



**2021**

**Annual Comprehensive  
Financial Report**

**Year ended December 31, 2021**

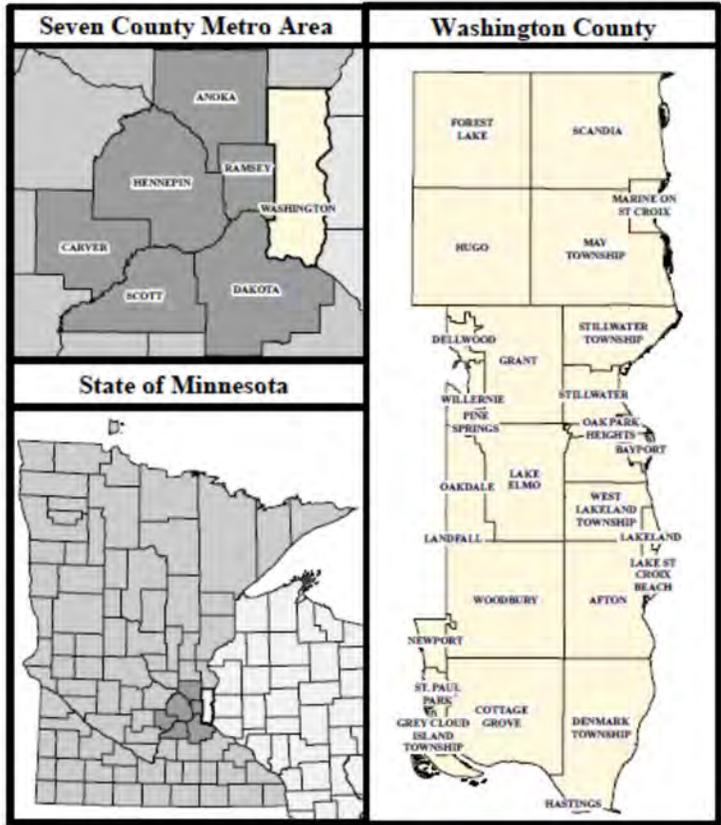
**Annual  
Comprehensive  
Financial Report  
of  
Washington County  
Minnesota**

**for the Year Ended December 31, 2021**



Accounting and Finance Department  
Issued June 2022

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



<b>Established:</b>	October 27, 1849
<b>County Seat:</b>	Stillwater
<b>Population:</b>	272,256
<b>Board Meetings:</b>	Most Tuesdays
<b>Commissioners:</b>	Fran Miron, District 1 Stan Karwoski, District 2 Gary Kriesel, District 3 Wayne Johnson, District 4 Lisa Weik, District 5
<b>Area:</b>	423 Square Miles
<b>Major Highways:</b>	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
<b>Railroads:</b>	BNSF Soo Line Union Pacific Wisconsin Central

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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 7, 2022

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

Commissioners:

This Annual Comprehensive Financial Report (ACFR) 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, 2021. 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).

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 2022 budget employs a workforce of 1,386.26, which is a 4.7% increase over the original 2021 levels for full-time equivalents, includes planned expenditures of \$316.1M representing an increase of 9.6%, and a net levy of \$120.6M, which is an increase of 5.3% from 2021.

The estimated population of Washington County increased from 2021's estimate of 262,748 which keeps its ranking at fifth out of the 87 Minnesota counties. The American Community Survey reports the County's median household income at \$103,194 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 2021 operating budget per capita was \$743, 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 3.2%. The following are some key items:

<b><u>Economic Indicators*</u></b>	<b><u>Amount</u></b>	<b><u>Percent Increase/ (Decrease)</u></b>
Unemployment Rate (2021)	2.9%	(45.28%)
Number of Households (2021)	100,004	1.82%
Population (2021)	272,256	2.55%

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

	Estimated Market Value (000's)		Net Tax Capacity (000's)	
	Amount	Percent of	Amount	Percent of
		Growth		Growth
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%
2021	37,962,828	4.80%	416,210	5.39%

[\\*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 5.0% from Pay 2021 to Pay 2022 and is projected to increase 21.1% from Pay 2022 to Pay 2023. Taxable market value continues to follow the estimated market value trends in the County. The estimated market value of all taxable property is approximately \$39.0 billion. From Pay 2018 to Pay 2022, the County's estimated market value posted a net increase of 26.9%. 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 2022, new construction added \$703.0 million in taxable value.

### **Residential Development**

In calendar year 2021, 1,908 new residential properties were started countywide. Of that total, 1,592 were single family units and the remaining 316 were townhomes and condominiums. The City of Cottage Grove experienced the most residential housing starts with 536 residential starts. The City of Woodbury had the second most with 533 new residential starts.

### **Commercial Development**

The commercial real estate market in Washington County is stable with a 2.9% appreciation in 2021 and adjustments over the last 5 years ranging from 2.4% to 8.4%. In 2021, there were eighteen new commercial properties started in the County. This is an increase from the fourteen new starts in 2019 and 2020, and down from the thirty-three new starts in 2018.

### **Tax Rate & Collections**

Washington County continues to have the second-lowest county tax rate of all metropolitan counties. For taxes payable in 2022, a home valued at \$318,100 in Washington County would pay a county tax of \$862. By comparison, that same valued home in Dakota County would pay \$669 and would pay more than \$900 in Anoka, Carver, Hennepin, Ramsey, and Scott counties.

The delinquency rate for Pay 2021 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 over 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 190 tax petitions were filed to contest the value for taxes payable in 2021, this volume has been relatively flat for the past several 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**

- Human Resources continued to build the County's Diversity, Equity and Inclusion (DEI) Program. All 12 Departments established Equity Change Teams and work plans that cascade from the Strategic Vision and Goals. We partnered with the YMCA of the North to provide Intercultural Development Inventory (IDI) assessments and ongoing training for all teams beginning in October 2021 and running through 2022. In addition, the County's first Employee Resource Group (ERG) was formed with two more expected to come online in 2022.
- Human Resources implemented a new Performance Management System to automate and modernize the process and elevate performance management to a more comprehensive and continuous approach to managing employees through more feedback, goal tracking and scheduled and recurring check-ins. Converting from paper forms and manual tracking to an online system is saving hundreds of hours throughout the county.
- Working with the county unions, Human Resources was able to undertake significant plan redesigns in our health insurance program to assure fiscal responsibility reducing costs for both employer and employee. The new 2022 rate cap resulted in cost avoidance of nearly \$1.6M for 2022.
- 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. In 2021 over 2,041 people attended over 27 presentations sponsored by County Attorney's Office staff. In addition, the office regularly provides training over the noon hour on a wide variety of criminal justice topics.
- 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, planning and design for future County Yard Waste operations, a Northern Household Hazardous Waste facility and a Western County Service Center.
- The Medications for Opioid Use Disorder (MOUD) Program, an initiative in the Washington County Jail, was implemented on January 4, 2021. MOUD programs are slowly becoming a community standard in jails across the nation. Newly incarcerated inmates often have drug and alcohol addictions. Providing medications helps them recover from the painful symptoms of drug withdrawal. MOUD provides the inmate an increased chance of staying off drugs when they leave our jail.

During the first year of the program's operation, an estimated total of 5,790 MOUD doses were provided to 121 individual people at 140 different jail stays. These medications, alongside the supplementary services provided to MOUD Program participants, substantially increase the support for people with substance use disorders in the Washington County Jail population. The MOUD Program is funded fully or in part through the State Opioid Response (SOR) grant from the Substance Abuse and Mental Health Service Administration (SAMHSA) and the Minnesota Department of Human Services (MN DHS).

- The Department of Public Health and Environment (PHE) spent 2021 responding to the COVID-19 Pandemic with vaccine distribution as a key priority effort throughout the year.

The beginning of 2021 brought an initial focus of providing vaccinations to Minnesota Department of Health (MDH) defined priority populations including healthcare staff, long term care residents, essential workers and populations at high risk for severe disease.

Beginning in April and throughout the summer months, PHE operated mass dispensing vaccination clinics at sites across Washington County. This included a community vaccination site at the former Stillwater Herberger's department store location, operation of a mobile vaccination trailer set up at various school and community partner locations, and ongoing vaccinations to jail inmates and homebound individuals.

In June through December of 2021, PHE also operated weekly COVID vaccination clinics at all three county service center locations. In total, PHE provided over 28,000 COVID vaccinations.

- In 2021, Information Technology (IT) continued to expand the ability for Washington County employees to work remotely. The project with the largest impact on this initiative was the implementation of the Microsoft 365 suite of applications. In partnership with the other County departments, over thirty projects were completed with eight of the projects being pandemic related. The backlog of other projects continued to be reviewed and prioritized with assistance from the County departments. The major infrastructure improvement included the completion of the Washington County's Core Network to improve connectivity and reliability.
- The Community Services Department implemented a "waiver campaign" to encourage adults who have developmental disabilities to transition to waiver services for their support needs. This shift removed 25 people from county funded vocational services saving an estimated \$250,000 annually.

### **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 Advisory 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/AAA, the highest ratings 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 Annual Comprehensive Financial Report for the fiscal year ended December 31, 2020. This was the 36th 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 Annual Comprehensive Financial Report. The 2020 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 2020 Popular Annual Financial Statement (PAFR), the third PAFR award received by the County. The PAFR is intended as a supplement to the Annual Comprehensive 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 Annual Comprehensive 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 Annual Comprehensive 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.

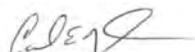
Respectfully submitted,



Tabatha Hansen  
Accounting and Finance Director



Jua Yang  
Accounting and Finance Deputy Director



Carl Jacobson, CPA  
Principal Accountant

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Government Finance Officers Association

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

Presented to

**Washington County  
Minnesota**

For its Annual Comprehensive Financial  
Report  
For the Fiscal Year Ended

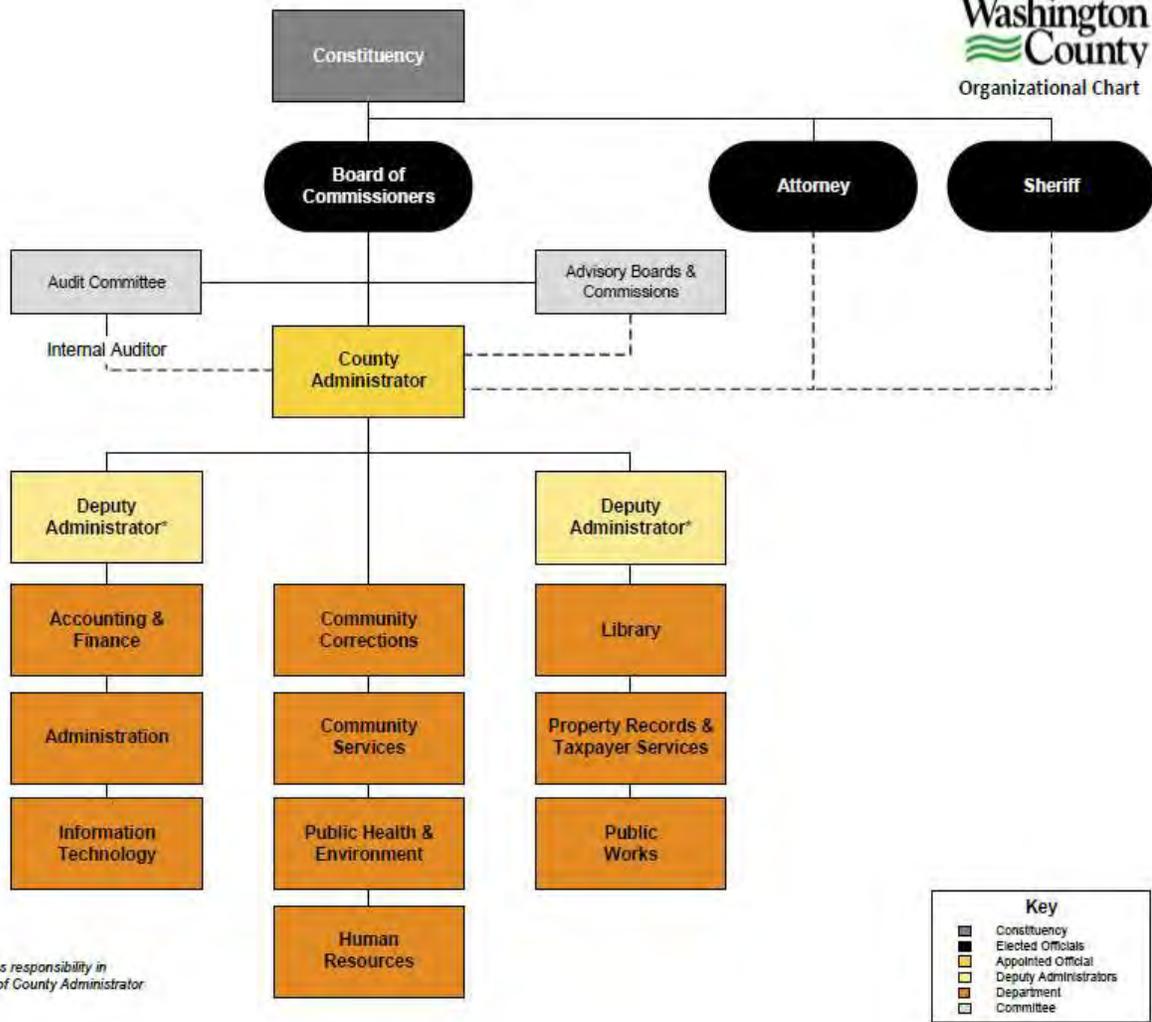
December 31, 2020

*Christopher P. Morrill*

Executive Director/CEO

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County Organizational Chart  
Fiscal Year 2021



\* Assumes responsibility in absence of County Administrator

**Washington County, Minnesota**

**List of Principal Officials**

<b>Office</b>	<b>Name</b>	<b>Term Expires</b>
<b>Commissioners:</b>		
1st District	Fran Miron	December 2024
2nd District	Stan Karwoski	December 2022
3rd District	Gary Kriesel	December 2024
4th District	Wayne Johnson, Vice Chair	December 2022
5th District	Lisa Weik, Chair	December 2024
<b>Officers:</b>		
<b>Elected:</b>		
Attorney	Peter Orput	(a) December 2022
District Court Judge	Francis Green III	January 2023 *
District Court Judge	Tad V. Jude	January 2023 *
District Court Judge	Siv Mjanger	January 2025 *
District Court Judge	Douglas Meslow	January 2027 *
District Court Judge	Gregory Galler	January 2027 *
District Court Judge	Richard C. Ilkka	January 2027 *
District Court Judge	Ellen Maas	January 2027 *
District Court Judge	Juanita Freeman	January 2027 *
District Court Judge	Sheridan Hawley	January 2027 *
District Court Judge	Laura Pietan	January 2027 *
Sheriff	Dan Starry	December 2022
<b>Appointed:</b>		
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 2024
County Engineer	Wayne Sandberg	April 2023
County Surveyor	Samuel E. Gibson	September 2023
Accounting and Finance Director	Tabatha Hansen	Indefinite
Community Services Director	Jennifer Castillo	Indefinite
Community Corrections 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

(a) County Attorney Pete Orput passed away in April 2022

# 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 2018. 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-four (34) 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

#### **Opinions**

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, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, as listed in the table of contents.

In our opinion, based on our report 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 the County, as of December 31, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Washington County Community Development Agency, a discretely presented component unit, which statements represent 100% of the assets, net position and revenues of the discretely presented component unit. Those financial statements were audited by other auditors, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Washington County Community Development Agency, is based solely on the report of other auditors.

#### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

#### **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a

***Auditors' Responsibilities for the Audit of the Financial Statements (Continued)***

substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

***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 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 GAAS, 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 the County's basic financial statements. The budgetary comparison schedules for the debt service and capital project funds, the combining statement of fiduciary net position, the combining statement 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. 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the budgetary comparison schedules, combining statement of fiduciary net position, combining statement of changes in fiduciary net position, capital assets schedules, and schedule of intergovernmental revenues are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Supplementary Information (Continued)**

We also have previously audited, in accordance with auditing standards generally accepted in the United States of America, the County's basic financial statements for the year ended December 31, 2020, which are not presented with the accompanying financial statements and we expressed 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. That audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements as a whole. The capital assets used in the operation of governmental funds comparative schedules by source for the year ended December 31, 2020 is presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the 2020 basic financial statements. The information was subjected to the audit procedures applied in the audit of those basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2020 the capital assets used in the operation of governmental funds comparative schedules by source are fairly stated in all material respects in relation to the basic financial statements from which they have been derived.

**Other Information**

Management is responsible for the other information included in the annual report. The other information comprises the introductory section and statistical section but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated June 7, 2022, on our consideration of the 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 that 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 County's internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

Minneapolis, Minnesota  
June 7, 2022



Accounting and Finance  
Department

Tabatha Hansen  
Director

## Management’s Discussion and Analysis

This section of Washington County’s Annual Comprehensive Financial Report presents our discussion and analysis of the County’s financial performance during the fiscal year that ended on December 31, 2021. 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, 2020.

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.

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[www.co.washington.mn.us](http://www.co.washington.mn.us)

Equal Employment Opportunity / Affirmative Action

	<b>Government-Wide Statements</b>	<b>Governmental Funds</b>	<b>Fiduciary Funds</b>
<b>Scope</b>	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
<b>Required Financial Statements</b>	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
<b>Accounting Basis and Measurement Focus</b>	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
<b>Type of Asset and Deferred Outflow of Resources/Liability and Deferred Inflow of Resources Information</b>	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
<b>Type of Inflow/Outflow Information</b>	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.

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 2021. This gave the County a net position of \$590.0M, or an 8.4% increase from 2020. Total revenues decreased by 1.8% as CARES Act funding in the prior year was intended for immediate pandemic response, while ARPA funding provided in 2021 allows for a more extended term of impact, and was not fully utilized in 2021, so not fully recognized as revenue.
- Fund level statements show that total governmental funds, on a modified accrual basis, report an \$8.8M increase in fund balance. The General Fund saw a \$14.3M increase in fund balance, led by strong intergovernmental revenue and increases in investment returns, charges for services, and increases in taxes from the growing tax base. The Regional Rail Fund reflected an increase in fund balance of \$87.9K due to lower expenses, primarily related to staff vacancies. The Capital Projects Fund saw a \$0.9M decrease in fund balance as a result of project activity utilizing proceeds of the 2019A Bonds. The Debt Service Fund reflected an increase in fund balance of \$3.6M in anticipation of larger debt service payments scheduled for the coming year. The Metro Gold Line Fund reflects a decrease in fund balance of \$8.4M as the project has entered a more active phase of design and land acquisition.

### ***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 \$590.0M at the end of 2021, an increase of \$45.5M, or 8.4%, from 2020, mostly as a result of strong performance of investments set aside to fund OPEB obligations, and growth in fee for service revenues for transportation projects, most notably the Highway 36 and Manning interchange. In addition, the County increased the local option sales tax dedicated to transportation and transit projects to ½ cent from the previous ¼ cent during 2020. Intergovernmental revenues reflected a decrease from 2020, as a large portion of ARPA funds received during 2021 remain unspent during the year and is reflected as unearned at the end of 2021.

Net investment in capital assets is \$482.4M, which represents about 81.7% of the total net position. Current and other assets reported a 14.7% increase from the prior year due to continued strong OPEB investment performance as well as increases in year-end balances due from other governments, other receivables, and unspent ARPA funds. Bonded debt liabilities decreased by \$9.1M, strong market performance led to a net pension liability decrease of \$21.6M, and OPEB liability increased \$20.1M based on actuarial estimate updates.

### Summary of Net Position

Assets	2020	2021	Change	% Change
Current and Other Assets	\$ 327,497,727	\$ 375,629,264	\$ 48,131,537	14.7%
Capital Assets	592,415,563	605,831,925	13,416,362	2.3%
<b>Total Assets</b>	<b>919,913,290</b>	<b>981,461,189</b>	<b>61,547,899</b>	<b>6.7%</b>
<b>Deferred Outflows of Resources</b>	<b>42,046,492</b>	<b>89,042,584</b>	<b>46,996,092</b>	<b>111.8%</b>
<b>Total Assets and Deferred Outflows</b>	<b>961,959,782</b>	<b>1,070,503,773</b>	<b>108,543,991</b>	<b>11.3%</b>
<b>Liabilities</b>				
Long-Term Liabilities	346,540,753	328,799,809	(17,740,944)	-5.1%
Other Liabilities	51,610,193	83,295,132	31,684,939	61.4%
<b>Total Liabilities</b>	<b>398,150,946</b>	<b>412,094,941</b>	<b>13,943,995</b>	<b>3.5%</b>
<b>Deferred Inflows of Resources</b>	<b>19,347,080</b>	<b>68,428,273</b>	<b>49,081,193</b>	<b>253.7%</b>
<b>Total Liabilities and Deferred Inflows</b>	<b>417,498,026</b>	<b>480,523,214</b>	<b>63,025,188</b>	<b>15.1%</b>
<b>Net Position</b>				
Net Investment in Capital Assets	465,442,708	482,426,118	16,983,410	3.6%
Restricted for:				
General Government	22,962,613	25,050,239	2,087,626	9.1%
Economic Development	5,185,473	-	(5,185,473)	-
Capital Projects	40,073,926	25,345,217	(14,728,709)	-36.8%
Debt Service	11,538,925	15,329,486	3,790,561	32.9%
Net Pension Asset	-	414,181	414,181	-
Unrestricted	(741,889)	41,415,318	42,157,207	5682.4%
<b>Total Net Position</b>	<b>\$ 544,461,756</b>	<b>\$ 589,980,559</b>	<b>\$ 45,518,803</b>	<b>8.4%</b>

### Changes in Net Position

The Summary of Changes in Net Position is a summary of the County's activity for the year. The 2021 ending net position increased by \$45.5M over the prior year.

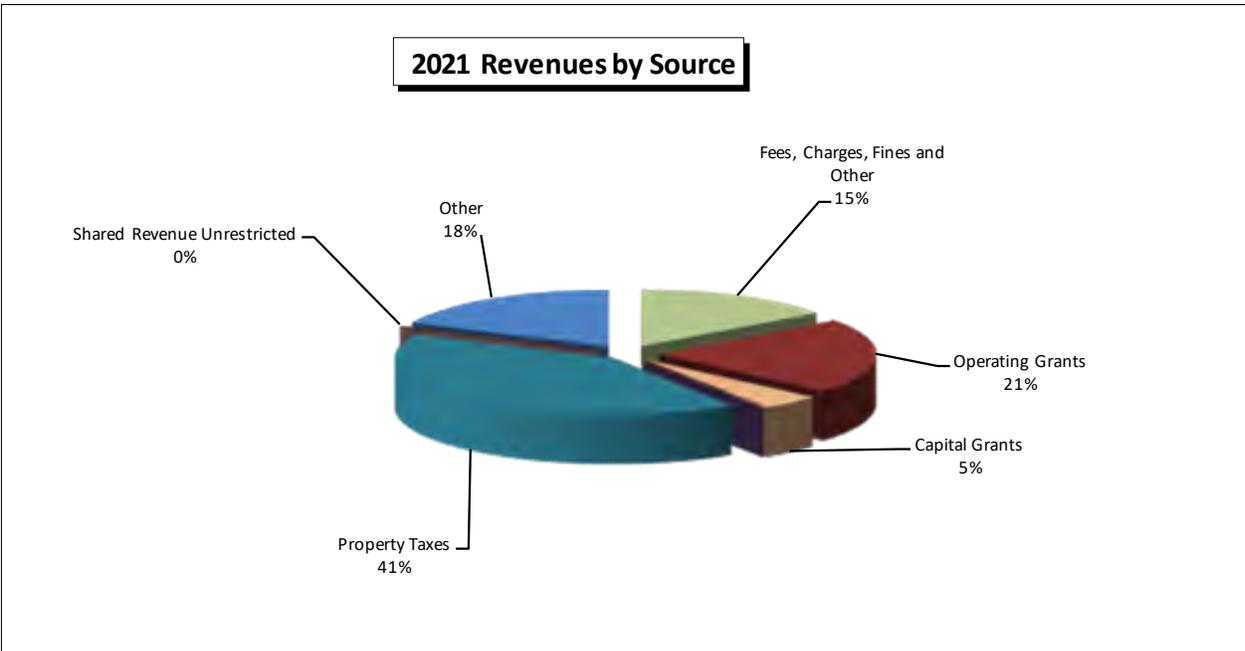
Total revenues decreased \$5.6M from the prior year. Prior year CARES Act funding, which was intended for immediate pandemic relief, was followed in 2021 by ARPA funding, which carries a more extended time focus and expenditures will follow into future years. Cost share contributions on road projects rebounded significantly from the prior year decline, prior reductions in fees and license charges due to COVID related closures and restrictions rebounded, and strong growth in OPEB investments largely offset the decrease in grant revenues.

Total expenses stabilized, increasing by \$5.8M from 2020, an increase of 2.3%. Of that increase, \$5.6M was for pandemic aid to local business, received from the state at the very end of 2020, disbursed in early 2021. Other fluctuations in expenses were driven by the County's response to the global pandemic in 2020. Pandemic response costs were viewed and treated as Public Health expenses and reflected 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. For 2021, as operations stabilized, these expenses returned to their regular areas. Fluctuations in General Government, Highways and Streets, and Culture and Recreation also reflect on-going projects and how costs of Construction-In-Progress flow through the Statement of Activities.

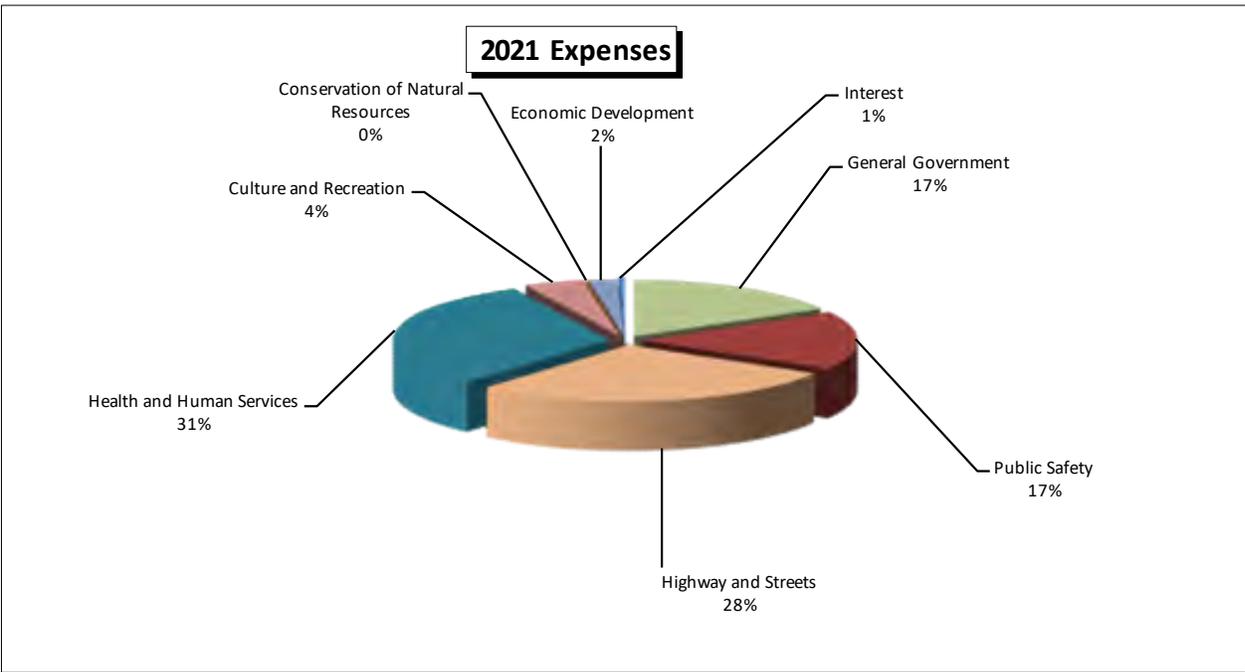
**Summary of Changes in Net Position**

	<u>2020</u>	<u>2021</u>	<u>Change</u>	<u>% Change</u>
<b>Program Revenues</b>				
Fees, Charges, Fines and Other	\$ 32,994,235	\$ 45,705,558	\$ 12,711,323	38.5%
Operating Grants	99,074,060	65,290,880	(33,783,180)	-34.1%
Capital Grants	6,637,810	13,515,748	6,877,938	103.6%
<b>General Revenues</b>				
Property Taxes	126,170,144	125,705,996	(464,148)	-0.4%
Shared Revenue Unrestricted	11,794,555		(11,794,555)	-100.0%
Other	34,297,678	55,115,093	20,817,415	60.7%
<b>Total Revenues</b>	<b><u>310,968,482</u></b>	<b><u>305,333,275</u></b>	<b><u>(5,635,207)</u></b>	<b><u>-1.8%</u></b>
<b>Expenses</b>				
General Government	36,260,974	43,572,359	7,311,385	20.2%
Public Safety	36,601,459	43,291,338	6,689,879	18.3%
Highway and Streets	69,925,992	72,699,254	2,773,262	4.0%
Health and Human Services	97,675,098	81,444,888	(16,230,210)	-16.6%
Culture and Recreation	9,740,150	11,607,651	1,867,501	19.2%
Conservation of Natural Resources	518,241	381,972	(136,269)	-26.3%
Economic Development	-	5,577,104	5,577,104	-
Interest	3,341,197	1,239,906	(2,101,291)	-62.9%
<b>Total Expenses</b>	<b><u>254,063,111</u></b>	<b><u>259,814,472</u></b>	<b><u>5,751,361</u></b>	<b><u>2.3%</u></b>
<b>Change in Net Position</b>	<b><u>56,905,371</u></b>	<b><u>45,518,803</u></b>	<b><u>(11,386,568)</u></b>	<b><u>-20.0%</u></b>
<b>Net Position – Beginning</b>	<b><u>487,556,385</u></b>	<b><u>544,461,756</u></b>	<b><u>56,905,371</u></b>	<b><u>11.7%</u></b>
<b>Net Position – Ending</b>	<b><u>\$ 544,461,756</u></b>	<b><u>\$ 589,980,559</u></b>	<b><u>\$ 45,518,803</u></b>	<b><u>8.4%</u></b>

The following pie charts illustrate revenues and expenses by source.



(Data from Statement of Activities)



(Data from Statement of Activities)

**Basis of Accounting**

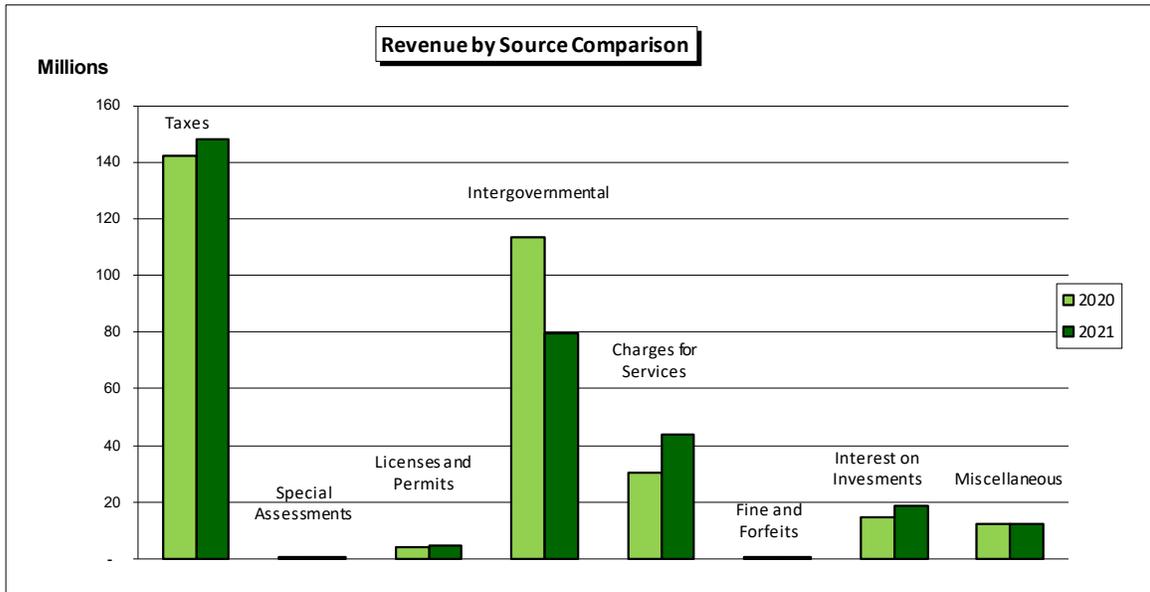
Due to the different basis of accounting between the Statement of Activities and the Statement of Revenues, Expenditures and Changes in Fund Balances, it is necessary to clarify that the following analysis is based on the latter, as it represents current operations in the modified accrual as opposed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

**Revenue and Expenditure Analysis**

**Revenue**

Per the Statement of Revenues, Expenditures, and Changes in Fund Balances (page 30), the County’s total revenues for all Governmental Funds for 2021 totaled \$307.6M, a decrease of \$10.2M compared to 2020. Grant revenues decreased \$34.1M primarily due to 2020’s CARES Act relief being followed by ARPA funding, which will be recognized over multiple years, offset somewhat by a rebound in Charges for Services particularly in cost shares for state and local portions of road and bridge projects compared to the prior year. Increases in market value of investments and interest earned produced \$18.5M in investment returns, which was up from the \$14.8M in the prior year.

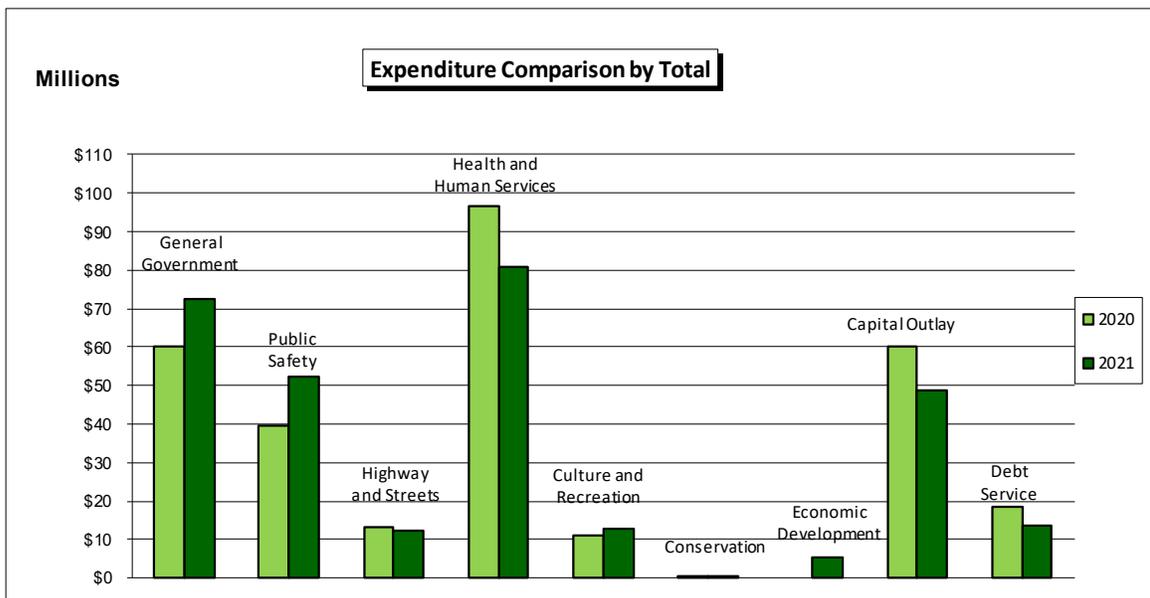
The following chart illustrates that the two largest sources of revenue for the County continue to be in the areas of property taxes and intergovernmental revenues. In 2021, taxes held stable at 48% of the County’s revenues compared to 45% in 2020. Intergovernmental revenues returned to previous levels at 26% as compared to 36% in 2020.



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

**Expenditures**

The County’s total expenditures for 2021 were \$298.9M, which is \$0.7M lower than 2020. Expenditures for pandemic response in 2020 were focused in Health and Human Services, reflecting the Public Health focus of these efforts. For 2021, expenditures stabilized and returned to a more normal focus, producing a decrease of \$15.7M in Health and Human Services, along with increases in Public Safety, General Government, and other areas. Capital outlays in General Government and Highways and Streets decreased by \$11.0M, based on the timing and mix of projects during the year. Debt service costs reflected a decrease of \$5.1M due to smaller principal payments compared to 2020. A review of the chart below shows the changes to the major function expenditures in 2021.



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

## ***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 2021, the Governmental Funds' unassigned fund balance was \$85.1M and the total fund balance was \$299.8M. This is an \$8.8M increase in total fund balance from 2020. The 2021 unassigned balance is 28.4% 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 \$8.8M. The increase was due largely to strong investment returns for the County's OPEB investments, decreases in grants, in particular the differing nature of 2020's CARES Act funding and 2021's ARPA funding, offset by rebounding cost shares related to road and bridge projects. Total revenues decreased by \$10.2M.

The General Fund is the main operating fund for Washington County. The General Fund's ending fund balance was \$240.0M, which is an increase of \$14.3M overall. Revenues decreased \$15.3M, while expenditures decreased \$4.8M.

The \$14.3M net increase in fund balance continued the 14 year trend of growth in fund balance in the General Fund. Expenditures in the General Fund were 92.2% 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 \$87.9K, with expenditures decreasing \$286.5K following the completion of a prior year 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 decreased by \$8.4M, as the project has transitioned into design and land acquisition activity, which will draw down project balances. All funds are restricted for transit project costs.

The fund balance in the Debt Service Fund increased by \$3.6M, providing funding for the scheduled bond payments due in 2022. The total fund balance of \$17.0M is restricted for current and long-term debt service obligations.

In the Capital Projects Fund, expenditures exceeded revenues by \$4.8M as the County utilized some of the 2019A bond proceeds to move forward on a variety of projects. Total fund balance decreased by \$856.0K to \$17.9M, with \$3.9M 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 2021, the total effect on expenditures was an increase of \$23.1M from the adopted budget of \$197.1M to the final budgeted expenditures of \$220.2M. These adjustments are approved as the timing of projects change, variations in intergovernmental revenues and grants occur, or as unforeseen expenditures happen. In 2021, authorized budgets from the prior year were also carried over to fund capital projects, grants, and contract services.

**2021 Adopted and Final Budget Expenditures (millions)**

	<u>Adopted</u>	<u>Final</u>	<u>Actual</u>	<u>Actual vs. Final</u>
General Government	\$ 50.6	\$ 53.2	\$ 50.8	\$ 2.4
Public Safety	51.7	53.8	52.4	1.4
Highways and Streets	13.4	13.1	12.3	0.8
Health and Human Services	68.7	85.6	80.9	4.7
Culture/Recreation	12.6	13.7	12.7	1.0
Conservation of Natural Resources	0.2	0.2	0.2	-
Economic Development	-	0.4	5.6	(5.2)
Debt Service - Human Services	-	0.2	0.3	(0.1)
<b>Total</b>	<b>\$ 197.3</b>	<b>\$ 220.2</b>	<b>\$ 215.2</b>	<b>\$ 5.0</b>

Many factors can influence the variances in actual expenditures versus the final budgeted figures. In 2021, actual expenditures were \$5.1M less than anticipated. The largest variance was \$5.2M in added expenditures in Economic Development aid to local businesses related to pandemic response, and lower than anticipated Health and Human Services expenditures.

**Capital Asset and Debt Administration**

**Capital Assets**

In 2021, the County continued to invest in its capital assets in the areas of: land, equipment, buildings, park facilities, and roads.

<b>Governmental Funds Capital Assets</b>	<u>2020</u>	<u>2021</u>	<u>% Change</u>
Land and Works of Art	\$ 107,564,009	\$ 110,385,663	2.6%
Land Improvements	18,763,140	22,935,646	22.2%
Buildings and Structures	234,537,461	235,505,106	0.4%
Machinery and Equipment	60,514,068	59,714,016	-1.3%
Infrastructure	493,744,101	527,299,204	6.8%
Construction in Progress	30,107,853	30,238,571	0.4%
<b>Total</b>	<b>\$ 945,230,632</b>	<b>\$ 986,078,206</b>	<b>4.3%</b>

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 47.

**Long-Term Debt**

At year-end, the County had \$113.9M in outstanding general obligation bonds. This 7.4% decrease is the result of scheduled bond payments. More detailed information about the County's long-term liabilities is presented on pages 48 to 50 of the notes to the financial statements.

<b>Outstanding Long-Term Debt</b>	<u>2020</u>	<u>2021</u>	<u>Percent Change</u>
General Obligation Bonds	\$ 123,045,000	\$ 113,905,000	7.4%

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 (2021 Budget)	\$ 27,531,975
· 15% of the total gross levy (2021 Budget) (most restrictive policy)	19,176,630
2021 Debt Service Levy	<u>(16,915,801)</u>
Available Debt Service Levy (2020)	<u>\$ 2,260,829</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 2022, the County’s budget includes \$120.6M in net tax levy, which is an increase of \$6.1M from the 2021 level, and an operating budget of \$316.1M, an increase of approximately \$27.6M from 2021. The decrease in expenditures for the Gold Line Transit Project is offset by the increase in capital spending. The capital spending reflects the use of the 2019A bond projects. The increased personnel service costs reflect the 2.5% increase (January 2022) plus an additional 4% for most employees under most bargaining unit contracts.

The 2022 adopted budget funds 1,386.86 full-time employees (FTEs); an increase of 1.7% from final 2021 levels, this represents 5.1 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 62<sup>nd</sup> Street North, Stillwater, Minnesota 55082; (651) 430-6030 or by accessing our website at [www.co.washington.mn.us](http://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](http://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

Washington County, Minnesota

Statement of Net Position  
December 31, 2021

	<u>Primary Government Governmental Activities</u>	<u>Discretely Presented Component Unit</u>
<b>Assets</b>		
Cash and Pooled Investments	\$ 218,180,376	\$ 27,451,694
Petty Cash and Change Funds	25,950	-
Investments	100,400,072	-
Taxes Receivable:		
Delinquent Taxes Receivable - Net	1,033,181	84,795
Special Assessments Receivable:		
Current - Net	180,268	-
Special Assessments Receivable - Noncurrent	847,856	-
Accounts Receivable - Net	1,780,365	206,915
Note Receivable	6,789,856	-
Notes and Mortgages Receivable - Current	-	463,716
Notes and Mortgages Receivable - Long-Term	-	7,909,600
Accrued Interest Receivable	599,792	455,127
Due from Other Governments	42,197,054	361,261
Due from Component Unit - (County)	1,282,781	-
Due from Component Unit - (WCCDA)	-	13,408,256
Prepaid Items	429,255	602,480
Inventories	1,468,277	-
Restricted Assets		
Cash and Pooled Investments	-	12,523,645
Other Assets	-	2,113,421
Net Pension Asset	414,181	-
Capital Assets Not Being Depreciated		
Land and Works of Art	110,385,663	7,753,740
Construction in Progress	30,238,571	105,261
Capital Assets Being Depreciated, Net		
Building	147,413,982	69,545,174
Improvements Other than Buildings	9,684,505	-
Machinery, Vehicles, Furniture and Equipment	16,795,976	513,702
Infrastructure	291,313,228	-
<b>Total Assets</b>	<b>981,461,189</b>	<b>143,498,787</b>
<b>Deferred Outflows of Resources</b>		
Pension Related	51,461,300	-
OPEB Related	36,514,764	-
Unamortized Loss on Refunding	1,066,520	425,293
<b>Total Deferred Outflows of Resources</b>	<b>89,042,584</b>	<b>425,293</b>

Continued on next page

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

**Statement of Net Position (Continued)**  
**December 31, 2021**

	<b>Primary Government Governmental Activities</b>	<b>Discretely Presented Component Unit</b>
<b>Liabilities</b>		
Accounts Payable	\$ 2,594,085	\$ 915,252
Salaries Payable	5,817,400	-
Contracts Payable	8,065,656	3,960
Due to Other Governments	7,452,913	653,329
Due to Primary Government (County) - Due Within One Year	-	68,517
Due to Primary Government (WCCDA) - Due Within One Year	-	210,443
Due to Primary Government (County) - Due in More than One Year	-	1,214,264
Due to Primary Government (WCCDA) - Due in More than One Year	-	13,061,406
Accrued Interest Payable	1,639,480	974,688
Unearned Revenue	27,659,144	317,184
Customer Deposits - Current	293,568	521,334
Gravel Pit Restoration	248,518	-
Unearned Gain on Sale of Property	-	126,889
Compensated Absences Payable - Due Within One Year	11,282,433	17,104
Other Postemployment Benefits Payable - Due Within One Year	5,198,203	-
Notes and Mortgages Payable - Due Within One Year	-	577,953
General Obligation Bonds Payable - Due Within One Year	12,890,000	-
Revenue Bonds Payable - Due Within One Year	-	2,195,000
Loans Payable - Due Within One Year	153,732	-
Other Postemployment Benefits Payable - Due in More than One Year	167,664,697	-
Notes and Mortgages Payable - Due in More than One Year	-	18,448,566
General Obligation Bonds Payable - Due in More than One Year (Net)	107,381,262	-
Revenue Bonds Payable - Due in More than One Year	-	27,832,411
Loans Payable - Due in More than One Year	699,551	-
Net Pension Liability - Due in More than One Year	52,804,742	-
Compensated Absences Payable - Due in More than One Year	249,557	153,934
<b>Total Liabilities</b>	<b>412,094,941</b>	<b>67,292,234</b>
<b>Deferred Inflows of Resources</b>		
Pension Related	63,891,126	-
OPEB Related	3,986,428	-
Unamortized Gain on Refunding	550,719	-
<b>Total Deferred Inflows of Resources</b>	<b>68,428,273</b>	<b>-</b>
<b>Net Position</b>		
Net Investment in Capital Assets	482,426,118	28,896,892
Restricted for:		
General Government	1,205,586	-
Grants	25,000	-
Law Enforcement Authorized Forfeiture Use	458,622	-
Solid Waste and Recycling	11,881,823	-
Recorder's Fund Technology	2,897,499	-
E-911 Funding Technology	1,120,258	-
Other	1,014,156	-
Parks & Libraries	6,315,023	-
Inmate Services Funds	132,272	-
Capital Projects	25,345,217	-
Debt Service	15,329,486	11,650,468
Grant Funded Housing Purposes	-	4,038,651
Net Pension Asset	414,181	-
Unrestricted	41,415,318	32,045,835
<b>Total Net Position</b>	<b>\$ 589,980,559</b>	<b>\$ 76,631,846</b>

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

Washington County, Minnesota

Statement of Activities  
Year Ended December 31, 2021

	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
<b>Functions/Programs</b>						
<b>Primary Government</b>						
<b>Governmental Activities:</b>						
General Government	\$ 43,572,359	\$ 12,788,434	\$ 1,065,947	\$ 326,723	\$ (29,391,255)	\$ -
Public Safety	43,291,338	8,335,533	5,859,572	-	(29,096,233)	-
Highways and Streets	72,699,254	23,347,939	10,953,270	13,189,025	(25,209,020)	-
Health and Human Services	81,444,888	-	44,842,762	-	(36,602,126)	-
Culture and Recreation	11,607,651	1,233,652	1,308,411	-	(9,065,588)	-
Conservation of Natural Resources	381,972	-	1,260,918	-	878,946	-
Economic Development	5,577,104	-	-	-	(5,577,104)	-
Interest	1,239,906	-	-	-	(1,239,906)	-
<b>Total Primary Government</b>	<b>\$ 259,814,472</b>	<b>\$ 45,705,558</b>	<b>\$ 65,290,880</b>	<b>\$ 13,515,748</b>	<b>(135,302,286)</b>	<b>-</b>
<b>Component Unit:</b>						
Community Development Agency	\$ 28,370,140	\$ 13,344,851	\$ 12,454,524	\$ 2,341,093	-	(229,672)
<b>General Revenues:</b>						
Property Taxes					125,705,996	5,414,761
Tax Increments					-	249,053
Mortgage Registry and Deed Tax					922,747	-
Wheelage Tax					4,805,053	-
Sales Tax					15,670,281	-
Grants and Contributions not Restricted for a Particular Purpose					12,324,384	-
Investment Earnings					18,470,283	282,727
Miscellaneous					2,824,771	-
Gain on Sale of Capital Assets					97,574	60,131
Total General Revenues					180,821,089	6,006,672
<b>Change in Net Position</b>					<b>45,518,803</b>	<b>5,777,000</b>
<b>Net Position - Beginning of Year</b>					<b>544,461,756</b>	<b>70,854,846</b>
<b>Net Position - End of Year</b>					<b>\$ 589,980,559</b>	<b>\$ 76,631,846</b>

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

# Washington County, Minnesota

## Balance Sheet Governmental Funds December 31, 2021

	Major Funds				Total Governmental Funds	
	General	Regional Rail Authority	Metro Gold Line	Debt Service		Capital Projects
<b>Assets</b>						
Cash and Pooled Investments	\$ 158,584,082	\$ 2,131,708	\$ 22,846,968	\$ 16,963,791	\$ 17,653,827	\$ 218,180,376
Petty Cash and Change Funds	25,950	-	-	-	-	25,950
Investments	100,400,072	-	-	-	-	100,400,072
Taxes Receivable	1,027,062	6,119	-	-	-	1,033,181
Special Assessments Receivable						
Current	180,268	-	-	-	-	180,268
Noncurrent	837,981	-	-	9,875	-	847,856
Accounts Receivable	1,780,344	-	-	-	21	1,780,365
Note Receivable	6,789,856	-	-	-	-	6,789,856
Accrued Interest Receivable	599,792	-	-	-	-	599,792
Due from Other Governments	14,983,618	-	-	-	27,213,436	42,197,054
Due from Component Unit	1,282,781	-	-	-	-	1,282,781
Inventories	1,468,277	-	-	-	-	1,468,277
Prepaid items	429,255	-	-	-	-	429,255
<b>Total Assets</b>	<b>\$ 288,389,338</b>	<b>\$ 2,137,827</b>	<b>\$ 22,846,968</b>	<b>\$ 16,973,666</b>	<b>\$ 44,867,284</b>	<b>\$ 375,215,083</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>						
<b>Liabilities</b>						
Accounts Payable	\$ 2,476,254	\$ 9,139	\$ -	\$ 950	\$ 103,992	\$ 2,590,335
Salaries Payable	5,788,612	16,351	12,437	-	-	5,817,400
Contracts Payable	1,904,624	-	-	3,750	6,161,032	8,069,406
Due to Other Governments	7,452,913	-	-	-	-	7,452,913
Unearned Revenue	27,659,144	-	-	-	-	27,659,144
Customer Deposits	293,568	-	-	-	-	293,568
Gravel Pit Restoration	248,518	-	-	-	-	248,518
<b>Total Liabilities</b>	<b>45,823,633</b>	<b>25,490</b>	<b>12,437</b>	<b>4,700</b>	<b>6,265,024</b>	<b>52,131,284</b>
<b>Deferred Inflows of Resources</b>						
Unavailable Revenue - Taxes	1,027,062	6,119	-	-	-	1,033,181
Unavailable Revenue - Special Assessments	1,018,249	-	-	9,875	-	1,028,124
Unavailable Revenue - State Aid Allotments	-	-	-	-	20,630,615	20,630,615
Unavailable Revenue - Grants	550,144	-	-	-	50,693	600,837
<b>Total Deferred Inflows of Resources</b>	<b>2,595,455</b>	<b>6,119</b>	<b>-</b>	<b>9,875</b>	<b>20,681,308</b>	<b>23,292,757</b>
<b>Fund Balances</b>						
Nonspendable For						
Prepays	429,255	-	-	-	-	429,255
Inventories	1,468,277	-	-	-	-	1,468,277
Note Receivable	6,485,349	-	-	-	-	6,485,349
Advances to Other Governments	1,214,264	-	-	-	-	1,214,264
Restricted For						
Debt Service	-	-	-	16,959,091	-	16,959,091
Capital Projects	-	-	-	-	2,510,686	2,510,686
Grants	25,000	-	-	-	-	25,000
Law Library and County Library	4,643,739	-	-	-	-	4,643,739
Other Contracts	20,381,500	-	-	-	-	20,381,500
OPEB Trust	103,586,481	-	-	-	-	103,586,481
Transit Project	-	-	22,834,531	-	-	22,834,531
Assigned For						
Regional Rail	-	2,106,218	-	-	-	2,106,218
Capital Improvements	-	-	-	-	15,410,266	15,410,266
Compensated Absences	10,712,485	-	-	-	-	10,712,485
Capital Equipment	4,549,232	-	-	-	-	4,549,232
Employer Liability	1,404,811	-	-	-	-	1,404,811
Unassigned	85,069,857	-	-	-	-	85,069,857
<b>Total Fund Balances</b>	<b>239,970,250</b>	<b>2,106,218</b>	<b>22,834,531</b>	<b>16,959,091</b>	<b>17,920,952</b>	<b>299,791,042</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 288,389,338</b>	<b>\$ 2,137,827</b>	<b>\$ 22,846,968</b>	<b>\$ 16,973,666</b>	<b>\$ 44,867,284</b>	<b>\$ 375,215,083</b>

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, 2021**

<b>Fund Balances- Total Governmental Funds</b>	<b>\$ 299,791,042</b>
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.	605,831,925
Deferred outflows of resources resulting from pension obligations are not available resources and, therefore, are not reported in the governmental funds.	51,461,300
Deferred outflows of resources resulting from OPEB obligations are not available resources and, therefore, are not reported in the governmental funds.	36,514,764
Other long-term assets are not available to pay for current-period expenditures and, therefore, are reported as unavailable in the governmental funds.	23,292,757
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	\$(113,905,000)
Loans Payable	(853,283)
Other Postemployment Benefits	(172,862,900)
Compensated Absences	(11,531,990)
Net Pension Asset	414,181
Net Pension Liability	(52,804,742)
Accrued Interest Payable	(1,639,480)
Unamortized Bond Premium	<u>(6,366,262)</u>
	(359,549,476)
Deferred inflows resulting from pension obligations are not due and payable in the current period and, therefore, are not reported in the governmental funds.	(63,891,126)
Deferred inflows resulting from OPEB obligations are not due and payable in the current period and, therefore, are not reported in the governmental funds.	(3,986,428)
Unamortized gain/loss on Bond Refunding not reflected in the governmental funds.	<u>515,801</u>
<b>Net Position of Governmental Activities</b>	<b><u><u>\$ 589,980,559</u></u></b>

# Washington County, Minnesota

## Statement of Revenues, Expenditures, and Changes in Fund Balances Governmental Funds Year Ended December 31, 2021

	General	Regional Rail Authority	Metro Gold Line	Debt Service	Capital Projects	Total Governmental Funds
<b>Revenues</b>						
Taxes	\$ 106,718,220	\$ 658,092	\$ 12,568,949	\$ 16,915,801	\$ 11,175,585	\$ 148,036,647
Special Assessments	326,723	-	-	-	-	326,723
Licenses and Permits	4,805,658	30,597	-	-	-	4,836,255
Intergovernmental	71,529,198	1,655	465	-	7,776,505	79,307,823
Charges for Services	18,979,699	-	-	-	25,185,384	44,165,083
Fines and Forfeits	319,493	-	-	-	-	319,493
Interest on Investments	18,465,177	-	-	-	5,516	18,470,693
Miscellaneous	12,042,480	175	-	-	52,609	12,095,264
<b>Total Revenues</b>	<b>233,186,648</b>	<b>690,519</b>	<b>12,569,414</b>	<b>16,915,801</b>	<b>44,195,599</b>	<b>307,557,981</b>
<b>Expenditures</b>						
<b>Current</b>						
General Government	50,841,792	614,228	20,930,001	-	-	72,386,021
Public Safety	52,312,840	-	-	-	-	52,312,840
Highways and Streets	12,304,880	-	-	-	-	12,304,880
Health and Human Services	80,878,823	-	-	-	-	80,878,823
Culture and Recreation	12,664,822	-	-	-	-	12,664,822
Conservation	201,313	-	-	-	-	201,313
Economic Development	5,577,104	-	-	-	-	5,577,104
<b>Capital outlay</b>						
General Government	-	-	-	-	5,420,725	5,420,725
Highways and Streets	-	-	-	-	43,578,257	43,578,257
<b>Debt service</b>						
Principal	322,777	-	-	9,140,000	-	9,462,777
Interest	-	-	-	4,127,045	-	4,127,045
Administrative (Fiscal) Charges	-	-	-	17,050	-	17,050
<b>Total Expenditures</b>	<b>215,104,351</b>	<b>614,228</b>	<b>20,930,001</b>	<b>13,284,095</b>	<b>48,998,982</b>	<b>298,931,657</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>18,082,297</b>	<b>76,291</b>	<b>(8,360,587)</b>	<b>3,631,706</b>	<b>(4,803,383)</b>	<b>8,626,324</b>
<b>Other Financing Sources (Uses)</b>						
Transfers In	101,900	11,600	-	-	4,049,300	4,162,800
Transfers Out	(4,060,900)	-	-	-	(101,900)	(4,162,800)
Issuance of Loans	180,659	-	-	-	-	180,659
<b>Total Other Financing Sources (Uses)</b>	<b>(3,778,341)</b>	<b>11,600</b>	<b>-</b>	<b>-</b>	<b>3,947,400</b>	<b>180,659</b>
<b>Net Change in Fund Balances</b>	<b>14,303,956</b>	<b>87,891</b>	<b>(8,360,587)</b>	<b>3,631,706</b>	<b>(855,983)</b>	<b>8,806,983</b>
<b>Fund Balance - Beginning of Year</b>	<b>225,666,294</b>	<b>2,018,327</b>	<b>31,195,118</b>	<b>13,327,385</b>	<b>18,776,935</b>	<b>290,984,059</b>
<b>Fund Balance - End of Year</b>	<b>\$ 239,970,250</b>	<b>\$ 2,106,218</b>	<b>\$ 22,834,531</b>	<b>\$ 16,959,091</b>	<b>\$ 17,920,952</b>	<b>\$ 299,791,042</b>

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

**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, 2021**

**Net Change in Fund Balances - Total Governmental Funds** **\$ 8,806,983**

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	\$ 45,044,080	
Net Book Value of Assets Disposed	(485,786)	
Current Year Depreciation	<u>(31,141,932)</u>	13,416,362

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	(10,812)	
Changes in State Aid Allotments and Grants	<u>11,189,542</u>	11,178,730

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:

Loans Issued	<u>(180,659)</u>	(180,659)
--------------	------------------	-----------

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	9,140,000	
Loans Payable	<u>322,777</u>	9,462,777

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	157,557	
Amortization of Premiums and Discounts	2,727,527	
Amortization of Bond Refunding Gains and Losses	19,105	
Change In Compensated Absences	108,623	
Change In Net Pension Liability (Asset) and Related Deferred Inflows and Deferred Outflows	8,056,901	
Change OPEB Liability and Related Deferred Inflows and Deferred Outflows	<u>(8,235,103)</u>	2,834,610

**Change in Net Position of Governmental Activities** **\$ 45,518,803**

Washington County, Minnesota

Fiduciary Funds  
Statement of Fiduciary Net Position  
December 31, 2021

	<b>Custodial Funds</b>
<b><u>Assets</u></b>	
Cash and Pooled Investments	\$ 3,086,850
Accounts Receivable	580,031
Due from Other Governments	96,212
Taxes Receivable	<u>2,737,100</u>
<b>Total Assets</b>	<b><u>\$ 6,500,193</u></b>
<b><u>Liabilities</u></b>	
Accounts Payable	\$ 349,543
Due to Others	295,228
Due to Other Governments	<u>206,599</u>
<b>Total Liabilities</b>	<b><u>\$ 851,370</u></b>
<b><u>Deferred Inflows of Resources</u></b>	
Taxes Collected in Advance of Levy	<u>\$ 835,022</u>
<b><u>Net Position</u></b>	
Restricted for:	
Individuals, Organizations, and Other Governments	<b><u><u>\$ 4,813,801</u></u></b>

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, 2021**

<u><b>Additions</b></u>	<u><b>Custodial Funds</b></u>
Contributions:	
Individuals	\$ 1,948,555
Property Tax Collections for Other Governments	424,117,648
Special Assessments	1,283,783
License and Fees Collected for State	53,426,689
Intergovernmental Revenue	45,696,125
Fees for Services	15,000
Fines & Forfeitures	55,407
Interest Earnings	11,737
Miscellaneous	36,221
<b>Total Additions</b>	<b>526,591,165</b>
<u><b>Deductions</b></u>	
Beneficiary Payments to individuals	846,168
Administrative Expense	1,016,995
Payments to State	54,522,735
Operating Expense	46,701,954
Property Tax Payments to Other Governments	424,258,297
<b>Total Deductions</b>	<b>527,346,149</b>
<b>Net Increase (Decrease) In Fiduciary Net Position</b>	<b>(754,984)</b>
<b>Fiduciary Net Position - Beginning of Year</b>	<b>5,568,785</b>
<b>Fiduciary Net Position - End of Year</b>	<b>\$ 4,813,801</b>

Washington County, Minnesota  
Notes to the Financial Statements  
December 31, 2021

**Notes to the Financial Statements**

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**Washington County, Minnesota  
Notes to the Financial Statements  
December 31, 2021**

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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, 2021. 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 these programs. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

**Washington County, Minnesota**  
**Notes to the Financial Statements**  
**December 31, 2021**

*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.

**Washington County, Minnesota**  
**Notes to the Financial Statements**  
**December 31, 2021**

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 for individuals, private organizations, other governments, or other funds in any other 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, 2021, 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.

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 using the effective interest 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.

**Washington County, Minnesota**  
**Notes to the Financial Statements**  
**December 31, 2021**

The County has four types of items which occur 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 \$66,139,123 reported as restricted net position on the Statement of Net Position, \$22,834,531 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.

***Note II – Stewardship, Compliance, and Accountability***

**A. 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 2021, there were 11 of these TIF districts within the County. The Tax Increment taxes collected during 2021 totaled \$4,117,015. The County's portion of the captured tax capacity and related property taxes was approximately 27.4%.

**Washington County, Minnesota**  
**Notes to the Financial Statements**  
**December 31, 2021**

TIF agreements of other local governments have resulted in reductions of the County property tax revenues for the year ended December 31, 2021, 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:			
Cottage Grove	3	\$ 439,147	\$ 116,630
Forest Lake	3	366,185	98,078
Oak Park Heights	1	214,765	59,430
Stillwater	3	3,056,854	772,604
Woodbury	1	40,064	11,164
	<u>11</u>	<u>\$ 4,117,015</u>	<u>\$ 1,057,906</u>

**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, 2021, the County’s bank balances totaled \$6,372,010 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.

**Washington County, Minnesota**  
**Notes to the Financial Statements**  
**December 31, 2021**

**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.

At December 31, 2021 the County had the following investments:

S.B.I. Internal Fixed Pool	\$ 13,078,046
S.B.I. Internal Equity Pool	<u>87,322,026</u>
Total	<u>\$ 100,400,072</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.

**Washington County, Minnesota**  
**Notes to the Financial Statements**  
**December 31, 2021**

*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 \$92,366,240 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	5,069,930	5,107,164	1.63%
Federal National Mtg. Assn.**	Aaa/AAA	Custodian	5,065,955	5,001,705	1.59%
Federal Farm Credit Bank**	Aaa/AAA	Custodian	1,544,040	1,508,121	0.48%
Freddie Mac	Aaa/AAA	Custodian	2,536,938	2,501,622	0.80%
Municipal Securities**	Aaa/AAA	Custodian	100,488,520	98,842,369	31.48%
Negotiable Certificates of Deposit **	n/a	Custodian	2,475,000	2,492,491	0.79%
State Board of Investments	n/a	County Held	41,176,681	100,400,072	31.98%
External Investment Pool					
MAGIC Fund - Portfolio	n/a	County Held	5,714,407	5,714,407	1.82%
Mutual Fund Money Markets	n/a	Custodian/Broker	92,366,240	92,366,240	#
Total Investments			<u>256,442,811</u>	<u>313,939,291</u>	
Cash for Operations	n/a	Collateralized	7,671,775	7,671,775	
Petty Cash and Inmate Funds	n/a	County Held	82,182	82,182	
Total Cash and Investments			<u>\$ 264,196,768</u>	<u>\$ 321,693,248</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, 2021**

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	5,107,164	2,534,071	2,573,093	-
Federal National Mtg. Assn.	5,001,705	5,001,705	-	-
Federal Farm Credit Bank	1,508,121	1,508,121	-	-
Freddie Mac	2,501,622	2,501,622	-	-
Municipal Securities	98,842,369	13,297,825	85,544,544	-
Negotiable Certificates of Deposit	2,492,491	2,467,491	-	25,000
State Board of Investments	100,400,072	100,400,072	-	-
External Investment Pool				
MAGIC Fund - Portfolio	5,714,407	5,714,407	-	-
Mutual Fund Money Markets	92,366,240	92,366,240	-	-
Total Investments	<u>313,939,291</u>	<u>225,791,554</u>	<u>88,117,637</u>	<u>30,100</u>
Cash for Operations	7,671,775	7,671,775	-	-
Petty Cash and Inmate Funds	82,182	82,182	-	-
Total Cash and Investments	<u>\$ 321,693,248</u>	<u>\$ 233,545,511</u>	<u>\$ 88,117,637</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, 2021:

	Level 1	Level 2	Level 3	Total
U.S. Agencies	\$ -	\$ 14,123,712	\$ -	\$ 14,123,712
Municipal Securities	-	98,842,369	-	98,842,369
Negotiable Certificates of Deposit	-	2,492,491	-	2,492,491
	<u>\$ -</u>	<u>\$ 115,458,572</u>	<u>\$ -</u>	<u>115,458,572</u>
Investments Measured at Amortized Cost:				
MAGIC Fund - Portfolio				5,714,407
Mutual Fund Money Markets				92,366,240
				<u>\$ 98,080,647</u>
Investments Measured at net asset value (NAV):				
State Board of Investments				\$ 100,400,072
Total Investments				<u>\$ 313,939,291</u>

*Note: Cash and Cash Equivalents are not leveled per GASB 72. The County had \$7,753,957 in cash and cash equivalents on December 31, 2021.*

**Washington County, Minnesota**  
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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, 2021, the balance of this advance is \$1,282,781, and \$1,214,262 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, 2021, the balance of all advances is \$6,789,856.

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**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:

	Unavailable	Unearned
Delinquent Property Taxes	\$ 1,033,181	\$ -
Special Assessments Not Yet Due	1,028,124	-
Grant Receivables That Do Not Provide Current Financial Resources	21,231,452	-
Unearned Revenue	-	27,659,144
Total	<u>\$ 23,292,757</u>	<u>\$ 27,659,144</u>

**F. Capital Assets**

Capital asset activity for the year ended December 31, 2021 was as follows:

<b>Governmental activities</b>	<b>Beginning Balances</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balances</b>
Capital Assets not being Depreciated:				
Land	\$ 107,284,895	\$ 3,304,080	\$ (482,426)	\$ 110,106,549
Works of Art	279,114	-	-	279,114
Construction in Progress	30,107,853	43,399,848	(43,269,130)	30,238,571
Total Capital Assets not being Depreciated	<u>137,671,862</u>	<u>46,703,928</u>	<u>(43,751,556)</u>	<u>140,624,234</u>
Capital Assets being Depreciated:				
Infrastructure	493,744,101	33,555,103	-	527,299,204
Improvements Other than Buildings	18,763,140	4,172,506	-	22,935,646
Buildings	234,537,461	967,645	-	235,505,106
Machinery, Vehicles, Furniture and Equipment	60,514,068	3,396,454	(4,196,506)	59,714,016
Total Capital Assets being Depreciated	<u>807,558,770</u>	<u>42,091,708</u>	<u>(4,196,506)</u>	<u>845,453,972</u>
Less Accumulated Depreciation for:				
Infrastructure	214,676,279	21,309,697	-	235,985,976
Improvements Other than Buildings	12,806,350	444,791	-	13,251,141
Buildings	82,635,787	5,455,337	-	88,091,124
Machinery, Vehicles, Furniture and Equipment	42,696,653	3,932,107	(3,710,720)	42,918,040
Total Accumulated Depreciation	<u>352,815,069</u>	<u>31,141,932</u>	<u>(3,710,720)</u>	<u>380,246,281</u>
Total Capital Assets being Depreciated, Net	<u>454,743,701</u>	<u>10,949,776</u>	<u>(485,786)</u>	<u>465,207,691</u>
Governmental Activity Capital Assets, Net	<u>\$ 592,415,563</u>	<u>\$ 57,653,704</u>	<u>\$(44,237,342)</u>	<u>\$ 605,831,925</u>
Depreciation Expense was Charged to Functions as Follows:				
General Government	\$ 6,096,407			
Public Safety	1,855,054			
Highways and Streets	21,634,715			
Health and Human Services	70,967			
Culture and Recreation	1,484,789			
Total Depreciation Expense	<u>\$ 31,141,932</u>			

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**G. Interfund Balances and Activities**

**Transfers to/from Other Funds**

Transfers to/from other funds for the year ended December 31, 2021, consisted of the following:

Transfer to Capital Projects Fund from General Fund <i>To fund capital projects</i>	<u>\$ 4,049,300</u>
Transfer to General Fund from Capital Projects Fund <i>To reallocate unused balance of project</i>	<u>\$ 101,900</u>
Transfer to Regional Rail Fund from General Fund <i>To fund personnel costs</i>	<u>\$ 11,600</u>

**H. Long-Term Obligations**

Changes in long-term obligations for the year ended December 31, 2021 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	\$ 123,045,000	\$ -	\$ (9,140,000)	\$ 113,905,000	\$ 12,890,000
Unamortized Premium on Bonds	9,093,789	-	(2,727,527)	6,366,262	-
Direct Borrowing - AgBMP Loans	995,401	180,659	(322,777)	853,283	153,732
Compensated Absences	11,640,613	8,949,661	(9,058,284)	11,531,990	11,282,433
Other Postemployment Benefits	<u>152,802,376</u>	<u>25,258,727</u>	<u>(5,198,203)</u>	<u>172,862,900</u>	<u>5,198,203</u>
Total Long-Term Liabilities	<u>\$ 297,577,179</u>	<u>\$ 34,389,047</u>	<u>\$ (26,446,791)</u>	<u>\$ 305,519,435</u>	<u>\$ 29,524,368</u>

**1. Debt Service**

The County is subject to the federal arbitrage regulations, but does not have any arbitrage liability as of December 31, 2021.

**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**  
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In addition, the County is subject to a legal debt limit of 3% of the total taxable market value. At December 31, 2021, the County was in compliance with this requirement. General obligation bonds payable at December 31, 2021 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 12/31/2021</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	\$ 24,615,000	\$ 2,965,000
\$4,775,000 Series 2015A GO Land and Water Legacy Bonds	2026	\$225,000 to \$1,135,000	3.00	4,775,000	845,000	620,000
\$20,000,000 Series 2016A GO Capital Improvement Bonds	2031	\$805,000 to \$2,480,000	2.00 - 5.00	20,000,000	10,755,000	1,025,000
\$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	380,000	380,000
\$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	24,500,000	1,760,000
\$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	25,000
\$29,240,000 Series 2019A GO Capital Improvement Bonds	2039	\$615,000 to \$3,005,000	2.00 - 5.00	29,240,000	26,385,000	3,005,000
\$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	3,110,000
<b>Total General Obligation Bonds</b>				<u>\$ 146,415,000</u>	<u>113,905,000</u>	<u>\$ 12,890,000</u>
				<b>Plus: Unamortized Premium</b>	<u>6,366,262</u>	
<b>Total General Obligation Bonds, Net</b>					<u>\$ 120,271,262</u>	

**Washington County, Minnesota**  
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Debt service requirements on general obligation long-term debt at December 31, 2021, are as follows:

Year Ending December 31	Governmental Activities		
	General Obligation Bonds		Direct Borrowing - AgBMP Loans
	Principal	Interest	Principal
2022	\$ 12,890,000	\$ 3,711,487	\$ 153,732
2023	10,155,000	3,316,407	134,193
2024	10,650,000	2,952,168	132,281
2025	11,695,000	2,484,019	114,115
2026	12,260,000	1,973,456	98,708
2027-2031	40,430,000	4,086,319	220,254
2032-2036	10,805,000	1,125,894	-
2037-2039	5,020,000	194,664	-
Total	<u>\$ 113,905,000</u>	<u>\$ 19,844,414</u>	<u>\$ 853,283</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 disbursed in February 2021 to retire the designated portions of the 2011A bonds.

**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.

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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 \$5,198,203 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, 2021, and the total OPEB liability was determined by an actuarial valuation as of January 1, 2020.

The total OPEB liability was determined by an actuarial valuation as of January 1, 2020 (update procedures were used to roll forward the total OPEB liability to the measurement date), 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, 2021 valuation were based on the results of an actuarial experience study for the period January 1, 2020 to December 31, 2020.

The discount rate used to measure the total OPEB liability changed from 2.75% to 2.00%. 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.

**Washington County, Minnesota**  
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- 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.

**Changes in Total OPEB Liability**

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability ( c ) = ( a ) - ( b )
Balance at January 1,2021	\$ 152,802,376	\$ -	\$ 152,802,376
Changes for the year:			
Service Cost	2,563,368	-	2,563,368
Interest	4,201,083	-	4,201,083
Differences between expected and actual economic experience	(73,944)	-	(73,944)
Changes of assumptions	18,568,220	-	18,568,220
Employee contributions	-	5,198,203	(5,198,203)
Benefit payments	(5,198,203)	(5,198,203)	-
Net changes	<u>20,060,524</u>	<u>-</u>	<u>20,060,524</u>
Balance at December 31,2021	<u>\$ 172,862,900</u>	<u>\$ -</u>	<u>\$ 172,862,900</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 (1.00%)	\$ 203,046,813	\$ -	\$ 203,046,813
Current Discount Rate (2.00%)	172,862,900	-	172,862,900
1% increase in Discount Rate (3.00%)	148,752,329	-	148,752,329

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	\$ 145,896,468	\$ -	\$ 145,896,468
Current Trend Rate	172,862,900	-	172,862,900
1% increase in Trend Rate	207,122,289	-	207,122,289

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For the year ended December 31, 2021, the County recognized OPEB expense of \$13,439,210. At December 31, 2021, the County reported the following deferred inflows and outflows related to OPEB:

	Balances at December 31, 2021	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Liability Contributions between Measurement Date and Reporting Date	\$ 3,641,189	\$ 61,432
Change of assumptions	5,277,048	-
	<u>27,596,527</u>	<u>3,924,996</u>
	<u>\$ 36,514,764</u>	<u>\$ 3,986,428</u>

Deferred outflows of resources resulting from County contributions subsequent to the measurement date of \$5,277,048 will be recognized as a reduction of the OPEB liability in the year ended December 31, 2022, while deferred (inflows) outflows of resources resulting from changes of assumptions will be recognized in OPEB expense as follows:

Year Ending December 31	Amount
2022	\$ 6,674,759
2023	6,525,128
2024	5,133,583
2025	6,070,137
2026	2,847,681
Thereafter	-
	<u>\$ 27,251,288</u>

**Note IV – Defined Benefit Pension Plans**

**A. Plan 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**

All full-time and certain part-time employees of the County are covered by the General Employees Plan. 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 is 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. 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.

**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 2021 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, 2021, were \$5,867,849. The County's contributions were equal to the required contributions as set by state statute.

**2. Police and Fire Fund Contributions**

Police and Fire Plan members Were required to contribute 11.8% of their annual covered salary in fiscal year 2021 and the County was required to contribute 17.70% for Police and Fire Plan members. The County's contributions to the Police and Fire Fund for the year ended December 31, 2021, were \$2,064,445. The County's contributions were equal to the required contributions as set by state statute.

**3. Correctional Fund Contributions**

Correctional Plan members were required to contribute 5.83% of their annual covered salary in fiscal year 2021, and the County was required to contribute 8.75% for Correctional Plan members. The County's contributions to the Correctional Fund for the year ended December 31, 2021, were \$490,133. The County's contributions were equal to the required contributions as set by state statute.

**Washington County, Minnesota**  
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**D. Pension Costs**

**1. General Employees Fund Pension Costs**

At December 31, 2021, the County reported a liability of \$45,672,441 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 \$1,394,666. The net pension liability was measured as of June 30, 2021 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, 2020 through June 30, 2021 relative to the total employer contributions received from all of PERA’s participating employers. The County’s proportionate share 1.070% at the end at the end of the measurement period and 1.024% for the beginning of the period.

County's proportionate share of the net pension liability	\$ 45,672,441
State of Minnesota's proportionate share of the net pension liability associated with the County	<u>1,394,666</u>
Total	<u>\$ 47,067,107</u>

For the year ended December 31, 2021, the County recognized pension expense of \$1,914,880 for its proportionate share of General Employees Plan’s pension expense. In addition, the County recognized \$112,527 as grant revenue for its proportionate share of the State of Minnesota’s pension expense for the annual \$16 million contribution.

At December 31, 2021, 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	\$ 280,599	\$ 1,397,705
Changes in Actuarial Assumptions	27,886,646	1,010,303
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	39,554,264
Changes in Proportion and Differences Between County Contributions and Proportionate Share of Contributions	4,003,521	-
County Contributions Subsequent to the Measurement Date	<u>2,916,949</u>	<u>-</u>
Total	<u>\$ 35,087,715</u>	<u>\$ 41,962,272</u>

**Washington County, Minnesota**  
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The \$2,916,949 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, 2022. 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
2022	\$ (142,540)
2023	798,906
2024	340,645
2025	(10,788,517)

**2. Police and Fire Fund Pension Costs**

At December 31, 2021, the County reported a liability of \$7,132,301 for its proportionate share of the Police and Fire Fund’s net pension liability. The net pension liability was measured as of June 30, 2021, 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, 2020, through June 30, 2021, relative to the total employer contributions received from all of PERA’s participating employers. The County’s proportionate share was 0.924% at the end at the end of the measurement period and 0.933% for the beginning of the period.

The State of Minnesota also contributed \$18 million to the Police and Fire Fund in the plan fiscal year ended June 30, 2021. The contribution consisted of \$9 million in direct state aid that does meet the definition of a special funding situation and \$9 million in supplemental state aid that does not meet the definition of a special funding situation. The \$9 million direct state was paid on October 1, 2020. 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. Strong asset returns for the fiscal year ended 2021 will accelerate the phasing out of these state contributions, although we do not anticipate them to be phased out during the fiscal year ending 2022.

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 \$9 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, 2021, the County recognized pension expense of \$(386,195) for its proportionate share of the Police and Fire Plan’s pension expense. The County recognized \$58,393 as grant revenue for its proportionate share of the State of Minnesota’s pension expense for the contribution of \$9 million to the Police and Fire Fund.

**Washington County, Minnesota**  
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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 recognized \$83,160 for the year ended December 31, 2021 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	\$ 7,132,301
State of Minnesota's proportionate share of the net pension liability associated with the County	<u>320,635</u>
Total	<u>\$ 7,452,936</u>

At December 31, 2021, 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	\$ 1,369,841	\$ -
Changes in Actuarial Assumptions	10,482,619	3,918,759
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	13,628,021
Changes in Proportion and Differences Between County Contributions and Proportionate Share of Contributions	630,599	715,961
County Contributions Subsequent to the Measurement Date	<u>1,050,178</u>	<u>-</u>
Total	<u>\$ 13,533,237</u>	<u>\$ 18,262,741</u>

The \$1,050,178 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, 2022. 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
2022	\$ (4,657,705)
2023	(977,724)
2024	(881,096)
2025	(1,534,173)
2026	2,271,016

**Washington County, Minnesota**  
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**3. Corrections Plan Pension Costs**

At December 31, 2021, the County reported an asset of \$414,181 for its proportionate share of the Correctional Plan’s net pension liability. The net pension liability was measured as of June 30, 2021, 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, 2020, through June 30, 2021, relative to the total employer contributions received from all of PERA’s participating employers. The County’s proportionate share was 2.521% at the end at the end of the measurement period and 2.613% for the beginning of the period.

For the year ended December 31, 2021, the County recognized pension expense of \$(1,139,154) for its proportionate share of the Correctional Plan’s pension expense.

At December 31, 2021, 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	\$ -	\$ 236,225
Changes in Actuarial Assumptions	2,592,670	38,825
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	3,325,245
Changes in Proportion and Differences Between County Contributions and Proportionate Share of Contributions	-	65,818
County Contributions Subsequent to the Measurement Date	247,678	-
Total	<u>\$ 2,840,348</u>	<u>\$ 3,666,113</u>

The \$247,678 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, 2022. 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
2022	\$ (163,298)
2023	(46,156)
2024	39,864
2025	(903,853)

**Washington County, Minnesota**  
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**4. Total Pension Expense**

The total pension expense for all plans recognized by the County for the year ended December 31, 2021, was \$560,451.

**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 Asset	\$ -	\$ -	\$ (414,181)	\$ (414,181)
Net Pension Liability	45,672,441	7,132,301	-	52,804,742
Deferred Outflows of Resources Related to Pensions	35,087,715	13,533,237	2,840,348	51,461,300
Deferred Intflows of Resources Related to Pensions	41,962,272	18,262,741	3,666,113	63,891,126
Pension Expense	2,027,407	(327,802)	(1,139,154)	560,451

**E. Long-Term Expected Return on Investment**

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	33.5 %	5.10 %
International Equity	16.5	5.30
Fixed Income	25.0	0.75
Private Markets	25.0	5.90
Totals	<u>100.0 %</u>	

**F. Actuarial Methods and Assumptions**

The total pension liability in the June 30, 2021, actuarial valuation was determined using an individual entry-age normal actuarial cost method. The long-term rate of return on pension plan investments used in the determination of the total liability is 6.5%. This assumption is based on a review of inflation and investments return assumptions from a number of national investment consulting firms. The review provided a range of return investment return rates deemed to be reasonable by the actuary. An investment return of 6.5% was deemed to be within that range of reasonableness for financial reporting purposes.

**Washington County, Minnesota**  
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Inflation is assumed to be 2.25% for the General Employees Plan, 2.25% for the Police and Fire Plan, and 2.25% for the Correctional Plan. Benefit increases after retirement are assumed to be 1.25% for the General Employees Plan and 2% for the Correctional Plan. The Police and Fire Plan benefit increase is fixed at 1% per year and that increase was used in the valuation.

Salary growth assumptions in the General Employees Plan range in annual increments from 10.25% after one year of service to 3.0% after 29 years of service and 6.0% per year thereafter. In the Police and Fire Plan, salary growth assumptions range from 11.75% after one year of service to 3.0% after 24 years of service. In the Correctional Plan, salary growth assumptions range from 11.0% at age 20 to 3.0% at age 60.

Mortality rates for the General Employees Plan are based on the Pub-2010 General Employee Mortality Table. Mortality rates for the Police and Fire Plan and the Correctional Plans are based on the Pub-2010 Public Safety Employee Mortality tables. The tables are adjusted slightly to fit PERA's experience.

Actuarial assumptions for the General Employees Plan are reviewed every four years. 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 became effective with the July 1, 2020 actuarial valuation. The most recent four-year experience studies for the Police and Fire and the Correctional Plan were completed in 2020 were adopted by the Board and became effective with the July 1, 2021 actuarial valuation.

The following changes in actuarial assumptions and plan provisions occurred in 2021:

**General Employees Fund**

Changes in Actuarial Assumptions:

- The investment return and single discount rates were changed from 7.50% to 6.50%, for financial reporting purposes.
- The mortality improvement scale was changed from Scale MP-2019 to Scale MP-2020.

Changes in Plan Provisions:

- There were no changes in plan provisions since the previous valuation.

**Police and Fire Fund**

Changes in Actuarial Assumptions:

- The investment return and single discount rates were changed from 7.50% to 6.50%, for financial reporting purposes.
- The inflation assumption was changed from 2.50% to 2.25%.
- The payroll growth assumption was changed from 3.25% to 3.00%.
- The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 Public Safety Mortality table. The mortality improvement scale was changed from MP-2019 to MN-2020.
- The base mortality table for disabled annuitants was changed from the RP-2014 healthy annuitant mortality table (with future mortality improvement according to Scale MP-2019) to the Pub-2010 Public Safety disabled annuitant mortality table (with future mortality improvement according to Scale MP-2020).
- Assumed rates of salary increase were modified as recommended in the July 14, 2020 experience study. The overall impact is a decrease in gross salary increase rates.
- Assumed rates of retirement were changed as recommended in the July 14, 2020 experience study. The changes result in slightly more unreduced retirements and fewer assumed early retirements.

**Washington County, Minnesota**  
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- Assumed rates of withdrawal were changed from select and ultimate rates to service-based rates. The changes result in more assumed terminations.
- Assumed rates of disability were increased for ages 25-44 and decreased for ages over 49. Overall, proposed rates result in more projected disabilities.
- Assumed percent married for active female members was changed from 60% to 70%. Minor changes to form of payment assumptions were applied.

Changes in Plan Provisions:

- There were no changes in plan provisions since the previous valuation.

**Correctional Fund**

Changes in Actuarial Assumptions:

- The investment return and single discount rates were changed from 7.50% to 6.50%, for financial reporting purposes.
- The inflation assumption was changed from 2.50% to 2.25%.
- The payroll growth assumption was changed from 3.25% to 3.00%.
- The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 Public Safety Mortality table. The mortality improvement scale was changed from MP-2019 to MN-2020.
- The base mortality table for disabled annuitants was changed from the RP-2014 healthy annuitant mortality table (with future mortality improvement according to Scale MP-2019) to the Pub-2010 Public Safety disabled annuitant mortality table (with future mortality improvement according to Scale MP-2020).
- Assumed rates of salary increase were modified as recommended in the July 10, 2020 experience study. The overall impact is a decrease in gross salary increase rates.
- Assumed rates of retirement were changed as recommended in the July 10, 2020 experience study. The changes result in slightly more unreduced retirements and fewer assumed early retirements.
- Assumed rates of withdrawal were changed as recommended in the July 10, 2020 experience study. The new rates predict more terminations, both in the three-year select period (based on service) and the ultimate rates (based on age).
- Assumed rates of disability lowered.
- Assumed percent married for active members was lowered from 85% to 75%.
- Minor changes to form of payment assumptions were applied.

Changes in Plan Provisions:

- There were no changes in plan provisions since the previous valuation.

**G. Discount Rate**

The discount rate used to measure the total pension liability in 2021 was 6.5%. 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.

**Washington County, Minnesota**  
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**H. 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 (5.50%)	Current Discount Rate (6.50%)	1% Increase in Discount Rate (7.50%)
County's Proportionate Share of the General Employees Fund Net Pension Liability	\$ 93,148,466	\$ 45,672,441	\$ 30,863,255
County's Proportionate Share of the Police and Fire Fund Net Pension Liability	22,643,849	7,132,301	(5,583,325)
Correctional Fund Net Pension (Asset) Liability	4,310,521	(414,181)	(4,163,737)

**I. 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](http://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.

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, 2021 were:

Contribution Amount		Percentage of Covered Payroll		Required Rates
Employee	Employer	Employee	Employer	
\$ 17,680	\$ 17,680	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 2021. 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.

**C. Construction Commitments**

The County has several active construction projects as of December 31, 2021. 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	\$ 83,903,231	\$ 6,674,090
Buildings	478,230	57,718

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**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	\$ 6,560,000
Governmental Housing Revenue Refunding Bonds Series 2010C	1,345,000
Governmental Housing Revenue Refunding Bonds Series 2012A	5,080,000
Taxable Qualified Energy Conservation Revenue Bonds Series 2012B	1,115,000
Governmental Housing Revenue Refunding Bonds Series 2012C	7,465,000
Governmental Multi-Family Housing Revenue Bonds Series 2015A	<u>7,065,000</u>
Total	<u>\$ 28,630,000</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.

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 five years.

Washington County’s ongoing financial interest in the project is 27% of the obligations or resources upon termination of the agreement. For 2021, the project reported a net position of \$14.9M with annual operating expenses of \$47.4M, revenues of \$48.2M, and an overall increase in net position of \$2.4M. For 2020, the increase in net position was \$3.2M.

In March of 2021, Ramsey County issued \$32,720,000 of Series 2021A General Obligation Solid Waste Facility Revenue Bonds (Green Bonds) and loaned 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. There is no accumulation of resources or fiscal stress related to this entity.

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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 or fiscal stress related to this entity.

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.

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. There is no accumulation of resources or fiscal stress related to this entity.

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).

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

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.

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, 2012-2021.

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](mailto: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.

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](mailto: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](mailto: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 \$180,255 in 2021. 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 2021.

**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 2021.

**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 2021, the County paid MCCC \$112,822 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 \$94,314 for services performed under this agreement in 2021.

**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.

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](http://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.

**Washington County, Minnesota**  
**Notes to the Financial Statements**  
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As of December 31, 2021, 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	\$ 10,119,478	\$ -	\$ -	\$ 10,119,478
External Investment Pools	N/R	16,316,443	-	-	16,316,443
Certificates of Deposit	N/R	753,711	1,696,139	-	2,449,850
Brokered MB's	AAA	1,639,266	2,215,948	-	3,855,214
Brokered MB's	AA+	-	758,985	-	758,985
Brokered MB's	AA	557,875	1,664,305	-	2,222,180
Brokered MB's	AA-	-	991,411	-	991,411
Total Investments		<u>\$ 29,386,773</u>	<u>\$ 7,326,788</u>	<u>\$ -</u>	36,713,561
Deposits	N/R				<u>1,616,413</u>
Total Cash and Investments					<u>\$ 38,329,974</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	\$ 26,863,224	\$ 588,470	\$ 27,451,694
Restricted Cash and Investments	<u>11,466,750</u>	<u>1,056,895</u>	<u>12,523,645</u>
Total Cash and Investments	<u>\$ 38,329,974</u>	<u>\$ 1,645,365</u>	<u>\$ 39,975,339</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, 2021**

The CDA has the following recurring fair value measurements as of December 31, 2021:

Investment Type	12/31/2021	Fair Value Measurement Using		
		Level 1	Level 2	Level 3
Investments at fair value:				
Brokered CD's	\$ 2,449,850	\$ -	\$ 2,449,850	\$ -
Brokered MB's	3,855,214	-	3,855,214	-
Brokered MB's	758,985	-	758,985	-
Brokered MB's	2,222,180	-	2,222,180	-
Brokered MB's	991,411	-	991,411	-
Total/Subtotal	10,277,640	\$ -	\$ 10,277,640	\$ -
Investments not categorized:				
Mutual fund	10,119,478			
External investment pool - Magic fund	16,316,443			
Total Investments	\$ 36,713,561			

**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	28.6%
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**Washington County, Minnesota**  
**Notes to the Financial Statements**  
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**B. Capital Assets**

**1. CDA Capital Assets**

Capital asset activity of the CDA for the year ended December 31, 2021 was as follows:

	Beginning Balance	Increase	Decrease	Ending Balance
<b>Governmental activities:</b>				
Capital Assets, not being Depreciated:				
Land	\$ 424,186	\$ -	\$ -	\$ 424,186
Capital Assets, being Depreciated:				
Buildings and Structures	2,064,478	39,256	-	2,103,734
Furniture and Fixtures	220,322	145,884	-	366,206
Total Capital Assets, being Depreciated	<u>2,284,800</u>	<u>185,140</u>	<u>-</u>	<u>2,469,940</u>
Less Accumulated Depreciation for:				
Buildings and Structures	403,350	51,899	-	455,249
Furniture and Fixtures	115,900	31,702	-	147,602
Total Accumulated Depreciation	<u>519,250</u>	<u>83,601</u>	<u>-</u>	<u>602,851</u>
Total Capital Assets being Depreciated - Net	<u>1,765,550</u>	<u>101,539</u>	<u>-</u>	<u>1,867,089</u>
Governmental Activities Capital Assets - Net	<u>\$ 2,189,736</u>	<u>\$ 101,539</u>	<u>\$ -</u>	<u>\$ 2,291,275</u>
<b>Business-type activities:</b>				
Capital Assets, not being Depreciated:				
Land	\$ 4,559,053	\$ -	\$ -	\$ 4,559,053
Construction in Progress	59,344	1,183,417	(1,201,323)	41,438
Total Capital Assets, not being Depreciated	<u>4,618,397</u>	<u>1,183,417</u>	<u>(1,201,323)</u>	<u>4,600,491</u>
Capital Assets, being Depreciated:				
Buildings and Structures	72,644,294	1,201,324	(431,594)	73,414,024
Furniture and Fixtures	515,702	-	-	515,702
Total Capital Assets, being Depreciated	<u>73,159,996</u>	<u>1,201,324</u>	<u>(431,594)</u>	<u>73,929,726</u>
Less Accumulated Depreciation for:				
Buildings and Structures	33,588,290	1,906,624	(431,594)	35,063,320
Furniture and Fixtures	515,702	-	-	515,702
Total Accumulated Depreciation	<u>34,103,992</u>	<u>1,906,624</u>	<u>(431,594)</u>	<u>35,579,022</u>
Total Capital Assets being Depreciated - Net	<u>39,056,004</u>	<u>(705,300)</u>	<u>-</u>	<u>38,350,704</u>
Business-Type Activities Capital Assets - Net	<u>\$ 43,674,401</u>	<u>\$ 478,117</u>	<u>\$ (1,201,323)</u>	<u>\$ 42,951,195</u>

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

<b>Governmental Activities:</b>	
General Government	<u>\$ 83,601</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 83,601</u>
<b>Business-Type Activities:</b>	
Housing	<u>\$ 1,906,624</u>
Total Depreciation Expense - Business-Type Activities	<u>\$ 1,906,624</u>

**Washington County, Minnesota**  
**Notes to the Financial Statements**  
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**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, 2021 was as follows:

	Beginning Balance	Increase	Decrease	Ending Balance
<b>Business-type activities:</b>				
Capital Assets, not being Depreciated:				
Land	\$ 2,770,501	\$ -	\$ -	\$ 2,770,501
Construction in Progress	-	63,823	-	63,823
Total Capital Assets, not being Depreciated	<u>2,770,501</u>	<u>63,823</u>	<u>-</u>	<u>2,834,324</u>
Capital Assets, being Depreciated:				
Buildings and Structures	33,784,985	-	-	33,784,985
Furniture and Fixtures	1,014,705	-	-	1,014,705
Total Capital Assets, being Depreciated	<u>34,799,690</u>	<u>-</u>	<u>-</u>	<u>34,799,690</u>
Less Accumulated Depreciation for:				
Buildings and Structures	3,335,911	903,089	-	4,239,000
Furniture and Fixtures	572,846	146,761	-	719,607
Total Accumulated Depreciation	<u>3,908,757</u>	<u>1,049,850</u>	<u>-</u>	<u>4,958,607</u>
Total Capital Assets being Depreciated - Net	<u>30,890,933</u>	<u>(1,049,850)</u>	<u>-</u>	<u>29,841,083</u>
Business-Type Activities Capital Assets - Net	<u>\$ 33,661,434</u>	<u>\$ (986,027)</u>	<u>\$ -</u>	<u>\$ 32,675,407</u>

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

Business-Type Activities:	
Housing	<u>\$ 1,049,850</u>
Total Depreciation Expense - Business-Type Activities	<u>\$ 1,049,850</u>

**C. Lease Receivables**

The Community Development Fund has receivable balances of \$8,898,479 which are not expected to be collected within one year of December 31, 2021. 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 \$11,026,834, of which \$10,816,391 is not expected to be collected within one year of December 31, 2021. 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.

**Washington County, Minnesota**  
**Notes to the Financial Statements**  
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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>
2022	\$ 432,000
2023	432,000
2024	22,034
2025	-
2026	-
Total minimum lease payments	886,034
Amounts representing interest	<u>(11,442)</u>
Present value of net minimum lease payments	<u>\$ 874,592</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>
2022	\$ 73,791
2023	77,364
2024	76,227
2025	75,384
2026	78,696
2027-2031	411,153
2032-2036	444,396
2037	<u>85,800</u>
Total minimum lease payments	1,322,811
Amounts representing interest	<u>(341,144)</u>
Present value of net minimum lease payments	<u>\$ 981,667</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**  
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**1. Governmental and Business-Type Activities**

Changes in long-term debt were as follows:

	<u>Balance</u> <u>12/31/20</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>12/31/21</u>	<u>Due Within</u> <u>One Year</u>
Governmental activities:					
Compensated absences	\$ 167,277	\$ 194,473	\$ (190,712)	\$ 171,038	\$ 17,104
Notes Payable- Direct Borrowing	2,870,890	-	(288,236)	2,582,654	301,214
Total	<u>\$ 3,038,167</u>	<u>\$ 194,473</u>	<u>\$ (478,948)</u>	<u>\$ 2,753,692</u>	<u>\$ 318,318</u>
Business-type activities:					
Notes Payable- Direct Borrowing	\$ 1,976,094	\$ -	\$ -	\$ 1,976,094	\$ -
Mortgage Payable - Direct Borrowing	8,776,797	-	(241,113)	8,535,684	254,735
Total Notes and Mortgages	<u>\$ 10,752,891</u>	<u>\$ -</u>	<u>\$ (241,113)</u>	<u>\$ 10,511,778</u>	<u>\$ 254,735</u>
Revenue Bonds Payable	\$ 31,800,000	<u>\$ -</u>	<u>\$ (2,185,000)</u>	\$ 29,615,000	<u>\$ 2,195,000</u>
Less: unamortized bond discount	(198,864)			(179,911)	
Plus: unamortized bond premium	653,993			592,322	
Total Bonds, net	<u>\$ 32,255,129</u>			<u>\$ 30,027,411</u>	
Discretely Presented Component Units of the CDA:					
The Groves Apartments, LLC					
Notes Payable (net of finance fees)				\$ 1,383,904	\$ 25,521
Due to Primary Government				861,137	-
Bonds and Loans Payable - Glen at Valley Creek, LLC					
Notes Payable (net of finance fees)				5,830,964	65,000
Due to Primary Government				3,177,731	-
Piccadilly Square of Mahtomedi, LLC					
Due to Primary Government (net of finance fees)				9,232,981	210,443
Total Notes Payable				<u>\$ 7,214,868</u>	<u>\$ 90,521</u>
Total Due to Primary Government				<u>\$ 13,271,849</u>	<u>\$ 210,443</u>
Summary of CDA and CDA Discrete Component Unit Debt					
Compensated absences				\$ 171,038	\$ 17,104
Notes and Mortgages Payable				19,026,519	577,953
Revenue Bonds Payable				30,027,411	2,195,000
Due to Primary Government (in Governmental Activities Notes Payable above)				14,554,630	275,659

**Washington County, Minnesota**  
**Notes to the Financial Statements**  
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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
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	231,700	50,738	279,926	173,506	1,820,000	808,219
2027-2031	485,247	173,804	2,003,049	764,113	9,540,000	3,043,028
2032-2036	418,459	42,878	1,962,101	576,062	3,560,000	1,756,538
2037-2041	-	-	2,099,691	364,481	3,550,000	801,510
2042-2046	-	-	2,492,237	126,430	2,000,000	206,000
2047-2051	500,000	-	618,792	-	-	-
Total	<u>\$ 2,582,654</u>	<u>\$ 565,407</u>	<u>\$ 10,511,778</u>	<u>\$ 2,762,340</u>	<u>\$ 29,615,000</u>	<u>\$ 10,541,234</u>

The notes, loans, mortgages, and bonds issued contain various covenants and escrow reserve requirements. As of December 31, 2021, 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:

Year	Groves Principal	Piccadilly Principal	Glen at Valley Creek	Total Principal
2022	\$ 25,521	\$ 210,443	\$ 65,000	\$ 300,964
2023	27,020	214,691	65,000	306,711
2024	28,413	219,024	70,000	317,437
2025	30,274	223,445	70,000	323,719
2026	32,051	227,955	75,000	335,006
Thereafter	2,130,213	7,575,954	7,825,245	17,531,412
Total	<u>\$ 2,273,492</u>	<u>\$ 8,671,512</u>	<u>\$ 8,170,245</u>	<u>\$ 19,115,249</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 2021 totaled \$189,916.

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 \$115,484. For the current year, principal and interest paid totaled \$95,365 and \$16,417 and property tax revenues and tax increment revenues collected were \$82,560 and \$0, respectively.

**Washington County, Minnesota**  
**Notes to the Financial Statements**  
**December 31, 2021**

The 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 \$10,500,006. 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 \$629,472, \$662,405, \$158,695, \$397,500 and \$1,838,596, 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 \$1,429,593. For the current year, principal and interest paid, total lease payments received and account balances held in trust were \$377,265, \$432,000, and \$1,018,237, respectively.

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 \$5,768,135. For the current year, principal and interest paid, total gross operating revenues, property tax revenues and account balances held in trust were \$723,156, \$3,856,217, \$191,322, and \$2,863,380, 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 \$1,257,225. For the current year, principal and interest paid, tax rebate revenues, property tax revenues and account balances held in trust were \$175,810, \$32,511, \$142,508, and \$157,643, respectively.

**Washington County, Minnesota**  
**Notes to the Financial Statements**  
**December 31, 2021**

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 \$8,619,675. For the current year, principal and interest paid, total gross operating revenues, property tax revenues and account balances held in trust were \$914,350, \$2,482,568, \$333,363, and \$3,168,158, 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 \$1,328,933. For the current year, principal and interest paid, total rent payments received and account balances held in trust were \$74,458, \$74,374, and \$7,791 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 \$11,071,681. For the current year, principal and interest paid, total lease payments received, property tax revenues and account balances held in reserve were \$445,488, \$344,223, \$46,010, and \$581,360, respectively.

The CDA has entered into an operating subsidy agreement with the Glen at Valley Creek, a discretely presented component unit. Beginning July 31, 2021, 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 \$7,836,880. For the current year, property tax used for subsidy payments was \$195,000.

**Washington County, Minnesota**

**Reader's Notes:**

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# 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 <u>January 1, 2021</u>	Measurement Date <u>January 1, 2020</u>	Measurement Date <u>January 1, 2019</u>	Measurement Date <u>January 1, 2018</u>
<b>Total OPEB Liability</b>				
Service Cost	\$ 2,563,368	\$ 2,373,290	\$ 2,502,766	\$ 2,045,750
Interest	4,201,083	4,868,170	4,533,431	4,737,191
Differences between expected and actual economic experience	(73,944)	5,503,691	-	-
Changes of Assumptions	18,568,220	13,595,467	(7,971,384)	9,825,777
Benefit Payments	<u>(5,198,203)</u>	<u>(4,764,951)</u>	<u>(4,594,000)</u>	<u>(4,285,587)</u>
Net Change in Total OPEB Liability	20,060,524	21,575,667	(5,529,187)	12,323,131
Total OPEB Liability - Beginning	<u>\$ 152,802,376</u>	<u>\$ 131,226,709</u>	<u>\$ 136,755,896</u>	<u>\$ 124,432,765</u>
Total OPEB Liability - Ending	<u><u>\$ 172,862,900</u></u>	<u><u>\$ 152,802,376</u></u>	<u><u>\$ 131,226,709</u></u>	<u><u>\$ 136,755,896</u></u>
 Covered-Employee Payroll	 \$ 94,325,480	 \$ 89,981,126	 \$ 84,313,565	 \$ 78,550,599
 County's OPEB Liability as a Percentage of Covered-Employee Payroll	 183.3%	 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.

Washington County, Minnesota

**Budgetary Comparison Schedule  
General Fund  
Year Ended December 31, 2021**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Taxes	\$ 105,856,757	\$ 105,813,557	\$ 106,718,220	\$ 904,663
Special Assessments	150,000	150,000	326,723	176,723
Licenses and Permits	5,187,700	5,227,100	4,805,658	(421,442)
Intergovernmental	56,834,743	70,575,543	71,529,198	953,655
Charges for Services	16,225,200	17,166,100	18,979,699	1,813,599
Fines and Forfeits	284,300	276,100	319,493	43,393
Interest on Investments	2,678,700	2,678,700	18,465,177	15,786,477
Miscellaneous	11,185,900	11,490,900	12,042,480	551,580
<b>Total Revenues</b>	<b>198,403,300</b>	<b>213,378,000</b>	<b>233,186,648</b>	<b>19,808,648</b>
<b>Expenditures</b>				
<b>Current</b>				
<b>General Government</b>				
Assessment, Taxation and Elections	10,783,200	11,115,100	10,747,457	367,643
Administration	2,421,900	2,469,900	2,774,690	(304,790)
Accounting and Finance	2,528,700	2,853,600	2,597,452	256,148
County Attorney	7,432,000	7,628,000	7,479,218	148,782
Commissioners	564,200	564,200	536,183	28,017
Facilities	8,358,100	8,486,500	7,802,037	684,463
General Operation	6,051,700	5,617,400	5,238,084	379,316
Human Resources	2,069,900	2,197,900	2,153,574	44,326
Information Technologies	8,445,900	9,078,900	8,479,961	598,939
Internal Auditor	71,100	71,100	70,733	367
Law Library	299,400	303,200	268,231	34,969
Mission Directed Budget Program	-	1,054,000	1,055,167	(1,167)
Surveyor	1,190,500	1,296,300	1,216,172	80,128
Veteran's Services	413,600	424,800	422,833	1,967
<b>Total General Government</b>	<b>50,630,200</b>	<b>53,160,900</b>	<b>50,841,792</b>	<b>2,319,108</b>
<b>Public Safety</b>				
Sheriff	38,059,400	39,638,800	39,188,026	450,774
Community Corrections	12,282,700	12,598,300	11,634,074	964,226
Other Public Safety	1,323,200	1,568,100	1,490,740	77,360
<b>Total Public Safety</b>	<b>51,665,300</b>	<b>53,805,200</b>	<b>52,312,840</b>	<b>1,492,360</b>
<b>Highway and Streets</b>				
Administration	2,248,200	2,284,800	2,252,615	32,185
Engineering	3,319,200	3,386,000	3,216,371	169,629
Maintenance	3,139,700	3,410,400	2,994,074	416,326
Equipment and Maintenance Shops	2,520,500	1,934,900	1,685,742	249,158
Transportation Planning Unit	373,400	376,900	329,889	47,011
Traffic	1,525,500	1,508,600	1,428,492	80,108
Work for Others	233,500	233,500	397,697	(164,197)
<b>Total Highways and Streets</b>	<b>13,360,000</b>	<b>13,135,100</b>	<b>12,304,880</b>	<b>830,220</b>

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, 2021**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Health and Human Services</b>				
Public Health and Environment	\$ 18,151,600	\$ 21,262,300	\$ 18,249,754	\$ 3,012,546
Emergency Operations	-	11,405,600	13,058,032	(1,652,432)
Social Services	31,870,800	33,879,500	30,652,286	3,227,214
Workforce Center	2,730,300	2,796,500	2,690,927	105,573
Economic Support	11,131,600	11,385,400	11,170,328	215,072
Community Services Administration	4,797,200	4,900,500	5,057,496	(156,996)
<b>Total Health and Human Services</b>	<b>68,681,500</b>	<b>85,629,800</b>	<b>80,878,823</b>	<b>4,750,977</b>
<b>Culture and Recreation</b>				
Parks	3,866,300	4,513,100	4,096,447	416,653
County/Regional Library	8,707,300	9,184,600	8,568,375	616,225
<b>Total Culture and Recreation</b>	<b>12,573,600</b>	<b>13,697,700</b>	<b>12,664,822</b>	<b>1,032,878</b>
<b>Conservation of Natural Resources</b>				
County Extension	203,000	203,000	201,313	1,687
<b>Total Conservation of Natural Resources</b>	<b>203,000</b>	<b>203,000</b>	<b>201,313</b>	<b>1,687</b>
<b>Economic Development</b>				
Community Development	-	391,600	5,577,104	(5,185,504)
<b>Total Economic Development</b>	<b>-</b>	<b>391,600</b>	<b>5,577,104</b>	<b>(5,185,504)</b>
<b>Debt Service</b>				
Principal	150,000	150,000	322,777	(172,777)
<b>Total Debt Service</b>	<b>150,000</b>	<b>150,000</b>	<b>322,777</b>	<b>(172,777)</b>
<b>Total Expenditures</b>	<b>197,263,600</b>	<b>220,173,300</b>	<b>215,104,351</b>	<b>5,068,949</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>1,139,700</b>	<b>(6,795,300)</b>	<b>18,082,297</b>	<b>24,877,597</b>
<b>Other Financing Sources (Uses)</b>				
Transfers In	1,128,500	6,518,000	101,900	(6,416,100)
Transfers Out	(3,635,300)	(10,395,500)	(4,060,900)	6,334,600
Issuance of Loans	325,500	325,500	180,659	(144,841)
<b>Total Other Financing Sources (Uses)</b>	<b>(2,181,300)</b>	<b>(3,552,000)</b>	<b>(3,778,341)</b>	<b>(226,341)</b>
<b>Net Change in Fund Balance</b>	<b>\$ (1,041,600)</b>	<b>\$ (10,347,300)</b>	14,303,956	<b>\$ 24,651,256</b>
<b>Fund Balance - Beginning of Year</b>			225,666,294	
<b>Fund Balance - End of Year</b>			<b>\$ 239,970,250</b>	

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, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 660,000	\$ 660,000	\$ 658,092	\$ (1,908)
Licenses and Permits	121,600	121,600	30,597	(91,003)
Intergovernmental	-	-	1,655	1,655
Miscellaneous	-	-	175	175
<b>Total Revenues</b>	<b>781,600</b>	<b>781,600</b>	<b>690,519</b>	<b>(91,081)</b>
<b>Expenditures</b>				
<b>Current</b>				
General Government	669,200	727,200	614,228	112,972
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>112,400</b>	<b>54,400</b>	<b>76,291</b>	<b>21,891</b>
<b>Other Financing Sources (Uses)</b>				
Transfers In	-	11,600	11,600	-
<b>Net Change in Fund Balance</b>	<b>\$ 112,400</b>	<b>\$ 66,000</b>	<b>87,891</b>	<b>\$ 21,891</b>
<b>Fund Balance - Beginning of Year</b>			2,018,327	
<b>Fund Balance - End of Year</b>			<b>\$ 2,106,218</b>	

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

Washington County, Minnesota

Budgetary Comparison Schedule  
Metro Gold Line Fund  
Year Ended December 31, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 10,000,000	\$ 10,000,000	\$ 12,568,949	\$ 2,568,949
Intergovernmental	-	-	465	465
<b>Total Revenues</b>	<b>10,000,000</b>	<b>10,000,000</b>	<b>12,569,414</b>	<b>2,569,414</b>
<b>Expenditures</b>				
<b>Current</b>				
<b>General Government</b>				
General Government	24,950,200	24,950,200	20,930,001	4,020,199
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(14,950,200)</b>	<b>(14,950,200)</b>	<b>(8,360,587)</b>	<b>6,589,613</b>
<b>Net Change in Fund Balance</b>	<b>\$ (14,950,200)</b>	<b>\$ (14,950,200)</b>	<b>(8,360,587)</b>	<b>\$ 6,589,613</b>
<b>Fund Balance - Beginning of Year</b>			<b>31,195,118</b>	
<b>Fund Balance - End of Year</b>			<b>\$ 22,834,531</b>	

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

**Schedule of Proportionate Share of Net Pension Liability  
PERA General Employees Plan,  
PERA Police and Fire Plan,  
and PERA Correctional Plan  
December 31, 2021**

	Measurement Date <u>June 30, 2021</u>	Measurement Date <u>June 30, 2020</u>	Measurement Date <u>June 30, 2019</u>	Measurement Date <u>June 30, 2018</u>	Measurement Date <u>June 30, 2017</u>	Measurement Date <u>June 30, 2016</u>	Measurement Date <u>June 30, 2015</u>
<b>General Employees Plan</b>							
County's Proportion of the Net Pension Liability	1.070%	1.024%	0.974%	0.953%	0.960%	0.898%	0.896%
County's Proportionate Share of the Net Pension Liability	\$ 45,672,441	\$ 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	<u>1,394,666</u>	<u>1,892,661</u>	<u>1,673,927</u>	<u>1,733,195</u>	<u>770,295</u>	<u>951,929</u>	<u>-</u>
County's Proportionate Share of the Net Pension Liability and the State's Related Share of the Net Pension Liability	\$ 47,067,107	\$ 63,268,155	\$ 55,535,263	\$ 54,573,990	\$ 62,030,526	\$ 73,840,716	\$ 46,419,823
County's Covered Payroll	\$ 76,931,720	\$ 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	59.37%	84.16%	78.14%	82.53%	99.09%	130.85%	88.20%
Plan Fiduciary Net Position as a Percentage of the total Pension Liability	87.00%	79.06%	80.23%	79.53%	75.90%	68.90%	78.20%
<b>Police and Fire Plan</b>							
County's Proportion of the Net Pension Liability	0.924%	0.933%	0.968%	0.922%	0.954%	0.871%	0.879%
County's Proportionate Share of the Net Pension Liability	\$ 7,132,301	\$ 12,292,666	\$ 10,304,273	\$ 9,827,570	\$ 12,880,135	\$ 34,954,746	\$ 9,987,497
County's Covered Payroll	\$ 11,376,196	\$ 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	62.69%	116.79%	100.92%	101.14%	131.49%	416.63%	119.47%
Plan Fiduciary Net Position as a Percentage of the total Pension Liability	93.66%	87.19%	89.26%	88.84%	85.43%	63.90%	86.60%
<b>Correctional Plan</b>							
County's Proportion of the Net Pension Liability (Asset)	2.521%	2.613%	2.615%	2.628%	2.650%	2.670%	2.670%
County's Proportionate Share of the Net Pension Liability (Asset)	\$ (414,181)	\$ 708,929	\$ 362,007	\$ 432,161	\$ 7,552,527	\$ 9,753,884	\$ 412,785
County's Covered Payroll	\$ 5,574,611	\$ 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	-7.43%	12.49%	6.49%	8.05%	142.56%	193.53%	8.29%
Plan Fiduciary Net Position as a Percentage of the total Pension Liability	101.61%	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, 2021**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>General Employees Plan</b>								
Contractually Required Contribution	\$ 5,867,849	\$ 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>(5,867,849)</u>	<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	\$ 78,237,991	\$ 74,706,741	\$ 71,184,143	\$ 66,300,144	\$ 61,684,567	\$ 57,674,263	\$ 56,201,053	\$ 50,882,940
Contributions as a Percentage of Covered Payroll	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%
<b>Police and Fire Plan</b>								
Contractually Required Contribution	\$ 2,064,445	\$ 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>(2,064,445)</u>	<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	\$ 11,663,532	\$ 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%	17.70%	16.95%	16.20%	16.20%	16.20%	16.20%	15.30%
<b>Correctional Plan</b>								
Contractually Required Contribution	\$ 490,133	\$ 499,150	\$ 490,900	\$ 480,457	\$ 458,216	\$ 440,226	\$ 448,524	\$ 409,289
Contributions in Relation to the Contractually Required Contribution	<u>(490,133)</u>	<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	\$ 5,601,512	\$ 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%	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, 2021**

**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	\$ 23,059,700
Regional Rail Fund	58,000

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:

**2021 Changes:**

- The discount rate changed from 2.75% to 2.00% due to changes in the municipal bond reference index rate.
- There were no changes to plan provisions.

**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.

**Washington County, Minnesota**

**Notes to the Required Supplementary Information  
December 31, 2021**

**B. Other Postemployment Benefits (Continued)**

- 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.

**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**

**2021 Changes:**

Changes in Actuarial Assumptions

- The investment return and single discount rates were changed from 7.50% to 6.50%, for financial reporting purposes.
- The mortality improvement scale was changed from Scale MP-2019 to Scale MP-2020.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

**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.

Notes to the Required Supplementary Information  
December 31, 2021

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

- 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% per year through 2044 and 2.50% per year thereafter to 1.25 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% to 3.00%, beginning July 1, 2018.
- Deferred augmentation was changed to 0.00%, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Contribution stabilizer provisions were repealed.

Notes to the Required Supplementary Information  
December 31, 2021

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

- Postretirement benefit increases were changed from 1.00% per year with a provision to increase to 2.50% upon attainment of 90.00% funding ratio to 50.00% of the Social Security Cost of Living Adjustment, not less than 1.00% and not more than 1.50%, 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% for vested and non-vested deferred members. The revised CSA load are now 0.00% for active member liability, 15.00% for vested deferred member liability, and 3.00% for non-vested deferred member liability.
- The assumed postretirement benefit increase rate was changed for 1.00% per year for all years to 1.00% per year through 2044 and 2.50% 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% per year through 2035 and 2.50% per year thereafter to 1.00% per year for all years.
- The assumed investment return was changed from 7.90% to 7.50%. The single discount rate changed from 7.90% to 7.50%.
- 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% to 3.25% for payroll growth and 2.50% 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% per year through 2030 and 2.50% per year thereafter to 1.00% per year through 2035 and 2.50% per year thereafter.

Notes to the Required Supplementary Information  
December 31, 2021

**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 \$892.0 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**

**2021 Changes**

**Changes in Actuarial Assumptions**

- The investment return and single discount rates were changed from 7.50% to 6.50%, for financial reporting purposes.
- The inflation assumption was changed from 2.50% to 2.25%.
- The payroll growth assumption was changed from 3.25% to 3.00%.
- The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 Public Safety Mortality table. The mortality improvement scale was changed from MP-2019 to MN-2020.
- The base mortality table for disabled annuitants was changed from the RP-2014 healthy annuitant mortality table (with future mortality improvement according to Scale MP-2019) to the Pub-2010 Public Safety disabled annuitant mortality table (with future mortality improvement according to Scale MP-2020).
- Assumed rates of salary increase were modified as recommended in the July 14, 2020 experience study. The overall impact is a decrease in gross salary increase rates.
- Assumed rates of retirement were changed as recommended in the July 14, 2020 experience study. The changes result in slightly more unreduced retirements and fewer assumed early retirements.
- Assumed rates of withdrawal were changed from select and ultimate rates to service-based rates. The changes result in more assumed terminations.
- Assumed rates of disability were increased for ages 25-44 and decreased for ages over 49. Overall, proposed rates result in more projected disabilities.
- Assumed percent married for active female members was changed from 60% to 70%. Minor changes to form of payment assumptions were applied.

**Changes in Plan Provisions**

- There were no changes in plan provisions since the previous valuation.

**2020 Changes**

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.

Notes to the Required Supplementary Information  
December 31, 2021

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

**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% 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% funding, or July 1, 2048, if earlier.
- Member contributions were changed from 10.80% to 11.30% of pay, effective January 1, 2019 and 11.80% of pay, effective January 1, 2020.
- Employer contributions were changed from 16.20% to 16.95% of pay, effective January 1, 2019 and 17.70% of pay, effective January 1, 2020.
- Interest credited on member contributions decreased from 4.00% to 3.00%, beginning July 1, 2018.
- Deferred augmentation was changed to 0.00%, 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% lower than the previous rates.
- Assumed rates of retirement were changed, resulting in fewer retirements.
- The combined service annuity (CSA) load was 30.00% for vested and non-vested, deferred members. The CSA has been changed to 33.00% for vested members and 2.00% for non-vested members.
- The base mortality table for healthy annuitants was changed from the RP-2000 fully generational table to the RP-2014 fully generational table (with a base year of 2006), with male rates adjusted by a factor of 0.96. The mortality improvement scale was changed from Scale AA to Scale MP-2016. The base mortality table for disabled annuitants was changed from the RP-2000 disabled mortality table to the mortality tables assumed for healthy retirees.
- Assumed termination rates were decreased to 3.00% 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% to 60.00%.

Notes to the Required Supplementary Information  
December 31, 2021

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

- 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% for all years to 1.00% per year through 2064 and 2.50% thereafter.
- The single discount rate was changed from 5.60% per annum to 7.50% 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% per year through 2037 and 2.50% per year thereafter to 1.00% per year for all future years.
- The assumed investment return was changed from 7.90% to 7.50%.
- The single discount rate changed from 7.90% to 5.60%.
- The assumed future salary increases, payroll growth, and inflation were decreased by 0.25% to 3.25% for payroll growth and 2.50% 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% per year through 2030 and 2.50% per year thereafter to 1.00% per year through 2037 and 2.50% per year thereafter.

Changes in Plan Provisions:

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

**3. Correctional Fund**

**2021 Changes**

Changes in Actuarial Assumptions

- The investment return and single discount rates were changed from 7.50% to 6.50%, for financial reporting purposes.
- The inflation assumption was changed from 2.50% to 2.25%.
- The payroll growth assumption was changed from 3.25% to 3.00%.
- The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 Public Safety Mortality table. The mortality improvement scale was changed from MP-2019 to MN-2020.

Notes to the Required Supplementary Information  
December 31, 2021

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

- The base mortality table for disabled annuitants was changed from the RP-2014 healthy annuitant mortality table (with future mortality improvement according to Scale MP-2019) to the Pub-2010 Public Safety disabled annuitant mortality table (with future mortality improvement according to Scale MP-2020).
- Assumed rates of salary increase were modified as recommended in the July 10, 2020 experience study. The overall impact is a decrease in gross salary increase rates.
- Assumed rates of retirement were changed as recommended in the July 10, 2020 experience study. The changes result in slightly more unreduced retirements and fewer assumed early retirements.
- Assumed rates of withdrawal were changed as recommended in the July 10, 2020 experience study. The new rates predict more terminations, both in the three-year select period (based on service) and the ultimate rates (based on age).
- Assumed rates of disability lowered.
- Assumed percent married for active members was lowered from 85% to 75%.
- Minor changes to form of payment assumptions were applied.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

**2020 Changes:**

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.

**2019 Changes:**

Changes in Actuarial Assumptions

- The mortality 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% per annum to 7.50% per annum.
- The mortality projection scale was changed from MP-2016 to MP-2017.
- The assumed post-retirement benefit increase was changed from 2.50% per year to 2.00% 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.

Notes to the Required Supplementary Information  
December 31, 2021

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

- Interest credited on member contributions decreased from 4.00% to 3.00%, beginning July 1, 2018.
- Deferred augmentation was changed to 0.00%, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Postretirement benefit increases were changed from 2.50% per year with a provision to reduce to 1.00% if the funding status declines to a certain level, to 100% of the Social Security Cost of Living Adjustment, not less than 1.00% and not more than 2.50%, beginning January 1, 2019. If the funding status declines to 85.00% for two consecutive years or 80.00% for one year, the maximum increase will be lowered to 1.50%.
- 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% for vested and non-vested, deferred members. The CSA has been changed to 35.00% for vested members and 1.00% for non-vested members.
- The single discount rate was changed from 5.31% per annum to 5.96% per annum.

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

**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, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 16,915,800	\$ 16,915,800	\$ 16,915,801	\$ 1
<b>Total Revenues</b>	<b>16,915,800</b>	<b>16,915,800</b>	<b>16,915,801</b>	<b>1</b>
<b>Expenditures</b>				
<b>Debt Service</b>				
Principal	11,565,000	11,565,000	9,140,000	2,425,000
Interest	4,300,000	4,300,000	4,127,045	172,955
Administrative (Fiscal) Charges	4,500	4,500	17,050	(12,550)
<b>Total Expenditures</b>	<b>15,869,500</b>	<b>15,869,500</b>	<b>13,284,095</b>	<b>2,585,405</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>1,046,300</b>	<b>1,046,300</b>	<b>3,631,706</b>	<b>2,585,406</b>
<b>Net Change in Fund Balance</b>	<b>\$ 1,046,300</b>	<b>\$ 1,046,300</b>	<b>3,631,706</b>	<b>\$ 2,585,406</b>
<b>Fund Balance - Beginning of Year</b>			<b>13,327,385</b>	
<b>Fund Balance - End of Year</b>			<b>\$ 16,959,091</b>	

Washington County, Minnesota

Budgetary Comparison Schedule  
 Capital Projects Fund  
 Year Ended December 31, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 7,816,200	\$ 11,154,300	\$ 11,175,585	\$ 21,285
Intergovernmental	34,598,000	37,643,800	7,776,505	(29,867,295)
Charges for Services	-	2,270,800	25,185,384	22,914,584
Interest on Investments	-	-	5,516	5,516
Miscellaneous	25,000	25,000	52,609	27,609
<b>Total Revenues</b>	<b>42,439,200</b>	<b>51,093,900</b>	<b>44,195,599</b>	<b>(6,898,301)</b>
<b>Expenditures</b>				
<b>Current</b>				
<b>Capital Outlay</b>				
General Government	6,681,600	11,820,200	5,420,725	6,399,475
Highways and Streets	39,437,000	44,548,300	43,578,257	970,043
<b>Total Capital Outlay</b>	<b>46,118,600</b>	<b>56,368,500</b>	<b>48,998,982</b>	<b>7,369,518</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(3,679,400)</b>	<b>(5,274,600)</b>	<b>(4,803,383)</b>	<b>471,217</b>
<b>Other Financing Sources (Uses)</b>				
Transfers In	2,510,900	4,099,300	4,049,300	(50,000)
Transfers Out	-	(151,900)	(101,900)	50,000
<b>Total Other Financing</b>	<b>2,510,900</b>	<b>3,947,400</b>	<b>3,947,400</b>	<b>-</b>
<b>Total Other Financing Sources (Uses)</b>	<b>2,510,900</b>	<b>3,947,400</b>	<b>3,947,400</b>	<b>-</b>
<b>Net Change in Fund Balance</b>	<b>\$ (1,168,500)</b>	<b>\$ (1,327,200)</b>	<b>(855,983)</b>	<b>\$ 471,217</b>
<b>Fund Balance - Beginning of Year</b>			18,776,935	
<b>Fund Balance - End of Year</b>			<b>\$ 17,920,952</b>	

## **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, 2021

	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	
<b>ASSETS</b>									
Cash and Pooled Investments	\$ 56,231	\$ 361,341	\$ 154,283	\$ 87,941	\$ 340,626	\$ -	\$ 945,211	\$ 1,141,217	\$ 3,086,850
Accounts Receivable	-	-	-	-	-	578,276	-	1,755	580,031
Due from Other Governments	-	10	-	-	-	-	-	96,202	96,212
Taxes Receivable	-	-	-	-	-	-	2,737,100	-	2,737,100
<b>Total Assets</b>	<b>56,231</b>	<b>361,351</b>	<b>154,283</b>	<b>87,941</b>	<b>340,626</b>	<b>578,276</b>	<b>3,682,311</b>	<b>1,239,174</b>	<b>6,500,193</b>
<b>LIABILITIES</b>									
Accounts Payable	-	3,150	1,960	19	340,626	-	3,788	-	349,543
Due to Others	-	-	1,445	-	-	-	106,401	187,382	295,228
Due to Other Governments	-	-	-	-	-	206,599	-	-	206,599
<b>Total Liabilities</b>	<b>-</b>	<b>3,150</b>	<b>3,405</b>	<b>19</b>	<b>340,626</b>	<b>206,599</b>	<b>110,189</b>	<b>187,382</b>	<b>851,370</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>									
Taxes Collected in Advance of Levy	-	-	-	-	-	-	835,022	-	835,022
<b>NET POSITION</b>									
Restricted for:									
Individuals, Organizations, and									
Other Governments	\$ 56,231	\$ 358,201	\$ 150,878	\$ 87,922	\$ -	\$ 371,677	\$ 2,737,100	\$ 1,051,792	\$ 4,813,801

Washington County, Minnesota

Combining Statement of Changes in Fiduciary Net Position Fiduciary Funds - Other Custodial Funds  
Fiduciary Funds - Custodial Funds December 31, 2021

	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	
<b>ADDITIONS</b>									
Contributions:									
Individuals	\$ 850,216	\$ -	\$ -	\$ -	\$ 1,098,339	\$ -	\$ -	\$ -	\$ 1,948,555
Property Tax Collections for Other	-	-	-	-	-	-	424,117,648	-	424,117,648
Special Assessments	-	-	-	-	-	-	-	1,283,783	1,283,783
License and Fees Collected for State	-	-	-	-	-	53,426,689	-	-	53,426,689
Intergovernmental Revenue	-	43,384,102	-	-	-	-	-	2,312,023	45,696,125
Fees for Services	-	-	-	-	-	-	-	15,000	15,000
Fines & Forfeitures	-	-	55,407	-	-	-	-	-	55,407
Interest Earnings	-	-	-	515	-	-	-	11,222	11,737
Miscellaneous	-	-	-	388	-	-	-	35,833	36,221
<b>Total Additions</b>	<u>850,216</u>	<u>43,384,102</u>	<u>55,407</u>	<u>903</u>	<u>1,098,339</u>	<u>53,426,689</u>	<u>424,117,648</u>	<u>3,657,861</u>	<u>526,591,165</u>
<b>DEDUCTIONS</b>									
Beneficiary Payments to individuals	846,168	-	-	-	-	-	-	-	846,168
Administrative Expense	-	-	-	-	-	-	-	1,016,995	1,016,995
Payments to State	-	-	-	-	1,098,339	53,424,396	-	-	54,522,735
Operating Expense	-	44,017,540	22,957	1,868	-	-	-	2,659,589	46,701,954
Property Tax Payments to Other Governments	-	-	-	-	-	-	424,258,297	-	424,258,297
<b>Total Deductions</b>	<u>846,168</u>	<u>44,017,540</u>	<u>22,957</u>	<u>1,868</u>	<u>1,098,339</u>	<u>53,424,396</u>	<u>424,258,297</u>	<u>3,676,584</u>	<u>527,346,149</u>
<b>NET INCREASE (DECREASE)</b>									
<b>IN FIDUCIARY NET POSITION</b>	4,048	(633,438)	32,450	(965)	-	2,293	(140,649)	(18,723)	(754,984)
Fiduciary Net Position - Beginning of Year	<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>
<b>FIDUCIARY NET POSITION - END OF YEAR</b>	<u>\$ 56,231</u>	<u>\$ 358,201</u>	<u>\$ 150,878</u>	<u>\$ 87,922</u>	<u>\$ -</u>	<u>\$ 371,677</u>	<u>\$ 2,737,100</u>	<u>\$ 1,051,792</u>	<u>\$ 4,813,801</u>

**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

**Capital Assets Used in the Operation of Governmental Funds  
Comparative Schedule by Source  
December 31, 2021 and 2020**

<b>Governmental Funds Capital Assets</b>	<b>2020</b>	<b>2021</b>	<b>% Change</b>
Land and Works of Art	\$ 107,564,009	\$ 110,385,663	2.6%
Land Improvements	18,763,140	22,935,646	22.2%
Buildings and Structures	234,537,461	235,505,106	0.4%
Machinery and Equipment	60,514,068	59,714,016	-1.3%
Infrastructure	493,744,101	527,299,204	6.8%
Construction in Progress	30,107,853	30,238,571	0.4%
<b>Total</b>	<b>\$ 945,230,632</b>	<b>\$ 986,078,206</b>	<b>4.3%</b>
<b>Investments in Capital Assets By Fund Type</b>			
General Fund (GFG)	\$ 891,034,032	\$ 895,211,343	0.5%
Special Revenue Fund (SRF)	10,285,432	10,285,432	0.0%
Capital Projects Fund (CPF)	43,911,168	80,581,431	83.5%
<b>Total Investments in Capital Assets</b>	<b>\$ 945,230,632</b>	<b>\$ 986,078,206</b>	<b>4.3%</b>

Washington County, Minnesota

Capital Assets Used in the Operation of Governmental Funds  
 Schedule by Function and Activity  
 December 31, 2021

Department	Total	Land and Works of Art	Land Improvements	Buildings and Structures	Machinery and Equipment	Infrastructure	Construction In Progress
<b>General Government:</b>							
Accounting & Finance	\$ 2,692,202	\$ -	\$ -	\$ -	\$ 2,692,202	\$ -	\$ -
Administration	170,132	-	-	-	170,132	-	-
Attorney	176,954	-	-	-	176,954	-	-
Property Records & Taxpayer Services	2,940,046	-	61,425	1,223,764	1,654,857	-	-
Building Maintenance	88,742,760	-	2,290,694	84,714,502	491,263	1,246,301	-
Commissioners	35,200	35,200	-	-	-	-	-
Court Administration	343,001	-	-	137,959	205,042	-	-
General Operations	64,775,448	6,267,945	922,781	54,531,330	2,836,970	-	216,422
Historic Courthouse	1,874,447	243,914	301,392	1,299,586	29,555	-	-
Human Resources	1,404,442	-	-	-	1,404,442	-	-
Information Technology	6,880,918	-	-	-	5,291,196	1,589,722	-
Law Library	48,793	-	-	-	48,793	-	-
Recorder	703,032	-	-	-	703,032	-	-
Surveyor	282,141	-	-	-	282,141	-	-
Veterans Services	5,000	-	-	-	5,000	-	-
<b>Total General Government</b>	<b>171,074,516</b>	<b>6,547,059</b>	<b>3,576,292</b>	<b>141,907,141</b>	<b>15,991,579</b>	<b>2,836,023</b>	<b>216,422</b>
<b>Public Safety:</b>							
Community Corrections	2,335,245	-	-	1,468,847	866,398	-	-
Sheriff	64,032,429	1,543,256	4,971,614	32,481,424	25,036,135	-	-
<b>Total Public Safety</b>	<b>66,367,674</b>	<b>1,543,256</b>	<b>4,971,614</b>	<b>33,950,271</b>	<b>25,902,533</b>	<b>-</b>	<b>-</b>
<b>Highways and Streets:</b>							
Administration	26,381,209	3,467,380	1,210,510	20,934,843	255,039	513,437	-
Equipment	12,600,449	-	-	-	12,600,449	-	-
Infrastructure	589,416,577	44,213,358	13,000	4,000	-	517,332,668	27,853,551
<b>Total Highways and Streets</b>	<b>628,398,235</b>	<b>47,680,738</b>	<b>1,223,510</b>	<b>20,938,843</b>	<b>12,855,488</b>	<b>517,846,105</b>	<b>27,853,551</b>
<b>Health and Human Services:</b>							
Public Health and Environment	1,996,510	203,200	148,089	1,035,346	609,875	-	-
Social Services	449,881	-	-	-	449,881	-	-
Workforce Center	195,313	-	-	-	195,313	-	-
<b>Total Health and Human Services</b>	<b>2,641,704</b>	<b>203,200</b>	<b>148,089</b>	<b>1,035,346</b>	<b>1,255,069</b>	<b>-</b>	<b>-</b>
<b>Culture and Recreation:</b>							
Library	22,467,110	569,182	434,812	20,155,503	1,307,613	-	-
Parks	95,117,567	53,842,228	12,581,329	17,518,002	2,390,334	6,617,076	2,168,598
<b>Total Culture and Recreation</b>	<b>117,584,677</b>	<b>54,411,410</b>	<b>13,016,141</b>	<b>37,673,505</b>	<b>3,697,947</b>	<b>6,617,076</b>	<b>2,168,598</b>
<b>Conservation of Natural Resources:</b>							
Agriculture Extension	11,400	-	-	-	11,400	-	-
<b>Total Capital Assets</b>	<b>\$ 986,078,206</b>	<b>\$ 110,385,663</b>	<b>\$ 22,935,646</b>	<b>\$ 235,505,106</b>	<b>\$ 59,714,016</b>	<b>\$ 527,299,204</b>	<b>\$ 30,238,571</b>

Washington County, Minnesota

Capital Assets Used in the Operation of Governmental Funds  
 Schedule of Changes by Function and Activity  
 Year Ended December 31, 2021

	Balance January 1	*Interdepartmental Transfers	Additions	Deletions	Balance December 31
<b>General Government:</b>					
Accounting & Finance	\$ 2,692,202	\$ -	\$ -	\$ -	\$ 2,692,202
Administration	176,927	-	-	(6,795)	170,132
Attorney	176,954	-	-	-	176,954
Property Records & Taxpayer Services	2,925,742	-	14,304	-	2,940,046
Building Maintenance	88,704,240	17,580	20,940	-	88,742,760
Commissioners	35,200	-	-	-	35,200
Court Administration	343,001	-	-	-	343,001
General Operations	67,281,041	-	456,024	(2,961,617)	64,775,448
Historic Courthouse	1,874,447	-	-	-	1,874,447
Human Resources	1,404,442	-	-	-	1,404,442
Information Technology	7,322,543	-	14,390	(456,015)	6,880,918
Law Library	48,793	-	-	-	48,793
Recorder	703,032	-	-	-	703,032
Surveyor	292,596	-	70,478	(80,933)	282,141
Veteran Services	5,000	-	-	-	5,000
<b>Total General Government</b>	<b>173,986,160</b>	<b>17,580</b>	<b>576,135</b>	<b>(3,505,360)</b>	<b>171,074,515</b>
<b>Public Safety:</b>					
Community Corrections	2,236,990	-	98,255	-	2,335,245
Sheriff	64,113,283	-	2,854,029	(2,934,883)	64,032,429
<b>Total Public Safety</b>	<b>66,350,273</b>	<b>-</b>	<b>2,952,284</b>	<b>(2,934,883)</b>	<b>66,367,674</b>
<b>Highways and Streets:</b>					
Administration	26,892,158	-	44,776	(555,725)	26,381,209
Equipment	12,941,958	(17,580)	137,245	(461,174)	12,600,449
Infrastructure	546,976,955	-	78,522,718	(36,083,096)	589,416,577
<b>Total Highways and Streets</b>	<b>586,811,071</b>	<b>(17,580)</b>	<b>78,704,739</b>	<b>(37,099,995)</b>	<b>628,398,235</b>
<b>Health and Human Services:</b>					
Public Health and Environment	809,414	-	1,219,799	(32,703)	1,996,510
Social Services	465,407	-	13,696	(29,222)	449,881
Workforce Center	195,313	-	-	-	195,313
<b>Total Health and Human Services</b>	<b>1,470,134</b>	<b>-</b>	<b>1,233,495</b>	<b>(61,925)</b>	<b>2,641,704</b>
<b>Culture and Recreation:</b>					
Library	22,448,328	-	24,277	(5,495)	22,467,110
Parks	94,153,266	-	5,304,706	(4,340,404)	95,117,568
<b>Total Culture and Recreation</b>	<b>116,601,594</b>	<b>-</b>	<b>5,328,983</b>	<b>(4,345,899)</b>	<b>117,584,678</b>
<b>Conversation of Natural Resources:</b>					
Agriculture Extension	11,400	-	-	-	11,400
<b>Total Governmental Funds Capital Assets</b>	<b>\$ 945,230,632</b>	<b>\$ -</b>	<b>\$ 88,795,636</b>	<b>\$ (47,948,062)</b>	<b>\$ 986,078,206</b>

\* 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  
Schedule**



## **GOVERNMENTAL REVENUE SCHEDULE**

- Schedule of Intergovernmental Revenue

# Washington County, Minnesota

## Schedule of Intergovernmental Revenue Year Ended December 31, 2021

	General Fund	Regional Rail Authority Fund	Metro Gold Line Fund	Capital Projects Fund	Total All Funds
<b>Shared Revenues</b>					
<b>State</b>					
Disparity Reduction Aid	\$ 363	\$ -	\$ -	\$ -	\$ 363
Highway Users Tax	5,517,038	-	-	2,040,401	7,557,439
County Program Aid	11,490,643	-	-	-	11,490,643
Market Value Credit - Real	117,795	-	-	-	117,795
Local Performance Aid	25,000	-	-	-	25,000
PERA Rate Increase Aid	336,497	478	465	-	337,440
State Police Aid	1,007,352	-	-	-	1,007,352
County Aquatic ISP Aid	135,409	-	-	-	135,409
Out of Home Placement Aid	12,199	-	-	-	12,199
Riparian Aid	40,000	-	-	-	40,000
E-911	573,927	-	-	-	573,927
<b>Total Shared Revenues</b>	<b>19,256,223</b>	<b>478</b>	<b>465</b>	<b>2,040,401</b>	<b>21,297,567</b>
<b>Reimbursement for Services</b>					
<b>State</b>					
Minnesota Dept. of Human Services	6,541,398	-	-	-	6,541,398
<b>Total Reimbursements for Services</b>	<b>6,541,398</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,541,398</b>
<b>State Grants</b>					
<b>Minnesota Department of</b>					
Agriculture	17,057	-	-	-	17,057
Commerce Department	66,629	-	-	-	66,629
Corrections	2,697,781	-	-	-	2,697,781
Environmental Assistance	1,102,003	-	-	-	1,102,003
Housing Finance Agency	180,241	-	-	-	180,241
Health	1,597,216	-	-	-	1,597,216
Human Services	6,893,511	-	-	-	6,893,511
Natural Resources	370,645	-	-	-	370,645
Peace Officers (POST)	120,553	-	-	-	120,553
Public Safety	537,275	-	-	188,052	725,327
Trade and Economic Development	694,739	-	-	-	694,739
Veteran's Affairs	5,050	-	-	-	5,050
Water and Soil Resources	158,894	-	-	-	158,894
<b>Total State</b>	<b>14,441,594</b>	<b>-</b>	<b>-</b>	<b>188,052</b>	<b>14,629,646</b>
<b>Federal Grants</b>					
<b>Federal Department of</b>					
Agriculture	1,888,673	-	-	-	1,888,673
Housing and Development	1,442,558	-	-	-	1,442,558
Justice	182,503	-	-	-	182,503
Labor	456,728	-	-	-	456,728
Transportation	365,768	-	-	4,783,028	5,148,796
Treasury	11,792,685	-	-	-	11,792,685
National Endowment for the Arts and Humanities	33,251	-	-	-	33,251
Health and Human Services	13,085,319	-	-	-	13,085,319
Executive Office of the President	173,520	-	-	-	173,520
Homeland Security	457,478	-	-	-	457,478
<b>Total Federal</b>	<b>29,878,483</b>	<b>-</b>	<b>-</b>	<b>4,783,028</b>	<b>34,661,511</b>
<b>Local</b>					
Metropolitan Council / MELSA	582,073	-	-	709,584	1,291,657
Miscellaneous Agencies	149,026	-	-	55,440	204,466
<b>Total Local</b>	<b>731,099</b>	<b>-</b>	<b>-</b>	<b>765,024</b>	<b>1,496,123</b>
<b>Total Grants</b>	<b>45,051,176</b>	<b>-</b>	<b>-</b>	<b>5,736,104</b>	<b>50,787,280</b>
Payments in Lieu of Taxes	680,401	1,177	-	-	681,578
<b>Total Intergovernmental Revenues</b>	<b>\$ 71,529,198</b>	<b>\$ 1,655</b>	<b>\$ 465</b>	<b>\$ 7,776,505</b>	<b>\$ 79,307,823</b>

**Washington County, Minnesota**

**Reader's Notes:**

# WASHINGTON COUNTY

**Statistical Section**



## STATISTICAL SECTION

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- 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
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- Ratios of Outstanding Debt by Type
- Ratios of General Bonded Debt Outstanding
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- Computation of Legal Debt Limitation
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**Washington County, Minnesota**

Statistical Section Index

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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>	112
Revenue Capacity <i>These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.</i>	116
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>	122
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>	126
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Washington County, Minnesota

Table 1

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental Activities										
Net Investment in Capital Assets	\$ 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	\$ 482,426,118
Restricted	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	66,139,123
Unrestricted	58,699,573	90,450,705	53,425,232	55,455,284	28,686,647	35,972,130	(41,140,387)	(42,209,111)	(741,889)	41,415,318
Total Governmental Activities Net Position	<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>	<u>\$ 589,980,559</u>

Source: Washington County Accounting and Finance Department, prior years' Annual Comprehensive 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>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>	<u>2021</u>
<b>Expenses</b>										
Governmental Activities:										
General Government	\$ 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	\$ 43,572,359
Public Safety	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	43,291,338
Highways and Streets	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	72,699,254
Human Services	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	81,444,888
Culture and Recreation	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	11,607,651
Conservation of Natural Resources	42,850	70,125	305,505	162,894	537,621	575,586	354,938	446,336	518,241	381,972
Economic Development	692,598	506,219	501,002	136,164	176,935	-	-	-	-	5,577,104
Interest	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	1,239,906
Total Governmental Activities Expenses	<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>	<u>259,814,472</u>
Total Primary Government Expenses	<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>	<u>\$ 259,814,472</u>
<b>Program Revenues</b>										
Governmental Activities:										
Fees, Fines, Charges, and Other										
General Government	\$ 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	\$ 12,788,434
Public Safety	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	8,335,533
Highways and Streets	-	-	-	61,760	-	-	-	-	-	23,347,939
Human Services	-	43,400	-	-	-	-	-	-	-	-
Culture and Recreation	74,537	69,601	67,852	71,651	71,252	69,997	73,569	75,419	42,319	1,233,652
Operating Grants and Contributions	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	65,290,880
Capital Grants and Contributions	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	13,515,748
Total Governmental Activities Program Revenues	<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>	<u>124,512,186</u>
Total Primary Government Program Revenues	<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>	<u>\$ 124,512,186</u>
<b>General Revenues and Other Changes in Net Position</b>										
Governmental Activities:										
Property Taxes	\$ 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	\$ 125,705,996
Mortgage Registry and Deed Tax	362,651	375,017	314,211	368,986	441,311	462,199	438,592	558,384	731,177	922,747
Wheelage Tax	-	-	2,134,478	2,238,700	2,199,651	2,233,961	2,431,035	4,562,413	4,500,926	4,805,053
Sales Tax	-	-	-	-	-	2,294,693	10,230,308	10,720,638	10,735,494	15,670,281
Grants & Contributions not Restricted for a Particular Purpose	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	12,324,384
Investment Earnings	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	18,470,283
Miscellaneous	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	2,824,771
Gain on Sale of Capital Assets	-	-	-	-	552,900	201,546	55,963	61,225	27,276	97,574
Total Governmental Activities	<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>	<u>180,821,089</u>
Total Primary Government	<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>	<u>\$ 180,821,089</u>
Change in Net Position - Total Primary Government	<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>	<u>\$ 45,518,803</u>

Source: Washington County Accounting and Finance Department, prior years' Annual Comprehensive 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)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund										
Nonspendable	\$ 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	\$ 9,597,145
Restricted	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	128,636,720
Assigned	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	16,666,528
Unassigned	57,156,009	55,771,086	57,173,233	51,545,604	58,860,087	60,573,615	61,552,428	71,027,263	85,346,344	85,069,857
Total General Fund	<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>	<u>\$ 239,970,250</u>
All Other Government Funds										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,495	\$ 662,201	\$ 961,462	\$ -	\$ -
Restricted										
Special Revenue Funds	92,617	92,617	92,617	61,865	61,865	22,246,478	26,321,512	29,680,462	31,195,118	22,834,531
Debt Service Funds	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	16,959,091
Capital Project Funds	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	2,510,686
Committed										
Capital Project Funds	-	-	-	500,000	500,000	-	-	-	-	-
Assigned										
Special Revenue Funds	956,825	909,422	936,247	849,231	1,355,539	1,437,941	1,622,281	1,826,080	2,018,327	2,106,218
Capital Project Funds	5,741,101	7,514,976	2,661,870	14,738,704	7,258,303	9,421,824	7,554,021	9,979,075	9,898,127	15,410,266
	<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>	<u>\$ 59,820,792</u>

Source: Washington County Accounting and Finance Department.

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

	<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>	<u>2021</u>
<b>Revenues</b>										
Taxes	\$ 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	\$ 148,036,647
Special Assessments	-	-	20,435	35,534	99,105	114,767	162,803	146,664	288,646	326,723
Licenses and Permits	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	4,836,255
Intergovernmental	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	79,307,823
Charges for Services	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	44,165,083
Fines and Forfeits	266,438	395,972	292,975	289,104	306,249	393,776	401,370	462,730	273,862	319,493
Interest on Investments	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	18,470,693
Miscellaneous	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	12,095,264
<b>Total Revenues</b>	<b>183,333,538</b>	<b>189,516,857</b>	<b>197,074,299</b>	<b>221,579,514</b>	<b>220,776,947</b>	<b>252,420,950</b>	<b>239,519,434</b>	<b>302,128,018</b>	<b>317,758,377</b>	<b>307,557,981</b>
<b>Expenditures</b>										
General Government	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	72,386,021
Public Safety	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	52,312,840
Highways and Streets	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	12,304,880
Health and Human Services	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	80,878,823
Culture and Recreation	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	12,664,822
Conservation of Natural Resources	42,217	69,492	304,872	160,968	170,482	168,741	177,993	163,451	199,381	201,313
Economic Development	639,001	505,255	509,882	176,978	181,388	-	-	-	-	5,577,104
Capital Outlay	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	48,998,982
Debt Service:										
Principal	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	9,462,777
Interest	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	4,127,045
Bond Issue Costs	-	-	148,237	1,142	183,652	259,632	-	196,504	56,790	-
Other Charges	111,392	8,583	3,176	3,875	8,300	2,923	14,400	6,100	16,295	17,050
<b>Total Expenditures</b>	<b>178,594,683</b>	<b>211,678,980</b>	<b>189,693,187</b>	<b>208,689,598</b>	<b>228,376,052</b>	<b>285,526,640</b>	<b>241,978,163</b>	<b>279,053,685</b>	<b>299,606,050</b>	<b>298,931,657</b>
Excess of Revenue Over (Under) Expenditures	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	8,626,324
<b>Other Financing Sources (Uses)</b>										
Transfers In	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	4,162,800
Transfers Out	(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)	(4,162,800)
Sources from Sale of Assets	-	-	-	-	552,900	-	-	-	-	-
Issuance of Loans	-	-	162,048	114,933	367,139	406,845	176,946	282,885	318,861	180,659
Issuance of Bonds	-	-	-	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	1,011,713	-	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	(40,005)	-	(134,921)	-	-	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>23,446,708</b>	<b>-</b>	<b>45,271,851</b>	<b>(2,252,144)</b>	<b>21,499,804</b>	<b>17,868,709</b>	<b>176,946</b>	<b>34,416,146</b>	<b>378,861</b>	<b>180,659</b>
<b>Net Change in Fund Balances</b>	<b>\$ 28,185,563</b>	<b>\$ (22,162,123)</b>	<b>\$ 52,652,963</b>	<b>\$ 10,637,772</b>	<b>\$ 13,900,699</b>	<b>\$ (15,236,981)</b>	<b>\$ (2,281,783)</b>	<b>\$ 57,490,479</b>	<b>\$ 18,531,188</b>	<b>\$ 8,806,983</b>
Capital Asset Adjustments *	\$ 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	\$ 45,044,080
<b>Debt Service as a Percentage of Noncapital Expenditures</b>	<b>8.29%</b>	<b>19.85%</b>	<b>7.14%</b>	<b>7.84%</b>	<b>7.80%</b>	<b>29.67%</b>	<b>7.06%</b>	<b>7.25%</b>	<b>7.61%</b>	<b>5.35%</b>

\* 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 31.

Source: Washington County Accounting and Finance Department.

**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					
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%
2021	37,962,828	36,632,740	36,443,354	320,606	81,892	7,952	5,760	416,210	27.44%	0.0325%	1.10%

**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:

2012 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%.

2021 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.

<b>Property Tax Rates Direct and Overlapping Governments Last Ten Fiscal Years</b>										
<u>Jurisdiction</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>	<u>2021</u>
<b><u>Tax Rates Based on Percentage of Tax Capacity</u></b>										
<b><u>Washington County:</u></b>										
General	17.435%	18.177%	17.803%	16.255%	16.352%	16.335%	15.426%	15.543%	15.362%	14.282%
Debt	3.717%	4.138%	4.319%	3.821%	3.979%	4.015%	3.895%	3.746%	3.419%	3.413%
Road and Bridge	2.120%	2.386%	1.792%	1.693%	1.729%	1.824%	2.173%	2.104%	2.033%	1.959%
Social Services	5.443%	5.921%	5.598%	4.892%	4.999%	4.876%	5.058%	4.847%	4.706%	4.451%
Social Services Administration	0.542%	0.590%	0.587%	0.786%	0.751%	0.742%	0.738%	0.756%	0.777%	0.818%
Library	2.340%	2.676%	2.568%	2.373%	2.579%	2.486%	2.419%	2.309%	2.186%	2.145%
Library Debt	0.343%	0.337%	0.145%	0.366%	0.174%	0.170%	0.274%	0.377%	0.461%	0.368%
Total	31.940%	34.225%	32.812%	30.186%	30.563%	30.448%	29.983%	29.682%	28.944%	27.436%
<b><u>Overlapping Rates:</u></b>										
<b><u>Cities of:</u></b>										
Afton	30.078%	30.059%	30.092%	27.737%	29.373%	32.300%	32.255%	32.983%	30.795%	32.025%
Bayport	40.671%	43.923%	41.699%	40.468%	37.107%	39.410%	36.017%	33.954%	31.644%	33.792%
Birchwood	22.514%	27.615%	27.012%	27.627%	23.893%	24.302%	24.904%	23.012%	28.068%	29.231%
Cottage Grove (Urban)	41.446%	45.046%	43.812%	41.591%	43.140%	43.012%	40.583%	38.959%	39.182%	37.351%
Dellwood	10.578%	11.641%	15.224%	17.853%	16.757%	15.102%	14.614%	10.361%	21.005%	19.204%
Forest Lake	37.735%	43.508%	44.653%	42.839%	43.385%	43.473%	41.871%	39.580%	40.333%	40.641%
Grant	13.227%	14.540%	14.598%	13.321%	13.755%	13.789%	13.907%	13.916%	13.096%	13.609%
Hastings	66.078%	68.547%	66.246%	62.581%	63.577%	62.518%	60.964%	59.612%	57.391%	57.351%
Hugo (Urban)	36.498%	36.512%	36.417%	36.318%	36.323%	36.360%	36.330%	36.274%	39.279%	39.294%
Lake Elmo	27.272%	27.818%	27.761%	23.798%	23.121%	20.018%	22.442%	22.927%	23.477%	23.638%
Lake St Croix Beach	51.493%	55.145%	52.781%	48.039%	45.774%	47.619%	47.497%	41.130%	41.083%	40.728%
Lakeland	44.462%	48.194%	47.028%	43.489%	42.451%	44.213%	36.540%	31.800%	36.149%	33.408%
Lakeland Shores	20.150%	23.396%	26.417%	24.969%	25.696%	24.949%	24.653%	23.022%	23.060%	23.382%
Landfall	39.046%	37.704%	47.787%	48.731%	55.903%	56.649%	80.743%	50.012%	51.212%	64.491%
Mahtomedi	33.679%	34.656%	36.414%	38.022%	34.657%	37.580%	33.971%	38.892%	36.473%	37.308%
Marine on St Croix	45.202%	53.537%	57.734%	55.427%	56.752%	60.678%	55.060%	56.705%	56.338%	56.172%
Newport	64.662%	70.803%	72.054%	69.973%	61.660%	60.304%	58.736%	57.383%	54.335%	54.007%
Oak Park Heights	51.710%	54.898%	59.641%	56.804%	57.725%	56.143%	54.462%	50.031%	50.176%	50.838%
Oakdale	39.252%	44.065%	41.201%	39.131%	39.492%	39.721%	38.544%	39.227%	37.617%	38.821%
Pine Springs	7.139%	7.901%	7.451%	6.850%	7.235%	9.110%	8.730%	9.285%	9.193%	9.034%
Scandia	35.785%	37.294%	40.976%	34.619%	36.722%	36.594%	35.058%	32.396%	31.466%	30.815%
St. Mary's Point	24.430%	26.791%	27.976%	24.677%	24.743%	24.163%	22.517%	23.725%	23.833%	24.112%
St. Paul Park	49.481%	57.471%	48.754%	45.677%	45.560%	43.919%	42.591%	43.475%	38.689%	39.112%
Stillwater (Urban)	54.674%	61.503%	58.359%	55.225%	57.016%	56.927%	53.421%	54.288%	53.474%	52.486%
White Bear Lake	19.942%	21.493%	21.102%	20.368%	19.690%	18.969%	19.058%	20.190%	20.629%	20.355%
Willernie	47.363%	51.464%	52.165%	45.054%	53.691%	48.807%	49.748%	48.206%	46.042%	51.675%
Woodbury	35.921%	39.440%	38.076%	34.657%	35.287%	35.122%	33.670%	33.177%	32.489%	32.298%

Continued on next page

Table 6

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

Jurisdiction	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Townships of:</b>										
Baytown	10.899%	11.682%	11.960%	10.352%	9.245%	14.540%	13.729%	15.398%	14.635%	16.373%
Denmark	13.696%	13.678%	13.135%	12.490%	11.236%	11.264%	11.063%	13.600%	15.919%	15.892%
Grey Cloud Island	27.277%	25.691%	26.196%	23.581%	23.481%	22.455%	21.834%	20.238%	23.494%	20.852%
May	11.823%	12.360%	11.775%	10.151%	10.645%	11.108%	10.832%	10.947%	10.541%	11.518%
Stillwater	20.419%	20.860%	21.725%	18.542%	20.672%	22.674%	21.759%	21.433%	18.454%	20.185%
West Lakeland	7.676%	8.112%	7.546%	6.643%	8.183%	7.870%	8.157%	8.701%	10.496%	10.877%
<b>School Districts of:</b>										
SD 200 Hastings	25.433%	23.932%	23.052%	20.965%	20.938%	20.305%	20.545%	19.079%	17.924%	16.757%
SD 622 N St Paul/Mpwd/Oakdale	28.340%	32.553%	37.643%	35.864%	35.569%	33.582%	30.089%	29.039%	32.504%	31.840%
SD 624 White Bear Lake	26.103%	28.622%	28.562%	26.660%	26.236%	23.476%	23.685%	26.081%	36.777%	37.075%
SD 831 Forest Lake	17.331%	22.018%	23.896%	21.146%	24.902%	31.213%	26.230%	24.856%	25.097%	25.090%
SD 832 Mahtomedi	38.360%	37.105%	39.770%	34.496%	34.107%	34.093%	32.161%	31.894%	29.926%	29.555%
SD 833 South Washington County	37.894%	41.286%	39.169%	35.675%	36.812%	34.309%	33.303%	34.926%	33.904%	34.181%
SD 834 Stillwater	22.333%	22.018%	23.150%	21.124%	19.849%	30.390%	19.349%	18.442%	15.321%	17.278%
SD 2144 Chisago Lakes	27.459%	27.603%	27.589%	26.764%	25.700%	24.323%	29.998%	28.193%	26.676%	24.738%
<b>Special Districts of:</b>										
Washington County HRA/CDA	1.224%	1.311%	1.290%	1.181%	1.529%	1.475%	1.469%	1.423%	1.356%	1.289%
Washington County Regional Rail	0.211%	0.226%	0.233%	0.212%	0.247%	0.243%	0.224%	0.175%	0.165%	0.157%
Metro Council	0.937%	1.043%	1.050%	0.943%	0.932%	0.858%	0.816%	0.651%	0.584%	0.628%
Metro Mosquito Control	0.536%	0.583%	0.553%	0.490%	0.487%	0.463%	0.440%	0.424%	0.390%	0.379%
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	1.509%	1.694%	1.514%	1.357%	1.373%	1.307%	1.226%	1.322%	1.243%	1.139%
Browns Creek WS	4.906%	5.307%	5.066%	4.769%	5.111%	5.275%	0.819%	5.263%	4.850%	4.835%
Carnelian-Marine WS	2.918%	2.997%	3.049%	2.815%	2.843%	3.150%	5.021%	3.454%	3.993%	3.841%
Comfort Lake-Forest Lake WS	4.220%	4.870%	4.437%	4.173%	4.159%	5.012%	2.323%	5.658%	5.835%	5.781%
Ramsey-Washington Metro WS	3.009%	4.740%	4.253%	4.494%	4.460%	4.067%	5.707%	3.557%	3.289%	3.212%
Rice Creek WS	2.340%	2.517%	2.387%	2.185%	2.192%	2.088%	3.878%	1.924%	1.926%	1.918%
South Washington WS	0.720%	0.779%	0.761%	0.693%	0.753%	0.839%	3.292%	0.808%	0.766%	0.742%
Valley Branch WS	1.831%	2.125%	1.899%	1.701%	1.761%	1.887%	1.838%	3.980%	3.425%	4.074%

Continued on next page

Table 6

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

<u>Jurisdiction</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>	<u>2021</u>
Hastings HRA	1.639%	1.428%	1.613%	1.379%	1.551%	1.500%	1.454%	1.453%	1.455%	1.472%
Woodbury HRA	0.344%	0.365%	0.343%	0.295%	0.289%	0.276%	0.255%	0.237%	0.218%	0.207%
<b>State of Minnesota:</b>										
Commercial/Industrial property	51.100%	52.523%	52.160%	50.840%	48.641%	45.802%	43.865%	42.416%	38.846%	38.846%
Seasonal property	20.750%	22.327%	22.836%	21.703%	21.167%	20.845%	20.779%	19.962%	17.997%	17.997%

**Tax Rates Based on Percentage of Referendum Market Value**

<u>Jurisdiction</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>	<u>2021</u>
<b><u>Washington County:</u></b>	0.002%	0.002%	0.004%	0.004%	0.004%	0.004%	0.004%	0.003%	0.003%	0.003%
<b><u>Overlapping Rates:</u></b>										
City of Woodbury	0.026%	0.027%	0.026%	0.013%	0.012%	0.012%	0.011%	0.007%	0.006%	0.006%
<b><u>School Districts of:</u></b>										
SD 200 Hastings	0.286%	0.295%	0.261%	0.253%	0.260%	0.247%	0.274%	0.267%	0.245%	0.230%
SD 622 N St Paul/Mpwd/Oakdale	0.148%	0.167%	0.151%	0.144%	0.137%	0.216%	0.195%	0.187%	0.185%	0.168%
SD 624 White Bear Lake	0.248%	0.264%	0.273%	0.240%	0.235%	0.230%	0.223%	0.232%	0.224%	0.181%
SD 831 Forest Lake	0.154%	0.174%	0.146%	0.134%	0.140%	0.129%	0.114%	0.202%	0.173%	0.167%
SD 832 Mahtomedi	0.187%	0.182%	0.169%	0.292%	0.266%	0.254%	0.241%	0.274%	0.259%	0.254%
SD 833 South Washington County	0.199%	0.219%	0.223%	0.210%	0.340%	0.313%	0.371%	0.349%	0.326%	0.316%
SD 834 Stillwater	0.176%	0.166%	0.227%	0.200%	0.206%	0.195%	0.189%	0.194%	0.176%	0.166%
SD 2144 Chisago Lakes	0.123%	0.126%	0.126%	0.167%	0.170%	0.173%	0.172%	0.164%	0.162%	0.144%

**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 2021 and Nine Years Ago**

Taxpayer	Property Classification	2021					2012				
		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	\$ 15,253,229	\$ 525,187,100	\$ 10,498,651	2.5%	1	\$ 12,200,260	\$ 382,748,300	\$ 7,636,519	2.8%
Tamarack Village Shopping Center LP	Commercial	2	3,224,781	102,909,800	2,057,446	0.5%	2	2,385,542	67,336,100	1,345,972	0.5%
Ramco-Gershenson Properties LP	Commercial	3	2,387,288	76,197,300	1,523,196	0.4%					
IRPF Woodbury City Place LLC	Commercial	4	1,972,530	62,968,300	125,861.6	0.3%					
Woodbury Village Shopping Center LP	Commercial	5	1,504,261	45,037,200	899,847	0.2%	7	1,252,739	33,527,100	669,792	0.2%
10285 Grand Forest Owner LLC	Apartment	6	1,485,794	95,513,000	1,193,913	0.3%					
City Walk TIC I LLC etal	Apartment	7	1,309,929	104,822,000	1,334,675	0.3%					
Wal-Mart Real Estate Business Trust	Commercial	8	1,298,233	40,986,900	817,488	0.2%	10	921,835	25,621,400	510,928	0.2%
Dayton Hudson Corp	Commercial	9	1,242,079	38,073,800	758,476	0.2%					
3M Company	Industrial	10	1,219,446	56,879,100	858,302	0.2%	4	1,293,893	61,334,700	847,357	0.3%
Imation Corp	Commercial						3	1,607,669	45,027,300	899,796	0.3%
Menard Inc	Commercial						5	1,523,542	42,370,700	844,414	0.3%
DBRA Red Woodbury LLC	Commercial						6	1,347,946	38,099,300	760,486	0.3%
Grand Reserve Apartments Corp	Commercial						8	731,638	45,237,100	565,464	0.2%
VSSA Boutwells Landing LLC	Commercial						9	687,876	44,032,800	550,409	0.2%
<b>Totals</b>			<b>\$30,897,570</b>	<b>\$1,148,574,500</b>	<b>\$21,200,610</b>	<b>5.1%</b>		<b>\$23,952,940</b>	<b>\$785,334,800</b>	<b>\$ 14,631,137</b>	<b>5.3%</b>

**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
2012	\$ 86,523,700	\$ (75,577)	\$ (873,162)	\$ 85,574,961	\$ 85,256,421	99.6%	\$ 303,449	\$ 85,559,870	100.0%
2013	86,523,700	(77,898)	(974,361)	85,471,441	85,318,073	99.8%	132,426	85,450,499	100.0%
2014	87,713,700	(77,104)	(698,110)	86,938,486	86,728,969	99.8%	197,118	86,926,087	100.0%
2015	90,738,000	(118,005)	(502,098)	90,117,897	89,880,354	99.7%	221,853	90,102,207	100.0%
2016	93,871,900	(117,857)	(300,359)	93,453,684	93,025,272	99.5%	413,252	93,438,524	100.0%
2017	97,115,300	(115,246)	(135,889)	96,864,165	96,560,525	99.7%	285,976	96,846,501	100.0%
2018	103,538,700	(112,060)	(312,322)	103,114,318	102,770,255	99.7%	305,666	103,075,921	100.0%
2019	109,148,600	(114,361)	(352,335)	108,681,904	108,310,405	99.7%	296,271	108,606,676	99.9%
2020	115,697,300	(115,275)	(33,233)	115,548,792	114,989,242	99.5%	425,996	115,415,238	99.9%
2021	115,693,600	(112,511)	(71,114)	115,509,975	114,869,186	99.4%	-	114,869,186	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							
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	15,812,021,000	0.87%	316,408,000	43%	253,128	541
2018	125,313,041	863,903	126,176,944	16,705,759,000	0.76%	340,485,000	37%	256,905	491
2019	147,280,647	933,562	148,214,209	18,245,390,000	0.81%	364,223,000	41%	261,512	567
2020	132,138,789	995,401	133,134,190	19,186,846,000	0.69%	394,910,000	34%	265,476	501
2021	120,271,262	853,283	121,124,545	20,128,302,000	0.60%	416,210,000	29%	272,256	445

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
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	15,812,021,000	0.79%	316,408,000	39%	253,128	492
2018	125,313,041	12,520,731	112,792,310	16,705,759,000	0.68%	340,485,000	33%	256,905	439
2019	147,280,647	13,368,419	133,912,228	18,245,390,000	0.73%	364,223,000	37%	261,512	512
2020	132,138,789	11,538,925	120,599,864	19,186,846,000	0.63%	394,910,000	31%	265,476	454
2021	120,271,262	15,329,486	104,941,776	20,128,302,000	0.52%	416,210,000	25%	272,256	385

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

Gross Tax Capacity = Total Net Tax Capacity

Direct and Overlapping Governmental Activities Debt  
December 31, 2021

Table 11

Jurisdiction	Total GO. Bonds Outstanding (1)	Applicable to Washington County	
		Percent (2)	Amount
<b>Underlying Debt:</b>			
<b>Cities of:</b>			
Afton	\$ 6,737,978	100.00%	\$ 6,737,978
Bayport	1,455,000	100.00%	1,455,000
Cottage Grove	20,425,000	100.00%	20,425,000
Dellwood	990,000	100.00%	990,000
Forest Lake	39,285,000	100.00%	39,285,000
Hugo	16,170,000	100.00%	16,170,000
Lake Elmo	13,710,000	100.00%	13,710,000
Lakeland	375,000	100.00%	375,000
Marine	810,000	100.00%	810,000
Newport	5,045,000	100.00%	5,045,000
Oakdale	1,745,000	100.00%	1,745,000
Oak Park Heights	3,435,000	100.00%	3,435,000
St Paul Park	525,000	100.00%	525,000
Scandia	3,397,000	100.00%	3,397,000
Stillwater	22,350,000	100.00%	22,350,000
Woodbury	33,685,000	100.00%	33,685,000
<b>Townships of:</b>			
Baytown	929,789	100.00%	929,789
Denmark	3,580,000	100.00%	3,580,000
<b>School Districts of:</b>			
832 Mahtomedi	39,990,000	100.00%	39,990,000
833 South Washington	291,425,000	100.00%	291,425,000
834 Stillwater	80,735,000	100.00%	80,735,000
<b>Special Districts of:</b>			
Washington County CDA	1,115,000	100.00%	1,115,000
South Washington Watershed	2,665,000	100.00%	2,665,000
<b>Underlying Debt Subtotal:</b>			<b>\$ 590,579,767</b>
<b>Overlapping Debt:</b>			
<b>Cities of:</b>			
Hastings	\$ 3,730,000	0.21%	\$ 7,986
White Bear Lake	4,690,000	1.54%	72,156
<b>School Districts of:</b>			
200 Hastings	21,965,000	13.80%	3,030,133
622 N. St. Paul/Maplewood/Oakdale	443,420,000	49.47%	219,381,101
624 White Bear Lake	334,905,000	18.21%	60,992,583
831 Forest Lake	156,965,000	54.56%	85,633,134
2144 Chisago Lakes	65,345,000	3.87%	2,529,932
<b>Special Districts of:</b>			
Metropolitan Council/Transit	193,320,000	8.67%	16,768,087
<b>Overlapping Debt Subtotal:</b>			<b>388,415,112</b>
<b>Direct Debt:</b>			
Washington County	121,124,545 (3)	100.00%	121,124,545
<b>Direct Debt Subtotal:</b>			<b>121,124,545</b>
<b>Total</b>			<b>\$ 1,100,119,424</b>

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Debt Limit	\$ 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	\$ 1,098,982,200
Total Net Debt Applicable to Limit	<u>134,386,001</u>	<u>126,112,069</u>	<u>113,112,693</u>	<u>110,348,777</u>	<u>130,752,957</u>	<u>123,638,547</u>	<u>111,052,162</u>	<u>133,912,228</u>	<u>118,624,093</u>	<u>116,809,303</u>
Legal Debt Margin	<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>	<u>\$ 982,172,897</u>
Total Net Debt Applicable to Limit as a Percentage of Debt Limit	18.74%	18.77%	16.27%	14.00%	16.11%	14.80%	12.36%	13.91%	11.34%	10.63%

	Amount	Percent
Total Taxable Market Value	\$ 36,632,740,000	
Debt limit- 3% of Total Market Value	1,098,982,200	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>15,329,486</u>	
Total Amount of Debt Applicable to Debt Limit	<u>116,809,303</u>	10.63%
Legal Debt Margin	<u>\$ 982,172,897</u>	<u>89.37%</u>

Source: Washington County Accounting and Finance Department.

Table 13

Demographic and Economic Statistics  
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Population (a) (b) (c) (d)</u>	<u>Personal Income (thousands of dollars) (c)</u>	<u>Per Capita Personal Income (c)</u>	<u>Area (Sq. Mi.)</u>	<u>Density (Person/Sq. Mi.)</u>	<u>Number of Households (a)(b)</u>	<u>Unemployment Rate (e)</u>
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	15,812,021	59,749	423	598	92,384	3.3%
2017	253,128	16,705,759	63,681	423	598	94,955	3.0%
2018	256,905	17,486,407	66,224	423	607	95,690	2.5%
2019	261,512	18,245,390	68,768	423	618	96,424	2.9%
2020	265,476	19,186,846	72,273	423	628	98,214	5.3%
2021	272,256	20,128,302 *	73,932	423	644	100,004 *	2.9%

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 2021			Fiscal Year 2012		
	Rank	Employees	% of Total County Employment	Rank	Employees	% of Total County Employment
Andersen Corporation (Bayport, Cottage Grove)	1	4,939	3.44%	1	2,600	2.02%
Independent School District 833	2	2,594	1.81%	2	2,500	1.94%
Woodwinds Healtheast Campus	3	1,331	0.93%	6	835	0.65%
Washington County, Government	4	1,324	0.92%	4	1,138	0.88%
Wal-Mart (Forest Lake, Oak Park Heights, Woodbury and Cottage Grove)	5	1,274	0.89%			
Hy-Vee Grocery	6	1,250	0.87%			
Independent School District 834	7	1,136	0.79%	5	1,050	0.82%
Independent School District 831	8	1,074	0.75%	3	1,200	0.93%
Target (Cottage Grove, Forest Lake, Stillwater, Woodbury, and Oakdale)	9	959	0.67%			
Bailey Nurseries, Inc	10	800	0.56%			
Lakeview Hospital				8	727	0.56%
MN Correctional Facility (Bayport and Oak Park Heights)				10	544	0.42%
The Hartford (Fortis)				7	800	0.62%
3M Chemolite (Cottage Grove)				9	700	0.54%
<b>Totals</b>		<b>16,681</b>	<b>11.63%</b>		<b>12,094</b>	<b>9.38%</b>

Source: (a) Municipal Securities Rulemaking Board: EMMA.

(b) MN Department of Employment and Economic Development.

(c) Survey of individual employers, March through July 2012 and March 2021.

Table 15

Employees by Function  
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>General Government</u>	<u>Public Safety</u>	<u>Highways and Streets</u>	<u>Health and Welfare</u>	<u>Culture and Recreation</u>	<u>Total</u>
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
2021	437	258	65	454	100	1,314

**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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>General Government</b>										
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
<b>Public Safety</b>										
Number of Stations	1	1	1	1	1	1	1	1	1	1
Number of Licensed Deputies	92	97	98	100	111	109	109	113	113	120
<b>Highways and Streets</b>										
Miles of County Roads:										
Bituminous	268.10	268.10	268.10	276.40	278.40	278.40	279.90	283.20	283.24	283.24
Concrete	3.90	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	280.30	282.30	282.30	283.80	287.10	287.14	287.14
<b>Culture and Recreation</b>										
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	6	6	6	6	6	6	7	7	7	7
Number of Associated Libraries	2	2	2	2	2	2	2	2	2	2
Number of Library Express Stations	3	3	3	3	3	3	3	3	3	3
Number of Items Available to Citizens	476,482	461,896	479,423	493,207	495,442	495,442	537,711	531,072	549,366	663,907

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

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

	<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>	<u>2021</u>
<b>Public Safety</b>										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	35	35	39	39	42	49 *	49 *	50 *	50 *	50
<b>Highways and Streets</b>										
Streets (Miles)	272.00	272.00	272.00	280.30	282.30	282.30	283.80	287.10	287.14	287.14
County Traffic Signals	60	61	63	72	76	78	81	82	83	83
<b>Culture and Recreation</b>										
Parks Acreage	4,355	4,355	4,355	4,382	4,382	4,382	4,404	4,430	4,658	4,658
County Parks	9	9	9	9	9	9	9	9	9	9

**Note:**

\* 2017-2021 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, Minnesota**

**Reader's Notes**