

The logo for Washington County, Minnesota, features the words "Washington" and "County" in a serif font, with "MINNESOTA" in a bold sans-serif font below. Three green wavy lines separate "Washington" and "County".

Washington
County
MINNESOTA

A dark grey horizontal bar with white text.

2023 Annual Comprehensive Financial Report

The text "Year ending December 31, 2023" is centered below the title bar in an italicized serif font.

Year ending December 31, 2023



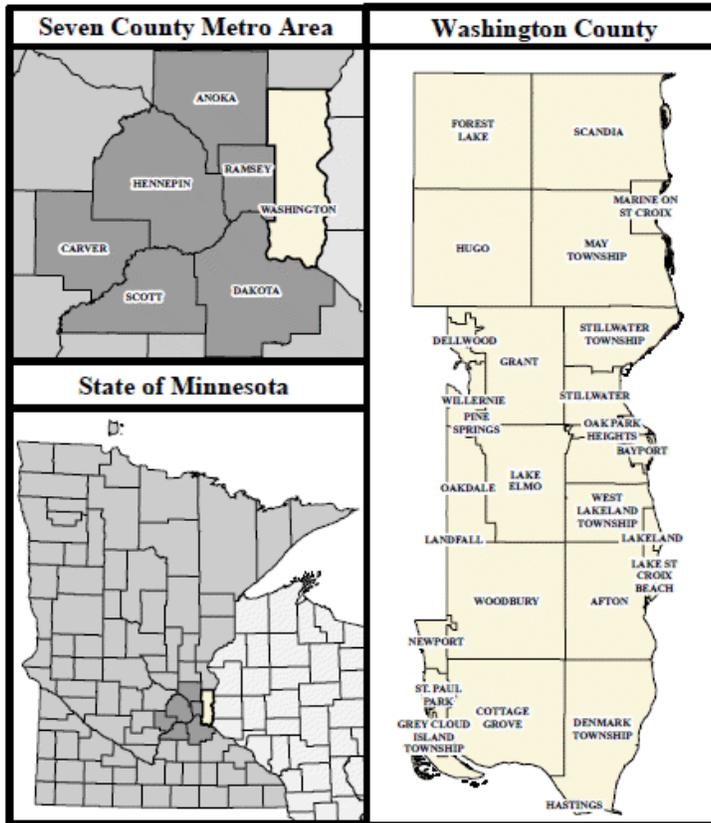
**Annual
Comprehensive
Financial Report
of
Washington County
Minnesota**

for the Year Ended December 31, 2023



Accounting and Finance Department
Issued June 2024

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



Established:	October 27, 1849
County Seat:	Stillwater
Population:	275,912
Board Meetings:	Most Tuesdays
Commissioners:	Fran Miron, District 1 Stan Karwoski, District 2 Gary Kriesel, District 3 Karla Bigham, District 4 Michelle Clasen, District 5
Area:	423 Square Miles
Major Highways:	Interstate (I)-94,494/694,35 State Roads (TH)-8,36,61/10,95,96,97,120,244 County Roads (CSAH)-1 through 45 (CR) 4A,13B,15A,17A,17B,19A,30A,38A,52 through 83
Railroads:	BNSF Soo Line Union Pacific Wisconsin Central

Washington County, Minnesota

Index

	<u>Page</u>
INTRODUCTORY SECTION	
Letter of Transmittal	1
GFOA Certificate of Achievement	8
County Organizational Chart	9
List of Principal Officials	10
FINANCIAL SECTION	
Independent Auditors' Report	11
Management's Discussion and Analysis	14
Basic Financial Statements	
Government-wide Financial Statements:	
Statement of Net Position	25
Statement of Activities	27
Fund Financial Statements:	
Balance Sheet – Governmental Funds	28
Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position	
Governmental Activities	29
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	30
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities – Governmental Activities	31
Statement of Fiduciary Net Position	32
Statement of Changes in Fiduciary Net Position	33
Notes to the Financial Statements	34
Required Supplementary Information	
Other Postemployment Benefit Related Schedules:	
Changes in Total OPEB Liability, Related Ratios and Notes	83
Budgetary Comparison Schedules:	
General Fund	84
Regional Rail Authority Fund	86
Metro Gold Line Fund	87
Pension Related Schedules:	
Schedule of Proportionate Share of Net Pension Liability	88
Schedule of Pension Contributions	89
Notes to the Required Supplementary Information	90
Supplementary Information	
Budgetary Comparison Schedules:	
Debt Service Fund	103
Capital Projects Fund	104
Combining Statement of Fiduciary Net Position	106
Combining Statement of Changes in Fiduciary Net Position	107

Continued on next page

Index (Continued)

Supplementary Information (Continued)

Capital Assets Used in the Operation of Governmental Funds:	
Comparative Schedule by Source	109
Schedule by Function and Activity	110
Schedule of Changes by Function and Activity	111
Governmental Revenue Schedule	
Schedule of Intergovernmental Revenue	113

STATISTICAL SECTION (UNAUDITED)

Statistical Section Index	115
Net Position by Component	116
Changes in Net Position	117
Fund Balances of Governmental Funds	118
Changes in Fund Balances of Governmental Funds	119
Market Value and Tax Capacity of Taxable Property	120
Property Tax Rates – Direct and Overlapping Governments	121
Principal Property Taxpayers	124
Property Tax Levies and Collections	125
Ratios of Outstanding Debt by Type	126
Ratios of General Bonded Debt Outstanding	127
Direct and Overlapping Governmental Activities Debt	128
Computation of Legal Debt Limitation	129
Demographic and Economic Statistics	130
Principal Employers	131
Employees by Function	132
Operating Indicators by Function	133
Capital Asset Statistics by Function	134

Introductory Section



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



Vision

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



Mission

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



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



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



Accounting and Finance
Department

Cat Piepho
Director

June 13, 2024
Honorable Chair and Commissioners
Washington County Board of Commissioners
14949 – 62nd 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-end December 31, 2023. 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 2024 budget employs a workforce of 1424.77, which is a net decrease of 0.70 FTE over the 2023 amended FTEs, includes planned expenditures of \$371.3M representing a decrease of 2.0%, and a net levy of \$131.5M, which is an increase of 3.95% from 2023.

The estimated population of Washington County for 2023 was 278,936 which continues to place the County as the fifth largest population in Minnesota. The American Community Survey reports the County's median household income at \$106,509 with an average age of 39.9 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 several 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 2023 operating budget per capita was \$978, excluding the Gold Line Transit Project, 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 2.4%. The following are some key items:

<u>Economic Indicators *</u>	<u>Amount</u>	<u>Percent Increase/ (Decrease)</u>
Unemployment Rate (2023)	2.4%	0.1%
Number of Households (2023)	102,421	0.0%
Population (2023)	278,936	1.1%

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

	Estimated Market Value (000's)		Net Tax Capacity (000's)	
	Amount	Percent of Growth	Amount	Percent of Growth
2019	\$ 33,499,306	0.00%	\$ 364,223	0.00%
2020	36,222,848	8.13%	394,910	8.43%
2021	37,962,828	4.80%	416,210	5.39%
2022	39,873,578	5.03%	439,274	5.54%
2023	48,211,359	20.91%	531,332	20.96%

[*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 but at a slower pace than 2022. Recent reports from the Regional Associations of Realtors show an ongoing increase in both average and median sale prices. Countywide estimated market value increased 20.9% from Pay 2022 to Pay 2023 and is projected to increase 11% from Pay 2023 to Pay 2024. The taxable market value continues to follow the estimated market value trends in the County. The estimated market value of all taxable property is approximately \$48.2 billion. From Pay 2019 to Pay 2023, the County's estimated market value posted a net increase of 43.9%. 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 2023, new construction added \$981 million in taxable value.

Residential Development

In calendar year 2023, 1,279 new residential properties were started countywide. Of that total, 975 were single family units and the remaining 304 were townhomes and condominiums. The City of Woodbury experienced the most residential housing starts with 482 residential starts. The City of Cottage Grove was the second highest with 307 new residential starts.

Commercial Development

The commercial real estate market in Washington County is stable with 0.4% appreciation in 2023 and adjustments over the last 5 years ranging from 0.4% to 19.8%. In 2023, there were sixteen new commercial properties started in the County. This is a slight decrease from the twenty-three new starts in 2022 and eighteen new starts in both 2021.

Tax Rate & Collections

Washington County continues to have the second-lowest county tax rate of all metropolitan counties. For taxes payable in 2024, a home valued at \$386,400 in Washington County would pay a county tax of \$941. By comparison, that same valued home in Dakota County would pay \$722 and would pay more than \$940 in Anoka, Carver, Hennepin, Ramsey, and Scott counties.

The delinquency rate for Pay 2023 continues to remain low at 0.6%. The County's delinquency rate has been less than 1% since 2014. Minnesota's property tax laws related to penalties and interest on unpaid taxes, along with the potential for forfeiture if not paid within three 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 several 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. Most 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 155 tax petitions were filed to contest the value for taxes payable in 2023, the volume has been relatively flat for the past five years. The total value under petition remains a manageable figure.

Other Operational Highlights

- In 2023, Human Resources continued to fully integrate the County's Diversity, Equity, and Inclusion (DEI) Program into all facets of County service delivery. The county's DEI program is a comprehensive system of projects and services intended to build a vibrant workplace and community that practices engagement, representation, and service to all members inclusively and equitably with dignity and respect. Human Resources has continued to build the DEI training initiatives through a Train the Trainer model with ongoing consultant support. The county currently has six Employee Resource Groups who have hosted many successful events which build community and connection among all employees.
- In 2023, Human Resources sponsored the successful rollout of the Tuition Reimbursement Program to support the continued growth and development of employees.
- During 2023, Human Resources completed the conversion from paper files to digital versions of Personnel, Private/Confidential and Benefit files. On-Base software was the selected software system, which provides security and ease of use of these files.
- The Community Services Department actions with MA Unwinding Funding. Minnesotans are having to renew their Medical Assistance for the first time in almost 4 years. Washington County received an allocation of \$1,141,000 from the state of Minnesota to assist with expenses related to these renewals and the influx of work that has emerged as a result. Funds can be used for hiring, training, planning activities, supplies, overtime, postage, and technology. Because of this one-time infusion of funding from the State, CSD did not seek additional level dollars to acquire the critical resources needed to navigate the unwinding.
- The Community Services Department had an increase in Family Homeless Prevention and Assistance Program. The Legislature approved one-time funding to the Family Homeless Prevention and Assistance Program (FHPAP) of \$58.6 million dollars. While the final allocations have not yet been released, Washington County typically receives approximately 3% of the total state allocation. This could result in an additional \$1.1 million for housing supports, most of which will be passed along to the CDA.
- The Community Services Department works with contracted case management. Access, Aging and Disability Services has increased the number of cases to contracted case management. This push to our contracted providers is to establish a better balance in workload for staff while maintaining quality service delivery.
- 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 2023 over 2,372 people attended over 49 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. Investments include the rehabilitation and reconstruction of arterial highways, construction of regional interchanges along Minnesota Trunk Highway 36, improvements and renovation at the Stillwater Historic Courthouse, a Northern Household Hazardous Waste Facility, and a new County Service Center.
- A countywide employee engagement survey was completed and over 90% of all county employees participated. The countywide engagement score continues to be high with 74% of employees identifying as engaged. Departments have selected key themes to work on over the next two years and the county has selected pay and benefits and ethical decision making as the key drivers to address.
- The county enjoyed significant success because of its 2023 legislative priorities and activities. The county secured funding for the Hwy 36 and Lake Elmo Avenue intersection improvement project and secured additional state funding to help fund state and federally mandated program costs.
- The county reached agreement with many of its employee bargaining groups on wages and benefit packages for the years of 2024 and 2025 that will keep the county competitive and improve our retention, attraction and recruitment efforts. The remaining settlements will be reached in the calendar year 2024.
- The county kicked off the process of developing a new countywide strategic plan and will complete the plan in the calendar year 2024. The new strategic plan will include a revised vision statement, mission, values, goals and objectives. The county board asked for and received input from the community, from locally elected officials and all county staff members in the creation of the strategic plan.
- The Office of Administration led an effort to create a new senior leadership structure that involves more senior level employees in the county's decision-making processes. The Senior Leadership teams include the IT Steering Committee, Executive Leadership Team, Financial Leadership Team, Communications Leadership Team, and Capital Planning Leadership Team. Members of the leadership team include Directors, Deputy Directors, managers and front-line workers.
- In 2023, The Information Technology Department (ITD) continued to make strong improvements and upgrades to critical applications, hardware, and networking environments. ITD completed more than 40 projects. Some notable projects completed were a telephony system assessment, Elections server replacement, and a GIS Eagle View flyover mapping. One of the most important operational accomplishments was the formation of the IT Steering Committee for project review, approval, and prioritization. ITD was highly focused on hiring staff in order to improve overall operational performance by hiring 17 open positions.

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 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 complies 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, 2022. This was the 38th 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 2022 report satisfied both generally accepted accounting principles and applicable legal requirements.

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

The County was also recognized by the GFOA for the 2022 Popular Annual Financial Statement (PAFR), the fifth 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.

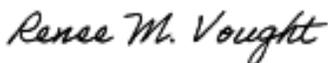
We would like to recognize the contributions made by the staff of County departments toward the completion of this Annual Comprehensive Financial Report. This report would not have been completed without the professional dedication of the entire staff.

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,



Cat Piepho
Accounting and Finance Director



Renee Vought
Accounting and Finance Deputy Director



Government Finance Officers Association

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

Presented to

**Washington County
Minnesota**

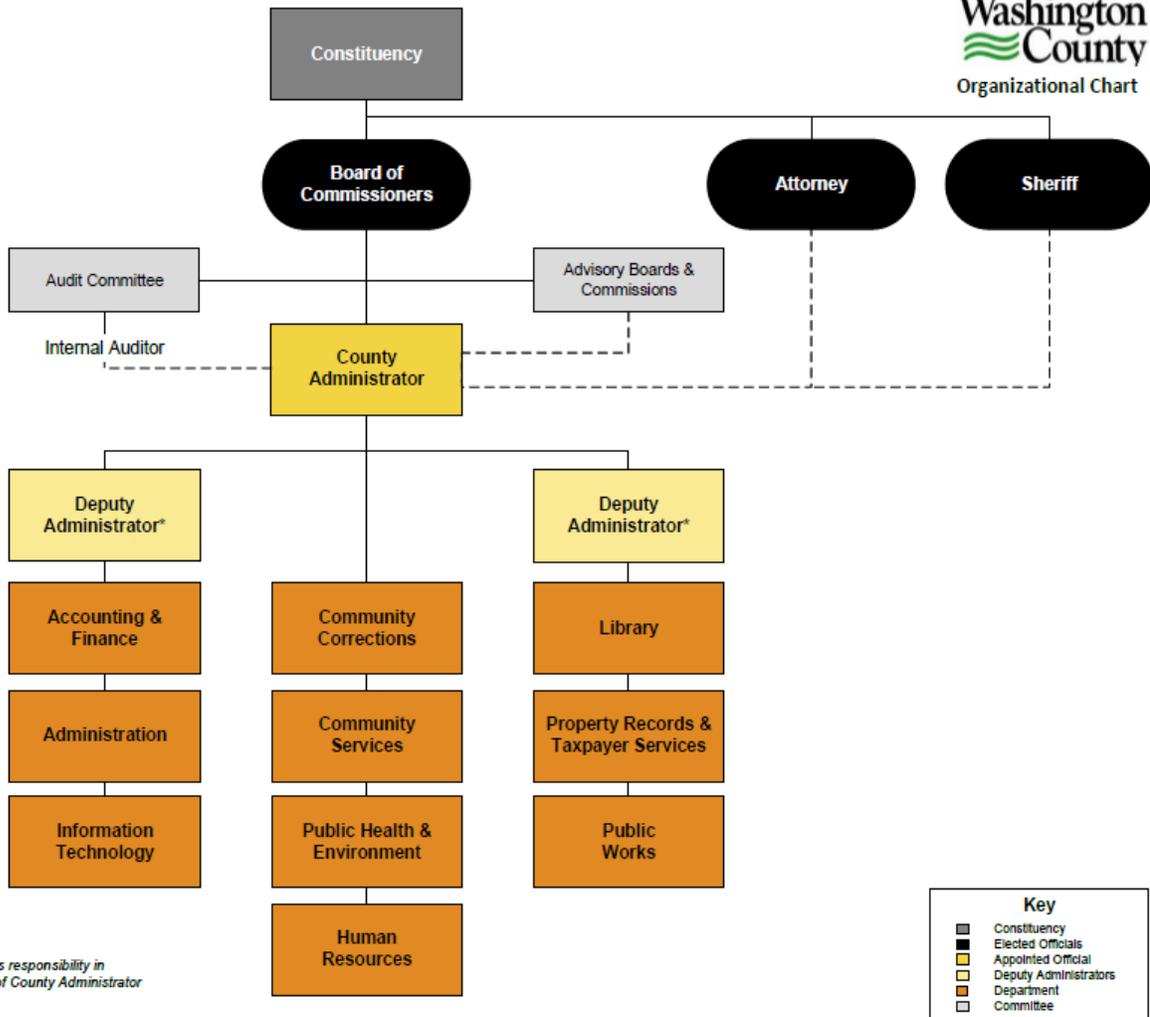
For its Annual Comprehensive Financial
Report
For the Fiscal Year Ended

December 31, 2022

Christopher P. Morill

Executive Director/CEO

County Organizational Chart
Fiscal Year 2023



* Assumes responsibility in absence of County Administrator

Key	
	Constituency
	Elected Officials
	Appointed Official
	Deputy Administrators
	Department
	Committee

Washington County, Minnesota

List of Principal Officials

Office	Name	Term Expires	
Commissioners:			
1st District	Fran Miron	December 2024	
2nd District	Stan Karwoski, Vice Chair	December 2026	
3rd District	Gary Kriesel, Chair	December 2024	
4th District	Karla Bigham	December 2026	
5th District	Michelle Clasen	December 2026	
Officers:			
Elected:			
Attorney	Kevin Magnuson	December 2026	
District Court Judge	Helen Brosnahan	January 2025	*
District Court Judge	Siv Mjanger	January 2025	*
District Court Judge	Patrick Flanagan	January 2027	*
District Court Judge	Juanita Freeman	January 2027	*
District Court Judge	Gregory Galler	January 2027	*
District Court Judge	Sheridan Hawley	January 2027	*
District Court Judge	Douglas Meslow	January 2027	*
District Court Judge	Laura Pietan	January 2027	*
District Court Judge	Viet-Hanh Winchell	January 2027	*
District Court Judge	Francis Green III	January 2029	*
Sheriff	Dan Starry	December 2026	
Appointed:			
Administrator	Kevin Corbid	Indefinite	
Auditor-Treasurer/Deputy Administrator	Jennifer Wagenius	Indefinite	
Deputy Administrator	Jan Lucke	Indefinite	
County Recorder/ Director Property Records & Taxpayer Services	Amy Stenftenagel	Indefinite	
County Assessor	Lisa Young	December 2024	
County Engineer	Wayne Sandberg	April 2027	
County Surveyor	Samuel E. Gibson	September 2027	
Accounting and Finance Director	Lowell Johnson	February 2024	**
Community Services Director	Jennifer Castillo	Indefinite	
Community Corrections Director	Terry Thomas, Jr.	Indefinite	
Human Resources Director	Angie Nalezny	Indefinite	
Information Technology Director	Adam Larson	Indefinite	
Library Director	Jacquie Kramer	Indefinite	
Public Health & Environment Director	David Brummel	Indefinite	
Public Works Director	Wayne Sandberg	Indefinite	

*Term expires the first Monday in January

** Lowell Johnson was interim Accounting and Finance Director from November 2023 through February 2024



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

Certificate of Achievement for Excellence in Financial Reporting

The Certificate of Achievement for Excellence in Financial Reporting award was received by the county for 2022. 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 the Certificate of Achievement for Excellence in Financial Reporting award for 2022 which is the thirty-eighth (38) consecutive year.



INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of 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, 2023, 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, 2023, 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 twelve 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 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.

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, 2022, 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, 2022 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 2022 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 2022 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 13, 2024, 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 13, 2024

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

Government-wide Statements

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

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

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

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 issuances. 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 the 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 2023. This gave the County a net position of \$705.6M, or 17.0% increase from 2022. Total revenues increased by 22.9% with the impact of investment income due to the unrealized and realized gains, which accounted for a positive change of \$35.5M versus a loss in 2022 of \$19.9M resulted in a change of \$55.4M. Washington County was successful on securing a variety of operating and capital grants from federal and state agencies. These grants were mainly recognized in public safety, human services, and highways. These intergovernmental grants provide the county with the ability to provide focused initiatives in which the grants support. For example, the highway department capital grants increased by \$9.6M between 2022 and 2023 which allows us to improve roads and bridges throughout Washington County. The recognition of the unearned revenue from 2022 also impacted our revenues in a positive manner.
- Within the fund level statements, the fund balance increased within each area as shown below:

Fund	Change in Fund Balance (Millions)
General	\$ 28.8
Regional Rail Authority	0.4
Metro Gold Line	12.2
Debt Service	1.5
Capital Projects	35.2

Additional information regarding the change in fund balance can be found on page 22.

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 \$705.6M at the end of 2023, an increase of \$102.6M, or 17.0% from 2022. The result of this increase includes a change in investments for realized and unrealized gains. Washington County also received a variety of state and federal grants for public safety, human services, and highways. These intergovernmental grants allowed us to continue providing exceptional services. The operating and capital grants provided revenues of \$102.2M, which was a \$16.0M increase from 2022. During 2023, \$6.0M of the ARPA funds were earned that previously were recognized as unearned revenue. Intergovernmental grant information can be found on the schedule of intergovernmental revenues page 113.

Net investment in capital assets is \$530.2M, which represents about 75.1% of the total net position. Current and other assets reported a 19.1% increase from the prior year. The cash and pooled investments and investments provided for the most impact for this change. The additional cash was recognized through effective collection efforts. The receivable portion of the balance sheet for taxes and accounts receivable remained at 2022 levels although our revenues increased.

Summary of Net Position

Assets	2022	2023	Change	% Change
Current and Other Assets	\$ 394,484,699	\$ 469,839,566	\$ 75,354,867	19.1%
Capital Assets	623,830,874	636,732,655	12,901,781	2.1%
Total Assets	1,018,315,573	1,106,572,221	88,256,648	8.7%
Deferred Outflows of Resources	91,790,448	66,775,353	(25,015,095)	-27.3%
Total Assets and Deferred Outflows	1,110,106,021	1,173,347,574	63,241,553	5.7%
Liabilities				
Long-Term Liabilities	361,388,321	259,675,274	(101,713,047)	-28.1%
Other Liabilities	99,173,104	99,387,207	214,103	0.2%
Total Liabilities	460,561,425	359,062,481	(101,498,944)	-22.0%
Deferred Inflows of Resources	46,518,888	108,641,241	62,122,353	133.5%
Total Liabilities and Deferred Inflows	507,080,313	467,703,722	(39,376,591)	-7.8%
Net Position				
Net Investment in Capital Assets	512,790,771	530,215,227	17,424,456	3.4%
Restricted for:				
General Government	15,624,149	18,397,492	2,773,343	17.8%
Capital Projects	21,882,134	29,922,947	8,040,813	36.7%
Debt Service	13,059,044	14,659,054	1,600,010	12.3%
Opioid Settlement	6,370,246	1,716,038	(4,654,208)	73.1%
Unrestricted	33,299,364	110,733,094	77,433,730	-232.5%
Total Net Position	\$ 603,025,708	\$ 705,643,852	\$ 102,618,144	17.0%

Changes in Net Position

The Summary of Changes in Net Position is a summary of the County's activity for the year. The 2023 ending net position increased by \$102.6M over the prior year.

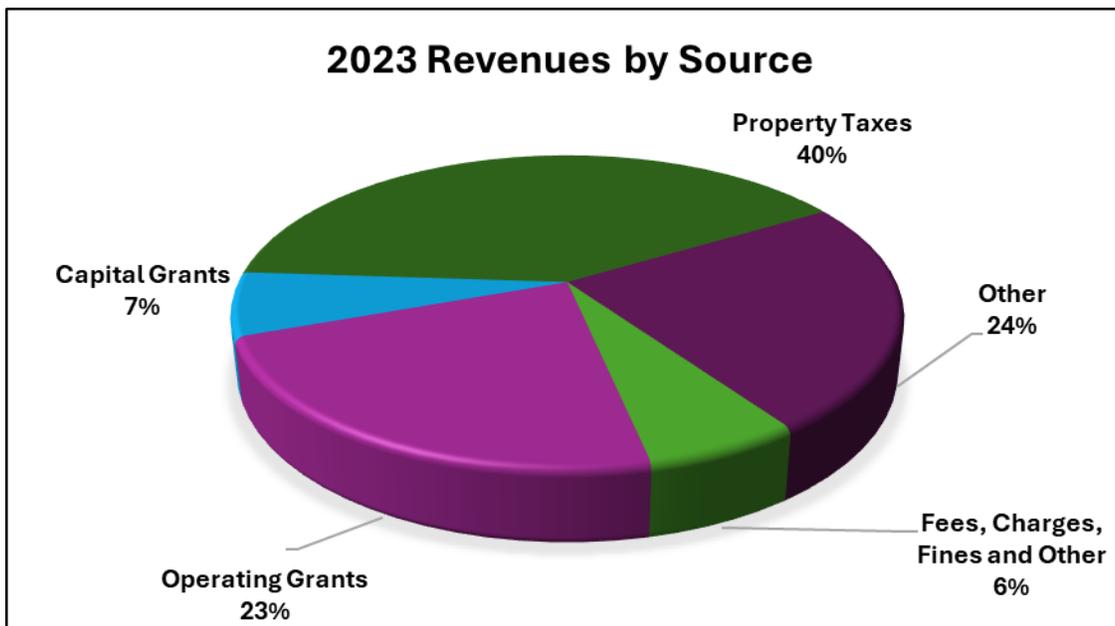
Total revenues increased \$64.8M from the prior year. As noted earlier, this increase in revenue was recognized mainly from the interest revenue during 2023. The investments recognized a \$35.5M interest earnings compared to a loss in 2022 of \$19.9M. The other changes in revenue were the increase in federal and state grants, along with the recognition of \$6.0M of the ARPA funds which were unearned at the end of 2022.

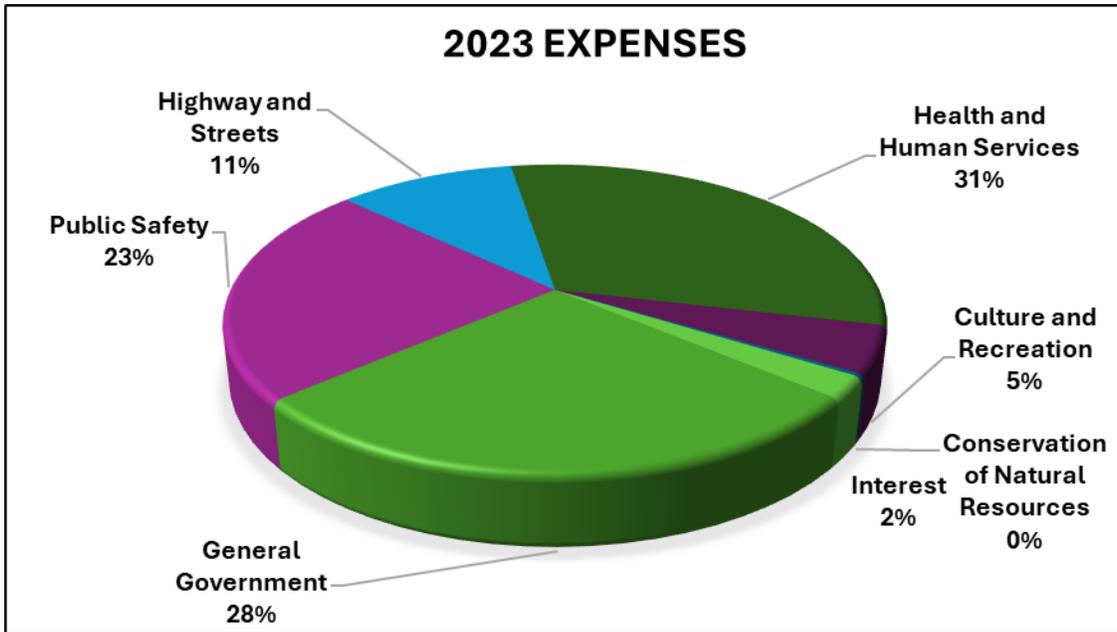
Total expenses decreased by \$24.8M from 2022, a decrease of 9.2%. The reduction in expenses year on year was recognized since during 2023, more projects were in process and the flow of expenses through construction in progress were greater than the on-going project work during 2023. The increase in the construction in progress from 2022 to 2023 was \$22.5M.

Summary of Changes in Net Position

	<u>2022</u>	<u>2023</u>	<u>Change</u>	<u>% Change</u>
Program Revenues				
Fees, Charges, Fines and Other	\$ 26,692,612	\$ 22,195,269	\$ (4,497,343)	-16.8%
Operating Grants	74,705,352	79,340,600	4,635,248	6.2%
Capital Grants	11,478,662	22,891,411	11,412,749	99.4%
General Revenues				
Property Taxes	134,298,472	140,395,499	6,097,027	4.5%
Other	35,799,637	82,960,772	47,161,135	131.7%
Total Revenues	<u>282,974,735</u>	<u>347,783,551</u>	<u>64,808,816</u>	<u>22.9%</u>
Expenses				
General Government	28,002,396	67,581,378	39,578,982	141.3%
Public Safety	64,370,140	57,112,693	(7,257,447)	-11.3%
Highway and Streets	79,091,184	25,604,089	(53,487,095)	-67.6%
Health and Human Services	86,182,417	76,595,307	(9,587,110)	-11.1%
Culture and Recreation	6,253,586	11,957,382	5,703,796	91.2%
Conservation of Natural Resources	487,617	734,111	246,494	50.6%
Interest	5,542,246	5,580,447	38,201	0.7%
Total Expenses	<u>269,929,586</u>	<u>245,165,407</u>	<u>(24,764,179)</u>	<u>-9.2%</u>
Change in Net Position	13,045,149	102,618,144	89,572,995	686.6%
Net Position – Beginning	589,980,559	603,025,708	13,045,149	2.2%
Net Position – Ending	<u>\$ 603,025,708</u>	<u>\$ 705,643,852</u>	<u>\$ 102,618,144</u>	<u>17.0%</u>

The following pie charts illustrate revenues and expenses by source.





Basis of Accounting

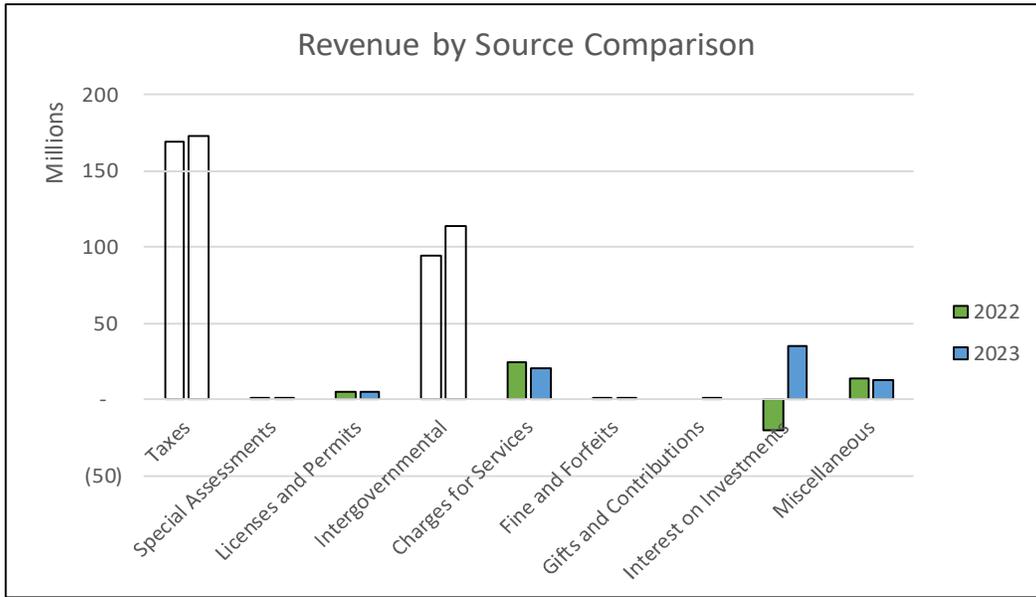
Due to the different basis of accounting between the Statement of Activities and the Statement of Revenues, Expenditures and Changes in Fund Balances, it is necessary to clarify that the following analysis is based on the latter, as it represents current operations in the modified accrual as opposed 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 2023 totaled \$362.8M, an increase of \$74.7M compared to 2022. Most of the change was the impact of interest on investments due to the change in market and the unrealized gain which impacted 2022. During 2022, the interest on investment reflected a negative revenue in the amount of \$19.0M while in 2023 we recognized revenue of \$35.5M, the total change between 2023 and 2022 was \$55.4M. Much of the balance of the increase was due to successfully securing federal and state operating and capital grants during 2023 along with the recognition of an additional \$6.0M of the ARPA funds recognized as unearned in 2022.

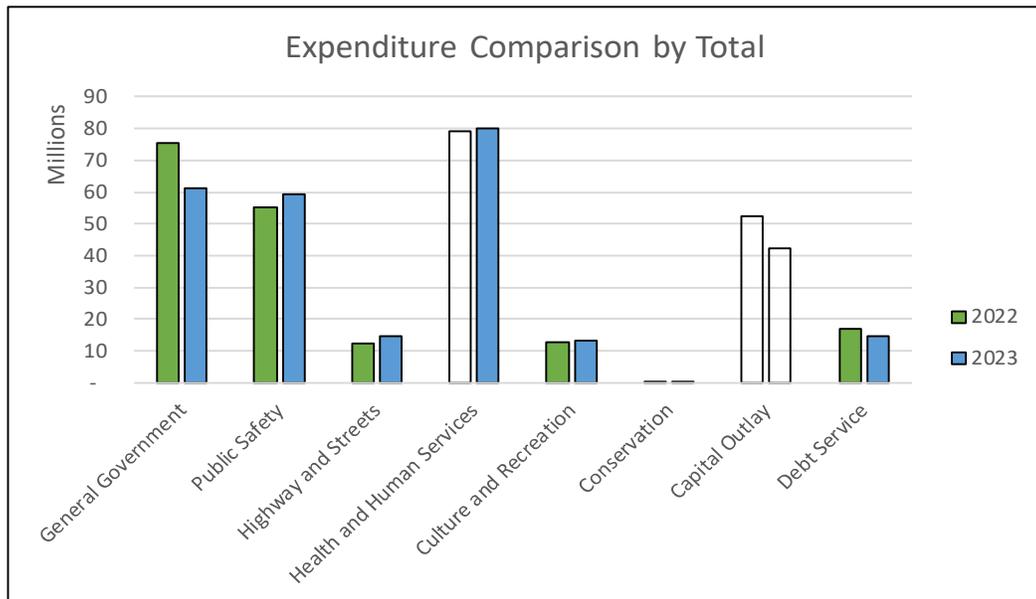
The following chart illustrates that the two largest sources of revenue for the County continue to be in the areas of property taxes and intergovernmental revenues. In 2023, taxes were 47.6% of the County’s revenues versus 58.6% in 2022. Intergovernmental revenues were 31.3% as compared to 32.7% in 2022.



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

Expenditures

The County’s total expenditures for 2023 were \$285.5M, which is \$19.3M lower than 2022. Although there is fluctuation within expenditures, most of the reduction is recognized within the Metro Gold Line and the capital outlays. The work within the Metro Gold Line was reduced during 2023. The difference between the expense recognized in 2022 versus 2023 was a reduction of \$19.6M. Along with the Metro Gold Line reduction, we also recognized expenditures reduction within capital outlays. The capital outlay projects were reduced in 2023 which netted a change in expenditures by \$10.6M. There were also increases in multiple departments within Washington County for staffing and special initiatives.



(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 2023, the Governmental Funds' unassigned fund balance was \$89.4M and the total fund balance was \$369.4M. This is a \$78.1M increase in total fund balance from 2022. The 2023 unassigned balance is 24.2% 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 increased \$78.1M. As noted earlier, most of this increase was due to the interest on investments, which accounts for \$35.5M. The balance of the change is attributed to increased taxes and successfully achieving additional federal and state grants.

The General Fund is the main operating fund for Washington County. The General Fund's ending fund balance was \$241.7M, which is an increase of \$28.8M overall. Revenues increased \$67.4M, while expenditures increased \$13.1M. Most of the increase in revenues recognized within the general fund was due to the interest on investments and collection and charges for taxes. As with other funds, the general fund recognized an increase in intergovernmental revenue mainly due to the recognition of the ARPA funds which were unearned at the end of 2022. The increase in revenue reported within the general fund was decreased by increases in expenditures for employee and department initiatives.

The fund balance in the Regional Rail Special Revenue Fund increased by \$430K, the main increase within this fund is due to the sale of assets. The sale of assets accounted for 75.6% of the change. The balance of the change is due to staff vacancies.

The fund balance of the Metro Gold Line Special Revenue Fund increased by \$12.2M, as the project has slowly progressed during 2023 versus 2022. All funds are restricted for the transit project costs.

The fund balance in the Debt Service Fund increased by \$1.5M, providing funding for the scheduled bond payments due in 2024. The total fund balance of \$16.1M is restricted for current and long-term debt service obligations.

In the Capital Projects Fund, revenues exceeded expenses by \$35.2M, with the most notable increase in taxes related to the local option tax which was increased from ½ cent from ¼ cent. These funds are held as restricted and will be used for future capital projects. Along with the increase of fund balance due to projects in progress, a transfer of \$11.2M from the general fund to support additional capital projects.

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 2023, the total effect on expenditures was an increase of \$15.7M from the adopted budget of \$216.1M to the final budgeted expenditures of \$231.8M. These adjustments are approved as the timing of projects change, variations in intergovernmental revenues and grants occur, or as unforeseen expenditures happen. In 2023, authorized budgets from the prior year were also carried over to fund capital projects, grants, and contract services.

2023 Adopted and Final Budget Expenditures (millions)

	<u>Adopted</u>	<u>Final</u>	<u>Actual</u>	<u>Actual vs. Final</u>
General Government	\$ 47.3	\$ 64.6	\$ 59.1	\$ 5.5
Public Safety	64.3	57.4	59.2	(1.8)
Highways and Streets	15.1	15.8	14.7	1.1
Health and Human Services	75.1	79.3	80.1	(0.8)
Culture/Recreation	14.0	14.2	13.5	0.7
Conservation of Natural Resources	0.3	0.3	0.3	-
Debt Service	-	0.2	0.3	(0.1)
Total	\$ 216.1	\$ 231.8	\$ 227.2	\$ 4.6

Many factors can influence the variances in actual expenditures versus the final budgeted figures. In 2023, actual expenditures were \$4.6M more than anticipated. The largest variance was \$5.5M in higher than anticipated General Government expenditures.

Capital Asset and Debt Administration

Capital Assets

In 2023, the County continued to invest in its capital assets in the areas of: land, equipment, buildings, park facilities, and roads.

Governmental Funds Capital Assets	<u>2022</u>	<u>2023</u>	<u>% Change</u>
Land and Works of Art	\$ 116,925,420	\$ 118,104,847	1.0%
Improvements Other Than Buildings	22,961,025	22,967,250	0.0%
Buildings and Structures	236,363,010	237,457,542	0.5%
Machinery and Equipment	62,552,645	64,719,214	3.5%
Infrastructure	586,178,550	606,357,492	3.4%
Construction in Progress	10,413,528	32,952,329	216.4%
Total	\$ 1,035,394,178	\$ 1,082,558,674	4.6%

Increases in capital assets occurred in a few areas with the greatest change within construction in progress. The construction in progress account holds the costs associated with projects from the beginning of the project until project completion. During 2023, the construction in progress accounts for most of the change. Additional information on the County's capital assets can be found under Note III G to the financial statements on page 49.

Long-Term Debt

At year-end, the County had \$113.4M in outstanding general obligation bonds. This 9.8% decrease is the result of scheduled bond payments. More detailed information about the County's long-term liabilities is presented on pages 50 to 53 of the notes to the financial statements.

Outstanding Long-Term Debt	<u>2022</u>	<u>2023</u>	<u>Percent Change</u>
General Obligation Bonds	\$ 108,685,000	\$ 98,060,000	-9.8%

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 (2023 Budget)	\$ 26,697,575
15% of the total gross levy (2023 Budget) (most restrictive policy)	20,949,900
2023 Debt Service Levy	<u>(15,697,900)</u>
Available Debt Service Levy (2023)	<u>\$ 5,252,000</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 2024, the County’s budget includes \$131.5M in net tax levy, which is an increase of \$5.0M from the 2023 level, and an operating budget of \$363.7M, a decrease of approximately \$15.2M from 2023. Part of the decrease is from expenditures associated with capital spending and other financing uses. The capital spending is a decrease due to the 2023 bond issuance. The other financing uses decreased due to the inter-fund transfers budget decreases related to the fund balance uses in 2023 for the parks maintenance, sentence-to-serve storage facility in Lake Elmo Park Reserve, and the Law Enforcement Center Space Modification projects.

The 2024 adopted budget funds 1,423.52 full-time employees, which is an increase of 6.45 FTEs from the amended 2023 budget. The 2024 budget includes 25.5 new positions, however, with the decrease of expiring special projects and ARPA positions, there is a net increase of 6.45 FTEs. The new positions include staff to support our clients struggling with mental health and social workers in the community services department focusing on mental health stabilization and mutisystemic therapist in the corrections department. Other areas to note for an increase in staffing is within the Minnesota Extension office, the library, and other departments to provide staffing support and increase organizational efficiency by making sure tasks are performed at the appropriate level and expertise.

Contacting the County’s Financial Management

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

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

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
 - 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 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

Statement of Net Position
December 31, 2023

	<u>Primary Government Governmental Activities</u>	<u>Discretely Presented Component Unit</u>
Assets		
Cash and Pooled Investments	\$ 310,306,348	\$ 32,585,726
Petty Cash and Change Funds	25,700	-
Investments	101,572,283	-
Taxes Receivable:		
Delinquent Taxes Receivable - Net	977,166	83,513
Special Assessments Receivable:		
Current - Net	282,366	-
Special Assessments Receivable - Noncurrent	1,328,192	-
Accounts Receivable - Net	6,414,132	123,643
Lease Receivable - Current	87,375	-
Lease Receivable - Long-Term	438,961	-
Note Receivable	6,178,071	-
Notes and Mortgages Receivable - Current	-	22,018
Notes and Mortgages Receivable - Long-Term	-	8,656,894
Accrued Interest Receivable	1,126,689	716,156
Due from Other Governments	36,245,425	962,398
Due from Component Unit - (County)	1,142,276	-
Due from Component Unit - (WCCDA)	-	12,493,659
Prepaid Items	694,068	727,816
Supplies	2,348,961	-
Restricted Assets		
Cash and Pooled Investments	-	14,949,081
Other Assets	-	2,945,451
Capital Assets Not Being Depreciated/Amortized		
Land and Works of Art	118,104,847	7,967,740
Construction in Progress	32,952,329	346,460
Capital Assets Being Depreciated/Amortized, Net		
Building	138,391,607	66,927,938
Improvements Other than Buildings	8,530,284	-
Machinery, Vehicles, Furniture and Equipment	15,995,688	246,327
Infrastructure	322,757,900	-
Right to Use Asset	671,553	-
Total Assets	1,106,572,221	149,754,820
Deferred Outflows of Resources		
Pension Related	45,433,374	-
OPEB Related	20,487,198	-
Unamortized Loss on Refunding	854,781	335,025
Total Deferred Outflows of Resources	66,775,353	335,025

Continued on next page

Statement of Net Position (Continued)
December 31, 2023

	<u>Primary Government Governmental Activities</u>	<u>Discretely Presented Component Unit</u>
Liabilities		
Accounts Payable	\$ 4,280,343	\$ 936,613
Salaries Payable	6,655,501	-
Contracts Payable	9,574,713	30,986
Due to Other Governments	8,407,021	727,252
Due to Primary Government (County) - Due Within One Year	-	75,630
Due to Primary Government (WCCDA) - Due Within One Year	-	219,024
Due to Primary Government (County) - Due in More than One Year	-	1,066,648
Due to Primary Government (WCCDA) - Due in More than One Year	-	12,149,069
Accrued Interest Payable	1,448,064	1,174,567
Unearned Revenue	40,167,267	848,230
Customer Deposits - Current	506,622	496,024
Gravel Pit Restoration	375,159	-
Unearned Gain on Sale of Property	-	3,521
Compensated Absences Payable - Due Within One Year	11,265,031	20,789
Other Postemployment Benefits Payable - Due Within One Year	5,074,794	-
Notes and Mortgages Payable - Due Within One Year	-	505,036
General Obligation Bonds Payable - Due Within One Year	11,280,000	-
Revenue Bonds Payable - Due Within One Year	-	2,775,000
Lease Liability - Due Within One Year	140,091	-
Loans Payable - Due Within One Year	212,601	-
Other Postemployment Benefits Payable - Due in More than One Year	90,986,425	-
Notes and Mortgages Payable - Due in More than One Year	-	17,493,977
General Obligation Bonds Payable - Due in More than One Year (Net)	90,756,179	-
Revenue Bonds Payable - Due in More than One Year	-	22,811,975
Lease Liability - Due in More than One Year	572,228	-
Loans Payable - Due in More than One Year	885,306	-
Net Pension Liability - Due in More than One Year	76,465,626	-
Compensated Absences Payable - Due in More than One Year	9,510	187,096
Total Liabilities	359,062,481	61,521,437
Deferred Inflows of Resources		
Pension Related	50,364,511	-
OPEB Related	57,477,312	-
Unamortized Gain on Refunding	295,081	896,250
Lease Receivable	504,337	-
Total Deferred Inflows of Resources	108,641,241	896,250
Net Position		
Net Investment in Capital Assets	530,215,227	28,990,609
Restricted for:		
General Government	1,144,419	-
Grants	988,700	-
Law Enforcement Authorized Forfeiture Use	494,423	-
Solid Waste and Recycling	4,152,471	-
Recorder's Fund Technology	2,523,227	-
E-911 Funding Technology	1,733,180	-
Other	926,118	-
Parks & Libraries	6,329,181	-
Inmate Services Funds	105,773	-
Capital Projects	29,922,947	-
Debt Service	14,659,054	14,089,970
Grant Funded Housing Purposes	-	4,370,739
Public Health	1,716,038	-
Unrestricted	110,733,094	40,220,840
Total Net Position	\$ 705,643,852	\$ 87,672,158

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

Washington County, Minnesota

Statement of Activities
Year Ended December 31, 2023

Functions/Programs	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
Primary Government						
Governmental Activities:						
General Government	\$ 67,581,378	\$ 20,249,078	\$ 2,292,975	\$ 1,546,484	\$ (43,492,841)	\$ -
Public Safety	57,112,693	1,887,756	11,416,819	-	(43,808,118)	-
Highways and Streets	25,604,089	-	16,624,825	20,926,106	11,946,842	-
Health and Human Services	76,595,307	-	46,789,073	-	(29,806,234)	-
Culture and Recreation	11,957,382	58,435	1,262,826	418,821	(10,217,300)	-
Conservation of Natural Resources	734,111	-	954,082	-	219,971	-
Interest	5,580,447	-	-	-	(5,580,447)	-
Total Primary Government	\$ 245,165,407	\$ 22,195,269	\$ 79,340,600	\$ 22,891,411	(120,738,127)	-
Component Unit:						
Community Development Agency	\$ 27,488,006	\$ 15,447,849	\$ 8,003,890	\$ 2,152,477	-	(1,883,790)
General Revenues:						
Property Taxes					140,395,499	5,885,960
Tax Increments					-	256,584
Mortgage Registry and Deed Tax					407,731	-
Wheelage Tax					4,713,204	-
Sales Tax					25,895,201	-
Grants and Contributions not Restricted for a Particular Purpose					12,256,906	-
Investment Earnings					35,495,376	2,254,133
Miscellaneous					3,867,120	-
Gain on Sale of Capital Assets					325,234	62,116
Total General Revenues					223,356,271	8,458,793
Change in Net Position					102,618,144	6,575,003
Net Position - Beginning of Year					603,025,708	81,097,155
Net Position - End of Year					\$ 705,643,852	\$ 87,672,158

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

Washington County, Minnesota

Balance Sheet
Governmental Funds
December 31, 2023

	Major Funds					Total Governmental Funds
	General	Regional Rail Authority	Metro Gold Line	Debt Service	Capital Projects	
Assets						
Cash and Pooled Investments	\$ 176,592,657	\$ 2,703,282	\$ 26,567,700	\$ 16,097,243	\$ 88,345,466	\$ 310,306,348
Petty Cash and Change Funds	25,700	-	-	-	-	25,700
Investments	101,572,283	-	-	-	-	101,572,283
Taxes Receivable	971,977	5,189	-	-	-	977,166
Special Assessments Receivable						
Current	282,366	-	-	-	-	282,366
Noncurrent	1,318,317	-	-	9,875	-	1,328,192
Accounts Receivable	6,397,714	64,320	-	-	16,418	6,478,452
Lease Receivable						
Current	87,375	-	-	-	-	87,375
Noncurrent	438,961	-	-	-	-	438,961
Note Receivable	6,178,071	-	-	-	-	6,178,071
Accrued Interest Receivable	1,126,689	-	-	-	-	1,126,689
Due from Other Governments	10,972,825	-	1,161,504	-	24,046,776	36,181,105
Due from Component Unit	1,142,276	-	-	-	-	1,142,276
Supplies	2,348,961	-	-	-	-	2,348,961
Prepaid items	552,055	-	-	-	142,013	694,068
Total Assets	\$ 310,008,227	\$ 2,772,791	\$ 27,729,204	\$ 16,107,118	\$ 112,550,673	\$ 469,168,013
Liabilities, Deferred Inflows of Resources, and Fund Balances						
Liabilities						
Accounts Payable	\$ 3,757,738	\$ 11,867	\$ 175,045	\$ -	\$ 212,342	\$ 4,156,992
Salaries Payable	6,621,964	18,154	15,383	-	-	6,655,501
Contracts Payable	2,272,944	-	-	-	7,425,120	9,698,064
Due to Other Governments	7,690,763	10,000	-	-	706,258	8,407,021
Unearned Revenue	39,266,628	-	-	-	900,639	40,167,267
Customer Deposits	506,622	-	-	-	-	506,622
Gravel Pit Restoration	375,159	-	-	-	-	375,159
Total Liabilities	60,491,818	40,021	190,428	-	9,244,359	69,966,626
Deferred Inflows of Resources						
Unavailable Revenue - Taxes	971,977	5,189	-	-	-	977,166
Unavailable Revenue - Special Assessments	1,600,683	-	-	9,875	-	1,610,558
Unavailable Revenue - State Aid Allotments	-	-	-	-	21,928,165	21,928,165
Unavailable Revenue - Grants	4,740,851	-	-	-	-	4,740,851
Lease Receivable	504,337	-	-	-	-	504,337
Total Deferred Inflows of Resources	7,817,848	5,189	-	9,875	21,928,165	29,761,077
Fund Balances						
Nonspendable For						
Prepays	552,055	-	-	-	142,013	694,068
Supplies	2,348,959	-	-	-	-	2,348,959
Note Receivable	5,950,485	-	-	-	-	5,950,485
Advances to Other Governments	1,066,646	-	-	-	-	1,066,646
Restricted For						
Debt Service	-	-	-	16,097,243	-	16,097,243
Capital Projects	-	-	-	-	2,384,170	2,384,170
Grants	988,700	-	-	-	-	988,700
Law Library and County Library	5,054,399	-	-	-	-	5,054,399
Other Contracts	12,729,589	-	-	-	-	12,729,589
OPEB Trust	101,072,299	-	-	-	-	101,072,299
Transit Project	-	-	27,538,776	-	-	27,538,776
Public Health	1,340,844	-	-	-	-	1,340,844
Assigned For						
Regional Rail	-	2,727,581	-	-	-	2,727,581
Capital Improvements	-	-	-	-	78,851,966	78,851,966
Compensated Absences	11,274,542	-	-	-	-	11,274,542
Capital Equipment	9,447,117	-	-	-	-	9,447,117
Employer Liability	452,178	-	-	-	-	452,178
Unassigned	89,420,748	-	-	-	-	89,420,748
Total Fund Balances	241,698,561	2,727,581	27,538,776	16,097,243	81,378,149	369,440,310
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 310,008,227	\$ 2,772,791	\$ 27,729,204	\$ 16,107,118	\$ 112,550,673	\$ 469,168,013

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, 2023**

Fund Balances - Total Governmental Funds		\$ 369,440,310
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets, net of accumulated depreciation/amortization, used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		637,404,208
Deferred outflows of resources resulting from pension obligations are not available resources and, therefore, are not reported in the governmental funds.		45,433,374
Deferred outflows of resources resulting from OPEB obligations are not available resources and, therefore, are not reported in the governmental funds.		20,487,198
Other long-term assets are not available to pay for current-period expenditures and, therefore, are reported as unavailable in the governmental funds.		29,256,740
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	\$ (98,060,000)	
Loans Payable	(1,097,907)	
Lease Liability	(712,319)	
Other Postemployment Benefits	(96,061,219)	
Compensated Absences	(11,274,541)	
Net Pension Liability	(76,465,626)	
Accrued Interest Payable	(1,448,064)	
Unamortized Bond Premium	<u>(3,976,179)</u>	(289,095,855)
Deferred inflows resulting from pension obligations are not due and payable in the current period and, therefore, are not reported in the governmental funds.		(50,364,511)
Deferred inflows resulting from OPEB obligations are not due and payable in the current period and, therefore, are not reported in the governmental funds.		(57,477,312)
Unamortized gain/loss on Bond Refunding not reflected in the governmental funds.		<u>559,700</u>
Net Position of Governmental Activities		<u><u>\$ 705,643,852</u></u>

Washington County, Minnesota

Statement of Revenues, Expenditures, and Changes in Fund Balances
 Governmental Funds
 Year Ended December 31, 2023

	General	Regional Rail Authority	Metro Gold Line	Debt Service	Capital Projects	Total Governmental Funds
Revenues						
Taxes	\$ 116,489,330	\$ 656,824	\$ 11,948,913	\$ 15,697,900	\$ 27,903,392	\$ 172,696,359
Special Assessments	254,644	-	-	-	-	254,644
Licenses and Permits	5,590,270	85,419	-	-	-	5,675,689
Intergovernmental	78,844,147	1,011	1,546,484	-	33,352,475	113,744,117
Charges for Services	17,889,023	-	-	-	3,259,400	21,148,423
Fines and Forfeits	274,462	-	-	-	-	274,462
Gifts and Contributions	100,525	-	-	-	-	100,525
Interest on Investments	34,988,209	-	-	-	507,167	35,495,376
Miscellaneous	12,350,863	-	-	-	1,089,733	13,440,596
Total Revenues	266,781,473	743,254	13,495,397	15,697,900	66,112,167	362,830,191
Expenditures						
Current						
General Government	59,141,474	638,130	1,320,783	-	-	61,100,387
Public Safety	59,212,946	-	-	-	-	59,212,946
Highways and Streets	14,662,887	-	-	-	-	14,662,887
Health and Human Services	80,077,732	-	-	-	-	80,077,732
Culture and Recreation	13,520,957	-	-	-	-	13,520,957
Conservation	286,934	-	-	-	-	286,934
Capital outlay						
General Government	-	-	-	-	20,495,244	20,495,244
Highways and Streets	-	-	-	-	21,589,720	21,589,720
Debt service						
Principal	323,010	-	-	10,625,000	-	10,948,010
Interest	25,290	-	-	3,615,200	-	3,640,490
Administrative (Fiscal) Charges	-	-	-	2,310	-	2,310
Total Expenditures	227,251,230	638,130	1,320,783	14,242,510	42,084,964	285,537,617
Excess of Revenues Over (Under) Expenditures	39,530,243	105,124	12,174,614	1,455,390	24,027,203	77,292,574
Other Financing Sources (Uses)						
Transfers In	-	-	-	-	11,217,900	11,217,900
Transfers Out	(11,217,900)	-	-	-	-	(11,217,900)
Issuance of Lease Liability	19,777	-	-	-	-	19,777
Issuance of Loans	447,177	-	-	-	-	447,177
Sources from Sale of Assets	-	325,234	-	-	-	325,234
Total Other Financing Sources (Uses)	(10,750,946)	325,234	-	-	11,217,900	792,188
Net Change in Fund Balances	28,779,297	430,358	12,174,614	1,455,390	35,245,103	78,084,762
Fund Balance - Beginning of Year	212,919,264	2,297,223	15,364,162	14,641,853	46,133,046	291,355,548
Fund Balance - End of Year	\$ 241,698,561	\$ 2,727,581	\$ 27,538,776	\$ 16,097,243	\$ 81,378,149	\$ 369,440,310

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, 2023**

Net Change in Fund Balances - Total Governmental Funds **\$ 78,084,762**

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/amortization expense.

Expenditures for General Capital Assets, Infrastructure, and Other Related:		
Capital Assets Adjustments	\$ 48,329,475	
Net Book Value of Assets Disposed	(85,431)	
Current Year Depreciation/Amortization	<u>(35,474,518)</u>	12,769,526

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	308,748	
Changes in State Aid Allotments and Grants	<u>(1,418,715)</u>	(1,109,967)

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:

Lease Liability Issued	(19,777)	
Loans Issued	<u>(447,177)</u>	(466,954)

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	10,625,000	
Lease Liability	137,839	
Loans Payable	<u>185,171</u>	10,948,010

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	144,620	
Amortization of Premiums and Discounts	1,125,951	
Amortization of Bond Refunding Gains and Losses	22,073	
Change In Compensated Absences	(495,153)	
Change In Net Pension Liability (Asset) and Related Deferred Inflows and Deferred Outflows	(6,332,416)	
Change OPEB Liability and Related Deferred Inflows and Deferred Outflows	<u>7,927,692</u>	<u>2,392,767</u>

Change in Net Position of Governmental Activities **\$ 102,618,144**

**Fiduciary Funds
Statement of Fiduciary Net Position
December 31, 2023**

<u>Assets</u>	<u>Custodial Funds</u>
Cash and Pooled Investments	\$ 3,281,869
Accounts Receivable	482,656
Due from Other Governments	112,049
Taxes Receivable	3,060,348
Total Assets	<u>\$ 6,936,922</u>
<u>Liabilities</u>	
Accounts Payable	\$ 207,879
Funds Held in Trust	261,464
Total Liabilities	<u>\$ 469,343</u>
<u>Deferred Inflows of Resources</u>	
Taxes Collected in Advance of Levy	<u>\$ 1,127,086</u>
<u>Net Position</u>	
Restricted for:	
Individuals, Organizations, and Other Governments	<u>\$ 5,340,493</u>

Fiduciary Funds
Statement of Changes in Fiduciary Net Position
For the Year Ended December 31, 2023

<u>Additions</u>	<u>Custodial Funds</u>
Contributions:	
Individuals	\$ 941,193
Property Tax Collections for Other Governments	482,648,239
Special Assessments	1,479,454
License and Fees Collected for State	43,153,247
Intergovernmental Revenue	2,604,631
Fees for Services	56,183
Fines & Forfeitures	243,630
Interest Earnings	49,449
Miscellaneous	2,012
Total Additions	531,178,038
<u>Deductions</u>	
Beneficiary Payments to Individuals	884,093
Administrative Expense	984,628
Payments to State	42,772,350
Operating Expense	3,331,764
Property Tax Payments to Other Governments	482,393,494
Total Deductions	530,366,329
 Net Increase (Decrease) In Fiduciary Net Position	 811,709
 Fiduciary Net Position - Beginning of Year	 4,528,784
Fiduciary Net Position - End of Year	\$ 5,340,493

Notes to the Financial Statements

<u>Index</u>	<u>Note</u>
<i>Summary of Significant Accounting Policies</i>	I
Reporting Entity	A
Government-Wide and Fund Financial Statements	B
Measurement Focus, Basis of Accounting and Financial Statement Presentation	C
Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Equity	D
<i>Stewardship, Compliance, and Accountability</i>	II
Tax Abatements	A
<i>Detailed Notes on All Funds</i>	III
Cash Deposits	A
Investments	B
Advances to Component Unit	C
Note Receivable	D
Unavailable and Unearned Revenue	E
Lease Receivable	F
Capital Assets	G
Interfund Balances and Activities	H
Long-Term Obligations	I
Postemployment Benefits Plan Other than Pensions	J
<i>Pension Plans</i>	IV
Plan Description	A
Benefits Provided	B
Contributions	C
Pension Costs	D
Long-Term Expected Return on Investments	E
Actuarial Methods and Assumptions	F
Discount Rate	G
Pension Liability Sensitivity	H
Pension Plan Fiduciary Net Position	I
<i>Public Employees Defined Contribution Plan (Defined Contribution Plan)</i>	V
Deferred Compensation Description	A

Continued on next page

Washington County, Minnesota
Notes to the Financial Statements
December 31, 2023

Notes to the Financial Statements (Continued)
Index (Continued)

Other Information	VI
Risk Management	A
Contingencies	B
Construction Commitments	C
Washington County CDA Bonds	D
Joint Ventures	E
Jointly Governed Organizations	F
Related Organization – Watershed Districts	G
Subsequent Event	H
Washington County Community Development Agency Discretely Presented Component Unit	VII
Summary of Significant Accounting Policies	A
Capital Assets	B
Lease Receivables	C
Long-Term Debt	D
Adoption of New Accounting Standard	E

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, 2023. 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.

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

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

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

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

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

The County reports the following major governmental funds:

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

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

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

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

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

The County reports the following fiduciary fund types:

Custodial Funds. Custodial Funds are used to account for assets held by the County as an agent 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, 2023, 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. Supplies and Prepaid Items

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. Additionally, there are prepaid supplies that will be used for field materials and highway supplies.

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. Leases

The County determines if an arrangement is a lease at inception. Leases are included in lease receivables and deferred inflows of resources in the statement of net position when the County is the lessor, and as a right-to-use assets and lease liabilities when the County is the lessee.

Lessor

Lease receivables represent the County’s claim to receive lease payments over the lease term, as specified in the contract, in an exchange or exchange-like transaction. Lease receivables are recognized at commencement date based on the present value of expected lease payments over the lease term, reduced by any provision for estimated uncollectible amounts. Interest revenue is recognized ratably over the contract term.

Deferred inflows of resources related to leases are recognized at the commencement date based on the initial measurement of the lease receivable, plus any payments received from the lessee at or before the commencement date of the lease term that relate to future periods, less any incentives paid to, or on behalf of, the lessee at or before the commencement date of the lease term. The deferred inflows related to leases are recognized as lease revenue in a systematic and rational manner over the lease term. Amounts to be received under residual value guarantees that are not fixed in substance are recognized as a receivable and an inflow of resources if (a) a guarantee payment is required and (b) the amount can be reasonably estimated. Amounts received for the exercise price of a purchase option or penalty for lease termination are recognized as a receivable and an inflow of resources when those options are exercised.

Lessee

Right-to-use assets represent the County's control of the right to use an underlying asset for the lease term, as specified in the contract, in an exchange or exchange like transaction. Right-to-use assets are recognized at the commencement date based on the measurement of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs. Right-to-use assets are amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

Lease liabilities represent the County's obligation to make lease payments arising from the lease. Lease liabilities are recognized at the commencement date based on the present value of expected lease payments over the lease term, less any lease incentives. Interest expense is recognized ratably over the contract term.

The lease term may include options to extend or terminate the lease when it is reasonably certain that the County will exercise that option.

The County accounts for contracts containing both lease and nonlease components as separate contracts when possible. In cases where the contract does not provide separate price information for lease and nonlease components, the County treats the components as a single lease unit.

7. 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.

8. 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.

9. 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 assets that apply to future periods. 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 reacquisition 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.

10. Deferred Inflows of Resources

The County governmental fund financial statements report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net assets that applies to future periods. The County will not recognize the related revenue until a future event occurs.

The County has five 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, section J 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. The fifth type relates to lease receivables. Deferred inflows of resources related to leases are recognized at the commencement date based on the initial measurement of the lease receivable, plus any payments received from the lessee at or before the commencement date of the lease term that relate to future periods, less any incentives paid to, or on behalf of, the lessee at or before the commencement date of the lease term. The deferred inflows related to leases are recognized as lease revenue in a systematic and rational manner over the lease term.

11. 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.

12. 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.

13. 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.

14. 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 \$62,979,493 reported as restricted net position on the Statement of Net Position, \$23,568,498 is restricted by enabling legislation.

15. 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 2023, there were 9 of these TIF districts within the County. The Tax Increment taxes collected during 2023 totaled \$3,498,849. The County's portion of the captured tax capacity and related property taxes was approximately 23.625%.

Washington County, Minnesota
Notes to the Financial Statements
December 31, 2023

TIF agreements of other local governments have resulted in reductions of the County property tax revenues for the year ended December 31, 2023, as shown below:

<u>Tax Abatement Program</u>	<u>Number of Pay-As-You- Go TIF</u>	<u>Taxes Abated</u>	<u>Impact to Washington County</u>
Tax Increment Financing (TIF)			
City of:			
Cottage Grove	2	\$ 411,801	\$ 105,237
Forest Lake	2	374,779	99,475
Oak Park Heights	1	235,054	59,888
Stillwater	3	2,433,526	577,327
Woodbury	1	43,689	11,822
	<u>9</u>	<u>\$ 3,498,849</u>	<u>\$ 853,749</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, 2023, the County’s bank balances totaled \$7,360,430 which was covered by federal depository insurance or by surety bonds and collateralized in accordance with Minnesota statutes or collateralized with securities held by the pledging financial institution’s agent in the County’s name or stand-by letters of credit.

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

B. Investments

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

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

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

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

At December 31, 2023 the County had the following investments:

S.B.I. Internal Fixed Pool	\$ 12,009,264
S.B.I. Internal Equity Pool	89,214,119
Tota	<u><u>\$ 101,223,383</u></u>

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

Custodial Credit Risk in Investments – the risk that in the event of the failure of the counterparty to a transaction, the County will not be able to recover the value of the investment or collateral securities that are in the possession of an outside party. The County’s policy addresses the services of a custodial agent to monitor and hold its securities in the County’s name. The majority of the County’s assets are held by a safekeeping agent, with the exception of \$145,356,450 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.

Washington County, Minnesota
Notes to the Financial Statements
December 31, 2023

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	#
US Treasury Notes	n/a	Custodian	6,934,970	6,934,970	1.69%
U.S. Government Instrumentalities					
Federal Home Loan Bank**	Aaa/AAA	Custodian	23,015,586	23,015,586	5.60%
Federal Farm Credit Bank**	Aaa/AAA	Custodian	24,135,681	24,135,681	5.87%
Municipal Securities**	Aaa/AAA	Custodian	80,114,202	80,114,202	19.49%
Negotiable Certificates of Deposit **	n/a	Custodian	25,000	25,000	0.01%
State Board of Investments	n/a	County Held	44,098,891	101,223,383	24.62%
External Investment Pool					
MAGIC Fund - Portfolio	n/a	County Held	30,271,567	30,271,567	7.36%
Mutual Fund Money Markets	n/a	Custodian/Broker	145,356,450	145,356,450	#
Total Investments			<u>353,957,447</u>	<u>411,081,939</u>	
Cash for Operations					
Petty Cash and Inmate Funds	n/a	Collateralized	4,078,561	4,078,561	
Total Cash and Investments		County Held	<u>25,700</u>	<u>25,700</u>	
			<u>\$ 358,061,708</u>	<u>\$ 415,186,200</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, 2023

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
US Treasury Notes	6,934,970	-	6,934,970	-
U.S. Government Instrumentalities				
Federal Home Loan Bank	23,015,586	17,616,936	5,398,650	-
Federal Farm Credit Bank	24,135,681	-	24,135,681	-
Municipal Securities	80,114,202	23,468,969	56,645,233	-
Negotiable Certificates of Deposit	25,000	-	-	25,000
State Board of Investments	101,223,383	101,223,383	-	-
External Investment Pool				
MAGIC Fund - Portfolio	30,271,567	30,271,567	-	-
Mutual Fund Money Markets	145,356,450	145,356,450	-	-
Total Investments	<u>411,081,939</u>	<u>317,937,305</u>	<u>93,114,534</u>	<u>30,100</u>
Cash for Operations	4,078,561	4,078,561	-	-
Petty Cash and Inmate Funds	25,700	25,700	-	-
Total Cash and Investments	<u>\$ 415,186,200</u>	<u>\$ 322,041,566</u>	<u>\$ 93,114,534</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, 2023:

	Level 1	Level 2	Level 3	Total
U.S. Agencies	\$ -	\$ 54,091,337	\$ -	\$ 54,091,337
Municipal Securities	-	80,114,202	-	80,114,202
Negotiable Certificates of Deposit	-	25,000	-	25,000
	<u>\$ -</u>	<u>\$ 134,230,539</u>	<u>\$ -</u>	<u>134,230,539</u>
Investments measured at Amortized Cost:				
MAGIC Fund - Portfolio				30,271,567
Mutual Fund Money Markets				145,356,450
				<u>\$ 175,628,017</u>
Investments measured at net asset value (NAV):				
State Board of Investments				<u>\$ 101,223,383</u>
Total Investments				<u>\$ 411,081,939</u>

Note: Cash and Cash Equivalents are not leveled per GASB 72. The County had \$4,104,261 in cash and cash equivalents on December 31, 2023.

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, 2023, the balance of this advance is \$1,142,276, and \$1,066,646 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 through 2023, the County made an annual 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, 2023, the balance of all advances is \$6,178,071.

Washington County, Minnesota
Notes to the Financial Statements
December 31, 2023

E. Unavailable and Unearned Revenue

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

	<u>Unavailable</u>	<u>Unearned</u>
Delinquent Property Taxes	\$ 977,166	\$ -
Special Assessments Not Yet Due	1,610,558	-
Grant Receivables That Do Not Provide Current Financial Resources	26,669,016	-
Lease Receivable	504,337	
Unearned Revenue	-	40,167,267
Total	<u>\$ 29,761,077</u>	<u>\$ 40,167,267</u>

F. Lease Receivable

The County, acting as lessor, leases land, buildings and office space under long-term non-cancelable lease agreements. The leases expire at various dates through 2042 and provide for renewal options ranging from one year to 3 five year terms. During the year ended December 31, 2023, the County recognized \$99,582 and \$17,858 in lease revenue and interest revenue, respectively, pursuant to these contracts.

Washington County, Minnesota
Notes to the Financial Statements
December 31, 2023

G. Capital Assets

Capital asset activity for the year ended December 31, 2023 was as follows:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Governmental activities				
Capital Assets not being Depreciated:				
Land	\$ 116,646,306	\$ 1,179,427	\$ -	\$ 117,825,733
Works of Art	279,114	-	-	279,114
Construction in Progress	<u>10,413,528</u>	<u>22,538,801</u>	-	<u>32,952,329</u>
Total Capital Assets not being Depreciated	<u>127,338,948</u>	<u>23,718,228</u>	-	<u>151,057,176</u>
Capital Assets being Depreciated:				
Infrastructure	586,178,550	20,178,942	-	606,357,492
Improvements Other than Buildings	22,961,025	6,225	-	22,967,250
Buildings	236,363,010	1,094,532	-	237,457,542
Machinery, Vehicles, Furniture and Equipment	<u>62,552,645</u>	<u>3,311,771</u>	<u>(1,145,202)</u>	<u>64,719,214</u>
Total Capital Assets being Depreciated	<u>908,055,230</u>	<u>24,591,470</u>	<u>(1,145,202)</u>	<u>931,501,498</u>
Less Accumulated Depreciation for:				
Infrastructure	258,626,762	24,972,830	-	283,599,592
Improvements Other than Buildings	13,845,517	591,449	-	14,436,966
Buildings	93,577,789	5,488,146	-	99,065,935
Machinery, Vehicles, Furniture and Equipment	<u>45,513,236</u>	<u>4,270,061</u>	<u>(1,059,771)</u>	<u>48,723,526</u>
Total Accumulated Depreciation	<u>411,563,304</u>	<u>35,322,486</u>	<u>(1,059,771)</u>	<u>445,826,019</u>
Total Capital Assets being Depreciated, Net	496,491,926	(10,731,016)	(85,431)	485,675,479
Intangible Right-to-Use Assets:				
Leased Equipment	189,992	19,777	(15,873)	193,896
Leased Buildings	708,743	-	-	708,743
Leased Infrastructure	<u>43,178</u>	<u>-</u>	<u>-</u>	<u>43,178</u>
Total Right-to-Use Assets being Amortized	<u>941,913</u>	<u>19,777</u>	<u>(15,873)</u>	<u>945,817</u>
Less Accumulated Amortization for:				
Leased Equipment	94,101	94,101	-	188,202
Leased Buildings	32,740	46,667	(15,873)	63,534
Leased Infrastructure	<u>11,264</u>	<u>11,264</u>	<u>-</u>	<u>22,528</u>
Total Accumulated Amortization	<u>138,105</u>	<u>152,032</u>	<u>(15,873)</u>	<u>274,264</u>
Total Capital Assets being Amortized, Net	<u>803,808</u>	<u>(132,255)</u>	<u>-</u>	<u>671,553</u>
Governmental Activity Capital Assets, Net	<u>\$ 624,634,682</u>	<u>\$ 12,854,957</u>	<u>\$ (85,431)</u>	<u>\$ 637,404,208</u>

Depreciation/Amortization Expense was Charged
to Functions as Follows:

General Government	\$ 4,962,884
Public Safety	3,040,312
Highways and Streets	25,213,641
Health and Human Services	125,102
Culture and Recreation	<u>2,132,579</u>
Total Depreciation/Amortization Expense	<u>\$ 35,474,518</u>

Washington County, Minnesota
Notes to the Financial Statements
December 31, 2023

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

Transfers to/from other funds for the year ended December 31, 2023, consisted of the following:

Transfer to Capital Projects Fund from General Fund	<u><u>\$ 11,217,900</u></u>
<i>To fund capital projects</i>	

I. Long-Term Obligations

Changes in long-term obligations for the year ended December 31, 2023 are as follows:

<u>Governmental Activities</u>	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
General Obligation Bonds	\$ 108,685,000	\$ -	\$ (10,625,000)	\$ 98,060,000	\$ 11,280,000
Unamortized Premium on Bonds	5,102,130	-	(1,125,951)	3,976,179	-
Direct Borrowing - AgBMP Loans	835,901	447,177	(185,171)	1,097,907	212,601
Lease Liability	830,381	19,777	(137,839)	712,319	140,091
Compensated Absences	10,779,388	12,173,436	(11,678,283)	11,274,541	11,265,031
Other Postemployment Benefits	126,729,147	(25,610,302)	(5,057,626)	96,061,219	5,074,794
Total Long-Term Liabilities	\$ 252,961,947	\$ (12,969,912)	\$ (28,809,870)	\$ 211,182,165	\$ 27,972,517

General obligation bonds are liquidated by the Debt Service Fund. Compensated absences, net pension liability, OPEB liability, lease liability and AgBMP loans are generally liquidated by the General Fund.

1. Debt Service

The County is subject to the federal arbitrage regulations, but does not have any arbitrage liability as of December 31, 2023.

2. Compensated Absences

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

3. Other Postemployment Benefits

Postemployment benefits are generally liquidated in the General Fund.

Washington County, Minnesota
Notes to the Financial Statements
December 31, 2023

In addition, the County is subject to a legal debt limit of 3% of the total taxable market value. At December 31, 2023, the County was in compliance with this requirement. General obligation bonds payable at December 31, 2023 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 12/31/2023</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	\$ 18,270,000	\$ 3,875,000
\$20,000,000 Series 2016A GO Capital Improvement Bonds	2031	\$805,000 to \$2,480,000	2.00 - 5.00	20,000,000	8,685,000	1,075,000
\$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	-
\$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	21,055,000	1,770,000
\$2,075,000 Series 2019A GO Land and Water Legacy Bonds	2030	\$25,000 to \$300,000	4.00 - 5.00	2,075,000	1,835,000	225,000
\$29,240,000 Series 2019A GO Capital Improvement Bonds	2039	\$615,000 to \$3,005,000	2.00 - 5.00	29,240,000	22,765,000	1,015,000
\$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	2,690,000	2,690,000
\$8,790,000 Series 2022A GO Land and Water Legacy Bonds	2032	\$470,000 to \$1,165,000	3.74	7,670,000	7,200,000	630,000
Total General Obligation Bonds				<u>\$ 148,565,000</u>	<u>98,060,000</u>	<u>\$ 11,280,000</u>
				Plus: Unamortized Premium	<u>3,976,179</u>	
				Total General Obligation Bonds, Net	<u>\$ 102,036,179</u>	

Debt service requirements on general obligation long-term debt at December 31, 2023, are as follows:

Year Ending December 31	Governmental Activities		
	General Obligation Bonds		Direct Borrowing - AgBMP Loans
	Principal	Interest	Principal
2024	\$ 11,280,000	\$ 3,209,667	\$ 212,601
2025	12,345,000	2,717,582	196,353
2026	12,935,000	2,182,242	185,194
2027	13,410,000	1,615,614	163,902
2028	14,520,000	1,101,570	124,928
2029-2033	23,885,000	2,601,571	214,929
2034-2038	7,970,000	720,794	-
2039	1,715,000	22,295	-
Total	<u>\$ 98,060,000</u>	<u>\$ 14,171,335</u>	<u>\$ 1,097,907</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 – Agriculture Best Management Practices (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.

6. Lease Liability

The County leases equipment as well as certain operating and office facilities for various terms under long-term, non-cancelable lease agreements. These leases expire at various dates through 2029 and provide for renewal options ranging from, 6 to 10 years.

Washington County, Minnesota
Notes to the Financial Statements
December 31, 2023

Total future minimum lease payments under lease agreements are as follows:

	Lease Liability	
	Principal	Interest
2024	\$ 140,091	\$ 20,870
2025	145,179	16,178
2026	135,355	11,599
2027	124,971	7,305
2028	109,534	3,495
2029	57,189	860
	<u>\$ 712,319</u>	<u>\$ 60,307</u>

Right-to-use assets acquired through outstanding leases are shown below:

Equipment	\$ 193,896
Buildings	708,743
Infrastructure	43,178
Less: Accumulated Amortization	(274,264)
Total	<u>\$ 671,553</u>

J. Postemployment Benefits Other than Pensions (OPEB)

Plan Description

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

Pursuant to the provisions of the plan, retirees are required to pay varying percentages of the total premium cost. Retirees hired after January 1, 2002 are required to pay 100% of the total premium cost. Washington County contributed \$5,057,626 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, 2022 actuarial valuation report, there were 577 retirees receiving health benefits from the County’s health plan. There are 1,090 active employees receiving benefits, 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, 2023, and the total OPEB liability was determined by an actuarial valuation as of January 1, 2022.

The total OPEB liability was determined by an actuarial valuation as of January 1, 2022, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.25%
Salary	10.25% for one year of service to 3.0%
Health Care Trend Rates	6.20% Decreasing to 3.7% by 2074

Mortality rates for General Plan employees were based on the Pub-2010 General Employee Mortality tables, with slight adjustments. Rates for Police and Fire and Correctional employees were based on the Pub-2020 Public Safety Employee Mortality, with slight adjustments.

The actuarial assumptions used in the January 1, 2022 valuation were based on the results of an actuarial experience study for the period January 1, 2020 to December 31, 2021.

The discount rate used to measure the total OPEB liability was 4.05%. 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:

- The discount rate was changed from 2.00% to 4.05% based on updated 20-year municipal bond rates.
- Healthcare trend rates were reset to reflect updated cost increase expectations.
- Medical per capita claims costs were updated to reflect recent experience and new plan offerings.
- Withdrawal, retirement, mortality, disability, and salary increase rates were updated from the rates used in the 7/1/2019 PERA General Employees Plan, 7/1/2019 Police & Fire Plan, and 7/1/2019 PERA Correctional Plan valuations to the rates used in the 7/1/2021 valuations.
- 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 2.50% to 2.25% based on an updated historical analysis of inflation rates and forward-looking market expectations.

Washington County, Minnesota
Notes to the Financial Statements
December 31, 2023

Changes in Total OPEB Liability

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (c) = (a) - (b)
Balance at January 1, 2023	\$ 126,729,147	\$ -	\$ 126,729,147
Changes for the year:			
Service Cost	2,121,301	-	2,121,301
Interest	2,324,318	-	2,324,318
Differences between expected and actual economic experience	117,826	-	117,826
Changes of assumptions	(30,173,747)	-	(30,173,747)
Employee contributions	-	5,057,626	(5,057,626)
Benefit payments	(5,057,626)	(5,057,626)	-
Net changes	(30,667,928)	-	(30,667,928)
Balance at December 31, 2023	<u>\$ 96,061,219</u>	<u>\$ -</u>	<u>\$ 96,061,219</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 (3.05%)	\$ 108,155,701	\$ -	\$ 108,155,701
Current Discount Rate (4.05%)	96,061,219	-	96,061,219
1% increase in Discount Rate (5.05%)	85,974,973	-	85,974,973

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 (5.2% decreasing to 2.7% to an ultimate rate of 3.7% over several decades) or 1% higher (7.2% decreasing to 4.7% to an ultimate rate of 3.7% over several decades) 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	\$ 84,622,043	\$ -	\$ 84,622,043
Current Trend Rate	96,061,219	-	96,061,219
1% increase in Trend Rate	109,890,040	-	109,890,040

Washington County, Minnesota
Notes to the Financial Statements
December 31, 2023

For the year ended December 31, 2023, the County recognized OPEB expense of (\$2,736,146). At December 31, 2023, the County reported the following deferred inflows and outflows related to OPEB:

	Balances at December 31, 2023	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Liability	\$ 1,875,878	\$ 17,174,421
Contributions between Measurement Date and Reporting Date	5,074,794	-
Change of assumptions	13,536,526	40,302,891
	<u>\$ 20,487,198</u>	<u>\$ 57,477,312</u>

Deferred outflows of resources resulting from County contributions subsequent to the measurement date of \$5,074,794 will be recognized as a reduction of the OPEB liability in the year ended December 31, 2024, while deferred (inflows) outflows of resources resulting from changes of assumptions will be recognized in OPEB expense as follows:

Year Ending December 31	Amount
2024	\$ (8,573,310)
2025	(7,636,756)
2026	(10,859,212)
2027	(11,258,379)
2028	(3,737,251)
	<u>\$ (42,064,908)</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. 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 percent of the cost-of-living adjustment (COLA) announced by the SSA, with a minimum increase of at least 1 percent and a maximum of 1.5 percent. 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. 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. In 2023, legislation repealed the statute delaying increases for members retiring before full retirement age.

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 percent after five years up to 100 percent after ten years of credited service. Benefits for Police and Fire Plan members first hired after June 30, 2014, vest on a prorated basis from 50 percent after ten years up to 100 percent after twenty years of credited service. The annuity accrual rate is 3 percent 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.

Benefit increases are provided to benefit recipients each January. The postretirement increase is fixed at 1 percent. 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 percent of the COLA announced by SSA, with a minimum increase of at least 1 percent and a maximum of 2.5 percent. If the plan's funding status declines to 85 percent or below for two consecutive years or 80 percent for one year, the maximum will be lowered from 2.5 percent to 1.5 percent. In 2023, legislation clarified that if the annual increase cap was reduced to 1 percent, there is a way to return to the 2.5 percent increase if certain criteria are met. 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. 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.

In 2023, the legislature allocated funding for a one-time lump-sum payment to General Employee and Police and Fire Plan benefit recipients. Eligibility criteria and the payment amount is specified in statute. The one-time payment is non-compounding towards future benefits.

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 2022 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, 2023, were \$6,451,431. 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 2023 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, 2023, were \$2,397,950. 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 2023, 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, 2023, were \$563,393. The County's contributions were equal to the required contributions as set by state statute.

D. Pension Costs

1. General Employees Fund Pension Costs

At December 31, 2023, the County reported a liability of \$58,183,595 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 \$16M. 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 \$1,603,945.

The net pension liability was measured as of June 30, 2023, 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, 2022 through June 30, 2023, relative to the total employer contributions received from all of PERA’s participating employers. The County’s proportionate share was 1.0405% percent at the end of the measurement period and 1.0509% percent for the beginning of the period.

County's proportionate share of the net pension liability	\$ 58,183,595
State of Minnesota's proportionate share of the net pension liability associated with the County	<u>1,603,945</u>
Tota	<u><u>\$ 59,787,540</u></u>

For the year ended December 31, 2023, the County recognized pension expense of \$9,804,154 for its proportionate share of the General Employees Plan’s pension expense. In addition, the County recognized an additional \$7,208 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota’s contribution of \$16M on to the General Employees Fund.

At December 31, 2023, 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	\$ 1,910,772	\$ 400,819
Changes in Actuarial Assumptions	9,419,111	15,947,634
Net Difference Between Projected and Actual Investment Earnings	-	2,175,867
Changes in Proportion and Differences Between County Contributions and Proportionate Share of Contributions	696,409	988,296
County Contributions Subsequent to the Measurement Date	3,268,467	-
Total	<u><u>\$ 15,294,759</u></u>	<u><u>\$ 19,512,616</u></u>

Washington County, Minnesota
Notes to the Financial Statements
December 31, 2023

The \$3,268,467 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, 2024. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Pension Expense Amount
2024	\$ 1,710,379
2025	(9,135,893)
2026	1,201,389
2027	(1,262,199)

2. Police and Fire Fund Pension Costs

At December 31, 2023, the County reported a liability of \$17,099,467 for its proportionate share of the Police and Fire Fund’s net pension liability. The net pension liability was measured as of June 30, 2023, 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, 2022, through June 30, 2023, relative to the total employer contributions received from all of PERA’s participating employers. The County’s proportionate share was 0.9902% at the end at the end of the measurement period and 0.9779% for the beginning of the period.

The State of Minnesota contributed \$18 million to the Police and Fire Fund in the plan fiscal year ended June 30, 2023. 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, 2022. 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 percent funded, or until the State Patrol Plan (administered by the Minnesota State Retirement System) is 90 percent funded, whichever occurs later. The State of Minnesota’s proportionate share of the net pension liability associated with the County totaled \$688,788.

County's proportionate share of the net pension liability	\$ 17,099,467
State of Minnesota's proportionate share of the net pension liability associated with the County	688,788
Tota	\$ 17,788,255

Washington County, Minnesota
Notes to the Financial Statements
December 31, 2023

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 June 30, 2023, the County recognized pension expense of \$5,087,919 for its proportionate share of the Police and Fire Plan’s pension asset. The County recognized (\$41,485) 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.

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 \$688,788 for the year ended December 31, 2023 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.

At December 31, 2023, 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	\$ 4,714,897	\$ -
Changes in Actuarial Assumptions	19,842,547	24,042,053
Net Difference Between Projected and Actual Investment Earnings	-	820,858
Changes in Proportion and Differences Between County Contributions and Proportionate Share of Contributions	785,750	273,290
County Contributions Subsequent to the Measurement Date	1,221,556	-
Total	<u>\$ 26,564,750</u>	<u>\$ 25,136,201</u>

Washington County, Minnesota
Notes to the Financial Statements
December 31, 2023

The \$1,221,556 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, 2024. 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
2024	\$ 905,300
2025	215,034
2026	4,285,616
2027	(987,061)
2028	(4,211,896)

3. Corrections Plan Pension Costs

At December 31, 2023, the County reported a liability of \$1,182,564 for its proportionate share of the Correctional Plan’s net pension liability. The net pension liability was measured as of June 30, 2023, 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, 2022, through June 30, 2023, relative to the total employer contributions received from all of PERA’s participating employers. The County’s proportionate share was 2.616% percent at the end of the measurement period and 2.667% percent for the beginning of the period.

For the year ended December 31, 2023, the County recognized pension expense of \$947,367 for its proportionate share of the Correctional Plan’s pension expense.

At December 31, 2023, 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	\$ 455,463	\$ 103,843
Changes in Actuarial Assumptions	2,815,755	5,394,994
Net Difference Between Projected and Actual Investment Earnings	-	151,101
Changes in Proportion and Differences Between County Contributions and Proportionate Share of Contributions	17,196	65,756
County Contributions Subsequent to the Measurement Date	285,451	-
Total	<u>\$ 3,573,865</u>	<u>\$ 5,715,694</u>

Washington County, Minnesota
Notes to the Financial Statements
December 31, 2023

The \$285,451 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, 2024. 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
2024	\$ (20,403)
2025	(2,840,549)
2026	558,467
2027	(124,795)

4. Total Pension Expense

The total pension expense for all plans recognized by the County for the year ended December 31, 2023, was \$15,805,163

5. Summary

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

	General Employees Plan	Police and Fire Plan	Correctional Plan	Total
Net Pension Liability	\$ 58,183,595	\$ 17,099,467	\$ 1,182,564	\$ 76,465,626
Deferred Outflows of Resources Related to Pensions	15,294,759	26,564,750	3,573,865	45,433,374
Deferred Inflows of Resources Related to Pensions	19,512,616	25,136,201	5,715,694	50,364,511
Pension Expense	9,811,362	5,046,434	947,367	15,805,163

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
Total	<u>100.0 %</u>	

F. Actuarial Methods and Assumptions

The total pension liability in the June 30, 2023, 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 7.0 percent. 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 7.0 percent was deemed to be within that range of reasonableness for financial reporting purposes.

Inflation is assumed to be 2.25 percent for the General Employees Plan, Police and Fire Plan, and the Correctional Plan. Benefit increases after retirement are assumed to be 1.25 percent for the General Employees Plan, 1% for the Police and Fire Plan, and 2 percent for the Correctional Plan.

Salary growth assumptions in the General Employees Plan range in annual increments from 10.25 percent after one year of service to 3.0 percent after 27 years of service. In the Police and Fire Plan, salary growth assumptions range from 11.75 percent after one year of service to 3.0 percent after 24 years of service. In the Correctional Plan, salary growth assumptions range from 11.0 percent at age 20 to 3.0 percent 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 2022. The assumption changes were adopted by the Board and became effective with the July 1, 2023 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 2023:

General Employees Fund

Changes in Actuarial Assumptions:

- The investment return assumption and single discount rates were changed from 6.5% to 7.0%.

Changes in Plan Provisions:

- An additional one-time direct state aid contribution of \$170.1 million will be contributed to the Plan on October 1, 2023.
- The vesting period of those hired after June 30, 2010, was changed from five years of allowable services to three years of allowable service.
- The benefit increase delay for early retirements on or after January 1, 2024, was eliminated.
- A one-time, non-compounding benefit increase of 2.5% minus the actual 2024 adjustment will be payable in a lump sum for calendar year 2024 by March 31, 2024.

Police and Fire Fund

Changes in Actuarial Assumptions:

- The investment return assumption was changed from 6.5% to 7.0%
- The single discount rate was changed from 5.4% to 7.0%

Changes in Plan Provisions:

- Additional one-time direct state aid contribution of \$19.4 million will be contributed to the plan on October 1, 2023.
- Vesting requirement for new hires after June 30, 2014, was changed from a graded 20-year vesting schedule to a graded 10-year vesting schedule, with 50% vesting after five years, increasing incrementally to 100% after 10 years.
- A one-time, non-compounding benefit increase of 3% will be payable in a lump sum for calendar year 2024 by March 31, 2024.
- Psychological treatment is required effective July 1, 2023, prior to approval for a duty disability benefit for a psychological condition relating to the member's occupation.
- The total permanent duty disability benefit was increased, effective July 1, 2023.

Correctional Fund

Changes in Actuarial Assumptions:

- The investment return was changed from 6.5% to 7%.
- The single discount rate changed from 5.42% to 7%.

Changes in Plan Provisions:

- Additional one-time direct state aid contribution of \$5.3 million will be contributed to the plan on October 1, 2023.
- A one-time, non-compounding benefit increase of 2.5% minutes the actual 2024 adjustment will be payable in a lump sum calendar year 2024 by March 31, 2024.
- The maximum benefit increase will revert back to 2.5%. The maximum increase is 1.5% and the plan's funding ratio improves to 85% for two consecutive years on a market value of assets basis.

G. Discount Rate

The discount rate used to measure the total pension liability in 2023 was 7.0 percent. 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 position of the General Employees, Police and Fire and Correctional Plans 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.

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:

Sensitivity Analysis (In Thousands)						
Net Pension Liability at Different Discount Rates						
Description	General Employees Fund		Police and Fire Fund		Correctional Fund	
1% Lower	6.00%	\$ 102,931,452	6.00%	\$ 33,927,381	6.00%	\$ 6,233,431
Current Discount Rate	7.00%	58,183,595	7.00%	17,099,467	7.00%	1,182,564
1% Higher	8.00%	21,376,781	8.00%	3,264,670	8.00%	(2,847,385)

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.

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, 2023 were:

Contribution Amount		Percentage of Covered Payroll		Required Rates
Employee	Employer	Employee	Employer	
\$ 18,734	\$ 18,734	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 2023. 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, 2023. 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	\$ 16,770,761	\$ 12,227,469
Buildings	15,402,096	15,335,210

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, 2023, 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	\$ 6,035,000
Governmental Housing Revenue Refunding Bonds Series 2010C	660,000
Governmental Housing Revenue Refunding Bonds Series 2012A	4,085,000
Taxable Qualified Energy Conservation Revenue Bonds Series 2012B	835,000
Governmental Housing Revenue Refunding Bonds Series 2012C	6,045,000
Governmental Facility Lease Revenue Bonds Series 2013C	900,000
Governmental Multi-Family Housing Revenue Bonds Series 2015A	<u>6,700,000</u>
Total	<u>\$ 25,260,000</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 2022, the project reported a net position of \$19.8M with annual operating expenses of \$52.5M, revenues of \$57.4M, and an overall increase in net position of \$4.9M. For 2021, the increase in net position was \$2.4M.

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.

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. 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.

3. 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.

4. 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 Metro 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, 2012-2023.

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

5. 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 2023, 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

6. Rush Line Corridor Task Force

The Rush Line Corridor Task Force is made up of 21 elected officials from counties and municipalities along the corridor, which stretches from Hinckley to St. Paul. Communities include; Ramsey, Chisago, Pine and Washington Counties, Centerville, 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

7. 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 \$179,738 in 2023. 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 2023.

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 2023.

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 2023, the County paid MCCC \$157,931 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 \$94,323 for services performed under this agreement in 2023.

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.

H. Subsequent Event

Subsequent to year end, the County Commissioners approved the issuance of General Obligation Capital Improvement Plan Bonds in the amount of \$25,915,000 to finance capital.

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.

Investments

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

As of December 31, 2023, 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	\$ 23,697,425	\$ -	\$ -	\$ 23,697,425
External Investment Pools	N/R	10,470,035	-	-	10,470,035
Brokered CD's	N/R	854,816	4,266,130	-	5,120,946
Brokered GAB's	AA+	466,297	-	-	466,297
Brokered MB's	AAA	866,968	1,240,809	-	2,107,777
Brokered MB's	AA+	153,346	414,451	-	567,797
Brokered MB's	AA	117,795	838,687	-	956,482
Brokered MB's	AA-	-	467,336	-	467,336
Total Investments		<u>\$ 36,626,682</u>	<u>\$ 7,227,413</u>	<u>\$ -</u>	<u>43,854,095</u>
Deposits	N/R				1,712,321
Total Cash and Investments					<u>\$ 45,566,416</u>

N/R - Not Rated

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

	CDA	Discretely Presented	
		Component Units	Total CDA
Cash and Investments	\$ 32,133,363	\$ 452,363	\$ 32,585,726
Restricted Cash and Investments	<u>13,433,053</u>	<u>1,516,028</u>	<u>14,949,081</u>
Total Cash and Investments	<u>\$ 45,566,416</u>	<u>\$ 1,968,391</u>	<u>\$ 47,534,807</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.

The CDA has the following recurring fair value measurements as of December 31, 2023:

Investment Type	12/31/2023	Fair Value Measurement Using		
		Level 1	Level 2	Level 3
Investments at fair value:				
Brokered CD's	\$ 5,120,946	\$ -	\$ 5,120,946	\$ -
Brokered GAB's	466,297	-	466,297	-
Brokered MB's	2,107,777	-	2,107,777	-
Brokered MB's	567,797	-	567,797	-
Brokered MB's	956,482	-	956,482	-
Brokered MB's	467,336	-	467,336	-
Total/Subtotal	9,686,635	\$ -	\$ 9,686,635	\$ -
Investments not categorized:				
Mutual fund	23,697,425			
External investment pool - Magic fund	10,470,035			
Total	\$ 43,854,095			

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	25.8%
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Washington County, Minnesota
Notes to the Financial Statements
December 31, 2023

B. Capital Assets

1. CDA Capital Assets

Capital asset activity of the CDA for the year ended December 31, 2023 was as follows:

	Beginning Balance	Increase	Decrease	Ending Balance
Governmental activities:				
Capital Assets, not being Depreciated:				
Land	\$ 424,186	\$ -	\$ -	\$ 424,186
Construction in Progress	-	4,052	-	4,052
	<u>424,186</u>	<u>4,052</u>	<u>-</u>	<u>428,238</u>
Capital Assets, being Depreciated:				
Buildings and Structures	2,132,563	-	-	2,132,563
Furniture and Fixtures	366,206	-	-	366,206
Total Capital Assets, being Depreciated	<u>2,498,769</u>	<u>-</u>	<u>-</u>	<u>2,498,769</u>
Less Accumulated Depreciation for:				
Buildings and Structures	508,407	53,315	-	561,722
Furniture and Fixtures	185,272	37,670	-	222,942
Total Accumulated Depreciation	<u>693,679</u>	<u>90,985</u>	<u>-</u>	<u>784,664</u>
Total Capital Assets being Depreciated - Net	<u>1,805,090</u>	<u>(90,985)</u>	<u>-</u>	<u>1,714,105</u>
Governmental Activities Capital Assets - Net	<u>\$ 2,229,276</u>	<u>\$ (86,933)</u>	<u>\$ -</u>	<u>\$ 2,142,343</u>
Business-type activities:				
Capital Assets, not being Depreciated:				
Land	\$ 4,559,053	\$ 214,000	\$ -	\$ 4,773,053
Construction in Progress	56,657	954,886	(669,135)	342,408
Total Capital Assets, not being Depreciated	<u>4,615,710</u>	<u>1,168,886</u>	<u>(669,135)</u>	<u>5,115,461</u>
Capital Assets, being Depreciated:				
Buildings and Structures	74,976,881	1,068,161	(313,517)	75,731,525
Furniture and Fixtures	515,702	16,974	-	532,676
Total Capital Assets, being Depreciated	<u>75,492,583</u>	<u>1,085,135</u>	<u>(313,517)</u>	<u>76,264,201</u>
Less Accumulated Depreciation for:				
Buildings and Structures	36,597,573	2,000,605	(313,517)	38,284,661
Furniture and Fixtures	515,702	808	-	516,510
Total Accumulated Depreciation	<u>37,113,275</u>	<u>2,001,413</u>	<u>(313,517)</u>	<u>38,801,171</u>
Total Capital Assets being Depreciated - Net	<u>38,379,308</u>	<u>(916,278)</u>	<u>-</u>	<u>37,463,030</u>
Business-Type Activities Capital Assets - Net	<u>\$ 42,995,018</u>	<u>\$ 252,608</u>	<u>\$ (669,135)</u>	<u>\$ 42,578,491</u>

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

Governmental Activities:	
General Government	\$ 90,985
Total Depreciation Expense - Governmental Activities	<u>\$ 90,985</u>
Business-Type Activities:	
Housing	\$ 2,001,413
Total Depreciation Expense - Business-Type Activities	<u>\$ 2,001,413</u>

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, 2023 was as follows:

	Beginning Balance	Increase	Decrease	Ending Balance
Business-type activities:				
Capital Assets, not being Depreciated:				
Land	\$ 2,770,501	\$ -	\$ -	\$ 2,770,501
Construction in Progress	-	-	-	-
Total Capital Assets, not being Depreciated	<u>2,770,501</u>	<u>-</u>	<u>-</u>	<u>2,770,501</u>
Capital Assets, being Depreciated:				
Buildings and Structures	33,910,721	44,388	-	33,955,109
Furniture and Fixtures	1,014,705	-	-	1,014,705
Total Capital Assets, being Depreciated	<u>34,925,426</u>	<u>44,388</u>	<u>-</u>	<u>34,969,814</u>
Less Accumulated Depreciation for:				
Buildings and Structures	5,140,839	904,037	-	6,044,876
Furniture and Fixtures	823,707	104,101	-	927,808
Total Accumulated Depreciation	<u>5,964,546</u>	<u>1,008,138</u>	<u>-</u>	<u>6,972,684</u>
Total Capital Assets being Depreciated - Net	<u>28,960,880</u>	<u>(963,750)</u>	<u>-</u>	<u>27,997,130</u>
Business-Type Activities Capital Assets - Net	<u>\$ 31,731,381</u>	<u>\$ (963,750)</u>	<u>\$ -</u>	<u>\$ 30,767,631</u>

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

Business-Type Activities:	
Housing	<u>\$ 1,008,138</u>
Total Depreciation Expense - Business-Type Activities	<u>\$ 1,008,138</u>

C. Lease Receivables

The Community Development Fund has receivable balances of \$10,993,316 which are not expected to be collected within one year of December 31, 2023. 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 \$10,112,237, of which \$9,893,213 is not expected to be collected within one year of December 31, 2023. These receivables are the developer fees and the seller note receivable from the Groves Apartments, LLC, the developer fees, loan receivables and mortgage receivable from Piccadilly Square of Mahtomedi, LLC, and the developer fees, loan receivables and mortgage receivable from The Glen at Valley Creek, LLC.

The Family Housing Fund has a receivable of \$22,018 all of which is expected to be collected within one year of December 31, 2023. The note receivable relates to the CDA disposing of its Landfall capital assets in exchange for a note receivable that matures on January 1, 2024.

Washington County, Minnesota
Notes to the Financial Statements
December 31, 2023

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.

1. Governmental and Business-Type Activities

Changes in long-term debt were as follows:

	<u>Balance 12/31/22</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/23</u>	<u>Due Within One Year</u>
Governmental activities:					
Compensated absences	\$ 182,537	\$ 25,348	\$ -	\$ 207,885	\$ 20,789
Notes Payable- Direct Borrowing	2,281,440	-	(207,501)	2,073,939	215,219
Total	<u>\$ 2,463,977</u>	<u>\$ 25,348</u>	<u>\$ (207,501)</u>	<u>\$ 2,281,824</u>	<u>\$ 236,008</u>
Business-type activities:					
Notes Payable- Direct Borrowing	\$ 1,976,094	\$ -	\$ -	\$ 1,976,094	\$ -
Mortgage Payable - Direct Borrowing	8,280,951	-	(260,810)	8,020,141	267,034
Total Notes and Mortgages	<u>\$ 10,257,045</u>	<u>\$ -</u>	<u>\$ (260,810)</u>	<u>\$ 9,996,235</u>	<u>\$ 267,034</u>
Revenue Bonds Payable	\$ 27,420,000	\$ -	\$ (2,160,000)	\$ 25,260,000	\$ 2,775,000
Less: unamortized bond discount	(160,958)			(142,003)	
Plus: unamortized bond premium	530,651			468,978	
Total Bonds, net	<u>\$ 27,789,693</u>			<u>\$ 25,586,975</u>	
Discretely Presented Component Units of the CDA:					
The Groves Apartments, LLC					
Notes Payable (net of finance fees)				\$ 1,336,761	\$ 28,413
Due to Primary Government				787,419	-
Bonds and Loans Payable - Glen at Valley Creek, LLC					
Notes Payable (net of finance fees)				5,734,356	70,000
Due to Primary Government				2,974,494	-
Piccadilly Square of Mahtomedi, LLC					
Due to Primary Government (net of finance fees)				8,606,180	219,024
Total Notes Payable				<u>\$ 7,071,117</u>	<u>\$ 98,413</u>
Total Due to Primary Government				<u>\$ 12,368,093</u>	<u>\$ 219,024</u>
Summary of CDA and CDA Discrete Component Unit Debt					
Compensated absences				\$ 207,885	\$ 20,789
Notes and Mortgages Payable				17,999,013	508,680
Revenue Bonds Payable				25,586,975	2,775,000
Due to Primary Government (in Governmental Activities Notes Payable above)				13,510,371	219,024

Washington County, Minnesota
Notes to the Financial Statements
December 31, 2023

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

Year	Governmental Activities		Business Type Activities			
	Principal	Interest	Notes and Mortgages		Revenue Bonds	
			Principal	Interest	Principal	Interest
2024	\$ 215,219	\$ 67,219	\$ 267,034	\$ 186,399	\$ 2,775,000	\$ 948,014
2025	223,316	59,123	273,403	180,029	2,015,000	874,740
2026	231,700	50,738	279,926	173,506	1,820,000	808,219
2027	87,708	44,102	286,605	166,828	1,885,000	745,126
2028	92,148	39,662	293,442	159,990	1,935,000	678,251
2029-2033	535,623	39,662	2,075,621	159,990	7,065,000	2,428,361
2034-2038	188,225	123,430	2,043,752	691,542	3,740,000	1,385,476
2039-2043	-	9,488	2,580,849	494,410	2,780,000	493,963
2044-2048	500,000	-	1,276,809	272,614	1,245,000	75,900
2049-2053	-	-	618,794	45,702	-	-
	<u>\$ 2,073,939</u>	<u>\$ 433,424</u>	<u>\$ 9,996,235</u>	<u>\$ 2,531,010</u>	<u>\$ 25,260,000</u>	<u>\$ 8,438,050</u>

The notes, loans, mortgages, and bonds issued contain various covenants and escrow reserve requirements. As of December 31, 2023, 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
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
2027	33,933	232,556	75,000	341,489
2028	35,752	237,250	80,000	353,002
Thereafter	1,986,833	7,106,148	7,917,003	17,009,984
Total	<u>\$ 2,147,256</u>	<u>\$ 8,246,378</u>	<u>\$ 8,287,003</u>	<u>\$ 18,680,637</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 2023 totaled \$214,511.

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 \$9,431,706. 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 \$440,178; \$703,355; \$148,535; \$400,500 and \$2,177,803, 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 \$680,610. For the current year, principal and interest paid, total lease payments received and account balances held in trust were \$371,768; \$432,000; and \$1,186,519, 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 \$4,523,103. For the current year, principal and interest paid, total gross operating revenues, property tax revenues and account balances held in trust were \$579,419; \$3,752,542; \$214,551; and \$3,561,106, 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 \$916,665. For the current year, principal and interest paid, tax rebate revenues, property tax revenues and account balances held in trust were \$168,355; \$27,917; \$4,523,103; and \$165,445, respectively.

The 2012C Government Housing Revenue Bonds are general obligations of the CDA, payable solely from project revenues. As additional security, the County has provided a general obligation pledge. In exchange for the County's pledge, the CDA and County entered into a Custodial Agreement, dated October 1, 2012. The Custodial Agreement requires the establishment of debt service and reserve accounts, held in trust, funded by all project revenues of Woodland Park and Brick Pond facilities and which are to be used for principal and interest payments on the 2012C Bonds and establishing and maintaining required reserve accounts. Property tax revenues may also be allocated to a project in order to supplement operations and ensure compliance with debt service coverage requirements. Principal and interest remaining to be paid on the bond is \$6,790,575. For the current year, principal and interest paid, total gross operating revenues, property tax revenues and account balances held in trust were \$912,150; \$2,644,492; \$659,442; and \$3,622,528, 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 \$1,178,018. For the current year, principal and interest paid, total rent payments received and account balances held in trust were \$77,458; \$77,364; and \$9,954, 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 \$10,177,381. For the current year, principal and interest paid, total lease payments received, property tax revenues and account balances held in reserve were \$447,363; \$344,223; \$46,010; and \$1,279,391, 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 Creek Series 2018A bonds is \$7,275,730. For the current year, property tax used for subsidy payments was \$195,000.

Washington County, Minnesota

Reader's Notes:

Required Supplementary Information



- Other Postemployment Benefit Related Schedules:
Changes in Total OPEB Liability, Related Ratios, and Notes
- Budgetary Comparison Schedules:
General Fund
Regional Rail Authority Fund
Metro Gold Line Fund
- Pension Related Schedules:
Proportionate Share of Net Pension Liability
Contributions
- Notes to the Required Supplementary Information

Washington County, Minnesota

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

	Measurement Date January 1, 2023	Measurement Date January 1, 2022	Measurement Date January 1, 2021	Measurement Date January 1, 2020	Measurement Date January 1, 2019	Measurement Date January 1, 2018
Total OPEB Liability						
Service Cost	\$ 2,121,301	\$ 3,391,725	\$ 2,563,368	\$ 2,373,290	\$ 2,502,766	\$ 2,045,750
Interest	2,324,318	3,477,170	4,201,083	4,868,170	4,533,431	4,737,191
Differences between expected and actual economic experience	117,826	(26,376,833)	(73,944)	5,503,691	-	-
Changes of Assumptions	(30,173,747)	(21,833,607)	18,568,220	13,595,467	(7,971,384)	9,825,777
Benefit Payments	(5,057,626)	(4,792,208)	(5,198,203)	(4,764,951)	(4,594,000)	(4,285,587)
Net Change in Total OPEB Liability	(30,667,928)	(46,133,753)	20,060,524	21,575,667	(5,529,187)	12,323,131
Total OPEB Liability - Beginning	\$ 126,729,147	\$ 172,862,900	\$ 152,802,376	\$ 131,226,709	\$ 136,755,896	\$ 124,432,765
Total OPEB Liability - Ending	\$ 96,061,219	\$ 126,729,147	\$ 172,862,900	\$ 152,802,376	\$ 131,226,709	\$ 136,755,896
Covered-Employee Payroll	\$ 100,399,437	\$ 97,750,175	\$ 94,325,480	\$ 89,981,126	\$ 84,313,565	\$ 78,550,599
County's OPEB Liability as a Percentage of Covered-Employee Payroll	95.7%	129.6%	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.

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

Washington County, Minnesota

**Budgetary Comparison Schedule
General Fund
Year Ended December 31, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 109,315,257	\$ 116,022,157	\$ 116,489,330	\$ 467,173
Special Assessments	11,081,200	260,000	254,644	(5,356)
Licenses and Permits	4,961,400	4,961,400	5,590,270	628,870
Intergovernmental	62,739,943	74,574,422	78,844,147	4,269,725
Charges for Services	17,972,600	14,559,500	17,889,023	3,329,523
Fines and Forfeits	288,600	288,600	274,462	(14,138)
Gifts and Contributions	42,700	159,700	100,525	(59,175)
Interest on Investments	3,161,600	3,152,000	34,988,209	31,836,209
Miscellaneous	9,855,300	12,127,800	12,350,863	223,063
Total Revenue	219,418,600	226,105,579	266,781,473	40,675,894
Expenditures				
Current				
General Government				
Assessment, Taxation and Elections	8,588,300	11,659,300	11,360,969	298,331
Administration	1,939,300	2,772,100	5,579,315	(2,807,215)
Accounting and Finance	2,866,200	3,127,900	3,506,667	(378,767)
County Attorney	5,168,889	8,051,400	8,140,474	(89,074)
Commissioners	590,600	590,600	587,231	3,369
Facilities	8,452,300	8,452,300	10,213,298	(1,760,998)
General Operation	3,928,213	6,713,000	5,252,097	1,460,903
Human Resources	1,198,139	2,531,400	2,490,908	40,492
Information Technologies	6,339,846	9,054,900	8,141,563	913,337
Internal Auditor	73,700	73,700	76,296	(2,596)
Law Library	143,100	304,500	262,842	41,658
Mission Directed Budget Program	6,126,713	9,325,700	1,784,828	7,540,872
Surveyor	1,504,700	1,504,700	1,362,967	141,733
Veteran's Services	352,000	452,000	382,019	69,981
Total General Government	47,272,000	64,613,500	59,141,474	5,472,026
Public Safety				
Sheriff	50,828,800	43,895,600	45,935,564	(2,039,964)
Community Corrections	11,994,400	12,028,400	11,935,895	92,505
Other Public Safety	1,455,400	1,502,700	1,341,487	161,213
Total Public Safe	64,278,600	57,426,700	59,212,946	(1,786,246)
Highway and Streets				
Administration	2,439,700	2,439,700	2,312,123	127,577
Engineering	3,149,700	3,149,700	3,157,220	(7,520)
Maintenance	3,496,000	3,496,000	3,844,005	(348,005)
Equipment and Maintenance Shops	3,960,100	3,495,600	3,054,863	440,737
Transportation Planning Unit	418,100	418,100	384,076	34,024
Traffic	1,418,400	2,531,700	1,619,544	912,156
Work for Others	239,700	239,700	291,056	(51,356)
Total Highways and Stree	15,121,700	15,770,500	14,662,887	1,107,613

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, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Health and Human Services				
Public Health and Environment	\$ 20,125,221	\$ 20,937,300	\$ 20,095,766	\$ 841,534
Emergency Operations	-	-	3,351,760	(3,351,760)
Social Services	32,283,479	34,768,479	32,111,899	2,656,580
Workforce Center	2,971,000	2,869,000	2,845,088	23,912
Economic Support	12,723,900	12,723,900	13,618,734	(894,834)
Community Services Administration	7,035,100	7,985,088	8,054,485	(69,397)
Total Health and Human Services	75,138,700	79,283,767	80,077,732	(793,965)
Culture and Recreation				
Parks	4,817,300	4,961,400	4,553,464	407,936
County/Regional Library	9,205,400	9,205,400	8,967,493	237,907
Total Culture and Recreation	14,022,700	14,166,800	13,520,957	645,843
Conservation of Natural Resources				
County Extension	286,900	286,900	286,934	(34)
Total Conservation of Natural Resources	286,900	286,900	286,934	(34)
Debt Service				
Principal	-	200,000	323,010	(123,010)
Interest	-	-	25,290	(25,290)
Total Debt Service	-	200,000	348,300	(148,300)
Total Expenditures	216,120,600	231,791,767	227,251,230	4,540,537
Excess of Revenues Over (Under) Expenditures	3,298,000	(5,686,188)	39,530,243	45,216,431
Other Financing Sources (Uses)				
Transfers In	13,435,400	-	-	-
Transfers Out	(14,283,800)	(16,917,900)	(11,217,900)	5,700,000
Issuance of Lease Liability	-	-	19,777	19,777
Issuance of Loans	-	350,000	447,177	97,177
Total Other Financing Sources (Uses)	(848,400)	(16,567,900)	(10,750,946)	5,816,954
Net Change in Fund Balance	\$ 2,449,600	\$ (22,254,088)	28,779,297	\$ 51,033,385
Fund Balance - Beginning of Year			212,919,264	
Fund Balance - End of Year			\$ 241,698,561	

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, 2023**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 660,000	\$ 660,000	\$ 656,824	\$ (3,176)
Licenses and Permits	140,700	140,700	85,419	(55,281)
Intergovernmental	-	-	1,011	1,011
Total Revenues	800,700	800,700	743,254	(57,446)
Expenditures				
Current				
General Government	781,400	781,400	638,130	143,270
Excess of Revenues Over (Under) Expenditures	19,300	19,300	105,124	85,824
Other Financing Sources (Uses)				
Sources from Sale of Assets	-	-	325,234	325,234
Net Change in Fund Balance	\$ 19,300	\$ 19,300	430,358	\$ 411,058
Fund Balance - Beginning of Year			<u>2,297,223</u>	
Fund Balance - End of Year			<u>\$ 2,727,581</u>	

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, 2023**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 14,137,900	\$ 400,700	\$ 11,948,913	\$ 11,548,213
Intergovernmental	37,223,100	920,600	1,546,484	625,884
Total Revenues	<u>51,361,000</u>	<u>1,321,300</u>	<u>13,495,397</u>	<u>12,174,097</u>
Expenditures				
Current				
General Government				
General Government	<u>51,361,000</u>	<u>1,321,300</u>	<u>1,320,783</u>	<u>517</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>12,174,614</u>	<u>\$ 12,174,614</u>
Fund Balance - Beginning of Year			<u>15,364,162</u>	
Fund Balance - End of Year			<u>\$ 27,538,776</u>	

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, 2023**

	Measurement Date June 30, 2023	Measurement Date June 30, 2022	Measurement Date June 30, 2021	Measurement Date June 30, 2020	Measurement Date June 30, 2019	Measurement Date June 30, 2018	Measurement Date June 30, 2017	Measurement Date June 30, 2016	Measurement Date June 30, 2015
General Employees Plan									
County's Proportion of the Net Pension Liability	1.041%	1.051%	1.070%	1.024%	0.974%	0.953%	0.960%	0.898%	0.896%
County's Proportionate Share of the Net Pension Liability	\$ 58,183,595	\$ 83,231,626	\$ 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	1,603,945	2,440,081	1,394,666	1,892,661	1,673,927	1,733,195	770,295	951,929	-
County's Proportionate Share of the Net Pension Liability and the State's Related Share of the Net Pension Liability	\$ 59,787,540	\$ 85,671,707	\$ 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	\$ 82,744,725	\$ 78,714,981	\$ 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	70.32%	105.74%	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	83.10%	76.70%	87.00%	79.06%	80.23%	79.53%	75.90%	68.90%	78.20%
Police and Fire Plan									
County's Proportion of the Net Pension Liability	0.990%	0.978%	0.924%	0.933%	0.968%	0.922%	0.954%	0.871%	0.879%
County's Proportionate Share of the Net Pension Liability	\$ 17,099,467	\$ 42,554,346	\$ 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	\$ 13,003,205	\$ 11,879,072	\$ 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	131.50%	358.23%	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	86.50%	70.50%	93.66%	87.19%	89.26%	88.84%	85.43%	63.90%	86.60%
Correctional Plan									
County's Proportion of the Net Pension Liability (Asset)	2.616%	2.667%	2.521%	2.613%	2.615%	2.628%	2.650%	2.670%	2.670%
County's Proportionate Share of the Net Pension Liability (Asset)	\$ 1,182,564	\$ 8,866,105	\$ (414,181)	\$ 708,929	\$ 362,007	\$ 432,161	\$ 7,552,527	\$ 9,753,884	\$ 412,785
County's Covered Payroll	\$ 6,133,921	\$ 5,859,384	\$ 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	19.28%	151.31%	-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	95.90%	74.60%	101.61%	96.67%	98.17%	97.64%	67.89%	58.20%	96.90%

This schedule is intended to show information for ten years. Additional years will be displayed as they become available. The measurement date for each year is December 31.

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, 2023**

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Employees Plan										
Contractually Required Contribution	\$ 6,451,431	\$ 6,009,561	\$ 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	(6,451,431)	(6,009,561)	(5,867,849)	(5,602,999)	(5,338,808)	(4,971,715)	(4,626,293)	(4,325,573)	(4,215,086)	(3,669,064)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
County's Covered Payroll	\$ 86,019,080	\$ 80,126,752	\$ 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%	7.50%	7.50%
Police and Fire Plan										
Contractually Required Contribution	\$ 2,397,950	\$ 2,177,591	\$ 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	(2,397,950)	(2,177,591)	(2,064,445)	(1,927,285)	(1,758,620)	(1,617,808)	(1,543,127)	(1,463,323)	(1,375,775)	(1,197,728)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
County's Covered Payroll	\$ 13,547,740	\$ 12,304,795	\$ 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%	17.70%	17.70%	16.95%	16.20%	16.20%	16.20%	16.20%	15.30%
Correctional Plan										
Contractually Required Contribution	\$ 563,393	\$ 523,795	\$ 490,133	\$ 499,150	\$ 490,900	\$ 480,457	\$ 458,216	\$ 440,226	\$ 448,524	\$ 409,289
Contributions in Relation to the Contractually Required Contribution	(563,393)	(523,795)	(490,133)	(499,150)	(490,900)	(480,457)	(458,216)	(440,226)	(448,524)	(409,289)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
County's Covered Payroll	\$ 6,438,777	\$ 5,986,234	\$ 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%	8.75%	8.75%

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, 2023

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	\$ 15,671,167
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The budget increases in the General Fund were due to the additional expenditures for grants received during 2023. Also, the budget was increased by \$10.0M for park improvements and law enforcement center building improvements.

B. Other Postemployment Benefits

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

2023 Changes:

- The discount rate was changed from 2.00% to 4.05% based on updated 20-year municipal bond rates.

2022 Changes:

- The discount rate was changed from 2.00% to 1.84% based on updated 20-year municipal bond rates.
- Healthcare trend rates were reset to reflect updated cost increase expectations.
- Medical per capita claims costs were updated to reflect recent experience and new plan offerings.
- Withdrawal, retirement, mortality, disability, and salary increase rates were updated from the rates used in the 7/1/2019 PERA General Employees Plan, 7/1/2019 Police & Fire Plan, and 7/1/2019 PERA Correctional Plan valuations to the rates used in the 7/1/2021 valuations.
- 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 2.50% to 2.25% based on an updated historical analysis of inflation rates and forward-looking market expectations.

Washington County, Minnesota

Notes to the Required Supplementary Information December 31, 2023

B. Other Postemployment Benefits (Continued)

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.
- 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

2023 Changes:

Changes in Actuarial Assumptions

- The investment return assumption and single discount rate were changed from 6.5% to 7.0%.

Notes to the Required Supplementary Information
December 31, 2023

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

Changes in Plan Provisions

- An additional one-time direct state aid contribution of \$170.1 million will be contributed to the plan on October 1, 2023.
- The vesting period of those hired after June 30, 2010 was changed from five years of allowable service to three years of allowable service.
- The benefit increase delay for early retirements on or after January 1, 2024 was eliminated.
- A one-time, non-compounding benefit increase of 2.5% minus the actual 2024 adjustment will be payable in a lump sum for calendar year 2024 by March 31, 2024.

2022 Changes:

Changes in Actuarial Assumptions

- The mortality improvement scale was changed from Scale MP-2020 to Scale MP-2021.

Changes in Plan Provisions

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

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.

Washington County, Minnesota

Notes to the Required Supplementary Information December 31, 2023

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

Changes in Actuarial 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 morality 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 morality 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.

Notes to the Required Supplementary Information
December 31, 2023

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

Changes in Plan Provisions

- The augmentation adjustment in early retirement factors is eliminated over a five-year period starting July 1, 2019, resulting in actuarial equivalence after June 30, 2024.
- Interest credited on member contributions decreased from 4.00% 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.
- Postretirement benefit increases were changed from 1.00% per year with a provision to increase to 2.505 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.

Notes to the Required Supplementary Information
December 31, 2023

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

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.

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

2023 Changes

Changes in Actuarial Assumptions:

- The investment return assumption was changed from 6.5% to 7.0%.
- The single discount rate was changed from 5.4% to 7.0%.

Changes in Plan Provisions

- Additional one-time direct state aid contribution of \$19.4 million will be contributed to the plan on October 1, 2023.
- Vesting requirements for new hires after June 30, 2014, was changed from a graded 20-year vesting schedule to a graded 10-year vesting schedule, with 50% vesting after five years, increasing incrementally to 100% after 10 years.
- A one-time, non-compounding benefit increase of 3.0% will be payable in a lump sum for calendar year 2024 by March 31, 2024.
- Psychological treatment is required effective July 1, 2023, prior to approval for a duty disability benefit for a psychological condition relating to the member's occupation.
- The total and permanent duty disability benefit was increased effective July 1, 2023.

2022 Changes

Changes in Actuarial Assumptions:

- The mortality improvement scale was changed from Scale MP-2020 to Scale MP-2021.
- The single discount rate changed from 6.50% to 5.40%.

Changes in Plan Provisions:

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

Notes to the Required Supplementary Information
December 31, 2023

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

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.

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.

Notes to the Required Supplementary Information
December 31, 2023

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

2018 Changes:

Changes in Actuarial Assumptions

- The mortality 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%.
- 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.

Washington County, Minnesota

**Notes to the Required Supplementary Information
December 31, 2023**

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

Changes in Plan Provisions (Continued)

- 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

2023 Changes

Changes in Actuarial Assumptions

- The investment return rate was changed from 6.5 percent to 7.00 percent.
- The single discount rate changed from 5.42 percent to 7.0 percent.

Washington County, Minnesota

Notes to the Required Supplementary Information December 31, 2023

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

Changes in Plan Provisions

- Additional one-time direct state aid contribution of \$5.3 million will be contributed to the Plan on October 1, 2023.
- A one-time, non-compounding benefit increase of 2.5 percent minus the actual 2024 adjustment will be payable in a lump sum calendar year 2024 by March 31, 2024.
- The maximum benefit increase will revert back to 2.5 percent. The maximum increase is 1.5 percent and the Plan's funding ratio improves to 85 percent for two consecutive years on a market value of assets basis.

2022 Changes

Changes in Actuarial Assumptions

- The mortality improvement scale was changed from Scale MP-2020 to Scale MP-2021.
- The single discount rate changed from 6.50% to 5.42%.
- The benefit increase assumption was changed from 2.00% per annum to 2.00% per annum through December 31, 2054 and 1.5% per annum thereafter.

Changes in Plan Provisions

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

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 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.

Washington County, Minnesota

Notes to the Required Supplementary Information December 31, 2023

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

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2020 Changes:

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2019 Changes:

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2018 Changes:

Changes in Actuarial Assumptions

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

Notes to the Required Supplementary Information
December 31, 2023

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

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:

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, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 15,791,200	\$ 15,697,900	\$ 15,697,900	\$ -
Total Revenues	<u>15,791,200</u>	<u>15,697,900</u>	<u>15,697,900</u>	<u>-</u>
Expenditures				
Debt Service				
Principal	11,625,000	11,625,000	10,625,000	1,000,000
Interest	3,615,300	3,615,300	3,615,200	100
Administrative (Fiscal) Charges	4,000	4,000	2,310	1,690
Total Expenditures	<u>15,244,300</u>	<u>15,244,300</u>	<u>14,242,510</u>	<u>1,001,790</u>
Excess of Revenues Over (Under) Expenditures	<u>546,900</u>	<u>453,600</u>	<u>1,455,390</u>	<u>1,001,790</u>
Net Change in Fund Balance	<u>\$ 546,900</u>	<u>\$ 453,600</u>	<u>1,455,390</u>	<u>\$ 1,001,790</u>
Fund Balance - Beginning of Year			<u>14,641,853</u>	
Fund Balance - End of Year			<u>\$ 16,097,243</u>	

Washington County, Minnesota

Budgetary Comparison Schedule
 Capital Projects Fund
 Year Ended December 31, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 25,280,400	\$ 21,783,400	\$ 27,903,392	\$ 6,119,992
Intergovernmental	25,541,500	29,841,300	33,352,475	3,511,175
Charges for Services	3,359,400	3,359,400	3,259,400	(100,000)
Interest on Investments	-	-	507,167	507,167
Miscellaneous	25,000	1,115,900	1,089,733	(26,167)
Total Revenues	54,206,300	56,100,000	66,112,167	10,012,167
Expenditures				
Current				
Capital Outlay				
General Government	51,243,300	25,716,100	20,495,244	5,220,856
Highways and Streets	29,891,000	27,969,000	21,589,720	6,379,280
Total Capital Outlay	81,134,300	53,685,100	42,084,964	11,600,136
Excess of Revenues Over (Under) Expenditures	(26,928,000)	2,414,900	24,027,203	21,612,303
Other Financing Sources (Uses)				
Transfers In	40,370,000	40,857,900	11,217,900	(29,640,000)
Net Change in Fund Balance	\$ 13,442,000	\$ 43,272,800	35,245,103	\$ (8,027,697)
Fund Balance - Beginning of Year			46,133,046	
Fund Balance - End of Year			\$ 81,378,149	

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 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 deceased 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, 2023**

	Custodial Funds								Total Custodial Funds
	Sheriff's Inmate Account	Gold Line Joint Powers	Sheriff Forfeiture Fund	Red Rock Corridor	Medical Assistance Estate Recovery	Other Custodial	Taxes and Penalties	MESB Funds	
ASSETS									
Cash and Pooled Investments	\$ 97,193	\$ 90,349	\$ 417,880	\$ 88,639	\$ 25,376	\$ 201,814	\$ 1,331,069	\$ 1,029,549	\$ 3,281,869
Accounts Receivable	-	7,075	-	-	-	465,036	-	10,545	482,656
Due from Other Governments	-	-	-	-	-	-	-	112,049	112,049
Taxes Receivable	-	-	-	-	-	-	3,060,348	-	3,060,348
Total Assets	<u>97,193</u>	<u>97,424</u>	<u>417,880</u>	<u>88,639</u>	<u>25,376</u>	<u>666,850</u>	<u>4,391,417</u>	<u>1,152,143</u>	<u>6,936,922</u>
LIABILITIES									
Accounts Payable	-	4,179	-	36,283	25,376	-	142,041	-	207,879
Fund Held in Trust	-	-	-	-	-	-	61,942	199,522	261,464
Total Liabilities	<u>-</u>	<u>4,179</u>	<u>-</u>	<u>36,283</u>	<u>25,376</u>	<u>-</u>	<u>203,983</u>	<u>199,522</u>	<u>469,343</u>
DEFERRED INFLOWS OF RESOURCES									
Taxes Collected in Advance of Levy	-	-	-	-	-	-	1,127,086	-	1,127,086
NET POSITION									
Restricted for:									
Individuals, Organizations, and Other Governments	<u>\$ 97,193</u>	<u>\$ 93,245</u>	<u>\$ 417,880</u>	<u>\$ 52,356</u>	<u>\$ -</u>	<u>\$ 666,850</u>	<u>\$ 3,060,348</u>	<u>\$ 952,621</u>	<u>\$ 5,340,493</u>

Washington County, Minnesota

Combining Statement of Changes in Fiduciary Net Position Fiduciary Funds - Other Custodial Funds For Fiscal Year Ended December 31, 2023

	Custodial Funds							Total Custodial Funds	
	Sheriff's Inmate Account	Gold Line Joint Powers	Sheriff Forfeiture Fund	Red Rock Corridor	Medical Assistance Estate Recovery	Other Custodial	Taxes and Penalties		MESB Funds
ADDITIONS									
Contributions:									
Individuals	\$ 915,817	\$ -	\$ -	\$ -	\$ 25,376	\$ -	\$ -	\$ -	\$ 941,193
Property Tax Collections for Other Governments	-	-	-	-	-	-	482,648,239	-	482,648,239
Special Assessments	-	-	-	-	-	-	-	1,479,454	1,479,454
License and Fees Collected for State	-	-	-	-	-	43,153,247	-	-	43,153,247
Intergovernmental Revenue	-	119,600	-	-	-	-	-	2,485,031	2,604,631
Fees for Services	-	-	-	-	-	-	-	56,183	56,183
Fines & Forfeitures	-	-	243,630	-	-	-	-	-	243,630
Interest Earnings	-	-	-	1,946	-	-	-	47,503	49,449
Miscellaneous	-	-	-	74	-	-	-	1,938	2,012
Total Additions	915,817	119,600	243,630	2,020	25,376	43,153,247	482,648,239	4,070,109	531,178,038
DEDUCTIONS									
Beneficiary Payments to individuals	884,093	-	-	-	-	-	-	-	884,093
Administrative Expense	-	-	-	-	-	-	-	984,628	984,628
Payments to State	-	-	-	-	25,376	42,746,974	-	-	42,772,350
Operating Expense	-	183,808	24,844	37,465	-	-	-	3,085,647	3,331,764
Property Tax Payments to Other Governments	-	-	-	-	-	-	482,393,494	-	482,393,494
Total Deductions	884,093	183,808	24,844	37,465	25,376	42,746,974	482,393,494	4,070,275	530,366,329
NET INCREASE (DECREASE) IN FIDUCIARY NET POSITION	31,724	(64,208)	218,786	(35,445)	-	406,273	254,745	(166)	811,709
Fiduciary Net Position - Beginning of Year	65,469	157,453	199,094	87,801	-	260,577	2,805,603	952,787	4,528,784
FIDUCIARY NET POSITION - END OF YEAR	\$ 97,193	\$ 93,245	\$ 417,880	\$ 52,356	\$ -	\$ 666,850	\$ 3,060,348	\$ 952,621	\$ 5,340,493

Washington County, Minnesota

Reader's Notes:

Capital Assets



- Capital Assets Used in the Operation of Governmental Funds:
Comparative Schedule by Source
Schedule by Function and Activity
Schedule of Changes by Function and Activity

Washington County, Minnesota

**Capital Assets Used in the Operation of Governmental Funds
Comparative Schedule by Source
December 31, 2023 and 2022**

Governmental Funds Capital Assets	2022	2023	% Change
Land and Works of Art	\$ 116,925,420	\$ 118,104,847	1.0%
Improvements Other Than Buildings	22,961,025	22,967,250	0.0%
Buildings and Structures	236,363,010	237,457,542	0.5%
Machinery and Equipment	62,552,645	64,719,214	3.5%
Infrastructure	586,178,550	606,357,492	3.4%
Construction in Progress	10,413,528	32,952,329	216.4%
Total	\$ 1,035,394,178	\$ 1,082,558,674	4.6%

Investments in Capital Assets By Fund Type

General Fund (GFG)	\$ 933,605,981	\$ 969,794,203	3.9%
Special Revenue Fund (SRF)	10,285,432	10,285,432	0.0%
Capital Projects Fund (CPF)	91,502,765	102,479,039	12.0%
Total Investments in Capital Assets	\$ 1,035,394,178	\$ 1,082,558,674	4.6%

Washington County, Minnesota

Capital Assets Used in the Operation of Governmental Funds
 Schedule by Function and Activity
 December 31, 2023

Department	Total	Land and Works of Art	Land Improvements	Buildings and Structures	Machinery and Equipment	Infrastructure	Construction In Progress
General Government:							
Accounting & Finance	\$ 2,692,202	\$ -	\$ -	\$ -	\$ 2,692,202	\$ -	\$ -
Administration	170,132	-	-	-	170,132	-	-
Attorney	171,262	-	-	-	171,262	-	-
Property Records & Taxpayer Services	2,917,859	-	61,425	1,223,764	1,632,670	-	-
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	74,556,467	6,267,945	922,781	54,531,330	2,836,969	-	9,997,442
Historic Courthouse	1,874,447	243,914	301,392	1,299,586	29,555	-	-
Human Resources	1,404,442	-	-	-	1,404,442	-	-
Information Technology	8,257,871	-	-	-	6,668,149	1,589,722	-
Law Library	48,793	-	-	-	48,793	-	-
Recorder	688,063	-	-	-	688,063	-	-
Surveyor	227,154	-	-	-	227,154	-	-
Veterans Services	5,000	-	-	-	5,000	-	-
Total General Government	182,134,653	6,547,059	3,576,292	141,907,141	17,270,696	2,836,023	9,997,442
Public Safety:							
Community Corrections	2,325,979	-	-	1,468,847	857,132	-	-
Sheriff	66,334,101	1,543,256	4,971,614	32,481,424	27,337,807	-	-
Total Public Safety	68,660,080	1,543,256	4,971,614	33,950,271	28,194,939	-	-
Highways and Streets:							
Administration	26,381,209	3,467,380	1,210,510	20,934,843	255,039	513,437	-
Equipment	13,960,896	-	-	-	13,960,896	-	-
Infrastructure	659,706,067	45,810,267	13,000	4,000	-	596,390,956	17,487,844
Total Highways and Streets	700,048,172	49,277,647	1,223,510	20,938,843	14,215,935	596,904,393	17,487,844
Health and Human Services:							
Public Health and Environment	3,009,232	1,051,997	148,089	1,039,646	769,500	-	-
Social Services	430,496	-	-	-	430,496	-	-
Workforce Center	195,313	-	-	-	195,313	-	-
Total Health and Human Services	3,635,041	1,051,997	148,089	1,039,646	1,395,309	-	-
Culture and Recreation:							
Library	22,490,474	569,182	434,812	20,178,867	1,307,613	-	-
Parks	105,578,854	59,115,706	12,612,933	19,442,774	2,323,322	6,617,076	5,467,043
Total Culture and Recreation	128,069,328	59,684,888	13,047,745	39,621,641	3,630,935	6,617,076	5,467,043
Conservation of Natural Resources							
Agriculture Extension	11,400	-	-	-	11,400	-	-
Total Capital Asset:	\$ 1,082,558,674	\$ 118,104,847	\$ 22,967,250	\$ 237,457,542	\$ 64,719,214	\$ 606,357,492	\$ 32,952,329

Washington County, Minnesota

Capital Assets Used in the Operation of Governmental Funds Schedule of Changes by Function and Activity Year Ended December 31, 2023

	Balance January 1	*Interdepartmental Transfers	Additions	Deletions	Balance December 31
General Government:					
Accounting & Finance	\$ 2,692,202	\$ -	\$ -	\$ -	\$ 2,692,202
Administration	170,132	-	-	-	170,132
Attorney	176,954	-	-	(5,692)	171,262
Property Records & Taxpayer Services	2,917,859	-	-	-	2,917,859
Building Maintenance	88,742,760	-	-	-	88,742,760
Commissioners	35,200	-	-	-	35,200
Court Administration	343,001	-	-	-	343,001
General Operations	65,231,231	-	9,325,236	-	74,556,467
Historic Courthouse	1,874,447	-	-	-	1,874,447
Human Resources	1,404,442	-	-	-	1,404,442
Information Technology	7,790,554	-	518,553	(51,236)	8,257,871
Law Library	48,793	-	-	-	48,793
Recorder	703,032	-	-	(14,969)	688,063
Surveyor	227,154	-	-	-	227,154
Veteran Services	5,000	-	-	-	5,000
Total General Government	172,362,761	-	9,843,789	(71,897)	182,134,653
Public Safety:					
Community Corrections	2,330,876	-	8,349	(13,246)	2,325,979
Sheriff	66,012,953	-	1,026,287	(705,139)	66,334,101
Total Public Safety	68,343,829	-	1,034,636	(718,385)	68,660,080
Highways and Streets:					
Administration	26,381,209	-	-	-	26,381,209
Equipment	12,655,786	-	1,640,645	(335,535)	13,960,896
Infrastructure	625,699,923	-	34,006,144	-	659,706,067
Total Highways and Streets	664,736,918	-	35,646,789	(335,535)	700,048,172
Health and Human Services:					
Public Health and Environment	2,891,294	-	117,938	-	3,009,232
Social Services	449,881	-	-	(19,385)	430,496
Workforce Center	195,313	-	-	-	195,313
Total Health and Human Services	3,536,488	-	117,938	(19,385)	3,635,041
Culture and Recreation:					
Library	22,474,974	-	15,500	-	22,490,474
Parks	103,927,808	-	1,651,046	-	105,578,854
Total Culture and Recreation	126,402,782	-	1,666,546	-	128,069,328
Conversation of Natural Resources:					
Agriculture Extension	11,400	-	-	-	11,400
Total Governmental Funds Capital Assets	\$ 1,035,394,178	\$ -	\$ 48,309,698	\$ (1,145,202)	\$ 1,082,558,674

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

Washington County, Minnesota

Reader's Notes:

Governmental Revenue Schedule



- Schedule of Intergovernmental Revenue

Washington County, Minnesota

Schedule of Intergovernmental Revenue
Year Ended December 31, 2023

	General Fund	Regional Rail Authority Fund	Metro Gold Line Fund	Capital Projects Fund	Total All Funds
Shared Revenues					
State					
Disparity Reduction Aid	\$ 363	\$ -	\$ -	\$ -	\$ 363
Highway Users Tax	5,871,917	-	-	26,586,192	32,458,109
Transportation Advancement	-	-	-	1,541,166	1,541,166
County Program Aid	11,288,035	-	-	-	11,288,035
Market Value Credit - Real	109,367	-	-	-	109,367
Local Homeless Aid	860,314	-	-	-	860,314
Local Performance Aid	25,000	-	-	-	25,000
PERA Rate Increase Aid	344,716	-	-	-	344,716
State Police Aid	4,483,449	-	-	-	4,483,449
County Aquatic ISP Aid	134,710	-	-	-	134,710
Riparian Aid	40,000	-	-	-	40,000
E-911	995,859	-	-	-	995,859
Total Shared Revenues	24,153,730	-	-	28,127,358	52,281,088
Reimbursement for Services					
State					
Minnesota Dept. of Human Services	7,709,852	-	-	-	7,709,852
Total Reimbursements for Services	7,709,852	-	-	-	7,709,852
State Grants					
Minnesota Department of					
Agriculture	30,429	-	-	-	30,429
Commerce Department	63,859	-	-	-	63,859
Corrections	3,480,912	-	-	-	3,480,912
Environmental Assistance	823,404	-	-	-	823,404
Housing Finance Agency	1,698,099	-	-	-	1,698,099
Health	1,272,291	-	-	-	1,272,291
Secretary of State	53,794	-	-	-	53,794
Human Services	9,142,253	-	-	-	9,142,253
Natural Resources	173,298	-	-	7,974	181,272
Peace Officers (POST)	119,203	-	-	-	119,203
Public Safety	534,419	-	-	-	534,419
Trade and Economic Development	614,897	-	-	-	614,897
Transportation	-	-	-	918,811	918,811
Veteran's Affairs	17,500	-	-	-	17,500
Water and Soil Resources	137,198	-	-	-	137,198
Total State	18,161,556	-	-	926,785	19,088,341
Federal Grants					
Federal Department of					
Agriculture	2,098,265	-	-	-	2,098,265
Housing and Development	73,046	-	-	-	73,046
Justice	1,157,122	-	-	-	1,157,122
Labor	716,904	-	-	-	716,904
Transportation	473,978	-	-	783,496	1,257,474
Treasury	7,494,115	-	-	-	7,494,115
National Endowment for the Arts and Humanities	3,474	-	-	-	3,474
Election Assistance Commission	4,287	-	-	-	4,287
Health and Human Services	14,394,822	-	-	-	14,394,822
Executive Office of the President	137,533	-	-	-	137,533
Homeland Security	331,199	-	-	-	331,199
Total Federal	26,884,745	-	-	783,496	27,668,241
Local					
Cities	-	-	-	1,198,367	1,198,367
Metropolitan Council	1,074,256	-	1,546,400	2,316,469	4,937,125
Miscellaneous Agencies	72,392	2	84	-	72,478
Total Local	1,146,648	2	1,546,484	3,514,836	6,207,970
Total Grants	46,192,949	2	1,546,484	5,225,117	52,964,552
Payments in Lieu of Taxes	787,616	1,009	-	-	788,625
Total Intergovernmental Revenues	\$ 78,844,147	\$ 1,011	\$ 1,546,484	\$ 33,352,475	\$ 113,744,117

Washington County, Minnesota

Reader's Notes:

Statistical Section



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

Statistical Section Index

	<u>Page</u>
Financial Trends <i>These schedules contain trend data to help the reader understand how the government's financial performance and well-being have changed over time.</i>	116
Revenue Capacity <i>These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.</i>	120
Debt Capacity <i>These schedules present information to help the reader 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>	126
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>	130
Operating Information <i>These schedules contain service and infrastructure data to help the reader understand how the information in the financial report relates to the services the government provides and the activities it performs.</i>	132

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

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Governmental Activities										
Net Investment in Capital Assets	\$ 299,306,065	\$ 335,867,717	\$ 360,876,722	\$ 373,703,127	\$ 396,970,242	\$ 441,545,633	\$ 465,442,708	\$ 482,426,118	\$ 512,790,771	\$ 530,215,227
Restricted	80,700,496	35,599,589	44,572,087	60,043,112	56,814,163	88,219,863	79,760,937	66,139,123	56,935,573	64,695,531
Unrestricted	53,425,232	55,455,284	28,686,647	35,972,130	(41,140,387)	(42,209,111)	(741,889)	41,415,318	33,299,364	110,733,094
Total Governmental Activities Net Position	<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>	<u>\$ 603,025,708</u>	<u>\$ 705,643,852</u>

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

Washington County, Minnesota

Table 2

	Changes in Net Position Last Ten Fiscal Years (Accrual Basis of Accounting)									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Governmental Activities:										
General Government	\$ 44,559,127	\$ 47,017,013	\$ 55,002,909	\$ 59,516,867	\$ 36,860,431	\$ 21,803,552	\$ 36,260,974	\$ 43,572,359	\$ 28,002,396	\$ 67,581,378
Public Safety	38,387,190	40,004,487	49,095,388	45,931,833	44,569,866	47,434,648	36,601,459	43,291,338	64,370,140	57,112,693
Highways and Streets	22,889,381	19,142,890	22,121,135	28,299,033	50,825,645	82,221,937	69,925,992	72,699,254	79,091,184	25,604,089
Human Services	50,329,609	54,021,113	57,758,157	61,637,749	60,810,502	62,361,430	97,675,098	81,444,888	86,182,417	76,595,307
Health	-	-	-	-	-	-	-	-	-	-
Culture and Recreation	2,457,674	3,935,750	6,137,767	6,098,761	7,033,085	994,660	9,740,150	11,607,651	6,253,586	11,957,382
Conservation of Natural Resources	305,505	162,894	537,621	575,586	354,938	446,336	518,241	381,972	487,617	734,111
Economic Development	501,002	136,164	176,935	-	-	-	-	5,577,104	-	-
Interest	5,499,991	6,130,486	6,424,584	4,634,114	3,147,217	3,032,465	3,341,197	1,239,906	5,542,246	5,580,447
Total Governmental Activities Expenses	<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>	<u>269,929,586</u>	<u>245,165,407</u>
Total Primary Government Expenses	<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>	<u>\$ 269,929,586</u>	<u>\$ 245,165,407</u>
Program Revenues										
Governmental Activities:										
Fees, Fines, Charges, and Other										
General Government	\$ 15,393,150	\$ 16,352,719	\$ 18,749,720	\$ 27,185,578	\$ 21,725,129	\$ 41,974,256	\$ 31,447,915	\$ 12,788,434	\$ 14,250,088	\$ 20,249,078
Public Safety	1,981,496	2,185,060	3,152,629	3,121,523	3,044,290	3,425,632	1,504,001	8,335,533	6,966,997	1,887,756
Highways and Streets	-	61,760	-	-	-	-	-	23,347,939	5,353,245	-
Culture and Recreation	67,852	71,651	71,252	69,997	73,569	75,419	42,319	1,233,652	122,282	58,435
Operating Grants and Contributions	38,799,033	61,641,977	34,571,660	51,261,327	54,445,861	71,727,125	99,074,060	65,290,880	74,705,352	79,340,600
Capital Grants and Contributions	10,548,205	12,302,421	10,747,375	30,010,513	6,441,239	557,104	6,637,810	13,515,748	11,478,662	22,891,411
Total Governmental Activities Program Revenues	<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>	<u>112,876,626</u>	<u>124,427,280</u>
Total Primary Government Program Revenues	<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>	<u>\$ 112,876,626</u>	<u>\$ 124,427,280</u>
Total Primary Government Net Expense	<u>\$ (98,139,743)</u>	<u>\$ (77,935,209)</u>	<u>\$ (129,961,860)</u>	<u>\$ (95,045,005)</u>	<u>\$ (117,871,596)</u>	<u>\$ (100,535,492)</u>	<u>\$ (115,357,006)</u>	<u>\$ (135,302,286)</u>	<u>\$ (157,052,960)</u>	<u>\$ (120,738,127)</u>
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes	\$ 95,295,140	\$ 98,569,307	\$ 101,495,977	\$ 106,291,250	\$ 112,908,250	\$ 118,926,756	\$ 126,170,144	\$ 125,705,996	\$ 134,298,472	\$ 140,395,499
Mortgage Registry and Deed Tax	314,211	368,986	441,311	462,199	438,592	558,384	731,177	922,747	647,530	407,731
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	4,653,738	4,713,204
Sales Tax	-	-	-	2,294,693	10,230,308	10,720,638	10,735,494	15,670,281	28,350,694	25,895,201
Grants & Contributions not Restricted for a Particular Purpose	16,003,232	18,143,387	25,995,607	6,736,929	8,274,230	16,563,400	11,794,555	12,324,384	11,994,008	12,256,906
Investment Earnings	4,416,982	2,251,818	5,029,984	10,438,194	1,397,202	21,568,141	14,776,368	18,470,283	(19,940,132)	35,495,376
Miscellaneous	1,720,520	1,324,909	1,459,296	1,969,146	2,484,295	2,486,902	3,526,437	2,824,771	9,900,609	3,867,120
Gain on Sale of Capital Assets	-	-	552,900	201,546	55,963	61,225	27,276	97,574	193,190	325,234
Total Governmental Activities	<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>	<u>170,098,109</u>	<u>223,356,271</u>
Total Primary Government	<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>	<u>\$ 170,098,109</u>	<u>\$ 223,356,271</u>
Change in Net Position - Total Primary Government	<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>	<u>\$ 13,045,149</u>	<u>\$ 102,618,144</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)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund										
Nonspendable	\$ 2,975,831	\$ 9,314,657	\$ 10,540,443	\$ 10,465,589	\$ 11,253,933	\$ 10,110,940	\$ 9,778,827	\$ 9,597,145	\$ 9,853,583	\$ 9,918,145
Restricted	64,648,115	65,342,465	63,724,399	72,815,196	74,750,978	91,388,812	112,473,896	128,636,720	100,845,152	121,185,831
Assigned	16,030,225	19,898,602	17,980,227	17,277,974	15,812,868	15,623,260	18,067,227	16,666,528	18,279,567	21,173,837
Unassigned	57,173,233	51,545,604	58,860,087	60,573,615	61,552,428	71,027,263	85,346,344	85,069,857	83,940,962	89,420,748
Total General Fund	<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>	<u>\$ 212,919,264</u>	<u>\$ 241,698,561</u>
All Other Government Funds										
Nonspendable	\$ -	\$ -	\$ -	\$ 13,495	\$ 662,201	\$ 961,462	\$ -	\$ -	\$ -	\$ 142,013
Restricted										
Special Revenue Funds	92,617	61,865	61,865	22,246,478	26,321,512	29,680,462	31,195,118	22,834,531	15,364,162	27,538,776
Debt Service Funds	59,652,307	53,671,223	54,090,986	12,525,992	14,260,879	15,303,045	13,327,385	16,959,091	14,641,853	16,097,243
Capital Project Funds	3,772,240	2,658,106	18,109,307	10,466,071	1,171,291	26,552,472	8,878,808	2,510,686	6,517,972	2,384,170
Committed										
Capital Project Funds	-	500,000	500,000	-	-	-	-	-	-	-
Assigned										
Special Revenue Funds	936,247	849,231	1,355,539	1,437,941	1,622,281	1,826,080	2,018,327	2,106,218	2,297,223	2,727,581
Capital Project Funds	2,661,870	14,738,704	7,258,303	9,421,824	7,554,021	9,979,075	9,898,127	15,410,266	39,615,074	78,851,966
	<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>	<u>\$ 78,436,284</u>	<u>\$ 127,741,749</u>

Source: Washington County Accounting and Finance Department.

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues										
Taxes	\$ 98,178,034	\$ 101,306,879	\$ 104,281,459	\$ 111,471,329	\$ 125,889,156	\$ 134,757,330	\$ 142,010,111	\$ 148,036,647	\$ 168,968,683	\$ 172,696,359
Special Assessments	20,435	35,534	99,105	114,767	162,803	146,664	288,646	326,723	235,277	254,644
Licenses and Permits	4,270,301	4,458,106	4,543,640	4,673,770	4,731,513	4,945,232	4,263,931	4,836,255	5,034,523	5,675,689
Intergovernmental	65,048,280	88,742,444	78,600,735	87,885,635	74,338,750	86,488,578	113,455,146	79,307,823	94,358,943	113,744,117
Charges for Services	14,857,495	14,720,253	17,922,789	26,977,588	21,855,830	42,624,823	30,449,156	44,165,083	25,131,063	21,148,423
Fines and Forfeits	292,975	289,104	306,249	393,776	401,370	462,730	273,862	319,493	257,499	274,462
Interest on Investments	4,416,982	2,251,818	5,029,984	10,438,194	1,397,202	21,582,833	14,777,060	18,470,693	(19,940,132)	35,495,376
Gifts and Contributions	-	-	-	-	-	-	-	-	214,796	100,525
Miscellaneous	9,989,797	9,775,376	9,992,986	10,465,891	10,742,810	11,119,828	12,240,465	12,095,264	14,116,943	13,440,596
Total Revenues	197,074,299	221,579,514	220,776,947	252,420,950	239,519,434	302,128,018	317,758,377	307,557,981	288,377,595	362,830,191
Expenditures										
General Government	40,548,616	36,895,242	40,870,481	43,215,122	49,752,217	55,806,380	60,409,133	72,386,021	75,617,718	61,100,387
Public Safety	39,186,886	40,178,346	42,079,961	44,621,029	47,105,533	48,717,173	39,580,439	52,312,840	55,249,621	59,212,946
Highways and Streets	9,844,025	10,606,025	10,703,310	11,474,939	12,402,526	13,161,452	13,099,930	12,304,880	12,351,720	14,662,887
Health and Human Services	49,957,956	53,865,396	56,818,492	60,728,658	61,134,051	63,418,317	96,569,088	80,878,823	78,980,024	80,077,732
Culture and Recreation	9,666,323	10,435,800	10,876,956	10,768,274	11,162,155	11,265,551	10,982,281	12,664,822	12,851,183	13,520,957
Conservation of Natural Resources	304,872	160,968	170,482	168,741	177,993	163,451	199,381	201,313	265,146	286,934
Economic Development	509,882	176,978	181,388	-	-	-	-	5,577,104	-	-
Capital Outlay	28,332,624	43,891,100	52,656,963	40,748,515	46,550,046	71,145,597	60,029,928	48,998,982	52,582,882	42,084,964
Debt Service:										
Principal	5,585,000	6,150,284	7,075,948	64,549,863	9,847,229	11,188,226	13,957,022	9,462,777	13,241,384	10,948,010
Interest	5,605,590	6,324,442	6,750,119	8,988,944	3,832,013	3,984,934	4,705,763	4,127,045	3,738,450	3,640,490
Bond Issue Costs	-	1,142	183,652	259,632	-	196,504	56,790	-	-	-
Other Charges	3,176	3,875	8,300	2,923	14,400	6,100	16,295	17,050	1,550	2,310
Total Expenditures	189,693,187	208,689,598	228,376,052	285,526,640	241,978,163	279,053,685	299,606,050	298,931,657	304,879,678	285,537,617
Excess of Revenue Over (Under) Expenditures	7,381,112	12,889,916	(7,599,105)	(33,105,690)	(2,458,729)	23,074,333	18,152,327	8,626,324	(16,502,083)	77,292,574
Other Financing Sources (Uses)										
Transfers In	700,504	5,489,100	2,240,105	1,648,200	1,507,500	1,292,300	1,296,811	4,162,800	12,687,400	11,217,900
Transfers Out	(700,504)	(5,489,100)	(2,240,105)	(1,648,200)	(1,507,500)	(1,292,300)	(1,296,811)	(4,162,800)	(12,687,400)	(11,217,900)
Issuance of Lease Liability	-	-	-	-	-	-	-	-	174,118	19,777
Sources from Sale of Assets	-	-	552,900	-	-	-	-	-	-	325,234
Issuance of Loans	162,048	114,933	367,139	406,845	176,946	282,885	318,861	180,659	222,471	447,177
Issuance of Bonds	-	4,775,000	20,000,000	-	-	31,315,000	-	-	7,670,000	-
Issuance of Refunding Bonds	39,155,000	-	-	42,380,000	-	-	8,790,000	-	-	0
Payment on Refunded Bonds	-	(7,380,000)	-	-	-	-	(8,730,000)	-	-	-
Premium on Bonds/Notes Issued	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	(134,921)	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	45,271,851	(2,252,144)	21,499,804	17,868,709	176,946	34,416,146	378,861	180,659	8,066,589	792,188
Net Change in Fund Balances	\$ 52,652,963	\$ 10,637,772	\$ 13,900,699	\$ (15,236,981)	\$ (2,281,783)	\$ 57,490,479	\$ 18,531,188	\$ 8,806,983	\$ (8,435,494)	\$ 78,084,762
Capital Asset Adjustments *	\$ 33,049,166	\$ 49,617,692	\$ 51,007,089	\$ 37,696,968	\$ 48,149,351	\$ 69,862,133	\$ 54,393,006	\$ 45,044,080	\$ 51,202,800	\$ 48,329,475
Debt Service as a Percentage of Noncapital Expenditures	7.38%	7.84%	7.80%	29.67%	7.06%	7.25%	7.61%	5.35%	6.69%	6.15%

* 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						
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%	
2022	39,873,578	38,598,523	38,369,090	338,663	88,750	7,917	3,944	439,274	27.53%	0.0031%	1.10%	
2023	48,211,359	47,020,313	46,357,812	425,822	92,102	9,212	4,196	531,332	23.63%	0.0026%	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:

2014 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%.

2023 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.

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

<u>Jurisdiction</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>	<u>2022</u>	<u>2023</u>
Tax Rates Based on Percentage of Tax Capacity										
Washington County:										
General	17.803%	16.255%	16.352%	16.335%	15.426%	15.543%	15.362%	14.282%	15.424%	13.180%
Debt	4.319%	3.821%	3.979%	4.015%	3.895%	3.746%	3.419%	3.413%	2.671%	2.455%
Road and Bridge	1.792%	1.693%	1.729%	1.824%	2.173%	2.104%	2.033%	1.959%	2.035%	1.739%
Social Services	5.598%	4.892%	4.999%	4.876%	5.058%	4.847%	4.706%	4.451%	4.178%	3.658%
Social Services Administration	0.587%	0.786%	0.751%	0.742%	0.738%	0.756%	0.777%	0.818%	0.845%	0.587%
Library	2.568%	2.373%	2.579%	2.486%	2.419%	2.309%	2.186%	2.145%	2.054%	1.754%
Library Debt	0.145%	0.366%	0.174%	0.170%	0.274%	0.377%	0.461%	0.368%	0.325%	0.252%
Total	32.812%	30.186%	30.563%	30.448%	29.983%	29.682%	28.944%	27.436%	27.532%	23.625%
Overlapping Rates:										
Cities of:										
Afton	30.092%	27.737%	29.373%	32.300%	32.255%	32.983%	30.795%	32.025%	32.007%	27.111%
Bayport	41.699%	40.468%	37.107%	39.410%	36.017%	33.954%	31.644%	33.792%	33.463%	28.965%
Birchwood	27.012%	27.627%	23.893%	24.302%	24.904%	23.012%	28.068%	29.231%	28.692%	21.270%
Cottage Grove (Urban)	43.812%	41.591%	43.140%	43.012%	40.583%	38.959%	39.182%	37.351%	37.251%	33.899%
Dellwood	15.224%	17.853%	16.757%	15.102%	14.614%	10.361%	21.005%	19.204%	19.248%	15.724%
Forest Lake	44.653%	42.839%	43.385%	43.473%	41.871%	39.580%	40.333%	40.641%	40.991%	35.450%
Grant	14.598%	13.321%	13.755%	13.789%	13.907%	13.916%	13.096%	13.609%	13.426%	11.054%
Hastings	66.246%	62.581%	63.577%	62.518%	60.964%	59.612%	57.391%	57.351%	58.807%	53.267%
Hugo (Urban)	36.417%	36.318%	36.323%	36.360%	36.330%	36.274%	39.279%	39.294%	39.403%	36.371%
Lake Elmo	27.761%	23.798%	23.121%	20.018%	22.442%	22.927%	23.477%	23.638%	30.546%	24.064%
Lake St Croix Beach	52.781%	48.039%	45.774%	47.619%	47.497%	41.130%	41.083%	40.728%	39.902%	31.126%
Lakeland	47.028%	43.489%	42.451%	44.213%	36.540%	31.800%	36.149%	33.408%	29.525%	26.189%
Lakeland Shores	26.417%	24.969%	25.696%	24.949%	24.653%	23.022%	23.060%	23.382%	23.224%	20.742%
Landfall	47.787%	48.731%	55.903%	56.649%	80.743%	50.012%	51.212%	64.491%	57.567%	58.843%
Mahtomedi	36.414%	38.022%	34.657%	37.580%	33.971%	38.892%	36.473%	37.308%	39.119%	34.410%
Marine on St Croix	57.734%	55.427%	56.752%	60.678%	55.060%	56.705%	56.338%	56.172%	59.002%	42.747%
Newport	72.054%	69.973%	61.660%	60.304%	58.736%	57.383%	54.335%	54.007%	55.852%	49.690%
Oak Park Heights	59.641%	56.804%	57.725%	56.143%	54.462%	50.031%	50.176%	50.838%	51.753%	48.985%
Oakdale	41.201%	39.131%	39.492%	39.721%	38.544%	39.227%	37.617%	38.821%	39.533%	38.217%
Pine Springs	7.451%	6.850%	7.235%	9.110%	8.730%	9.285%	9.193%	9.034%	9.427%	7.484%
Scandia	40.976%	34.619%	36.722%	36.594%	35.058%	32.396%	31.466%	30.815%	30.945%	26.459%
St. Mary's Point	27.976%	24.677%	24.743%	24.163%	22.517%	23.725%	23.833%	24.112%	22.034%	18.287%
St. Paul Park	48.754%	45.677%	45.560%	43.919%	42.591%	43.475%	38.689%	39.112%	39.726%	36.930%
Stillwater (Urban)	58.359%	55.225%	57.016%	56.927%	53.421%	54.288%	53.474%	52.486%	52.152%	49.389%
White Bear Lake	21.102%	20.368%	19.690%	18.969%	19.058%	20.190%	20.629%	20.355%	22.271%	24.054%
Willernie	52.165%	45.054%	53.691%	48.807%	49.748%	48.206%	46.042%	51.675%	49.194%	46.245%
Woodbury	38.076%	34.657%	35.287%	35.122%	33.670%	33.177%	32.489%	32.298%	32.217%	28.599%

Continued on next page

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

Jurisdiction	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Townships of:										
Baytown	11.960%	10.352%	9.245%	14.540%	13.729%	15.398%	14.635%	16.373%	16.443%	14.290%
Denmark	13.135%	12.490%	11.236%	11.264%	11.063%	13.600%	15.919%	15.892%	14.650%	11.680%
Grey Cloud Island	26.196%	23.581%	23.481%	22.455%	21.834%	20.238%	23.494%	20.852%	21.214%	14.810%
May	11.775%	10.151%	10.645%	11.108%	10.832%	10.947%	10.541%	11.518%	12.426%	9.820%
Stillwater	21.725%	18.542%	20.672%	22.674%	21.759%	21.433%	18.454%	20.185%	20.105%	17.560%
West Lakeland	7.546%	6.643%	8.183%	7.870%	8.157%	8.701%	10.496%	10.877%	12.017%	11.439%
School Districts of:										
SD 200 Hastings	23.052%	20.965%	20.938%	20.305%	20.545%	19.079%	17.924%	16.757%	16.214%	14.207%
SD 622 N St Paul/Mpwd/Oakdale	37.643%	35.864%	35.569%	33.582%	30.089%	29.039%	32.504%	31.840%	32.173%	29.825%
SD 624 White Bear Lake	28.562%	26.660%	26.236%	23.476%	23.685%	26.081%	36.777%	37.075%	34.805%	32.398%
SD 831 Forest Lake	23.896%	21.146%	24.902%	31.213%	26.230%	24.856%	25.097%	25.090%	24.425%	22.267%
SD 832 Mahtomedi	39.770%	34.496%	34.107%	34.093%	32.161%	31.894%	29.926%	29.555%	29.032%	23.941%
SD 833 South Washington County	39.169%	35.675%	36.812%	34.309%	33.303%	34.926%	33.904%	34.181%	33.739%	31.296%
SD 834 Stillwater	23.150%	21.124%	19.849%	30.390%	19.349%	18.442%	15.321%	17.278%	19.502%	17.143%
SD 2144 Chisago Lakes	27.589%	26.764%	25.700%	24.323%	29.998%	28.193%	26.676%	24.738%	23.437%	19.090%
Special Districts of:										
Washington County HRA/CDA	1.290%	1.181%	1.529%	1.475%	1.469%	1.423%	1.356%	1.289%	1.287%	1.093%
Washington County Regional Rail	0.233%	0.212%	0.247%	0.243%	0.224%	0.175%	0.165%	0.157%	0.149%	0.122%
Metro Council	1.050%	0.943%	0.932%	0.858%	0.816%	0.651%	0.584%	0.628%	0.630%	0.537%
Metro Mosquito Control	0.553%	0.490%	0.487%	0.463%	0.440%	0.424%	0.390%	0.379%	0.361%	0.309%
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	1.514%	1.357%	1.373%	1.307%	1.226%	1.322%	1.243%	1.139%	1.056%	0.912%
Browns Creek WS	5.066%	4.769%	5.111%	5.275%	0.819%	5.263%	4.850%	4.835%	4.437%	3.867%
Carnelian-Marine WS	3.049%	2.815%	2.843%	3.150%	5.021%	3.454%	3.993%	3.841%	4.133%	3.502%
Comfort Lake-Forest Lake WS	4.437%	4.173%	4.159%	5.012%	2.323%	5.658%	5.835%	5.781%	5.999%	4.781%
Ramsey-Washington Metro WS	4.253%	4.494%	4.460%	4.067%	5.707%	3.557%	3.289%	3.212%	2.918%	2.758%
Rice Creek WS	2.387%	2.185%	2.192%	2.088%	3.878%	1.924%	1.926%	1.918%	1.805%	1.559%
South Washington WS	0.761%	0.693%	0.753%	0.839%	3.292%	0.808%	0.766%	0.742%	0.718%	0.654%
Valley Branch WS	1.899%	1.701%	1.761%	1.887%	1.838%	3.980%	3.425%	4.074%	3.747%	2.977%

Continued on next page

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

<u>Jurisdiction</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>	<u>2022</u>	<u>2023</u>
Hastings HRA	1.613%	1.379%	1.551%	1.500%	1.454%	1.453%	1.455%	1.472%	1.491%	1.310%
Woodbury HRA	0.343%	0.295%	0.289%	0.276%	0.255%	0.237%	0.218%	0.207%	0.195%	0.162%
State of Minnesota:										
Commercial/Industrial property	52.160%	50.840%	48.641%	45.802%	43.865%	42.416%	38.846%	35.978%	36.289%	33.003%
Seasonal property	22.836%	21.703%	21.167%	20.845%	20.779%	19.962%	17.997%	17.306%	16.306%	12.321%

Tax Rates Based on Percentage of Referendum Market Value

<u>Jurisdiction</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>	<u>2022</u>	<u>2023</u>
Washington County:	0.004%	0.004%	0.004%	0.004%	0.004%	0.003%	0.003%	0.003%	0.003%	0.003%
Overlapping Rates:										
City of Woodbury	0.026%	0.013%	0.012%	0.012%	0.011%	0.007%	0.006%	0.006%	0.006%	0.005%
School Districts of:										
SD 200 Hastings	0.261%	0.253%	0.260%	0.247%	0.274%	0.267%	0.245%	0.230%	0.225%	0.223%
SD 622 N St Paul/Mpwd/Oakdale	0.151%	0.144%	0.137%	0.216%	0.195%	0.187%	0.185%	0.168%	0.156%	0.150%
SD 624 White Bear Lake	0.273%	0.240%	0.235%	0.230%	0.223%	0.232%	0.224%	0.181%	0.193%	0.183%
SD 831 Forest Lake	0.146%	0.134%	0.140%	0.129%	0.114%	0.202%	0.173%	0.167%	0.153%	0.128%
SD 832 Mahtomedi	0.169%	0.292%	0.266%	0.254%	0.241%	0.274%	0.259%	0.254%	0.287%	0.216%
SD 833 South Washington County	0.223%	0.210%	0.340%	0.313%	0.371%	0.349%	0.326%	0.316%	0.337%	0.290%
SD 834 Stillwater	0.227%	0.200%	0.206%	0.195%	0.189%	0.194%	0.176%	0.166%	0.184%	0.151%
SD 2144 Chisago Lakes	0.126%	0.167%	0.170%	0.173%	0.172%	0.164%	0.162%	0.144%	0.140%	0.111%

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.

Washington County, Minnesota

Table 7

Principal Property Taxpayers
Taxes Payable in 2023 and Nine Years Ago

Taxpayer	Property Classification	2023					2014				
		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	12,254,870	461,835,800	9,235,874	1.7%	1	\$ 14,677,278	\$ 418,521,400	\$ 8,363,905	3.1%
Tamarack Village Shopping Center LP	Commercial	2	2,996,967	103,608,900	2,071,428	0.4%	2	2,673,268	69,242,400	1,384,098	0.5%
Ramco-Gershenson Properties LP	Commercial	3	2,434,295	84,168,100	1,682,612	0.3%					
IRPF Woodbury City Place LLC	Commercial	4	1,992,676	68,909,700	1,377,444	0.3%					
10285 Grand Forest Owner LLC	Apartment	5	1,453,195	104,645,800	1,308,073	0.2%					
Wal-Mart Real Estate Business Trust	Commercial	6	1,339,957	45,565,900	909,068	0.2%	9	1,009,380	26,252,300	517,237	0.2%
City Walk TIC I LLC etal	Apartment	7	1,299,815	116,180,700	1,476,076	0.3%					
Dayton Hudson Corp	Commercial	8	1,255,046	41,736,300	831,726	0.2%	6	1,396,420	35,425,200	705,504	0.3%
VSSA Boutwells Landing LLC	Apartment	9	1,246,154	94,675,900	1,183,451	0.2%					
3M Company	Industrial	10	1,234,337	64,539,500	962,656	0.2%	7	1,339,697	55,383,500	798,423	0.3%
DBRA Red Woodbury LLC	Commercial						3	1,675,722	43,453,300	867,566	0.3%
Menard Inc	Commercial						4	1,642,627	41,928,900	835,578	0.3%
Imation Corp	Commercial						5	1,607,850	41,411,800	827,486	0.3%
Woodbury Village Shopping Center LP	Commercial						8	1,339,370	33,527,100	669,792	0.3%
AX Oakdale Village LP	Commercial						10	957,857	24,777,800	494,806	0.2%
Totals			\$ 27,507,312	\$ 1,185,866,600	\$ 21,038,408	4.0%		\$ 28,319,469	\$ 789,923,700	\$ 15,464,395	5.8%

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
2014	\$ 87,713,700	\$ (77,104)	\$ (698,110)	\$ 86,938,486	\$ 86,728,969	99.8%	\$ 201,344	\$ 86,930,313	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%	551,086	115,420,272	99.9%
2022	121,806,800	(108,370)	(334,317)	121,364,113	120,923,650	99.6%	311,975	121,235,625	99.9%
2023	127,718,000	(111,497)	(127,137)	127,479,366	126,746,961	99.4%	-	126,746,961	99.4%

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

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	Lease Liability							
2014	\$ 181,097,587	\$ 141,613	-	\$ 181,239,200	\$ 14,260,749,000	1.27%	\$ 265,889,000	68%	249,109	\$ 728
2015	171,854,751	246,261	-	172,101,012	14,974,462,000	1.15%	297,533,000	58%	251,015	686
2016	184,843,943	522,204	-	185,366,147	15,812,021,000	1.17%	306,207,000	61%	253,117	732
2017	136,164,539	819,186	-	136,983,725	16,705,759,000	0.82%	316,408,000	43%	253,128	541
2018	125,313,041	863,903	-	126,176,944	17,486,407,000	0.72%	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
2022	113,787,130	835,901	830,380	115,453,411	22,356,866,000	0.52%	439,274,000	26%	275,912	418
2023	102,036,179	1,097,908	712,319	103,846,406	23,221,512,000	0.45%	531,332,000	20%	278,936	372

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.

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
2014	\$ 181,097,587	\$ 57,315,410	\$ 123,782,177	\$ 14,260,749,000	0.87%	\$ 265,889,000	47%	249,109	\$ 497
2015	171,854,751	50,820,424	121,034,327	14,974,462,000	0.81%	297,533,000	41%	251,015	482
2016	184,843,943	50,984,786	133,859,157	15,812,021,000	0.85%	306,207,000	44%	253,117	529
2017	136,164,539	11,725,783	124,438,756	16,705,759,000	0.74%	316,408,000	39%	253,128	492
2018	125,313,041	12,520,731	112,792,310	17,486,407,000	0.65%	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
2022	113,787,130	13,198,302	100,588,828	22,356,866,000	0.45%	439,274,000	23%	275,912	365
2023	102,036,179	11,492,601	90,543,578	23,221,512,000	0.39%	531,332,000	17%	278,936	325

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, 2023

Jurisdiction	Total GO. Bonds Outstanding (1)	Applicable to Washington County	
		Percent (2)	Amount
Underlying Debt:			
Cities of:			
Afton	\$ 4,825,000	100.00%	\$ 4,825,000
Bayport	1,190,000	100.00%	1,190,000
Cottage Grove	23,615,000	100.00%	23,615,000
Dellwood	3,580,000	100.00%	3,580,000
Forest Lake	34,065,000	100.00%	34,065,000
Hugo	15,555,000	100.00%	15,555,000
Lake Elmo	13,245,000	100.00%	13,245,000
Marine	780,000	100.00%	780,000
Newport	6,370,000	100.00%	6,370,000
Oakdale	500,000	100.00%	500,000
Oak Park Heights	2,605,000	100.00%	2,605,000
St Paul Park	365,000	100.00%	365,000
Scandia	2,780,000	100.00%	2,780,000
Stillwater	25,150,000	100.00%	25,150,000
Woodbury	29,290,000	100.00%	29,290,000
Townships of:			
Baytown	688,690	100.00%	688,690
Denmark	3,185,000	100.00%	3,185,000
School Districts of:			
832 Mahtomedi	45,045,000	100.00%	45,045,000
833 South Washington	283,615,000	100.00%	283,615,000
834 Stillwater	74,620,000	100.00%	74,620,000
Special Districts of:			
Washington County CDA	835,000	100.00%	835,000
South Washington Watershed	2,195,000	100.00%	2,195,000
		Underlying Debt Subtotal:	\$ 574,098,690
Overlapping Debt:			
Cities of:			
Hastings	\$ 2,370,000	0.19%	\$ 4,456
White Bear Lake	21,140,000	1.59%	336,316
School Districts of:			
200 Hastings	18,145,000	.15.33	2,782,518
622 N. St. Paul/Maplewood/Oakdale	427,615,000	50.40%	215,517,532
624 White Bear Lake	395,165,000	20.10%	79,432,117
831 Forest Lake	172,245,000	55.37%	95,368,181
2144 Chisago Lakes	59,425,000	3.74%	2,222,970
Special Districts of:			
Metropolitan Council/Transit	238,225,000	9.30%	22,165,407
		Overlapping Debt Subtotal:	417,829,497
Direct Debt:			
Washington County	103,846,405 (3)	100.00%	103,846,405
		Direct Debt Subtotal:	103,846,405
		Total	\$ 1,095,774,592

- Notes: (1) Do 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), lease liability, and AgBMP Loans Payable.

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

Washington County, Minnesota

Table 12

Computation of Legal Debt Limitation
Last Ten Fiscal Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Debt Limit	\$ 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	\$ 1,157,955,690	\$ 1,410,609,390
Total Net Debt Applicable to Limit	<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>	<u>100,588,828</u>	<u>90,543,578</u>
Legal Debt Margin	<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>	<u>\$ 1,057,366,862</u>	<u>\$ 1,320,065,812</u>
Total Net Debt Applicable to Limit as a Percentage of Debt Limit	16.27%	14.00%	16.11%	14.80%	12.36%	13.91%	11.34%	10.63%	8.69%	6.42%

	Amount	Percent
Total Taxable Market Value	\$ 47,020,313,000	
Debt limit- 3% of Total Market Value	1,410,609,390	100.0%
Amount of Debt Applicable to 3% Debt Limit: Total Bonded Debt	102,036,179	
Less: Amounts Available for Repayment of General Obligation	<u>90,543,578</u>	
Total Amount of Debt Applicable to Debt Limit	<u>90,543,578</u>	<u>6.42%</u>
Legal Debt Margin	<u>\$ 1,320,065,812</u>	<u>93.58%</u>

Source: Washington County Accounting and Finance Department.

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

Fiscal Year	Population (a) (b) (c) (d)	Personal Income (thousands of dollars) (c)	Per Capita Personal Income (c)	Area (Sq. Mi.)	Density (Person/ Sq. Mi.)	Number of Households (a)(b)	Unemployment Rate (e)
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%
2022	275,912	22,356,866	81,029	423	652	101,177	2.3%
2023	278,936	23,221,512 *	83,250	423	659	102,421 *	2.4%

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.

Principal Employers
Current Year and Nine Years Ago

Taxpayer	Fiscal Year 2023			Fiscal Year 2014		
	Rank	Employees	% of Total County Employment	Rank	Employees	% of Total County Employment
Andersen Corporation (Bayport, Cottage Grove)	1	6,600	4.58%	1	5,700	4.19%
Independent School District 833	2	2,731	1.90%	2	3,100	2.28%
Washington County, Government	3	2,097	1.46%	5	1,127	0.83%
Wal-Mart (Forest Lake, Oak Park Heights, Woodbury and Cottage Grove)	4	1,556	1.08%	4	1,300	0.96%
Woodwinds Healtheast Campus	5	1,416	0.98%	10	875	0.64%
Independent School District 834	6	1,162	0.81%	7	1,040	0.77%
Target (Cottage Grove, Forest Lake, Stillwater, Woodbury, and Oakdale)	7	1,146	0.80%	8	958	0.70%
Independent School District 831	8	1,096	0.76%	6	1,100	0.81%
Fed-Ex	9	875	0.61%	-	-	0.00%
Bailey Nurseries, Inc	10	800	0.56%	3	1,800	1.32%
Fairview Lakes Regional Health Care		-	0.00%	9	900	0.66%
Totals		19,479	13.54%		17,900	13.16%

Source: (a) Municipal Securities Rulemaking Board: EMMA.
 (b) MN Department of Employment and Economic Development.
 (c) Survey of individual employers, March through July 2014 and March 2023.

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>
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
2022	462	270	67	488	100	1,387
2023	455	275	69	503	110	1,412

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Government										
Number of Cities	27	27	27	27	27	27	27	27	27	27
Number of Towns	6	6	6	6	6	6	6	6	6	6
Public Safety										
Number of Stations	1	1	1	1	1	1	1	1	1	1
Number of Licensed Deputies	98	100	111	109	109	113	113	120	121	125
Highways and Streets										
Miles of County Roads:										
Bituminous	268.10	276.40	278.40	278.40	279.90	283.20	283.24	283.24	283.24	292.28
Concrete	3.90	3.90	3.90	3.90	3.90	3.90	3.90	3.90	3.90	3.90
	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
Total	272.00	280.30	282.30	282.30	283.80	287.10	287.14	287.14	287.14	296.18
Culture and Recreation										
Number of County Parks	9	9	9	9	9	9	9	9	9	9
Number of State Parks	2	2	2	2	2	2	2	2	2	2
Number of Branch Libraries	6	6	6	6	7	7	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	479,423	493,207	495,442	495,442	537,711	531,072	549,366	663,907	680,395	689,227

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

Capital Asset Statistics by Function
Last Ten Fiscal Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Public Safety										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	39	39	42	49*	49*	50*	50	50*	73	102
Highways and Streets										
Streets (Miles)	272.00	280.30	282.30	282.30	283.80	287.10	287.14	287.14	287.14	296.18
County Traffic Signals	63	72	76	78	81	82	83	83	85	86
Culture and Recreation										
Parks Acreage	4,355	4,382	4,382	4,382	4,404	4,430	4,658	4,658	4,741	4,741
County Parks	9	9	9	9	9	9	9	9	9	9

Note:

* 2017-2023 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



Washington
County
MINNESOTA

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