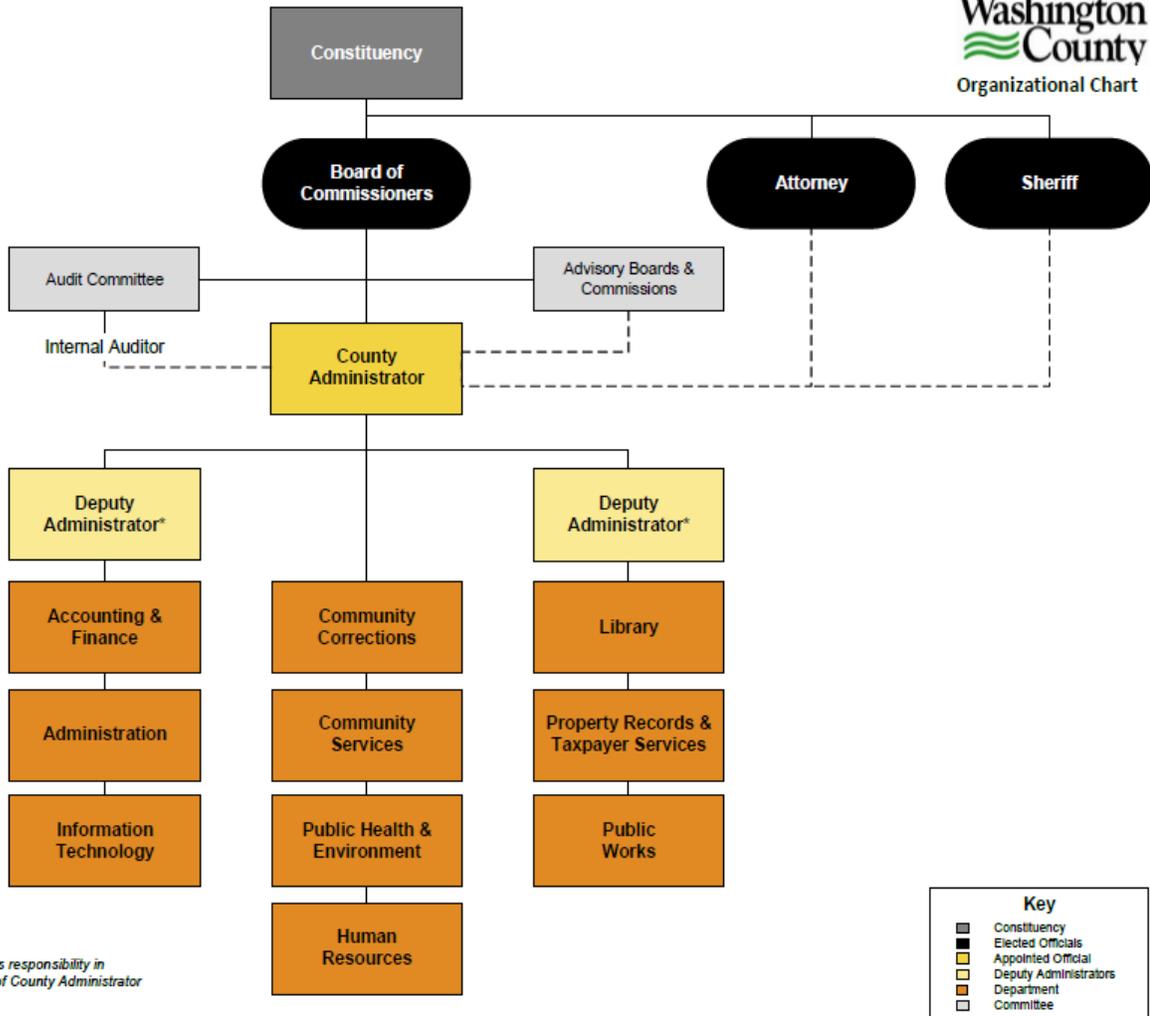
December 31, 2019

Christopher P. Morill

Executive Director/CEO

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County Organizational Chart
Fiscal Year 2020



* Assumes responsibility in absence of County Administrator

Washington County, Minnesota

List of Principal Officials

Office	Name	Term Expires
Commissioners:		
1st District	Fran Miron, Chair	December 2020
2nd District	Stan Karwoski	December 2022
3rd District	Gary Kriesel	December 2020
4th District	Wayne Johnson	December 2022
5th District	Lisa Weik, Vice Chair	December 2020
Officers:		
Elected:		
Attorney	Peter Orput	December 2022
District Court Judge	Douglas Meslow	January 2021 *
District Court Judge	Gregory Galler	January 2021 *
District Court Judge	Richard C. Ilkka	January 2021 *
District Court Judge	Ellen Maas	January 2021 *
District Court Judge	Juanita Freeman	January 2021 *
District Court Judge	Sheridan Hawley	January 2021 *
District Court Judge	John C. Hoffman	January 2023 *
District Court Judge	Mary Hannon	January 2023 *
District Court Judge	Tad V. Jude	January 2023 *
District Court Judge	John McBride	January 2023 *
Sheriff	Dan Stary	December 2022
Appointed:		
Administrator	Kevin Corbid	Indefinite
Auditor-Treasurer/Deputy Administrator	Jennifer Wagenius	Indefinite
Deputy Administrator	Jan Lucke	Indefinite
County Recorder/ Director Property Records & Taxpayer Services	Debra Ledvina	Indefinite
County Assessor	Bruce Munneke	December 2020
County Engineer	Wayne Sandberg	April 2023
County Surveyor	Samuel E. Gibson	September 2023
Accounting and Finance Director	Tabatha Hansen	Indefinite
Community Services Director	Tom Adkins	Indefinite
Community Corrections Interim Director	Terry Thomas, Jr.	Indefinite
Human Resources Director	Angie Nalezny	Indefinite
Information Technology Director	Renee Heinbuch	Indefinite
Library Director	Amy Stenftenagel	Indefinite
Public Health & Environment Director	Lowell Johnson	Indefinite
Public Works Director	Don Thiesen	Indefinite

*Term expires the first Monday in January

WASHINGTON COUNTY

Financial Section

Certificate of Achievement for Excellence in Financial Reporting

The Certificate of Achievement for Excellence in Financial Reporting award was received by the county for 2019. This award recognizes the nation's finest examples of financial reporting and represents a significant accomplishment for a government and its management.

The certificate program was established by the Government Finance Officers Association (GFOA) in 1945. It instituted the program to encourage all governmental units to prepare and publish an easily readable, understandable document which covers all funds and financial transactions during the fiscal year. The GFOA believes that governments have a special responsibility to provide the public with a fair presentation of their financial affairs.

To be eligible for the certificate, a report must be published and include general purpose financial statements in conformity with generally accepted accounting principles (GAAP). The reports are also required to have been audited according to generally accepted auditing standards. Award-winning reports should enhance the reader's understanding of the financial statements, be efficiently organized, and adhere to certain generally accepted terminology and formatting conventions. The certificate program provides participants with extensive technical reference material on governmental accounting and financial reporting theory. This material provides finance officials with the tools they need to improve their financial reporting techniques.

Washington County has received this certificate for the last thirty-five (35) consecutive years.



FINANCIAL SECTION

- Independent Auditors' Report
- Management's Discussion and Analysis



INDEPENDENT AUDITORS' REPORT

Board of County Commissioners and Audit Committee
Washington County
Stillwater, Minnesota

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Washington County, Minnesota (the County) as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Washington County Community Development Agency, which represents 100% of the assets, net position, and revenues of the discretely presented component unit. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Washington County Community Development Agency discretely presented component unit, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the County's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based upon our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Washington County, Minnesota, as of December 31, 2020, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedules, other postemployment benefit liability and related ratios, schedule of proportionate share of net pension liability, and schedule of pension contributions, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Washington County's basic financial statements. The supplementary information of the budgetary comparison schedules, combining statement of fiduciary net position, combining statements of changes in fiduciary net position, capital assets schedules, and schedule of intergovernmental revenues are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget and Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and is also not a required part of the basic financial statements.

The supplementary information and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

In our opinion, the budgetary comparison schedules, combining statement of fiduciary net position, combining statement of changes in fiduciary net position, capital assets schedules, schedule of intergovernmental revenues, and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Washington County's basic financial statements. The introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedure applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of Washington County as of and for the year ended December 31, 2019 (not presented herein), and have issued our report thereon dated June 11, 2020, which contained unmodified opinions on the respective financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information. The Capital Assets Used in the Operation of Governmental Funds Comparative Schedule by Source for the year ended December 31, 2019 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2019 financial statements. The Capital Assets Used in the Operation of Governmental Funds Comparative Schedule by Source has been subjected to the auditing procedures applied in the audit of the 2019 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Capital Assets Used in Operation of Governmental Funds Comparative Schedule by Source is fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended December 31, 2019.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 11, 2021, on our consideration of Washington County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of this report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Minneapolis, Minnesota
June 11, 2021

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Management's Discussion and Analysis

This section of Washington County's Comprehensive Annual Financial Report presents our discussion and analysis of the County's financial performance during the fiscal year that ended on December 31, 2020. Please read it in conjunction with the transmittal letter at the front of this report and the County's financial statements, which follow this section.

Overview of the Financial Statements

The purpose of management's discussion and analysis is to introduce the reader to the basic financial statements and provide an analytical overview of Washington County's financial activities. This information should assist the user in evaluating whether the financial condition of the County has improved, or deteriorated from the prior fiscal year ended December 31, 2019.

The annual report consists of four parts: *the management's discussion and analysis* (this section), the *basic financial statements*, the *required supplementary information*, and an optional section that presents *combining statements* for non-major governmental funds and other statistical information. The basic financial statements include two types of statements that present different views of the County's financial standing.

Government-wide Financial Statements

The first two statements are the government-wide Statement of Net Position and the Statement of Activities. They both provide long-term and short-term information about the County's overall financial status. These statements are formulated using the full accrual method.

Fund Financial Statements

The fund financial statements focus on individual parts of county government, reporting the County's operations in more detail than the government-wide statements. These statements are compiled using the modified accrual method.

- The *governmental funds* statements tell how *general government services* such as social services and public safety were financed in the *short-term*, as well as what remains for future spending.
- *Fiduciary fund* (Custodial) statements provide information about financial relationships in which the County acts as an *agent or trustee* of funds that are held for the benefit of others and are managed under specific rules.

The financial statements also include *notes* that explain some of the information in the financial statements and provide more detailed data. The statements are followed by the section *required supplementary information* that further explains and supports the information in the financial statements.

The following chart summarizes the major features of the County's financial statements and the areas they cover. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

Washington County, Minnesota

	Government-Wide Statements	Governmental Funds	Fiduciary Funds
Scope	Entire county government, except fiduciary funds	Activities of the county that are not proprietary or fiduciary	Instances in which the county is the trustee or agent for someone else's resources
Required Financial Statements	Statement of Net Position Statement of Activities	Balance Sheet Statement of Revenues, Expenditures, and Changes in Fund Balances	Statement of Fiduciary Net Position Statement of Changes in Fiduciary Net Position
Accounting Basis and Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of Asset and Deferred Outflow of Resources/Liability and Deferred Inflow of Resources Information	All assets, deferred outflows of resources, liabilities, and deferred inflows of resources both financial and capital, and short-term and long-term	Only assets or deferred outflows of resources expected to be used up and liabilities or deferred inflows of resources that come due during the year or soon thereafter; no capital assets included	All assets, deferred outflows of resources, liabilities, and deferred inflows of resources both short-term and long-term; Fiduciary funds do not currently contain capital assets, although they can
Type of Inflow/Outflow Information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year, or soon thereafter	All revenues and expenses during year, regardless of when cash is received or paid as applicable

Government-wide Statements

The government-wide statements report information about the County as a whole using accounting methods similar to those of private-sector companies. The Statement of Net Position includes *all* of the government's assets, deferred outflows, liabilities, and deferred inflows. The Statement of Activities accounts for *all* of the revenues and expenses, regardless of when cash is received or paid (full accrual).

The two government-wide statements report the County's net position and how they have changed. Net position is the difference between the County's assets and deferred outflows and liabilities and deferred inflows, and is a tool used to measure the following:

- Changes in the County's net position should be used as indicators of whether its financial health is improving or deteriorating.
- To assess the overall health of the County, you need to consider additional non-financial factors, such as changes in the County's property tax base, the condition of the County's roads and infrastructure, and other socio-economic factors.

Washington County, Minnesota

The government-wide financial statements of the County are divided into two categories:

- *Governmental Activities*—Accounts for all of the County's services and operations, including: public safety, social services, transportation, debt service, capital projects, and general administration. Property taxes and state and federal grants finance most of these activities. Governmental activities exclude custodial funds, which are held in a fiduciary capacity.
- *Discretely Presented Component Unit* – The statements of the County include the Washington County Community Development Agency (CDA). Although legally separate, it is a component unit because of the substantial role Washington County plays in providing the CDA the County's pledge of full faith-credit for some of their bond issues. The complete financial statements of the CDA can be obtained by writing to the Washington County Community Development Agency, 7465 Currell Blvd, Woodbury, MN 55125.

Fund Financial Statements

The fund financial statements provide more detailed information about the County's most significant *funds*. Funds are accounting tools that are used in government accounting to track specific sources of funding and spending for particular purposes. Most funds are established by county policy, state law, or bond covenants. The County Board can establish other funds to control and manage money for particular purposes or to show that it is properly using certain monies. The County has two kinds of funds.

Governmental Funds — Most of the County's basic services are included in governmental funds, which focus on (1) how *cash and other financial assets* can readily be converted to cash flow in and out, and (2) the constraints on balances at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed *short-term* view that helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance county programs. This information does not include the additional long-term focus of the government-wide statements, so we provide additional information on the subsequent page that explains the relationship (or differences) between them.

- *General Fund* – The General Fund is used to account for all financial activities of which the County has substantial discretion and control and are not required to be reported in another fund. It includes all financial resources not accounted for and reported in another fund.
- *Special Revenue Fund* – Special Revenue Funds account for proceeds of specific revenue resources having a substantial portion of their revenues from a restricted or committed source. These funds account for specific purposes other than capital projects or debt service. The Regional Rail Authority and Metro Gold Line are reported as *Special Revenue Funds*.
- *Debt Service Fund* – The Debt Service Fund accounts for annual payments of principal, interest, and fiscal charges of long-term debt obligations of Washington County.
- *Capital Projects Fund* – The Capital Projects Fund tracks infrastructure activities of the County. These projects are part of the County's five-year Capital Improvement Projects Plan.

Fiduciary Funds (Custodial) – These funds are reported when the County acts in a trustee capacity or as custodian of funds. All of the County's fiduciary activities are reported in a separate Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position. We exclude these activities from the County's government-wide financial statements, because the County cannot use these assets to finance its operations.

Financial Highlights

- Government-wide statements, reported on an accrual basis of accounting, show that assets and deferred outflows exceed liabilities and deferred inflows at the end of 2020. This gave the County a net position of \$544.5M, or an 11.7% increase from 2019. Total revenues increased by 6.1% due to larger grant funding, primarily CARES Act funding, which offset decreases in other areas like fees and licenses as well as construction project cost shares and investments returns including the OPEB portfolio as well as the County portfolio.

Washington County, Minnesota

- Fund level statements show that total governmental funds, on a modified accrual basis, report an \$18.5M increase in fund balance. The General Fund saw a \$37.5M increase in fund balance, led by the strong growth in intergovernmental revenue most notably via CARES Act funding, and increases in taxes from the growing tax base. The Regional Rail Fund reflected an increase in fund balance of \$192.2K due to incoming transfers covering added consulting costs. The Capital Projects Fund saw a \$17.8M decrease in fund balance as a result of project activity utilizing proceeds of the 2019A Bonds. The Debt Service Fund reflected a decrease in fund balance of \$2.0M due to the usage of fund assets in conjunction with the issuance of the 2020A Bonds to refund the remaining 2012A Series Bonds. The Metro Gold Line Fund reflects an increase in fund balance of \$0.6M as a result of the stronger than expected collections of sales tax.

Financial Analysis of the County as a Whole (Government-Wide)

Net position

Net position is a measure of “net worth” which may serve over time as an indicator of the County’s financial status. As noted earlier, assets and deferred outflows exceeded liabilities and deferred inflows by \$544.5M at the end of 2020, an increase of \$56.9M, or 11.7%, from 2019, mostly as a result of strong performance of investments set aside to fund OPEB obligations, and growth in intergovernmental revenues, most notably grants related to COVID-19 and shared revenues for transportation projects. In addition, the County received payments from local governments for their share of road projects.

Net investment in capital assets is \$465.4M, which represents about 85.5% of the total net position. Current and other assets reported a 7.3% increase from the prior year due continued strong OPEB investment performance as well as increases in year-end balances due from other governments and other receivables. Bonded debt liabilities decreased by \$13.6M, net pension liability increased by \$9.8M, and OPEB liability increased \$21.6M based on actuarial estimate updates.

Summary of Net Position

	2019	2020	Change	%Change
Assets				
Current and Other Assets	\$ 305,159,255	\$ 327,497,727	\$ 22,338,472	7.3%
Capital Assets	568,673,842	592,415,563	23,741,721	4.2%
Total Assets	873,833,097	919,913,290	46,080,193	5.3%
Deferred Outflows of Resources	30,253,160	42,046,492	11,793,332	39.0%
Total Assets and Deferred Outflows	904,086,257	961,959,782	57,873,525	6.4%
Liabilities				
Long-Term Liabilities	328,261,333	346,540,753	18,279,420	5.6%
Other Liabilities	51,682,423	51,610,193	(72,230)	-0.1%
Total Liabilities	379,943,756	398,150,946	18,207,190	4.8%
Deferred Inflows of Resources	36,586,116	19,347,080	(17,239,036)	-47.1%
Total Liabilities and Deferred Inflows	416,529,872	417,498,026	968,154	0.2%
Net Position				
Net Investment in Capital Assets	441,545,633	465,442,708	23,897,075	5.4%
Restricted for:				
General Government	18,618,510	22,962,613	4,344,103	23.3%
Economic Development	-	5,185,473	5,185,473	-
Capital Projects	56,232,934	40,073,926	(16,159,008)	-28.7%
Debt Service	13,368,419	11,538,925	(1,829,494)	-13.7%
Unrestricted	(42,209,111)	(741,889)	41,467,222	98.2%
Total Net Position	\$ 487,556,385	\$ 544,461,756	\$ 56,905,371	11.7%

Washington County, Minnesota

Changes in Net Position

The Summary of Changes in Net Position is a summary of the County's activity for the year. The 2020 ending net position increased by \$56.9M over the prior year.

Total revenues were up \$17.8M from the prior year. Grant funding increases for CARES Act funding along with property tax growth offset reductions in local cost share contributions on road projects, reductions in fees and license charges due to COVID related closures and restrictions, and lesser growth in OPEB investments to account for overall increase.

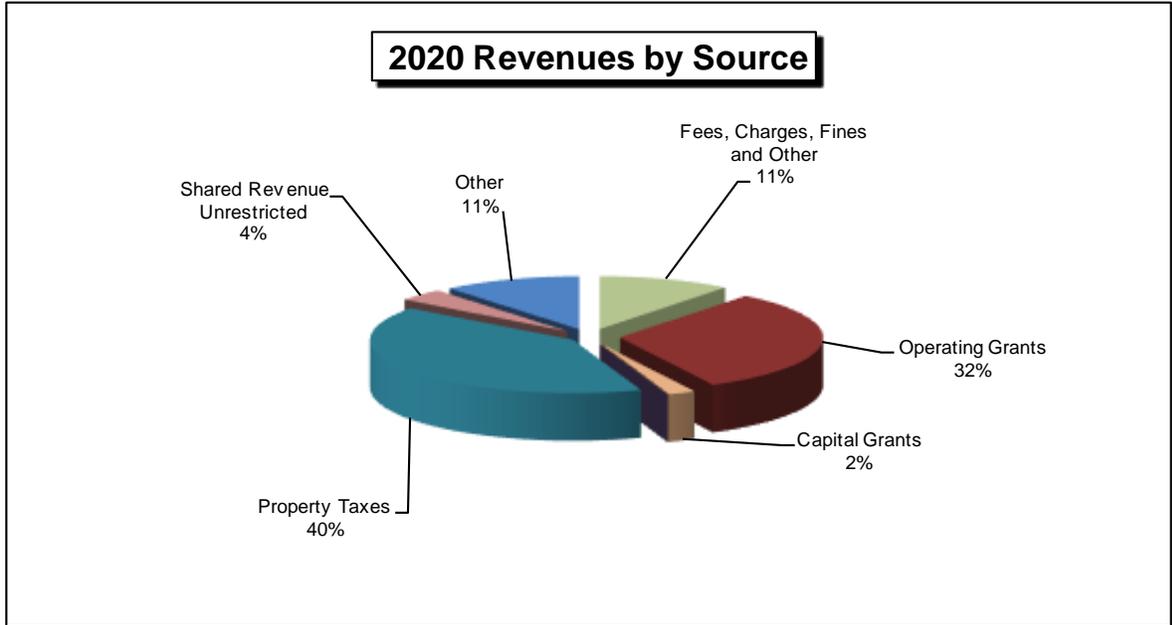
Total expenses increased by \$35.8M from 2019, an increase of 16.4%. Much of this increase was driven by the County's response to the global pandemic. These costs were viewed and treated as Public Health expenses and reflected below in Health and Human Services expenses. A notable offset to these expenses reflected as a reduction in Public Safety expenditures, as related wages were reclassified to Public Health. Fluctuations in General Government, Highways and Streets, and Culture and Recreation reflect on-going projects and how costs of Construction-In-Progress flow through the Statement of Activities.

Summary of Changes in Net Position

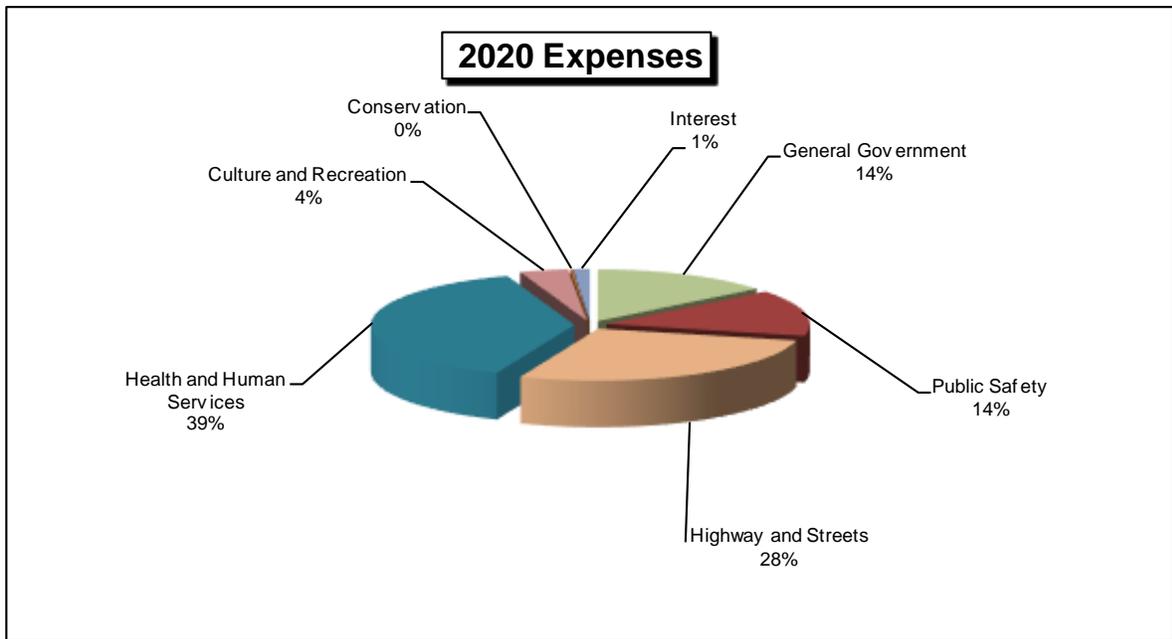
	<u>2019</u>	<u>2020</u>	<u>Change</u>	<u>%Change</u>
Program Revenues				
Fees, Charges, Fines and Other	\$ 45,475,307	\$ 32,994,235	\$ (12,481,072)	-27.4%
Operating Grants	71,727,125	99,074,060	27,346,935	38.1%
Capital Grants	557,104	6,637,810	6,080,706	1091.5%
General Revenues				
Property Taxes	118,926,756	126,170,144	7,243,388	6.1%
Shared Revenue Unrestricted	16,563,400	11,794,555	(4,768,845)	-28.8%
Other	39,957,703	34,297,678	(5,660,025)	-14.2%
Total Revenues	<u>293,207,395</u>	<u>310,968,482</u>	<u>17,761,087</u>	<u>6.1%</u>
Expenses				
General Government	21,803,552	36,260,974	14,457,422	66.3%
Public Safety	47,434,648	36,601,459	(10,833,189)	-22.8%
Highway and Streets	82,221,937	69,925,992	(12,295,945)	-15.0%
Health and Human Services	62,361,430	97,675,098	35,313,668	56.6%
Culture and Recreation	994,660	9,740,150	8,745,490	879.2%
Conservation	446,336	518,241	71,905	16.1%
Interest	3,032,465	3,341,197	308,732	10.2%
Total Expenses	<u>218,295,028</u>	<u>254,063,111</u>	<u>35,768,083</u>	<u>16.4%</u>
Change in Net Position	<u>74,912,367</u>	<u>56,905,371</u>	<u>(18,006,996)</u>	<u>-24.0%</u>
Net Position – Beginning	<u>412,644,018</u>	<u>487,556,385</u>	<u>74,912,367</u>	<u>18.2%</u>
Net Position – Ending	<u>\$ 487,556,385</u>	<u>\$ 544,461,756</u>	<u>\$ 56,905,371</u>	<u>11.7%</u>

Washington County, Minnesota

The following pie charts illustrate revenues and expenses by source.



(Data from Statement of Activities)



(Data from Statement of Activities)

Basis of Accounting

Due to the different basis of accounting between the Statement of Activities and the Statement of Revenues, Expenditures and Changes in Fund Balances, it is necessary to clarify that the following analysis is based on the latter, as it represents current operations in the modified accrual as opposed to the Statement of Activities which is full accrual and long-term.

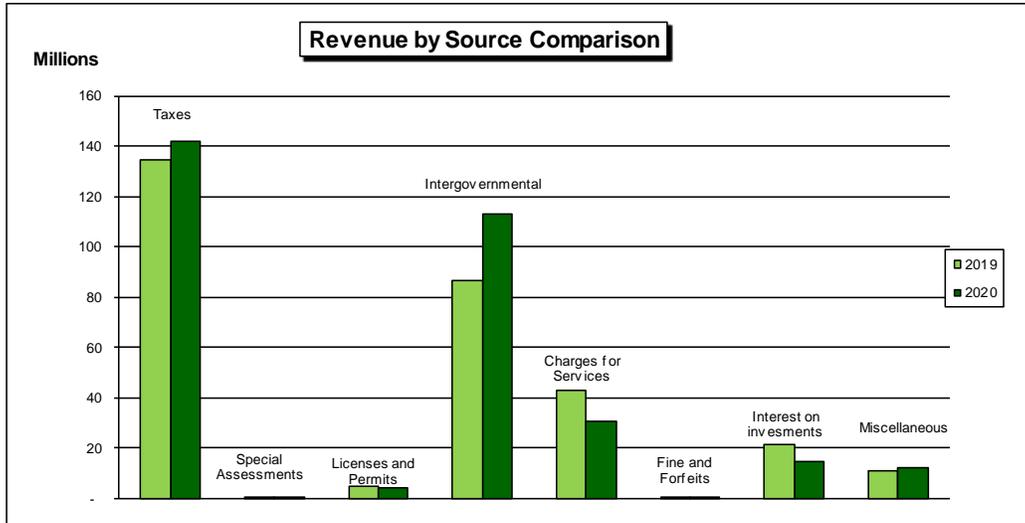
Washington County, Minnesota

Revenue and Expenditure Analysis

Revenue

Per the Statement of Revenues, Expenditures, and Changes in Fund Balances (page 28), the County’s total revenues for all Governmental Funds for 2020 totaled \$317.8M, an increase of \$15.7M compared to 2019. Grant revenues increased \$27.0M primarily for CARES Act relief, and growth in property taxes, offset somewhat by decreases in Charges for Services which reflected decreases in cost shares for local portions of road and bridge projects compared to the prior year. Increases in market value of investments and interest earned produced \$14.8M in investment returns, which was down from the \$21.6M increase of the prior year.

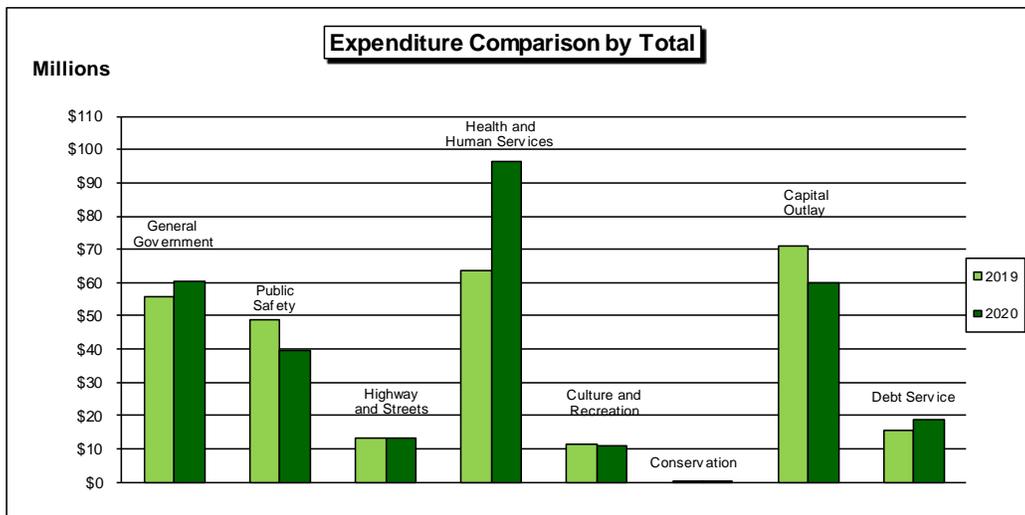
The chart below illustrates that the two largest sources of revenue for the County continue to be in the areas of property taxes and intergovernmental revenues. In 2020, taxes held steady at 45% of the County’s revenues, matching the level of 2019. Intergovernmental revenues were 36% as compared to 29% in 2019.



(Data from Statement of Revenues, Expenditures, and Changes in Fund Balances)

Expenditures

The County’s total expenditures for 2020 were \$299.6M, which is \$20.5M higher than 2019. Expenditures for pandemic response are focused in Health and Human Services, reflecting the Public Health focus of these efforts, driving an increase of \$33.2M. Capital outlays in General Government and Highways and Streets decreased by \$11.1M, based on the timing and mix of projects during the year. A portion of Public Safety salaries were treated as a part of the pandemic response, and grouped in with Public Health expenditures, reflecting a decrease in Public Safety costs of \$9.1M from 2019. A review of the following chart shows the changes to the major function expenditures in 2020.



(Data from Statement of Revenues, Expenditures, and Changes in Fund Balances)

Washington County, Minnesota

Financial Analysis of the County's Funds

The County's fund financial statements provide detail by the functional areas of County government, presenting the inflows, outflows, and constraints on the purpose for which amounts in the fund can be spent. Most funds are established by county policy, state law, or bond covenants.

At the end of 2020, the Governmental Funds' unassigned fund balance was \$85.3M and the total fund balance was \$291.0M. This is an \$18.5M increase in total fund balance from 2019. The 2020 unassigned balance is 31.1% of the County's total governmental fund balance and represents net resources available for future spending on a modified accrual basis of accounting.

The Statement of Revenue, Expenditures, and Changes in Fund Balances shows that the total Net Change in Fund Balances was an increase of \$18.5M. The increase was due largely to strong investment returns for the County's OPEB investments, increases in grants, most significantly the CARES Act funding, as well as ongoing local cost shares related to road and bridge projects. Total revenues increased by \$15.6M.

The General Fund is the main operating fund for Washington County. The General Fund's ending fund balance was \$225.7M, which is an increase of \$37.5M overall. Revenues increased \$38.2M, while expenses increased \$25.5M.

The \$37.5M net increase in fund balance continued the 13 year trend of growth in fund balance in the General Fund. Expenditures in the General Fund were 84.7% of the revenues reported. County leadership continues to explore and adopt practices and technologies that offer savings and efficiencies.

The fund balance in the Regional Rail Special Revenue Fund increased by \$192.2K, with expenditures increasing modestly for a transit study, which was funded by a transfer from the Metro Gold Line Fund.

The fund balance of the Metro Gold Line Special Revenue Fund increased by \$614.8K based on local sales tax revenues exceeding expenditures for the year. All funds are restricted for transit project costs.

The fund balance in the Debt Service Fund decreased by \$2.0M. In addition to scheduled bond payments, the County issued the \$8.9M 2020A Refunding Bonds and combined the proceeds with existing resources to refund the remaining 2012A Bonds. The total fund balance of \$13.3M is restricted for current and long-term debt service obligations.

In the Capital Projects Fund, expenditures exceeded revenues by \$18.8M as the County utilized some of the 2019A bond proceeds to move forward on a variety of projects. Total fund balance decreased by \$17.8M to \$18.8M, with \$944.0K of net transfers from the General Fund.

General Fund Budgetary Highlights

Throughout the year, the County Board amends the adopted budget as a result of normal operations. Carry forwards, as well as budget adjustments, are authorized at year end. For 2020, the total effect on expenditures was an increase of \$5.7M from the adopted budget of \$197.7M to the final budgeted expenditures of \$203.4M. These adjustments are approved as the timing of projects change, variations in intergovernmental revenues and grants occur, or as unforeseen expenditures happen. In 2020, authorized budgets from the prior year were also carried over to fund capital projects, grants, and contract services.

Washington County, Minnesota

2020 Adopted and Final Budget Expenditures (millions)

	<u>Adopted</u>	<u>Final</u>	<u>Actual</u>	<u>Actual vs. Final</u>
General Government	\$ 50.8	\$ 52.5	\$ 49.6	\$ 2.9
Public Safety	51.2	51.7	39.6	12.1
Highways and Streets	13.4	14.1	13.1	1.0
Health and Human Services	69.5	72.2	96.6	(24.4)
Culture/Recreation	12.6	12.7	11.0	1.7
Conservation of Natural Resources	0.2	0.2	0.2	-
Debt Service - Human Services	-	-	0.3	(0.3)
Total	\$ 197.7	\$ 203.4	\$ 210.4	\$ (7.0)

Many factors can influence the variances in actual expenditures versus the final budgeted figures. In 2020, actual expenditures were \$7.0M more than anticipated. The largest changes were \$24.4M in added expenditures in Health and Human Services related to pandemic response, which included costs shifted from Public Safety for their pandemic response.

Capital Asset and Debt Administration

Capital Assets

In 2020, the County continued to invest in its capital assets in the areas of: land, equipment, buildings, park facilities, and roads.

Governmental Funds Capital Assets	<u>2019</u>	<u>2020</u>	<u>% Change</u>
Land and Works of Art	\$ 101,321,896	\$ 107,564,009	6.2%
Land Improvements	18,763,140	18,763,140	0.0%
Buildings and Structures	219,502,361	234,537,461	6.8%
Machinery and Equipment	57,406,863	60,514,068	5.4%
Infrastructure	473,258,215	493,744,101	4.3%
Construction in Progress	21,531,956	30,107,853	39.8%
Total	\$ 891,784,431	\$ 945,230,632	6.0%

Increases in capital assets occurred from a number of areas, including highway and bridge construction projects, park improvements, and land acquisitions utilizing the County's Land and Water Legacy funds. Construction in progress growth was driven by on-going work on capital projects funded by the proceeds of the 2019A Bonds as well as various grant related sources. Additional information on the County's capital assets can be found under Note III F to the financial statements on page 44.

Long-Term Debt

At year-end, the County had \$123.0M in outstanding general obligation bonds. This 10.0% decrease is the result of scheduled bond payments combined with refunding efforts utilizing the proceeds of the 2020A Refunding Bonds. More detailed information about the County's long-term liabilities is presented on pages 45 to 47 of the notes to the financial statements.

Outstanding Long-Term Debt	<u>2019</u>	<u>2020</u>	<u>Percent Change</u>
General Obligation Bonds	\$ 136,685,000	\$ 123,045,000	10.0%

Washington County, Minnesota

Washington County has chosen a more conservative approach to debt service obligation limits than is required by state statutes. The County self-imposes the more restrictive of the following two policies as presented in the annual budget:

· 12.5% of General Expenditures (2020 Budget)	\$ 27,720,813
· 15% of the total gross levy (2020 Budget) (most restrictive policy)	19,099,890
2020 Debt Service Levy	(16,437,200)
Available Debt Service Levy (2020)	<u>\$ 2,662,690</u>

Economic Factors and Next Year's Budgets and Rates

The County's budget balances its fiscal responsibility with the need to ensure quality county services. Each year the County Board adopts principles and guidelines used to develop its budget that focuses on core services and programs, tangible outcomes, and excellence in customer service while maintaining a stable property tax levy.

For 2021, the County's budget includes \$114.5M in net tax levy, which is unchanged from the 2020 level, and an operating budget of \$288.5M, an increase of approximately \$6.3M from 2020. The increase in expenditures for the Gold Line Transit Project is offset by the decrease in capital spending. The capital spending reflects the use of the 2019A bond projects. The increased personnel service costs reflect the lump sum payments of 2.0% (January 2021) plus an additional \$1,000 (July 2021) for most employees under most bargaining unit contracts.

The 2021 adopted budget funds 1,324.13 full-time employees (FTEs); an increase of 0.7% from final 2020 levels, this represents 5.0 employees per 1,000 residents, leaving the County with one of the most efficient employee to population ratios within the seven metropolitan county governments. The County continues to explore alternatives to enhance the delivery of services to an increasingly diverse population, while maintaining a strong financial position. By focusing on efficiency and using cost controls at the department level, hiring skilled employees, and focusing on the need to provide core services the budget guides the County in maintaining financial integrity.

Contacting the County's Financial Management

This financial report was designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the County's finances and to demonstrate the County's accountability for the money it receives. If you have questions about this report or need additional information, contact the Washington County Accounting and Finance Department, 14949 62nd Street North, Stillwater, Minnesota 55082; (651) 430-6030 or by accessing our website at www.co.washington.mn.us.

The complete financial statements of the discretely presented component unit can be obtained by writing to the Washington County Community Development Agency, 7645 Currell Boulevard, Woodbury, MN 55125, or on their website at www.wccda.com.

WASHINGTON COUNTY

**Basic Financial
Statements**



BASIC FINANCIAL STATEMENTS

- Government-wide Financial Statements:
 - Statement of Net Position
 - Statement of Activities

- Fund Financial Statements:
 - Balance Sheet - Governmental Funds
 - Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position – Governmental Activities
 - Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds
 - Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities – Governmental Activities
 - Statement of Fiduciary Net Position
 - Statement of Changes in Fiduciary Net Position

- Notes to the Financial Statements

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Washington County, Minnesota

Statement of Net Position
December 31, 2020

	<u>Primary Government Governmental Activities</u>	<u>Discretely Presented Component Unit</u>
Assets		
Cash and Pooled Investments	\$ 204,697,336	\$ 22,647,351
Petty Cash and Change Funds	25,450	-
Investments	81,129,342	-
Taxes Receivable:		
Delinquent Taxes Receivable - Net	1,130,970	96,129
Special Assessments Receivable:		
Current - Net	181,236	-
Special Assessments Receivable - Noncurrent	759,911	-
Accounts Receivable - Net	1,625,774	139,461
Note Receivable	7,091,930	-
Notes and Mortgages Receivable - Current	-	486,054
Notes and Mortgages Receivable - Long-Term	-	7,811,644
Accrued Interest Receivable	628,838	342,568
Due from Other Governments	27,172,752	435,667
Due from Component Unit - (County)	1,347,997	-
Due from Component Unit - (WCCDA)		14,686,279
Due from primary government	-	-
Prepaid Items	186,946	532,374
Inventories	1,519,245	-
Restricted Assets		
Cash and Pooled Investments	-	12,185,987
Other Assets	-	2,105,751
Capital Assets Not Being Depreciated		
Land and Works of Art	107,564,009	7,753,740
Construction in Progress	30,107,853	59,344
Capital Assets Being Depreciated, Net		
Building	151,901,674	71,166,206
Improvements Other than Buildings	5,956,790	-
Machinery, Vehicles, Furniture and Equipment	17,817,415	546,281
Infrastructure	279,067,822	-
Total Assets	919,913,290	140,994,836
Deferred Outflows of Resources		
Pension Related	14,894,550	-
OPEB Related	25,976,707	-
Unamortized Loss on Refunding	1,175,235	474,766
Total Deferred Outflows of Resources	42,046,492	474,766

Continued on next page

The Notes to the Financial Statements are an integral part of this statement.

Washington County, Minnesota

Statement of Net Position (Continued)
December 31, 2020

	<u>Primary Government Governmental Activities</u>	<u>Discretely Presented Component Unit</u>
Liabilities		
Accounts Payable	\$ 3,292,113	\$ 787,981
Salaries Payable	5,232,329	-
Contracts Payable	6,297,985	-
Due to Other Governments	8,472,183	618,138
Due to Primary Government (County) - Due Within One Year	-	65,216
Due to Primary Government (WCCDA) - Due Within One Year	-	926,653
Due to Primary Government (County) - Due in More than One Year	-	1,282,781
Due to Primary Government (WCCDA) - Due in More than One Year	-	11,592,997
Accrued Interest Payable	1,797,037	903,732
Unearned Revenue	617,303	175,040
Customer Deposits - Current	297,041	572,624
Gravel Pit Restoration	190,687	-
Accrued Developer Fee	-	2,024,802
Compensated Absences Payable - Due Within One Year	11,327,328	16,728
Other Postemployment Benefits Payable - Due Within One Year	4,764,951	-
Unearned Gain on Sale of Property	-	187,019
Notes and Mortgages Payable - Due Within One Year	-	548,239
General Obligation Bonds Payable - Due Within One Year	9,140,000	-
Revenue Bonds Payable - Due Within One Year	-	2,185,000
Loans Payable - Due Within One Year	181,236	-
Other Postemployment Benefits Payable - Due in More than One Year	148,037,425	-
Notes and Mortgages Payable - Due in More than One Year	-	18,507,128
General Obligation Bonds Payable - Due in More than One Year (Net)	122,998,789	-
Revenue Bonds Payable - Due in More than One Year	-	30,070,129
Loans Payable - Due in More than One Year	814,165	-
Net Pension Liability - Due in More than One Year	74,377,089	-
Compensated Absences Payable - Due in More than One Year	313,285	150,549
Total Liabilities	398,150,946	70,614,756
Deferred Inflows of Resources		
Pension Related	13,394,749	-
OPEB Related	5,273,792	-
Unamortized Gain on Refunding	678,539	-
Total Deferred Inflows of Resources	19,347,080	-
Net Position		
Net Investment in Capital Assets	465,442,708	28,080,374
Restricted for:		
General Government	1,083,204	-
Grants	82,500	-
Law Enforcement Authorized Forfeiture Use	394,199	-
Solid Waste and Recycling	11,432,058	-
Recorder's Fund Technology	2,718,694	-
E-911 Funding Technology	940,076	-
Other	921,502	-
Parks & Libraries	5,304,369	-
Inmate Services Funds	86,011	-
Economic Development	5,185,473	-
Capital Projects	40,073,926	-
Debt Service	11,538,925	11,253,229
Grant Funded Housing Purposes	-	3,960,218
Unrestricted	(741,889)	27,561,025
Total Net Position	\$ 544,461,756	\$ 70,854,846

The Notes to the Financial Statements are an integral part of this statement.

Washington County, Minnesota

Statement of Activities
Year Ended December 31, 2020

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Fees, Fines, Charges, and Other	Operating Grants and Contributions	Capital Grants and Contributions	Total Primary Government	Discretely Presented Component Unit
Functions/Programs						
Primary Government						
Governmental Activities:						
General Government	\$ 36,260,974	\$ 31,447,915	\$ 5,874,638	\$ 431,958	\$ 1,493,537	\$ -
Public Safety	36,601,459	1,504,001	5,672,190	-	(29,425,268)	-
Highways and Streets	69,925,992	-	17,915,791	6,205,852	(45,804,349)	-
Health and Human Services	97,675,098	-	63,938,183	-	(33,736,915)	-
Culture and Recreation	9,740,150	42,319	3,920,842	-	(5,776,989)	-
Conservation of Natural Resources	518,241	-	1,752,416	-	1,234,175	-
Interest	3,341,197	-	-	-	(3,341,197)	-
Total Primary Government	\$ 254,063,111	\$ 32,994,235	\$ 99,074,060	\$ 6,637,810	(115,357,006)	-
Component Unit:						
Community Development Agency	\$ 29,248,830	\$ 12,518,763	\$ 13,731,814	\$ 2,538,024	-	(460,229)
General Revenues:						
Property Taxes					126,170,144	5,429,628
Tax Increments					-	235,897
Mortgage Registry and Deed Tax					731,177	-
Wheelage Tax					4,500,926	-
Sales Tax					10,735,494	-
Grants and Contributions not Restricted for a Particular Purpose					11,794,555	-
Investment Earnings					14,776,368	617,246
Miscellaneous					3,526,437	-
Gain on Sale of Capital Assets					27,276	58,778
Total General Revenues					172,262,377	6,341,549
Change in Net Position					56,905,371	5,881,320
Net Position - Beginning of Year					487,556,385	64,973,526
Net Position - End of Year					\$ 544,461,756	\$ 70,854,846

The Notes to the Financial Statements are an integral part of this statement.

Washington County, Minnesota

Balance Sheet
Governmental Funds
December 31, 2020

	Major Funds					Total Governmental Funds
	General	Regional Rail Authority	Metro Gold Line	Debt Service	Capital Projects	
Assets						
Cash and Pooled Investments	\$ 139,203,108	\$ 2,112,961	\$ 29,296,529	\$ 13,348,335	\$ 20,736,403	\$ 204,697,336
Petty Cash and Change Funds	25,450	-	-	-	-	25,450
Investments	81,129,342	-	-	-	-	81,129,342
Taxes Receivable	1,124,076	6,894	-	-	-	1,130,970
Special Assessments Receivable						
Current	181,236	-	-	-	-	181,236
Noncurrent	751,334	-	-	8,577	-	759,911
Accounts Receivable	1,625,624	150	-	-	-	1,625,774
Note Receivable	7,091,930	-	-	-	-	7,091,930
Accrued Interest Receivable	628,838	-	-	-	-	628,838
Due from Other Governments	12,498,210	-	1,907,558	-	12,766,984	27,172,752
Due from Component Unit	1,347,997	-	-	-	-	1,347,997
Inventories	1,519,245	-	-	-	-	1,519,245
Prepaid items	186,946	-	-	-	-	186,946
Total Assets	\$ 247,313,336	\$ 2,120,005	\$ 31,204,087	\$ 13,356,912	\$ 33,503,387	\$ 327,497,727
Liabilities, Deferred Inflows of Resources, and Fund Balances						
Liabilities						
Accounts Payable	\$ 2,621,711	\$ -	\$ -	\$ 20,950	\$ 567,667	\$ 3,210,328
Salaries Payable	5,209,481	13,879	8,969	-	-	5,232,329
Contracts Payable	2,089,294	80,905	-	-	4,209,571	6,379,770
Due to Other Governments	8,106,645	-	-	-	365,538	8,472,183
Unearned Revenue	617,303	-	-	-	-	617,303
Customer Deposits	297,041	-	-	-	-	297,041
Gravel Pit Restoration	190,687	-	-	-	-	190,687
Total Liabilities	19,132,162	94,784	8,969	20,950	5,142,776	24,399,641
Deferred Inflows of Resources						
Unavailable Revenue - Taxes	1,124,076	6,894	-	-	-	1,130,970
Unavailable Revenue - Special Assessments	932,570	-	-	8,577	-	941,147
Unavailable Revenue - State Aid Allotments	-	-	-	-	8,901,800	8,901,800
Unavailable Revenue - Grants	458,234	-	-	-	681,876	1,140,110
Total Deferred Inflows of Resources	2,514,880	6,894	-	8,577	9,583,676	12,114,027
Fund Balances						
Nonspendable For						
Prepays	186,946	-	-	-	-	186,946
Inventories	1,519,245	-	-	-	-	1,519,245
Note Receivable	6,789,856	-	-	-	-	6,789,856
Advances to Other Governments	1,282,780	-	-	-	-	1,282,780
Restricted For						
Debt Service	-	-	-	13,327,385	-	13,327,385
Capital Projects	-	-	-	-	8,878,808	8,878,808
Grants	82,500	-	-	-	-	82,500
Law Library and County Library	4,279,466	-	-	-	-	4,279,466
Other Contracts	18,600,648	-	-	-	-	18,600,648
OPEB Trust	84,325,809	-	-	-	-	84,325,809
Transit Project	-	-	31,195,118	-	-	31,195,118
Economic Development	5,185,473	-	-	-	-	5,185,473
Assigned For						
Regional Rail	-	2,018,327	-	-	-	2,018,327
Capital Improvements	-	-	-	-	9,898,127	9,898,127
Compensated Absences	11,640,613	-	-	-	-	11,640,613
Capital Equipment	4,592,400	-	-	-	-	4,592,400
Employer Liability	1,834,214	-	-	-	-	1,834,214
Unassigned	85,346,344	-	-	-	-	85,346,344
Total Fund Balances	225,666,294	2,018,327	31,195,118	13,327,385	18,776,935	290,984,059
Resources, and Fund Balances	\$ 247,313,336	\$ 2,120,005	\$ 31,204,087	\$ 13,356,912	\$ 33,503,387	\$ 327,497,727

The Notes to the Financial Statements are an integral part of this statement.

Washington County, Minnesota

**Reconciliation of Governmental Funds Balance Sheet to
The Government-wide Statement of Net Position - Governmental Activities
December 31, 2020**

Fund Balances- Total Governmental Funds	\$ 290,984,059
Amounts reported for governmental activities in the statement of net position 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.	592,415,563
Deferred outflows of resources resulting from pension obligations are not available resources and, therefore, are not reported in the governmental funds.	14,894,550
Deferred outflows of resources resulting from OPEB obligations are not available resources and, therefore, are not reported in the governmental funds.	25,976,707
Other long-term assets are not available to pay for current-period expenditures and, therefore, are reported as unavailable in the governmental funds.	12,114,027
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	\$ (123,045,000)
Loans Payable	(995,401)
Other Postemployment Benefits	(152,802,376)
Compensated Absences	(11,640,613)
Net Pension Liability	(74,377,089)
Accrued Interest Payable	(1,797,037)
Unamortized Bond Premium	<u>(9,093,789)</u>
	(373,751,305)
Deferred inflows resulting from pension obligations are not due and payable in the current period and, therefore, are not reported in the governmental funds.	(13,394,749)
Deferred inflows resulting from OPEB obligations are not due and payable in the current period and, therefore, are not reported in the governmental funds.	(5,273,792)
Unamortized gain/loss on Bond Refunding not reflected in the governmental funds.	<u>496,696</u>
Net Position of Governmental Activities	<u><u>\$ 544,461,756</u></u>

The Notes to the Financial Statements are an integral part of this statement.

Washington County, Minnesota

Statement of Revenues, Expenditures, and Changes in Fund Balances
 Governmental Funds
 Year Ended December 31, 2020

	General	Regional Rail Authority	Metro Gold Line	Debt Service	Capital Projects	Total Governmental Funds
Revenues						
Taxes	\$105,561,629	\$ 748,862	\$10,645,494	\$16,437,200	\$ 8,616,926	\$142,010,111
Special Assessments	288,646	-	-	-	-	288,646
Licenses and Permits	4,238,616	25,315	-	-	-	4,263,931
Intergovernmental	95,604,822	1,625	143,756	-	17,704,943	113,455,146
Charges for Services	16,310,094	-	-	-	14,139,062	30,449,156
Fines and Forfeits	273,862	-	-	-	-	273,862
Interest on Investments	14,617,575	-	-	2,888	156,597	14,777,060
Miscellaneous	11,585,369	186	-	-	654,910	12,240,465
Total Revenues	248,480,613	775,988	10,789,250	16,440,088	41,272,438	317,758,377
Expenditures						
Current						
General Government	49,650,925	900,741	9,857,467	-	-	60,409,133
Public Safety	39,580,439	-	-	-	-	39,580,439
Highways and Streets	13,099,930	-	-	-	-	13,099,930
Health and Human Services	96,569,088	-	-	-	-	96,569,088
Culture and Recreation	10,982,281	-	-	-	-	10,982,281
Conservation	199,381	-	-	-	-	199,381
Capital outlay						
General Government	-	-	-	-	19,965,559	19,965,559
Highways and Streets	-	-	-	-	40,064,369	40,064,369
Debt service						
Principal	257,022	-	-	13,700,000	-	13,957,022
Interest	-	-	-	4,705,763	-	4,705,763
Bond Issue Costs	-	-	-	56,790	-	56,790
Administrative (Fiscal) Charges	-	-	-	13,195	3,100	16,295
Total Expenditures	210,339,066	900,741	9,857,467	18,475,748	60,033,028	299,606,050
Excess of Revenues Over (Under) Expenditures	38,141,547	(124,753)	931,783	(2,035,660)	(18,760,590)	18,152,327
Other Financing Sources (Uses)						
Transfers In	17,711	317,000	-	-	962,100	1,296,811
Transfers Out	(962,100)	-	(317,000)	-	(17,711)	(1,296,811)
Issuance of Loans	318,861	-	-	-	-	318,861
Issuance of Refunding Bonds	-	-	-	8,790,000	-	8,790,000
Payment on Refunded Bonds	-	-	-	(8,730,000)	-	(8,730,000)
Total Other Financing Sources (Uses)	(625,528)	317,000	(317,000)	60,000	944,389	378,861
Net Change in Fund Balances	37,516,019	192,247	614,783	(1,975,660)	(17,816,201)	18,531,188
Fund Balance - Beginning of Year	188,150,275	1,826,080	30,580,335	15,303,045	36,593,136	272,452,871
Fund Balance - End of Year	\$225,666,294	\$ 2,018,327	\$31,195,118	\$13,327,385	\$18,776,935	\$290,984,059

The Notes to the Financial Statements are an integral part of this statement.

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Washington County, Minnesota

**Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Government-Wide Statement of Activities - Governmental Activities
Year Ended December 31, 2020**

Net Change in Fund Balances - Total Governmental Funds **\$ 18,531,188**

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 Adjustments	\$ 54,393,006	
Net Book Value of Assets Disposed	(142,818)	
Current Year Depreciation	<u>(30,508,467)</u>	23,741,721

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

Changes in Delinquent Taxes Receivable and Special Assessments	128,713	
Changes in State Aid Allotments and Grants	<u>3,774,570</u>	3,903,283

Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. The net proceeds for debt issuance are:

Bonds Issued	(8,790,000)	
Loans Issued	<u>(318,861)</u>	(9,108,861)

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

Principal Repayments:		
General Obligation Bonds	13,700,000	
Payments to Refunded Bond Escrow Agent for Principal	8,730,000	
Loans Payable	<u>257,022</u>	22,687,022

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	145,164	
Amortization of Premiums and Discounts	1,501,858	
Bond Refunding Gain/Loss	(179,589)	
Amortization of Bond Refunding Gains and Losses	(32,882)	
Change In Compensated Absences	(2,103,232)	
Change In Net Pension Liability	3,442,069	
Change OPEB Liability	<u>(5,622,370)</u>	<u>(2,848,982)</u>

Change in Net Position of Governmental Activities **\$ 56,905,371**

Washington County, Minnesota

Fiduciary Funds
Statement of Fiduciary Net Position
December 31, 2020

	<u>Custodial Funds</u>
<u>Assets</u>	
Cash and Pooled Investments	\$ 3,786,181
Accounts Receivable	529,604
Due from Other Governments	63,226
Taxes Receivable	2,877,749
Total Assets	<u>\$ 7,256,760</u>
<u>Liabilities</u>	
Accounts Payable	\$ 451,903
Funds Held in Trust	271,704
Due to Other Governments	33,943
Total Liabilities	<u>\$ 757,550</u>
<u>Deferred Inflows of Resources</u>	
Taxes Collected in Advance of Levy	<u>930,425</u>
<u>Net Position</u>	
Restricted for:	
Individuals, Organizations, and	
Other Governments	<u>\$ 5,568,785</u>

The Notes to the Financial Statements are an integral part of this statement.

Washington County, Minnesota

Fiduciary Funds
Statement of Changes in Fiduciary Net Position
For the Year Ended December 31, 2020

	<u>Custodial Funds</u>
<u>Additions</u>	
Contributions:	
Individuals	\$ 1,525,690
Property Tax Collections for Other Governments	409,564,501
Special Assessments	1,283,812
License and Fees Collected for State	47,911,322
Intergovernmental Revenue	19,097,003
Fines & Forfeitures	47,263
Interest Earnings	24,213
Miscellaneous	8,384
Total Additions	<u>479,462,188</u>
<u>Deductions</u>	
Beneficiary Payments to individuals	584,908
Administrative Expense	1,053,084
Payments to State	48,845,919
Operating Expense	19,006,260
Property Tax Payments to Other Governments	409,044,011
Total Deductions	<u>478,534,182</u>
Net Increase (Decrease) In Fiduciary Net Position	928,006
Fiduciary Net Position - Beginning of Year	<u>4,640,779</u>
Fiduciary Net Position - End of Year	<u>\$ 5,568,785</u>

The Notes to the Financial Statements are an integral part of this statement.

Washington County, Minnesota
Notes to the Financial Statements
December 31, 2020

Notes to the Financial Statements

<u>Index</u>	<u>Note</u>
<i>Summary of Significant Accounting Policies</i>	I
Reporting Entity	A
Government-Wide and Fund Financial Statements	B
Measurement Focus, Basis of Accounting and Financial Statement Presentation	C
Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Equity	D
<i>Stewardship, Compliance, and Accountability</i>	II
Excess of Expenditures Over Appropriations	A
Tax Abatements	B
<i>Detailed Notes on All Funds</i>	III
Cash Deposits	A
Investments	B
Advances to Component Unit	C
Note Receivable	D
Unavailable and Unearned Revenue	E
Capital Assets	F
Interfund Balances and Activities	G
Long-Term Obligations	H
Postemployment Benefits Plan Other than Pensions	I
<i>Pension Plans</i>	IV
Pension Description	A
Benefits Provided	B
Contributions	C
Pension Costs	D
Actuarial Assumptions	E
Discount Rate	F
Pension Liability Sensitivity	G
Pension Plan Fiduciary Net Position	H
<i>Public Employees Defined Contribution Plan (Defined Contribution Plan)</i>	V
Deferred Compensation Description	A
<i>Other Information</i>	VI
Risk Management	A
Contingencies	B
Construction Commitments	C
Washington County CDA Bonds	D
Joint Ventures	E
Jointly Governed Organizations	F
Related Organization – Watershed Districts	G

Continued on next page

Washington County, Minnesota
Notes to the Financial Statements
December 31, 2020

Notes to the Financial Statements (Continued)

Index (Continued)

Washington County Community Development Agency - Discretely Presented Component Unit	VII
Summary of Significant Accounting Policies	A
Capital Assets	B
Lease Receivables	C
Long-Term Debt	D
Subsequent Events and Contingencies	VIII

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Note I – Summary of Significant Accounting Policies

A. Reporting Entity

The accompanying financial statements present the activities of Washington County (the County) and its component units, legally separate organizations for which the County is financially accountable. The blended component unit is intertwined with the County so that it is, in substance, part of the County and, therefore, blended and reported as part of the County operations. The financial statements have been prepared in conformity with Generally Accepted Accounting Principles (GAAP) in the United States of America as applied to governmental units by the Governmental Accounting Standards Board (GASB).

Regional Rail Authority (blended component unit). The Regional Rail Authority (the Authority) is reflected as a blended component unit of the County because the component unit's governing body is substantively the same as the governing body of the County and management of the County has operational responsibility for the Regional Rail Authority. A five-member board consisting of the County commissioners with the power to levy taxes, issue bonds, and enter into contracts governs the Regional Rail Authority. The Authority was established for the preservation and improvement of local rail service. The Authority may purchase abandoned railroad lines within the county to preserve them for plans that may include light rail transportation or to improve the County's trail system. Separate financial statements are not available.

Washington County Community Development Agency (CDA) (discretely presented component unit). The CDA is included in the County's reporting entity because (1) the Board appoints a voting majority of the component unit's governing body, and (2) the potential for the organization to impose specific financial burdens on the County. It is reported in a separate column in the County's governmental-wide financial statements to emphasize that the CDA is legally separate from Washington County. The CDA operates as a local government unit for the purpose of providing housing and redevelopment services to Washington County. The financial statements included are as of and for the year ended December 31, 2020. The complete CDA financial statements can be obtained by writing to the Washington County Community Development Agency, 7645 Currell Boulevard, Woodbury, MN 55125.

B. Government-Wide and Fund Financial Statements

Government-Wide Statements: The Statement of Net Position and the Statement of Activities display information about the primary government and its component unit. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made in the Statement of Activities to minimize the double-counting of internal activities such as rent, copy center, and computer replacement allocations. Inter-fund services provided and used are not eliminated in the process of consolidation. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions.

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

Fund Financial Statements: The fund financial statements provide information about the County's funds, including the fiduciary funds and blended component unit. Separate statements for each fund category – *governmental* and *fiduciary* – are presented. The emphasis of fund financial statements is on major governmental funds; each displayed in a separate column.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus. The government-wide financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, fines, forfeitures, and donations. Fiduciary funds are reported using the economic resources measurement focus and the accrual basis of accounting.

On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied. Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The County considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Property taxes and interest are considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

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

The County reports the following major governmental funds:

General Fund. The General Fund accounts for the revenues and expenditures relating to normal governmental activities which are not accounted for in other funds. This is the County's primary operating fund.

Regional Rail Fund. The Regional Rail Authority Fund accounts for the tax receipts, restricted grants, and other revenues and expenditures of the Regional Rail Authority, which is a blended component unit of Washington County.

Metro Gold Line Fund. The Metro Gold Line Special Revenue Fund accounts for the tax receipts, restricted grants, and other revenues and expenditures of the Metro Gold Line Transit Project.

Debt Service Fund. The Debt Service Fund is used to account for and report financial resources, that are restricted, committed, or assigned to expenditure for principal and interest.

Capital Projects Fund. The Capital Projects Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other assets.

The County reports the following fiduciary fund types:

Custodial Funds. Custodial Funds are used to account for assets held by the County as an agent or trustee for individuals, private organizations, other governments, or other funds in a trust capacity. These include: Sheriff's Inmate Account, Gold Line Joint Powers, Sheriff Forfeiture Fund, Red Rock Corridor, Medical Assistance Estate Recovery, Other Custodial, Taxes and Penalties, and Metropolitan Emergency Services Board (MESB).

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Equity

1. Deposits and Investments

Cash balances of all funds are pooled and invested by the Accounting and Finance Department for the purpose of increasing earnings through investment activities. The pool's investments are reported at fair value on December 31, 2020, based on market prices. The individual funds' portions of the pool's fair value are presented as "Cash and Pooled Investments." Earnings on the pooled funds are apportioned and paid or credited to the funds monthly, based on the average monthly cash balance of each participating fund.

2. Property Tax Calendar

The County is responsible for the assessment, collection, and apportionment of property taxes for all jurisdictions including the schools, cities, and special districts within the County. The County Board typically sets the proposed property tax levies in September and the final property tax levies in December of each year. Such taxes become a lien on January 1 and are recorded as receivables by the County at that date. Secured property tax payments are due annually and, for the most part, are due and payable in January, but may be paid in two equal installments on or before May 15 and October 15 without penalty.

3. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent maturities of interfund loans). No interfund receivables or payables are reported in these financial statements for the current year.

Advances between funds, as reported in the fund financial statements, are offset by a nonspendable fund balance account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

Accounts receivable are offset by an allowance for doubtful accounts, if any. The County develops an estimate of this allowance based on specific identification. All other accounts receivable are considered to be collectible in full.

4. Inventories and Prepaid Items

Inventory in the General Fund, consisting of office supplies and materials, is valued at cost using the first-in, first-out method and the inventory of parts, field materials and highway supplies is valued by using the weighted average cost. Costs are recorded as expenditures at the time individual inventory items are consumed.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund level financial statements. These costs will be recorded as expenditures when goods or services are consumed.

5. Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their acquisition value at the time of the donation. General infrastructure assets consist of road network assets that were acquired or that received substantial improvements subsequent to July 1, 1980 and are reported at actual historical cost. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. The County defines capital assets for reporting purposes, as an asset with an initial, individual cost of \$5,000 or more.

Washington County, Minnesota
Notes to the Financial Statements
December 31, 2020

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Building Improvements	25
Buildings	30-50
Computer Equipment	5-10
Infrastructure-Bridges	50
Infrastructure-Roads & Parking Lots	10-20
Land Improvements	25
Office Equipment & Furniture	5-18
Other Machinery and Miscellaneous	4-15
Road Maintenance Equipment	4-15
Vehicles	5

6. Compensated Absences

The liability for compensated absences reported in the government-wide statement consists of unpaid, accumulated annual vacation, compensatory time, sick leave, and paid time off balances of County employees.

7. Long-Term Obligations

In the government-wide financial statements long-term debt and other obligations are reported as liabilities in the applicable government activities. Amortization of premiums and discounts are performed on a straight-line method over the life of the related bonds.

8. Deferred Outflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate section represents a consumption of net position that applies to a future period. The County will not recognize the related outflow until a future event occurs. The County has three items that qualify for reporting in this category which are all reported in the government-wide statement of net position. A refunding loss on bonds results from the difference in the carrying value debt and its re-acquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. More detailed information about pension related deferred outflows of resources can be found in Note IV to the financial statements. More detailed information about OPEB related deferred outflows of resources can be found in Note III to the financial statements.

9. Deferred Inflows of Resources

The County governmental fund financial statements report a separate section for deferred inflows of resources. This separate financial statement element reflects an increase in net position or fund balance that applies to a future period. The County will not recognize the related revenue until a future event occurs. The County has four types of items which occurs relating to revenue recognition. The first type of deferred inflow of resources occurs because governmental fund revenues are not recognized until measurable and available (collected not later than 60 days after the end of the County's year) under the modified accrual basis of accounting. The second type relates to pension liabilities as described in Note IV to the financial statements. The third type relates to OPEB liabilities as described in Note III to the financial statements. The fourth type relates to unamortized gain on refunding of bonds, which results from the difference in the carrying value debt and its re-acquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

10. Pensions

For purposes of measuring the net pension liability, deferred outflows/inflows of resources, and pension expense, information about the fiduciary net position of the Public Employees Retirement Association (PERA) and additions to/deductions from PERA's fiduciary net position have been determined on the same basis as they are reported by PERA. For this purpose, plan contributions are recognized as of employer payroll paid dates and benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

11. Other Postemployment Benefits Liability

For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the County's Retiree Benefits Plan (the Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms.

12. Fund Balance Classifications

In the fund financial statements, governmental funds report fund balance in classifications that disclose constraints for which amounts in those funds can be spent. These classifications are as follows:

Nonspendable - consists of amounts that are not in spendable form, such as prepaid items.

Restricted - consists of amounts related to externally imposed constraints established by creditors, grantors, or contributors; or constraints imposed by state statutory provisions.

Committed - consists of internally imposed constraints. These constraints are established by resolution of the Board.

Assigned - consists of internally imposed constraints. The County Board authorizes the county administrator as the official authorized to assign fund balance to a specific purpose consistent with the County's fund balance policy.

Unassigned - is the residual classification for the General Fund and also reflects negative residual amounts in other funds.

When restricted, committed, assigned, or unassigned resources are available for use for the same purpose, it is the County's policy to use resources in the following order: restricted, committed, assigned, and unassigned.

13. Classification of Net Position

Net Position in the government-wide financial statements is classified in the following categories:

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

Restricted net position - the amount of net position for which external restrictions have been imposed by creditors, grantors, contributors, or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted net position - the amount of net position that does not meet the definition of restricted or net investment in capital assets.

Of the \$40,073,926 reported as restricted net position for capital projects in the Statement of Net Position, \$31,195,118 is restricted by enabling legislation.

14. 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 revenue and expense during the reporting period. Actual results could differ from those estimates.

Washington County, Minnesota
Notes to the Financial Statements
December 31, 2020

Note II – Stewardship, Compliance, and Accountability

A. Excess of Expenditures Over Appropriations

The General Fund reported an excess of expenditures over appropriations in 2020 of \$6,937,416. This is shown in more detail in the Budgetary Comparison Schedules in the Required Supplementary Information section of this report. The excess of expenditures was a result of expenditures in response to COVID-19 which were not budgeted.

The Debt Service Fund reported an excess of expenditures over appropriations in 2020 of \$2,559,448. This is shown in more detail in the Budgetary Comparison Schedules in the Supplementary Information section of this report. The decline in the fund balance of the Debt Service Fund was the result of planned use of fund balance. The County utilized existing debt service funds in addition to bond proceeds to refund the remaining balance of the 2012A Bonds.

The Capital Projects Fund reported an excess of expenditures over appropriations in 2020 of \$1,311,628. This is shown in more detail in the Budgetary Comparison Schedules in the Supplementary Information section of this report. The decline in the fund balance of the Capital Projects Fund was the result of planned use of fund balance. The County utilized a portion of the 2019A Bond proceeds to fund projects and incurred a larger than expected portion of the overall project costs in 2020.

B. Tax Abatements

The County is subject to tax abatements granted by Cities within the County pursuant to Minnesota Statutes 469.174 to 469.1794 (Tax Increment Financing) through a pay-as-you-go note program. Tax increment financing (TIF) can be used to encourage private development, redevelopment, renovation and renewal, growth in low-to-moderate-income housing, and economic development within a City. TIF captures the increase in tax capacity and property taxes (of all taxing jurisdictions, including the County) from development or redevelopment to provide funding for the related project.

The pay-as-you-go note provides for payment to the developer of a percentage of all tax increment received in the prior six months. The payment reimburses the developer for certain public improvements. During 2020, there were 8 TIF districts within the County. The Tax Increment taxes collected during 2020 totaled \$1,912,312. The County’s portion of the captured tax capacity and related property taxes was approximately 27.4%.

TIF agreements of other local governments have resulted in reductions of the County property tax revenues for the year ended December 31, 2020, as shown below:

Tax Abatement Program	Number of Pay-As-You- Go TIF	Taxes Abated	Impact to Washington County
Tax Increment Financing (TIF)			
City of:			
Bayport	1	\$ 71,052	\$ 24,266
Cottage Grove	3	437,972	118,992
Forest Lake	1	131,772	36,692
Oak Park Heights	1	208,424	61,445
Stillwater	1	1,004,350	266,324
Woodbury	1	58,742	16,992
	8	\$ 1,912,312	\$ 524,711

Note III – Detailed Notes on All Funds

A. Cash Deposits

The County maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the combined balance sheet as "Cash and Pooled Investments." In accordance with Minnesota Statutes the County maintains deposits at financial institutions which are authorized by the County Board. The County's policy on custodial credit risk follows Minnesota Statutes for deposits, which requires that the County's deposits be protected by the Federal Deposit Insurance Corporation's (FDIC) limit of \$250,000. Minnesota statutes require securities pledged as collateral be held in safekeeping in a restricted account at the Federal Reserve Bank or at an account with the trust departments of a commercial bank or other financial institution not owned or controlled by the depository.

As of December 31, 2020, the County's bank balances totaled \$8,679,480 which was covered by federal depository insurance or by surety bonds and collateralized in accordance with Minnesota statutes or collateralized with securities held by the pledging financial institution's agent in the County's name or stand-by letters of credit.

Custodial Credit Risk in Deposits – the risk that in the event of the failure of a depository financial institution, the County will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The County follows Minnesota Statutes for proper collateral and insurance on all deposits. As noted above, the County designates depositories that are covered by the FDIC insurance limits of \$250,000. When these funds exceed the federal deposit insurance limit, the County requires that the financial institution provide additional collateral by pledging sufficient securities to equal at least 110% of the assessed market value of the deposit.

B. Investments

The County's investment policy is in compliance with Minnesota State Statutes and authorizes the Accounting and Finance Department to carry out this policy. Certain risks that the investments may be exposed to are addressed in the County's policy, as follows:

Credit Risk – the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The County follows Minnesota Statute 118A with regard to the legality and safety of money market instruments allowed by law for investment purposes. The County's credit quality limitations are noted in parenthesis next to each type of instrument. The County's investment policy allows the following investment instruments:

- a. All general obligations of the United States government;
- b. Indirect government obligations such as federal agency notes and bonds (excluding mortgage-backed securities that are defined as high risk);
- c. Certificates of deposit (backed by collateral or fully insured by FDIC);
- d. Repurchase agreements (generally these are securities that are explicitly guaranteed by the U.S. Government, with maturities of 21 days or less);
- e. Bankers' acceptance;
- f. Commercial paper (must be highest quality rating by at least two nationally recognized rating agencies and matures in 270 days or less); and
- g. Guaranteed investment contracts (GIC); (the credit quality of the issuer's unsecured debt will be rated in one of the two highest rating categories and may be subject to buyers' withdrawal rights if rating falls below "A");
- h. General obligations of any state or local government which is rated "A" or better.

In addition, the County has an investment pool referred to as OPEB Revocable Trust where funds are invested with the Minnesota State Board of Investments (MSBI). All investments managed by the MSBI are governed by Minnesota Statutes, Chapter 11A, Section 356A.06, Subdivision 7. Chapter 11A restricts investments to obligations of the United States and Canadian governments, their agencies and registered corporations, and short term obligations of specified high quality. Additionally, the statutes limit investments to those rated within the top four quality rating categories of a nationally recognized rating agency. The fair value of the County's position in the pool is the same as the value of the pool's shares.

Washington County, Minnesota
Notes to the Financial Statements
December 31, 2020

At December 31, 2020 the County had the following investments:

S.B.I. Internal Fixed Pool	\$ 13,280,113
S.B.I. Internal Equity Pool	<u>67,849,229</u>
Total	<u>\$ 81,129,342</u>

Concentration of Credit Risk - The County's investment policy does not specifically limit investments in any one issuer, with the exception of commercial paper purchases which may not exceed four million dollars per issuer. See the table below for detailed disclosure of concentration of credit risk.

Custodial Credit Risk in Investments – the risk that in the event of the failure of the counterparty to a transaction, the County will not be able to recover the value of the investment or collateral securities that are in the possession of an outside party. The County's policy addresses the services of a custodial agent to monitor and hold its securities in the County's name. The majority of the County's assets are held by a safekeeping agent, with the exception of \$96,405,402 in external money market mutual funds. The County's shares in the pool are at fair value and are the same value as the pool's shares.

The following schedule classifies the fair value of the County's cash and investments by credit risk:

Type of Security	Credit Risk	Custody Credit Risk	Par Value	Fair Value	% of Total Securities
U.S. Treasury Securities					
Series EE Bonds	n/a	Collateralized	\$ 5,100	\$ 5,100	#
U.S. Government Instrumentalities					
Federal Home Loan Bank**	Aaa/AAA	Custodian	17,588,865	17,846,180	6.30%
Federal National Mtg. Assn.**	Aaa/AAA	Custodian	7,612,595	7,642,631	2.70%
Federal Ag Mtg. Corp.**	Aaa/AAA	Custodian	2,497,553	2,519,307	0.89%
Federal Farm Credit Bank**	Aaa/AAA	Custodian	6,553,565	6,577,725	2.32%
Freddie Mac	Aaa/AAA	Custodian	2,536,937	2,557,800	0.90%
Municipal Securities**	Aaa/AAA	Custodian	52,458,298	52,963,959	18.71%
Negotiable Certificates of Deposit **	n/a	Custodian	9,580,000	9,718,605	3.43%
State Board of Investments	n/a	County Held	39,753,282	81,129,342	28.66%
External Investment Pool					
MAGIC Fund - Portfolio	n/a	County Held	5,712,858	5,712,858	2.02%
Mutual Fund Money Markets	n/a	Custodian/Broker	<u>96,405,402</u>	<u>96,405,402</u>	#
Total Investments			240,704,455	283,078,909	
Cash for Operations					
Petty Cash and Inmate Funds	n/a	Collateralized	6,481,766	6,481,766	
	n/a	County Held	<u>77,634</u>	<u>77,634</u>	
Total Cash and Investments			<u>\$ 247,263,855</u>	<u>\$ 289,638,309</u>	

** These categories represent the total for each particular type of security. Each individual investment within each category is individually less than 5%.

These investments are not subject to concentration of credit risk.

Interest Rate Risk – the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The County's policy defines short term investments as 90 days or less and long-term investments as one year or more. Investments in long-term securities are limited to a maturity of five years, unless otherwise approved by the Auditor-Treasurer. The County's policy manages interest rate risk by recognizing that liquidity is a priority in meeting cash obligations. Given that the County's cash position fluctuates throughout the fiscal year, a sufficient portion of the investments will remain short-term, while assuring that maturity dates coincide with expenditure needs.

Washington County, Minnesota
Notes to the Financial Statements
December 31, 2020

The following table shows the segmented time distribution of the County's investments by maturity indicating the sensitivity of the fair values of the County's investments to market interest rate fluctuations:

Investment Type	Total	Less Than		
		1 Year	1-5 Years	5+Years
U.S. Treasury Securities				
Series EE Bonds	\$ 5,100	\$ -	\$ -	\$ 5,100
U.S. Government Instrumentalities				
Federal Home Loan Bank	17,846,180	12,611,254	5,234,926	-
Federal National Mtg. Assn.	7,642,631	2,530,998	5,111,633	-
Federal Ag Mtg Corp	2,519,307	2,519,307	-	-
Federal Farm Credit Bank	6,577,725	5,044,533	1,533,192	-
Freddie Mac	2,557,800	-	2,557,800	-
Municipal Securities	52,963,959	13,908,804	39,055,155	-
Negotiable Certificates of Deposit	9,718,605	7,173,648	2,519,957	25,000
State Board of Investments	81,129,342	81,129,342	-	-
External Investment Pool				
MAGIC Fund - Portfolio	5,712,858	5,712,858	-	-
Mutual Fund Money Markets	96,405,402	96,405,402	-	-
Total Investments	<u>283,078,909</u>	<u>227,036,146</u>	<u>56,012,663</u>	<u>30,100</u>
Cash for Operations	6,481,766	6,481,766	-	-
Petty Cash and Inmate Funds	77,634	77,634	-	-
Total Cash and Investments	<u>\$ 289,638,309</u>	<u>\$ 233,595,546</u>	<u>\$ 56,012,663</u>	<u>\$ 30,100</u>

Fair Value

The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The hierarchy has three levels. Level 1 investments are valued using inputs that are based on quoted prices in active markets for identical assets. Level 2 investments are valued using inputs that are based on quoted prices for similar assets or inputs that are observable, either directly or indirectly. Level 3 investments are valued using inputs that are unobservable.

The County has the following recurring fair value measurements as of December 31, 2020:

	Level 1	Level 2	Level 3	Total
U.S. Agencies	\$ -	\$ 37,148,743	\$ -	\$ 37,148,743
Municipal Securities	-	52,963,959	-	52,963,959
Negotiable Certificates of Deposit	-	9,718,605	-	9,718,605
	<u>\$ -</u>	<u>\$ 99,831,307</u>	<u>\$ -</u>	<u>99,831,307</u>
Investments Measured at Amortized Cost:				
MAGIC Fund - Portfolio				5,712,858
Mutual Fund Money Markets				96,405,402
				<u>\$ 102,118,260</u>
Investments Measured at net asset value (NAV):				
State Board of Investments				81,129,342
Total Investments				<u>\$ 283,078,909</u>

Note: Cash and Cash Equivalents are not leveled per GASB 72. The County had \$6,559,401 in cash and cash equivalents on December 31, 2020.

Washington County, Minnesota
Notes to the Financial Statements
December 31, 2020

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

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

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

The S.B.I. investment pools are reported at net asset value (NAV) per share, the fair value established by the pool. Investments in and redemptions from these investments require a five day notice by the County.

C. Advances to Component Unit (Due from Component Unit)
Washington County Community Development Agency (CDA) Loans

On November 18, 2009, Washington County disbursed two loans to what was then known as the Washington County Housing and Redevelopment Authority (HRA). The loan agreement was approved by formal board action on May 8, 2007. These loans provided the CDA with the ability to retire a loan from a local bank that was used to acquire the real property included in the Red Oak Preserve Project. The loan is in two parts totaling \$2,200,000 and carries an annual interest rate of 5%. The first part is in the amount of \$1,587,577 for a term of 25 years and the second part is in the amount of \$612,423 for a term of 10 years. The loans are to be repaid in semi-annual installments on January 15 and July 15 of each year of the term. As of December 31, 2020, the balance of this advance is \$1,347,997, and \$1,282,780 of this amount is considered long-term.

The structure of the two separate loan terms with different repayment schedules is intended to match the revenue capacity of the project. The loans are to be repaid from available tax increment from the project. Any excess tax increment is also pledged as a prepayment for the loan applied to interest and unpaid principal in inverse order of maturity. If the resources from the TIF are not sufficient to meet the loan obligations the CDA has pledged to seek a special levy authorized under Minnesota Statute Section 469.033, subd. 6 to repay the debt.

D. Note Receivable
Ramsey/Washington Recycling and Energy Board

At December 31, 2015, the Ramsey/Washington Recycling and Energy Board purchased the former Resource Recovery facility from the previous private owners. The County loaned \$6,588,000 to the Ramsey/Washington Recycling and Energy Board in 2015 to fund the purchase. See Note VI, Item E for additional information. During 2016, the County made an additional loan of \$1,107,000 for working capital that will be repaid from future operations, and contributed \$1,541,700 to fund capital equipment additions by the Ramsey/Washington Recycling and Energy Board. During 2018, the County advanced an additional \$414,500 to fund renovations at the facility, to be repaid without interest over five years. As of December 31, 2020, the balance of all advances is \$7,091,930.

Washington County, Minnesota
Notes to the Financial Statements
December 31, 2020

E. Unavailable and Unearned Revenue

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

	<u>Unavailable</u>	<u>Unearned</u>
Delinquent Property Taxes	\$ 1,130,970	\$ -
Special Assessments Not Yet Due	941,147	-
Grant Receivables That Do Not Provide Current Financial Resources	10,041,910	-
Unearned Revenue	-	617,303
Total	<u>\$ 12,114,027</u>	<u>\$ 617,303</u>

F. Capital Assets

Capital asset activity for the year ended December 31, 2020 was as follows:

Governmental activities	<u>Beginning</u> <u>Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending</u> <u>Balances</u>
Capital Assets not being Depreciated:				
Land	\$ 101,042,782	\$ 6,242,113	\$ -	\$ 107,284,895
Works of Art	279,114	-	-	279,114
Construction in Progress	21,531,956	47,711,714	(39,135,817)	30,107,853
Total Capital Assets not being Depreciated	<u>122,853,852</u>	<u>53,953,827</u>	<u>(39,135,817)</u>	<u>137,671,862</u>
Capital Assets being Depreciated:				
Infrastructure	473,258,215	20,485,886	-	493,744,101
Improvements Other than Buildings	18,763,140	-	-	18,763,140
Buildings	219,502,361	15,035,100	-	234,537,461
Machinery, Vehicles, Furniture and Equipment	57,406,863	4,054,010	(946,805)	60,514,068
Total Capital Assets being Depreciated	<u>768,930,579</u>	<u>39,574,996</u>	<u>(946,805)</u>	<u>807,558,770</u>
Less Accumulated Depreciation for:				
Infrastructure	193,623,160	21,053,119	-	214,676,279
Improvements Other than Buildings	12,370,634	435,716	-	12,806,350
Buildings	77,468,964	5,166,823	-	82,635,787
Machinery, Vehicles, Furniture and Equipment	39,647,831	3,852,809	(803,987)	42,696,653
Total Accumulated Depreciation	<u>323,110,589</u>	<u>30,508,467</u>	<u>(803,987)</u>	<u>352,815,069</u>
Total Capital Assets being Depreciated, Net	<u>445,819,990</u>	<u>9,066,529</u>	<u>(142,818)</u>	<u>454,743,701</u>
Governmental Activity Capital Assets, Net	<u>\$ 568,673,842</u>	<u>\$ 63,020,356</u>	<u>\$ (39,278,635)</u>	<u>\$ 592,415,563</u>
Depreciation Expense was Charged to Functions as Follows:				
General Government	\$ 5,911,556			
Public Safety	1,771,537			
Highways and Streets	21,612,699			
Health and Human Services	56,947			
Culture and Recreation	1,155,728			
Total Depreciation Expense	<u>\$ 30,508,467</u>			

Washington County, Minnesota
Notes to the Financial Statements
December 31, 2020

G. Interfund Balances and Activities
Transfers to/from Other Funds

Transfers to/from other funds for the year ended December 31, 2020, consisted of the following:

Transfer to Capital Projects Fund from General Fund <i>To fund capital projects</i>	<u>\$ 962,100</u>
Transfer to General Fund from Capital Projects Fund <i>To fund Snow Plow Storage Space Lease</i>	<u>\$ 17,711</u>
Transfer to Regional Rail Fund from Gold Line Fund <i>To fund capital projects</i>	<u>\$ 317,000</u>

H. Long-Term Obligations

Changes in long-term obligations for the year ended December 31, 2020 are as follows:

<u>Governmental Activities</u>	<u>Beginning</u> <u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending</u> <u>Balance</u>	<u>Due within</u> <u>One Year</u>
General Obligation Bonds	\$ 136,685,000	\$ 8,790,000	\$ (22,430,000)	\$ 123,045,000	\$ 9,140,000
Unamortized Premium on Bonds	10,595,647	-	(1,501,858)	9,093,789	-
Direct Borrowing - AgBMP Loans	933,562	318,861	(257,022)	995,401	181,236
Compensated Absences	9,537,381	10,136,147	(8,032,915)	11,640,613	11,327,328
Other Postemployment Benefits	<u>131,226,709</u>	<u>26,340,618</u>	<u>(4,764,951)</u>	<u>152,802,376</u>	<u>4,764,951</u>
Total Long-Term Liabilities	<u>\$ 288,978,299</u>	<u>\$ 45,585,626</u>	<u>\$ (36,986,746)</u>	<u>\$ 297,577,179</u>	<u>\$ 25,413,515</u>

1. Debt Service

The County is subject to the federal arbitrage regulations, but does not have any arbitrage liability as of December 31, 2020.

2. Compensated Absences

Compensated absences are liquidated in the General and Special Revenue Funds.

3. Other Postemployment Benefits

Postemployment benefits are generally liquidated in the General Fund.

Washington County, Minnesota
Notes to the Financial Statements
December 31, 2020

In addition, the County is subject to a legal debt limit of 3% of the total taxable market value. At December 31, 2020, the County was in compliance with this requirement. General obligation bonds payable at December 31, 2020 comprises the following individual issues:

<u>Type of Indebtedness</u>	<u>Final Maturity</u>	<u>Installment Amounts</u>	<u>Interest Rates %</u>	<u>Original Issue Amount</u>	<u>Outstanding Balance 12/31/2020</u>	<u>Balance Due Within One Year</u>
\$39,155,000 Series 2014A GO Capital Improvement Refunding Bonds	2026	\$975,000 to \$7,275,000	1.00 - 5.00	39,155,000	28,195,000	3,580,000
\$4,775,000 Series 2015A GO Land and Water Legacy Bonds	2026	\$225,000 to \$1,135,000	3.00	4,775,000	1,450,000	605,000
\$20,000,000 Series 2016A GO Capital Improvement Bonds	2031	\$805,000 to \$2,480,000	2.00 - 5.00	20,000,000	11,760,000	1,005,000
\$15,560,000 Series 2017A GO Capital Improvement Refunding Bonds (Refunded 2007A)	2028	\$7,570,000 to \$7,990,000	2.25 - 5.00	15,560,000	15,560,000	-
\$745,000 Series 2017A GO Land and Water Legacy Refunding Bonds (Refunded 2011A LWL)	2022	\$365,000 to \$380,000	4.00 - 5.00	745,000	745,000	365,000
\$26,075,000 Series 2017A GO Capital Improvement Refunding Bonds (Refunded 2011A CIP)	2032	\$1,575,000 to \$3,085,000	2.25 - 5.00	26,075,000	26,075,000	1,575,000
\$2,075,000 Series 2019A GO Land and Water Legacy Bonds	2030	\$25,000 to \$300,000	4.00 - 5.00	2,075,000	2,075,000	-
\$29,240,000 Series 2019A GO Capital Improvement Bonds	2039	\$615,000 to \$3,005,000	2.00 - 5.00	29,240,000	28,395,000	2,010,000
\$8,790,000 Series 2020A GO Capital Improvement Refunding Bonds (Refunded 2012A)	2024	\$2,690,000 to \$3,110,000	0.71	8,790,000	8,790,000	-
Total General Obligation Bonds				<u>\$ 146,415,000</u>	<u>123,045,000</u>	<u>\$ 9,140,000</u>
Plus: Unamortized Premium					<u>9,093,789</u>	
Total General Obligation Bonds, Net					<u>\$ 132,138,789</u>	

Debt service requirements on general obligation long-term debt at December 31, 2020, are as follows:

Year Ending December 31	Governmental Activities		
	General Obligation Bonds		Direct Borrowing - AgBMP Loans
	Principal	Interest	Principal
2021	\$ 9,140,000	\$ 4,127,046	\$ 181,236
2022	12,890,000	3,711,487	145,528
2023	10,155,000	3,316,407	137,958
2024	10,650,000	2,952,168	132,046
2025	11,695,000	2,484,019	108,606
2026-2030	48,105,000	5,618,468	290,027
2031-2035	13,800,000	1,421,106	-
2036-2039	6,610,000	340,759	-
Total	<u>\$ 123,045,000</u>	<u>\$ 23,971,460</u>	<u>\$ 995,401</u>

4. Refunding Bonds

During 2017, the County issued \$42,380,000 of General Obligation Refunding Bonds, Series 2017A. These bonds were issued to crossover refund \$17,220,000 of General Obligation Bonds, Series 2007A, \$28,115,000 of General Obligation Bonds, Series 2011A, and \$775,000 of General Obligation Bonds, Series 2011A Land and Water Legacy. The refunding proceeds were placed in an irrevocable trust account with an escrow agent and used to purchase U.S. Government Securities to provide for all future debt service payments for the specified bonds. As a result, the specified bonds are considered to be defeased and the liability for those bonds has been removed from the Statement of Net Position. The total cash flow savings to the County attributable to the refunding of these bonds was \$5,698,396 with a net present value of approximately \$4,623,692. In February 2018, \$17,220,000 was disbursed to retire the 2007A bonds, with the remaining \$28,890,000 to be disbursed in February 2021 to retire the designated portions of the 2011A bonds.

During 2020, the County issued \$8,790,000 of General Obligation Capital Improvement Plan Refunding Bonds, Series 2020A. These bonds were issued to redeem and prepay \$8,730,000 of General Obligation Capital Improvement Plan Refunding Bonds, Series 2012A. The total cash flow savings to the County attributable to the refunding of these bonds was \$236,625 with a net present value of approximately \$229,124.

5. Direct Borrowing - AgBMP Loans Payable

Beginning in 2014, the County agreed to act as a lender for loan agreements made under the AgBMP Loan Program of the State of Minnesota Department of Agriculture. The County is required to repay the funds.

Loan proceeds are provided for eligible projects that remediate or mitigate non-point source pollution and other adverse environmental impacts. All loans are secured by special assessments placed on the individual parcels. Loan payments are reported in the General Fund.

**I. Postemployment Benefits Other than Pensions (OPEB)
Plan Description**

The County provides health insurance benefits for certain retired employees under a single-employer fully-insured plan. The County provides benefits for retirees as required by Minnesota Statutes §471.61 subdivision 2b. Active employees who retire from the County when eligible to receive a retirement benefit from the Public Employees Retirement Association (PERA) of Minnesota (or similar plan) and do not participate in any other health benefits program providing coverage similar to that herein described, will be eligible to continue coverage with respect to both themselves and their eligible dependent(s) under the County's health benefits program.

Pursuant to the provisions of the plan, retirees are required to pay varying percentages of the total premium cost. Retirees hired after January 1, 2002 are required to pay 100% of the total premium cost. Washington County contributed \$4,764,951 towards retiree health insurance. Since the premium is a blended rate and determined on the entire active and retiree population, the retirees are receiving an implicit rate subsidy.

As of the January 1, 2020 actuarial valuation report there were 547 retirees receiving health benefits from the County's health plan. There are 1,097 active employees, zero inactive employees, and zero inactive employees entitled to but not yet receiving benefits.

Funding Policy

The County's OPEB plan is financed on a pay-as-you-go basis and currently has no assets that have been deposited into an irrevocable trust for future health benefits. Therefore, the actuarial value of assets is zero. Separate stand-alone financial statements are not issued for the plan.

Actuarial Methods and Assumptions

The County's OPEB liability was measured as of January 1, 2020, and the total OPEB liability was determined by an actuarial valuation as of January 1, 2020.

**Washington County, Minnesota
Notes to the Financial Statements
December 31, 2020**

The total OPEB liability was determined by an actuarial valuation as of January 1, 2020 using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary	3.25%
Health Care Trend Rates	6.20% Decreasing to 4.0% by 2075

Mortality rates for General Plan employees were based on the RP-2014 mortality tables with projected mortality improvements based on scale MP-2018, and other adjustments. Rates for Police and Fire and Correctional employees were based on the RP-2014 mortality tables with projected mortality improvements based on scale MP-2018, and other adjustments.

The actuarial assumptions used in the January 1, 2020 valuation were based on the results of an actuarial experience study for the period January 1, 2019 to December 31, 2019.

The discount rate used to measure the total OPEB liability changed from 3.71% to 2.75%. The discount rate is equal to the 20-Year Municipal Bond Yield.

Since the most recent GASB 75 valuation, the following assumption changes have been made:

- Healthcare trend rates were reset to reflect updated cost increase expectations, including the repeal of the Affordable Care Act's Excise Tax on high-cost health insurance plans.
- Medical per capita claims costs were updated to reflect recent experience and new plan offerings, including an adjustment to reflect age/gender based risk scores published by the Society of Actuaries.
- Mortality and salary increase rates were updated from the rates used in the 7/1/2017 PERA General Employees Plan, 7/1/2017 Police & Fire Plan, and 7/1/2017 PERA Correctional Plan valuations to the rates used in the 7/1/2019 valuations.
- The percent of future non Medicare eligible retirees electing each medical plan changed to reflect recent plan experience.
- The percent of future Medicare eligible retirees electing each medical plan changed to reflect plan experience and a change in plan offerings.
- The inflation assumption was changed from 2.75% to 2.50% based on an updated historical analysis of inflation rates and forward-looking market expectations.

**Washington County, Minnesota
Notes to the Financial Statements
December 31, 2020**

Changes in Total OPEB Liability

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (c) = (a) - (b)
Balance at January 1,2020	\$ 131,226,709	\$ -	\$ 131,226,709
Changes for the year:			
Service Cost	2,373,290	-	2,373,290
Interest	4,868,170	-	4,868,170
Differences between expected and actual economic experience	5,503,691	-	5,503,691
Changes of assumptions	13,595,467	-	13,595,467
Employee contributions	-	4,764,951	(4,764,951)
Benefit payments	(4,764,951)	(4,764,951)	-
Net changes	<u>21,575,667</u>	<u>-</u>	<u>21,575,667</u>
Balance at December 31,2020	<u>\$ 152,802,376</u>	<u>\$ -</u>	<u>\$ 152,802,376</u>

The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a discount rate one percentage point lower or one percentage point higher than the current discount rate:

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (c) = (a) - (b)
1% decrease in Discount Rate (1.75%)	\$ 178,455,819	\$ -	\$ 178,455,819
Current Discount Rate (2.75%)	152,802,276	-	152,802,276
1% increase in Discount Rate (3.75%)	132,211,339	-	132,211,339

The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower (5.5% decreasing to 4.00% over 6 years) or 1% higher (7.5% decreasing to 6.00% over 6 years) than the current healthcare cost trend rates:

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (c) = (a) - (b)
1% decrease in Trend Rate	\$ 130,908,647	\$ -	\$ 130,908,647
Current Trend Rate	152,802,376	-	152,802,376
1% increase in Trend Rate	180,354,628	-	180,354,628

Washington County, Minnesota
Notes to the Financial Statements
December 31, 2020

For the year ended December 31, 2020, the County recognized OPEB expense of \$10,786,900. At December 31, 2020, the County reported the following deferred inflows and outflows related to OPEB:

	Balances at December 31, 2020	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Liability	\$ 4,572,440	\$ -
Contributions between Measurement Date and Reporting Date	5,271,144	-
Change of assumptions	16,133,123	5,273,792
	<u>\$ 25,976,707</u>	<u>\$ 5,273,792</u>

Deferred outflows of resources resulting from County contributions subsequent to the measurement date of \$5,271,144 will be recognized as a reduction of the OPEB liability in the year ended December 31, 2021, while deferred (inflows) outflows of resources resulting from changes of assumptions will be recognized in OPEB expense as follows:

Year Ending December 31	Amount
2021	\$ 3,545,440
2022	3,545,440
2023	3,395,809
2024	2,004,264
2025	2,940,818
Thereafter	-
	<u>\$ 15,431,771</u>

Note IV – Defined Benefit Pension Plans

A. Pension Description

The County participates in the following cost-sharing multiple-employer defined benefit pension plans administered by the Public Employees Retirement Association of Minnesota (PERA). PERA's defined benefit pension plans are established and administered in accordance with *Minnesota Statutes*, Chapters 353 and 356. PERA's defined benefit pension plans are tax qualified plans under Section 401(a) of the Internal Revenue Code.

1. General Employees Retirement Plan

The General Employees Retirement Plan covers certain full-time and part-time employees of the County. General Employees Plan members belong to the Coordinated Plan. Coordinated Plan members are covered by Social Security.

2. Public Employees Police and Fire Plan

The Police and Fire Plan, originally established for police officers and firefighters not covered by a local relief association, now covers all police officers and firefighters hired since 1980. Effective July 1, 1999, the Police and Fire Plan also covers police officers and firefighters belonging to local relief associations that elected to merge with and transfer assets and administration to PERA.

3. Local Government Correctional Plan

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

B. Benefits Provided

PERA provides retirement, disability, and death benefits. Benefit provisions are established by state statute and can only be modified by the state Legislature. Vested, terminated employees who are entitled to benefits but are not receiving them yet, are bound by the provisions in effect at the time they last terminated their public service.

1. General Employees Plan Benefits

General Employees Plan benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service. Two methods are used to compute benefits for PERA's Coordinated Plan members. Two methods are used to compute benefits for PERA's Coordinated Plan members. Members hired prior to July 1, 1989, receive the higher of Method 1 or Method 2 formulas. Only Method 2 is used for members hired after June 30, 1989. Under Method 1, the accrual rate for Coordinated members is 1.2% for each of the first 10 years of service and 1.7% for each additional year. Under Method 2, the accrual rate for Coordinated members is 1.7% for all years of service. For members hired prior to July 1, 1989, a full annuity is available when age plus years of service equal 90 and normal retirement age is 65. For members hired on or after July 1, 1989, normal retirement age is the age for unreduced Social Security benefits capped at 66.

Benefit increases are provided to benefit recipients each January. The postretirement increase is equal to 50% of the cost-of-living adjustment (COLA) announced by the SSA, with a minimum increase of at least 1% and a maximum of 1.5%. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase will receive the full increase. For recipients receiving the annuity or benefit for at least one month but less than a full year as of the June 30 before the effective date of the increase will receive a reduced prorated increase. For members retiring on January 1, 2024, or later, the increase will be delayed until normal retirement age (age 65 if hired prior to July 1, 1989, or age 66 for individuals hired on or after July 1, 1989). Members retiring under Rule of 90 are exempt from the delay to normal retirement.

2. Police and Fire Plan Benefits

Benefits for Police and Fire Plan members first hired after June 30, 2010, but before July 1, 2014, vest on a prorated basis from 50% after five years up to 100% after 10 years of credited service. Benefits for Police and Fire Plan members first hired after June 30, 2014, vest on a prorated basis from 50% after 10 years up to 100% after 20 years of credited service. The annuity accrual rate is 3% of average salary for each year of service. For Police and Fire Plan members who were first hired prior to July 1, 1989, a full annuity is available when age plus years of service equal at least 90.

Benefits increases are provided to benefit recipients each January. The postretirement increase will be fixed at 1%. Recipients that have been receiving the annuity or benefit for at least 36 months as of the June 30 before the effective date of the increase will receive the full increase. For recipients receiving the annuity or benefit for at least 25 months but less than 36 months as of the June 30 before the effective date of the increase will receive a reduced prorated increase.

3. Correctional Plan Benefits

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

Benefit increases are provided to benefit recipients each January. The postretirement increase will be equal to 100% of the COLA announced by SSA, with a minimum increase of at least 1% and a maximum of 2.5%. If the plan's funding status declines to 85% or below for two consecutive years or 80% for one year, the maximum will be lowered from 2.5% to 1.5%. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase will receive the full increase. For recipients receiving the annuity or benefit for at least one month but less than a full year as of the June 30 before the effective date of the increase will receive a reduced prorated increase.

**Washington County, Minnesota
Notes to the Financial Statements
December 31, 2020**

C. Contributions

Minnesota Statutes Chapter 353 sets the rates for employer and employee contributions. Contribution rates can only be modified by the state Legislature.

1. General Employees Fund Contributions

Coordinated Plan members were required to contribute 6.50% of their annual covered salary in fiscal year 2020 and the County was required to contribute 7.50% for Coordinated Plan members. The County's contributions to the General Employees Fund for the year ended December 31, 2020, were \$5,469,534. The County's contributions were equal to the required contributions as set by state statute.

2. Police and Fire Fund Contributions

Police and Fire member's contribution rates increased from 11.3% of pay to 11.8% and employer rates increased from 16.95% to 17.70% on January 1, 2020. The County's contributions to the Police and Fire Fund for the year ended December 31, 2020, were \$1,823,458. The County's contributions were equal to the required contributions as set by state statute.

3. Correctional Fund Contributions

Plan members were required to contribute 5.83% of their annual covered salary, and the County was required to contribute 8.75% of pay for plan members in fiscal year 2020. The County's contributions to the Correctional Fund for the year ended December 31, 2020, were \$496,786. The County's contributions were equal to the required contributions as set by state statute.

D. Pension Costs

1. General Employees Fund Pension Costs

At December 31, 2020, the County reported a liability of \$61,375,494 for its proportionate share of the General Employees Fund's net pension liability. The County's net pension liability reflected a reduction due to the State of Minnesota's contribution of \$16 million. The State of Minnesota is considered a non-employer contributing entity and the state's contribution meets the definition of a special funding situation. The State of Minnesota's proportionate share of the net pension liability associated with the County totaled \$1,892,661. The net pension liability was measured as of June 30, 2020 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportionate share of the net pension liability was based on the County's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2019 through June 30, 2020 relative to the total employer contributions received from all of PERA's participating employers. The County's proportionate share 1.0237% at the end at the end of the measurement period and 0.974% for the beginning of the period.

County's proportionate share of the net pension liability	\$ 61,375,494
State of Minnesota's proportionate share of the net pension liability associated with the County	<u>1,892,661</u>
Total	<u>\$ 63,268,155</u>

For the year ended December 31, 2020, the County recognized pension expense of \$4,322,290 for its proportionate share of General Employees Plan's pension expense. In addition, the County recognized \$163,792 as grant revenue for its proportionate share of the State of Minnesota's pension expense for the annual \$16 million contribution.

Washington County, Minnesota
Notes to the Financial Statements
December 31, 2020

At December 31, 2020, the County reported its proportionate share of General Employees Plan's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	\$ 559,593	\$ 232,214
Changes in Actuarial Assumptions	-	2,275,427
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	1,060,303	-
Changes in Proportion and Differences Between County Contributions and Proportionate Share of Contributions	3,040,234	108,686
County Contributions Subsequent to the Measurement Date	2,818,978	-
Total	<u>\$ 7,479,108</u>	<u>\$ 2,616,327</u>

The \$2,818,978 reported as deferred outflows of resources related to pensions resulting from the County's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2021. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Pension Expense Amount
2021	\$ (2,462,872)
2022	1,068,576
2023	1,955,249
2024	1,482,850

2. Police and Fire Fund Pension Costs

At December 31, 2020, the County reported a liability of \$12,292,666 for its proportionate share of the Police and Fire Fund's net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportionate share of the net pension liability was based on the County's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2019, through June 30, 2020, relative to the total employer contributions received from all of PERA's participating employers. The County's proportionate share was 0.933% at the end of the measurement period and 0.968% for the beginning of the period.

The State of Minnesota also contributed \$13.5 million to the Police and Fire Fund in the plan fiscal year ended June 30, 2020. The contribution consisted of \$4.5 million in direct state aid that does meet the definition of a special funding situation and \$9.0 million in fire state aid that does not meet the definition of a special funding situation. The \$4.5 million direct state was paid on October 1, 2019. Thereafter, by October 1 of each year, the state will pay \$9 million to the Police and Fire Fund until full funding is reached or July 1, 2048, whichever is earlier. The \$9 million in supplemental state aid will continue until the fund is 90% funded, or until the State Patrol Plan (administered by the Minnesota State Retirement System) is 90% funded, whichever occurs later.

Washington County, Minnesota
Notes to the Financial Statements
December 31, 2020

The State of Minnesota is included as a non-employer contributing entity in the Police and Fire Retirement Plan Schedule of Employer Allocations and Schedule of Pension Amounts by Employer, Current Reporting Period Only (pension allocation schedules) for the \$4.5 million in direct state aid. Police and Fire Plan employers need to recognize their proportionate share of the State of Minnesota's pension expense (and grant revenue) under GASB 68 special funding situation accounting and financial reporting requirements. For the year ended December 31, 2020, the County recognized pension expense of \$1,632,876 for its proportionate share of the Police and Fire Plan's pension expense. In addition, the County recognized an additional \$83,934 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of \$4.5 million to the Police and Fire Fund.

The State of Minnesota is not included as a non-employer contributing entity in the Police and Fire Pension Plan pension allocation schedules for the \$9 million in supplemental state aid. The County also recognized \$89,098 for the year ended December 31, 2020 as revenue and an offsetting reduction of net pension liability for its proportionate share of the State of Minnesota's on-behalf contributions to the Police and Fire Fund.

County's proportionate share of the net pension liability	\$ 12,292,666
State of Minnesota's proportionate share of the net pension liability associated with the County	<u>289,602</u>
Total	<u>\$ 12,582,268</u>

For the year ended December 31, 2020, the County recognized pension expense of \$1,632,876 for its proportionate share of the Police and Fire Plan's pension expense.

At December 31, 2020, the County reported its proportionate share of the Police and Fire Plan's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	\$ 543,159	\$ 583,769
Changes in Actuarial Assumptions	4,119,528	7,666,500
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	373,385	-
Changes in Proportion and Differences Between County Contributions and Proportionate Share of Contributions	993,195	809,266
County Contributions Subsequent to the Measurement Date	999,320	-
Total	<u>\$ 7,028,587</u>	<u>\$ 9,059,535</u>

The \$999,320 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2021. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Pension Expense Amount
2021	\$ (725,381)
2022	(3,247,328)
2023	469,031
2024	565,659
2025	(92,249)

3. Corrections Plan Pension Costs

At December 31, 2020, the County reported a liability of \$708,929 for its proportionate share of the Correctional Plan's net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportionate share of the net pension liability was based on the County's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2019, through June 30, 2020, relative to the total employer contributions received from all of PERA's participating employers. The County's proportionate share was 2.613% at the end of the measurement period and 2.615% for the beginning of the period.

For the year ended December 31, 2020, the County recognized pension expense of \$(1,343,782) for its proportionate share of the Correctional Plan's pension expense.

At December 31, 2020, the County reported its proportionate share of the Correctional Plan's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	\$ 6,650	\$ 260,884
Changes in Actuarial Assumptions	-	1,435,678
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	134,881	-
Changes in Proportion and Differences Between County Contributions and Proportionate Share of Contributions	-	22,325
County Contributions Subsequent to the Measurement Date	245,324	-
Total	\$ 386,855	\$ 1,718,887

The \$245,324 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2021. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Pension Expense Amount
2021	\$ (1,661,588)
2022	(82,442)
2023	38,779
2024	127,895

4. Total Pension Expense

The total pension expense for all plans recognized by the County for the year ended December 31, 2020, was \$4,611,384.

Washington County, Minnesota
Notes to the Financial Statements
December 31, 2020

5. Summary

The aggregate amount of net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense for the County's defined benefit pension plans are summarized below. These liabilities are typically liquidated by the individual activity in which the employee's costs are associated. The table below includes the County's portion of each plan.

	General Employees Plan	Police and Fire Plan	Correctional Plan	Total
Net Pension Liability	\$ 61,375,494	\$ 12,292,666	\$ 708,929	\$ 74,377,089
Deferred Outflows of Resources Related to Pensions	7,479,108	7,028,587	386,855	14,894,550
Deferred Intflows of Resources Related to Pensions	2,616,327	9,059,535	1,718,887	13,394,749
Pension Expense	4,322,290	1,632,876	(1,343,782)	4,611,384

E. Actuarial Assumptions

The total pension liability in the June 30, 2020 actuarial valuation was determined using an individual entry-age normal actuarial cost method and the following actuarial assumptions.

	General Employees Fund	Police and Fire Fund	Correctional Fund
Inflation	2.25% per year	2.50% per year	2.50% per year
Active Member Payroll Growth	3.00% per year	3.25% per year	3.25% per year
Investment Rate of Return	7.50%	7.50%	7.50%

Salary increases were based on a service-related table. Mortality rates for active members, retirees, survivors and disabilitants were based on Pub-2010 General Employee Mortality table for the General Employees Plan and RP 2014 tables for the Police and Fire and the Correctional Plans for males or females, as appropriate, with slight adjustments to fit PERA's experience. Cost of living benefit increases after retirement for retirees are assumed to be 1.25% per year for the General Employees Plan, and 2.0% per year for the Correctional Plan. For the Police and Fire Plan, cost of living benefit increases for retirees are 1.0% per year as set by state statute.

Actuarial assumptions used in the June 30, 2020 valuation were based on the results of actuarial experience studies. The most recent four-year experience study for the General Employees Plan was completed in 2019. The assumption changes were adopted by the Board and become effective with the July 1, 2020 actuarial valuation. The four-year experience study used for the Police and Fire Plan was completed in 2016. The five year experience study used for the Correctional Plan, prepared by a former actuary, was completed in 2012. The mortality assumption for the Correctional Plan is based on the Police and Fire Plan experience study completed in 2016. Inflation and investment return assumptions for the Police and Fire Plan and the Correctional Plan are based on the General Employees Retirement Plan experience study completed in 2019. The most recent four-year experience studies for the Police and Fire Plan and the Correctional Plan were completed in 2020. The recommended assumptions for those plans were adopted by the Board and will be effective with the July 1, 2021 actuarial valuations if approved by the Legislature.

The following changes in actuarial assumptions and plan provisions occurred in 2020:

General Employees Fund

Changes in Actuarial Assumptions:

- The price inflation assumption was decreased from 2.50% to 2.25%.
- The payroll growth assumption was decreased from 3.25% to 3.00%.
- Assumed salary increase rates were changed as recommended in the June 30, 2019 experience study. The net effect is assumed rates that average 0.25% less than previous rates.
- Assumed rates of retirement were changed as recommended in the June 30, 2019 experience study. The changes result in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements.
- Assumed rates of termination were changed as recommended in the June 30, 2019 experience study. The new rates are based on service and are generally lower than the previous rates for years 2-5 and slightly higher thereafter.
- Assumed rates of disability were changed as recommended in the June 30, 2019 experience study. The change results in fewer predicted disability retirements for males and females.
- The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 General Mortality table, with adjustments. The base mortality table for disabled annuitants was changed from the RP-2014 disabled annuitant mortality table to the PUB-2010 General/Teacher disabled annuitant mortality table, with adjustments.
- The mortality improvement scale was changed from Scale MP-2018 to Scale MP-2019.
- The assumed spouse age difference was changed from two years older for females to one year older.
- The assumed number of married male new retirees electing the 100% Joint & Survivor option changed from 35% to 45%. The assumed number of married female new retirees electing the 100% Joint & Survivor option changed from 15% to 30%. The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.

Changes in Plan Provisions:

- Augmentation for current privatized members was reduced to 2.0% for the period July 1, 2020 through December 31, 2023 and 0.0% after. Augmentation was eliminated for privatizations occurring after June 30, 2020.

Police and Fire Fund

Changes in Actuarial Assumptions:

- The mortality projection scale was changed from MP-2018 to MP-2019.

Changes in Plan Provisions:

- There have been no changes since the prior valuation.

Correctional Fund

Changes in Actuarial Assumptions:

- The mortality projection scale was changed from MP-2018 to MP-2019.

Changes in Plan Provisions:

- There have been no changes since the prior valuation.

Washington County, Minnesota
Notes to the Financial Statements
December 31, 2020

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Stocks	35.5 %	5.10 %
Alternative Assets (Private Markets)	25.0	5.90
Bonds (Fixed Income)	20.0	0.75
International Stocks	17.5	5.30
Cash	2.0	0.00
Totals	100.0 %	

F. Discount Rate

The discount rate used to measure the total pension liability in 2020 was 7.50%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at rates set in Minnesota Statutes. Based on these assumptions, the fiduciary net positions of the General Employees Fund, the Police and Fire Fund, and the Correctional Fund were projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

G. Pension Liability Sensitivity

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

Description	1% Decrease in Discount Rate (6.50%)	Current Discount Rate (7.50%)	1% Increase in Discount Rate (8.50%)
County's Proportionate Share of the General Employees Fund Net Pension Liability	\$ 98,363,627	\$ 61,375,494	\$ 30,863,255
County's Proportionate Share of the Police and Fire Fund Net Pension Liability	24,501,053	12,292,666	2,192,365
County's Proportionate Share of the Correctional Fund Net Pension Liability	4,405,927	708,929	(2,251,076)

H. Pension Plan Fiduciary Net Position

Detailed information about each pension plan's fiduciary's net position is available in a separately-issued PERA financial report that includes financial statements and required supplementary information. That report may be obtained on the internet at www.mnpera.org.

Note V – Public Employees Defined Contribution Plan (Defined Contribution Plan)

A. Deferred Compensation Description

Five County Board members of Washington County are covered by the Defined Contribution Plan, a multiple-employer deferred compensation plan administered by PERA. The Defined Contribution 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.

Washington County, Minnesota
Notes to the Financial Statements
December 31, 2020

Plan benefits depend solely on amounts contributed to the plan plus investment earnings, less administrative expenses. *Minnesota Statutes*, Chapter 353D.03 specifies 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 five percent of salary which is matched by the elected official's employer. Employees who are paid for their services may elect to make member contributions in an amount not to exceed the employer share. Employer and employee 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 two percent of employer contributions and twenty-five hundredths of one percent (0.25%) of the assets in each member's account annually.

Total contributions made by the County during the year ended December 31, 2020 were:

Contribution Amount		Percentage of Covered Payroll		Required Rates
Employee	Employer	Employee	Employer	
\$ 17,660	\$ 17,660	5%	5%	5%

Note VI – Other Information

A. Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County has entered into a joint powers agreement with other Minnesota counties to form the Minnesota Counties Intergovernmental Trust (MCIT) to cover its liabilities for workers compensation and property and casualty. There were no significant reductions of insurance coverage from the previous year. There have been no settlements in excess of insurance for any of the past three years. In 1982 and 1986, the County joined the MCIT Workers' Compensation and Property and Casualty Divisions, respectively.

On December 31, 1988, the MCIT established Trust II to handle workers' compensation losses that occurred after 1988. In establishing this fund, MCIT moved from a cash flow loss funding approach to workers' compensation to a fully funded approach, a method used by the insurance industry. This meant the 1989 premiums and those thereafter could not be used to fund prior year losses. The County has no remaining liability for pre-1989 losses.

As of January 1, 1989, the Workers' Compensation Division was self-sustaining based on the payments charged, so that total payments plus compounded earnings on these payments will equal the amount needed to satisfy claims, liabilities, and other expenses. MCIT participates in the Workers' Compensation Reinsurance Association with coverage at \$500,000 per claim for plan year 2020. Should the MCIT Workers' Compensation Division liabilities exceed assets, MCIT may assess the County in a method and amount to be determined by MCIT. The County is self-insured for the first \$50,000 of each claim to an aggregate of \$200,000 for any one year.

The Property and Casualty Division 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. Premiums are paid by the General Fund, which is reimbursed from other funds for their share.

B. Contingencies

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

Washington County, Minnesota
Notes to the Financial Statements
December 31, 2020

During 2019, counties were notified by the Minnesota Department of Human Services (DHS) that DHS made errors in the calculation of Substance Use Disorder (SUD) for Institutes of Mental Disease (IMD) claims from January 2014 to June 2019. Based on these errors, DHS is requesting Minnesota counties repay \$8.8 million back to DHS. Washington County's share of the \$8.8 million is \$147,780. Minnesota counties have raised concerns over how the amount was calculated, the accuracy of the calculations, and whether DHS has legal/statutory authority to require the counties to repay the amounts. The Association of Minnesota Counties (AMC) has recommended counties to not repay this amount until these concerns have been addressed and after the conclusion of the 2020 Minnesota Legislative Session in hopes this matter is resolved by other means. Therefore, this amount has not been booked as a payable.

C. Construction Commitments

The County has several active construction projects as of December 31, 2020. These projects are being funded by County taxes, CIP bonds, and intergovernmental revenues from the state and federal governments. A summary of the County's construction commitments is shown in the table below:

	Spent To Date	Remaining Commitment
Roads	\$ 93,686,489	\$ 12,747,392
Buildings	887,671	138,790
Parks	3,072,675	690,977

D. Washington County CDA (formerly HRA) Bonds

Washington County Government has guaranteed several Washington County CDA Governmental Housing Revenue Bonds (Washington County General Obligation). On December 31, 2020, the balance of principal and interest for the following bonds: Governmental Housing Revenue Bonds Series 2010A, Governmental Taxable Housing Revenue Bonds Series 2010B, Governmental Housing Revenue Refunding Bonds Series 2010C, Governmental Housing Revenue Refunding Bonds Series 2012A, Taxable Qualified Energy Conservation Revenue Bonds Series 2012B, Governmental Housing Revenue Refunding Bonds Series 2012C, and Governmental Multi-Family Housing Revenue Bonds Series 2015A are shown in the table below:

<u>Issues</u>	<u>Balance</u>
Governmental Taxable Housing Revenue Bonds Series 2010B	\$ 6,810,000
Governmental Housing Revenue Refunding Bonds Series 2010C	1,675,000
Governmental Housing Revenue Refunding Bonds Series 2012A	5,660,000
Taxable Qualified Energy Conservation Revenue Bonds Series 2012B	1,255,000
Governmental Housing Revenue Refunding Bonds Series 2012C	8,135,000
Governmental Multi-Family Housing Revenue Bonds Series 2015A	7,240,000
Total	<u>\$ 30,775,000</u>

E. Joint Ventures

1. Resource Recovery Project Board/ Ramsey/Washington Recycling and Energy Board

Ramsey and Washington Counties have a Joint Powers Agreement for the Ramsey/Washington Recycling and Energy Board.

The Counties funded the purchase of the processing facility by the Ramsey/Washington Recycling and Energy Board from its previous private owners in December 2015, after more than two years of studying how it could be used along with new technologies to modernize the East Metro's trash handling system.

Washington County loaned \$6,588,000 of proceeds from the Washington County Environmental Charge for its share of the purchase of the facility, and Ramsey County issued bonds for its portion. The joint powers agreement designates Ramsey County to serve as the administrative entity for the Energy Board.

Washington County, Minnesota
Notes to the Financial Statements
December 31, 2020

In 2016, Washington County advanced an additional \$1,107,000 to provide working capital funds, which will be repaid from future operations. Washington County also contributed \$1,541,700 to help fund the purchase of additional assets needed to run the operation. In 2018, Washington County advanced an additional \$414,500 to fund renovations, which will be repaid without interest over the next five years.

Washington County's ongoing financial interest in the project is 27% of the obligations or resources upon termination of the agreement. For 2019, the most recent available audited information, the project reported a net position of \$9.2M with annual operating expenses of \$48.0M, revenues of \$48.9M, and an overall increase in net position of \$0.9M. For 2018, the increase in net position was \$0.9M.

In March of 2021, Ramsey County issued \$32,720,000 of Series 2021A General Obligation Solid Waste Facility Revenue Bonds (Green Bonds), and will loan the proceeds to the Energy Board to fund enhancements to the facility. The bonds will be repaid with revenues generated by the facility, backed by pledges from Ramsey and Washington County should revenues from the facility not be sufficient to cover debt service. Final maturity of the bonds will occur in February of 2041.

Complete financial statements for the Resource Recovery Project Board may be obtained from the administrative offices at 2785 White Bear Ave, Suite 350, Maplewood MN, 55109, or calling (651) 266-1195.

2. Metro Alliance for Healthy Families (MAHF)

Washington County joined this joint powers agreement in 2007 to establish a home visiting service program whose purpose is the reduction of child maltreatment through the promotion of healthy parent-child attachment. The program also emphasized child development, early learning, and the provision of community resources for significantly stressed expectant mothers and new parents.

This metro-wide alliance includes the following counties: Anoka, Carver, Chisago, Dakota, Hennepin, Isanti, Ramsey, Scott, Washington, and the City of Bloomington. Dakota County is the fiscal agent with all participating organizations contributing to the process of securing funding and ensuring continuity of services for families moving between jurisdictions.

The Governing Board, consisting of a county commissioner from each member county and a city council member from the City of Bloomington, shall determine the annual budget and approve the disbursement of secured funding to the alliance members. This agreement shall remain in effect until its funding has been expended or upon termination of the agreement by its members.

The County has no ongoing financial interest in this entity. The objective of the entity is to coordinate self-funded efforts of its member organizations. There is no accumulation of resources or fiscal stress related to this entity.

Record availability and access may be obtained from Dakota County Community Services, One Mendota Road West, Suite 500, West Saint Paul MN 55118; (651) 554-5742.

3. Metropolitan Region Homeland Security Emergency Management (MRHSEM)

Washington County has been a participating member of this joint powers agreement since 2006. The purpose of this agreement is to provide for members to plan, coordinate, and administer expenditures for regional planning, equipment, training, and exercises, to adequately prevent, prepare for, and respond to disasters or emergencies.

The parties of this agreement include the following counties: Anoka, Carver, Chisago, Dakota, Hennepin, Isanti, Ramsey, Scott, Sherburne, Washington, and the cities of Minneapolis and St. Paul. The Governing Board is comprised of one member designated by each participating county and city.

The duties and activities of the Governing Board in accordance with its purpose may be funded by grant monies from the federal and/or state government, and funding from other associations or agencies. This agreement was last reviewed on January 1, 2012 and will be reviewed every five years thereafter.

The County has no ongoing financial interest as the joint powers agreement board acts as an intermediary for grants. All activity is pass-through as such there is no accumulation of resources.

For more information contact the State of Minnesota, Homeland Security and Emergency Management Division, 444 Cedar Street, Suite 223, Saint Paul MN 55101; (651) 201-7447.

4. I-35 WE Coalition

The I-35 WE Coalition (Coalition) includes cities and counties along the I-35W and I-35E corridors in Anoka and Washington Counties. The Goals of the I-35 WE Coalition are to:

- Develop a cohesive transportation system in the area.
- Balance land use and the transportation system.
- Identify, develop, and support regional transportation system improvements.

To accomplish these goals, the counties and cities entered into a joint powers agreement under the authority provided by Minnesota Statutes 471.59. This agreement was signed by Washington County in 2005. The Coalition strives to coordinate programming of transportation systems by an interactive process such that the transportation system is capable of supporting land use and development in the northeast metropolitan area.

The parties agree to hold regular meetings for the purpose of monitoring progress on the planning activities, providing guidance for such planning activities, and coordinating between governing bodies, including Mn/DOT and the Metropolitan Council.

Currently, there are no direct costs associated with the work to be performed. Therefore, no financial statements are issued. However, if the parties agree that costs are to be incurred, the parties will amend the existing joint powers agreement or prepare a new agreement for that purpose. Any party may withdraw from the agreement upon thirty days written notice to the other parties of the agreement.

The County retains no fiscal interest and has no stake in the accumulation of resources or fiscal stress of the entity.

For more information contact the project coordinator: Michele Landau, City Clerk, City of Hugo, 14669 Fitzgerald Avenue North, Hugo, MN 55038; mlindau@ci.hugo.mn.us.

5. Counties Transit Improvement Board (CTIB)

Pursuant to Laws of Minnesota 2008, Chapter 152, Article 4, Section 2, metro counties were authorized to impose a Metropolitan Transportation Area Sales Tax for the purpose of facilitating investment in transit-ways, to cooperatively plan and develop policies for transit investments, to advocate for state and federal funding and transportation policies supportive of transit ways, and to provide for public education and information.

The counties of Anoka, Dakota, Hennepin, Ramsey, and Washington officially formed the Counties Transit Improvement Board (CTIB). Each participating county had to approve the statutorily required joint powers agreement establishing a new board. Each county had to approve the imposition of the ¼ cent sales tax and \$20 motor vehicle excise tax effective July 1, 2008.

CTIB provided grant funding to transit projects across the Metro area, including funding for a number of transit projects in Washington County. CTIB operated through significant county staff involvement, specifically on transit, communications, finance and legal issues, and through county collaboration. Hennepin County provided fiscal agent service with private consultants providing administration, financial advice, and legal counsel.

Washington County, Minnesota
Notes to the Financial Statements
December 31, 2020

The CTIB organization was dissolved effective September 30, 2017 by resolution of the CTIB Board and each of its member counties. As a part of the dissolution process, the remaining assets of CTIB were divided among the member counties to be used for transit related projects. Washington County's allocation of these distributed funds totaled \$19,974,685, and was recognized in the Metro Gold Line Special Revenue Fund, to be used to fund the Metro Gold Line project. There were additional distributions to the County in 2018, 2019 and 2020 of unspent funds from other CTIB projects. The County received \$381,460 in 2018, \$317,184 in 2019, and \$143,312 in 2020 which were also recognized in the Gold Line Special Revenue Fund.

Due to the dissolution of CTIB and the ending of the ¼ cent sales and use tax and \$20 motor vehicle excise tax on September 30, 2017, Washington County imposed a ¼ cent sales and use tax and an excise tax of \$20 per motor vehicle, effective October 1, 2017. These tax revenues are restricted for transportation and transit related projects, and are reflected in the Metro Gold Line Special Revenue Fund.

Further information is available by contacting Washington County's Public Works Department.

6. Gold Line Partners / Gold Line Joint Powers Board

The Gateway Corridor Commission (the GCC) was established in March 2010, under a Joint Powers Agreement in accordance with Minn. Stat. §471.59. The GCC's primary purpose was to study and plan alternative transportation options for the area along Interstate 94, within Ramsey and Washington Counties. In early 2018, the Gold Line Project transitioned from the GCC to the state under the leadership of Metro Transit. As of April 12, 2018, the GCC was known as Gold Line Partners (GLP).

On July 23, 2019, the Ramsey County Regional Railroad Authority, Ramsey County, Washington County Regional Railroad Authority and Washington County entered into a new Joint Powers Agreement to receive and distribute local funding for the pre-engineering, engineering and construction phases of the METRO Gold Line Project.

The County's participation in the GLP involved modest periodic membership contribution which may be assessed by the Board. However, the primary funding sources for these activities is grant funding for other organizations. The County retained no fiscal interest and has no stake in the accumulation of resources or fiscal stress of the entity.

Following the creation of the new Joint Powers Agreement, all involved parties agreed to the termination of the Joint Powers Agreement Establishing the GLP, and recommend that Ramsey County Regional Railroad Authority and Washington County Regional Railroad Authority transfer the remaining assets of the GLP to the newly formed Gold Line Joint Powers Board. The termination was effective December 31, 2019.

The Gold Line Joint Powers Board bills the member counties in advance for the following month's costs of the project as billed by the Metropolitan Council and remits member contributions to Metropolitan Council on their behalf.

Separately issued financial statements are available for the years ending December 31, 2012-2020.

For more information contact the Gold Line Joint Powers Board staff lead: Sara Allen, Planner II, Washington County (651) 430-4363. Sara.Allen@co.washington.mn.us

7. Red Rock Corridor Commission

The Red Rock Corridor Commission (RRCC) is comprised of 11 members representing the counties and communities within the corridor. Member communities are; WCRRA, Hennepin, Ramsey and Dakota County Regional Railroad Authorities, Minneapolis, St. Paul, Newport, Cottage Grove, St. Paul Park, Denmark Township, and Hastings. In addition to the 11 members, representatives from Goodhue County, the City of Red Wing, Prairie Island Indian Community, and the Canadian Pacific Railway serve as ex-officio members.

**Washington County, Minnesota
Notes to the Financial Statements
December 31, 2020**

To pursue the goal of developing further transit in the corridor, the counties and cities entered into a joint powers agreement under the authority provided by Minnesota Statute 471.59. This agreement was signed by Washington County in 2004. The RRCC will work with corridor municipalities, the Counties Transit Improvement Board (CTIB), the Metropolitan Council (Met Council), Metro Transit, the Minnesota Department of Transportation (Mn/DOT) and the Minnesota High Speed Rail Commission (MNHSRC) to continue the advancement of the Red Rock Corridor.

The County's participation involves modest periodic membership contribution which may be assessed by the Board. However, the primary funding sources for these activities is grant funding for other organizations. The County retains no fiscal interest and has no stake in the accumulation of resources or fiscal stress of the entity.

The Red Rock Corridor Commission meets the 4th Thursday of each month at 4:00 p.m. at the Cottage Grove City Hall.

Ramsey, Washington, Hennepin, and Dakota Counties are the joint funding partners for the Commission. For 2020, WCRRA had no direct contributions to the Commission.

For more information contact the Red Rock Corridor staff lead: Emily Jorgensen, Planner II, Washington County (651) 430-4307. Emily.Jorgensen@co.washington.mn.us

8. Rush Line Task Force

The Rush Line Corridor Task Force is made up of 23 elected officials from counties and municipalities along the corridor, which stretches from Hinckley to St. Paul. Communities include; Ramsey, Anoka, Chisago, Pine and Washington Counties, Centerville, Columbus, Forest Lake, Harris, Hinckley, Hugo, Little Canada, Maplewood, North Branch, Pine City, Rock Creek, Rush City, St. Paul, Sandstone, Stacy, White Bear Lake, White Bear Township, and Wyoming.

To pursue the goal of developing further transit in the Corridor, the counties and cities entered into a joint powers agreement under the authority provided by Minnesota Statute 471.59. This agreement was signed by Washington County in 2006. The task force will work with Corridor municipalities, counties, transit agencies, and the Minnesota Department of Transportation and Metro Transit and the Metropolitan Council to coordinate improved transit service including potential park-and-ride/pool facilities and new express bus routes along the Corridor.

The County's participation involves modest periodic membership contribution which may be assessed by the Board. However, the primary funding sources for these activities is grant funding for other organizations. The County retains no fiscal interest and has no stake in the accumulation of resources or fiscal stress of the entity.

Rush Line Task Force meets every other month at the Maplewood Community Center.

For more information contact the Rush Line Corridor staff lead: Mike Rogers, Ramsey County (651) 266-2773. Michael.Rogers@co.ramsey.mn.us

9. Metropolitan Library Service Agency (MELSA)

The County entered into a joint powers agreement with the other six metropolitan area counties and the Cities of Saint Paul and Minneapolis to improve public library services within the various jurisdictions. The Board of Directors of MELSA consists of one representative from each member entity. Financing is provided by gifts, grants, and other assistance from the federal government, the State of Minnesota, or any person or agency for MELSA. The County received grants from MELSA totaling \$212,145 in 2020. The County retains no fiscal interest and has no stake in the accumulation of resources or fiscal stress of the entity. The MELSA agency handles the accounting function for the Board. Current financial statements are available from the MELSA office, 1619 Dayton Avenue, Suite 314, St. Paul, MN 55104-6276.

F. Jointly Governed Organizations

1. ImmuLink

The County is a participant in the Minnesota Immunization Information Connection (MIIC), which is a system that stores electronic immunization records. MIIC established regions within the state, and the seven county metro area makes up the region known as ImmuLink. The County has no operational or financial control over ImmuLink, and no direct expenditures were associated with the program in 2020.

2. Minnesota Criminal Justice Data Communications Network (MCJDCN)

The County is a participant in the Minnesota Criminal Justice Data Communications Network. Minnesota criminal justice agencies must provide certain incident and arrest data to the Bureau of Criminal Apprehension (BCA) to meet state and federal reporting requirements, and the MCJDCN is a vital part of that information sharing process. Washington County has no operational or financial control over the MCJDCN, and no direct expenditures were associated with the program in 2020.

3. Minnesota Counties Computer Cooperative (MCCC)

The County participates in the Minnesota Counties Computer Cooperative (MCCC), a joint powers agreement with all Minnesota Counties. MCCC works as a joint powers organization in facilitating services and training, providing software and other cost-effective measures to substantially reduce technology costs for counties, cities, and agencies. For 2020, the County paid MCCC \$141,170 for services received. The County has no operational or financial control over MCCC.

4. Minnesota Sentence to Service Program

The County has a joint powers agreement with the State of Minnesota to operate a community work program known as the "Sentencing to Service" Program. The County received \$91,178 for services performed under this agreement in 2020.

G. Related Organization - Watershed Districts

The County Commissioners appoint managers to the watershed district boards. The appointments are not considered substantive because the County Commissioners must select district managers from a list of nominees submitted by the municipalities that are wholly or partially in the watershed district. The Watershed District comprises a geographic area, which is affected by the watershed from a particular source. The Watershed District Board is responsible for initiating and overseeing certain actions which control or alleviate damage from flooding, control or alleviate damage to water basins, regulate improvements of riparian areas, provide ditch maintenance, or ditch repair, and protect or enhance surface water and groundwater quality and quantity. The costs of these actions, plus the associated administrative costs, must be borne by the "benefited" property owner within the district, through a special assessment against the benefited property. Watershed Improvement Bonds typically finance costs of major capital investments.

Record availability and access may be obtained from the Minnesota Association of Watershed Districts, 540 Diffley Road, Saint Paul MN 55123; (651) 452-8506.

Note VII – Washington County Community Development Agency - Discretely Presented Component Unit

A. Summary of Significant Accounting Policies

1. Reporting Entity

The Washington County Community Development Agency, Woodbury, Minnesota (CDA) operates as a local government unit for the purpose of providing community development services to the Washington County, Minnesota, area. The governing body of the CDA consists of a seven member board of commissioners (Board) appointed by the County Commissioners to serve three-year terms.

2. Deposits and Investments

The CDA considers unrestricted cash and highly liquid instruments purchased with a maturity of three months or less to be cash equivalents.

Washington County, Minnesota
Notes to the Financial Statements
December 31, 2020

The CDA invests in an external investment pool, the Minnesota Association of Governments Investing for Counties (MAGIC) Fund, which is created under joint powers agreement pursuant to Minnesota Statute 471.59 and regulated by Minnesota state statutes. 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 value of the CDA's position in the pool is the same as the value of the pool shares. A copy of the funds statement is available at www.magicfund.org.

Investments

The CDA's investment policy requires compliance with state statutes which allow investments in obligations guaranteed by the U.S. Treasury or its agencies, mutual funds, general obligations of state and local governments, bankers' acceptances, commercial paper, repurchase agreements, and the MAGIC Fund.

As of December 31, 2020, the CDA had the following investments and maturities:

	Rating	Investment Maturities (in Years)			Fair Value
		Less than 1	1-5	Over 5	
Mutual Fund	AAAm	\$ 10,944,582	\$ -	\$ -	\$ 10,944,582
External Investment Pools	N/R	18,051,439	-	-	18,051,439
Certificates of Deposit	N/R	-	2,566,157	-	2,566,157
Total Investments		<u>\$ 28,996,021</u>	<u>\$ 2,566,157</u>	<u>\$ -</u>	31,562,178
Deposits	N/R				<u>1,887,526</u>
Total Cash and Investments					<u>\$ 33,449,704</u>

N/R - Not Rated

These amounts are presented on the Statement of Net Position as follows:

	CDA	Discretely Presented Component	Total CDA
		Units	
Cash and Investments	\$ 22,259,457	\$ 387,894	\$ 22,647,351
Restricted Cash and Investments	<u>11,190,247</u>	<u>995,740</u>	<u>12,185,987</u>
Total Cash and Investments	<u>\$ 33,449,704</u>	<u>\$ 1,383,634</u>	<u>\$ 34,833,338</u>

Fair Value

The CDA categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The hierarchy has three levels. Level 1 investments are valued using inputs that are based on quoted prices in active markets for identical assets. Level 2 investments are valued using inputs that are based on quoted prices for similar assets or inputs that are observable, either directly or indirectly. Level 3 investments are valued using inputs that are unobservable.

Washington County, Minnesota
Notes to the Financial Statements
December 31, 2020

The CDA has the following recurring fair value measurements as of December 31, 2020:

Investment Type	12/31/2019	Fair Value Measurement Using		
		Level 1	Level 2	Level 3
Investments at Fair Value:				
Brokered CDs	2,566,157	-	2,566,157	-
Total/Subtotal	<u>\$ 2,566,157</u>	<u>\$ -</u>	<u>\$ 2,566,157</u>	<u>\$ -</u>
Investments not Categorized:				
Mutual Fund	10,944,582			
External Investment Pool - MAGIC Fund	18,051,439			
Total	<u>\$ 31,562,178</u>			

Deposit and Investment Risks

Custodial Credit Risk – Investments – For investments in securities, custodial credit risk is the risk that in the event of failure of the counterparty to a transaction, the CDA will not be able to recover the value of its investment securities that are in the possession of an outside party. Investments in investment pools and money markets are not evidenced by securities that exist in physical or book entry form, and therefore are not subject to custodial credit risk disclosures.

Interest Rate Risk – Interest rate risk is the risk that changes in interest rates of debt investments could adversely affect the fair value of an investment. The CDA does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk – Credit risk is the risk that an issuer or other counterparty to an investment will be unable to fulfill its obligation to the holder of the investment. State law limits investments to those listed in footnote III.B. The CDA does not have a formal investment policy that further limits the ratings of their investments.

Concentration of Credit Risk – Concentration of credit risk is the risk of loss that may be attributed to the magnitude of a government’s investment in a single issuer. The CDA places no limit on the amount the CDA may invest in any one issuer. Investments in a single issuer exceeding 5% of the CDA’s overall cash and investment portfolio are as follows:

First American Government Obligations	32.7%
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**Washington County, Minnesota
Notes to the Financial Statements
December 31, 2020**

B. Capital Assets

1. CDA Capital Assets

Capital asset activity of the CDA for the year ended December 31, 2020 was as follows:

	Beginning Balance	Increase	Decrease	Ending Balance
Governmental activities:				
Capital Assets, not being Depreciated:				
Land	\$ 424,186	\$ -	\$ -	\$ 424,186
Capital Assets, being Depreciated:				
Buildings and Structures	2,064,478	-	-	2,064,478
Furniture and Fixtures	220,322	-	-	220,322
Total Capital Assets, being Depreciated	2,284,800	-	-	2,284,800
Less Accumulated Depreciation for:				
Buildings and Structures	351,736	51,614	-	403,350
Furniture and Fixtures	99,071	16,829	-	115,900
Total Accumulated Depreciation	450,807	68,443	-	519,250
Total Capital Assets being Depreciated - Net	1,833,993	(68,443)	-	1,765,550
Governmental Activities Capital Assets - Net	<u>\$ 2,258,179</u>	<u>\$ (68,443)</u>	<u>\$ -</u>	<u>\$ 2,189,736</u>
Business-type activities:				
Capital Assets, not being Depreciated:				
Land	\$ 4,559,053	\$ -	\$ -	\$ 4,559,053
Construction in Progress	57,297	819,709	(817,662)	59,344
Total Capital Assets, not being Depreciated	4,616,350	819,709	(817,662)	4,618,397
Capital Assets, being Depreciated:				
Buildings and Structures	72,049,059	817,662	(222,427)	72,644,294
Furniture and Fixtures	515,702	-	-	515,702
Total Capital Assets, being Depreciated	72,564,761	817,662	(222,427)	73,159,996
Less Accumulated Depreciation for:				
Buildings and Structures	31,924,995	1,885,722	(222,427)	33,588,290
Furniture and Fixtures	515,702	-	-	515,702
Total Accumulated Depreciation	32,440,697	1,885,722	(222,427)	34,103,992
Total Capital Assets being Depreciated - Net	40,124,064	(1,068,060)	-	39,056,004
Business-Type Activities Capital Assets - Net	<u>\$ 44,740,414</u>	<u>\$ (248,351)</u>	<u>\$ (817,662)</u>	<u>\$ 43,674,401</u>

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

Governmental Activities:	
General Government	<u>\$ 68,443</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 68,443</u>
Business-Type Activities:	
Housing	<u>\$ 1,885,722</u>
Total Depreciation Expense - Business-Type Activities	<u>\$ 1,885,722</u>

Washington County, Minnesota
Notes to the Financial Statements
December 31, 2020

2. CDA Discretely Presented Component Unit Capital Assets

Capital asset activity of the CDA's discretely presented component units for the year ended December 31, 2020 was as follows:

	Beginning Balance	Increase	Decrease	Ending Balance
Business-type activities:				
Capital Assets, not being Depreciated:				
Land	\$ 2,770,501	\$ -	\$ -	\$ 2,770,501
Construction in Progress	-	-	-	-
Total Capital Assets, not being Depreciated	<u>2,770,501</u>	<u>-</u>	<u>-</u>	<u>2,770,501</u>
Capital Assets, being Depreciated:				
Buildings and Structures	33,408,942	376,043	-	33,784,985
Furniture and Fixtures	1,011,775	2,930	-	1,014,705
Total Capital Assets, being Depreciated	<u>34,420,717</u>	<u>378,973</u>	<u>-</u>	<u>34,799,690</u>
Less Accumulated Depreciation for:				
Buildings and Structures	2,590,118	674,813	-	3,264,931
Furniture and Fixtures	291,980	115,930	-	407,910
Total Accumulated Depreciation	<u>2,882,098</u>	<u>790,743</u>	<u>-</u>	<u>3,672,841</u>
Total Capital Assets being Depreciated - Net	<u>31,538,619</u>	<u>(411,770)</u>	<u>-</u>	<u>31,126,849</u>
Business-Type Activities Capital Assets - Net	<u>\$ 34,309,120</u>	<u>\$ (411,770)</u>	<u>\$ -</u>	<u>\$ 33,897,350</u>

Depreciation expense was charged to functions/programs of the CDA's discretely presented component units as follows:

Business-Type Activities:	
Housing	<u>\$ 790,743</u>
Total Depreciation Expense - Business-Type Activities	<u>\$ 790,743</u>

C. Lease Receivables

The Community Development Fund has receivable balances of \$8,367,307 which are not expected to be collected within one year of December 31, 2020. These receivables relate to several deferred loans the CDA has made to finance privately-owned affordable housing projects. A majority of the funding for the loans comes from federal programs.

The Managing Member Partnership Fund has receivable balances of \$11,707,714, of which \$11,055,955 is not expected to be collected within one year of December 31, 2020. These receivables are the developer fees and the seller note receivable from the Groves Apartments, LLC and the loan receivable and mortgage receivable from Piccadilly Square of Mahtomedi, LLC.

The General Fund has a receivable balance of \$597,143 which is expected to be collected within one year of December 31, 2020. This note receivable is due from Glen at Valley Creek, LLC.

Washington County, Minnesota
Notes to the Financial Statements
December 31, 2020

Capital Lease Receivable: Landfall

The CDA disposed of its Landfall capital assets in exchange for a capital lease receivable. In conjunction with Landfall debt refunding in 2010, the terms of the lease were updated to these reflected here. The lease bears an effective interest rate of 3.45% and has monthly principal and interest payments of \$36,000 through January 1, 2024. Future minimum lease payments receivable for each of the years ending December 31 are as follows:

<u>Year</u>	<u>Amount</u>
2021	\$ 432,000
2022	432,000
2023	432,000
2024	22,034
2025	-
Total minimum lease payments	1,318,034
Amounts representing interest	<u>(27,888)</u>
Present value of net minimum lease payments	<u>\$ 1,290,146</u>

Capital Lease Receivable: Washington Conservation District

The CDA entered into a lease with Washington Conservation District. Under terms of the lease monthly payments are equal to (i) one-sixth of the amount of interest due on the Series 2013 bonds on the next succeeding interest payment date, plus (ii) one-twelfth of the amount of principal due on the Series 2013 Bonds on the next principal payment date. Future minimum lease payments receivable for each of the years ending December 31, are as follows:

<u>Year</u>	<u>Amount</u>
2021	\$ 74,374
2022	73,791
2023	77,364
2024	76,227
2025	75,384
2026-2030	404,259
2031-2035	437,853
2036-2037	<u>177,933</u>
Total minimum lease payments	1,397,185
Amounts representing interest	<u>(375,518)</u>
Present value of net minimum lease payments	<u>\$ 1,021,667</u>

D. Long-Term Debt

The CDA issues long-term debt to finance the acquisition and construction of housing developments. The reporting entity's long-term debt is segregated between the amount to be repaid from governmental activities, amounts to be repaid from business-type activities, and the amounts to be repaid by the Discretely Presented Component Unit of the CDA.

Washington County, Minnesota
Notes to the Financial Statements
December 31, 2020

1. Governmental and Business-Type Activities

Changes in long-term debt were as follows:

	<u>Balance 12/31/19</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/20</u>	<u>Due Within One Year</u>
Governmental activities:					
Compensated absences	\$ 132,138	\$ 189,589	\$ (154,450)	\$ 167,277	\$ 16,728
Notes Payable	3,187,415	-	(316,525)	2,870,890	288,236
Total	<u>\$ 3,319,553</u>	<u>\$ 189,589</u>	<u>\$ (470,975)</u>	<u>\$ 3,038,167</u>	<u>\$ 304,964</u>
Business-type activities:					
Notes Payable	\$ 1,976,094	\$ -	\$ -	\$ 1,976,094	\$ -
Mortgage Payable	8,972,688	-	(195,891)	8,776,797	241,113
Total Notes and Mortgages	<u>\$ 10,948,782</u>	<u>\$ -</u>	<u>\$ (195,891)</u>	<u>\$ 10,752,891</u>	<u>\$ 241,113</u>
Revenue Bonds Payable	\$ 34,065,000	\$ -	\$ -	\$ 34,065,000	\$ 2,185,000
Less: unamortized bond discount	(217,817)			(198,864)	
Plus: unamortized bond premium	715,664			653,993	
Total Bonds, net	<u>\$ 34,562,847</u>			<u>\$ 34,520,129</u>	
Discretely Presented Component Units of the CDA:					
The Groves Apartments, LLC					
Notes Payable (net of finance fees)				\$ 1,405,314	\$ 24,106
Due to Primary Government				861,136	-
Bonds and Loans Payable - Glen at Valley Creek, LLC					
Notes Payable (net of finance fees)				5,374,268	60,000
Due to Primary Government				2,922,549	720,373
Piccadilly Square of Mahtomedi, LLC					
Due to Primary Government (net of finance fees)				<u>8,735,965</u>	<u>206,280</u>
Total Notes Payable				<u>\$ 6,779,582</u>	<u>\$ 84,106</u>
Total Due to Primary Government				<u>\$ 12,519,650</u>	<u>\$ 926,653</u>
Summary of CDA and CDA Discrete Component Unit Debt					
Compensated absences				\$ 167,277	\$ 16,728
Notes and Mortgages Payable				19,055,367	548,239
Revenue Bonds Payable				34,520,129	2,185,000
Due to Primary Government (in Governmental Activities Notes Payable above)				13,867,647	991,869

Annual debt service requirements to maturity for the above CDA liabilities (excluding forgivable loans) are as follows:

Year	Business Type Activities					
	Governmental Activities		Notes and Mortgages		Revenue Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 288,236	\$ 105,985	\$ 241,112	\$ 225,363	\$ 2,185,000	\$ 1,154,997
2022	301,214	96,707	254,734	198,699	2,195,000	1,085,499
2023	207,500	74,938	260,811	192,621	2,160,000	1,017,686
2024	215,219	67,219	267,033	186,399	2,475,000	948,014
2025	223,315	59,123	273,404	180,029	2,315,000	874,740
2026-2030	610,083	199,585	1,468,026	799,136	9,525,000	3,379,899
2031-2035	525,323	67,825	2,151,697	615,466	4,625,000	1,949,236
2036-2040	-	-	2,326,356	408,816	3,965,000	993,503
2041-2045	-	-	2,480,141	176,311	1,925,000	284,056
2046-2050	500,000	-	1,029,577	4,863	430,000	8,600
Total	<u>\$ 2,870,890</u>	<u>\$ 671,382</u>	<u>\$ 10,752,891</u>	<u>\$ 2,987,703</u>	<u>\$ 31,800,000</u>	<u>\$ 11,696,230</u>

Washington County, Minnesota
Notes to the Financial Statements
December 31, 2020

The notes, loans, mortgages, and bonds issued contain various covenants and escrow reserve requirements. As of December 31, 2020, the CDA was in compliance with all such covenant and reserve requirements.

Annual principal payments for the debt of the Discretely Presented Component Units of the CDA are as follows:

<u>Year</u>	<u>Groves Principal</u>	<u>Piccadilly Principal</u>	<u>Glen at Valley Creek</u>	<u>Total Principal</u>
2021	\$ 22,572	\$ 202,198	\$ 30,000	\$ 254,770
2022	24,106	206,280	60,000	290,386
2023	25,521	210,443	65,000	300,964
2024	27,020	214,691	65,000	306,711
2025	28,413	219,024	70,000	317,437
Thereafter	<u>2,322,499</u>	<u>8,027,354</u>	<u>9,279,912</u>	<u>19,629,765</u>
Total	<u>\$ 2,450,131</u>	<u>\$ 9,079,990</u>	<u>\$ 9,569,912</u>	<u>\$ 21,100,033</u>

2. Revenues Pledged

The CDA and Washington County entered into an agreement dated July 24, 2007 relating to the refinancing of a bank loan. Pursuant to Section 3.2 of the agreement, the County issued the \$1,587,577 Tax Increment Revenue Note and the \$612,423 loan. The proceeds of which were used to retire the bank loan. The CDA has pledged future tax increment revenues from TIF District 2.1 for the repayment of the loan. TIF collections in 2020 totaled \$180,875.

The CDA has pledged a portion of future tax increment revenues, if any, from TIF District 2.1 to repay a portion of the \$1,192,500 payable to the City of Oakdale. Tax increment revenues were projected to provide \$114,002 for debt service. The total principal and interest remaining on the payable to the City of Oakdale is \$227,267. For the current year, principal and interest paid totaled \$91,998 and \$18,532 and property tax revenues and tax increment revenues collected were \$111,784 and \$0, respectively.

The 2010A and 2010B Government Housing Revenue Bonds are special obligations of the CDA, payable solely from project revenues and tax rebates. As additional security, the County has provided a general obligation pledge. In exchange for the County's pledge, the CDA and County entered into a Custodial Agreement, dated July 1, 2010. The Custodial Agreement requires the establishment of debt service and reserve accounts, held in trust, funded by project revenues of the Trailside Senior Living facility and which are to be used for principal and interest payments on the 2010 Bonds and establishing and maintaining required reserve accounts. Property tax revenues may also be allocated to the project in order to supplement operations and ensure compliance with debt service coverage requirements. Principal and interest remaining to be paid on the bonds is \$11,129,479. For the current year, principal and interest paid, total gross operating revenues, tax rebate revenues, property tax revenues and account balances held in trust were \$635,179, \$651,705, \$164,031, \$375,800 and \$1,735,650, respectively.

The 2010C Government Housing Revenue Refunding Bonds are general obligations of the CDA, payable solely from project revenues. As additional security, the County has provided a general obligation pledge. In exchange for the County's pledge, the CDA and County entered into a Custodial Agreement, dated November 1, 1997, amended August 1, 2010. The Custodial Agreement requires the establishment of debt service and reserve accounts, held in trust, funded by lease payments from the Landfall Village Housing and Redevelopment Authority and which are to be used for principal and interest payments on the 2010C Bonds and establishing and maintaining required reserve accounts. Principal and interest remaining to be paid on the bond is \$1,806,858. For the current year, principal and interest paid, total lease payments received and account balances held in trust were \$376,535, \$432,000, and \$963,448, respectively.

Washington County, Minnesota
Notes to the Financial Statements
December 31, 2020

The 2012A Government Housing Revenue Refunding Bonds are general obligations of the CDA, payable solely from project revenues. As additional security, the County has provided a general obligation pledge. In exchange for the County's pledge, the CDA and County entered into a Custodial Agreement, dated March 1, 2012. The Custodial Agreement requires the establishment of debt service and reserve accounts, held in trust, funded by all project revenues of Oakhill Cottages, Muller Manor, Park Place I, Ann Bodlovick, John Jergens Estates, Cobble Hill, and Raymie Johnson Estates facilities and which are to be used for principal and interest payments on the 2012A Bonds and establishing and maintaining required reserve accounts. Property tax revenues may also be allocated to a project in order to supplement operations and ensure compliance with debt service coverage requirements. Principal and interest remaining to be paid on the bond is \$6,491,291. For the current year, principal and interest paid, total gross operating revenues, property tax revenues and account balances held in trust were \$871,831, \$3,517,060, \$215,716, and \$2,869,081, respectively.

The 2012B Taxable Qualified Energy Conservation Revenue Bonds are special obligations of the CDA, payable from allocated property tax revenues and tax rebates. As additional security, the County has provided a general obligation pledge. The CDA includes in its annual budget, which is submitted to the County, property tax revenues in an amount sufficient to pay principal and interest on the 2012B Bonds. Property tax revenues are deposited in trust until time of payment. Principal and interest remaining to be paid on the bond is \$1,433,035. For the current year, principal and interest paid, tax rebate revenues, property tax revenues and account balances held in trust were \$179,065, \$32,631, \$142,417, and \$155,048, respectively.

The 2012C Government Housing Revenue Bonds are general obligations of the CDA, payable solely from project revenues. As additional security, the County has provided a general obligation pledge. In exchange for the County's pledge, the CDA and County entered into a Custodial Agreement, dated October 1, 2012. The Custodial Agreement requires the establishment of debt service and reserve accounts, held in trust, funded by all project revenues of Woodland Park and Brick Pond facilities and which are to be used for principal and interest payments on the 2012C Bonds and establishing and maintaining required reserve accounts. Property tax revenues may also be allocated to a project in order to supplement operations and ensure compliance with debt service coverage requirements. Principal and interest remaining to be paid on the bond is \$9,534,025. For the current year, principal and interest paid, total gross operating revenues, property tax revenues and account balances held in trust were \$910,550, \$2,445,208, \$374,085, and \$3,081,749, respectively.

The 2013 Governmental Facility Lease Revenue Bonds are limited obligations of the CDA. The bonds are secured by rent payments, additional rent, and if any, rents derived from the building after the termination of the lease. Rent payments are deposited into trust until time of payment. Principal and interest remaining to be paid on the bonds is \$1,403,390. For the current year, principal and interest paid, total rent payments received and account balances held in trust were \$70,088, \$70,452, and \$7,872 respectively.

The 2015A Multifamily Housing Revenue Bonds are general obligations of the CDA, payable solely from project revenues and surplus cash. As additional security, the County has provided a general obligation pledge. In exchange for the County's pledge, the CDA and County entered into a Reserve Agreement, dated August 1, 2015. The Reserve agreement requires the establishment of a debt service reserve account, held in an account as determined by the CDA. The reserve shall be maintained as long as the bonds are outstanding. In addition, the bond indenture requires the establishment of a debt service account, held in trust, funded by loan payments from the Piccadilly Square of Mahtomedi, LLC and which are to be used for principal and interest payments on the 2015A bonds. Property tax revenues may also be allocated to the project in order to supplement operations and ensure compliance with debt service coverage requirements. Principal and interest remaining to be paid on the bond is \$11,517,169. For the current year, principal and interest paid, total lease payments received, property tax revenues and account balances held in reserve were \$443,938, \$344,223, \$46,010, and \$636,583, respectively.

**Washington County, Minnesota
Notes to the Financial Statements
December 31, 2020**

The CDA has entered into an operating subsidy agreement with the Glen at Valley Creek, a discretely presented component unit. Beginning July 31, 2020, the CDA will allocate property tax revenues to the Glen at Valley Creek. The subsidy payments will be in the amount of \$97,500 each January 31 and July 31 and will continue through July 31, 2042. The amount pledged over the life of the agreement totals \$4,345,000. The Glen at Valley Creek will use the subsidy payments to pay operating expenses, including debt service on its Series 2018A Bonds. Principal and interest remaining on the Glen at Valley Creeks Series 2018A bonds is \$8,115,693. For the current year, property tax used for subsidy payments was \$97,500.

Note VIII – Subsequent Events and Uncertainties

Due to the uncertainty related to COVID-19's impact on County operations, in May of 2021, the County received a \$25,487,950 grant from the federal government as a part of the American Rescue Plan Act (ARPA). These funds are available to the County for a range of allowable uses through December 31, 2024 and will support the County during this uncertain time.

Washington County, Minnesota

Reader's Notes:

WASHINGTON COUNTY

**Required
Supplementary
Information**



REQUIRED SUPPLEMENTARY INFORMATION

- Other Postemployment Benefit Related Schedules:

Changes in Total OPEB Liability, Related Ratios, and Notes

- Budgetary Comparison Schedules:

General Fund
Regional Rail Authority Fund
Metro Gold Line Fund

- Pension Related Schedules:

Proportionate Share of Net Pension Liability
Contributions

- Notes to the Required Supplementary Information

Washington County, Minnesota

Schedule of Changes in the Total OPEB Liability, Related Ratios, and Notes
Last Ten Fiscal Years

	Measurement Date January 1, 2020	Measurement Date January 1, 2019	Measurement Date January 1, 2018
Total OPEB Liability			
Service Cost	\$ 2,373,290	\$ 2,502,766	\$ 2,045,750
Interest	4,868,170	4,533,431	4,737,191
Differences between expected and actual economic experience	5,503,691	-	-
Changes of Assumptions	13,595,467	(7,971,384)	9,825,777
Benefit Payments	(4,764,951)	(4,594,000)	(4,285,587)
Net Change in Total OPEB Liability	21,575,667	(5,529,187)	12,323,131
Total OPEB Liability - Beginning	\$ 131,226,709	\$ 136,755,896	\$ 124,432,765
Total OPEB Liability - Ending	\$ 152,802,376	\$ 131,226,709	\$ 136,755,896
Covered-Employee Payroll	\$ 89,981,126	\$ 84,313,565	\$ 78,550,599
County's OPEB Liability as a Percentage of Covered-Employee Payroll	169.8%	155.6%	174.1%

NOTE 1: The County implemented GASB Statement No. 75 in fiscal year 2018, and the above table will be expanded to 10 years of information as the information becomes available.

NOTE 2: No assets are accumulated in a trust.

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

Washington County, Minnesota

Budgetary Comparison Schedule General Fund Year Ended December 31, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 106,008,465	\$ 106,008,465	\$ 105,561,629	\$ (446,836)
Special Assessments	-	-	288,646	288,646
Licenses and Permits	5,222,300	5,222,300	4,238,616	(983,684)
Intergovernmental	56,220,635	59,289,135	95,604,822	36,315,687
Charges for Services	16,035,100	16,070,900	16,310,094	239,194
Fines and Forfeits	303,600	307,100	273,862	(33,238)
Interest on Investments	4,161,700	4,161,700	14,617,575	10,455,875
Miscellaneous	10,813,300	11,329,900	11,585,369	255,469
Total Revenues	198,765,100	202,389,500	248,480,613	46,091,113
Expenditures				
Current				
General Government				
Assessment, Taxation and Elections	11,322,400	11,647,100	11,299,089	348,011
Administration	2,414,700	2,414,700	2,291,136	123,564
County Attorney	7,280,400	7,280,400	7,195,664	84,736
Commissioners	558,200	558,200	163,420	394,780
Facilities	8,100,100	8,117,000	8,036,238	80,762
Financial Services	2,567,100	2,658,900	2,241,276	417,624
General Operation	5,910,600	6,110,500	6,240,943	(130,443)
Human Resources	2,148,600	2,107,700	1,794,707	312,993
Information Technologies	8,551,500	8,705,500	7,647,656	1,057,844
Internal Auditor	73,300	73,300	73,213	87
Law Library	309,900	309,900	250,929	58,971
Mission Directed Budget Program	-	985,950	858,566	127,384
Surveyor	1,152,000	1,152,000	1,162,030	(10,030)
Veteran's Services	402,400	402,400	396,058	6,342
Total General Government	50,791,200	52,523,550	49,650,925	2,872,625
Public Safety				
Sheriff	37,239,300	38,030,500	26,899,822	11,130,678
Community Corrections	12,386,400	12,317,100	11,342,508	974,592
Other Public Safety	1,614,500	1,401,100	1,338,109	62,991
Total Public Safety	51,240,200	51,748,700	39,580,439	12,168,261
Highway and Streets				
Administration	2,117,300	2,117,300	2,178,046	(60,746)
Engineering	3,395,100	3,395,100	3,264,527	130,573
Maintenance	3,083,300	3,783,300	3,302,922	480,378
Equipment and Maintenance Shops	2,569,700	2,483,300	2,110,071	373,229
Transportation Planning Unit	507,400	507,400	426,179	81,221
Traffic	1,540,900	1,540,400	1,473,970	66,430
Work for Others	230,000	230,000	344,215	(114,215)
Total Highways and Streets	13,443,700	14,056,800	13,099,930	956,870

Continued on next page

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

Washington County, Minnesota

Budgetary Comparison Schedule (Continued)
General Fund
Year Ended December 31, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Health and Human Services				
Public Health and Environment	\$ 18,653,600	\$ 19,729,200	\$ 17,080,328	\$ 2,648,872
Emergency Operations	-	600,000	32,076,041	(31,476,041)
Social Services	32,388,700	33,425,600	29,742,741	3,682,859
Workforce Center	2,773,700	2,773,700	2,747,091	26,609
Economic Support	10,927,300	10,927,300	10,343,916	583,384
Community Services Administration	4,759,000	4,739,600	4,578,971	160,629
Total Health and Human Services	69,502,300	72,195,400	96,569,088	(24,373,688)
Culture and Recreation				
Parks	3,973,900	4,069,400	3,120,592	948,808
County/Regional Library	8,595,900	8,604,800	7,861,689	743,111
Total Culture and Recreation	12,569,800	12,674,200	10,982,281	1,691,919
Conservation of Natural Resources				
County Extension	203,000	203,000	199,381	3,619
Total Conservation of Natural Resources	203,000	203,000	199,381	3,619
Debt Service				
Principal	-	-	257,022	(257,022)
Total Debt Service	-	-	257,022	(257,022)
Total Expenditures	197,750,200	203,401,650	210,339,066	(6,937,416)
Excess of Revenues Over (Under) Expenditures	1,014,900	(1,012,150)	38,141,547	39,153,697
Other Financing Sources (Uses)				
Transfers In	2,156,900	2,900,600	17,711	(2,882,889)
Transfers Out	(3,013,400)	(3,845,000)	(962,100)	2,882,900
Issuance of Loans	324,000	324,000	318,861	(5,139)
Total Other Financing Sources (Uses)	(532,500)	(620,400)	(625,528)	(5,128)
Net Change in Fund Balance	\$ 482,400	\$ (1,632,550)	37,516,019	\$ 39,148,569
Fund Balance - Beginning of Year			188,150,275	
Fund Balance - End of Year			\$ 225,666,294	

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

Washington County, Minnesota

Budgetary Comparison Schedule
Regional Rail Authority Fund
Year Ended December 31, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 660,000	\$ 660,000	\$ 748,862	\$ 88,862
Licenses and Permits	114,700	114,700	25,315	(89,385)
Intergovernmental	-	-	1,625	1,625
Miscellaneous	-	-	186	186
Total Revenues	774,700	774,700	775,988	1,288
Expenditures				
Current				
General Government	689,000	1,058,300	900,741	157,559
Excess of Revenues Over (Under) Expenditures	85,700	(283,600)	(124,753)	158,847
Other Financing Sources (Uses)				
Transfers In	0	317,000	317,000	-
Net Change in Fund Balance	\$ 85,700	\$ 33,400	192,247	\$ 158,847
Fund Balance - Beginning of Year			1,826,080	
Fund Balance - End of Year			\$ 2,018,327	

Washington County, Minnesota

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

**Budgetary Comparison Schedule
Metro Gold Line Fund
Year Ended December 31, 2020**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 10,000,000	\$ 10,000,000	\$ 10,645,494	\$ 645,494
Intergovernmental	-	-	143,756	143,756
Total Revenues	10,000,000	10,000,000	10,789,250	789,250
Expenditures				
Current				
General Government				
General Government	26,925,300	26,925,300	9,857,467	17,067,833
Excess of Revenues Over (Under) Expenditures	(16,925,300)	(16,925,300)	931,783	17,857,083
Other Financing Sources (Uses)				
Transfers Out	-	(317,000)	(317,000)	-
Net Change in Fund Balance	\$ (16,925,300)	\$ (17,242,300)	614,783	\$ 17,857,083
Fund Balance - Beginning of Year			30,580,335	
Fund Balance - End of Year			\$ 31,195,118	

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

Washington County, Minnesota

**Schedule of Proportionate Share of Net Pension Liability
PERA General Employees Plan,
PERA Police and Fire Plan,
and PERA Correctional Plan
December 31, 2020**

	Measurement Date June 30, 2020	Measurement Date June 30, 2019	Measurement Date June 30, 2018	Measurement Date June 30, 2017	Measurement Date June 30, 2016	Measurement Date June 30, 2015
General Employees Plan						
County's Proportion of the Net Pension Liability	1.024%	0.974%	0.953%	0.960%	0.898%	0.896%
County's Proportionate Share of the Net Pension Liability	\$ 61,375,494	\$ 53,861,336	\$ 52,840,795	\$ 61,260,231	\$ 72,888,787	\$ 46,419,823
State's Proportionate Share of the Net Pension Liability Associated with the County	1,733,195	1,733,195	1,733,195	770,295	951,929	-
County's Proportionate Share of the Net Pension Liability and the State's Related Share of the Net Pension Liability	\$ 63,108,689	\$ 55,594,531	\$ 54,573,990	\$ 62,030,526	\$ 73,840,716	\$ 46,419,823
County's Covered Payroll	\$ 72,927,181	\$ 68,928,226	\$ 64,023,955	\$ 61,819,795	\$ 55,705,850	\$ 54,726,269
County's Proportionate Share of the Net Pension Liability as a Percentage of Its Covered Payroll	84.16%	78.14%	82.53%	99.09%	130.85%	88.20%
Plan Fiduciary Net Position as a Percentage of the total Pension Liability	79.06%	80.23%	79.53%	75.90%	68.90%	78.20%
Police and Fire Plan						
County's Proportion of the Net Pension Liability	0.933%	0.968%	0.922%	0.954%	0.871%	0.879%
County's Proportionate Share of the Net Pension Liability	\$ 12,292,666	\$ 10,304,273	\$ 9,827,570	\$ 12,880,135	\$ 34,954,746	\$ 9,987,497
County's Covered Payroll	\$ 10,525,881	\$ 10,210,558	\$ 9,716,848	\$ 9,795,576	\$ 8,389,874	\$ 8,360,052
County's Proportionate Share of the Net Pension Liability as a Percentage of Its Covered Payroll	116.79%	100.92%	101.14%	131.49%	416.63%	119.47%
Plan Fiduciary Net Position as a Percentage of the total Pension Liability	87.19%	89.26%	88.84%	85.43%	63.90%	86.60%
Correctional Plan						
County's Proportion of the Net Pension Liability	2.613%	2.615%	2.628%	2.650%	2.670%	2.670%
County's Proportionate Share of the Net Pension Liability	\$ 708,929	\$ 362,007	\$ 432,161	\$ 7,552,527	\$ 9,753,884	\$ 412,785
County's Covered Payroll	\$ 5,677,568	\$ 5,575,899	\$ 5,366,457	\$ 5,297,904	\$ 5,039,988	\$ 4,977,788
County's Proportionate Share of the Net Pension Liability as a Percentage of Its Covered Payroll	12.49%	6.49%	8.05%	142.56%	193.53%	8.29%
Plan Fiduciary Net Position as a Percentage of the total Pension Liability	96.67%	98.17%	97.64%	67.89%	58.20%	96.90%

This schedule is intended to reflect ten years of data. Amounts for years prior to 2015 are not available. Additional years will be added as they occur.

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

Washington County, Minnesota

**Schedule of Contributions
PERA General Employees Plan,
PERA Police and Fire Plan,
and PERA Correctional Plan
December 31, 2020**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
General Employees Plan							
Contractually Required Contribution	\$ 5,602,999	\$ 5,338,808	\$ 4,971,715	\$ 4,626,293	\$ 4,325,573	\$ 4,215,086	\$ 3,669,064
Contributions in Relation to the Contractually Required Contribution	<u>(5,602,999)</u>	<u>(5,338,808)</u>	<u>(4,971,715)</u>	<u>(4,626,293)</u>	<u>(4,325,573)</u>	<u>(4,215,086)</u>	<u>(3,669,064)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>						
County's Covered Payroll	\$ 74,706,741	\$ 71,184,143	\$ 66,300,144	\$ 61,684,567	\$ 57,674,263	\$ 56,201,053	\$ 50,607,779
Contributions as a Percentage of Covered Payroll	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.25%
Police and Fire Plan							
Contractually Required Contribution	\$ 1,927,285	\$ 1,758,620	\$ 1,617,808	\$ 1,543,127	\$ 1,463,323	\$ 1,375,775	\$ 1,197,728
Contributions in Relation to the Contractually Required Contribution	<u>(1,927,285)</u>	<u>(1,758,620)</u>	<u>(1,617,808)</u>	<u>(1,543,127)</u>	<u>(1,463,323)</u>	<u>(1,375,775)</u>	<u>(1,197,728)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>						
County's Covered Payroll	\$ 10,888,614	\$ 10,375,338	\$ 9,986,468	\$ 9,525,831	\$ 9,032,862	\$ 8,493,225	\$ 7,828,296
Contributions as a Percentage of Covered Payroll	17.70%	16.95%	16.20%	16.20%	16.20%	16.20%	15.30%
Correctional Plan							
Contractually Required Contribution	\$ 499,150	\$ 490,900	\$ 480,457	\$ 458,216	\$ 440,226	\$ 448,524	\$ 409,289
Contributions in Relation to the Contractually Required Contribution	<u>(499,150)</u>	<u>(490,900)</u>	<u>(480,457)</u>	<u>(458,216)</u>	<u>(440,226)</u>	<u>(448,524)</u>	<u>(409,289)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>						
County's Covered Payroll	\$ 5,704,580	\$ 5,610,284	\$ 5,490,931	\$ 5,237,026	\$ 5,031,510	\$ 5,126,363	\$ 4,677,589
Contributions as a Percentage of Covered Payroll	8.75%	8.75%	8.75%	8.75%	8.75%	8.75%	8.75%

This schedule is intended to reflect ten years of data. Amounts for years prior to 2014 are not available. Additional years will be added as they occur.

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

Washington County, Minnesota

**Notes to the Required Supplementary Information
December 31, 2020**

A. General Budget Policies

The County Board adopts budgets for the General, Special Revenue, Debt Service, and Capital Projects Funds by December 20th of the previous year. The County's budget is appropriated annually by County Board resolution at the fund level, while budgetary controls are maintained at a department level. All budgets are adopted in conformance with generally accepted accounting principles. Each appropriation lapses at the close of the fiscal year to the extent it has not been expended, with the exception of County Board approved capital projects that have not been finalized. Transfers to capital objects are limited to \$10,000 per item or project. Transfers for road and building projects require County Board approval. Expenditures may not exceed budgeted appropriations at the fund level.

Departments may request carry-forward of fund balance from one fiscal year to the next for projects that were started but not completed in the current fiscal year. Any requests for carryover of fund balance for those items with a contractual obligation that was not fulfilled in the current fiscal year must also be forwarded to the County Administrator.

The County Board is responsible for amending budgets during the year to reflect changes in financial condition and in revenue sources.

Supplementary budgetary appropriations were made throughout the year. The net effect of these appropriations is as follows:

General Fund	\$ 5,651,450
Regional Rail Fund	369,300

The budget increases in the General Fund were due to additional expenditures related to grants received mid-year and capital spending for roads, bridges, and parks. The budget increases in the Regional Rail Fund relate to the cost for the TH36 transit study project.

B. Other Postemployment Benefits

Since the most recent GASB 75 valuation, the following assumption changes have been made:

2020 Changes:

- The actuarial cost method changed from using the Entry Age Normal level dollar cost method to the Entry Age Normal level percent of pay cost method due to new GASB 74/75 accounting rules.
- Healthcare trend rates were reset to reflect updated cost increase expectations, including the repeal of the Affordable Care Act's Excise Tax on high-cost health insurance plans.
- Medical per capita claims costs were updated to reflect recent experience and new plan offerings, including an adjustment to reflect age/gender based risk scores published by the Society of Actuaries.
- Mortality and salary increase rates were updated from the rates used in the 7/1/2017 PERA General Employees Plan, 7/1/2017 Police & Fire Plan, and 7/1/2017 PERA Correctional Plan valuations to the rates used in the 7/1/2019 valuations.
- The percent of future non Medicare eligible retirees electing each medical plan changed to reflect recent plan experience.
- The percent of future Medicare eligible retirees electing each medical plan changed to reflect plan experience and a change in plan offerings.
- The inflation assumption was changed from 2.75% to 2.50% based on an updated historical analysis of inflation rates and forward-looking market expectations.

2019 Changes:

- The discount rate changed from 3.31% to 3.71% due to changes in the municipal bond reference index rate.
- There were no changes to plan provisions.

Notes to the Required Supplementary Information
December 31, 2020

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

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

**1. General Employees Fund
2020 Changes:**

Changes in Actuarial Assumptions

- The price inflation assumption was decreased from 2.50% to 2.25%.
- The payroll growth assumption was decreased from 3.25% to 3.00%.
- Assumed salary increase rates were changed as recommended in the June 30, 2019 experience study. The net effect is assumed rates that average 0.25% less than previous rates.
- Assumed rates of retirement were changed as recommended in the June 30, 2019 experience study. The changes result in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements.
- Assumed rates of termination were changed as recommended in the June 30, 2019 experience study. The new rates are based on service and are generally lower than the previous rates for years 2-5 and slightly higher thereafter.
- Assumed rates of disability were changed as recommended in the June 30, 2019 experience study. The change results in fewer predicted disability retirements for males and females.
- The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 General Mortality table, with adjustments. The base mortality table for disabled annuitants was changed from the RP-2014 disabled annuitant mortality table to the PUB-2010 General/Teacher disabled annuitant mortality table, with adjustments.
- The mortality improvement scale was changed from Scale MP-2018 to Scale MP-2019.
- The assumed spouse age difference was changed from two years older for females to one year older.
- The assumed number of married male new retirees electing the 100% Joint & Survivor option changed from 35% to 45%. The assumed number of married female new retirees electing the 100% Joint & Survivor option changed from 15% to 30%. The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.

Changes in Plan Provisions

- Augmentation for current privatized members was reduced to 2.0% for the period July 1, 2020 through December 31, 2023 and 0.0% after. Augmentation was eliminated for privatizations occurring after June 30, 2020.

2019 Changes:

Changes in Actuarial Assumptions

- The mortality projection scale was changed from MP-2017 to MP-2018.

Changes in Plan Provisions

- The employer supplemental contribution was changed prospectively, decreasing from \$31.0 million to \$21.0 million per year. The State's special funding contribution was changed prospectively, requiring \$16.0 million due per year through 2031.

2018 Changes:

Changes in Actuarial Assumptions

- The mortality projection scale was changed from MP-2015 to MP-2017. The assumed benefit increase was changed from 1.00 percent per year through 2044 and 2.50 percent per year thereafter to 1.25 percent per year.

Notes to the Required Supplementary Information
December 31, 2020

**C. Defined Benefit Pension Plans – Changes in Significant Plan Provisions,
Actuarial Methods, and Assumptions (Continued)**

Changes in Plan Provisions

- The augmentation adjustment in early retirement factors is eliminated over a five-year period starting July 1, 2019, resulting in actuarial equivalence after June 30, 2024.
- Interest credited on member contributions decreased from 4.00 percent to 3.00 percent, beginning July 1, 2018.
- Deferred augmentation was changed to 0.00 percent, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Contribution stabilizer provisions were repealed.
- Postretirement benefit increases were changed from 1.00 percent per year with a provision to increase to 2.50 percent upon attainment of 90.00 percent funding ratio to 50.00 percent of the Social Security Cost of Living Adjustment, not less than 1.00 percent and not more than 1.50 percent, beginning January 1, 2019.
- For retirements on or after January 1, 2024, the first benefit increase is delayed until the retiree reaches normal retirement age; does not apply to Rule of 90 retirees, disability benefit recipients, or survivors.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

2017 Changes:

Changes in Actuarial Assumptions

- The combined service annuity (CSA) loads were changed from 0.80 percent for active members and 60.00 percent for vested and non-vested deferred members. The revised CSA load are now 0.00 percent for active member liability, 15.00 percent for vested deferred member liability, and 3.00 percent for non-vested deferred member liability.
- The assumed postretirement benefit increase rate was changed for 1.00 percent per year for all years to 1.00 percent per year through 2044 and 2.50 percent per year thereafter.

Changes in Plan Provisions

- The State's contribution for the Minneapolis Employees Retirement Fund equals \$16,000,000 in 2017 and 2018, and \$6,000,000 thereafter.
- The Employer Supplemental Contribution for the Minneapolis Employees Retirement Fund changed from \$21,000,000 to \$31,000,000 in calendar years 2019 to 2031. The state's contribution changed from \$16,000,000 to \$6,000,000 in calendar years 2019 to 2031.

2016 Changes:

Changes in Actuarial Assumptions

- The assumed postretirement benefit increase rate was changed from 1.00 percent per year through 2035 and 2.50 percent per year thereafter to 1.00 percent per year for all years.
- The assumed investment return was changed from 7.90 percent to 7.50 percent. The single discount rate changed from 7.90 percent to 7.50 percent.
- Other assumptions were changed pursuant to the experience study June 30, 2015. The assumed future salary increases, payroll growth, and inflation were decreased by 0.25 percent to 3.25 percent for payroll growth and 2.50 percent for inflation.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2015 Changes:

Changes in Actuarial Assumptions

- The assumed postretirement benefit increase rate was changed from 1.00 percent per year through 2030 and 2.50 percent per year thereafter to 1.00 percent per year through 2035 and 2.50 percent per year thereafter.

Notes to the Required Supplementary Information
December 31, 2020

**C. Defined Benefit Pension Plans – Changes in Significant Plan Provisions,
Actuarial Methods, and Assumptions (Continued)**

Changes in Plan Provisions:

- On January 1, 2015, the Minneapolis Employees Retirement Fund was merged into the General Employees Fund, which increased the total pension liability by \$1.1 billion and increase the fiduciary plan net position by \$892 million. Upon consolidation, state and employer contributions were revised; the State's contribution of \$6.0 million, which meets the special funding situation definition, was due September 2015.

2. Police and Fire Fund

2020 Changes

Changes in Actuarial Assumptions

- The morality projection scale was changed from MP-2018 to MP-2019.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2019 Changes:

Changes in Actuarial Assumptions

- The morality projection scale was changed from MP-2017 to MP-2018.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2018 Changes:

Changes in Actuarial Assumptions

- The morality projection scale was changed from MP-2016 to MP-2017.

Changes in Plan Provisions

- Postretirement benefit increases were changed to 1.00 percent for all years, with no trigger.
- An end date of July 1, 2048 was added to the existing \$9.0 million state contribution.
- New annual state aid will equal \$4.5 million in fiscal years 2019 and 2020, and \$9.0 million thereafter until the plan reaches 100 percent funding, or July 1, 2048, if earlier.
- Member contributions were changed from 10.80 percent to 11.30 percent of pay, effective January 1, 2019 and 11.80 percent of pay, effective January 1, 2020.
- Employer contributions were changed from 16.20 percent to 16.95 percent of pay, effective January 1, 2019 and 17.70 percent of pay, effective January 1, 2020.
- Interest credited on member contributions decreased from 4.00 percent to 3.00 percent, beginning July 1, 2018.
- Deferred augmentation was changed to 0.00 percent, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

2017 Changes:

Changes in Actuarial Assumptions

- Assumed salary increases were changed as recommended in the June 30, 2016 experience study. The net effect is proposed rates that average 0.34 percent lower than the previous rates.
- Assumed rates of retirement were changed, resulting in fewer retirements.
- The combined service annuity (CSA) load was 30.00 percent for vested and non-vested, deferred members. The CSA has been changed to 33.00 percent for vested members and 2.00 percent for non-vested members.

Notes to the Required Supplementary Information
December 31, 2020

**C. Defined Benefit Pension Plans – Changes in Significant Plan Provisions,
Actuarial Methods, and Assumptions (Continued)**

- The base mortality table for healthy annuitants was changed from the RP-2000 fully generational table to the RP-2014 fully generational table (with a base year of 2006), with male rates adjusted by a factor of 0.96. The mortality improvement scale was changed from Scale AA to Scale MP-2016. The base mortality table for disabled annuitants was changed from the RP-2000 disabled mortality table to the mortality tables assumed for healthy retirees.
- Assumed termination rates were decreased to 3.00 percent for the first three years of service. Rates beyond the select period of three years were adjusted, resulting in more expected terminations overall.
- Assumed percentage of married female members was decreased from 65.00 percent to 60.00 percent.
- Assumed age difference was changed from separate assumptions for male members (wives assumed to be three years younger) and female members (husbands assumed to be four years older) to the assumption that males are two years older than females.
- The assumed percentage of female members electing joint and survivor annuities was increased.
- The assumed postretirement benefit increase rate was changed from 1.00 percent for all years to 1.00 percent per year through 2064 and 2.50 percent thereafter.
- The single discount rate was changed from 5.60 percent per annum to 7.50 percent per annum.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2016 Changes:

Changes in Actuarial Assumptions

- The assumed postretirement benefit increase rate was changed from 1.00 percent per year through 2037 and 2.50 percent per year thereafter to 1.00 percent per year for all future years.
- The assumed investment return was changed from 7.90 percent to 7.50 percent.
- The single discount rate changed from 7.90 percent to 5.60 percent.
- The assumed future salary increases, payroll growth, and inflation were decreased by 0.25 percent to 3.25 percent for payroll growth and 2.50 percent for inflation.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2015 Changes:

Changes in Actuarial Assumptions

- The assumed postretirement benefit increase rate was changed from 1.00 percent per year through 2030 and 2.50 percent per year thereafter to 1.00 percent per year through 2037 and 2.50 percent per year thereafter.

Changes in Plan Provisions:

- The postretirement benefit increase to be paid after the attainment of the 90.00 percent funding threshold was changed from inflation up to 2.50 percent, to a fixed rate of 2.50 percent.

Notes to the Required Supplementary Information
December 31, 2020

**C. Defined Benefit Pension Plans – Changes in Significant Plan Provisions,
Actuarial Methods, and Assumptions (Continued)**

3. Correctional Fund

2020 Changes:

Changes in Actuarial Assumptions

- The morality projection scale was changed from MP-2018 to MP-2019.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2019 Changes:

Changes in Actuarial Assumptions

- The morality projection scale was changed from MP-2017 to MP-2018.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2018 Changes:

Changes in Actuarial Assumptions

- The single discount rate was changed from 5.96 percent per annum to 7.50 percent per annum.
- The morality projection scale was changed from MP-2016 to MP-2017.
- The assumed post-retirement benefit increase was changed from 2.50 percent per year to 2.00 percent per year.

Changes in Plan Provisions

- The augmentation adjustment in early retirement factors is eliminated over a five-year period starting July 1, 2019, resulting in actuarial equivalence after June 30, 2024.
- Interest credited on member contributions decreased from 4.00 percent to 3.00 percent, beginning July 1, 2018.
- Deferred augmentation was changed to 0.00 percent, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Postretirement benefit increases were changed from 2.50 percent per year with a provision to reduce to 1.00 percent if the funding status declines to a certain level, to 100 percent of the Social Security Cost of Living Adjustment, not less than 1.00 percent and not more than 2.50 percent, beginning January 1, 2019. If the funding status declines to 85.00 percent for two consecutive years or 80.00 percent for one year, the maximum increase will be lowered to 1.50 percent.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

2017 Changes:

Changes in Actuarial Assumptions

- The base mortality table for healthy annuitants was changed from the RP-2000 fully generational table to the RP-2014 fully generational table (with a base year of 2006), with male rates adjusted by a factor of 0.96. The mortality improvement scale was changed from Scale AA to Scale MP-2016, and is applied to healthy and disabled members. The base mortality table for disabled annuitants was changed from the RP-2000 disabled mortality table to the RP-2014 disabled annuitant mortality table (with future mortality improvement according to MP-2016).
- The combined service annuity (CSA) load was 30.00 percent for vested and non-vested, deferred members. The CSA has been changed to 35.00 percent for vested members and 1.00 percent for non-vested members.
- The single discount rate was changed from 5.31 percent per annum to 5.96 percent per annum.

Washington County, Minnesota

**Notes to the Required Supplementary Information
December 31, 2020**

**C. Defined Benefit Pension Plans – Changes in Significant Plan Provisions,
Actuarial Methods, and Assumptions (Continued)**

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2016 Changes:

Changes in Actuarial Assumptions

- The assumed investment return was changed from 7.90 percent to 7.50 percent. The single discount rate changed from 7.90 percent to 5.31 percent.
- The assumed future salary increases, payroll growth, and inflation were decreased by 0.25 percent to 3.25 percent for payroll growth and 2.5 percent for inflation.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2015 Changes:

Changes in Actuarial Assumptions

- There have been no changes since the prior valuation.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

D. Excess of Expenditures over Appropriations

For the year ended December 31, 2020, Emergency Operations expenses exceeded appropriations in the General Fund \$31,476,041, due to the costs of response to COVID-19. Costs related to the response were tracked countywide, and due to the overarching public health nature, were reported as part of Emergency Operations as a part of Health and Human Services. Expenditures from remote work adaptations, contract tracing, immunizations, food support, housing support, and others were incurred to address the impacts of COVID-19 on the County. While the re-direction of the various efforts resulted in some cost savings in a number of areas and programs, the overall impact was total expenditures exceeding appropriations by \$6,937,416.

Washington County, Minnesota

Reader's Notes:

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WASHINGTON COUNTY

**Supplementary
Information**



SUPPLEMENTARY INFORMATION

- Budgetary Comparison Schedules:
 - Debt Service Fund
 - Capital Projects Fund
- Combining Statement of Fiduciary Net Position
- Combining Statement of Changes in Fiduciary Net Position

Washington County, Minnesota

Budgetary Comparison Schedule
Debt Service Fund
Year Ended December 31, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 16,437,200	\$ 16,437,200	\$ 16,437,200	\$ -
Interest on Investments	-	-	2,888	2,888
Total Revenues	16,437,200	16,437,200	16,440,088	2,888
Expenditures				
Debt Service				
Principal	11,430,000	11,430,000	13,700,000	(2,270,000)
Interest	4,480,800	4,480,800	4,705,763	(224,963)
Bond Issuance Costs	-	-	56,790	(56,790)
Administrative (Fiscal) Charges	5,500	5,500	13,195	(7,695)
Total Debt Service	15,916,300	15,916,300	18,475,748	(2,559,448)
Total Expenditures	15,916,300	15,916,300	18,475,748	(2,559,448)
Excess of Revenues Over (Under) Expenditures	520,900	520,900	(2,035,660)	(2,556,560)
Other Financing Sources (Uses)				
Proceeds from Sale of Refunding Bonds	-	-	8,790,000	8,790,000
Payment to Refunded Bond Escrow Agent	-	-	(8,730,000)	(8,730,000)
Total Other Financing Sources (Uses)	-	-	60,000	60,000
Net Change in Fund Balance	\$ 520,900	\$ 520,900	(1,975,660)	\$ (2,496,560)
Fund Balance - Beginning of Year			15,303,045	
Fund Balance - End of Year			\$ 13,327,385	

Washington County, Minnesota

Budgetary Comparison Schedule
 Capital Projects Fund
 Year Ended December 31, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 8,516,000	\$ 8,742,100	\$ 8,616,926	\$ (125,174)
Intergovernmental	26,835,200	33,241,900	17,704,943	(15,536,957)
Charges for Services	-	1,523,300	14,139,062	12,615,762
Interest on Investments	-	-	156,597	156,597
Miscellaneous	25,000	25,000	654,910	629,910
Total Revenues	35,376,200	43,532,300	41,272,438	(2,259,862)
Expenditures				
Current				
Capital Outlay				
General Government	5,851,000	15,195,500	19,965,559	(4,770,059)
Highways and Streets	32,020,200	43,525,900	40,064,369	3,461,531
Total Capital Outlay	37,871,200	58,721,400	60,029,928	(1,308,528)
Debt Service				
Administrative (Fiscal) Charges	-	-	3,100	(3,100)
Total Expenditures	37,871,200	58,721,400	60,033,028	(1,311,628)
Excess of Revenues Over (Under) Expenditures	(2,495,000)	(15,189,100)	(18,760,590)	(3,571,490)
Other Financing Sources (Uses)				
Transfers In	906,600	1,012,200	962,100	(50,100)
Transfers Out	(50,000)	(67,700)	(17,711)	49,989
Total Other Financing	856,600	944,500	944,389	(111)
Total Other Financing Sources (Uses)	856,600	944,500	944,389	(111)
Net Change in Fund Balance	\$ (1,638,400)	\$ (14,244,600)	(17,816,201)	\$ (3,571,601)
Fund Balance - Beginning of Year			36,593,136	
Fund Balance - End of Year			\$ 18,776,935	

Washington County, Minnesota

Custodial Funds

Sheriff's Inmate Account

The Inmate-Sheriff's Account is used to account for the collection and payment of funds related to county inmates.

Gold Line Joint Powers Board

The Gold Line Joint Powers Board Fund is used to account for the collection and payment of funds related to Gold Line Joint Powers Board, funding the METRO Gold Line BRT project.

Sheriff Forfeiture Fund

The Sheriff's Forfeiture Fund is used to maintain compliance with State guidelines regarding the proper handling of seized currency. The State of Minnesota Drug-Gang Oversight Council provides guidelines and procedures for local law enforcement whereas Washington County deposits and retains these funds until such time as a ruling is made by the courts.

Red Rock Corridor

The County's Regional Rail Authority, which is a blended component unit, acts as fiscal agent for the Red Rock Corridor Commission. This fund is used to account for the collection and payment of funds for the commission.

Medical Assistance Estate Recovery

The Medical Assistance Estate Recovery Fund is used to account for funds collected from estates to repay Medical Assistance costs of diseased residents. These amounts reflected will be remitted to the State.

Other Custodial

The Other Custodial Fund is used to account for the collection and payment of funds of various other entities.

Taxes and Penalties

The Taxes and Penalties Fund is used to account for the collection of taxes and penalties and their payment to various taxing districts.

Metropolitan Emergency Services Board (MESB)

The MESB Fund is used to account for the collection and payment of funds relating to the Metropolitan Emergency Services Board.

Washington County, Minnesota

Washington County, Minnesota
 Combining Statement of Fiduciary Net Position
 Fiduciary Funds - Custodial Funds December 31, 2020

	Custodial Funds							Total Custodial Funds	
	Sheriff's Inmate Account	Gold Line Joint Powers	Sheriff Forfeiture Fund	Red Rock Corridor	Medical Assistance Estate Recovery	Other Custodial	Taxes and Penalties		MESB Funds
ASSETS									
Cash and Pooled Investments	\$ 52,183	\$ 913,840	\$ 118,428	\$ 88,906	\$ 436,776	\$ -	\$ 1,013,515	\$1,162,533	\$ 3,786,181
Accounts Receivable	-	83,824	-	-	-	403,327	-	42,453	529,604
Due from Other Governments	-	-	-	-	-	-	-	63,226	63,226
Taxes Receivable	-	-	-	-	-	-	2,877,749	-	2,877,749
Total Assets	<u>52,183</u>	<u>997,664</u>	<u>118,428</u>	<u>88,906</u>	<u>436,776</u>	<u>403,327</u>	<u>3,891,264</u>	<u>1,268,212</u>	<u>7,256,760</u>
LIABILITIES									
Accounts Payable	-	6,025	-	19	436,776	-	128	8,955	451,903
Funds Held in Trust	-	-	-	-	-	-	82,962	188,742	271,704
Due to Other Governments	-	-	-	-	-	33,943	-	-	33,943
Total Liabilities	<u>-</u>	<u>6,025</u>	<u>-</u>	<u>19</u>	<u>436,776</u>	<u>33,943</u>	<u>83,090</u>	<u>197,697</u>	<u>757,550</u>
DEFERRED INFLOWS OF RESOURCES									
Taxes Collected in Advance of Levy	-	-	-	-	-	-	930,425	-	930,425
NET POSITION									
Restricted for:									
Individuals, Organizations, and									
Other Governments	<u>\$ 52,183</u>	<u>\$ 991,639</u>	<u>\$ 118,428</u>	<u>\$ 88,887</u>	<u>\$ -</u>	<u>\$ 369,384</u>	<u>\$ 2,877,749</u>	<u>\$ 1,070,515</u>	<u>\$ 5,568,785</u>

Washington County, Minnesota

Combining Statement of Changes in Fiduciary Net Position Fiduciary Funds - Other Custodial Funds
Fiduciary Funds - Custodial Funds December 31, 2020

	Custodial Funds								Total Custodial Funds
	Sheriff's Inmate Account	Gold Line Joint Powers	Sheriff Forfeiture Fund	Red Rock Corridor	Medical Assistance Estate Recovery	Other Custodial	Taxes and Penalties	MESB Funds	
	ADDITIONS								
Contributions:									
Individuals	\$ 589,744	\$ -	\$ -	\$ -	\$ 935,946	\$ -	\$ -	\$ -	\$ 1,525,690
Property Tax Collections for Other Governments	-	-	-	-	-	-	409,564,501	-	409,564,501
Special Assessments	-	-	-	-	-	-	-	1,283,812	1,283,812
License and Fees Collected for State	-	-	-	-	-	47,911,322	-	-	47,911,322
Intergovernmental Revenue	-	17,967,515	-	-	-	-	-	1,129,488	19,097,003
Fines & Forfeitures	-	-	47,263	-	-	-	-	-	47,263
Interest Earnings	-	-	-	1,134	-	-	-	23,079	24,213
Miscellaneous	-	-	-	-	-	-	-	8,384	8,384
Total Additions	589,744	17,967,515	47,263	1,134	935,946	47,911,322	409,564,501	2,444,763	479,462,188
DEDUCTIONS									
Beneficiary Payments to individuals	584,908	-	-	-	-	-	-	-	584,908
Administrative Expense	-	-	-	-	-	-	-	1,053,084	1,053,084
Payments to State	-	-	-	-	935,946	47,909,973	-	-	48,845,919
Operating Expense	-	17,675,494	10,397	925	-	-	-	1,319,444	19,006,260
Property Tax Payments to Other Governments	-	-	-	-	-	-	409,044,011	-	409,044,011
Total Deductions	584,908	17,675,494	10,397	925	935,946	47,909,973	409,044,011	2,372,528	478,534,182
NET INCREASE (DECREASE)									
IN FIDUCIARY NET POSITION	4,836	292,021	36,866	209	-	1,349	520,490	72,235	928,006
Fiduciary Net Position - Beginning of Year	47,347	699,618	81,562	88,678	-	368,035	2,357,259	998,280	4,640,779
FIDUCIARY NET POSITION - END OF YEAR	\$ 52,183	\$ 991,639	\$ 118,428	\$ 88,887	\$ -	\$ 369,384	\$ 2,877,749	\$ 1,070,515	\$ 5,568,785

Washington County, Minnesota

Reader's Notes:

WASHINGTON COUNTY

Capital Assets



CAPITAL ASSETS

- Capital Assets Used in the Operation of Governmental Funds:

Comparative Schedule by Source
Schedule by Function and Activity
Schedule of Changes by Function and Activity

Washington County, Minnesota

**Capital Assets Used in the Operation of Governmental Funds
Comparative Schedule by Source
December 31, 2020 and 2019**

Governmental Funds Capital Assets	<u>2019</u>	<u>2020</u>	<u>% Change</u>
Land and Works of Art	\$ 101,321,896	\$ 107,564,009	6.2%
Land Improvements	18,763,140	18,763,140	0.0%
Buildings and Structures	219,502,361	234,537,461	6.8%
Machinery and Equipment	57,406,863	60,514,068	5.4%
Infrastructure	473,258,215	493,744,101	4.3%
Construction in Progress	21,531,956	30,107,853	39.8%
Total	<u>\$ 891,784,431</u>	<u>\$ 945,230,632</u>	<u>6.0%</u>

Investments in Capital Assets By Fund Type

General Fund (GFG)	\$ 835,838,388	\$ 891,034,032	6.6%
Special Revenue Fund (SRF)	10,285,432	10,285,432	0.0%
Capital Projects Fund (CPF)	45,660,611	43,911,168	-3.8%
Total Investments in Capital Assets	<u>\$ 891,784,431</u>	<u>\$ 945,230,632</u>	<u>6.0%</u>

Washington County, Minnesota

Capital Assets Used in the Operation of Governmental Funds Schedule by Function and Activity December 31, 2020

Department	Total	Land and Works of Art	Land Improvements	Buildings and Structures	Machinery and Equipment	Infrastructure	Construction In Progress
General Government:							
Accounting & Finance	\$ 2,692,202	\$ -	\$ -	\$ -	\$ 2,692,202	\$ -	\$ -
Administration	176,927	-	-	-	176,927	-	-
Attorney	176,954	-	-	-	176,954	-	-
Property Records & Taxpayer Services	2,925,742	-	61,425	1,223,764	1,640,553	-	-
Building Maintenance	88,704,240	-	2,290,694	84,714,502	452,743	1,246,301	-
Commissioners	35,200	35,200	-	-	-	-	-
Court Administration	343,001	-	-	137,959	205,042	-	-
General Operations	67,281,041	6,267,945	922,781	54,531,330	2,836,970	-	2,722,015
Historic Courthouse	1,874,447	243,914	301,392	1,299,586	29,555	-	-
Human Resources	1,404,442	-	-	-	1,404,442	-	-
Information Technology	7,322,543	-	-	-	5,732,821	1,589,722	-
Law Library	48,793	-	-	-	48,793	-	-
Recorder	703,032	-	-	-	703,032	-	-
Surveyor	292,596	-	-	-	292,596	-	-
Veterans Services	5,000	-	-	-	5,000	-	-
Total General Government	173,986,160	6,547,059	3,576,292	141,907,141	16,397,630	2,836,023	2,722,015
Public Safety:							
Community Corrections	2,236,990	-	-	1,468,847	768,143	-	-
Sheriff	64,113,283	1,543,256	4,971,614	32,481,424	25,116,989	-	-
Total Public Safety	66,350,273	1,543,256	4,971,614	33,950,271	25,885,132	-	-
Highways and Streets:							
Administration	26,892,158	3,949,806	1,210,510	20,934,843	283,562	513,437	-
Equipment	12,941,958	-	-	-	12,941,958	-	-
Infrastructure	546,976,955	40,944,302	13,000	4,000	-	483,777,565	22,238,088
Total Highways and Streets	586,811,071	44,894,108	1,223,510	20,938,843	13,225,520	484,291,002	22,238,088
Health and Welfare:							
Public Health and Environment	809,414	203,200	-	91,978	514,236	-	-
Social Services	465,407	-	-	-	465,407	-	-
Workforce Center	195,313	-	-	-	195,313	-	-
Total Health and Welfare	1,470,134	203,200	-	91,978	1,174,956	-	-
Culture and Recreation:							
Library	22,448,328	569,182	434,812	20,131,226	1,313,108	-	-
Parks	94,153,266	53,807,204	8,556,912	17,518,002	2,506,322	6,617,076	5,147,750
Total Culture and Recreation	116,601,594	54,376,386	8,991,724	37,649,228	3,819,430	6,617,076	5,147,750
Conservation of Natural Resources:							
Agriculture Extension	11,400	-	-	-	11,400	-	-
Total Capital Assets	\$ 945,230,632	\$ 107,564,009	\$ 18,763,140	\$ 234,537,461	\$ 60,514,068	\$ 493,744,101	\$ 30,107,853

Washington County, Minnesota

Capital Assets Used in the Operation of Governmental Funds
 Schedule of Changes by Function and Activity
 Year Ended December 31, 2020

	Balance January 1	*Interdepartmental Transfers	Additions	Deletions	Balance December 31
General Government:					
Accounting & Finance	\$ 2,353,999	\$ -	\$ 338,203	\$ -	\$ 2,692,202
Administration	176,927	-	-	-	176,927
Attorney	176,954	-	-	-	176,954
Property Records & Taxpayer Services	2,918,230	-	7,512	-	2,925,742
Building Maintenance	88,704,240	-	-	-	88,704,240
Commissioners	35,200	-	-	-	35,200
Court Administration	343,001	-	-	-	343,001
General Operations	68,127,589	-	875,073	(1,721,621)	67,281,041
Historic Courthouse	1,874,447	-	-	-	1,874,447
Human Resources	23,173	-	1,391,507	(10,238)	1,404,442
Information Technology	7,416,480	-	-	(93,937)	7,322,543
Law Library	48,793	-	-	-	48,793
Recorder	667,645	-	35,387	-	703,032
Surveyor	292,596	-	-	-	292,596
Veteran Services	5,000	-	-	-	5,000
Total General Government	173,164,274	-	2,647,682	(1,825,796)	173,986,160
Public Safety:					
Community Corrections	2,298,556	-	16,752	(78,318)	2,236,990
Sheriff	63,606,424	-	1,084,312	(577,453)	64,113,283
Total Public Safety	65,904,980	-	1,101,064	(655,771)	66,350,273
Highways and Streets:					
Administration	26,880,519	-	11,639	-	26,892,158
Equipment	12,145,914	10,804	907,729	(122,489)	12,941,958
Infrastructure	509,767,388	-	53,607,778	(16,398,211)	546,976,955
Total Highways and Streets	548,793,821	10,804	54,527,146	(16,520,700)	586,811,071
Health and Welfare:					
Public Health and Environment	811,510	-	17,054	(19,150)	809,414
Social Services	358,968	-	106,439	-	465,407
Workforce Center	195,313	-	-	-	195,313
Total Health and Welfare	1,365,791	-	123,493	(19,150)	1,470,134
Culture and Recreation:					
Library	17,971,647	-	12,730,371	(8,253,690)	22,448,328
Parks	84,572,518	(10,804)	22,399,067	(12,807,515)	94,153,266
Total Culture and Recreation	102,544,165	(10,804)	35,129,438	(21,061,205)	116,601,594
Conversation of Natural Resources:					
Agriculture Extension	11,400	-	-	-	11,400
Total Governmental Funds Capital Assets	\$ 891,784,431	\$ -	\$ 93,528,823	\$ (40,082,622)	\$ 945,230,632

* Interdepartmental transfers represent transfers of assets among departments with no overall effect in the total balances.

Washington County, Minnesota

Reader's Notes:

WASHINGTON COUNTY

**Governmental
Revenue
Schedules**



GOVERNMENTAL REVENUE SCHEDULES

- Schedule of Intergovernmental Revenue
- Schedule of Expenditures of Federal Awards

Washington County, Minnesota

Schedule of Intergovernmental Revenue
Year Ended December 31, 2020

	General Fund	Regional Rail Authority	Metro Gold Line Fund	Capital Project Fund	Total All Funds
Shared Revenues					
State					
Disparity Reduction Aid	\$ 363	\$ -	\$ -	\$ -	\$ 363
Highway Users Tax	5,992,815	-	-	11,800,757	17,793,572
County Program Aid	10,993,004	-	-	-	10,993,004
Market Value Credit - Real	106,884	-	-	-	106,884
Local Performance Aid	25,000	-	-	-	25,000
PERA Rate Increase Aid	330,686	530	444	-	331,660
State Police Aid	1,041,189	-	-	-	1,041,189
County Aquatic ISP Aid	135,414	-	-	-	135,414
Out of Home Placement Aid	37,806	-	-	-	37,806
Riparian Aid	40,000	-	-	-	40,000
E-911	375,064	-	-	-	375,064
Total Shared Revenues	19,078,225	530	444	11,800,757	30,879,956
Reimbursement for Services					
State					
Minnesota Dept. of Human Services	6,349,064	-	-	-	6,349,064
Total Reimbursements for Services	6,349,064	-	-	-	6,349,064
State Grants					
Minnesota Department of					
Agriculture	13,869	-	-	-	13,869
Commerce Department	41,863	-	-	-	41,863
Corrections	2,674,552	-	-	-	2,674,552
Environmental Assistance	1,482,862	-	-	-	1,482,862
MN Management and Budget	5,161,567	-	-	-	5,161,567
Housing Finance Agency	280,339	-	-	-	280,339
Health	1,562,547	-	-	-	1,562,547
Secretary of State	411,775	-	-	-	411,775
Human Services	7,338,633	-	-	-	7,338,633
Natural Resources	158,420	-	-	309,507	467,927
Peace Officers (POST)	108,205	-	-	-	108,205
Public Safety	364,069	-	-	8,000	372,069
Trade and Economic Development	637,040	-	-	-	637,040
Pollution Control Agency	20,174	-	-	-	20,174
Transportation	-	-	-	1,081,000	1,081,000
Veteran's Affairs	15,039	-	-	-	15,039
Water and Soil Resources	134,044	-	-	-	134,044
Total State	20,404,998	-	-	1,398,507	21,803,505
Federal Grants					
Federal Department of					
Agriculture	1,682,570	-	-	-	1,682,570
Housing and Development	160,896	-	-	-	160,896
Justice	304,349	-	-	-	304,349
Labor	528,510	-	-	-	528,510
Transportation	351,599	-	-	187,686	539,285
Treasury	32,995,794	-	-	-	32,995,794
Education	2,100	-	-	-	2,100
Health and Human Services	11,875,286	-	-	-	11,875,286
Executive Office of the President	150,949	-	-	-	150,949
Homeland Security	420,818	-	-	-	420,818
Total Federal	48,472,871	-	-	187,686	48,660,557
Local					
Metropolitan Council / MELSA	591,368	-	-	4,297,993	4,889,361
Miscellaneous Agencies	40,744	-	143,312	20,000	204,056
Total Local	632,112	-	143,312	4,317,993	5,093,417
Total Grants	69,509,981	-	143,312	5,904,186	75,557,479
Payments in Lieu of Taxes	667,552	1,095	-	-	668,647
Total Intergovernmental Revenues	\$ 95,604,822	\$ 1,625	\$ 143,756	\$ 17,704,943	\$ 113,455,146

Washington County, Minnesota

**Washington County
Schedule of Expenditures of Federal Awards
for the Year Ended December 31, 2020**

Federal Grantor		Federal		Passed
Pass Through Agency	Pass-Through	CFDA		Through to
Grant Program Title	Grant Numbers	Number	Expenditures	Subrecipients
U.S. Department of Agriculture				
Passed Through Minnesota Department of Health Special Supplemental Nutrition Program for Women, Infants, and Children	192MN004W1003	10.557	\$ 553,511	\$ -
Passed Through Minnesota Department of Human Services State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (Total SNAP Cluster 10.561 \$1,127,814)	192MN101S2514	10.561	1,127,814	-
Passed Through Minnesota Department of Agriculture WIC Farmers' Market Nutrition Program (FMNP)	192MN992Y8604	10.572	1,245	-
Total Department of Agriculture			<u>1,682,570</u>	<u>-</u>
U.S. Department of Housing and Urban Development				
Passed Through Washington County Community Development Agency Community Development Block Grants/Entitlement Grants (Total CDBG - Entitlement Grants Cluster 14.218 \$160,896)	B-19-UC-27-0006	14.218	160,896	-
Total Department of Housing and Urban Development			<u>160,896</u>	<u>-</u>
U.S. Department of Justice				
Passed Through Minnesota Department of Public Safety Crime Victim Assistance	A-CVSP-2020-WASHAO-092	16.575	105,002	-
Direct				
Public Safety Partnership and Community Policing Grants	N/A Direct	16.710	27,171	-
Equitable Sharing Program	N/A Direct	16.922	172,176	-
Total Department of Justice			<u>304,349</u>	<u>-</u>
U.S. Department of Labor				
Passed Through Minnesota Department of Employment and Economic Development				
Senior Community Service Employment Program	7165100	17.235	67,128	-
WIOA Adult Program (Total WIOA Cluster 17.258, 17.259 and 17.278 \$461,382)	5163600	17.258	88,632	-
WIOA Youth Activities (Total WIOA Cluster 17.258, 17.259 and 17.278 \$461,382)	5163600	17.259	104,089	-
WIOA Dislocated Worker Formula Grants (Total WIOA Cluster 17.258, 17.259 and 17.278 \$461,382)	AA332371955A27	17.278	268,661	-
Total Department of Labor			<u>528,510</u>	<u>-</u>
U.S. Department of Transportation				
Passed Through Minnesota Department of Transportation Highway Planning and Construction (Total Highway Planning and Construction Cluster 20.205 \$187,687)	082-596-005,082-613-035	20.205	187,687	-
Passed Through Minnesota Department of Transportation Enhanced Mobility of Seniors and Individuals with Disabilities (Total Transit Services Programs Cluster 20.513 \$103,338)	MN-2017-014	20.513	103,338	-
Passed Through Minnesota Department of Public Safety Alcohol Traffic Safety and Drunk Driving Prevention State and Community Highway Safety (Total Highway Safety Cluster 20.600 and 20.616 \$86,751)	A-ENFRC20-2020-WASHD-029 A-ENFRC21-2021-WASHD-023	20.600	18,402	9,945
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	A-ENFRC20-2020-WASHD-029 A-ENFRC21-2021-WASHD-023	20.608	161,510	41,701
National Priority Safety Programs (Total Highway Safety Cluster 20.600 and 20.616 \$86,751)	A-ENFRC20-2020-WASHD-029 A-ENFRC21-2021-WASHD-023	20.616	68,349	14,740
Total Department of Transportation			<u>539,286</u>	<u>66,386</u>

Continued on Next Page

See notes to Schedule of Expenditures of Federal Awards

Washington County, Minnesota

Schedule of Expenditures of Federal Awards (Continued)
for the Year Ended December 31, 2020

Federal Grantor Pass Through Agency Grant Program Title	Pass-Through Grant Numbers	Federal CFDA Number	Expenditures	Passed Through to Subrecipients
U.S. Department of the Treasury				
Direct				
Equitable Sharing Program	N/A Direct	21.016	\$ 12,343	\$ -
Passed Through Minnesota Department of Management and Budget				
COVID-19 Coronavirus Relief Fund (Total 21.019 \$32,983,451)	SLT0016	21.019	32,282,786	11,142,827
Passed Through Minnesota Department of Health				
COVID-19 Coronavirus Relief Fund (Total 21.019 \$32,983,451)	SLT0016	21.019	262,050	-
Passed Through Catholic Charities				
COVID-19 Coronavirus Relief Fund (Total 21.019 \$32,983,451)	SLT0016	21.019	438,615	-
Total Department of the Treasury			<u>32,995,794</u>	<u>11,142,827</u>
U.S. Department of Education				
Passed Through Minnesota Department of Health				
Special Education - Grants for Infants and Families	HA181A190029	84.181	\$ 2,100	\$ -
Total Department of Education			<u>2,100</u>	<u>-</u>
U.S. Department of Health and Human Services				
Passed Through Minnesota Department of Health				
Public Health Emergency Preparedness	NU90TP922026	93.069	159,711	-
Universal Newborn Hearing Screening	H61MC00035	93.251	3,900	-
Immunization Cooperative Agreements	NH23IP000737	93.268	11,875	-
Early Hearing Detection and Intervention Information System (EHDHS)				
Surveillance Program	NUR3DD000062	93.314	525	-
Temporary Assistance for Needy Families (TANF) (Total TANF 93.558 \$1,526,698)	2001MNTANF	93.558	203,992	-
Maternal, Infant and Early Childhood Home Visiting Grant Program (MIECHV) (Total MIECHV Cluster 93.505 and 93.870 \$352,202)	X10MC32199	93.870	352,202	-
Maternal and Child Health Services Block Grant to the States	B0432551	93.994	144,649	-
Passed Through Minnesota Department of Human Services				
Projects for Assistance in Transition from Homelessness (PATH)	X06SM016024	93.150	75,669	-
Promoting Safe and Stable Families	2001MNPkin	93.556	38,976	-
Temporary Assistance for Needy Families (TANF) (Total TANF Cluster 93.558 \$1,526,698)	2001MNTANF	93.558	1,322,706	-
Child Support Enforcement	2001MNCSES	93.563	2,946,600	-
Community-Based Child Abuse Prevention Grants	1901MNBCAP	93.590	39,525	-
Child Care Mandatory and Matching Funds (Total CCDF Cluster 93.596 \$170,286)	2001MNCDF	93.596	170,286	-
Stephanie Tubbs Jones Child Welfare Services Program	2001MNCWSS	93.645	23,002	-
Foster Care Title IV-E	2001MNFOST	93.658	407,998	-
Social Services Block Grant	2001MNSOSR	93.667	784,657	-
Child Abuse and Neglect State Grants	2001MNCAN	93.669	3,338	-
Chafee Foster Care Independence Program	2001MNCILP	93.674	15,219	-
Medical Assistance Program (Total Medicaid Cluster 93.778 \$5,066,713)	2005MNSADM	93.778	5,066,713	-
Block Grants for Prevention and Treatment of Substance Abuse	B08TI010027/B08TI083047	93.959	1,800	-
Total Department of Health and Human Services			<u>11,773,343</u>	<u>-</u>
Executive Office of the President				
Direct				
High Intensity Drug Trafficking Areas Program	N/A - Direct	95.001	150,949	-
Total Executive Office of the President			<u>150,949</u>	<u>-</u>
U.S. Department of Homeland Security				
Passed Through Minnesota Department of Natural Resources				
Boating Safety Financial Assistance	3319FAS190127	97.012	50,799	-
Passed Through Minnesota Department of Public Safety				
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	PA-05-MN-4442-PW-00631	97.036	51,689	-
Homeland Security Grant Program	A-UASI-2019-WASHCO-013	97.067	229,645	-
Total Department of Homeland Security			<u>332,133</u>	<u>-</u>
Total Cash Type Federal Awards			<u>\$ 48,469,930</u>	<u>\$ 11,209,213</u>

Continued on Next Page

See notes to Schedule of Expenditures of Federal Awards

Washington County, Minnesota

**Schedule of Expenditures of Federal Awards (Continued)
for the Year Ended December 31, 2020**

Federal Grantor Pass Through Agency Grant Program Title	Pass-Through Grant Numbers	Federal CFDA Number	Expenditures	Passed Through to Subrecipients
Clusters of programs are groupings of closely related programs that share common compliance requirements.				
Total expenditures by cluster are:				
Supplemental Nutrition Assistance Program (SNAP) Cluster			\$ 1,127,814	
Community Development Block Grants (CDBG)/Entitlement Grants Cluster			160,896	
Workforce Investment Opportunities Act (WIOA) Cluster			461,382	
Highway Planning and Construction Cluster			187,687	
Transit Services Programs Cluster			103,338	
Highway Safety Cluster			86,751	
Maternal, Infant, and Early Childhood Home Visiting Cluster			352,202	
Childcare and Development Fund (CCDF) Cluster			170,286	
Medicaid Cluster			5,066,713	

Notes:

1. Reporting Entity

The Schedule of Expenditures of Federal Awards presents the federal award programs expended by Washington County excluding the Washington County Community Development Agency. The County's reporting entity is defined in Note 1 to the basic financial statements.

2. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the County under programs of the federal government for the year ended December 31, 2020. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net position, or cash flows of the County.

3. Summary of Significant Accounting Policies

Expenditures reported on the schedule are on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, for all awards with the exception of CFDA 21.019, which follows criteria determined by the Department of Treasury for allowability of costs. Under these principles certain types of expenditures are not allowable or are limited as to reimbursement. The County has elected to not use the 10% de minimus indirect cost rate allowed under the Uniform Guidance.

4. Reconciliation to the Schedule of Intergovernmental Revenues:

Federal Grant Revenues per the Schedule of Intergovernmental Revenue	\$ 48,660,557
Grants received more than 60 days after year end, unavailable in 2020:	
Immunization Cooperative Agreements	6,900
Homeland Security Grant Program	22,664
Grants unavailable in 2019, recognized as revenue in 2020:	
Promoting Safe and Stable Families	(436)
Temporary Assistance for Needy Families (TANF)	(16,990)
Stephanie Tubbs Jones Child Welfare Services Program	(1,307)
Foster Care Title IV-E Program	(69,319)
Chafee Foster Care Independence Program	(6,360)
Maternal and Child Health Services Block Grant to the States	(14,430)
Emergency Management Performance Grants	(111,349)
Expenditures per the Schedule of Expenditures of Federal Awards	<u>\$ 48,469,930</u>

Washington County, Minnesota

Reader's Notes:

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WASHINGTON COUNTY

Statistical Section



STATISTICAL SECTION

- Statistical Section Index
- Net Position by Component
- Changes in Net Position
- Fund Balances of Governmental Funds
- Changes in Fund Balances of Governmental Funds
- Market Value and Tax Capacity of Taxable Property
- Property Tax Rates – Direct and Overlapping Governments
- Principal Property Taxpayers
- Property Tax Levies and Collections
- Ratios of Outstanding Debt by Type
- Ratios of General Bonded Debt Outstanding
- Direct and Overlapping Governmental Activities Debt
- Computation of Legal Debt Limitation
- Demographic and Economic Statistics
- Principal Employers
- Employees by Function
- Operating Indicators by Function
- Capital Asset Statistics by Function

Washington County, Minnesota

Statistical Section Index

	<u>Page</u>
Financial Trends <i>These schedules contain trend data to help the reader understand how the government's financial performance and well-being have changed over time.</i>	107
Revenue Capacity <i>These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.</i>	111
Debt Capacity <i>These schedules present information to help the ready assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.</i>	117
Demographic and Economic Information <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.</i>	121
Operating Information <i>These schedules contain service and infrastructure data to help the reader understand how the information in the financial report relates to the services the government provides and the activities it performs.</i>	124

Washington County, Minnesota

Table 1

**Net Position by Component
Last Ten Fiscal Years
(Accrual Basis of Accounting)**

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Governmental Activities										
Net Investment in Capital Assets	\$ 270,915,340	\$ 277,828,433	\$ 288,512,731	\$ 299,306,065	\$ 335,867,717	\$ 360,876,722	\$ 373,703,127	\$ 396,970,242	\$ 441,545,633	\$ 465,442,708
Restricted	25,892,877	51,725,491	32,723,537	80,700,496	35,599,589	44,572,087	60,043,112	56,814,163	88,219,863	79,760,937
Unrestricted	<u>70,787,886</u>	<u>58,699,573</u>	<u>90,450,705</u>	<u>53,425,232</u>	<u>55,455,284</u>	<u>28,686,647</u>	<u>35,972,130</u>	<u>(41,140,387)</u>	<u>(42,209,111)</u>	<u>(741,889)</u>
Total Governmental Activities Net Position	<u>\$ 367,596,103</u>	<u>\$ 388,253,497</u>	<u>\$ 411,686,973</u>	<u>\$ 433,431,793</u>	<u>\$ 426,922,590</u>	<u>\$ 434,135,456</u>	<u>\$ 469,718,369</u>	<u>\$ 412,644,018</u>	<u>\$ 487,556,385</u>	<u>\$ 544,461,756</u>

Source: Washington County Accounting and Finance Department, prior years' Comprehensive Annual Financial Report and current year government-wide Statement of Net Position.

Table 2

**Changes in Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)**

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Expenses										
Governmental Activities:										
General Government	\$ 42,867,160	\$ 42,768,996	\$ 51,564,315	\$ 44,559,127	\$ 47,017,013	\$ 55,002,909	\$ 59,516,867	\$ 36,860,431	\$ 21,803,552	\$ 36,260,974
Public Safety	34,968,995	37,934,572	37,843,300	38,387,190	40,004,487	49,095,388	45,931,833	44,569,866	47,434,648	36,601,459
Highways and Streets	12,352,763	11,640,654	5,202,170	22,889,381	19,142,890	22,121,135	28,299,033	50,825,645	82,221,937	69,925,992
Human Services	48,232,784	47,988,410	48,400,711	50,329,609	54,021,113	57,758,157	61,637,749	60,810,502	62,361,430	97,675,098
Culture and Recreation	7,729,835	9,456,600	7,883,946	2,457,674	3,935,750	6,137,767	6,098,761	7,033,085	994,660	9,740,150
Conservation of Natural Resources	35,598	42,850	70,125	305,505	162,894	537,621	575,586	354,938	446,336	518,241
Economic Development	734,659	692,598	506,219	501,002	136,164	176,935	-	-	-	-
Interest	5,930,787	6,747,218	6,146,894	5,499,991	6,130,486	6,424,584	4,634,114	3,147,217	3,032,465	3,341,197
Total Governmental Activities Expenses	<u>152,852,581</u>	<u>157,271,898</u>	<u>157,617,680</u>	<u>164,929,479</u>	<u>170,550,797</u>	<u>197,254,496</u>	<u>206,693,943</u>	<u>203,601,684</u>	<u>218,295,028</u>	<u>254,063,111</u>
Total Primary Government Expenses	<u>\$ 152,852,581</u>	<u>\$ 157,271,898</u>	<u>\$ 157,617,680</u>	<u>\$ 164,929,479</u>	<u>\$ 170,550,797</u>	<u>\$ 197,254,496</u>	<u>\$ 206,693,943</u>	<u>\$ 203,601,684</u>	<u>\$ 218,295,028</u>	<u>\$ 254,063,111</u>
Program Revenues										
Governmental Activities:										
Fees, Fines, Charges, and Other										
General Government	\$ 15,959,298	\$ 16,526,528	\$ 17,109,370	\$ 15,393,150	\$ 16,352,719	\$ 18,749,720	\$ 27,185,578	\$ 21,725,129	\$ 41,974,256	\$ 31,447,915
Public Safety	2,748,072	3,241,615	3,004,392	1,981,496	2,185,060	3,152,629	3,121,523	3,044,290	3,425,632	1,504,001
Highways and Streets	-	-	-	-	61,760	-	-	-	-	-
Human Services	-	-	43,400	-	-	-	-	-	-	-
Culture and Recreation	66,803	74,537	69,601	67,852	71,651	71,252	69,997	73,569	75,419	42,319
Operating Grants and Contributions	35,233,662	36,109,114	37,421,634	38,799,033	61,641,977	34,571,660	51,261,327	54,445,861	71,727,125	99,074,060
Capital Grants and Contributions	14,614,262	12,455,162	6,485,181	10,548,205	12,302,421	10,747,375	30,010,513	6,441,239	557,104	6,637,810
Total Governmental Activities Program Revenues	<u>68,622,097</u>	<u>68,406,956</u>	<u>64,133,578</u>	<u>66,789,736</u>	<u>92,615,588</u>	<u>67,292,636</u>	<u>111,648,938</u>	<u>85,730,088</u>	<u>117,759,536</u>	<u>138,706,105</u>
Total Primary Government Program Revenues	<u>\$ 68,622,097</u>	<u>\$ 68,406,956</u>	<u>\$ 64,133,578</u>	<u>\$ 66,789,736</u>	<u>\$ 92,615,588</u>	<u>\$ 67,292,636</u>	<u>\$ 111,648,938</u>	<u>\$ 85,730,088</u>	<u>\$ 117,759,536</u>	<u>\$ 138,706,105</u>
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes	\$ 93,184,861	\$ 95,588,230	\$ 95,578,870	\$ 95,295,140	\$ 98,569,307	\$ 101,495,977	\$ 106,291,250	\$ 112,908,250	\$ 118,926,756	\$ 126,170,144
Mortgage Registry and Deed Tax	227,596	362,651	375,017	314,211	368,986	441,311	462,199	438,592	558,384	731,177
Wheelage Tax	-	-	-	2,134,478	2,238,700	2,199,651	2,233,961	2,431,035	4,562,413	4,500,926
Sales Tax	-	-	-	-	-	-	2,294,693	10,230,308	10,720,638	10,735,494
Grants & Contributions not Restricted for a Particular Purpose	10,678,128	9,485,717	14,856,824	16,003,232	18,143,387	25,995,607	6,736,929	8,274,230	16,563,400	11,794,555
Investment Earnings	1,310,143	3,393,437	5,988,895	4,416,982	2,251,818	5,029,984	10,438,194	1,397,202	21,568,141	14,776,368
Miscellaneous	961,080	761,519	117,972	1,720,520	1,324,909	1,459,296	1,969,146	2,484,295	2,486,902	3,526,437
Gain on Sale of Capital Assets	122,302	-	-	-	-	552,900	201,546	55,963	61,225	27,276
Total Governmental Activities	<u>106,484,110</u>	<u>109,591,554</u>	<u>116,917,578</u>	<u>119,884,563</u>	<u>122,897,107</u>	<u>137,174,726</u>	<u>130,627,918</u>	<u>138,219,875</u>	<u>175,447,859</u>	<u>172,262,377</u>
Total Primary Government	<u>\$ 106,484,110</u>	<u>\$ 109,591,554</u>	<u>\$ 116,917,578</u>	<u>\$ 119,884,563</u>	<u>\$ 122,897,107</u>	<u>\$ 137,174,726</u>	<u>\$ 130,627,918</u>	<u>\$ 138,219,875</u>	<u>\$ 175,447,859</u>	<u>\$ 172,262,377</u>
Change in Net Position - Total Primary Government	<u>\$ 22,253,626</u>	<u>\$ 20,726,612</u>	<u>\$ 23,433,476</u>	<u>\$ 21,744,820</u>	<u>\$ 44,961,898</u>	<u>\$ 7,212,866</u>	<u>\$ 35,582,913</u>	<u>\$ 20,348,279</u>	<u>\$ 74,912,367</u>	<u>\$ 56,905,371</u>

Source: Washington County Accounting and Finance Department, prior years' Comprehensive Annual Financial Report and current year government-wide Statement of Activities.

Washington County, Minnesota

Table 3

Fund Balances of Governmental Funds
Last Ten Fiscal Years
 (Modified Accrual Basis of Accounting)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
General Fund										
Nonspendable	\$ 3,144,021	\$ 3,022,076	\$ 2,755,830	\$ 2,975,831	\$ 9,314,657	\$ 10,540,443	\$ 10,465,589	\$ 11,253,933	\$ 10,110,940	\$ 9,778,827
Restricted (Reserved 2010)	31,078,283	35,108,835	53,395,552	64,648,115	65,342,465	63,724,399	72,815,196	74,750,978	91,388,812	112,473,896
Assigned (Designated 2010)	12,182,064	19,002,151	15,654,649	16,030,225	19,898,602	17,980,227	17,277,974	15,812,868	15,623,260	18,067,227
Unassigned (Undesignated 2010)	<u>55,076,524</u>	<u>57,156,009</u>	<u>55,771,086</u>	<u>57,173,233</u>	<u>51,545,604</u>	<u>58,860,087</u>	<u>60,573,615</u>	<u>61,552,428</u>	<u>71,027,263</u>	<u>85,346,344</u>
Total General Fund	<u>\$ 101,480,892</u>	<u>\$ 114,289,071</u>	<u>\$ 127,577,117</u>	<u>\$ 140,827,404</u>	<u>\$ 146,101,328</u>	<u>\$ 151,105,156</u>	<u>\$ 161,132,374</u>	<u>\$ 163,370,207</u>	<u>\$ 188,150,275</u>	<u>\$ 225,666,294</u>
All Other Government Funds										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,495	\$ 662,201	\$ 961,462	\$ -
Restricted										
Special Revenue Funds	20,400	92,617	92,617	92,617	61,865	61,865	22,246,478	26,321,512	29,680,462	31,195,118
Debt Service Funds	13,539,845	35,790,318	13,082,931	59,652,307	53,671,223	54,090,986	12,525,992	14,260,879	15,303,045	13,327,385
Capital Project Funds	30,011,809	20,581,913	6,112,659	3,772,240	2,658,106	18,109,307	10,466,071	1,171,291	26,552,472	8,878,808
Committed										
Capital Project Funds	-	-	-	-	500,000	500,000	-	-	-	-
Assigned										
Special Revenue Funds	899,558	956,825	909,422	936,247	849,231	1,355,539	1,437,941	1,622,281	1,826,080	2,018,327
Capital Project Funds	<u>3,382,996</u>	<u>5,741,101</u>	<u>7,514,976</u>	<u>2,661,870</u>	<u>14,738,704</u>	<u>7,258,303</u>	<u>9,421,824</u>	<u>7,554,021</u>	<u>9,979,075</u>	<u>9,898,127</u>
	<u>\$ 47,854,608</u>	<u>\$ 63,162,774</u>	<u>\$ 27,712,605</u>	<u>\$ 67,115,281</u>	<u>\$ 72,479,129</u>	<u>\$ 81,376,000</u>	<u>\$ 56,111,801</u>	<u>\$ 51,592,185</u>	<u>\$ 84,302,596</u>	<u>\$ 65,317,765</u>

Source: Washington County Accounting and Finance Department.

**Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years**
(Modified Accrual Basis of Accounting)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues										
Taxes	\$ 94,298,582	\$ 96,502,624	\$ 95,914,265	\$ 98,178,034	\$ 101,306,879	\$ 104,281,459	\$ 111,471,329	\$ 125,889,156	\$ 134,757,330	\$ 142,010,111
Special Assessments	-	-	-	20,435	35,534	99,105	114,767	162,803	146,664	288,646
Licenses and Permits	3,868,240	4,121,501	4,192,039	4,270,301	4,458,106	4,543,640	4,673,770	4,731,513	4,945,232	4,263,931
Intergovernmental	59,766,622	53,155,607	57,283,852	65,048,280	88,742,444	78,600,735	87,885,635	74,338,750	86,488,578	113,455,146
Charges for Services	14,488,228	15,454,741	15,638,752	14,857,495	14,720,253	17,922,789	26,977,588	21,855,830	42,624,823	30,449,156
Fines and Forfeits	417,705	266,438	395,972	292,975	289,104	306,249	393,776	401,370	462,730	273,862
Interest on Investments	1,310,143	3,393,437	5,988,895	4,416,982	2,251,818	5,029,984	10,438,194	1,397,202	21,582,833	14,777,060
Miscellaneous	11,412,958	10,439,190	10,103,082	9,989,797	9,775,376	9,992,986	10,465,891	10,742,810	11,119,828	12,240,465
Total Revenues	185,562,478	183,333,538	189,516,857	197,074,299	221,579,514	220,776,947	252,420,950	239,519,434	302,128,018	317,758,377
Expenditures										
General Government	35,191,718	34,656,825	35,882,500	40,548,616	36,895,242	40,870,481	43,215,122	49,752,217	55,806,380	60,409,133
Public Safety	36,381,265	38,396,811	38,340,161	39,186,886	40,178,346	42,079,961	44,621,029	47,105,533	48,717,173	39,580,439
Highways and Streets	12,345,370	9,007,122	10,136,886	9,844,025	10,606,025	10,703,310	11,474,939	12,402,526	13,161,452	13,099,930
Health and Human Services	48,544,934	48,201,191	48,850,165	49,957,956	53,865,396	56,818,492	60,728,658	61,134,051	63,418,317	96,569,088
Culture and Recreation	10,556,971	10,184,493	8,594,495	9,666,323	10,435,800	10,876,956	10,768,274	11,162,155	11,265,551	10,982,281
Conservation of Natural Resources	34,965	42,217	69,492	304,872	160,968	170,482	168,741	177,993	163,451	199,381
Economic Development	734,659	639,001	505,255	509,882	176,978	181,388	-	-	-	-
Capital Outlay	29,374,494	24,829,336	34,817,201	28,332,624	43,891,100	52,656,963	40,748,515	46,550,046	71,145,597	60,029,928
Debt Service:										
Principal	3,361,540	5,603,270	27,905,000	5,585,000	6,150,284	7,075,948	64,549,863	9,847,229	11,188,226	13,957,022
Interest	5,049,340	6,923,025	6,569,242	5,605,590	6,324,442	6,750,119	8,988,944	3,832,013	3,984,934	4,705,763
Bond Issue Costs	-	-	-	148,237	1,142	183,652	259,632	-	196,504	56,790
Other Charges	127,437	111,392	8,583	3,176	3,875	8,300	2,923	14,400	6,100	16,295
Total Expenditures	181,702,693	178,594,683	211,678,980	189,693,187	208,689,598	228,376,052	285,526,640	241,978,163	279,053,685	299,606,050
Excess of Revenue Over (Under) Expenditures	3,859,785	4,738,855	(22,162,123)	7,381,112	12,889,916	(7,599,105)	(33,105,690)	(2,458,729)	23,074,333	18,152,327
Other Financing Sources (Uses)										
Transfers In	2,402,500	4,412,000	1,009,000	700,504	5,489,100	2,240,105	1,648,200	1,507,500	1,292,300	1,296,811
Transfers Out	(2,402,500)	(4,412,000)	(1,009,000)	(700,504)	(5,489,100)	(2,240,105)	(1,648,200)	(1,507,500)	(1,292,300)	(1,296,811)
Sources from Sale of Assets	-	-	-	-	-	552,900	-	-	-	-
Issuance of Loans	-	-	-	162,048	114,933	367,139	406,845	176,946	282,885	318,861
Issuance of Bonds	40,055,000	-	-	-	4,775,000	20,000,000	-	-	31,315,000	-
Issuance of Refunding Bonds	-	22,475,000	-	39,155,000	-	-	42,380,000	-	-	8,790,000
Payment on Refunded Bonds	-	-	-	-	(7,380,000)	-	-	-	-	(8,730,000)
Premium on Bonds/Notes Issued	1,091,127	1,011,713	-	6,089,724	237,923	579,765	4,345,427	-	2,818,261	-
Payment to Refunded Bond Escrow Agent	-	-	-	-	-	-	(29,263,563)	-	-	-
Discount on Bonds/Notes Issued	(108,549)	(40,005)	-	(134,921)	-	-	-	-	-	-
Total Other Financing Sources (Uses)	41,037,578	23,446,708	-	45,271,851	(2,252,144)	21,499,804	17,868,709	176,946	34,416,146	378,861
Net Change in Fund Balances	\$ 44,897,363	\$ 28,185,563	\$ (22,162,123)	\$ 52,652,963	\$ 10,637,772	\$ 13,900,699	\$ (15,236,981)	\$ (2,281,783)	\$ 57,490,479	\$ 18,531,188
Capital Asset Adjustments *	\$ 37,240,430	\$ 27,505,959	\$ 38,005,721	\$ 33,049,166	\$ 49,617,692	\$ 51,007,089	\$ 37,696,968	\$ 48,149,351	\$ 69,862,133	\$ 54,393,006
Debt Service as a Percentage of Noncapital Expenditures	5.82%	8.29%	19.85%	7.14%	7.84%	7.80%	29.67%	7.06%	7.25%	7.61%

* Debt Service and a Percentage of Noncapital Expenditures is calculated using Capital Asset Adjustments amount from the Reconciliation of the Statement of Revenues, Expenses, and Changes in Fund Balance to the Government-Wide Statement of Activities. See page 30.

Source: Washington County Accounting and Finance Department.

Table 5

**Market Value and Tax Capacity of Taxable Property
Taxable Property (in \$000)
Last Ten Fiscal Years**

Tax Payable Year	Estimated Market Value	Taxable Market Value	Referendum Market Value	Tax Capacity					Total Direct Tax Rate	Direct Referendum Tax Rate	Tax Capacity as a percentage of Estimated Market Value
				Real Property			Personal Property	Total Tax Capacity			
				Residential	Commercial	All Other					
2011	\$ 26,458,948	\$ 25,892,220	\$ 25,103,579	\$ 220,250	\$ 62,464	\$ 8,461	\$ 3,885	\$ 295,060	29.77%	0.0023%	1.12%
2012	25,550,570	23,906,464	24,314,804	202,532	61,363	6,165	4,046	274,106	31.94%	0.0018%	1.07%
2013	24,082,877	22,395,813	22,901,675	186,483	61,469	6,169	4,332	258,453	34.23%	0.0019%	1.07%
2014	24,770,773	23,176,815	23,596,897	194,177	60,850	6,453	4,409	265,889	32.81%	0.0045%	1.07%
2015	27,767,177	26,277,082	26,417,930	224,626	61,027	7,395	4,485	297,533	30.19%	0.0040%	1.07%
2016	28,527,184	27,046,954	27,170,439	231,914	62,265	7,323	4,705	306,207	30.56%	0.0039%	1.07%
2017	29,341,812	27,852,002	27,985,596	239,776	64,446	7,244	4,942	316,408	30.45%	0.0038%	1.08%
2018	31,420,940	29,961,364	30,012,385	258,029	69,215	7,985	5,256	340,485	29.98%	0.0353%	1.08%
2019	33,499,306	32,095,424	32,059,708	278,620	72,943	7,416	5,244	364,223	29.68%	0.0330%	1.09%
2020	36,222,848	34,866,679	34,738,127	306,299	75,891	7,435	5,285	394,910	28.94%	0.0342%	1.09%

Note:

Estimated Market Value is the fair market value of all taxable property. It does not include exempt property.

Certain state programs allow reductions from Estimated Market Value to arrive at **Taxable Market Value**, which is what taxes are based on.

Referendum Market Value is the tax base for referendum levies. Certain property classifications are excluded or receive a value reduction.

Taxable Market Value on each parcel of property is multiplied by class rates based on property classification to arrive at **Tax Capacity**. Class rates are uniform statewide:

2011 class rates for major property types: 1st 500,000 of residential homestead property @ 1.00%, remainder of value @ 1.25%; 1st 150,000 of commercial/industrial property @ 1.50%; remainder of value @ 2.00%.

2020 class rates for major property types: 1st 500,000 of residential homestead property @ 1.00%, remainder of value @ 1.25%; 1st 150,000 of commercial/industrial property @ 1.50%, remainder of value @ 2.00%.

Tax capacity is multiplied by the tax capacity tax rate to arrive at the tax liability. Referendum market value is multiplied by the referendum rate to arrive at the referendum tax.

Source: Washington County Department of Property Records and Taxpayer Services.

Table 6

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

Jurisdiction	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<u>Tax Rates Based on Percentage of Tax Capacity</u>										
<u>Washington County:</u>										
General	16.368%	17.435%	18.177%	17.803%	16.255%	16.352%	16.335%	15.426%	15.543%	15.362%
Debt	3.261%	3.717%	4.138%	4.319%	3.821%	3.979%	4.015%	3.895%	3.746%	3.419%
Road and Bridge	2.000%	2.120%	2.386%	1.792%	1.693%	1.729%	1.824%	2.173%	2.104%	2.033%
Social Services	5.108%	5.443%	5.921%	5.598%	4.892%	4.999%	4.876%	5.058%	4.847%	4.706%
Social Services Administration	0.513%	0.542%	0.590%	0.587%	0.786%	0.751%	0.742%	0.738%	0.756%	0.777%
Library	2.168%	2.340%	2.676%	2.568%	2.373%	2.579%	2.486%	2.419%	2.309%	2.186%
Library Debt	0.354%	0.343%	0.337%	0.145%	0.366%	0.174%	0.170%	0.274%	0.377%	0.461%
Total	29.772%	31.940%	34.225%	32.812%	30.186%	30.563%	30.448%	29.983%	29.682%	28.944%
<u>Overlapping Rates:</u>										
<u>Cities of:</u>										
Afton	27.044%	30.078%	30.059%	30.092%	27.737%	29.373%	32.300%	32.255%	32.983%	30.795%
Bayport	35.650%	40.671%	43.923%	41.699%	40.468%	37.107%	39.410%	36.017%	33.954%	31.644%
Birchwood	21.824%	22.514%	27.615%	27.012%	27.627%	23.893%	24.302%	24.904%	23.012%	28.068%
Cottage Grove (Urban)	38.255%	41.446%	45.046%	43.812%	41.591%	43.140%	43.012%	40.583%	38.959%	39.182%
Dellwood	9.331%	10.578%	11.641%	15.224%	17.853%	16.757%	15.102%	14.614%	10.361%	21.005%
Forest Lake	33.548%	37.735%	43.508%	44.653%	42.839%	43.385%	43.473%	41.871%	39.580%	40.333%
Grant	11.119%	13.227%	14.540%	14.598%	13.321%	13.755%	13.789%	13.907%	13.916%	13.096%
Hastings	55.196%	66.078%	68.547%	66.246%	62.581%	63.577%	62.518%	60.964%	59.612%	57.391%
Hugo (Urban)	34.236%	36.498%	36.512%	36.417%	36.318%	36.323%	36.360%	36.330%	36.274%	39.279%
Lake Elmo	21.832%	27.272%	27.818%	27.761%	23.798%	23.121%	20.018%	22.442%	22.927%	23.477%
Lake St Croix Beach	40.962%	51.493%	55.145%	52.781%	48.039%	45.774%	47.619%	47.497%	41.130%	41.083%
Lakeland	40.375%	44.462%	48.194%	47.028%	43.489%	42.451%	44.213%	36.540%	31.800%	36.149%
Lakeland Shores	17.204%	20.150%	23.396%	26.417%	24.969%	25.696%	24.949%	24.653%	23.022%	23.060%
Landfall	40.389%	39.046%	37.704%	47.787%	48.731%	55.903%	56.649%	80.743%	50.012%	51.212%
Mahtomedi	31.386%	33.679%	34.656%	36.414%	38.022%	34.657%	37.580%	33.971%	38.892%	36.473%
Marine on St Croix	38.842%	45.202%	53.537%	57.734%	55.427%	56.752%	60.678%	55.060%	56.705%	56.338%
Newport	60.261%	64.662%	70.803%	72.054%	69.973%	61.660%	60.304%	58.736%	57.383%	54.335%
Oak Park Heights	45.028%	51.710%	54.898%	59.641%	56.804%	57.725%	56.143%	54.462%	50.031%	50.176%
Oakdale	35.868%	39.252%	44.065%	41.201%	39.131%	39.492%	39.721%	38.544%	39.227%	37.617%
Pine Springs	6.528%	7.139%	7.901%	7.451%	6.850%	7.235%	9.110%	8.730%	9.285%	9.193%
Scandia	33.557%	35.785%	37.294%	40.976%	34.619%	36.722%	36.594%	35.058%	32.396%	31.466%
St. Mary's Point	22.275%	24.430%	26.791%	27.976%	24.677%	24.743%	24.163%	22.517%	23.725%	23.833%
St. Paul Park	43.221%	49.481%	57.471%	48.754%	45.677%	45.560%	43.919%	42.591%	43.475%	38.689%
Stillwater (Urban)	52.539%	54.674%	61.503%	58.359%	55.225%	57.016%	56.927%	53.421%	54.288%	53.474%
White Bear Lake	17.702%	19.942%	21.493%	21.102%	20.368%	19.690%	18.969%	19.058%	20.190%	20.629%
Willemie	37.534%	47.363%	51.464%	52.165%	45.054%	53.691%	48.807%	49.748%	48.206%	46.042%
Woodbury	34.921%	35.921%	39.440%	38.076%	34.657%	35.287%	35.122%	33.670%	33.177%	32.489%

Continued on next page

Table 6

**Property Tax Rates
Direct and Overlapping Governments (Continued)
Last Ten Fiscal Years**

Jurisdiction	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Townships of:										
Baytown	10.650%	10.899%	11.682%	11.960%	10.352%	9.245%	14.540%	13.729%	15.398%	14.635%
Denmark	13.088%	13.696%	13.678%	13.135%	12.490%	11.236%	11.264%	11.063%	13.600%	15.919%
Grey Cloud Island	23.773%	27.277%	25.691%	26.196%	23.581%	23.481%	22.455%	21.834%	20.238%	23.494%
May	9.394%	11.823%	12.360%	11.775%	10.151%	10.645%	11.108%	10.832%	10.947%	10.541%
Stillwater	18.118%	20.419%	20.860%	21.725%	18.542%	20.672%	22.674%	21.759%	21.433%	18.454%
West Lakeland	5.285%	7.676%	8.112%	7.546%	6.643%	8.183%	7.870%	8.157%	8.701%	10.496%
School Districts of:										
SD 200 Hastings	22.140%	25.433%	23.932%	23.052%	20.965%	20.938%	20.305%	20.545%	19.079%	17.924%
SD 622 N St Paul/Mpwd/Oakdale	27.785%	28.340%	32.553%	37.643%	35.864%	35.569%	33.582%	30.089%	29.039%	32.504%
SD 624 White Bear Lake	22.520%	26.103%	28.622%	28.562%	26.660%	26.236%	23.476%	23.685%	26.081%	36.777%
SD 831 Forest Lake	15.411%	17.331%	22.018%	23.896%	21.146%	24.902%	31.213%	26.230%	24.856%	25.097%
SD 832 Mahtomedi	34.330%	38.360%	37.105%	39.770%	34.496%	34.107%	34.093%	32.161%	31.894%	29.926%
SD 833 South Washington County	35.216%	37.894%	41.286%	39.169%	35.675%	36.812%	34.309%	33.303%	34.926%	33.904%
SD 834 Stillwater	20.300%	22.333%	22.018%	23.150%	21.124%	19.849%	30.390%	19.349%	18.442%	15.321%
SD 2144 Chisago Lakes	22.933%	27.459%	27.603%	27.589%	26.764%	25.700%	24.323%	29.998%	28.193%	26.676%
Special Districts of:										
Washington County HRA/CDA	1.143%	1.224%	1.311%	1.290%	1.181%	1.529%	1.475%	1.469%	1.423%	1.356%
Washington County Regional Rail	0.196%	0.211%	0.226%	0.233%	0.212%	0.247%	0.243%	0.224%	0.175%	0.165%
Metro Council	0.832%	0.937%	1.043%	1.050%	0.943%	0.932%	0.858%	0.816%	0.651%	0.584%
Metro Mosquito Control	0.494%	0.536%	0.583%	0.553%	0.490%	0.487%	0.463%	0.440%	0.424%	0.390%
Metro Airports	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
Metro Council Transit District	1.364%	1.509%	1.694%	1.514%	1.357%	1.373%	1.307%	1.226%	1.322%	1.243%
Browns Creek WS	4.276%	4.906%	5.307%	5.066%	4.769%	5.111%	5.275%	0.819%	5.263%	4.850%
Camelian-Marine WS	2.694%	2.918%	2.997%	3.049%	2.815%	2.843%	3.150%	5.021%	3.454%	3.993%
Comfort Lake-Forest Lake WS	3.910%	4.220%	4.870%	4.437%	4.173%	4.159%	5.012%	2.323%	5.658%	5.835%
Ramsey-Washington Metro WS	2.719%	3.009%	4.740%	4.253%	4.494%	4.460%	4.067%	5.707%	3.557%	3.289%
Rice Creek WS	1.725%	2.340%	2.517%	2.387%	2.185%	2.192%	2.088%	3.878%	1.924%	1.926%
South Washington WS	0.687%	0.720%	0.779%	0.761%	0.693%	0.753%	0.839%	3.292%	0.808%	0.766%
Valley Branch WS	1.508%	1.831%	2.125%	1.899%	1.701%	1.761%	1.887%	1.838%	3.980%	3.425%

Continued on next page

Table 6

**Property Tax Rates
Direct and Overlapping Governments (Continued)
Last Ten Fiscal Years**

Jurisdiction	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Hastings HRA	1.487%	1.639%	1.428%	1.613%	1.379%	1.551%	1.500%	1.454%	1.453%	1.455%
Woodbury HRA	0.320%	0.344%	0.365%	0.343%	0.295%	0.289%	0.276%	0.255%	0.237%	0.218%
State of Minnesota:										
Commercial/Industrial property	49.043%	51.100%	52.523%	52.160%	50.840%	48.641%	45.802%	43.865%	42.416%	38.846%
Seasonal property	19.145%	20.750%	22.327%	22.836%	21.703%	21.167%	20.845%	20.779%	19.962%	17.997%

Tax Rates Based on Percentage of Referendum Market Value

Jurisdiction	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Washington County:	0.002%	0.002%	0.002%	0.004%	0.004%	0.004%	0.004%	0.004%	0.003%	0.003%
Overlapping Rates:										
City of Woodbury	0.026%	0.026%	0.027%	0.026%	0.013%	0.012%	0.012%	0.011%	0.007%	0.006%
School Districts of:										
SD 200 Hastings	0.266%	0.286%	0.295%	0.261%	0.253%	0.260%	0.247%	0.274%	0.267%	0.245%
SD 622 N St Paul/Mpwd/Oakdale	0.150%	0.148%	0.167%	0.151%	0.144%	0.137%	0.216%	0.195%	0.187%	0.185%
SD 624 White Bear Lake	0.241%	0.248%	0.264%	0.273%	0.240%	0.235%	0.230%	0.223%	0.232%	0.224%
SD 831 Forest Lake	0.153%	0.154%	0.174%	0.146%	0.134%	0.140%	0.129%	0.114%	0.202%	0.173%
SD 832 Mahtomedi	0.184%	0.187%	0.182%	0.169%	0.292%	0.266%	0.254%	0.241%	0.274%	0.259%
SD 833 South Washington County	0.208%	0.199%	0.219%	0.223%	0.210%	0.340%	0.313%	0.371%	0.349%	0.326%
SD 834 Stillwater	0.159%	0.176%	0.166%	0.227%	0.200%	0.206%	0.195%	0.189%	0.194%	0.176%
SD 2144 Chisago Lakes	0.117%	0.123%	0.126%	0.126%	0.167%	0.170%	0.173%	0.172%	0.164%	0.162%

Notes:

Overlapping rates are those of other governments that apply to property owners within Washington County. Not all overlapping rates apply to all Washington County property owners.

Tax capacity rates are multiplied by the tax capacity of a property to arrive at the tax capacity based tax. Referendum market value rates are multiplied by the referendum market value to arrive at the market value based tax. The total tax liability is the tax capacity based tax plus the market value based tax.

Source: Washington County Department of Property Records and Taxpayer Services.

**Principal Property Taxpayers
Taxes Payable in 2020 and Nine Years Ago**

Taxpayer	Property Classification	2020					2011				
		Rank	Net Tax	Taxable Market Value	Tax Capacity	% of County Total Tax Capacity	Rank	Net Tax	Taxable Market Value	Tax Capacity	% of County Total Tax Capacity
Xcel Energy	Public Utility	1	\$ 14,746,855	\$ 497,000,800	\$ 9,934,925	2.5%	1	\$ 10,829,527	\$ 368,395,500	\$ 7,361,237	2.5%
Tamarack Village Shopping Center LP	Commercial	2	3,048,086	93,323,300	1,865,716	0.5%	2	2,276,843	67,336,100	1,345,972	0.5%
Ramco-Gershenson Properties LP	Commercial	3	2,354,791	72,108,700	1,441,424	0.4%					
IRPF Woodbury City Place LLC	Commercial	4	1,937,402	59,336,700	1,185,984	0.3%					
10285 Grand Forest Owner LLC	Apartment	5	1,499,413	94,509,900	1,181,374	0.3%					
Woodbury Village Shopping Center LP	Commercial	6	1,481,187	42,888,100	856,865	0.2%	7	1,174,384	33,125,300	661,756	0.2%
Wal-Mart Real Estate Business Trust	Commercial	7	1,341,344	40,986,900	817,488	0.2%	9	854,033	25,621,400	510,928	0.2%
City Walk TIC I LLC etal	Apartment	8	1,309,487	103,766,100	1,321,476	0.2%					
Dayton Hudson Corp	Commercial	9	1,286,952	38,073,800	758,476	0.2%					
Menard Inc	Commercial	10	1,188,359	35,555,600	708,112	0.2%	5	1,419,942	42,370,700	844,414	0.3%
DBRA Red Woodbury LLC	Commercial						3	\$ 1,655,634	49,009,500	978,690	0.3%
Imation Corp	Commercial						4	\$ 1,575,255	46,921,700	937,684	0.3%
3M Company	Industrial						6	\$ 1,219,938	62,098,300	855,097	0.3%
State Farm Mutual Automobile	Commercial						8	\$ 950,315	28,125,600	561,762	0.2%
I&G Oakdale LLC	Commercial						10	847,110	25,322,500	505,700	0.2%
Totals			\$ 30,193,876	\$ 1,077,549,900	\$ 20,071,840	5.0%		\$ 22,802,981	\$ 748,326,600	\$ 14,563,240	5.0%

Note: If a taxpayer has property consisting of more than one classification, only one classification is shown. This list does not reflect tax reductions due to abatements or court petitions.

Source: Washington County Department of Property Records and Taxpayers Services.

Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year Ended December 31	Total Tax Levy for Fiscal Year	State Paid Credits	Adjustments	Adjusted Tax Levy	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
					Amount	Percentage of Levy		Amount	Percentage of Levy
2011	\$ 86,783,800	\$ (3,372,550)	\$ (712,189)	\$ 82,699,061	\$ 81,979,533	99.1%	\$ 706,598	\$ 82,686,131	100.0%
2012	86,523,700	(75,577)	(873,162)	85,574,961	85,256,421	99.6%	301,104	85,557,525	100.0%
2013	86,523,700	(77,898)	(974,361)	85,471,441	85,318,073	99.8%	130,350	85,448,423	100.0%
2014	87,713,700	(77,104)	(698,110)	86,938,486	86,728,969	99.8%	192,590	86,921,559	100.0%
2015	90,738,000	(118,005)	(499,999)	90,119,996	89,880,354	99.7%	219,142	90,099,496	100.0%
2016	93,871,900	(117,857)	(298,472)	93,455,571	93,025,272	99.5%	409,633	93,434,905	100.0%
2017	97,115,300	(115,246)	(134,829)	96,865,225	96,560,525	99.7%	254,790	96,815,315	99.9%
2018	103,538,700	(112,060)	(276,909)	103,149,731	102,770,255	99.6%	297,673	103,067,928	99.9%
2019	109,148,600	(114,361)	(190,734)	108,843,505	108,310,405	99.5%	357,451	108,667,856	99.8%
2020	115,697,300	(115,275)	68,146	115,650,171	114,989,242	99.4%	-	114,989,242	99.4%

Source: Washington County Department of Property Records and Taxpayer Services.

Table 9

Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities			Total Primary Government	Personal Income (c)	Percent of Personal Income	Net Tax Capacity	Percent of Net Tax Capacity	Population (a)(b)(c)(d)	Debt Per Capita
	General Obligation Bonds	Loans Payable	Capital Leases							
2011	\$ 152,267,865	\$ -	\$ 3,270	\$ 152,271,135	\$ 12,230,548,000	1.25%	\$ 295,060,000	52%	240,640	\$ 633
2012	169,911,370	-	-	169,911,370	12,718,858,000	1.34%	274,106,000	62%	243,313	698
2013	141,789,577	-	-	141,789,577	12,718,858,000	1.11%	258,453,000	55%	248,095	572
2014	181,097,587	141,613	-	181,239,200	13,086,534,000	1.38%	265,889,000	68%	249,109	728
2015	171,854,751	246,261	-	172,101,012	14,260,749,000	1.21%	297,533,000	58%	251,015	686
2016	184,843,943	522,204	-	185,366,147	14,974,462,000	1.24%	306,207,000	61%	253,117	732
2017	136,164,539	819,186	-	136,983,725	15,635,497,000	0.88%	316,408,000	43%	253,128	541
2018	125,313,041	863,903	-	126,176,944	16,324,416,000	0.77%	340,485,000	37%	256,905	491
2019	147,280,647	933,562	-	148,214,209	17,983,595,000	0.82%	364,223,000	41%	261,512	567
2020	132,138,789	995,401	-	133,134,190	18,953,855,000	0.70%	394,910,000	34%	262,748	507

Source: (a) Washington County Office of Administration.
 (b) Metropolitan Council.
 (c) Bureau of Economic Analysis.
 (d) MN State Demographic Center.

Washington County Department of Property Records and Taxpayer Services.
 Washington County Accounting and Finance Department.

Table 10

**Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years**

Fiscal Year	General Obligation Bonds	Less: Amounts Restricted to Repaying Principal	Net General Bonded Debt	Personal Income	Percent of Personal Income	Net Tax Capacity	Percent of Net Tax Capacity	Population (b)	Net General Bonded Debt Per Capita
2011	\$ 152,267,865	\$ 10,453,998	\$ 141,813,867	\$ 12,230,548,000	1.16%	\$ 295,060,000	48%	240,640	\$ 589
2012	169,911,370	32,713,999	137,197,371	12,718,858,000	1.08%	274,106,000	50%	243,313	564
2013	141,789,577	10,707,365	131,082,212	12,718,858,000	1.03%	258,453,000	51%	248,095	528
2014	181,097,587	57,315,410	123,782,177	13,086,534,000	0.95%	265,889,000	47%	249,109	497
2015	171,854,751	50,820,424	121,034,327	14,260,749,000	0.85%	297,533,000	41%	251,015	482
2016	184,843,943	50,984,786	133,859,157	14,974,462,000	0.89%	306,207,000	44%	253,117	529
2017	136,164,539	11,725,783	124,438,756	15,635,497,000	0.80%	316,408,000	39%	253,128	492
2018	125,313,041	12,520,731	112,792,310	16,324,416,000	0.69%	340,485,000	33%	256,905	439
2019	147,280,647	13,368,419	133,912,228	17,983,595,000	0.74%	364,223,000	37%	261,512	512
2020	132,138,789	13,514,696	118,624,093	18,953,855,000	0.63%	394,910,000	30%	262,748	451

Source: Washington County Accounting and Finance Department.
(b) Metropolitan Council.

Gross Tax Capacity = Total Net Tax Capacity

Washington County, Minnesota

Table 11

Direct and Overlapping Governmental Activities Debt
December 31, 2020

Jurisdiction	Total GO. Bonds Outstanding (1)	Applicable to Washington County	
		Percent (2)	Amount
Underlying Debt:			
Cities of:			
Afton	\$ 7,650,978	100.00%	\$ 7,650,978
Bayport	1,580,000	100.00%	1,580,000
Cottage Grove	17,690,000	100.00%	17,690,000
Dellwood	1,300,000	100.00%	1,300,000
Forest Lake	18,220,000	100.00%	18,220,000
Hugo	8,000,000	100.00%	8,000,000
Lake Elmo	14,545,000	100.00%	14,545,000
Lakeland	410,000	100.00%	410,000
Marine	836,000	100.00%	836,000
Newport	5,605,000	100.00%	5,605,000
Oakdale	2,635,000	100.00%	2,635,000
Oak Park Heights	3,815,000	100.00%	3,815,000
St Paul Park	605,000	100.00%	605,000
Scandia	3,709,000	100.00%	3,709,000
Stillwater	22,680,000	100.00%	22,680,000
Woodbury	40,085,000	100.00%	40,085,000
Townships of:			
Baytown	1,054,000	100.00%	1,054,000
School Districts of:			
832 Mahtomedi	42,470,000	100.00%	42,470,000
833 South Washington	310,405,000	100.00%	310,405,000
834 Stillwater	87,205,000	100.00%	87,205,000
Special Districts of:			
Washington County CDA	1,255,000	100.00%	1,255,000
South Washington Watershed	2,880,000	100.00%	2,880,000
Underlying Debt Subtotal:			\$ 594,634,978
Overlapping Debt:			
Cities of:			
Hastings	\$ 4,480,000	0.22%	\$ 9,681
White Bear Lake	4,335,000	1.63%	70,868
School Districts of:			
200 Hastings	25,160,000	13.62%	3,427,880
622 N. St. Paul/Maplewood/Oakdale	366,000,000	49.65%	181,735,184
624 White Bear Lake	298,800,000	18.29%	54,644,218
831 Forest Lake	156,470,000	54.79%	85,727,995
2144 Chisago Lakes	67,980,000	3.97%	2,696,631
Special Districts of:			
Metropolitan Council/Transit	245,380,000	8.74%	21,444,912
Overlapping Debt Subtotal:			349,757,370
Direct Debt:			
Washington County	133,134,190 (3)	100.00%	133,134,190
Direct Debt Subtotal:			133,134,190
Total			\$ 1,077,526,538

Notes: (1) Does not include Revenue Debt, Special Assessment Debt, Tax Increment Debt, or State Aid and Tax Anticipation Certificates.

(2) Determined by ratio of net tax capacity of property subject to taxation in overlapping unit to net tax capacity of property subject to taxation in reporting unit.

(3) This figure includes bonds (net of premiums, discounts, and adjustments), capital leases and AgBMP Loans Payable.

Source: Washington County Property Records and Taxpayer Services Department and Ramsey, Dakota, Chisago Counties Taxation Division.

Computation of Legal Debt Limitation
Last Ten Fiscal Years

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Debt Limit	\$ 776,766,600	\$ 717,193,920	\$ 671,874,390	\$ 695,304,450	\$ 788,312,460	\$ 811,408,620	\$ 835,560,060	\$ 898,840,920	\$ 962,862,720	\$ 1,046,000,370
Total Net Debt Applicable to Limit	136,685,155	134,386,001	126,112,069	113,112,693	110,348,777	130,752,957	123,638,547	111,052,162	133,912,228	118,624,093
Legal Debt Margin	<u>\$ 640,081,445</u>	<u>\$ 582,807,919</u>	<u>\$ 545,762,321</u>	<u>\$ 582,191,757</u>	<u>\$ 677,963,683</u>	<u>\$ 680,655,663</u>	<u>\$ 711,921,513</u>	<u>\$ 787,788,758</u>	<u>\$ 828,950,492</u>	<u>\$ 927,376,277</u>
Total Net Debt Applicable to Limit as a Percentage of Debt Limit	17.60%	18.74%	18.77%	16.27%	14.00%	16.11%	14.80%	12.36%	13.91%	11.34%

	Amount	Percent
Total Taxable Market Value	\$ 34,866,679,000	
Debt limit- 3% of Total Market Value	1,046,000,370	100.0%
Amount of Debt Applicable to 3% Debt Limit: Total Bonded Debt	132,138,789	
Less: Amounts Available for Repayment of General Obligation	<u>13,514,696</u>	
Total Amount of Debt Applicable to Debt Limit	<u>118,624,093</u>	<u>11.34%</u>
Legal Debt Margin	<u>\$ 927,376,277</u>	<u>88.66%</u>

Source: Washington County Accounting and Finance Department.

Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Population (a) (b) (c) (d)	Personal Income (thousands of dollars) (c)	Per Capita Personal Income (c)	Area (Sq. Mi.)	Density (Person/Sq. Mi.)	Number of Households (a)(b)	Unemployment Rate (e)
2011	240,640	\$ 12,230,548	\$ 50,666	423	569	88,921	5.9%
2012	243,313	12,718,858	51,817	423	575	89,875	5.1%
2013	248,095	13,086,534	52,060	423	587	91,292	4.4%
2014	249,109	14,260,749	57,247	423	589	91,710	3.6%
2015	251,015	14,974,462	58,163	423	593	92,669	3.2%
2016	253,117	15,635,497	59,749	423	598	92,384	3.3%
2017	253,128	16,324,416	63,681	423	598	94,955	3.0%
2018	256,905	17,013,335	68,535	423	607	95,690	2.5%
2019	261,512	17,983,595	68,768	423	618	96,424	2.9%
2020	262,748	18,953,855 *	72,137	423	621	98,214	5.3%

- Sources:** (a) Washington County Office of Administration.
 (b) Metropolitan Council.
 (c) Bureau of Economic Analysis.
 (d) MN State Demographic Center.
 (e) US Department of Labor - Bureau of Labor Statistics.

* Indicates estimates based on the two previous years or percent change from prior year.

Table 14

**Principal Employers
Current Year and Nine Years Ago**

Taxpayer	Fiscal Year 2020			Fiscal Year 2011		
	Rank	Employees	% of Total County Employment	Rank	Employees	% of Total County Employment
Andersen Corporation (Bayport, Cottage Grove)	1	5,000	3.52%	1	3,000	2.32%
Independent School District 833	2	2,655	1.87%	2	2,300	1.78%
Woodwinds Healtheast Campus	3	1,331	0.94%	7	837	0.65%
Washington County, Government	4	1,315	0.93%	4	1,145	0.89%
Hy-Vee Grocery	5	1,250	0.88%			
Wal-Mart (Forest Lake, Oak Park Heights, Woodbury and Cottage Grove)	6	1,245	0.88%			
Independent School District 834	7	1,143	0.81%	5	1,000	0.77%
Independent School District 831	8	1,071	0.75%	3	1,200	0.93%
Target (Cottage Grove, Forest Lake, Stillwater, Woodbury, and Oakdale)	9	958	0.67%			
Lakeview Hospital	10	868	0.61%	9	727	0.56%
MN Correctional Facility (Bayport and Oak Park Heights)				6	914	0.71%
The Hartford (Fortis)				8	800	0.62%
3M Chemolite (Cottage Grove)				10	700	0.54%
Totals		16,836	11.86%		12,623	9.77%

Source: (a) Municipal Securities Rulemaking Board: EMMA.
 (b) MN Department of Employment and Economic Development.
 (c) Survey of individual employers, March through July 2011 and March 2020.

Table 15

**Employees by Function
Last Ten Fiscal Years**

Fiscal Year	General Government	Public Safety	Highways and Streets	Health and Welfare	Culture and Recreation	Total
2011	377	233	51	327	81	1,069
2012	376	233	53	329	75	1,066
2013	375	237	53	335	81	1,081
2014	384	240	53	364	87	1,128
2015	384	242	56	370	88	1,140
2016	392	243	62	381	92	1,170
2017	399	253	63	398	96	1,209
2018	413	256	64	414	100	1,247
2019	429	260	64	437	100	1,290
2020	440	264	65	446	100	1,315

Note: Employee count is based on authorized Full Time Equivalent (FTE) positions.

Source: Washington County Office of Administration; Adopted Budget.

Operating indicators by Function
Last Ten Fiscal Years

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Government										
Number of Cities	27	27	27	27	27	27	27	27	27	27
Number of Towns	6	6	6	6	6	6	6	6	6	6
Public Safety										
Number of Stations	1	1	1	1	1	1	1	1	1	1
Number of Licensed Deputies	90	92	97	98	100	111	109	109	113	120
Highways and Streets										
Miles of County Roads:										
Bituminous	271.00	268.10	268.10	268.10	276.40	278.40	278.40	279.90	283.20	283.24
Concrete	1.00	3.90	3.90	3.90	3.90	3.90	3.90	3.90	3.90	3.90
Total	272.00	272.00	272.00	272.00	280.30	282.30	282.30	283.80	287.10	287.14
Culture and Recreation										
Number of County Parks	9	9	9	9	9	9	9	9	9	9
Number of State Parks	2	2	2	2	2	2	2	2	2	2
Number of Branch Libraries	9	6	6	6	6	6	6	7	7	7
Number of Associated Libraries	2	2	2	2	2	2	2	2	2	2
Number of Library Express Stations	1	3	3	3	3	3	3	3	3	3
Number of Items Available to Citizens	468,805	476,482	461,896	479,423	493,207	495,442	495,442	537,711	531,072	549,366

Source: Washington County Public Works Department.
Washington County Sheriff's Office.
Washington County Libraries.

Table 17

**Capital Asset Statistics by Function
Last Ten Fiscal Years**

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Public Safety										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	39	35	35	39	39	42	49 *	49 *	50 *	50 *
Highways and Streets										
Streets (Miles)	272.00	272.00	272.00	272.00	280.30	282.30	282.30	283.80	287.10	287.14
County Traffic Signals	59	60	61	63	72	76	78	81	82	83
Culture and Recreation										
Parks Acreage	4,412	4,355	4,355	4,355	4,382	4,382	4,382	4,404	4,430	4,658
County Parks	9	9	9	9	9	9	9	9	9	9

Note:

* 2017-2020 total Patrol Units reflects 4 Water Patrol Units not previously included in this total.

Source: Washington County Public Works Department.
Washington County Sheriff's Office.
Washington County Libraries.

Washington County, Minnesota

Reader's Notes

