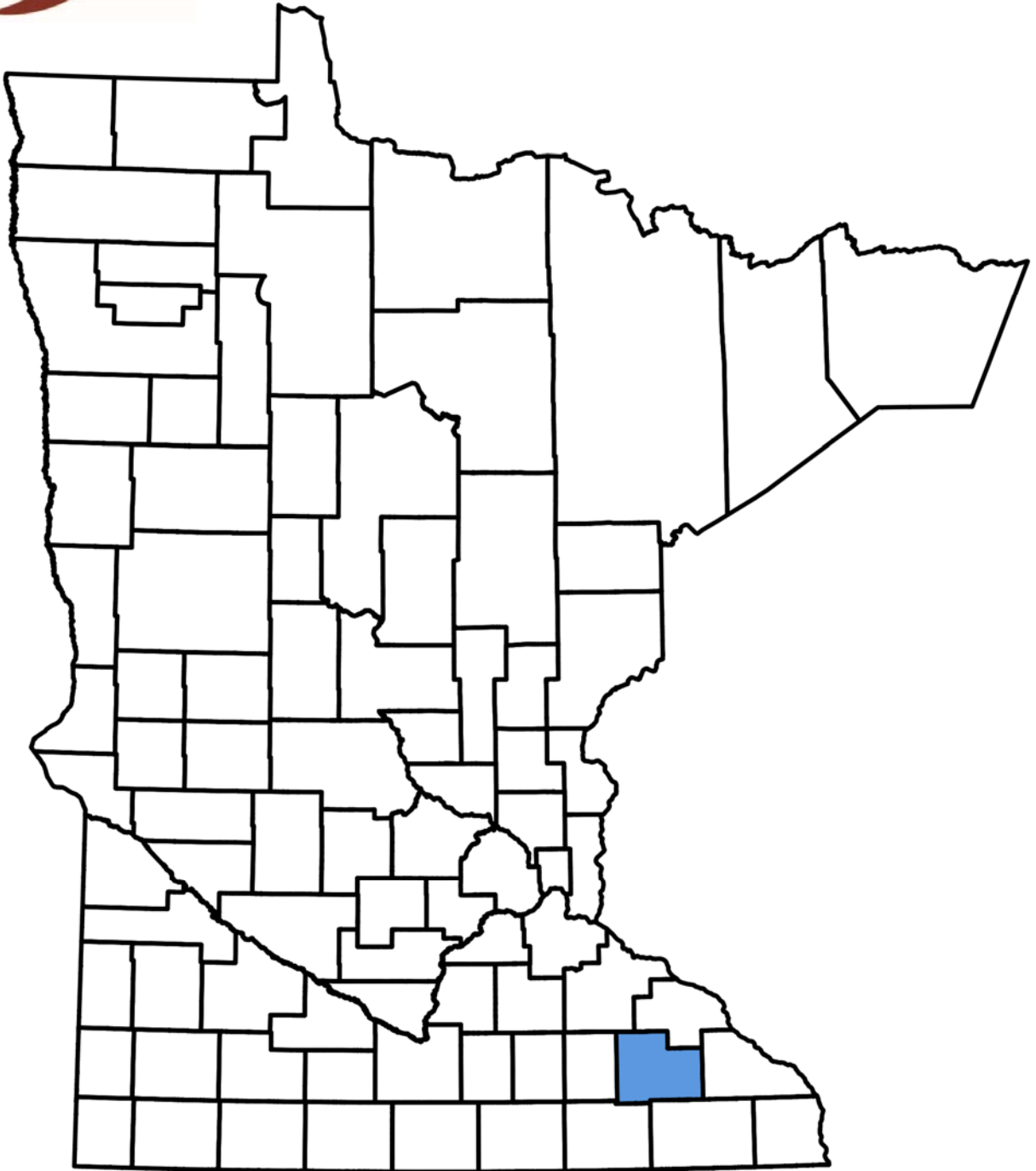




Olmsted County *Minnesota*



Comprehensive Annual Financial Report
For the year ended December 31, 2019

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Olmsted County, Minnesota

Comprehensive Annual Financial Statement

For the Year Ended December 31, 2019

Wilfredo Román-Catála, CPA/MBA
Chief Financial Officer

Prepared by:

Nancy Thomas, CPA
Assistant Controller

Brian Erwin
Associate Chief Financial Officer

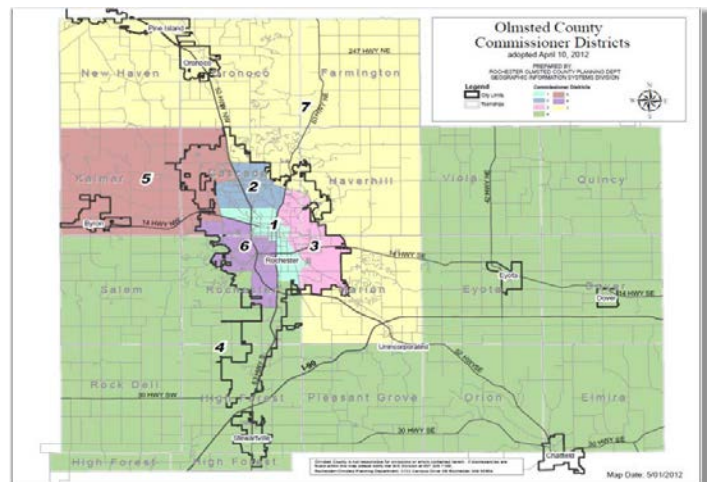
Janet Erickson, CPFO
Controller

Camy Iverson, CPFO
Controller

For inquiries contact Wilfredo Román-Catála, Finance Department, 151 Fourth Street S.E.,
Rochester, MN 55904-3710, catala.wilfredo@co.olmsted.mn.us, or telephone
507.328.7499

DATE OF INCORPORATION:	1855
FORM OF GOVERNMENT:	Board of Commissioners - Administrator
NUMBER OF EMPLOYEES:	1238 Full-Time Equivalents
AREA:	660 Square Miles
POPULATION:	Estimated 159,500
NUMBER OF TOWNSHIPS:	18
NUMBER OF CITIES:	8
LARGEST CITY:	Rochester, Estimated Population 119,900
MILES OF ROAD:	505

OLMSTED COUNTY MINNESOTA



**OLMSTED COUNTY
FUND LEVEL STATEMENTS FOR YEAR ENDED DECEMBER 31, 2019**

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SECTION I INTRODUCTORY SECTION

Transmittal Letter
Certificate of Achievement for Excellence in Financial Reporting
List of Principal Officials
Organization Chart



OLMSTED COUNTY FINANCE
151 4TH STREET SE
ROCHESTER MN 55904-3710
507.328.7676
FAX 507.328.7949

June 9, 2020

To: The Citizens of Olmsted County, Minnesota
The Olmsted County Board of Commissioners
Heidi Welsch, County Administrator
Interested Agencies and Institutions

The Finance Department is pleased to present Olmsted County's Comprehensive Annual Financial Report (CAFR) for the year ended December 31, 2019. This report is intended to be used by citizens, elected officials, internal managers, bond rating agencies, financial institutions, governmental agencies, and any others with an interest in Olmsted County's financial affairs.

Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with County management. To provide a reasonable basis for making these representations, County management has established a comprehensive **internal control framework** that is designed to protect the County assets from loss, theft or misuse and to compile sufficient reliable information for the preparation of the Olmsted County financial statements in conformity with Generally Accepted Accounting Principles (GAAP). Because the cost of internal control should not exceed anticipated benefits, Olmsted County's comprehensive internal control framework has been designed to provide a reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement.

Baker Tilly, Virchow Krause, LLP, has issued an **unmodified ("clean") opinion** on the County's financial statements for the year ended December 31, 2019. The auditor report is located at the front of the financial section of this report (page xix).

GAAP requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of a **Management's Discussion and Analysis (MD&A)**. The **letter of transmittal** that you are currently reading is designed to complement the MD&A, and should be read in conjunction with it. The County's MD&A can be found immediately following the Independent Auditor's Report.

As the role of county government becomes more complex, citizen involvement becomes more important than ever. One of the purposes of this report is to keep citizens informed about the services performed by the County, the cost of those services, and how they are funded. In order to minimize printing and distribution costs, the Olmsted County CAFR is available, in its entirety, on the County's website at www.olmstedcounty.com. Other electronic and printed formats may be made available by contacting the County Finance department. For other information, please contact the County Administrator's office, the Finance office, or any of the County's managers. **Contact information** can be found on the County's website and also on page **xvi** of this report.

PROFILE OF OLMSTED COUNTY

On February 20, 1855, Olmsted County was created from 660 square miles of land in southeastern Minnesota that had been a part of three surrounding counties. The county was named after David Olmsted, a newspaper publisher and fur trader. In 1863, Doctor William Mayo arrived in Rochester to become the examining surgeon of federal draftees during the Civil War.

A series of strong tornados that swept through the County in August 1883 caused 37 deaths and hundreds of injuries. At the time there were no hospitals in Rochester, so doctors William Mayo and his two sons, Will and Charlie, took charge of caring for the patients in a dance hall that was transformed into a temporary emergency room. Soon after that, the Sisters of St. Francis banded together to form St. Mary's Hospital, which ultimately led to the creation of the Mayo Clinic.

Since then, the population of Olmsted County has grown to an estimated total of 159,500 citizens. The County ranks eighth in population size among Minnesota's 87 counties. The City of Rochester, the County seat, has an estimated population of 119,100 making it the third largest Minnesota city, after the twin cities of Minneapolis and St. Paul.

The County operates under an elected seven-member Board of Commissioners, each member representing one of the seven districts of the County. The County Attorney and County Sheriff are also elected officials. The **County Board of Commissioners** are responsible for, among other things, authorizing resolutions, adopting the annual budget, appointing committees and hiring the County Administrator. The **County Administrator** is responsible for carrying out the policies and resolutions the Board adopts. The Administrator oversees the day-to-day operations of the County and appoints the heads of the various County departments to manage these operations. The link below to the Olmsted County website provides contact information for the County Administrator, as well as other department heads.

<http://www.co.olmsted.mn.us/admin/Pages/default.aspx>

Olmsted County government provides its citizens with a broad spectrum of services and infrastructure based on State laws and community needs. County services are provided directly or indirectly through employees who work in fifteen operating and six support departments or by contractors contracted by those departments. Examples of County services include law enforcement and detention, construction and maintenance of roads and bridges, solid waste management and recycling, public health, social services, emergency management, and library services for rural citizens.

BUDGETARY OVERVIEW

It is estimated that **78% of the services that Minnesota counties provide are required (mandated)** by State or Federal law. In Olmsted County, the process of developing an annual budget starts early in the preceding year. County management and departments first determine the impact of the latest legislative session, which is scheduled to end in May each year. The decisions made by State lawmakers can determine which services the County will be required to provide, the cost of those mandated services, and how much funding the State and Federal governments will contribute to pay for the services. In addition to mandated services, the County provides other services that are important to our citizens. An example of a non-mandated service is the construction and maintenance of County roads.

A **modified version of zero-based budgeting** is used to develop budgets. Departmental managers, Finance, and Administration carefully review all budget line items each year for potential adjustments. More importantly, they ask questions to determine the value of current services, such as:

- Is the service still in line with the County's mission and stated objectives?
- Does the service meet the needs of citizens?
- If the service is continued, should it be performed at a different level?
- Should the service be discontinued?

Many departments work with citizen advisory boards during this process to gather community input on how to balance too many needs with not enough resources. The departments also work with the County Administrator and almost always make significant reductions to budget requests before anything is brought to the County Board of Commissioners for review.

By September, the Administrator recommends to the Board a total budget and levy. State law requires that the County **certify the maximum property tax levy for the coming year** by September 30. In November, preliminary property tax statements are mailed to taxpayers showing the amount their taxes would be in the following year if the September 30 budget is adopted. The Board then meets with each department to discuss their budgets. The Board also meets with several outside agencies who request funding from the County.

In early December, a public hearing is held to gather further citizen input. Minnesota Truth-in-Taxation law specifies the date and time of that hearing. At a later date, but prior to the end of the year, the law requires the County Board to adopt the final budget and tax levy for the following year.

Olmsted County **budgets are controlled** at the expenditure level within departments, a much more detailed level than is required by state or federal law. Budget to actual comparisons for each governmental fund are reported in the Required Supplementary Information section of this report.

Because the budget is in large amounts, it's often difficult for citizens to compare the cost of Olmsted County services. The table below breaks down the property tax paid by Olmsted County citizens into Per Person amounts that are easier to compare to other goods and services that people buy.

Budgets Per Person - Net Tax Levy

	<u>2019</u>	<u>2020</u>
OLMSTED COUNTY POPULATION	<u>159,500</u>	<u>161,000</u>
SERVICES PROVIDED		
CRIMINAL JUSTICE / PUBLIC SAFETY		
Courts	\$ 11	\$ 12
Attorney	37	38
Sheriff / Emergency Management	88	91
Adult Detention Center	89	90
Community Corrections	48	53
HIGHWAYS		
Construction	26	24
Maintenance	18	21
HUMAN SERVICES		
Veteran Services	3	3
Income Maintenance	34	34
Social Services	166	157
Housing and Redevelopment Authority (1)	16	23
PUBLIC HEALTH	56	53
OTHER		
Board of Commissioners	4	5
Land Management	45	46
Libraries (2)	38	41
Parks	9	28
Historical Society	2	2
Conservation	4	3
TOTAL (3)	<u>\$ 694</u>	<u>\$ 723</u>

For Comparison - Annual Cost Goods & Services Purchased by Citizens	
Cable + Internet	up to \$2,100
Subscription to Post-Bulletin	\$205
Daily Bottle of Cola from machine	\$548
Daily Energy Drink from machine	\$1,004
Telephone / Cell Phone	\$500 to \$1,500
Home Security System-Annual	\$350-\$950
Home Insurance	\$1,400
Daily work week lunch at restaurant	\$2,760

- (1) The Olmsted County Housing and Redevelopment Authority collects taxes from all taxable property located in Olmsted County except those within the city limits of the City of Stewartville.
- (2) For Libraries, the County only collects taxes from rural residents to fund rural participation at libraries maintained by cities in Olmsted County.
- (3) 2019 has been updated for current population estimates from the State Demographer's Office.

After the budgets are adopted, they are continually monitored. Adjustments are made throughout the year, as needed. In addition to monitoring budget dollars, the County Board of Commissioners also looks at departmental results or "outcomes", which describe how well the services are meeting strategic objectives and citizens' needs.

As mentioned above, **citizen advisory boards** are asked to participate in developing the annual budget. The boards are made up of citizens who apply for appointments for a limited number of years. Advisory board openings are publicly advertised in local newspapers. Citizens who feel they have the experience and skills to make useful contributions to an advisory board are encouraged to apply. The list of advisory boards can be found on the Olmsted County website (see link below).

<http://www.co.olmsted.mn.us/yourgovernment/Pages/BoardsCommissions.aspx>

FACTORS AFFECTING OLMSTED COUNTY'S ECONOMIC CONDITION AND OUTLOOK

The following discussion of the local and state economy, as well as major County initiatives, is intended to add some perspective to the information found in the financial statements

The Local Economy

The economy of the County, for which the City of Rochester is the county seat, is built around health care, high technology and agriculture. The three major (non-government) employers for Olmsted County include the **Mayo Clinic, IBM-Rochester and Olmsted Medical Center**. These three employers combined employ approximately 40,400 people in a workforce of over 100,000. Due to the presence of the Mayo Clinic, the **hospitality industry** also plays a major role in the health of the local economy. Over 6,100 transient lodging rooms serve more than one million national and international visitors each year.

The housing market in Olmsted County has maintained a healthy increase in values. Between 2014 and 2019, real property **market values** in the County increased by about 56%. During this same time, Olmsted County has continued to experience **steady growth in population, jobs, and income**. Between 2014 and 2019, the County's population grew by about 5.7%. Unemployment has remained relatively stable. In 2019, Olmsted County's average unemployment rate was just 2.6%, compared to 3.2% for the State and 3.7% for the U.S.

Olmsted County's median annual household income of \$74,880 is higher than the State's, \$68,411, and the national median of \$60,293.

Olmsted County is projected to remain one of Minnesota's fastest-growing counties over the next two decades, while Rochester will be part of one of the fastest-growing metropolitan areas in the state. According to the Olmsted County Planning Department, Olmsted County is projected to reach a population of 210,000 by the year 2040. This increase will represent a 50,500 or about 32% increase from the 2019 estimated population of 159,500. Their projections also show that the county should reach about 165,000 jobs by the same year (2040). This growth appears to be very doable considering a 49% population increase experienced since 1990 (when the county population was close to 107,000) and the anticipated impact of **Destination Medical Center (DMC) economic development initiative**.

Destination Medical Center (DMC) is the largest economic development initiative in Minnesota and one of the largest in the United States. It represents a shared vision of making the Rochester area as the world's premier destination center for health and wellness. With more than \$5 billion in projected private investments, it is estimated that DMC could generate significant growth to the region by creating 35,000 to 45,000 jobs and generating approximately \$8 billion in new tax revenue

Additional information about DMC can be found in the DMC website - <http://dmc.mn/>

Long Term Financial Planning and Relevant Financial Policies

Olmsted County's solid financial performance and financial health can be attributed, in part, to strong financial management practices rooted in our flexible Business Principles. The principles provide County leadership the guidance, foresight and flexibility needed to implement timely and sound financial and operational decisions in response to the ever changing economic and fiscal landscape. The aforementioned principles provide direction about ethics, banking, budgets, financial reporting, assets capitalization and depreciation, debt, investments, purchasing, reserves management, revenue management, enterprise fund operations and self-insurance.

Some of the activities, under the principles mentioned above, impacting long term financial planning include, but are not limited to:

- Regular involvement by finance staff of the qualitative judgment of programmatic managers in budget development, monitoring and financial forecasting
- One-time revenues (uncertain funding streams) are linked to one-time expenditures to avoid building instability into the budget
- The goal to maintain fund balances between 35% to 50% of operating revenues in our Governmental Funds

- A Five-Year Capital Improvement Plan for major public improvements is reviewed and updated annually
- Our self-insurance health plan is modeled out five years for rate setting purposes
- Extensive use of self-supporting internal service funds to account for overhead costs

Over the years, Olmsted County has been able to accumulate reserves and strengthen its financial position during periods of economic expansion. This approach has allowed County leadership greater flexibility in balancing the budget during times of economic downturn by using reserves to fill some of the annual budget gaps. As a result, the County has positioned itself favorably to minimize the risk of structural deficits while maintaining credit quality.

In October 2019, Moody's Investor Services and S&P Global rating agencies affirmed Olmsted County's General Obligation **bond rating of Aaa and AAA**, respectively and "stable", the highest rating that is possible to attain.

In their report, S&P Global said their rating reflects the following factors for the rating; very strong economy, very strong management, very strong budgetary flexibility, very strong liquidity, very strong debt and contingent liability profile, strong budgetary performance and strong institutional framework.

Current Economic Downturn

At the time of the issuance of this document, the world was dealing with the novel coronavirus (COVID-19), a global pandemic. Society through both government and industry are responding to slow the spread and contain the virus in order to safeguard as many lives as possible. The financial implications of this public health emergency are significant, with regional, national and global impacts on economies. The extent of the impact of COVID-19 on Olmsted County operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, impact on our citizens, employees and vendors all of which are uncertain and cannot be predicted.

Due to the ongoing uncertainty and unpredictability of the economy as a result of the current pandemic, County leadership has already made several decisions to preserve cash, bring revenues and expenditures into alignment and to help ensure the County provide needed services while maintaining a strong financial position over the short, medium, and long-term. Some of the decisions include, but not limited to, personnel cost control, capital projects/assets delay and program elimination.

- **Control personnel costs** - Personnel is one of the largest costs for Olmsted County. Controlling vacant positions (by only hiring necessary and affordable positions) and limiting overtime use will help us reduce costs and provide us with time to understand impact to revenues. The vacancy control strategy will help us reduce the need for other strategies like compensation reduction, furloughs and layoffs implemented by other employers in Olmsted County and the rest of the nation. At the time of the issuance of this document, the County had thirteen vacant positions in "frozen" status, with the potential to generate \$890,000 in savings, if held open until December 2020. Additional positions could be held open, as they become vacant.
- **Delay capital projects/assets purchases** – We have reviewed our 2020 capital spending and delayed spending for several projects as well as capital asset purchases while taking into consideration and understanding the potential pitfalls. At the time of the issuance of this document, the County had delayed about \$8.4 million of 2020 capital projects/assets purchases.
- **Program elimination** - After 22 years, the 16-bed Olmsted County Juvenile Detention Center (JDC) closed its doors in May 2020 due to decreasing youth incarceration rates. Not only had the JDC population in Olmsted County trended downward for the last five years but the facility was also serving far more youth from other counties than Olmsted County. Also becoming increasingly difficult was the cost of maintaining the JDC, especially during a time of financial strain due to COVID-19. The JDC had an annual expenditures budget of \$1.3 million in 2020.

Finally, our 2019 financial results infused our Assigned and Unassigned fund balance with an additional \$11.3 million and gave the County additional flexibility in the face of current economic downturn.

State of Minnesota

The majority of services that counties provide are **mandated (required) by the State of Minnesota**. The State provides partial funding for these services using income and sales tax revenues collected from citizens throughout the State. The remaining costs must be covered by other revenues, primarily property taxes.

For many years, the amount of income and sales tax revenues collected by the State and shared with local governments to provide mandated services has been steadily declining. With fewer dollars from the State, other funding sources (property taxes, for example) must cover a higher percentage of expenses.

One advantage County officials see in the trend of less State funding and more tax-supported services is that property taxes are a more stable source of funding which should make it easier to plan for the future. However, County management continues to ask State Legislators to **eliminate all Maintenance of Effort (MOE) rules that require the County to spend as much as the prior year** on a particular program or service, even if that level of spending is deemed unnecessary. The County Board believes that County citizens whose property is being taxed should be able to decide what services they need and what level of service is most appropriate.

MAJOR OLMSTED COUNTY INITIATIVES

Southeast Regional Crisis Center

Southeast Regional Crisis Center is the official name of the new mental health crisis center to be built in Rochester, Minnesota. To ensure individuals living in the 10 counties served by the center are aware the facility will be open 24 hours a day, seven days a week, a newly designed logo for the Southeast Regional Crisis Center includes a tagline of *24/7 Mental Health Services*.

Nationwide, the mental health system is struggling to cope with mental health crises and the ongoing drug epidemic. Nearly one in five adults in the U.S. lives with a mental illness, according to the [National Institute of Mental Health](#). From 2007-2014, Minnesota's hospitals experienced a 49 percent increase in all mental health emergency department visits, which included substance abuse, for all ages. With nowhere else to go, patients in crisis often wait days, weeks, and months for admission to an appropriate facility for their needs; having a crisis center in southeast Minnesota will help fill those serious gaps in care.

In April 2020, it was announced that APX Construction out of Mankato, Minnesota was selected as the construction vendor for the project. APX Construction will begin breaking ground on the center on June 1, 2020. Another milestone coming later this summer will be announcing the service provider selected to operate the center. The intent is to open the Southeast Regional Crisis Center in the spring of 2021.

The Southeast Regional Crisis Center will provide care to individuals of all ages in southeast Minnesota who are experiencing a mental health care crisis. The center will serve Dodge, Fillmore, Goodhue, Houston, Mower, Olmsted, Steele, Wabasha, Waseca, and Winona counties. The Southeast Regional Crisis Center is being made possible thanks to a collaboration between Olmsted Medical Center, Mayo Clinic, the southeast chapter of the National Alliance on Mental Illness (NAMI), the Collaborative Resource Education Services, and Technology (CREST) initiative, and several other partners. The Minnesota Department of Human Services awarded \$5 million in funding to the center in 2019.

Oxbow Park Nature Center

With the help of a consulting firm, master plans have been created for the future of Olmsted County's parks and recreation system, with emphasis on positioning Oxbow, Chester Woods, and Root River parks for Regional Designation by the Greater Minnesota Regional Parks and Trails Commission (GMRPTC). Upon completion of the Master Plans, three parks sought the regional designation by the GMRPTC in 2017. In this process, Oxbow Park received the highest-ranking designation as a "Special Recreation Feature Park" and is now eligible for State of Minnesota Legacy funding.

Oxbow Park is a 624-acre natural resource-based park with miles of hiking trails, picnic areas along the Zumbro River, a campground, and the focal point, Zollman Zoo, with more than 30 species of animals native to Minnesota. The park is located on the western side of the county and is widely visited by tour groups, school children, families, and the general public.

The Oxbow Park and Zollman Zoo Master Plan seeks to prioritize park development, operations, maintenance, and programming for the next 20 years. The plan will also serve as a guide for natural resource management. Some of the features of the future vision for the park include:

- Expanded Nature Center
- Build a new caretaker home in a different location
- Realignment of County Road 105 to allow safer, contiguous zoo boundary
- Relocated campground to higher ground and repurposing existing campground for group picnicking
- New ADA trail loop
- Addition of new seasonal group campsite on the east end of the park
- Trail extensions in the east, including a new river overlook
- Bridge replacements
- New on-leash dog trails in the south end of the park
- Additional canoe/kayak launch

In early 2019, the Greater Minnesota Regional Parks and Trails Commission selected Olmsted County's Oxbow Park and Zollman Zoo as one of its recommended recipients to receive funding from the state's Parks and Trails Legacy Fund. If approved by the Legislature, Oxbow Park and Zollman Zoo will receive \$2.1 million for Phase 1 of its nature center project. Phase 1 includes the building and immediate landscaping around the new building. The new nature center at Oxbow Park is still expected to open in the fall of 2022. Phase 2 of the Nature Center includes the general landscaping and entry plaza into the zoo. It is anticipated that the grant request for Phase 2 will be pushed back due to a decrease in the income tax funding stream and new Legacy grant awards being put on hold.

Oxbow Park has also identified the need to build a new caretaker home and has determined a new location for that residence on the Northeast corner of the zoo near the 3rd bridge picnic area. The cost of needed repairs and maintenance on the existing residence is quickly approaching the total value of the home, so it is the recommendation from the Facilities department to build a new residence. Construction of the new home is anticipated to take place within the next five years.

Rochester Community Warming Center

To help meet the needs of those without shelter in Minnesota during the winter, Olmsted County partnered with Catholic Charities in 2019 to open a new Rochester Community Warming Center in downtown Rochester. Funding was also provided by the City of Rochester, Mayo Clinic, and numerous community donors. Community members also signed up for volunteer shifts to augment the overnight staffing throughout the winter. The Rochester Community Warming Center serves adults 18 years of age and older and has 15 bunk beds (space for 30 to sleep), 3 shower stalls, 3 restrooms, 2 washers and 2 dryers, and a kitchenette space. Overnight guests are welcome from 9 p.m. through 7 a.m. The Center opened in December for the 2019-2020 winter season.

OTHER INFORMATION

Awards and Acknowledgments

Olmsted County is proud to have earned the **Certificate of Achievement for Excellence** in Financial Reporting from the Government Finance Officers Association of the United States and Canada (GFOA) for 34 consecutive years, for the fiscal years ended December 31, 1985 through 2018. The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting. A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement Program requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

We invite you to continue on and read the Comprehensive Annual Financial Report. Olmsted County is a complex operation. This report will give you a good overview of its finances. If you have questions regarding any of the materials presented here, please contact the County Administrator's office, the Finance Department, or any of the County management in the List of Principal Officials that follows. We also invite you to visit the County's web page at www.olmstedcounty.com.

Finally, we would like to acknowledge the contributions of the many employees of Olmsted County who worked to compile this report.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Wilfredo Román Cátala', with a stylized, cursive script.

Wilfredo Román Cátala, CPA
Chief Financial Officer

A handwritten signature in black ink, appearing to read 'Nancy Thomas', in a cursive script.

Nancy Thomas, CPA
Assistant Controller



Government Finance Officers Association

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

Presented to

**Olmsted County
Minnesota**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

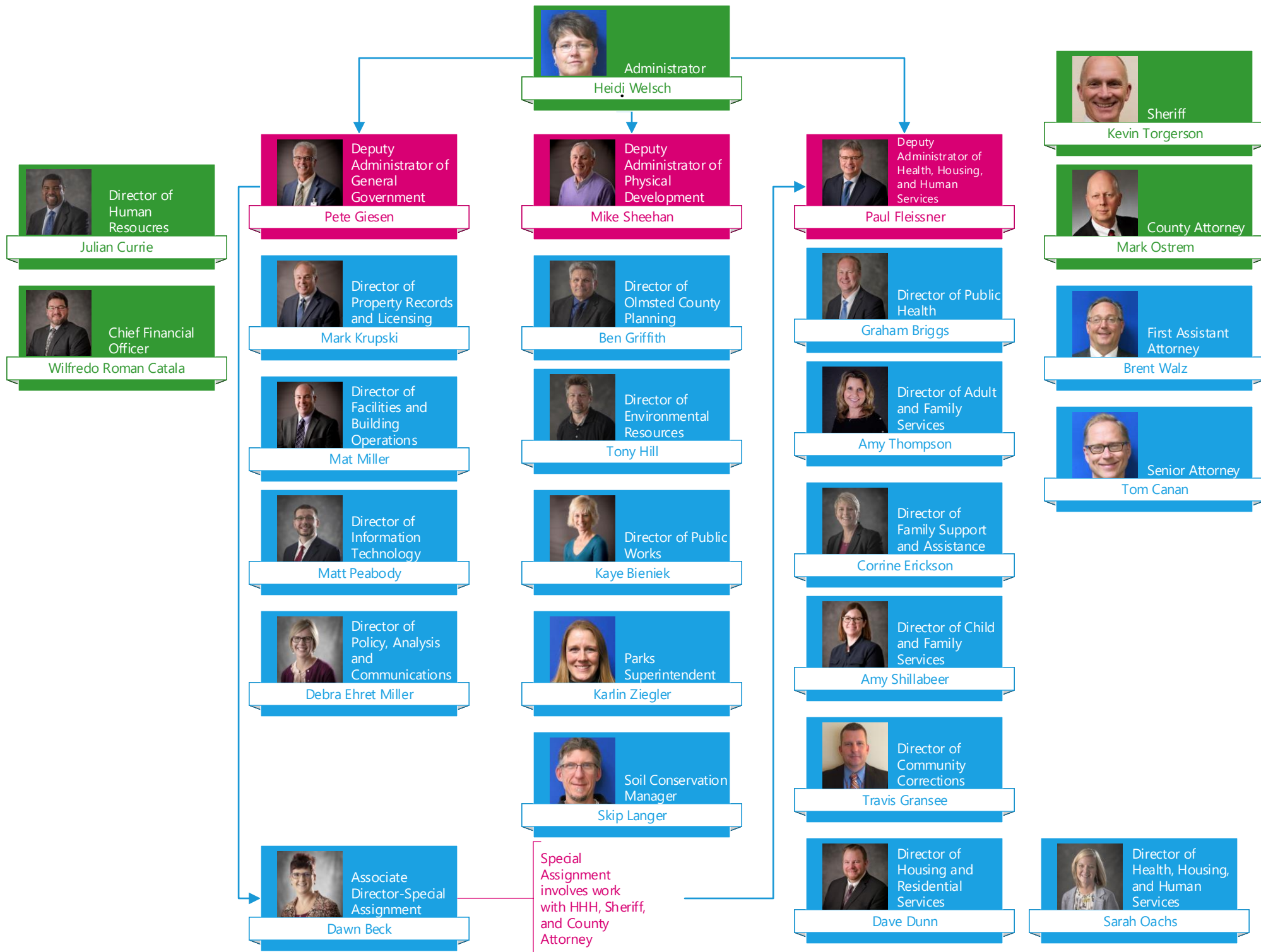
December 31, 2018

Christopher P. Morrell

Executive Director/CEO

OLMSTED COUNTY
LIST OF PRINCIPAL OFFICIALS

OFFICE	NAME	TERM EXPIRES	TELEPHONE	E-MAIL
Commissioners:				
1st District	Stephanie Podulke	January 2021	282-2752	podulke.stephanie@co.olmsted.mn.us
2nd District	Ken Brown	January 2023	288-7134	brown.ken@co.olmsted.mn.us
3rd District	Gregg Wright	January 2021	216-7985	wright.gregg@co.olmsted.mn.us
4th District	Matt Flynn (2)	January 2023	533-8758	flynn.matt@co.olmsted.mn.us
5th District	Jim Bier (1)	January 2021	282-9162	bier.jim@co.olmsted.mn.us
6th District	Sheila Kiscaden	January 2023	287-6845	kiscaden.sheila@co.olmsted.mn.us
7th District	Mark Thein	January 2021	696-7188	thein.mark@co.olmsted.mn.us
Officers:				
Elected:				
Attorney	Mark Ostrem	January 2023	328-6690	ostrem.mark@co.olmsted.mn.us
Sheriff	Kevin Torgerson	January 2023	328-6745	torgerson.kevin@co.olmsted.mn.us
Appointed:				
Administrator	Heidi Welsch	Indefinite	328-6018	welsch.heidi@co.olmsted.mn.us
Deputy Administrator: General Government	Pete Giesen	Indefinite	328-7434	giesen.pete@co.olmsted.mn.us
Deputy Administrator: Health, Housing & Human Services; DFO	Paul Fleissner	Indefinite	328-6350	fleissner.paul@co.olmsted.mn.us
Deputy Administrator: Public Works and Environmental				
Resources				
Director of Policy, Analysis and Communication	Mike Sheehan	Indefinite	328-7045	sheehan.michael@co.olmsted.mn.us
Facilities and Building Operations Director	Debra Ehret Miller	Indefinite	328-6007	ehretmiller.debra@co.olmsted.mn.us
Information Systems Director	Mathew Miller	Indefinite	328-6722	miller.mathew@co.olmsted.mn.us
Chief Financial Officer	Matthew Peabody	Indefinite	328-7779	peabody.matthew@co.olmsted.mn.us
Human Resources Director	Wilfredo Roman-Catala	Indefinite	328-7499	catala.wilfredo@co.olmsted.mn.us
Planning Director	Julian Currie	Indefinite	328-7724	currie.julian@co.olmsted.mn.us
Environmental Resources Director	Ben Griffith	Indefinite	325-7123	griffith.ben@co.olmsted.mn.us
Property Records and Licensing Director	Tony Hill	Indefinite	328-7008	hill.tony@co.olmsted.mn.us
	Mark Krupski	Indefinite	328-7663	krupski.mark@co.olmsted.mn.us
(1) Chair of Board of Commissioners for 2019	Jim Bier			
(2) Chair of Board of Commissioners for 2020	Matt Flynn			





SECTION II FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

To the Board of County Commissioners
Olmsted County
Rochester, Minnesota

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Olmsted County, Minnesota, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise Olmsted County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Olmsted County Housing and Redevelopment Authority, a major enterprise fund, which represents 15 percent, 14 percent, and 26 percent, respectively, of the assets, net position and revenues of the business-type activities. Those 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 Olmsted County Housing and Redevelopment Authority, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Olmsted County, Minnesota, as of December 31, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1, Olmsted County adopted the provisions of Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities*, effective January 1, 2019. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Olmsted County's basic financial statements. The supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information 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 auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the report of the other auditors, the supplementary information is fairly stated in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 9, 2020 on our consideration of Olmsted 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 Olmsted 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 Olmsted County's internal control over financial reporting and compliance.

Baker Tilly Virchow Krause, LLP

Minneapolis, Minnesota
June 9, 2020

Management's Discussion and Analysis

Management's Discussion and Analysis (MD&A) provides an overview and analysis of the financial activities of Olmsted County for the fiscal year ended December 31, 2019. Please consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages vii - xiv of this report.

Financial Highlights

At December 31, 2019, the County's government-wide assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$323.4 million (net position).

Net position consists of:

- \$216.0 million, or 67% of total net position represents the County's net investment in capital assets.
- \$23.8 million, or 7% of total net position is restricted by specific statutory requirements or external commitments.
- \$83.6 million, or 26% of total net position is unrestricted and may be used to meet the County's obligations to citizens and creditors.

The County's total government-wide net position increased \$14.8 million. Governmental activities net position increased \$12.3 million and business-type activities increased \$2.5 million.

Olmsted County's investment in capital assets increased \$5.2 million in 2019. The primary reason for the increased investment in capital assets is the purchase of the Seneca Food and Subway properties. Both were purchased for future development.

Olmsted County's total debt outstanding increased \$8.8 million in 2019. The County issued new bonds totaling \$19.2 million. Debt payments in 2019 totaled \$10.4 million.

At December 31, 2019, the governmental funds reported combined fund balance of \$125.4 million.

Governmental fund balance consists of:

- \$3.3 million, or 3% of total government fund balance is nonspendable.
- \$21.2 million, or 17% of total governmental fund balance is restricted for specific purposes
- \$100.9 million, or 80% of total governmental fund balance is available for spending at the County's discretion (assigned and unassigned fund balance).

The governmental funds fund balance increased \$16.1 million. The General Fund, Infrastructure Fund, and Health and Human Service Fund balances increased \$5.8 million, \$6.4 million, and \$3.9 million respectively.

Overview of the Financial Statements

The management's discussion and analysis is intended to serve as an introduction to Olmsted County's basic financial statements, which include three components: 1) government-wide statements, 2) fund financial statements, 3) notes to the financial statements. This financial report also contains supplementary information.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the County's finances, in a manner similar to private-sector business. These statements can be found on pages 2 and 3 of this report.

The **Statement of Net Position** includes all the County's assets, deferred outflows, liabilities and deferred inflows, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of Olmsted County is improving or deteriorating.

The **Statement of Activities** takes all the current year's revenues and expenses into account regardless of when the cash is received or paid. This means some of the revenues and expenses reported in this statement will result in cash flows in a future year.

Both government-wide statements make distinction between *types of activities*:

- *Governmental activities* are principally supported by property taxes and intergovernmental revenue. Most of the County's basic services are included here such as general government, public safety, conservation of natural resources, economic development, highways and streets, health, human services, cultural and recreation, and internal support services.
- *Business-type activities* are supported to a large extent by user fees and charges. Waste management services, a telephone consortium, an Olmsted County Housing and Redevelopment Authority (HRA) blended component unit, and a sewer collection and treatment system are the four *business-type activities* the County operates.

Fund Financial Statements

The fund financial statements provide more detailed information than the government-wide statements. Using separate funds is a way to maintain control over resources that have been segregated for specific activities or objectives. Olmsted County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The County's funds fall into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds are used to account for essentially the same functions or programs reported as *governmental activities* in the government-wide financial statements. However, the governmental fund financial statements differ from the government-wide statements.

The fund statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Therefore, the *timing of cash flows* is taken into account when determining the amount of revenues and expenditures in the governmental fund financial statements, while it is disregarded in the government-wide statements where all *earned* revenues and all *incurred* expenses are recorded. This modified-accrual approach in the fund statements may be useful in evaluating a government's near-term financing requirements. The basic governmental funds financial statements are on pages 4 and 5 of this report.

By comparing the two types of statements, government-wide vs. governmental funds, readers may better understand the long-term impact of the government's short-term financing decisions. To aid in this comparison, a reconciliation of the fund statements to the government-wide statements is provided for both the balance sheet, on page 4, and the statement of revenues, expenditures, and changes in fund balance, on page 6.

Olmsted County has three governmental funds, all considered to be major funds: General, Infrastructure, and Health and Human Services.

For each fund, information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances. There are no other governmental funds. However, additional detail pertaining to the General Fund and Health and Human Service Fund can be found in the Supplementary Information section of this report.

Proprietary Funds are used to account for services for which the County charges customers a fee directly related to the services provided. Olmsted County has two different types of proprietary funds. The basic proprietary funds financial statements are on pages 7-9 of this report.

Enterprise Fund statements report the same amounts as the *business-type activities* in the government-wide financial statements. But the fund statements provide more detail and additional information, such as cash flows. These statements provide separate information for the Waste Management, Communications, and the Olmsted County HRA, which are considered major funds of the County. The Olmsted County HRA is a blended component unit. The Sanitary Sewer Fund is reported as a non-major fund.

Internal Service Funds are used to report activities that support other County departments and are funded by user charges to those departments. The Internal Service Funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Additional detail pertaining to the Internal Service Funds can be found in the Supplementary Information section of this report.

Fiduciary Funds are used to account for resources held for the benefit of parties outside the County. Since the resources of those funds are not available to support the County's programs, these funds are not included in the government-wide financial statements. Olmsted has two types of fiduciary funds, a **Private-Purpose Trust Fund and Custodial Funds**. Additional detail pertaining to the Custodial funds can be found in the Supplementary Information section of this report. The basic fiduciary funds financial statements are on page 10 and 11 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 14 - 62 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also includes *required supplementary information*, which presents budgetary comparisons to financial results for each of the three governmental funds, the schedule of County's changes in post-employment benefits liability and related ratios, the schedule of the County's proportionate share of the Public Employee Retirement Association (PERA) net pension liability and the schedule of contributions to the PERA pension plan. Required supplementary information and notes to the required supplementary information can be found on pages 64 - 76 of this report.

Government-wide Overall Financial Analysis

As shown in the table below, County assets and deferred outflows of resources exceeded its liabilities and deferred inflows by \$323.4 million as of December 31, 2019.

Table 1: Olmsted County Net Position

Olmsted County's Net Position as of December 31
(in thousands of dollars)

	Governmental activities		Business-type activities		Total		Percent Change
	2018	2019	2018	2019	2018	2019	
Current and other assets	\$ 189,154	\$ 209,421	\$ 33,391	\$ 34,896	\$ 222,545	\$ 244,317	10%
Capital assets	257,899	267,353	104,361	100,108	362,260	367,461	1%
Total assets	\$ 447,053	\$ 476,774	\$ 137,752	\$ 135,004	\$ 584,805	\$ 611,778	5%
Total deferred outflows	\$ 21,634	\$ 12,083	\$ 827	\$ 434	\$ 22,461	\$ 12,517	-44%
Current liabilities	\$ 16,259	\$ 17,849	\$ 2,832	\$ 3,137	\$ 19,091	\$ 20,986	10%
Noncurrent liabilities	168,089	182,047	78,419	72,670	246,508	254,717	3%
Total liabilities	\$ 184,348	\$ 199,896	\$ 81,251	\$ 75,807	\$ 265,599	\$ 275,703	4%
Total deferred inflows	\$ 31,997	\$ 24,326	\$ 1,128	\$ 889	\$ 33,125	\$ 25,215	-24%
Net Position:							
Net investment in capital assets	\$ 178,260	\$ 181,077	\$ 33,397	\$ 34,928	\$ 211,657	\$ 216,005	2%
Restricted	13,211	15,913	7,475	7,873	20,686	23,786	15%
Unrestricted	60,871	67,645	15,328	15,941	76,199	83,586	10%
Total net position	\$ 252,342	\$ 264,635	\$ 56,200	\$ 58,742	\$ 308,542	\$ 323,377	5%

The largest portion of the County's net position reflects the net investment in capital assets (e.g. land, roads and bridges, buildings, equipment, software net of any related debt used to acquire those assets that is still outstanding). These capital assets are used to provide services to citizens and are *not available for future spending*. Although the County's investment in capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Table 2: Olmsted County Changes in Net Position

As shown in the table below, the County's net position increased in the current year by \$14.8 million, a decrease of 9% from the 2018 increase in net position.

Olmsted County Changes in Net Position as of December 31
(in thousands of dollars)

	Governmental activities		Business-type activities		Total		Percent Change
	2018	2019	2018	2019	2018	2019	
Revenues							
<u>Program revenues:</u>							
Charges for services	\$ 27,287	\$ 29,330	\$ 29,236	\$ 29,113	\$ 56,523	\$ 58,443	3%
Operating grants and contributions	48,401	55,195	4,997	5,685	53,398	60,880	14%
Capital grants and contributions	215	173	-	-	215	173	-20%
<u>General revenues and special item:</u>							
Property taxes	98,149	102,517	1,745	2,484	99,894	105,001	5%
Sales taxes	13,925	14,619	-	-	13,925	14,619	5%
Wheelage taxes	1,402	1,412	-	-	1,402	1,412	1%
Unrestricted grants	8,119	7,783	-	-	8,119	7,783	-4%
Investment income	3,027	5,161	349	411	3,376	5,572	65%
Other	411	131	-	-	411	131	-68%
Total revenues	\$200,936	\$216,321	\$ 36,327	\$ 37,693	\$237,263	\$254,014	7%
Expenses							
General government	\$ 19,732	\$ 19,850	\$ -	\$ -	\$ 19,732	\$ 19,850	1%
Public safety	50,865	54,051	-	-	50,865	54,051	6%
Conservation of natural resources	2,563	4,126	-	-	2,563	4,126	61%
Highways and streets	25,686	28,303	-	-	25,686	28,303	10%
Health	13,810	13,535	-	-	13,810	13,535	-2%
Human services	69,583	76,135	-	-	69,583	76,135	9%
Culture and recreation	4,801	5,464	-	-	4,801	5,464	14%
Interest on long-term debt	2,482	2,517	-	-	2,482	2,517	1%
Waste management	-	-	22,783	25,368	22,783	25,368	11%
Sanitary sewer	-	-	104	119	104	119	14%
Communications	-	-	1,106	1,266	1,106	1,266	14%
HRA	-	-	7,320	8,382	7,320	8,382	15%
Other	58	47	-	-	58	47	-19%
Total expenses	\$189,580	\$204,028	\$ 31,313	\$ 35,135	\$220,893	\$239,163	8%
Excess (Deficiency) of Revenues over Expenses	\$ 11,356	\$ 12,293	\$ 5,014	\$ 2,558	\$ 16,370	\$ 14,851	-9%
Extraordinary loss caused by fire	-	-	-	(16)	-	(16)	-
Change in net position	\$ 11,356	\$ 12,293	\$ 5,014	\$ 2,542	\$ 16,370	\$ 14,835	-9%
Net position - beginning	\$240,986	\$252,342	\$ 51,186	\$ 56,200	\$292,172	\$308,542	6%
Net position - ending	\$252,342	\$264,635	\$ 56,200	\$ 58,742	\$308,542	\$323,377	5%

Governmental Activities

Net position in governmental activities increased \$12.3 million.

Program activities have a net expense of \$119.3 million. General revenues are \$131.6 million. This results in a \$12.3 increase in net position, a \$937 thousand increase from 2018.

General government program activities have a net expense of \$11.6 million, a \$657 thousand (5%) decrease from the 2018 net expense. Significant changes from 2018 to 2019 causing this decrease in net expense include:

- Personnel costs decreased by \$1.5 million due to Human Resource employees being transferred from the General Fund to the Administrative Services Internal Service Fund.
- The above decrease in expenses is offset by an increase in the general government allocated share of Internal Service Fund operating loss of \$2.1 million. See the proprietary fund section below for more details regarding the Internal Service Funds increase in operating loss.
- Disposal of capital assets expense decreased by \$1.1 million.

Public safety program activities have a net expense of \$42.0 million, a \$2.6 million (7%) increase from the 2018 net expense. Significant changes from 2018 to 2019 causing the increase in net expense include:

- Personnel costs increased \$1.2 million due to an increase of 9.5 FTE's.
- Changes in pension related deferred outflow, liability, and deferred inflows increased expenses by \$594 thousand.
- Increase in the allocated share of Internal Service Fund operating loss of \$697 thousand. See the proprietary fund section below for more details regarding the Internal Service Funds increase in operating losses.

Conservation of natural resources program activities have a net expense of \$1.0 million, a \$238 thousand (19%) decrease from the 2018 net expense. There were no changes from 2018 to 2019 causing a significant change in net program (expense) revenue.

Economic development program activities have a net expense of \$47 thousand, an \$11 thousand (19%) decrease from the 2018 net expense. There were no significant changes from 2018 to 2019.

Highways and streets program activities have a net expense of \$17.4 million, a \$2.5 million (17%) increase from the 2018 net expense. Significant changes from 2018 to 2019 causing the increase in net expense include:

- Road preservations and other maintenance costs increased \$3.0 million.
- Charges for services increased \$505 thousand due to a \$311 thousand increase in reimbursements from the City of Rochester for shared projects and various other small increases.

Health program activities have a net expense of \$8.5 million, a \$678 thousand (9%) increase from the 2018 net expense. Significant changes from 2018 to 2019 causing the increase in net expense include:

- UCare and Blues charges for service activity was transferred to human service program causing a \$1.0 million decrease in revenues.
- Changes in pension related deferred outflow, liability, and deferred inflows increased expenses decreased expenses by \$442 thousand.
- Personnel costs decreased \$1.9 million due to transferring employees to the human service program.
- Personnel costs decreased by \$1.5 million due to administrative employees being transferred to the Administrative Services Internal Service Fund.
- The above \$1.5 million decrease in personnel costs is offset by an increase of Internal Service Fund internal charges of \$2.2 million and by the increase of \$1.5 million for the health program allocated share

of Internal Service Fund operating loss. See the proprietary fund section below for more details regarding the Internal Service Funds increase in operating losses.

Human services program activities have a net expense of \$32.4 million, a \$798 thousand (3%) increase from the 2018 net expense. Significant changes from 2018 to 2019 causing the increase in net expense include:

- UCare and Blues charges for services activity was transferred from the health program and UCare and Blues made contributions to the regional crisis center result in a \$2.1 million increase in revenue.
- Program revenues increased \$1.5 million due to adjustments to recognize revenue when earned rather than available.
- Changes in pension related deferred outflow, liability, and deferred inflows decreased expenses \$1.8 million.
- Personnel costs increased \$2.1 million due to transferring employees to from the health program.
- Personnel costs decreased by \$2.8 million due to administrative employees being transferred to the Administrative Services Internal Service Fund.
- The above \$2.8 million decrease in personnel costs is offset by an increase of Internal service Fund internal charges of \$3.5 million and by the increase of \$3.2 million for the human service program allocated share of the Internal Service Fund operating loss. See the proprietary fund section below for more details regarding the Internal Service Funds increase in operating losses.

Culture and recreation program activities have a net expense of \$3.9 million, a \$44 thousand (1%) decrease from the 2018 net expense. There were no significant changes from 2018 to 2019.

Program interest expense is \$2.5 million, a \$35 thousand (1%) increase from 2018.

The property tax levy increased 4.9% resulting in collecting \$4.4 million more property taxes than the prior year. Sales tax collections were up \$694 thousand due to the good local economy. Investment income increased \$2.1 million due to a \$1.6 million increase in investment market value from the prior year end, a net gain on investments of \$418 thousand, and a slight increase in the average interest rates (from 1.45% to 1.79%) for other interest earnings.

Business-Type Activities

Net position in business-type activities increased \$2.5 million.

Program activities have a net expense of \$337 thousand. General revenues are \$2.9 million. This results in a \$2.5 million increase in net position, a \$2.5 million decrease from 2018.

Waste Management program activities have a net revenue of \$678 thousand, a \$2.7 million decrease from the 2018 net revenue. Program expenses increased by \$2.6 million in 2019 primarily due to \$2.4 million of increased spending for repairs to the District Energy System West steamline vault and condensate pipe, the Olmsted County Waste-to-Energy Facility boiler and condenser, and other small repairs.

HRA program activities have a net expense of \$1.0 million, a \$370 thousand increase from the 2018 net expense. There were no changes from 2018 to 2019 causing a significant change in net program (expense) revenue.

The Olmsted County HRA property tax levy increased 47.1% resulting in collecting \$739 thousand more property taxes than the prior year.

Communication and Sanitary Sewer activities did not significantly change net position.

Financial Analysis of Governmental and Proprietary Funds

Governmental funds. The focus of Olmsted County's governmental funds is to provide information on near-term inflows, outflows, and balances of *spendable resources*. This information may be useful in assessing the County's financing requirements. In particular, *assigned and unassigned fund balance* serve as a measure of available net resources.

Table 3: Olmsted County Governmental Funds – Fund Balances

Olmsted County Governmental Funds - Fund Balances
(in thousands of dollars)

	2018	2019	Change
Fund Balances:			
Nonspendable	\$ 3,172	\$ 3,319	\$ 147
Restricted	16,618	21,200	4,582
Assigned	51,847	58,597	6,750
Unassigned	37,738	42,322	4,584
Total Fund Balances	<u>\$ 109,375</u>	<u>\$ 125,438</u>	<u>\$ 16,063</u>
Total Operating Revenues	\$ 200,502	\$ 213,577	\$ 13,075
Assigned and Unassigned Fund Balance as % of Operating Revenues	45%	47%	

The County's total fund balance in the governmental funds as of December 31, 2019, is \$125.4 million, an increase of \$16.1 million (15%) from 2018.

The General Fund is the County's principal liquidity reserve and includes amounts set aside for restricted fund balances and subsequent year's budget. The General Fund ended the year with a \$5.8 million net change in fund balance increase, a \$5.4 million increase from the 2018 net change in fund balance. The General Fund assigned, and unassigned fund balance increased \$1.3 million and \$4.6 million, respectively. The General Fund nonspendable and restricted fund balance did not change significantly in 2019. The \$5.4 increase in net change in fund balance is primarily due to:

- Personnel costs decreased by \$1.5 million due to Human Resource employees being transferred to the Administrative Services Internal Service Fund, offset by an increase in Internal Service Fund internal charges of \$397 thousand.
- Personnel costs increased \$1.2 million due to a 9.5 increase in public safety FTE's.
- Property tax revenues increased \$4.2 million due to a 4.9% increase in the tax levy.
- Investment income increased \$1.9 million primarily due to a \$1.6 million increase in the market value of investments from 2018.

The Infrastructure Fund ended the year with a \$6.4 million net change in fund balance increase, an \$8.0 million increase from the 2018 net change in fund balance. Infrastructure restricted fund balance increased by \$4.7 million, due to a \$2.1 million increase in unspent bond proceeds, a \$3.1 million increase in transit sales and wheelage tax, and a \$587 thousand decrease in turnback funds. Infrastructure assigned fund balance increased \$1.6 million and nonspendable fund balance did not change significantly in 2019. The \$8.0 million increase in net change in fund balance is primarily due to:

- Property tax revenues decreased \$1.2 million due to less property taxes being allocated to this fund.

- Charges for services increased \$781 thousand primarily due to a \$298 increase in charges to the City of Rochester for a new Graham Arena management agreement and a \$311 thousand increase for the City of Rochester costs on shared projects.
- Sale tax revenue increased \$650 thousand due to a good local economy.
- Increase in intergovernmental revenue due to recognition of \$800 thousand in highway user tax unavailable in the prior year.
- Road preservation and other maintenance costs increased \$3.0 million.
- Highway and streets capital outlay costs increased by \$5.6 million for the purchase of the Seneca property offset by a \$4.3 million decrease in infrastructure and other capital outlay.
- Transfers in increased \$3.4 million due to transfers from the General Fund (\$819 thousand) and the Building Internal Service Fund (\$2.8 million) offset by a \$2.2 million increase in capital outlay costs for Graham Park.
- Bond proceeds and premiums of \$9.7 million were received during the year.

The Health and Human Service Fund ended the year with a \$3.9 million net change in fund balance increase, a \$1.9 million decrease from the 2018 net change in fund balance. The Health and Human Service Fund does not have restricted fund balance. Health and Human Services assigned fund balance increased \$3.9 million. The Health and Human Services nonspendable fund balances did not change significantly in 2019. The \$1.9 million decrease in net change in fund balance is primarily due to:

- Personnel costs decreased \$4.3 million due to administrative employees being transferred to the Administrative Services Internal Service Fund.
- The above \$4.3 million dollar decrease in personnel costs is offset by an increase in Internal Service Fund internal charges of \$5.7 million.

At year-end 2019, the governmental funds have a combined assigned and unassigned fund balance of \$100.9 million. This is 47% of the \$213.6 million revenues in those funds, which is 2% higher than 2018. This balance provides a means to pay for the County's operations until the first half of the following year's tax levy is collected in May. It is also used to prevent a large increase in property taxes from one year to the next in the event of disasters and unforeseen funding changes by the State and Federal governments.

The Office of the State Auditor recommends local governments that rely significantly on property taxes maintain an unrestricted fund balance in the General Fund and special revenue funds of 35 to 50 percent of operating revenue.

Proprietary funds. The proprietary funds' statements provide more detail of the business-type activities reported in the government-wide statements, as well as the Internal Service Funds. The activities of Internal Service Funds predominantly benefit governmental funds. Therefore, Internal Service Funds are included within *governmental activities* in the government-wide financial statements.

Table 5: Olmsted County Proprietary Fund – Net Position

Olmsted County Proprietary Funds - Net Position
(in thousands of dollars)

	Enterprise Funds			Internal Service Funds		
	2018	2019	Change	2018	2019	Change
Net Position:						
Net Investment in Capital Assets	\$ 33,397	\$ 34,929	\$ 1,532	\$ 24,439	\$ 22,458	\$ (1,981)
Restricted	7,475	7,872	397	2,214	2,280	66
Unrestricted	15,328	15,941	613	26,007	18,994	(7,013)
Total Net Postion	<u>\$ 56,200</u>	<u>\$ 58,742</u>	<u>\$ 2,542</u>	<u>\$ 52,660</u>	<u>\$ 43,732</u>	<u>\$ (8,928)</u>

Enterprise Fund total net position increased by \$2.5 million during the year.

The Waste Management Fund net position increased \$1.0 million down from the \$3.7 million increase in 2018. The increase in net position is primarily due to favorable operating results. Operating expenses increased by \$2.9 million in 2019 primarily due to a \$2.4 million increase for repairs to the District Energy System West steamline vault and condensate pipe, the Olmsted County Waste-to-Energy Facility boiler and condenser, and other small repairs.

The Olmsted County Housing and Redevelopment's (HRA's) net position increased \$1.5 million from unspent property tax revenue.

Net position did not change significantly in the Communications or the Sanitary Sewer Funds.

Internal Service Fund total net position decreased by \$8.9 million during the year.

The Self-Insurance Fund net position decreased \$2.2 million primarily due to insurance claims increasing overall. Health insurance costs increased \$2.0 million and exceeded revenues by an additional \$1.5. Liability insurance costs decreased by \$1.0 million and workers compensation costs decreased by \$400 thousand.

The Administrative Services Fund net position decreased \$4.8 million primarily due to moving FTE's from governmental funds to Internal Service Funds as of January 1, 2019. The transfer of beginning pension deferred outflow of resources, net pension liability, and pension deferred inflows of resources for these FTE's resulted in a \$4.5 million pension related expense in the Administrative Services Fund.

The Building Facilities Fund net position decreased \$1.9 million primarily due to net transfers in and out with governmental funds. Building Facilities transfers out, in the amount of \$2.9 million, were for contributions to Graham Park. Building Facilities transfers in, in the amount of \$1.7 million, were for contributions to the subway property, warming center, Seneca property, pole shed, the Health, Housing, and Human Service building remodel, and other smaller projects.

Fiduciary funds. The County maintains two fiduciary funds, a private-purpose trust fund and a custodial fund. The private-purposed trust fund accounts for representative payee funds. The Custodial fund accounts for service bureau activities, revenues collected for the State of Minnesota, revenues collected for other individuals, organizations or governments, and taxes and penalties collected for school districts, towns, and cities. The fiduciary fund net position is \$4.9 million at year end.

General Fund Budgetary Highlights

Original budget compared to final budget

The difference between the original budget revenues and final amended budgeted revenues is \$5.1 million. This increase is primarily due to a \$4.9 million increase to the intergovernmental revenue budget. The increase in intergovernmental revenue is mainly for a grant for the Lake Zumbro restoration project (\$3.0 million) received on behalf of the Lake Zumbro joint powers board and a grant for the construction of a Reading Center (\$1.5 million) received on behalf of the Dyslexia Society.

The difference between the original budget expenditures and final amended budgeted expenditures is \$7.1 million. This increase is primarily due to a \$4.5 million increase in grant expenditures and a \$1.5 million increase in the Sheriff budget. Grant expenditures increased for the Lake Zumbro restoration project (\$3.0 million) and the Reading Center (\$1.5 million). The Sheriff expenditure budget increased mostly for the carryover of 2018 budget for incomplete projects and restricted funds (\$715 thousand) and the purchase and support of body and squad cameras (\$600 thousand).

Final budget compared to actual results

Table 6: Olmsted County General Fund – Final Budget and Actual Amounts

Olmsted County General Fund - Final Budget and Actual Amounts
(in thousands of dollars)

	Final Budget	Actual Amounts	Variance with Final Budget
Revenues:			
Taxes	\$ 49,268	\$ 49,111	\$ (157)
Licenses and permits	1,379	1,340	(39)
Intergovernmental	14,613	14,737	124
Charges for services	12,968	13,172	204
Investment income	1,030	3,922	2,892
Other	956	828	(128)
Total Revenues	\$ 80,214	\$ 83,110	\$ 2,896
Expenditures			
General government	\$ 14,672	\$ 14,003	\$ 669
Public safety	57,404	54,376	3,028
Conservation of natural resources	4,421	4,149	272
Culture and recreation	1,470	1,470	-
Other	3,570	1,699	1,871
Total Expenditures	\$ 81,537	\$ 75,697	\$ 5,840

The difference between the final amended budget revenues and actual revenues is \$2.9 million. Actual investment income exceeded the budgeted amount by \$2.9 million. This difference in investments income is due to a \$1.6 million increase in investment market value from the prior year end, a net gain on investments of \$418 thousand, and a slight increase in the average interest rates (from 1.45% to 1.79%) for other interest earnings.

The difference between the final amended budget expenditures and actual expenditures is \$5.8 million. Actual public safety expenditures are under the budget by \$3.0 million. This difference is primarily due to a \$621 thousand payback from the Dodge, Fillmore, Olmsted Community Correction joint powers board being net against the related expenditures, personnel costs are \$588 thousand under budget due to staff turnover, equipment repair and maintenance costs are \$628 thousand under budget, supply costs are \$250 thousand under budget, and

capital outlay costs are \$400 thousand under budget due to delays in purchasing equipment. Actual other expenditures are under the budget by \$1.9 million primarily due to unused contingency funds of \$307 thousand and funds budgeted for future years debt service payments of \$1.1 million.

Capital Assets and Debt Administration

Capital Assets. At the end of 2019, the County had invested \$367.5 million in a range of capital assets. The majority of that amount is in infrastructure (which includes roads and bridges), buildings and equipment.

Olmsted County Capital Assets, Net of Depreciation, as of December 31
(in thousands of dollars)

	Governmental activities		Business-type activities		Total		% Change
	2018	2019	2018	2019	2018	2019	2018-2019
Land	\$ 15,279	\$ 21,496	\$ 3,762	\$ 3,762	\$ 19,041	\$ 25,258	32.7%
Infrastructure land	35,779	36,567	-	-	35,779	36,567	2.2%
Infrastructure	127,875	129,235	1,634	1,607	129,509	130,842	1.0%
Buildings	55,872	56,195	17,869	16,964	73,741	73,159	-0.8%
Other improvements	2,504	2,255	1,016	976	3,520	3,231	-8.2%
Equipment	8,483	8,371	79,803	76,248	88,286	84,619	-4.2%
Software	1,932	816	36	20	1,968	836	-57.5%
Construction in progress	10,176	12,418	241	531	10,417	12,949	24.3%
Total	<u>\$ 257,900</u>	<u>\$ 267,353</u>	<u>\$ 104,361</u>	<u>\$ 100,108</u>	<u>\$ 362,261</u>	<u>\$ 367,461</u>	<u>1.4%</u>

For Governmental activities, major capital asset events during 2019 included:

- Land assets increased by \$6.2 million with the acquisition of the Seneca Foods property adjacent to Graham Park and the Subway property across from the Government Center. The intent is to hold both properties for future development. In addition, a parcel of land containing a pole barn, adjacent to the Public Works Service Center, was purchased and will be used for storage.
- Infrastructure Land assets increased by \$788 thousand with the acquisition of right-of-way for current and future road projects.

The Infrastructure System had a total increase of \$1.4 million. Transactions included an increase of \$8.2 million from in-process and completed road projects, straight-line depreciation offset of \$6.3 million and disposals of \$514 thousand. Approximately \$14.1 million was reinvested into the system, which includes \$5.9 million for road maintenance projects that are not capitalized.

Building projects in the Buildings asset category had a net increase of \$323 thousand. Completed projects totaled \$3.9 million and included HVAC and electrical upgrades at Graham Arena and the Government Center, building envelope restoration and windows at the 2122 building, remodeling existing spaces to accommodate additional staff, 5-stall garage at the Campus for maintenance equipment, an existing pole barn on a property that was purchased adjacent to the Public Works Service Center and extensive improvements to an existing space to allow for a Warming Shelter for the homeless. Depreciation offset in this category was \$3.6 million.

The Other improvements category realized a decrease of \$249 thousand. There were no asset additions or disposals and the decrease was due entirely to depreciation in the amount of \$249 thousand.

The Equipment category decreased by \$111 thousand. Equipment additions were \$1.9 million and included public safety, parks and motor pool vehicles and heavy equipment for highways. Depreciation expense was \$1.9 million and asset dispositions had a book value of \$126 thousand.

- The Software category decreased by \$1.1 million. There were no additions. Depreciation expense in this category was \$1.1 million and asset dispositions had a book value of \$34 thousand.

- The Construction in progress category experienced an overall increase of \$2.2 million. Increases of \$12.2 million include road projects, an addition to the Eyota shop, preliminary work on the new Oxbow Nature Center, HVAC upgrades and renovation projects throughout County buildings, storm sewer upgrades at the County Campus location and Graham Park improvements. Decreases were \$9.9 million as projects were finished and put into use.

For Business-type activities, net capital assets decreased by \$4.3 million in 2019. Equipment additions of \$1.8 million included security upgrades, an automated scale system and upgrades to the conveyer and Boiler 1 at the Waste-To-Energy Facility, a skid-steer at the Recycling Facility and a heavy-duty truck with plow at the Kalmar landfill. Also included in the additions are projects under construction comprised of ash cell development at the landfill and a turbine replacement at the Waste-To-Energy Facility. Disposals totaled \$31 thousand and depreciation offset was \$6.0 million.

For additional detail on capital asset activity, refer to Note 4 of this report.

Long-term Debt. As shown in the table below, Olmsted County had total debt outstanding of \$154.7 million at the end of 2019, a \$8.8 million increase from 2018. All outstanding bonds at year end are general obligation bonds which are backed by the full faith and credit of the County including the general obligation revenues bonds, although payable from pledged net revenues.

Table 7: Olmsted County Outstanding Debt

**Olmsted County Outstanding Debt as of December 31
(in thousands of dollars)**

	Governmental activities		Business-type activities		Total	
	2018	2019	2018	2019	2018	2019
General obligation revenue bonds	\$ -	\$ -	\$ 2,990	\$ 2,800	\$ 2,990	\$ 2,800
General obligation refunding revenue bonds	3,070	2,485	2,340	1,895	5,410	4,380
General obligation bonds	43,515	60,835	-	-	43,515	60,835
General obligation refunding bonds	32,510	29,780	50,205	45,685	82,715	75,465
Mortgages payable	-	-	529	520	529	520
Deferred repayment mortgages	-	-	3,585	3,585	3,585	3,585
Deferred forgivable mortgages	-	-	7,153	7,107	7,153	7,107
Total	\$ 79,095	\$ 93,100	\$ 66,802	\$ 61,592	\$ 145,897	\$ 154,692

The County's total debt outstanding increased by \$8.8 million (6%) during the current year. New bonds totaling \$19.2 million were issued in 2019. In addition, there were bond payments of \$10.3 million and mortgage payments of \$55 thousand.

The County maintains an "AAA" rating from Standard & Poor's and an "Aaa" rating from Moody's Investors Service for general obligation debt. Olmsted County's AAA rating was first awarded December 18, 2001.

The amount of general obligation debt that the County may issue is limited by state statute and is calculated at 3% of total estimated market value of properties in the County. The current debt limit for the County for general obligation debt is \$519.2 million, greatly exceeding the current amount outstanding.

More detailed information about the County's long-term liabilities is presented in Note 6 of the financial statements.

Economic Factors and Next Year's Budgets and Rates

- Olmsted County's 2019 unemployment rate is 2.6%, a .3% increase from 2018. The County's unemployment rate continues to be lower than the State of Minnesota rate and the national unemployment rate of 3.2% (.3% increase from 2018) and 3.7% (.2% decrease from 2018), respectively. Refer to Schedule 14 of this report.
- The 2019 \$17.3 billion *taxable* market value of property (increased from \$16.1 billion in 2018) and includes \$340.0 million of new construction. The estimated 2020 taxable market value of \$18.7 billion includes \$375.3 million in new construction. Our community's continued investment in new construction is an indicator of a solid tax base. As the home of the world-famous Mayo Clinic whose business of health care is relatively stable, Olmsted County has been labeled "recession resistant". Olmsted County is projected to remain one of Minnesota's fastest-growing counties over the next two decades, while Rochester will be part of one of the fastest-growing metropolitan areas in the state. Please see the additional information in the Local Economy section of the Transmittal Letter. It is uncertain the extent to which COVID-19 may impact the local economy.
- The Olmsted County Board of Commissioners adopted the County's 2020 governmental funds budget on December 17, 2019, in the amount of \$227.8 million. This is a \$5.5 million or 5.4% increase from the 2019 budget. The Olmsted County 2020 levy was adopted at \$107.6 million, a \$4.3 million (4.2%) increase. The 2020 budget also includes a \$8.3 million use of reserves. In April 2020, the County Board decided to defer \$8.4 million of 2020 projects due to the uncertainty of the effect of COVID-19 on the County's financial condition. The 2020 Olmsted County HRA levy was adopted at \$3.5 million, a \$1.0 million (40%) increase from 2019.
- The overall County tax rate is calculated by comparing the total tax levy to total market value. For 2020, the rate is \$5.53 per \$1,000 of market value, which is 3.1% lower than the 2019 rate of \$5.71 per \$1,000. This stable trend indicates the Board has done a good job of managing resources, balancing the need for property tax increases with the need of investing in a growing community.
- The Minnesota legislature approved drawing down Minnesota State funds for the Destination Medical Center (DMC) economic development initiative once Mayo Clinic met the \$200.0 million spending threshold. The Destination Medical Center Corporation (DMCC) Executive Committee announced in March 2017 that the initiative had exceeded the \$200.0 million private development investment threshold. The County's maximum local funding match is \$3.0 million per year. The County has agreed to advance funds to the City of Rochester to allow it to pay for planning work. These funds have been collected through the Transit Sales Tax that is in place.
- Waste generation volumes are affected by economic conditions. A weaker economy produces less waste to be managed. Olmsted County haulers have implemented single stream recycling which increases the amount of recycling per household and thereby reducing the amount of waste managed at County facilities. The County is also seeking more waste outside of Olmsted County to help fill the Waste-To-Energy facility available capacity and to generate additional revenues. The 2020 tonnage was budgeted at 116 thousand tons, down from 122 thousand tons budgeted in 2019. Although 118.8 thousand tons of waste were received in 2019 from both within and outside of Olmsted County, the County budgeted 2020 tonnage to meet the capacity of the Waste-To-Energy facility with the additional tons to fill capacity expected from outside of Olmsted County. Based on data from the first quarter of 2020, COVID-19 has had a minimal effect on the amount of waste being produced in Olmsted County.
- The 2019-2023 Capital Improvement Program totals \$335.0 million. Capital assets are funded by many types of revenue: intergovernmental (State and Federal) at 10%, property taxes at 5%, sales and wheelage taxes at 16%, bonded debt at 25%, and operating and other revenues funding 44%. Of the total 2019-2023 Capital Improvement Program, 40% is for transportation construction, 22% for buildings and other improvements, 13% for Graham Park, 13% for solid waste, and 12% is for other capital improvement. The plan includes \$84

million funding by bonded debt, the largest projects being \$38 million to address the judicial space needs, \$18.3 million for a solid waste material recovery facility, \$8.3 million for solid waste condensers, \$6.8 million for construction at the public safety training center, and \$6 million for a nature center.

- Olmsted County continues to stay on top of managing services related to employee health care costs. Unlike many other organizations, the County has a very limited obligation for other post-retirement benefits (OPEB). Retirees under age 65 who choose to remain on the County's plan are required to pay 100% of the premium. Therefore, the County's only obligation is for the "implicit" rate subsidy of health benefits for early retirees whose premiums are at the group rate even though older people, in general, have higher medical claims than their younger counterparts. The independent actuarial consultant that prepares Olmsted County's valuation reports calculated Olmsted County's net pension liability at the end of 2019 at \$8.0 million. The County plans to fully fund its liability with self-insured health fund cash and investments designated for this purpose. For additional information, refer to Note 11 of this report.
- On April 13, 2020, the Minnesota Management and Budget (MMB) released a revised budget projection of a \$2.4 billion deficit for the fiscal year 2020-2021. This projected deficit includes \$550 million of spending enacted to pay for COVID-19 responses. It does not include \$1.8 billion of CARES Act Federal Stabilization funds received by the State or the State's \$2.4 billion budget reserves. This could impact funding from the State of Minnesota to local governments.
- For more highlights, please read the Transmittal Letter in the Introductory Section starting page vii.

Requests for Additional Information

This financial report is designed to provide our citizens, taxpayers, other customers, investors, and creditors with a general overview of the County's finances. If you have questions about this report, or need additional financial information, contact the Olmsted County Finance Department, 151 4th Street S.E., Rochester, Minnesota, 55904.

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Basic Financial Statements

OLMSTED COUNTY
STATEMENT OF NET POSITION
DECEMBER 31, 2019

		Primary Government	
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash, cash equivalents, deposits and investments	\$ 151,199,797	\$ 18,278,411	\$ 169,478,208
Cash and cash equivalents on deposit:			
OPEB obligation	7,991,740	-	7,991,740
Accounts receivable, net	3,347,649	1,837,096	5,184,745
Delinquent taxes receivable	1,236,300	49,419	1,285,719
Accrued interest	933,104	20,244	953,348
Advances/loans	100,790	-	100,790
Internal balances	506,600	(506,600)	-
Notes, loans, and mortgages	-	38,378	38,378
Due from other governments	13,926,621	776,832	14,703,453
Inventories	551,956	1,796,552	2,348,508
Prepaid items	2,657,830	763,157	3,420,987
Restricted assets:			
Debt service	7,129,061	5,372,534	12,501,595
HRA	-	739,399	739,399
Construction	14,061,671	-	14,061,671
Dedicated long-term environmental care trust	-	4,793,008	4,793,008
Cash and investments held by trustee	5,764,168	-	5,764,168
Other assets:			
Long-term loans	13,741	937,068	950,809
Capital assets not being depreciated:			
Land	58,062,792	3,762,281	61,825,073
Construction in progress	12,418,067	530,616	12,948,683
Capital assets, net of depreciation:			
Infrastructure	129,235,280	1,607,375	130,842,655
Buildings	56,194,973	16,956,403	73,151,376
Improvements other than buildings	2,255,150	975,919	3,231,069
Equipment	8,371,461	76,256,209	84,627,670
Software	815,542	19,599	835,141
Total capital assets	267,353,265	100,108,402	367,461,667
Total Assets	476,774,293	135,003,900	611,778,193
DEFERRED OUTFLOWS OF RESOURCES			
OPEB	321,515	-	321,515
Pension	11,762,044	390,773	12,152,817
Deferred charge on bonds	-	43,111	43,111
Total Deferred Outflows of Resources	12,083,559	433,884	12,517,443
LIABILITIES			
Accounts payable	4,983,741	1,024,460	6,008,201
Salaries payable	2,643,296	187,661	2,830,957
Contracts payable	2,440,564	579,095	3,019,659
Accrued interest payable	1,195,960	992,226	2,188,186
Other accrued liabilities	71,296	20,169	91,465
Due to other governments	5,097,250	156,462	5,253,712
Unearned revenue	1,417,630	177,581	1,595,211
Long-term liabilities:			
Due within one year	20,608,377	5,750,945	26,359,322
Due in more than one year	161,438,238	66,917,851	228,356,089
Total Liabilities	199,896,352	75,806,450	275,702,802
DEFERRED INFLOWS OF RESOURCES			
OPEB	226,267	-	226,267
Pension	23,914,268	798,816	24,713,084
Taxes collected for subsequent year	186,000	-	186,000
Deferred gain on refunding	-	90,100	90,100
Total Deferred Inflows of Resources	24,326,535	888,916	25,215,451
NET POSITION			
Net investment in capital assets	181,076,535	34,928,651	216,005,186
Restricted for:			
Highways and streets	8,979,132	-	8,979,132
Public safety	496,222	-	496,222
Culture and recreation	411,794	-	411,794
Debt service and OCHRA replacement reserves	6,025,706	5,125,277	11,150,983
Landfill closure	-	2,747,257	2,747,257
Unrestricted	67,645,576	15,941,233	83,586,809
Total Net Position	\$ 264,634,965	\$ 58,742,418	\$ 323,377,383

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

OLMSTED COUNTY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities:							
General government	\$ 19,849,868	\$ 5,754,400	\$ 2,500,066	\$ -	\$ (11,595,402)		\$ (11,595,402)
Public safety	54,051,406	10,468,688	1,624,644	-	(41,958,074)		(41,958,074)
Conservation of natural resources	4,125,827	132,052	2,959,565	-	(1,034,210)		(1,034,210)
Economic development	47,000	-	-	-	(47,000)		(47,000)
Highways and streets	28,303,216	1,499,474	9,188,590	172,975	(17,442,177)		(17,442,177)
Health	13,534,578	1,588,308	3,468,762	-	(8,477,508)		(8,477,508)
Human services	76,135,128	8,714,877	35,012,047	-	(32,408,204)		(32,408,204)
Culture and recreation	5,464,543	1,172,141	441,540	-	(3,850,862)		(3,850,862)
Interest	2,516,812	-	-	-	(2,516,812)		(2,516,812)
Total governmental activities	<u>204,028,378</u>	<u>29,329,940</u>	<u>55,195,214</u>	<u>172,975</u>	<u>(119,330,249)</u>		<u>(119,330,249)</u>
Business-type activities:							
Waste Management Enterprise Fund	25,367,494	25,519,342	526,645	-		\$ 678,493	678,493
Communications Enterprise Fund	1,265,951	1,281,022	183	-		15,254	15,254
Olmsted County HRA	8,382,060	2,219,367	5,157,951	-		(1,004,742)	(1,004,742)
Sanitary Sewer Enterprise Fund	119,388	93,795	-	-		(25,593)	(25,593)
Total business-type activities:	<u>35,134,893</u>	<u>29,113,526</u>	<u>5,684,779</u>	<u>-</u>		<u>(336,588)</u>	<u>(336,588)</u>
Total	<u>\$ 239,163,271</u>	<u>\$ 58,443,466</u>	<u>\$ 60,879,993</u>	<u>\$ 172,975</u>	<u>(119,330,249)</u>	<u>(336,588)</u>	<u>(119,666,837)</u>
General Revenues							
Property taxes					102,516,430	2,483,863	105,000,293
Sales taxes					14,619,270	-	14,619,270
Wheelage taxes					1,411,974	-	1,411,974
Unrestricted state aids and grants					7,783,114	-	7,783,114
Payments in lieu of tax					131,264	-	131,264
Investment income					5,161,151	410,799	5,571,950
Total General Revenues					<u>131,623,203</u>	<u>2,894,662</u>	<u>134,517,865</u>
Extraordinary loss caused by fire					<u>-</u>	<u>(15,604)</u>	<u>(15,604)</u>
Change in Net Position					12,292,954	2,542,470	14,835,424
Net Position Beginning of Year					<u>252,342,011</u>	<u>56,199,948</u>	<u>308,541,959</u>
Net Position End of Year					<u>\$ 264,634,965</u>	<u>\$ 58,742,418</u>	<u>\$ 323,377,383</u>

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

OLMSTED COUNTY
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2019

		Special Revenue Funds		
			Health and	Total
	General Fund	Infrastructure	Human Services	Governmental
		Fund	Fund	Funds
<u>ASSETS</u>				
Cash, deposits and investments	\$ 83,069,142	\$ 23,739,359	\$ 10,248,989	\$ 117,057,490
Cash and investments held by trustee	184,466	4,244,178	-	4,428,644
Accounts receivable, net	94,674	37,625	969,581	1,101,880
Delinquent taxes	590,100	119,800	526,400	1,236,300
Accrued interest	903,183	22,933	-	926,116
Advances/loans	100,790	-	-	100,790
Due from other funds	8,800	-	-	8,800
Advances to other funds	497,800	-	-	497,800
Due from fiduciary funds	2,050,032	-	29,862	2,079,894
Due from other governments	1,411,946	4,635,281	7,865,199	13,912,426
Inventories	-	551,956	-	551,956
Prepaid items	2,021,175	95,115	152,848	2,269,138
Total Assets	<u>\$ 90,932,108</u>	<u>\$ 33,446,247</u>	<u>\$ 19,792,879</u>	<u>\$ 144,171,234</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ 705,882	\$ 725,620	\$ 1,270,604	\$ 2,702,106
Salaries Payable	953,757	166,014	1,034,639	2,154,410
Contracts payable	63,360	1,346,974	-	1,410,334
Accrued liabilities	71,296	-	-	71,296
Due to fiduciary funds	821,735	-	668,567	1,490,302
Due to other governments	234,831	4,347,311	457,315	5,039,457
Unearned revenue	229,264	557,216	342,765	1,129,245
Total Liabilities	<u>3,080,125</u>	<u>7,143,135</u>	<u>3,773,890</u>	<u>13,997,150</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Taxes collected for subsequent year	88,800	18,000	79,200	186,000
Unavailable revenue - taxes	108,100	66,244	96,600	270,944
Unavailable revenue - other	397,567	1,295,842	2,585,920	4,279,329
Total Deferred Inflows of Resources	<u>594,467</u>	<u>1,380,086</u>	<u>2,761,720</u>	<u>4,736,273</u>
<u>FUND BALANCES</u>				
Nonspendable	2,518,975	647,071	152,848	3,318,894
Restricted	496,222	20,703,135	-	21,199,357
Assigned	41,920,030	3,572,820	13,104,421	58,597,271
Unassigned	42,322,289	-	-	42,322,289
Total Fund Balances	<u>87,257,516</u>	<u>24,923,026</u>	<u>13,257,269</u>	<u>125,437,811</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 90,932,108</u>	<u>\$ 33,446,247</u>	<u>\$ 19,792,879</u>	<u>\$ 144,171,234</u>

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

Capital assets used in governmental activities are not financial resources and, therefore are not reported in the funds.	
Governmental funds capital assets	390,133,186
Accumulated depreciation on governmental funds capital assets	(177,803,429)
Deferred outflows of resources resulting from pension obligations are not reported in governmental funds	10,724,074
Debt issuance premiums are reported as revenues in the funds rather than deferred and amortized	(3,464,564)
Revenue earned for receivables that are not currently available and reported as deferred inflows of resources in governmental funds	4,550,273
Internal service funds are used by management to charge the costs of insurance, building occupancy and centralized services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position.	43,731,624
Interest on long term liabilities is not due in the current period and, therefore, not reported in the funds.	(763,422)
Bonds payable are not due and payable in the current period and, therefore, not reported in the funds.	(57,512,162)
The net pension liability is not due and payable in the current period and, therefore, not reported in the funds.	(48,780,162)
Deferred inflows resulting from pension obligations are not due in the current period and, therefore not reported in governmental funds	(21,618,264)
Net Position of governmental activities	<u>\$ 264,634,965</u>

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

OLMSTED COUNTY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019

		Special Revenue Funds		
	General Fund	Infrastructure Fund	Health and Human Services Fund	Total Governmental Funds
Revenues:				
Property taxes	\$ 49,111,035	\$ 9,878,113	\$ 43,439,582	\$ 102,428,730
Sales taxes	-	14,575,026	-	14,575,026
Wheelage taxes	-	1,411,974	-	1,411,974
Licenses and permits	1,340,242	136,306	787,107	2,263,655
Intergovernmental Revenue	14,736,717	10,293,317	37,088,473	62,118,507
Charges for services	13,172,109	2,268,092	9,612,920	25,053,121
Fines and forfeits	23,734	-	-	23,734
Gifts and contributions	4,544	397,532	882	402,958
Investment income	3,922,346	454,331	-	4,376,677
Other	799,606	38,489	84,981	923,076
Total Revenues	<u>83,110,333</u>	<u>39,453,180</u>	<u>91,013,945</u>	<u>213,577,458</u>
Expenditures:				
Current				
General Government	14,002,951	-	-	14,002,951
Public Safety	54,376,327	-	-	54,376,327
Conservation of natural resources	4,149,065	-	-	4,149,065
Economic development	47,000	-	-	47,000
Highways and streets	-	34,410,789	-	34,410,789
Health	-	-	12,341,132	12,341,132
Human services	-	-	74,382,805	74,382,805
Culture and recreation	1,470,290	6,593,841	-	8,064,131
Other	1,651,673	-	-	1,651,673
Debt service				
Principal	-	3,199,252	-	3,199,252
Interest and fiscal charges	-	1,899,640	-	1,899,640
Total Expenditures	<u>75,697,306</u>	<u>46,103,522</u>	<u>86,723,937</u>	<u>208,524,765</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>7,413,027</u>	<u>(6,650,342)</u>	<u>4,290,008</u>	<u>5,052,693</u>
Other Financing Sources (Uses)				
Transfers in	555,713	3,678,102	10,000	4,243,815
Transfers out	(2,169,438)	(551,421)	(411,717)	(3,132,576)
Insurance Recoveries	-	67,497	-	67,497
Bond proceeds	-	9,333,500	-	9,333,500
Premium on bonds	-	365,118	-	365,118
Sale of capital assets	11,706	121,129	-	132,835
Total Other Financing Sources (Uses)	<u>(1,602,019)</u>	<u>13,013,925</u>	<u>(401,717)</u>	<u>11,010,189</u>
Net change in fund balances	5,811,008	6,363,583	3,888,291	16,062,882
Fund Balances - Beginning	<u>81,446,508</u>	<u>18,559,443</u>	<u>9,368,978</u>	<u>109,374,929</u>
Fund Balances - Ending	<u>\$ 87,257,516</u>	<u>\$ 24,923,026</u>	<u>\$ 13,257,269</u>	<u>\$ 125,437,811</u>

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

OLMSTED COUNTY
RECONCILIATION OF THE STATEMENT OF REVENUES
EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019

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

Net Change in fund balances - total governmental funds		\$ 16,062,882
Internal service funds are used by management to charge the cost of insurance, building occupancy and centralized services to individual funds. The net revenue (loss) of certain activities of internal service funds is reported with governmental activities.		(8,928,798)
Governmental funds report capital outlays as expenditures; however, in the statement of activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital outlays reported as expenditures in the funds	16,814,926	
Contributed capital not reported in the funds	78,250	
Disposal of capital outlays not reported as expenditures in the funds	(623,924)	
Depreciation expense related to the capital outlays reported as expenditures in the funds	(9,145,562)	
The amount by which capital outlays exceed depreciation in the current period		7,123,690
Bond proceeds provide current financial resources to governmental funds, while issuing debt increases long-term liabilities in the statement of Net Position. Repayment of bond principal is an expenditure in the governmental funds; however, the repayment reduces long-term liabilities in the statement of Net Position.		
Proceeds from the issuance of bonds reported as other financing sources	(9,333,500)	
Proceeds from premium on bonds reported as other financing sources	(365,118)	
Repayment of bond principal reported as expenditures	3,199,252	
		(6,499,366)
Some expenditures in the governmental funds are not reported as an expense in the statement of activities. Some expenses in the statement of activities, such as interest expense payable, are not recognized in the governmental funds. Governmental funds report the effect of bond premiums, discounts, and similar items when debt is issued, whereas these amounts are deferred and amortized in the statement of activities.		
Change in net pension liability	4,572,315	
Change in deferred outflows	(13,748,089)	
Change in deferred inflows	12,717,699	
Interest expense payable not reported as expenditure for the year ended December 31, 2018	775,665	
Interest expense payable not reported as expenditure for the year ended December 31, 2019	(763,422)	
Amortization of bond premiums and discounts	278,864	
The net effect of differences in the treatment of long-term debt and related items.		3,833,032
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.		
Revenues not reported in the governmental funds for the year ended December 31, 2018	(3,848,759)	
Revenues not reported in the governmental funds for the year ended December 31, 2019	4,550,273	
The amount by which governmental funds deferred revenue increased from 2018 to 2019		701,514
Change in Net Position of governmental activities		<u>\$ 12,292,954</u>

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

OLMSTED COUNTY
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2019

	Business-type Activities Enterprise Funds					Governmental Activities
	Major Waste Management	Major Communications Enterprise Fund	Major Olmsted County HRA Enterprise	Nonmajor Sanitary Sewer Enterprise Fund	Total Enterprise Funds	Internal Service Funds
ASSETS						
Current Assets:						
Cash and cash equivalents	\$ 11,569,408	\$ 1,077,618	\$ 5,542,924	\$ 88,461	\$ 18,278,411	\$ 47,872,362
Cash and cash equivalents on deposit:						
Restricted for debt service	5,133,569	-	238,965	-	5,372,534	2,696,540
HRA restricted cash	-	-	739,399	-	739,399	-
Restricted for construction	-	-	-	-	-	4,764,137
Designated for OPEB obligation	-	-	-	-	-	7,991,740
Restricted investments held by trustee	-	-	-	-	-	1,335,524
Accounts receivable, net	1,742,346	43,776	37,637	13,337	1,837,096	165,875
Delinquent taxes	-	-	49,419	-	49,419	-
Interest - restricted	-	-	-	-	-	6,988
Notes, loans, and mortgages	-	-	38,378	-	38,378	-
Due from other governments	464,172	128,943	183,717	-	776,832	14,195
Inventories	1,796,552	-	-	-	1,796,552	-
Prepaid items	456,670	163,482	142,993	12	763,157	388,692
Total Current Assets	21,162,717	1,413,819	6,973,432	101,810	29,651,778	65,236,053
Noncurrent Assets:						
Restricted Assets:						
Dedicated long-term environmental care trust	4,793,008	-	-	-	4,793,008	-
Other Assets:						
Accrued interest	-	-	20,244	-	20,244	-
Long-term loans	-	-	937,068	-	937,068	13,741
Capital Assets, net:						
Land	1,725,708	-	2,036,573	-	3,762,281	11,022,590
Building and structures	6,738,528	-	10,217,875	-	16,956,403	36,446,756
Improvements other than buildings	794,026	-	181,893	-	975,919	1,658,126
Equipment	76,072,522	93,788	89,899	-	76,256,209	2,378,071
Software	9,129	10,470	-	-	19,599	576,250
Infrastructure	-	-	-	1,607,375	1,607,375	-
Construction in progress	157,995	-	372,621	-	530,616	2,941,715
Total capital assets, net	85,497,908	104,258	12,898,861	1,607,375	100,108,402	55,023,508
Total Noncurrent Assets	90,290,916	104,258	13,856,173	1,607,375	105,858,722	55,037,249
Total Assets	111,453,633	1,518,077	20,829,605	1,709,185	135,510,500	120,273,302
DEFERRED OUTFLOWS OF RESOURCES						
OPEB	-	-	-	-	-	321,515
Pension	383,255	7,518	-	-	390,773	1,037,970
Deferred charges on bonds	-	-	43,111	-	43,111	-
Total Deferred Outflows of Resources	383,255	7,518	43,111	-	433,884	1,359,485
LIABILITIES						
Current Liabilities:						
Accounts payable and other current liabilities	780,818	28,202	214,778	662	1,024,460	791,333
Salaries payable	161,031	3,683	22,947	-	187,661	488,886
Contracts payable	579,095	-	-	-	579,095	1,030,230
Accrued interest payable	748,924	-	13,302	-	762,226	432,538
Due to other funds	-	-	-	8,800	8,800	-
Due to other governments	60,296	24,169	65,168	6,829	156,462	57,793
Unearned revenue	46,034	-	131,547	-	177,581	288,385
Compensated absences	386,234	10,288	-	-	396,522	7,157,127
Outstanding claims	-	-	-	-	-	2,551,250
Mortgages payable	-	-	9,423	-	9,423	-
Bonds payable	5,245,000	-	100,000	-	5,345,000	3,371,564
Total Current Liabilities	8,007,432	66,342	557,165	16,291	8,647,230	16,169,106
Noncurrent Liabilities:						
Accrued interest payable	-	-	230,000	-	230,000	-
Tenant escrow	-	-	20,169	-	20,169	-
Total OPEB liability	-	-	-	-	-	7,991,740
Net pension liability	3,986,662	78,704	-	-	4,065,366	11,603,311
Compensated absences	377,850	1,933	-	-	379,783	4,633,792
Outstanding claims	-	-	-	-	-	621,952
Advances from other funds	-	-	123,900	373,900	497,800	-
Accrued closure and postclosure payable	2,045,751	-	-	-	2,045,751	-
Mortgages payable	-	-	11,202,288	-	11,202,288	-
Bonds payable	48,589,719	-	634,944	-	49,224,663	34,358,991
Total Noncurrent Liabilities	54,999,982	80,637	12,211,301	373,900	67,665,820	59,209,786
Total Liabilities	63,007,414	146,979	12,768,466	390,191	76,313,050	75,378,892
DEFERRED INFLOWS OF RESOURCES						
OPEB	-	-	-	-	-	226,267
Pension	783,012	15,804	-	-	798,816	2,296,004
Deferred gain on refunding	90,100	-	-	-	90,100	-
Total Deferred Inflows of Resources	873,112	15,804	-	-	888,916	2,522,271
NET POSITION						
Net investment in capital assets	31,490,999	104,258	1,726,019	1,607,375	34,928,651	22,457,946
Restricted for:						
Debt service and OCHRA replacement reserves	4,384,645	-	740,632	-	5,125,277	2,280,091
Landfill closure	2,747,257	-	-	-	2,747,257	-
Unrestricted	9,333,461	1,258,554	5,637,599	(288,381)	15,941,233	18,993,587
Total Net Position	\$ 47,956,362	\$ 1,362,812	\$ 8,104,250	\$ 1,318,994	\$ 58,742,418	\$ 43,731,624

OLMSTED COUNTY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019

	Business-type Activities Enterprise Funds					Governmental Activities
	Major Waste Management Enterprise Fund	Major Communications Enterprise Fund	Major Olmsted County HRA Enterprise Fund	Nonmajor Sanitary Sewer Enterprise Fund	Total Enterprise Funds	Internal Service Funds
Operating Revenues:						
Charges for services	\$ 25,312,252	\$ 1,281,022	\$ 2,219,367	\$ 93,795	\$ 28,906,436	\$ 56,721,935
Intergovernmental operating grants	-	-	5,157,951	-	5,157,951	-
Other	207,090	-	-	-	207,090	2,147,533
Total Operating Revenues	25,519,342	1,281,022	7,377,318	93,795	34,271,477	58,869,468
Operating Expenses:						
Personnel services	7,304,357	151,644	1,312,126	-	8,768,127	27,087,861
Consultants and professional services	1,575,798	5,035	-	-	1,580,833	23,665,669
Repairs and maintenance	4,816,610	333,557	603,125	14,963	5,768,255	5,032,499
Other Services and Charges	2,396,279	100,484	1,703,490	9,165	4,209,418	4,471,511
Supplies	1,886,085	110,543	-	-	1,996,628	405,523
Utilities	577,812	521,146	202,435	52,193	1,353,586	2,037,200
Depreciation	5,488,982	43,542	414,935	26,441	5,973,900	4,001,154
Housing assistance payments	-	-	4,074,203	-	4,074,203	-
Landfill closure and postclosure expense	66,862	-	-	-	66,862	-
Total Operating Expenses	24,112,785	1,265,951	8,310,314	102,762	33,791,812	66,701,417
Operating Income (Loss)	1,406,557	15,071	(932,996)	(8,967)	479,665	(7,831,949)
Nonoperating Revenues (Expenses):						
Property taxes	-	-	2,483,863	-	2,483,863	-
Intergovernmental revenue	504,926	183	-	-	505,109	165,657
Gifts and contributions	21,719	-	-	-	21,719	-
Investment income	361,596	20,336	24,268	4,599	410,799	784,474
Gain (Loss) on disposal of capital assets	(12,600)	-	3,221	-	(9,379)	(27,462)
Interest expense	(1,240,407)	-	(70,903)	(16,626)	(1,327,936)	(827,076)
Bond issuance costs and fiscal charges	(1,702)	-	-	-	(1,702)	(81,203)
HUD recapture of residual receipts	-	-	(4,064)	-	(4,064)	-
Total Nonoperating Revenues (Expenses)	(366,468)	20,519	2,436,385	(12,027)	2,078,409	14,390
Income (Loss) Before Transfers and Extraordinary Item	1,040,089	35,590	1,503,389	(20,994)	2,558,074	(7,817,559)
Extraordinary Loss caused by fire	-	-	(15,604)	-	(15,604)	-
Transfers						
Transfers in	-	-	-	-	-	1,748,200
Transfers out	-	-	-	-	-	(2,859,439)
Total Transfers	-	-	-	-	-	(1,111,239)
Change in net position	1,040,089	35,590	1,487,785	(20,994)	2,542,470	(8,928,798)
Net position - beginning	46,916,273	1,327,222	6,616,465	1,339,988	56,199,948	52,660,422
Net position - ending	\$ 47,956,362	\$ 1,362,812	\$ 8,104,250	\$ 1,318,994	\$ 58,742,418	\$ 43,731,624

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

OLMSTED COUNTY
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019

	Business-type Activities Enterprise Funds					Governmental Activities
	Major Management Enterprise Fund	Major Communications Enterprise Fund	Major HRA Enterprise Fund	Nonmajor Sanitary Sewer Enterprise Fund	Total Enterprise Funds	Internal Service Funds
Cash flows from operating activities:						
Receipts from customers and users	\$ 24,654,445	\$ 1,279,847	\$ 2,200,639	\$ 96,133	\$ 28,231,064	\$ 8,652,199
Receipts from transactions with other funds	1,174,769	-	-	-	1,174,769	48,583,165
Payments to suppliers	(10,948,194)	(1,193,944)	(6,603,589)	(63,698)	(18,809,425)	(30,731,890)
Payments to employees	(5,848,778)	(154,783)	(1,332,556)	-	(7,336,117)	(21,765,387)
Payments to other funds for services provided	(1,525,904)	(38,700)	-	(8,926)	(1,573,530)	(4,820,265)
Other receipts	207,090	-	5,230,860	-	5,437,950	2,147,533
Net cash flows from operating activities	7,713,428	(107,580)	(504,646)	23,509	7,124,711	2,065,355
Cash flows from noncapital financing activities:						
Property taxes	-	-	2,475,301	-	2,475,301	-
Payments on advances from other funds	-	-	-	-	-	-
HUD recapture of residual receipts	-	-	(4,064)	-	(4,064)	-
Payments on rehab loans	-	-	(380,910)	-	(380,910)	-
Equity transfer in HRA	-	-	-	-	-	-
Gifts and bequests	21,719	-	-	-	21,719	-
Transfers in	-	-	-	-	-	1,748,200
Intergovernmental grants received	504,926	183	-	-	505,109	165,657
Transfers out	-	-	-	-	-	(2,859,439)
Net cash flows from noncapital financing activities	526,645	183	2,090,327	-	2,617,155	(945,582)
Cash flows from capital and related financing activities:						
Acquisitions of capital assets	(1,458,346)	-	(332,320)	-	(1,790,666)	(5,352,193)
Proceeds from sale of capital assets	-	-	5,645	-	5,645	22,216
Bond Proceeds	-	-	-	-	-	10,188,641
Payments on bond issue costs and fiscal charges	(1,702)	-	-	-	(1,702)	(81,203)
Principal paid	(5,065,000)	-	(98,898)	(8,500)	(5,172,398)	(1,970,748)
Interest paid	(1,897,875)	-	(56,349)	(16,626)	(1,970,850)	(994,575)
Net cash flows from capital and related financing activities	(8,422,923)	-	(481,922)	(25,126)	(8,929,971)	1,812,138
Cash flows from investing activities:						
Interest on investments	361,596	20,336	24,268	4,599	410,799	748,717
Purchase of investments held by trustee	-	-	-	-	-	-
Withdrawals of restricted assets	-	-	-	-	-	38,952
Net cash flows from investing activities	361,596	20,336	24,268	4,599	410,799	787,669
Net increase (decrease) in cash and cash equivalents	178,746	(87,061)	1,128,027	2,982	1,222,694	3,719,580
Cash and cash equivalents - January 1	21,317,239	1,164,679	5,393,261	85,479	27,960,658	59,605,199
Cash and cash equivalents - December 31	\$ 21,495,985	\$ 1,077,618	\$ 6,521,288	\$ 88,461	\$ 29,183,352	\$ 63,324,779
Displayed on Proprietary Funds Statement of Net Position as:						
Cash and cash equivalents	\$ 11,569,408	\$ 1,077,618	\$ 5,542,924	\$ 88,461	\$ 18,278,411	\$ 47,872,362
Cash and cash equivalents on deposit:						
Restricted for debt service	5,133,569	-	238,965	-	5,372,534	2,696,540
HRA restricted cash	-	-	739,399	-	739,399	-
Restricted for construction	-	-	-	-	-	4,764,137
Designated for OPEB obligation	-	-	-	-	-	7,991,740
Restricted - Dedicated long-term environmental care trust	4,793,008	-	-	-	4,793,008	-
Total cash and cash equivalents	\$ 21,495,985	\$ 1,077,618	\$ 6,521,288	\$ 88,461	\$ 29,183,352	\$ 63,324,779
Reconciliation of operating income (loss) to net cash flows from operating activities:						
Operating income (loss)	\$ 1,406,557	\$ 15,071	\$ (932,996)	\$ (8,967)	\$ 479,665	\$ (7,831,949)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:						
Depreciation	5,488,982	43,542	414,935	26,441	5,973,900	4,001,154
Changes in pension amounts	86,098	1,758	-	-	87,856	4,975,970
Changes in OPEB amounts	-	-	-	-	-	(95,248)
Deferred forgivable debt	-	-	(46,000)	-	(46,000)	-
Landfill closure and postclosure expense	66,862	-	-	-	66,862	-
(Increase) decrease in assets						
Accounts receivable	575,385	(4,324)	(11,967)	2,338	561,432	425,512
Due from other governments	(9,460)	3,149	118,909	-	112,598	2,420
Accrued interest receivable	-	-	(4,019)	-	(4,019)	-
Inventories	(164,805)	-	-	-	(164,805)	-
Prepaid items	(216,302)	(158,699)	(1,435)	92	(376,344)	3,315
Accounts payable and other current liabilities	174,477	(3,184)	24,555	241	196,089	465,513
Salaries payable	(197,531)	(4,542)	6,242	-	(195,831)	(237,176)
Contracts payable	482,189	-	-	-	482,189	-
Due to other funds	-	-	(3,643)	-	(3,643)	-
Due to other governments	28,831	4	(66,485)	3,364	(34,286)	(4,855)
Outstanding claims	-	-	-	-	-	(403,726)
Total OPEB liability	-	-	-	-	-	270,663
Compensated absences	41,108	(355)	-	-	40,753	408,265
Unearned revenue	(48,963)	-	(2,742)	-	(51,705)	85,497
Total adjustments	6,306,871	(122,651)	428,350	32,476	6,645,046	9,897,304
Net cash flows from operating activities	\$ 7,713,428	\$ (107,580)	\$ (504,646)	\$ 23,509	\$ 7,124,711	\$ 2,065,355
Non-cash Transaction information:						
The interest expense includes amounts for:						
amortization of bond discounts and premiums and deferred amounts	\$ 587,508	\$ -	\$ (5,947)	\$ -	\$ 581,561	\$ 174,362
Contracts/accounts payable included in capital assets	39,091	-	-	-	39,091	(1,029,330)
Accounts Receivable consists of proceeds from sale of capital asset	-	-	-	-	-	-
Forgiveness of deferred loan	-	-	46,000	-	46,000	-

OLMSTED COUNTY
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2019

	Representative Payee Private- Purpose Trust Fund	Custodial Funds	Total Fiduciary Funds
<u>ASSETS</u>			
Cash, deposits, and investments	\$ 577,573	\$ 8,794,250	\$ 9,371,823
Taxes receivable	-	2,148,625	2,148,625
Special assessments receivable	-	1,145,164	1,145,164
Accounts receivable, net	-	434,216	434,216
Due from other governments	-	250,245	250,245
Due from governmental funds	-	1,490,302	1,490,302
Prepaid items	-	3,911	3,911
Total Assets	<u>577,573</u>	<u>14,266,713</u>	<u>14,844,286</u>
<u>LIABILITIES</u>			
Accounts payable or other liabilities	-	2,739,907	2,739,907
Due to other governments	-	2,546,685	2,546,685
Due to governmental funds	85,136	1,994,758	2,079,894
Unearned revenue	-	405,659	405,659
Total Liabilities	<u>85,136</u>	<u>7,687,009</u>	<u>7,772,145</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Advanced contributions	-	2,193,775	2,193,775
<u>NET POSITION</u>			
Restricted for other individuals, organizations, and governments	<u>\$ 492,437</u>	<u>\$ 4,385,929</u>	<u>\$ 4,878,366</u>

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

OLMSTED COUNTY
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019

	Representative Payee Private- Purpose Trust Fund	Custodial Funds	Total Fiduciary Funds
ADDITIONS			
Contributions by others	\$ 3,532,138	\$ -	\$ 3,532,138
Interest, dividends, other	-	145,234	145,234
Property tax collections for other governments	-	192,840,893	192,840,893
Special assessments collected for other organizations	-	1,356,405	1,356,405
Sales tax collections for other governments	-	152,099	152,099
Other Tax collections for other governments	-	8,696,781	8,696,781
Grant collections for other governments and organization	-	17,287,694	17,287,694
Child support and recovery collections for other governments	-	1,976,777	1,976,777
Fee collections for other governments and organization	-	2,216,651	2,216,651
Fines and forfeits collections for other governments and organizations	-	344,157	344,157
Gifts and contribution collections for other governments and organization	-	1,675,222	1,675,222
Restituion collections for other governments and organizations	-	958	958
Court ordered collections for others	-	38,246	38,246
Bail collections for other Counties	-	35,187	35,187
Inmate canteen collections	-	379,896	379,896
Redemption and forclosure collections for others	-	924,000	924,000
Execution collections for others	-	60,744	60,744
Miscellaneous	-	26,504	26,504
Total additions	<u>3,532,138</u>	<u>228,157,448</u>	<u>231,689,586</u>
DEDUCTIONS			
Payments of behalf of clients	3,477,451	-	3,477,451
Payments of property tax to other governments	-	165,317,904	165,317,904
Payments of property tax refunds and overpayments	-	2,494,691	2,494,691
Payments of sales tax to other governments	-	152,099	152,099
Payments of other taxes to other governments	-	8,332,894	8,332,894
Payments of individual's child support payments to other governments	-	473,389	473,389
Payments of other recoveries from individuals to other governments	-	1,427,535	1,427,535
Payments of fees to other governments and organizations	-	24,517,206	24,517,206
Payment of forfeitures to other governments and organizations	-	102,482	102,482
Payment of bail to other counties	-	35,187	35,187
Payments of inmate canteen collections to inmates and others	-	385,335	385,335
Payment of redemptions and forclosure collections to others	-	864,518	864,518
Payment of writs of execution to others	-	70,342	70,342
Administrative expenses	118,706	1,938,858	2,057,564
Payments to other entities	-	21,795,171	21,795,171
Total deductions	<u>3,596,157</u>	<u>227,907,611</u>	<u>231,503,768</u>
Net increase (decrease) in fiduciary net position	(64,019)	249,837	185,818
Net Position - Beginning (1)	<u>556,456</u>	<u>4,136,092</u>	<u>4,692,548</u>
Net Position - Ending	<u>\$ 492,437</u>	<u>\$ 4,385,929</u>	<u>\$ 4,878,366</u>

(1) Fiduciary Fund beginning net position has been adjusted according to GASB 84. See Note 1 for more information.

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

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Notes to the Financial Statements

**OLMSTED COUNTY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019**

GUIDE TO NOTES

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OLMSTED COUNTY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Olmsted County, Minnesota, (the County) have been prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (statements and interpretations). The more significant accounting policies established in GAAP and used by the County are discussed below.

A. Financial Reporting Entity

This financial report provides information in accordance with GAAP. The component units are included in the County's reporting entity because of its relationship with the County, as described below.

Discretely Presented Component Unit

The County does not have any component units that require a discrete presentation.

Blended Component Units

Olmsted County Building Authority - A board consisting of the seven members of the County Board of Commissioners governs the Olmsted County Building Authority (Authority). The Authority was used as a financing vehicle for a debt issue that was completely paid off in 2002. In 2003, the County Board voted to retain the corporation for future County uses as authorized by Minnesota Statute 465.719. The resolution of the Board to continue the corporation and the amendment to the Articles of Incorporation have been filed with the Secretary of State. At present the Authority has no operations and no financial transactions.

Olmsted County Regional Rail Authority - A board consisting of the seven members of the County Board of Commissioners governs the Olmsted County Regional Rail Authority (OCRRA). The OCRRA was organized in 2009 pursuant to Minnesota Statute Chapter 398A. The Olmsted County Administrator serves as Administrator of the OCRRA. The OCRRA was created to support initial planning and analysis of Olmsted County's freight and passenger rail options. In 2016, the County Board voted to suspend the project. The resolution of the Board to continue the corporation and the amendment to the Articles of Incorporation have been filed with the Secretary of State. At present the OCRRA has no operations and no financial transactions.

The Olmsted County Housing and Redevelopment Authority (OCHRA) – an eight-member board governs the OCHRA. The OCHRA was created by the 1994 Minnesota Law Chapter 493 on January 1, 1995. The 2015 Minnesota Legislature amended the specific laws establishing the OCHRA and gave permission to the Olmsted County Board to also become the HRA Board and provided for additional members needed to comply with Code of Federal Regulations, title 24, part 964. In January of 2016, the seven-member Olmsted County Board, elected by district, acted to become the Olmsted County Housing and Redevelopment Authority (HRA) Board and thereby assumed operational responsibility, which resulted in reporting the Olmsted County HRA as a blended component unit of the County as an Enterprise fund. As required, the new OCHRA Board then selected a United States Department of Housing and Urban Development resident commissioner to also sit on the OCHRA Board, making it an eight-member board. The OCHRA's primary operations are the development and management of housing units, which are rented to low-income residents, and the administration of housing assistance programs for low-income residents. The U.S. Department of Housing and Urban Development (HUD) finances these programs. Other activities include rehabilitation of commercial and residential property, which is financed by city, state, and federal resources. The separately issued Olmsted County Housing and Redevelopment Authority financial statements can be obtained by contacting Stephanie Reese, reese.stephanie@co.olmsted.mn.us, (507) 328-7081.

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

Basis of accounting refers to the time at which revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The government-wide, proprietary fund, and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting.

Government-Wide Financial Statements: The Statement of Net Position and the Statement of Activities display information about the primary government, Olmsted County, and excludes fiduciary activities. Using the accrual basis of accounting, revenues are

OLMSTED COUNTY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

recognized when they are earned, and their expenses are recognized when they are incurred. The effect of interfund activity has been eliminated from these statements; the exception being the interfund charges of our proprietary funds services so as not to distort the reporting of direct costs and program revenues.

These statements distinguish between 1) *governmental activities*, which normally are supported by taxes and intergovernmental revenues, and 2) *business-type activities*, which, to a significant extent, rely on fees and charges for support. The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*. Direct expenses of interfund services provided and used are not eliminated from the various functional categories. The County does not allocate indirect expenses to functions within the financial statements.

Fund Financial Statements: Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds use the modified accrual basis of accounting in which revenues are recognized when they become measurable and available. Available means collectible within the current period or soon enough thereafter to pay current liabilities, not to exceed 45 days. Unavailable revenues are reported in the governmental fund balance sheet and recognized as inflows of resources in the period that the amounts become available.

Property tax collections through 45 days after year-end are recognized as revenue and the remainder is a deferred inflow in the fund financial statements.

There are essentially two types of intergovernmental revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the County. Therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and nearly irrevocable; i.e., revocable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if they meet the criterion of availability. Intergovernmental revenues received but not earned are recorded as unearned revenue in the fund statements. Shared revenues are reported as program revenue in the year of allotment. The County has discretion over when the money is spent. Other revenues susceptible to accrual are investment earnings and charges for services.

Licenses and permits, fines and forfeits, penalties, gifts and contributions, and miscellaneous other revenues are recorded as revenues when received in cash because they are generally not measurable until actually received.

Expenditure recognition for governmental funds includes only amounts represented by current liabilities and deferred inflows. Since noncurrent liabilities and deferred inflows do not affect net current assets, they are not recognized as expenditures, fund liabilities or deferred inflows in governmental funds. Governmental fund financial statements record expenditures when related fund liability is incurred, except for principal and interest on long-term debt, compensated absences, pension expenditures, and claims and judgments, which are recognized as expenditures to the extent that they have matured.

Proprietary Funds' measurement focus is based upon determination of net income, financial position and cash flows, and is accounted for using the accrual basis of accounting, the same basis as is used in the government-wide statements. Revenues are recognized when they are earned, and expenses are recognized when they are incurred.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering the service in connection with the proprietary fund's principal on-going operations. The principal operating revenues of proprietary funds are charges to customers for sales and services and, for the HRA, operating grants. All other proprietary fund grants, including those restricted for capital purposes, are considered non-operating. Operating expenses for the proprietary funds include the cost of sales and services, administrative expense, depreciation on capital assets, and, for the HRA, housing assistance payments. All revenues and expenses not meeting the above definition of operating are reported as non-operating revenues and expenses.

Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Olmsted County's reporting entity contains one nonmajor enterprise fund and does not include any nonmajor governmental funds.

OLMSTED COUNTY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

The County reports the following major governmental funds:

- General Fund – Used to account for all financial resources except those accounted for in another fund.
- Infrastructure Special Revenue Fund – Used to account for revenues from the federal and state government, as well as property tax revenues restricted, committed or assigned for infrastructure, including highways and bridges construction and maintenance, as well as parks.
- Health and Human Services Special Revenue Fund – Used to account for revenues from the federal, state and other oversight agencies, as well as property tax revenues restricted, committed or assigned for income maintenance, social services and public health.

The County reports the following major enterprise funds:

- Waste Management – Used to account for financial activities related to the waste to energy facility, landfill, and resource recovery.
- Communications – Used to account for financial activities related to the telephone consortium the County belongs to, along with other local governments and agencies.
- Olmsted County HRA – A blended component unit used to account for the development and management of housing units, which are rented to low-income residents, and the administration of housing assistance programs for low-income residents.

The County reports the following nonmajor enterprise fund:

- Sanitary Sewer – Used to account for the financial activities related to the sewage collection and treatment system serving the Chester Heights area.

Additionally, the County reports the following fund types:

- Internal Service Funds – Used to account for various employee insurances and benefits, centralized office services, computer services, and building functions.
- Private Purpose Trust Fiduciary Funds – Used to account for and report any trust arrangement not properly reported in a pension trust fund or investment trust fund under which principal and income benefits individuals, private organizations, or other governments.
- Custodial Fiduciary Funds – Used to account for and report assets controlled by the county and the assets are for the benefit of individuals, private organizations, and/or other governmental units.

Reconciliations from fund statements to government-wide statements. The Governmental Funds' Balance Sheet includes a reconciliation of the *Total Fund Balances* to the *Total Net Position, Governmental Activities* as reported on the government-wide Statement of Net Position. Likewise, the Governmental Funds' Statement of Revenues, Expenditures and Changes in Fund Balances is followed by a reconciliation of the *Net Changes in Fund Balances, Total Governmental Funds* to the *Change in Net Position, Governmental Activities* as reported on the government-wide Statement of Activities.

On the Proprietary Funds' Statement of Net Position and Proprietary Funds' Statement of Revenues, Expenditures and Changes in Fund Net Position, the totals for Enterprise Funds are the same as those on the government-wide statements and, therefore, no reconciliation is required. The totals for Internal Service Funds are included in the reconciliations described above.

C. Assets, Deferred Outflows, Liabilities, Deferred Inflows, Net Position, and Fund Balances

Cash and Cash Equivalents, Investments. The cash balances of all funds, except for those specifically required to be segregated, are pooled and invested for the purpose of increasing earnings through investments.

Investments are stated at fair value at December 31, 2019, based upon quoted market prices or at amortized cost for money market and participating interest-earning investment contracts with a remaining maturity at the time of purchase of one year or less. A market approach is used to value all investments.

Pooled investment earnings credited to the General Fund were \$3,512,209 for 2019, \$2,123,242 of which was not allocated to other funds. For 2019, a \$1,740,826 and \$102,027 unrealized gain due to the change in fair value of cash and investments was reported in the operating statements in the General Fund and the Infrastructure Fund, respectively. A \$19,344 unrealized gain due to the change in fair

OLMSTED COUNTY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

value of cash and investments was reported in the operating statements in the Building Facilities Internal Service Fund. The calculation of realized gains and losses is independent of the calculation of the change in fair value of investments and realized gains and losses of the current period include unrealized amounts from prior periods.

For purposes of the statement of cash flows, the Proprietary Funds consider all equity held in the County's cash management pool to be cash equivalents because this pool is used essentially as a demand deposit account. Short-term investments, identifiable to Proprietary Funds, with a maturity date within three months of the date acquired by the County are also considered cash and cash equivalents. The Proprietary Funds statement of cash flows includes all cash and cash equivalent asset balances regardless of any restrictions or designations on the accounts.

Taxes Receivables. Property tax levies are set by the County Board on or before December 31 each year and become a lien on January 1 of the following year. The total levy is spread on all assessable property, other than mobile homes, personal property, and properties that pay in-lieu-of tax. Taxes are considered receivable as of the lien date. Taxes that remain unpaid at December 31 of the lien year are delinquent. Collections through 45 days after year-end are recognized as revenue and the remainder is a deferred inflow in the fund financial statements. No allowance for uncollectible taxes has been provided because such amounts are not expected to be material.

Real estate and personal property taxes are payable in two equal installments, the first half on May 15 and the second half on October 15. Second half real estate taxes on agricultural property may be paid until November 15 without penalty. The County levies and collects property taxes and special assessments for all governmental units within the County. The County is required by statute to distribute the collections to the various governmental units several times each year.

Contractual Allowances. Olmsted County Public Health Services provides services to certain patients covered by various third-party reimbursement programs at contractual rates, which generally differ from the County's established rates. Normal billing rates to these patients are included in patient service revenue. Patient accounts receivable are adjusted for contractual allowances, which are recorded on the basis of estimates of the amounts to be received from third parties. Final adjustments are made in the period such amounts are finally determined.

Due from Other Funds, Advances to Other Funds. On the government-wide statements, inter-fund loans are reported in assets as internal balances which net to zero in total. In the fund financial statements, these inter-fund loans are reported as follows:

- Current portions in "Due from" asset accounts which are considered available spendable resources
- Noncurrent portions in "Advances to" asset accounts which do not constitute available spendable resources and are reported as non-spendable fund balance.

See Note 5 for fund statement detail.

Inventories and Prepaid Items. Inventories consist of supplies and repair parts and are valued at cost, which approximates fair value (first-in, first-out method). The cost of such inventories is recorded as expenditures/expenses when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Restricted Assets. Certain proceeds of proprietary fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the statement of net position because their use is limited by bond covenants.

The Dedicated Long-term Environmental Care Trust was established in the County's treasury for the purpose of financial assurance on the Kalmar Township landfill. The Minnesota Pollution Control Agency Commissioner reviews evidence of expenditures for closure, post-closure, or corrective action and authorizes the transfer of funds from the Dedicated Long-term Environmental Care Trust to the County's operating cash account.

When both restricted and unrestricted net position are available, restricted resources are used first. The County's Chief Financial Officer is consulted for any exceptions. This policy excludes endowments and restricted donations.

OLMSTED COUNTY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

Capital Assets. Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, dams, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Purchased capital assets are valued at historical cost, except for infrastructure acquired prior to 2003 and assets of the Building Facilities Internal Service Fund that were transferred from the State, which are valued at an estimated historical cost of \$171.7 and \$2.9 million, respectively, net of accumulated depreciation. Donated capital assets are recorded at their estimated acquisition value at the date of donation.

In the Government-wide Statement of Net Position and Statement of Activities, capital assets in governmental activities are depreciated and public domain infrastructure is capitalized. In the fund financial statements, no depreciation has been provided for the capital assets purchased by governmental funds and no public domain infrastructure is capitalized.

Depreciation of all exhaustible capital assets used by government-wide financial statements and proprietary funds is charged as an expense against operations. Capital assets are reported net of accumulated depreciation. Depreciation has been provided over the assets' estimated useful lives using the straight-line method.

The capitalization threshold, excluding the OCHRA, is \$250,000 for roads, bridges, traffic signals and dams; \$100,000 for buildings; \$50,000 for improvements non-building and software; and \$25,000 for all other capital assets. The estimated useful lives are for the following number of years:

Buildings	20 to 35
Improvements	10 to 40
Equipment	4 to 20
Software	2 to 5
Roads	25 to 50
Bridges	50
Traffic Signals	25
Dams	100
Sewer Systems	75

The OCHRA capitalization threshold is \$5,000 for all capital assets. The estimates useful lives are for the following number of years:

Buildings	25 to 50
Improvements	4 to 25
Equipment	2 to 20

See Note 4 for Governmental Funds and Proprietary Funds capital assets.

Other Assets. "Long-term loans" are in the Building Facilities Internal Service Fund for the amount loaned out to homeowners in the area of the Building Facilities property as instituted by the Board of Commissioners to stabilize property values in the immediate neighborhood.

Deferred Outflows and Inflows of Resources. In addition to assets, the statement of financial position will report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expenditure/expense) until then.

In addition to liabilities, the statement of financial position will report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until then.

Long-Term Obligations. In the government-wide financial statements and proprietary fund statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed in the period incurred.

OLMSTED COUNTY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

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

Both long and short term liabilities are recorded in the government-wide statements and proprietary fund statements. Governmental fund statements record only short term liabilities of the funds. Also see Note 6.

Government-wide statements and proprietary fund statements identify the other post-employment benefit (OPEB) obligation and pension liability. Pension benefits are funded from member and employer contributions by each fund and income from the investment of fund assets as administered by PERA. Each fund liquidates the OPEB obligation based on employee/employer paid health insurance premiums. Governmental funds contribute to the OPEB obligation in the proprietary Self-Insurance Fund by way of inclusion in employee health insurance premiums charged by the Self-Insurance Fund.

Closure and Post-closure Care Costs. State and federal laws and regulations require the County to place a final cover on its Kalmar landfill site when it stops accepting waste in each cell and to perform certain maintenance and monitoring functions at the site for thirty years after closure. When a cell reaches capacity, final cover, including vegetative cover, will be put in place. Although final cell closure and post-closure care costs will be paid only near or after the date that the landfill stops accepting waste, the County reports a portion of these closure and post-closure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The \$2,045,751 reported as landfill closure and post-closure care liability at December 31, 2019, represents the cumulative amount reported to date based on the use of 44 percent of the estimated capacity of the landfill. The County will recognize the remaining \$2,580,545 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and post-closure care in 2019. The County estimates the remaining life at 25 - 100 years. Actual cost may be higher due to inflation, changes in technology, or changes in regulations.

The County is required by state and federal laws and regulations to make annual contributions to a dedicated long-term trust to finance closure and post-closure care. At December 31, 2019, the County has investments of \$4,793,008 for these purposes. These are reported as restricted assets on the balance sheet. The County expects that future inflation costs will be paid from interest earnings on these annual contributions. However, if interest earnings are inadequate or additional post-closure care requirements are determined (due to changes in technology or applicable laws or regulations, for example), these costs may need to be covered by charges to future landfill users or from future tax revenue.

Conduit Debt Obligations. The Olmsted County HRA has issued several conduit debt instruments. These bonds and leases have been used by the obligor entities to finance buildings and/or equipment and do not constitute an indebtedness of the HRA. These debt instruments have not been reported as a liability in the accompanying financial statements and are payable solely from funds generated by the entities that are the obligors under the debt instruments. The balance outstanding as of December 31, 2019 is \$7,159,759.

Compensated Absences. The liability for compensated absences reported in the government-wide statements and proprietary fund statements consists of earned, but unpaid balances for a variety of paid leave time. Employees working half time or more earn leave based on their full time equivalent.

Vacation leave accrual varies from 12 to 24 days per year based upon length of service. Sick leave is 12 days per year, a portion of which becomes vested after 10 to 12 years of service, depending on personnel policies and union contracts. Some union contracts also authorize compensatory time.

The vesting method was used to determine the amount of sick leave liability to include in the liability calculation. Olmsted County determined that it was probable that employees who maintained employment for 10 years would continue with their employment to meet the 10 to 12 year requirement for sick leave vesting.

Non-contract and most union employees participate in Paid Time Off (PTO). PTO replaces all of the leave types available with the exception of holidays and funeral leave. PTO leave accruals vary from 18 to 30 days per year based upon length of service.

Also included in the liability calculation is an amount for FICA and Medicare FICA for both vested sick and vacation and PTO as this is directly and incrementally associated with payments made for compensated absences on termination. Unused accumulated PTO, vacation leave, vested sick leave, and compensatory time are paid to employees upon termination.

OLMSTED COUNTY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

The liability of the governmental funds is accounted for in the Self-Insurance Compensated Absences Internal Service Fund. The current portion of the liability is calculated by using a three year average usage. The total liability reduced by the estimated current portion is the long-term amount. The related current year expenses are recognized in the governmental funds when earned. Proprietary fund accruals are accounted for within each fund, with the related fund expense recognized when earned. Sick leave vested and expected to vest is reported in the financial statements.

Pension Plan. 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 except that PERA's fiscal year end is June 30. 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. Plan investments are reported at fair value.

Fund Balance. In the fund financial statements, governmental funds report restrictions of fund balance for amounts that are legally segregated for specific purposes or are not available for general expenditures. Assignments of fund balance indicate the portion of fund balance that the County has set aside for planned future expenditures.

Nonspendable fund balance amounts cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The not in spendable form criterion includes items that are not expected to be converted to cash, for example, inventories and prepaid amounts. It also includes the long-term amount of loans and notes receivable.

Restricted fund balance includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.

Committed fund balance includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority.

Assigned fund balance amounts are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed.

Unassigned fund balance is the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications. In other funds, the unassigned classification should be used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

Net Position. In the government-wide and proprietary fund financial statements, net position represents the difference between all other elements in a statement of financial position and should be displayed in three components: net investment in capital assets; restricted (distinguishing between major categories of restrictions); and unrestricted.

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

Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

OLMSTED COUNTY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

Net investment in capital assets as shown on the Statement of Net Position is calculated as follows:

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Capital Assets, net	\$ 267,353,265	\$ 100,108,402	\$ 367,461,667
Less: debt			
Total bonds payable	(93,100,000)	(50,380,000)	(143,480,000)
Total bond premiums	(5,607,281)	(4,189,663)	(9,796,944)
Total mortgages payable	-	(11,211,711)	(11,211,711)
Total contracts payable - capital related	(1,315,586)	(82,090)	(1,397,676)
Total deferred charge on refunding (net)	-	(46,989)	(46,989)
Add back: non-capital related debt			
Various mortgages in HRA Enterprise Fund	-	730,702	730,702
Unused 2019A Bond proceeds	7,773,907	-	7,773,907
2016A Refunding Bonds - not yet capital related	5,600,000	-	5,600,000
2016A Refunding Bond premiums - not yet capital related	372,230	-	372,230
Net investment in capital assets	<u>\$ 181,076,535</u>	<u>\$ 34,928,651</u>	<u>\$ 216,005,186</u>

Change in Accounting Principles. During the year ended December 31, 2019, Olmsted County adopted new accounting guidance by implementing the provisions of GASB Statement No. 84, *Fiduciary Activities*, which establishes criteria for identifying and reporting fiduciary activities.

The implementation of this statement has resulted in changing the presentation of financial statements by recording the Representative Payee Private Purpose Trust fund that was not previously reported and including accruals and ending net position to custodial funds not previously required. Beginning net position has been restated to reflect this change.

Note 1 Change in Accounting Principles

	Representative Payee Private Purpose Trust Fund	Custodial Funds	Total Fiduciary Funds
Net Position, January 1, 2019, as previously reported	\$ -	\$ -	\$ -
Change in accounting principles	556,456	4,136,092	4,692,548
Net Position, January 1, 2019, as restated	<u>\$ 556,456</u>	<u>\$ 4,136,092</u>	<u>\$ 4,692,548</u>

In March 2018, the GASB issued statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. This statement defines debt for purposes of disclosure in notes to financial statements and establishes additional financial statement note disclosure requirements related to debt obligations of governments, including direct borrowing and direct placements. This standard was implemented January 1, 2019.

In June 2018, the GASB issued statement No. 89, *Accounting for interest Cost Incurred Before the End of a Construction Period*. This statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. This standard was implemented January 1, 2019.

OLMSTED COUNTY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

2. CASH, DEPOSITS, AND INVESTMENTS

Deposits

The following is a reconciliation of the County's total cash and investments in the basic financial statements.

Government-Wide statement of net position

Governmental activities

Cash and pooled investments	\$ 159,066,241
Cash and pooled investments - restricted	21,190,732
Petty cash and change funds	125,296
Cash held by trustee	184,466
Investments held by trustee	5,579,702

Business-type activities

Cash and pooled investments	18,273,511
Cash and pooled investments - restricted	10,904,941
Petty cash and change funds	4,900

Statement of fiduciary assets and liabilities

Cash and pooled investments	9,330,923
Petty cash and change funds	40,900
	<u>\$ 224,701,612</u>

Deposits and Non-Negotiable Certificates of Deposit	\$ 34,934,426
Petty Cash	171,096
Investments	189,596,090
	<u>\$ 224,701,612</u>

Minnesota Statutes Chapter 118A authorizes the County to deposit its cash and to invest in certificates of deposit in financial institutions designated by the County Board.

Minnesota Statutes Chapter 118A.03 requires all deposits be protected by insurance, surety bond, or collateral. The market value of collateral pledged shall be at least ten percent more than the amount on deposit plus accrued interest at the close of the financial institution's banking day, not covered by insurance or bonds.

Authorized collateral includes treasury bills, notes and bonds; issues of U.S. government agencies; general obligations rated "A" or better, revenue obligations rated "AA" or better; irrevocable standby letters of credit issued by the Federal Home Loan Bank; and certificates of deposit. Minnesota Statutes require that securities pledged as collateral be held in safekeeping in a restricted account at the Federal Reserve Bank or in an account at a trust department of a commercial bank or other financial institution that is not owned or controlled by the financial institution furnishing the collateral.

Custodial credit risk for deposits is the risk that, in the event of a bank failure, the County's deposits may not be returned to it. County policy requires all deposits to be insured or collateralized in accordance with Minnesota Statutes Chapter 118A. At December 31, 2019, none of the County's deposits were subject to custodial credit risk.

OLMSTED COUNTY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

Investments

Minnesota Statutes Section 118A.04 and .05 generally authorize the following types of investments available to the County:

- securities which are direct obligations or are guaranteed or insured issues of the United States, its agencies, its instrumentalities, or organizations created by an act of Congress, except mortgage-backed securities defined as “high-risk” by Minnesota Statute 118A.04, subd. 6
- mutual funds through shares of registered investment companies provided the mutual fund received certain ratings depending on its investments
- general and revenue obligations of any state or local government with taxing powers and obligations of the Minnesota finance housing agency provided such obligations have certain specified bond ratings by a national bond rating service
- time deposits that are fully insured by the Federal Deposit Insurance Corporation or bankers' acceptances of U.S. banks
- commercial paper issued by U.S. corporations or their Canadian subsidiaries that is rated in the highest quality category by two nationally recognized rating agencies and matures in 270 days or less
- with certain restrictions:
 - repurchase agreements
 - securities lending agreements
 - joint powers investment trusts
 - guaranteed investment contracts (GIC)
 - temporary general obligation bonds

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. The County does not have a formal investment policy that addresses interest rate risk. The County minimizes their exposure to interest rate risk by investing in both shorter and longer-term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. It is the County's policy to diversify use of investment instruments to avoid incurring unreasonable risks inherent in over investing in specific instruments, individual financial institutions, or maturities.

As of December 31, 2019, the County's bank balances subject to collateralization totaled \$33,562,703. County policy, in accordance with Minnesota statutes, requires collateral coverage for all deposit balances exceeding the FDIC insured levels. Federal Home Loan Bank letters of credit may be substituted for qualifying government securities at some institutions. As of December 31, 2019, the County's deposits were not exposed to custodial credit risk, being fully covered through collateral agreements with designated depositories.

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. County policy requires all investments to be delivered to the institutions designated by the County for safekeeping. At December 31, 2019, none of the County's investments were subject to custodial credit risk.

The concentration of credit risk is the risk of loss that may be caused by the County's investment in a single issuer. It is the County's policy that U.S. Treasury Securities, U. S. Agency Securities, and obligations backed by U. S. Treasury and/or U.S. Agency securities, may be held without limit.

The County adopted the segmented time distribution method for disclosing potential interest rate risk in 2008 as the portfolio composition changed.

OLMSTED COUNTY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

The following table presents the County's investment balances at December 31, 2019, and information relating to potential Custodial Credit Risk and Concentration Risk:

Instrument Type	Credit Risk		Concentration Risk	Carrying (Fair) Value
	Credit Rating	Rating Agency	Over 5 Percent of Portfolio	
U.S. Government and Gov't Agency securities				
US Treasury Notes			<5%	\$ 5,579,214
US Treasury Bonds			39.0%	73,915,825
Federal Farm Credit Bank	Aaa	Moody's	16.4%	31,091,817
Federal Home Loan Bank	Aaa	Moody's	11.1%	21,083,153
Federal Home Loan Mortgage Corporation	Aaa	Moody's	8.7%	16,517,007
Federal National Mortgage Association	Aaa	Moody's	11.0%	<u>20,785,262</u>
Total U.S. Government Securities				168,972,278
Municipal Bonds	Aa2	Moody's	<5%	5,032,750
Mutual Funds				
Wells Fargo Advantage Government Money Market	Aaa-mf	Moody's	NA	<u>15,591,062</u>
Total Investments				189,596,090
Deposits				34,934,426
Petty Cash				<u>171,096</u>
Total Cash, Investments, and Agreements				\$ 224,701,612

OLMSTED COUNTY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

The following table represents the potential interest rate risk related to the County's investments using the segmented time distribution method. Mutual Funds are not included as Olmsted County has daily availability to the funds.

Investment or Deposit Type	Fair Value	Investment Maturities (in Years)		
		Less Than 2 Years	2-3 Years	3-5 Years
U. S. Government Securities				
Federal Farm Credit Bank	\$ 31,091,817	\$ 19,052,487	\$ 5,993,264	\$ 6,046,066
Federal Home Loan Bank	21,083,153	8,558,696	6,094,497	6,429,960
Federal Home Loan Mortgage Corporation	16,517,007	13,978,470	2,538,537	-
Federal National Mortgage Association	20,785,262	10,993,497	6,347,037	3,444,728
Treasury Bonds	73,915,825	49,320,450	13,297,211	11,298,164
Treasury Notes	5,579,214	5,579,214	-	-
Total U.S. Government Securities	168,972,278	107,482,814	34,270,546	\$ 27,218,918
Municipal Bonds	5,032,750	-	-	5,032,750
Total Investments	<u>\$174,005,028</u>	<u>\$107,482,814</u>	<u>\$34,270,546</u>	<u>\$32,251,668</u>
Reconciliation to Schedule of Deposits and Investments				
Amount from above	\$174,005,028			
Mutual Funds	<u>15,591,062</u>			
Total Investments	<u>\$189,596,090</u>			

OLMSTED COUNTY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

Cash, Deposits, and Investments

Olmsted County measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- *Level 1:* Quoted prices for identical investments in active markets;
- *Level 2:* Observable inputs other than quoted market prices; and
- *Level 3:* Unobservable inputs.

At December 31, 2019, Olmsted County had the following recurring fair value measurements.

	<u>December 31, 2019</u>	Quoted Prices in Active Markets for Identical Assests (Level 1)	Significant Other Observable Inputs (Level 2)
Investments by fair value			
Debt Securities			
U.S. Government and Gov't Agency Securities			
U.S. Treasury Notes	\$ 5,579,214	\$ -	\$ 5,579,214
U.S. Treasury Bonds	73,915,825	-	73,915,825
Federal Farm Credit Bank	31,091,817	-	31,091,817
Federal Home Loan Bank	21,083,153	-	21,083,153
Federal Home Loan Mortgage Corporation	16,517,007	-	16,517,007
Federal National Mortgage Association	20,785,262	-	20,785,262
Municipal Bonds	5,032,750	-	5,032,750
Wells Fargo Advantage Government Money Market Mutual Fund	15,591,062	15,591,062	-
Total Investments included in the Fair Value Hierarchy	<u>189,596,090</u>	<u>\$ 15,591,062</u>	<u>\$ 174,005,028</u>
Cash and Cash Equivalents			
Deposits	34,934,426		
Petty Cash	<u>171,096</u>		
Total Cash and Cash Equivalents	35,105,522		
Total Cash , Cash Equivalents, and Investments	<u>\$ 224,701,612</u>		

Mutual funds in Level 1 are valued using a market approach quoted in active markets for those securities.

Debt securities classified in Level 2 are valued using a market approach by utilizing quoted prices for identical securities in markets that are not active.

OLMSTED COUNTY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

3. RECEIVABLES, UNEARNED AND UNAVAILABLE REVENUE

Receivables

Receivables as of December 31, 2019 including the applicable allowances for uncollectible accounts are as follows:

	Governmental Activities	Business-type Activities	Total
Receivables:			
Accounts Receivable, gross	\$ 5,258,086	\$ 1,837,096	\$ 7,095,182
Less:			
Allowance for doubtful accounts	(1,910,437)	-	(1,910,437)
Net total receivables	<u>\$ 3,347,649</u>	<u>\$ 1,837,096</u>	<u>\$ 5,184,745</u>

Net receivables for Governmental Activities are collectible within the year.

Unearned and Unavailable Revenue

On the fund financial statements, governmental funds report unearned and unavailable revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. These types of unavailable revenue are not reported on the government-wide financial statements, provided such revenues were earned. Governmental funds and government-wide financial statements 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 unrecognized revenue, which are *unavailable* and *unearned* revenue reported in the governmental funds and business type activities, were as follows:

	Government-wide Statements - Unearned	Fund Statements	
		Unearned Revenue	Unavailable Revenue
Governmental Funds:			
Taxes	\$ 186,000	\$ 186,000	\$ 226,700
Sales Tax	458,358	458,358	44,244
Intergovernmental	404,253	404,253	3,812,877
Charges for services	-	-	433,300
Other	266,634	266,634	33,152
Sub-total, governmental funds	<u>1,315,245</u>	<u>1,315,245</u>	<u>4,550,273</u>
Internal Service Funds:			
Charges for services	284,835	284,835	-
Other	3,550	3,550	-
Sub-total, internal service funds	<u>288,385</u>	<u>288,385</u>	<u>-</u>
Sub-total, governmental activities	<u>1,603,630</u>	<u>1,603,630</u>	<u>4,550,273</u>
Business-Type Activities			
Waste Management other	46,034	46,034	-
OCHRA other	131,547	131,547	-
Sub-total, business-type activities	<u>177,581</u>	<u>177,581</u>	<u>-</u>
Total	<u>\$ 1,781,211</u>	<u>\$ 1,781,211</u>	<u>\$ 4,550,273</u>

OLMSTED COUNTY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

4. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2019 was as follows:

Governmental Activities

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 15,279,298	\$ 6,216,492	\$ -	\$ 21,495,790
Infrastructure land	35,778,652	788,350	-	36,567,002
Construction in progress	10,176,155	12,154,689	(9,912,777)	12,418,067
Total capital assets not being depreciated	61,234,105	19,159,531	(9,912,777)	70,480,859
Capital assets, being depreciated:				
Infrastructure	266,162,312	8,219,829	(1,112,732)	273,269,409
Building	115,806,806	3,903,725	(745,239)	118,965,292
Improvements other than building	6,719,523	-	-	6,719,523
Equipment	30,863,063	1,904,393	(2,598,824)	30,168,632
Software	11,380,220	-	(2,785,333)	8,594,887
Total capital assets being depreciated	430,931,924	14,027,947	(7,242,128)	437,717,743
Less accumulated depreciation for:				
Infrastructure	(138,287,630)	(6,345,454)	598,955	(144,034,129)
Building	(59,935,142)	(3,580,416)	745,239	(62,770,319)
Improvements other than building	(4,215,484)	(248,889)	-	(4,464,373)
Equipment	(22,380,504)	(1,889,352)	2,472,685	(21,797,171)
Software	(9,448,386)	(1,082,605)	2,751,646	(7,779,345)
Total accumulated depreciation	(234,267,146)	(13,146,716)	6,568,525	(240,845,337)
Total capital assets, being depreciated, net	196,664,778	881,231	(673,603)	196,872,406
Governmental activities capital assets, net	\$ 257,898,883	\$ 20,040,762	\$ (10,586,380)	\$ 267,353,265

OLMSTED COUNTY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

Business-type Activities

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 3,762,281	\$ -	\$ -	\$ 3,762,281
Construction in progress	241,279	415,876	(126,539)	530,616
Total capital assets not being depreciated	<u>4,003,560</u>	<u>415,876</u>	<u>(126,539)</u>	<u>4,292,897</u>
Capital assets, being depreciated:				
Infrastructure	1,984,227	-	-	1,984,227
Building	47,157,157	-	(35,452)	47,121,705
Improvements other than building	12,052,642	158,639	-	12,211,281
Equipment	142,823,274	1,303,600	(1,059,148)	143,067,726
Software	349,455	-	(171,480)	177,975
Total capital assets being depreciated	<u>204,366,755</u>	<u>1,462,239</u>	<u>(1,266,080)</u>	<u>204,562,914</u>
Less accumulated depreciation for:				
Infrastructure	(350,412)	(26,440)	-	(376,852)
Building	(29,288,134)	(897,015)	19,847	(30,165,302)
Improvements other than building	(11,036,619)	(198,743)	-	(11,235,362)
Equipment	(63,020,441)	(4,835,201)	1,044,125	(66,811,517)
Software	(313,356)	(16,501)	171,481	(158,376)
Total accumulated depreciation	<u>(104,008,962)</u>	<u>(5,973,900)</u>	<u>1,235,453</u>	<u>(108,747,409)</u>
Total capital assets, being depreciated, net	<u>100,357,793</u>	<u>(4,511,661)</u>	<u>(30,627)</u>	<u>95,815,505</u>
Business-type activities capital assets, net	<u>\$ 104,361,353</u>	<u>\$ (4,095,785)</u>	<u>\$ (157,166)</u>	<u>\$ 100,108,402</u>

The reconciliation of capital asset additions from Note 4 to acquisitions of capital assets on the Statement of Cash Flows is as follows:

Note 4 disclosure:	Business-Type Activities
Total capital assets - increases	\$ (1,878,115)
Construction in progress - decreases	126,539
Change in capital related payables	(39,090)
Acquisition of capital assets per Statement of Cash Flows	<u>\$ (1,790,666)</u>

OLMSTED COUNTY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

Depreciation expense was charged to function/programs of the primary government as follows:

Governmental activities:

General government	\$ 1,704,148
Public safety	796,952
Conservation of natural resources	6,747
Highways and streets	7,897,621
Health	416,213
Human Services	1,720,496
Culture and recreation	604,539
Total depreciation expense - governmental activities	<u>\$ 13,146,716</u>

Business-type activities:

Waste Management	\$ 5,488,982
Communications	43,542
Olmsted County HRA	414,935
Sanitary Sewer	26,441
Total depreciation expense - business type activities	<u>\$ 5,973,900</u>

Construction commitments

Olmsted County has active construction projects as of December 31, 2019. At the end of the year, commitments with contractors are as follows:

Project	Total Contract	Spent-to-date	Remaining Commitment	Funding Source
Campus Storm Sewer Upgrades	\$ 1,328,498	\$ 1,176,819	\$ 151,679	Bond Proceeds
Adult Detention Center Upgrades	791,886	550,582	241,304	Bond Proceeds
2118 Building Renovation	1,346,095	545,630	800,465	Bond Proceeds
Subway Property Demolition	63,752	57,464	6,288	General Fund Reserves
Mental Health Crisis Center	355,972	57,873	298,099	State of MN Grant
2122 Building Renovations	48,870	40,236	8,634	Bond Proceeds
HRA Public Housing Rehab	1,580,988	281,741	1,299,247	Deferred Forgivable Debt, Federal Grants, and Housing Levy
CSAH 5 - City of Byron	150,618	-	150,618	LOST (Local Transit Sales Tax)
P377 CSAH 32 Bridge Replacement	660,067	-	660,067	LOST & State Bridge Bonds
P393 CR 112 Reconstruction	1,223,801	1,143,410	80,391	LOST
P403 CSAH 9 Reconstruction	5,006,272	63,117	4,943,155	LOST & FWHA
P412 CSAH 5 Phase II Construction	8,526,761	5,282,662	3,244,099	State Aid Hwy User Tax
P418 CSAH 35 Bituminous Overlay	954,554	604,276	350,279	LOST
P419 CSAH 22W Concrete Rehabilitation	1,846,123	1,634,489	211,634	LOST
P423 CR 136 & 137 Improvements	144,900	120,887	24,013	LOST
P426 CR 156 Bituminous Overlay	205,568	-	205,568	LOST
P427 CSAH 22 (55th St NW) Reconstruction	3,744,744	-	3,744,744	LOST
OWEF - Turbine #2 - Major Overhaul	210,505	52,167	158,338	Waste Management Fund
OWEF - Generator #2 - Major Overhaul	39,363	16,000	23,363	Waste Management Fund
	<u>\$ 28,229,337</u>	<u>\$ 11,627,353</u>	<u>\$ 16,601,984</u>	

OLMSTED COUNTY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

5. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The following interfund receivables and payables are reported on the fund financial statements at December 31, 2019, and are the short term and long term portions of the loans due to the General Fund from the Sanitary Sewer Fund for the construction of the Chester Heights area sewer system and the Olmsted County HRA for The Francis building.

The General Fund and Health & Human Service Fund receivables from Fiduciary Custodial Funds are the amounts due for Olmsted County employees that are contracted by Dodge, Fillmore and Olmsted County Corrections and Soil and Water Conservation, missing heirs, and loans for the Lake Zumbro Restoration Project. The General Fund and Health and Human Services Fund payables to Fiduciary Funds are for grants sub-recipiented to Custodial Funds for Lake Zumbro Restoration and Human Service Regional Projects.

	Due From Other Funds	Due to Other Funds
Governmental Funds:		
General Fund	\$ 2,058,832	\$ 821,735
Health & Human Services	29,862	668,567
Total Governmental Funds	<u>2,088,694</u>	<u>1,490,302</u>
Enterprise Funds:		
Sanitary Sewer	-	8,800
Olmsted County HRA		
Total Enterprise Funds	<u>-</u>	<u>8,800</u>
Fiduciary Funds:		
Representative Payee Private Purpose Trust Fund	-	85,136
Service Bureau Activities Custodial Funds	1,490,302	1,994,758
Total Fiduciary Funds	<u>1,490,302</u>	<u>2,079,894</u>
Total Due From and Due To Other Funds	<u>\$ 3,578,996</u>	<u>\$ 3,578,996</u>
	Advances To Other Funds	Advances From Other Funds
General Fund	\$ 497,800	\$ -
Enterprise Funds		
Sanitary Sewer	-	373,900
Olmsted County HRA	-	123,900
Total Enterprise Funds	<u>-</u>	<u>497,800</u>
Total Advances To and From Other Funds	<u>\$ 497,800</u>	<u>\$ 497,800</u>

OLMSTED COUNTY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

Interfund transfers reported on the fund financial statements at December 31, 2019 were:

	Transfers in:				Transfers out
	Governmental Funds			Internal Service Funds	
	General	Infrastructure	Human Services		
Governmental funds:					
General	\$ -	\$ 818,663	\$ 10,000	\$ 1,340,775	\$ 2,169,438
Infrastructure	518,713	-	-	32,708	551,421
Health and Human Services	37,000	-	-	374,717	411,717
General Governmental fund transfers in	555,713	818,663	10,000	1,748,200	3,132,576
Proprietary funds:					
Internal Service funds	-	2,859,439	-	-	2,859,439
Total transfers in	<u>\$ 555,713</u>	<u>\$ 3,678,102</u>	<u>\$ 10,000</u>	<u>\$ 1,748,200</u>	<u>\$ 5,992,015</u>
Reasons for interfund transfers:					
General Fund Contribution to					
Building Fund for Maverick Drone	\$ -	\$ -	\$ -	\$ 14,593	\$ 14,593
General Fund Contribution to					
Building Fund for 12 video cameras	-	-	-	13,953	13,953
General Fund Contribution to					
Building Fund for Subway Property	-	-	-	465,000	465,000
General Fund Contribution to					
Building Fund for Seneca Pole Shed	-	-	-	225,000	225,000
General Fund Contribution to					
Building Fund for Warming Center	-	-	-	186,140	186,140
General Fund Contribution to					
Infrastructure Fund for Graham Park	-	818,663	-	-	818,663
General Fund Contribution to					
Internal Service Fund - HR	-	-	-	11,000	11,000
General Fund Contribution to					
Internal Service Fund - Organizational Development	-	-	-	63,989	63,989
General Fund Contribution to					
Internal Service Fund - Purchasing	-	-	-	361,100	361,100
General Fund Contribution to					
Health and Human Services for Mayo Exhibit	-	-	10,000	-	10,000
Infrastructure Contribution to					
General Fund for Bonds	518,713	-	-	-	518,713
Infrastructure Contribution to					
Building Fund Bonds	-	-	-	32,708	32,708
Health and Human Services Contribution to					
Building Fund for 2100 Remodel	-	-	-	206,063	206,063
Health and Human Services Contribution to					
Building Fund for 2117 Remodel	-	-	-	148,290	148,290
Health and Human Services Contribution to					
Building Fund for JDC camera upgrade	-	-	-	20,364	20,364
Health and Human Services Contribution to					
General Fund for Electronic Home Monitoring	10,000	-	-	-	10,000
Health and Human Services Contribution to					
General Fund for Pretrial salaries	27,000	-	-	-	27,000
Building Fund Contribution to					
Infrastructure Fund for Graham Park	-	2,859,439	-	-	2,859,439
	<u>\$ 555,713</u>	<u>\$ 3,678,102</u>	<u>\$ 10,000</u>	<u>\$ 1,748,200</u>	<u>\$ 5,992,015</u>

OLMSTED COUNTY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

6. LONG-TERM LIABILITIES

Bonds Payable

	General Obligation Revenue Bonds	General Obligation Refunding Revenue Bonds	General Obligation Bonds	General Obligation Refunding Bonds	Total
January 1, 2019					
Governmental activities	\$ -	\$ 3,070,000	\$ 43,515,000	\$ 32,510,000	\$ 79,095,000
Business-type activities	2,990,000	2,340,000	-	50,205,000	55,535,000
	<u>2,990,000</u>	<u>5,410,000</u>	<u>43,515,000</u>	<u>82,715,000</u>	<u>134,630,000</u>
Issued:					
Governmental activities	-	-	19,175,000	-	19,175,000
Retired:					
Governmental activities	-	(585,000)	(1,855,000)	(2,730,000)	(5,170,000)
Business-type activities	(190,000)	(445,000)	-	(4,520,000)	(5,155,000)
December 31, 2019	<u>\$ 2,800,000</u>	<u>\$ 4,380,000</u>	<u>\$ 60,835,000</u>	<u>\$ 75,465,000</u>	<u>\$ 143,480,000</u>

Balance by fund type

Governmental activities:

Governmental funds	\$ -	\$ -	\$ 37,722,450	\$ 19,789,712	\$ 57,512,162
Internal Service	-	2,485,000	23,112,550	9,990,288	35,587,838
	<u>-</u>	<u>2,485,000</u>	<u>60,835,000</u>	<u>29,780,000</u>	<u>93,100,000</u>

Business-type activities:

Enterprise funds	2,800,000	1,895,000	-	45,685,000	50,380,000
Total	<u>\$ 2,800,000</u>	<u>\$ 4,380,000</u>	<u>\$ 60,835,000</u>	<u>\$ 75,465,000</u>	<u>\$ 143,480,000</u>

Annual debt service requirements to maturity for all bonds are as follows:

Year ending	Principal	Interest	Total
2020	\$ 16,245,000	\$ 4,645,271	\$ 20,890,271
2021	12,000,000	4,256,659	16,256,659
2022	12,595,000	3,770,584	16,365,584
2023	13,120,000	3,263,324	16,383,324
2024	11,615,000	2,767,096	14,382,096
2025 to 2029	48,615,000	8,252,850	56,867,850
2030 to 2034	18,535,000	3,383,447	21,918,447
2035 to 2039	9,865,000	631,881	10,496,881
2040	890,000	12,238	902,238
Total	<u>\$ 143,480,000</u>	<u>\$ 30,983,350</u>	<u>\$ 174,463,350</u>

OLMSTED COUNTY
NOTES TO FINANCIAL STATEMENTS
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General Obligation Revenue Bonds

The County issued General Obligation Resource Recovery Revenue Bonds, series 2011A to provide financing for construction and betterment of solid waste facilities. These bonds are payable from the pledged net revenues of Waste Management Enterprise Fund and backed by the full faith, credit and taxing powers of the County. Remaining installments of \$195,000 to \$280,000 are due annually on February 1.

The general obligation revenue bonds outstanding are as follows:

	Date Issued	Interest Rates	Original Issue	Final Maturity	Balance
Business Type Activities					
G.O. Resource Recovery Revenue Bonds, 2011A	6/1/2011	3.00 - 4.00%	\$ 4,070,000	2/1/2031	\$ 2,800,000

Annual debt service requirements to maturity for general obligation revenue bonds are as follows:

Year ending	Business-type Activities	
	Principal	Interest
2020	\$ 195,000	\$ 101,450
2021	200,000	95,525
2022	205,000	89,322
2023	215,000	82,759
2024	220,000	75,000
2025 to 2029	1,215,000	234,900
2030 to 2031	550,000	22,200
Total	<u>\$ 2,800,000</u>	<u>\$ 701,156</u>

General Obligation Revenue Refunding Bonds

The County issued general obligation revenue refunding bonds to refund general obligation revenue bonds to reduce future debt service payments.

The Public Facilities Lease Revenue Refunding Bonds, Series 2010B were issued on June 1, 2010 to crossover refund the Public Facilities Lease Revenue Bonds, Series 2002G. The County has scheduled tax levy requirements to pay the debt service and also has backed the debt by the full faith, credit and taxing powers of the County. Remaining annual installments of \$600,000 to \$640,000 are due annually on February 1.

The General Obligation Resource Recovery Revenue Refunding Bonds, Series 2009D are payable from the pledged net revenues of Waste Management Enterprise Fund and backed by the full faith, credit and taxing powers of the County. Remaining annual installments of \$455,000 to \$490,000 are due annually on February 1.

The general obligation revenue refunding bonds outstanding are as follows:

	Date Issued	Interest Rates	Original Issue	Final Maturity	Balance
Governmental Activities					
Public Facilities Lease Rev. Refunding Bonds, 2010B	6/1/2010	3.00 - 3.25%	\$ 5,805,000	2/1/2023	\$ 2,485,000
Business Type Activities					
G.O. Resource Rec. Rev. Refunding Bonds, 2009D	12/1/2009	3.00 - 3.375%	5,180,000	2/1/2023	1,895,000
Total General Obligation Revenue Refunding Bonds					<u>\$ 4,380,000</u>

OLMSTED COUNTY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

Annual debt service requirements to maturity for general obligation revenue refunding bonds are as follows:

Year ending	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2020	\$ 600,000	\$ 68,725	\$ 455,000	\$ 53,062
2021	615,000	50,500	470,000	39,188
2022	630,000	31,038	480,000	24,337
2023	640,000	10,400	490,000	8,269
Total	<u>\$ 2,485,000</u>	<u>\$ 160,663</u>	<u>\$ 1,895,000</u>	<u>\$ 124,856</u>

General Obligation Bonds

The County issued general obligation bonds to provide financing for construction and reconstruction of streets, bridges, and other related infrastructure and buildings. These bonds supported primarily from revenues derived from property taxes are backed by the full faith, credit and taxing powers of the County.

On November 12, 2019, the County issued General Obligation Bonds, Series 2019A, in the amount of \$19,175,000 to provide financing for facility and transit improvements and purchase equipment. The first principal payment of \$875,000 is due February 1, 2021, with remaining annual installments thereafter of \$800,000 to \$1,100,000 are due through February 1, 2040. These bonds supported primarily from revenues derived from property taxes are backed by the full faith, credit and taxing powers of the County.

The series 2011B bonds final installment of \$415,000 will be due February 1, 2020. At that time, the remaining principal balance of \$5,535,000 will be refunded from an escrow account created from the proceeds of the General Obligation Crossover Refunding Bonds, Series 2016A.

The 2011B and 2015A debt issues have remaining installments of \$415,000 and \$1,510,000 to \$2,825,000 respectively and are due annually on February 1.

The general obligation bonds outstanding are as follows:

	Date Issued	Interest Rates	Original Issue	Final Maturity	Balance
Governmental Activities					
G.O. Capital Improvement Plan Bonds, 2011B	6/1/2011	3.00%	\$ 8,645,000	2/1/2020	\$ 5,950,000
G.O. Bonds, 2015A	8/1/2015	4.00%	39,150,000	2/1/2036	35,710,000
G.O. Bonds, 2019A	11/12/2019	2.25 - 3.00%	19,175,000	2/1/2040	19,175,000
Total Governmental Activities					<u>\$ 60,835,000</u>

Annual debt service requirements to maturity for general obligation bonds are as follows:

Year ending	Governmental Activities	
	Principal	Interest
2020	\$ 7,460,000	\$ 1,887,653
2021	2,440,000	1,857,806
2022	2,645,000	1,765,556
2023	2,740,000	1,668,156
2024	2,830,000	1,567,331
2025 to 2029	15,110,000	6,239,406
2030 to 2034	16,855,000	3,338,447
2035 to 2039	9,865,000	631,881
2040	890,000	12,238
Total	<u>\$ 60,835,000</u>	<u>\$ 18,968,474</u>

OLMSTED COUNTY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

General Obligation Refunding Bonds

On April 15, 2010, the County issued General Obligation Capital Street Reconstruction Refunding Bonds, Series 2010A, in the amount of \$7,500,000 to crossover refund the General Obligation Street Reconstruction Refunding Bonds, Series 2002D. Remaining annual installments of \$775,000 to \$845,000 are due through February 1, 2023.

On June 10, 2010, General Obligation Governmental Housing Refunding Bonds, Series 2010A were issued in the amount of \$1,475,000 to refund general obligation housing bonds. Remaining annual installments of \$100,000 to \$115,000 are due through January 1, 2026.

On February 28, 2012, the County issued General Obligation Crossover Refunding Bonds, Series 2012A, in the amount of \$64,880,000 to crossover refund the General Obligation Resource Recovery Revenue Bonds, Series 2007A and the General Obligation Capital Improvement Plan Bonds, Series 2007B. Remaining annual installments of \$5,030,000 to \$6,590,000 are due through February 1, 2027. The 2007A refunded portion of the 2012A Bonds is payable from the pledged net revenues of Waste Management Enterprise Fund and backed by the full faith, credit and taxing powers of the County.

On September 12, 2006, the County entered into a management agreement with the City of Rochester to manage, supervise, and maintain the Graham Arenas. One of these arenas, Graham IV ice arena, was financed and constructed from the G.O Capital Improvement Bonds Series 2006A which was refinanced on February 28, 2012, by the General Obligation Crossover Refunding Bonds, Series 2012B. According to the agreement, the debt service of the bonds will be funded by the City of Rochester, Rochester Youth Hockey Association, and the County. The County's annual share is \$100,000 of the approximately \$360,000 annual debt service on these bonds. Remaining annual installments of \$305,000 to \$350,000 is due through February 1, 2025.

On August 1, 2016, the County issued General Obligation Crossover Refunding Bonds, Series 2016A, in the amount of \$25,570,000 to crossover refund the General Obligation Taxable Capital Improvement Plan Bonds, Series 2009A, the General Obligation Taxable Resource Recovery Revenue Bonds, Series 2009B, and the General Obligation Capital Improvement Plan Bonds, Series 2011B. The proceeds were placed with an escrow agent to purchase U.S. Treasury Bills and Notes. The securities and earnings in the escrow account will provide sufficient funds to pay all interest that becomes due on the 2016A bonds to and including the crossover dates, and to pay and redeem the outstanding maturities of the 2009A, 2009B, and 2011B bonds. The remaining principal on the 2009A and 2009B bonds was paid off on the crossover date of February 1, 2017. The remaining principal on the 2011B bonds of \$5,535,000 will be paid on the crossover date of February 1, 2020. Remaining annual installments of \$555,000 to \$2,710,000 is due through February 1, 2031. The 2009B refunded portion of the 2016A Bonds is payable from the pledged net revenues of Waste Management Enterprise Fund and backed by the full faith, credit and taxing powers of the County.

The general obligation refunding bonds outstanding are as follows:

	Date Issued	Interest Rates	Original Issue	Final Maturity	Balance
G.O. Street Reconstruction Refunding Bonds, 2010A	4/15/2010	3.00 - 3.50%	\$ 7,500,000	2/1/2023	\$ 3,235,000
G.O. Governmental Housing Refunding Bonds, 2010A	6/10/2010	3.00 - 3.70%	1,475,000	1/1/2026	730,000
G.O. Crossover Refunding Bonds, 2012A	2/28/2012	3.45 - 4.23%	64,880,000	2/1/2027	46,435,000
G.O. Crossover Refunding Bonds, 2012B	2/28/2012	2.75 - 4.00%	3,365,000	2/1/2025	1,965,000
G.O. Crossover Refunding Bonds, 2016A	8/1/2016	1.50 - 5.00%	25,570,000	2/1/2031	23,100,000
Total					<u>\$ 75,465,000</u>

OLMSTED COUNTY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

Annual debt service requirements to maturity for general obligation refunding bonds are as follows:

Year ending	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2020	\$ 2,840,000	\$ 953,891	\$ 4,695,000	\$ 1,580,490
2021	3,380,000	828,050	4,895,000	1,385,590
2022	3,530,000	681,691	5,105,000	1,178,640
2023	3,700,000	531,050	5,335,000	962,690
2024	2,995,000	387,937	5,570,000	736,828
2025 to 2029	12,205,000	725,919	20,085,000	1,052,625
2030 to 2031	1,130,000	22,800	-	-
Total	<u>\$ 29,780,000</u>	<u>\$ 4,131,338</u>	<u>\$ 45,685,000</u>	<u>\$ 6,896,863</u>

Mortgages Payable

The Olmsted County HRA Enterprise Fund (Authority) entered into mortgage agreements with these mortgagors. The payments are due in monthly installments.

The mortgages payable outstanding are as follows:

	Date Issued	Interest Rates	Original Issue	Final Maturity	Balance	Authority Program
U.S. Department of Agriculture - Rural Development	3/22/2005	5.75%	\$ 197,498	3/1/2045	\$ 168,127	Rolling Heights
U.S. Department of Agriculture - Rural Development	3/22/2005	5.75%	412,502	3/1/2045	351,607	Rolling Heights
Total Mortgages Payable					<u>\$ 519,734</u>	

Deferred Repayment Mortgages

The Authority entered into deferred repayment mortgage agreements with these mortgagors. If there is no default or transfer of the property, the full amount is due upon the earliest of the satisfaction of the properties first mortgage or the final maturity.

The deferred repayment mortgages outstanding are as follows:

	Date Issued	Interest Rates	Original Issue	Final Maturity	Balance	Authority Program
First Homes Properties	5/16/2002	0.00%	\$ 585,000	5/16/2032	\$ 585,000	River's Edge
Greater Minnesota Housing Fund	5/15/2002	0.00%	221,450	5/16/2032	221,450	River's Edge
Minnesota Housing Finance Agency - Economic Development and Housing Challenge Program	5/16/2002	0.00%	635,000	5/16/2032	635,000	River's Edge
Minnesota Housing Finance Agency - Preservation Affordable Rental Investment Fund Program	3/22/2005	0.00%	200,000	3/22/2035	200,000	Rolling Heights
Minnesota Housing Finance Agency - HOME Rental Rehabilitation Program	8/25/2006	0.00%	196,000	3/22/2035	196,000	Rolling Heights
Minnesota Housing Finance Agency - Ending Long-Term Homelessness Initiative Fund Program	9/15/2006	0.00%	170,197	9/15/2026	170,197	The Francis
Greater Minnesota Housing Fund	9/15/2006	0.00%	255,000	5/15/2036	255,000	The Francis
Minnesota Housing Finance Agency - HOME Rental Rehabilitation Program	9/15/2006	0.00%	252,000	9/15/2026	252,000	The Francis

OLMSTED COUNTY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

	<u>Date Issued</u>	<u>Interest Rates</u>	<u>Original Issue</u>	<u>Final Maturity</u>	<u>Balance</u>	<u>Authority Program</u>
Minnesota Housing Finance Agency - Preservation Affordable Rental Investment Fund Program	5/3/1996	1.00%	770,799	5/3/2026	770,799	Bandel Hills
Minnesota Housing Finance Agency - HOME Targeted Program	5/3/1996	1.00%	229,201	5/3/2026	229,201	Bandel Hills
Minnesota Housing Finance Agency - Rental Rehabilitation Deferred Loan Pilot Program	7/29/2015	0.00%	35,000	7/29/2025	35,000	Rental Property
Minnesota Housing Finance Agency - Rental Rehabilitation Deferred Loan Pilot Program	8/26/2015	0.00%	35,000	8/26/2025	35,000	Rental Property
Total Deferred Repayment Mortgages Payable					<u><u>\$3,584,647</u></u>	

Deferred Forgivable Mortgages

The Authority entered into deferred forgivable mortgage agreements with these mortgagors. If there is no default or transfer of the property and all program requirements are met the debt will be forgiven on the final maturity date.

The deferred forgivable mortgages outstanding are as follows:

	<u>Date Issued</u>	<u>Interest Rates</u>	<u>Original Issue</u>	<u>Final Maturity</u>	<u>Balance</u>	<u>Authority Program</u>
Minnesota Housing Finance Agency - Publicly Owned Permanent Supportive Housing Program	9/15/2006	0.00%	\$ 1,469,805	9/15/2026	\$ 1,469,805	The Francis
Minnesota Housing Finance Agency - Housing Trust Fund Long-Term Homelessness Initiative Fund Program	12/9/2010	0.00%	888,945	12/9/2040	888,945	Silver Creek Corner
Minnesota Housing Finance Agency - Publicly Owned Housing Program	12/9/2010	0.00%	4,703,305	12/10/2030	4,703,305	Silver Creek Corner
Minnesota Housing Finance Agency - Publicly Owned Housing Program	6/27/2013	0.00%	52,000	6/27/2033	45,275	Rental Property
					<u><u>\$7,107,330</u></u>	

Annual debt service requirements to maturity for mortgages are as follows:

Year ending	Business-type Activities			
	Mortgage Payable		Deferred Repayment Mortgages	Deferred Mortgages Forgivable
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Principal</u>
2020	\$ 9,423	\$ 29,639	\$ -	\$ -
2021	9,979	29,083	-	-
2022	10,568	28,493	-	-
2023	11,193	27,869	-	-
2024	11,853	27,209	-	-
2025 to 2029	70,629	124,682	1,492,197	1,469,805
2030 to 2034	94,090	101,221	1,441,450	4,748,580
2035 to 2039	125,342	69,968	651,000	-
2040 to 2044	166,981	28,329	-	888,945
2045 to 2049	9,676	93	-	-
Total	<u>\$ 519,734</u>	<u>\$ 466,586</u>	<u>\$ 3,584,647</u>	<u>\$ 7,107,330</u>

OLMSTED COUNTY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

Legal Debt Limit

The Olmsted County debt limit is \$519,166,590 based on the MN Statute 475.53 debt limit rate set at 3%. Net debt applicable to the debt limit is \$86,012,085. See Statistical section Schedule 13.

Changes in Long-Term Liabilities

Changes in long-term liabilities are summarized as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>	<u>Long Term</u>
Governmental Activities:						
Bonds Payable						
GO Revenue Refunding Bonds	\$ 3,070,000	\$ -	\$ (585,000)	\$ 2,485,000	\$ 600,000	\$ 1,885,000
GO Bonds	43,515,000	19,175,000	(1,855,000)	60,835,000	7,460,000	53,375,000
GO Refunding Bonds	32,510,000	-	(2,730,000)	29,780,000	2,840,000	26,940,000
Premium on Bonds	5,348,247	712,258	(453,224)	5,607,281	-	5,607,281
Total Bonds Payable	84,443,247	19,887,258	(5,623,224)	98,707,281	10,900,000	87,807,281
Self-Insurance Claims						
Dental Insurance	40,050	1,071,529	(1,077,554)	34,025	34,025	-
Liability Insurance	1,375,770	170,000	(1,127,633)	418,137	3,637	414,500
Health Insurance	1,922,359	21,890,937	(21,299,708)	2,513,588	2,513,588	-
Worker's Compensation	238,749	189,350	(220,647)	207,452	-	207,452
Total Self-Insurance Claims	3,576,928	23,321,816	(23,725,542)	3,173,202	2,551,250	621,952
Total OPEB Liability	7,721,077	788,251	(517,588)	7,991,740	-	7,991,740
Net Pension Liability (1)	60,965,261	8,497,839	(9,079,627)	60,383,473	-	60,383,473
Compensated Absences (2)	11,382,654	7,841,769	(7,433,504)	11,790,919	7,157,127	4,633,792
Total Governmental Activities	<u>\$168,089,167</u>	<u>\$ 60,336,933</u>	<u>\$ (46,379,485)</u>	<u>\$182,046,615</u>	<u>\$ 20,608,377</u>	<u>\$161,438,238</u>
Business-type Activities:						
Bonds Payable						
GO Revenue Bonds	\$ 2,990,000	\$ -	\$ (190,000)	\$ 2,800,000	\$ 195,000	\$ 2,605,000
GO Revenue Refunding Bonds	2,340,000	-	(445,000)	1,895,000	455,000	1,440,000
GO Refunding Bonds	50,205,000	-	(4,520,000)	45,685,000	4,695,000	40,990,000
Premium on Bonds	4,765,223	-	(575,560)	4,189,663	-	4,189,663
Total Bonds Payable	60,300,223	-	(5,730,560)	54,569,663	5,345,000	49,224,663
Mortgages Payable (3)	528,631	-	(8,897)	519,734	9,423	510,311
Deferred Repayment Mortgages (3)	3,584,647	-	-	3,584,647	-	3,584,647
Deferred Forgivable Mortgages (3)	7,153,330	-	(46,000)	7,107,330	-	7,107,330
Net Pension Liability (1)	4,137,282	450,584	(522,500)	4,065,366	-	4,065,366
Compensated Absences (2)	735,552	425,969	(385,216)	776,305	396,522	379,783
Closure and Postclosure Care	1,978,889	66,862	-	2,045,751	-	2,045,751
Total Business-type Activities	<u>\$ 78,418,554</u>	<u>\$ 943,415</u>	<u>\$ (6,693,173)</u>	<u>\$ 72,668,796</u>	<u>\$ 5,750,945</u>	<u>\$ 66,917,851</u>

- (1) Pension benefits are funded from member and employer contributions by each fund and income from the investment of fund assets as administered by PERA.
- (2) Governmental Funds contribute to the compensated absences liability balance in the Self-Insurance Fund based on individual employee accruals and all are used to liquidate the liability.
- (3) Mortgages are direct borrowings. Direct borrowing terms are negotiated directly with the lender and are not offered for public sale. Default would occur if mortgage program guidelines are not met. If default occurs the mortgage must be paid within 30 days.

OLMSTED COUNTY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

7. SEGMENT INFORMATION

The OCHRA has two segments to report. The first is Rolling Heights project for which mortgages were issued to finance the purchase of a 16-unit senior housing project for low income residents. The second is River's Edge for which general obligation government housing bonds were issued to finance the construction of a 39-unit apartment complex for moderate to low income residents.

Condensed Statement of Revenues, Expenses, and Changes in Net Position

	Rolling Heights	River's Edge
Charges for services	\$ 55,261	\$ 390,215
Operating grants	49,910	-
Depreciation expenses	(15,612)	(59,284)
Other operating expense	(56,009)	(194,483)
Operating income	33,550	136,448
Nonoperating revenues (expenses)		
Investment Income	219	6,426
Interest expense	(29,915)	(30,988)
Changes in net position	3,854	111,886
Beginning net position	(34,107)	931,460
Ending net position	<u>\$ (30,253)</u>	<u>\$ 1,043,346</u>

Condensed Statement of Net Position

	Rolling Heights	River's Edge
Assets		
Current assets	\$ 226,447	\$ 1,037,501
Capital assets	672,978	2,211,379
Total assets	<u>899,425</u>	<u>3,248,880</u>
Deferred outflow of resources	<u>-</u>	<u>43,111</u>
Liabilities		
Current Liabilities	17,287	141,230
Current Liabilities payable from restricted assets	6,081	31,020
Noncurrent liabilities	906,310	2,076,395
Total liabilities	<u>929,678</u>	<u>2,248,645</u>
Net position		
Net investment in capital assets	(242,755)	78,095
Restricted	-	304,094
Unrestricted	212,502	661,157
Total net position	<u>\$ (30,253)</u>	<u>\$ 1,043,346</u>

OLMSTED COUNTY
NOTES TO FINANCIAL STATEMENTS
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Condensed Statement of Cash Flows

	<u>Rolling Heights</u>	<u>River's Edge</u>
Net cash flows from:		
Operating activities	\$ 48,686	\$ 211,144
Capital and related financing activities	(38,856)	(116,391)
Investing activities	<u>219</u>	<u>6,426</u>
Net increases (decreases)	10,049	101,179
Cash and cash equivalents	<u>216,336</u>	<u>936,077</u>
Ending cash and cash equivalents	<u><u>\$ 226,385</u></u>	<u><u>\$ 1,037,256</u></u>

OLMSTED COUNTY
NOTES TO FINANCIAL STATEMENTS
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8. FUND BALANCES

The amount established as sufficient to provide cash flow until the first tax collections are received by major fund are as follows:

General Fund	\$22,162,853
Infrastructure Fund	2,237,046
Health and Human Services Fund	14,445,405

These amounts are included in the General Fund including the portion attributed to the Infrastructure and Health and Human Services Funds.

Minimum Fund Balance Policy:

The Minnesota State Auditor's Office recommends that local governments determine, establish and maintain a desired minimum level of unrestricted fund balance in their governmental funds that is sufficient to provide cash flow until the first tax collections are received, to support self-insurance activities and to fund legal obligations that will be paid out of cash at a later date. Also, local governments need to maintain a prudent level of financial resources to protect against a forced service level reduction or having to raise taxes or fees because of unpredicted one-time expenditures. It is the policy of Olmsted County that we will follow the State Auditor's Recommendation as stated above. The Board will be notified if fund balance levels do not meet this stated level.

Fund balance measures the net financial resources available to carry forward to finance expenditures of future periods.

Policy on Unassigned Fund Balance Process

The County's Unassigned General Fund Balance will be maintained to provide the County with sufficient working capital and a margin of safety to address local and regional emergencies without borrowing. The Unassigned General Fund Balance may only be appropriated by the County Board or through its Administrative Committee and its budget change policy.

Policy on Assigned Fund Balance Process

Olmsted County's Assigned Fund Balance consists of internally imposed constraints established by the Olmsted County Commissioners that reflect the specific purpose for which it is Olmsted County's intended use. Pursuant to this Olmsted County Resolution, the County Board and the County's Administrative (Budget) Committee are authorized to establish assignments of fund balance.

Assigned Fund Balance should fall under one of these categories:

1. Adopted Budget reserves for use in the next year
2. Mid-year Board approval of reserves for use in the next year
3. Mid-year Administrative Committee approval of reserves for use in the next year
4. Unspent budget previously approved by the Board or Administrative Committee for use in the next year

In 2015, the Olmsted County Board approved a resolution consolidating a portion of assigned special revenue fund balances into the General Fund where the resources will be immediately available to the entire organization. Management will track the source and use of these consolidated resources. County policy is to use externally provided resources first thereby leaving only local tax revenues in reserves.

Policy on Committed Fund Balance Process

Fund Balance of the County for a specific source may be committed by formal action of the Olmsted County Board. Formal action consists of internally imposed constraints established by Resolution of the Olmsted County Board. Amendments or modifications of the committed fund balance must also be approved by formal action of the Olmsted County Board. Examples include contractual commitments and funds that the issuer's government authority authorized for a specific purpose.

OLMSTED COUNTY
NOTES TO FINANCIAL STATEMENTS
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Policy on Priority of Fund Balance Used

For eligible expenditures for which amounts are available in multiple fund balance classifications, the order in which resources will be expended is as follows:

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

When Committed, Assigned or Unassigned resources are available for use, it is Olmsted County's policy to use resources in the following order: 1) Committed, 2) Assigned and 3) Unassigned.

The above would be superseded by a legal obligation to do otherwise.

Fund Balances

	General Fund	Infrastructure Fund	Health and Human Services Fund	Total
Nonspendable:				
Non-current Advances to Other Funds	\$ 497,800	\$ -	\$ -	\$ 497,800
Inventories	-	551,956	-	551,956
Prepays	2,021,175	95,115	152,848	2,269,138
Total Nonspendable	2,518,975	647,071	152,848	3,318,894
Restricted for:				
Attorney Prosecution	17,717	-	-	17,717
Attorney Child Support Enforcement	4,691	-	-	4,691
Attorney Sexual Exploitation Education	1,965	-	-	1,965
Law Library	204,709	-	-	204,709
Sheriff Contingency	5,000	-	-	5,000
Sheriff DUI Enforcement, Training, & Education	18,873	-	-	18,873
E911	180,129	-	-	180,129
D.A.R.E Drug Education	37,233	-	-	37,233
Adult Detention Center Commissary	25,905	-	-	25,905
Aggregate Remediation	-	69,079	-	69,079
Parks	-	411,794	-	411,794
Debt Service	-	4,432,521	-	4,432,521
Unspent Bond Proceeds	-	3,009,770	-	3,009,770
Transit and Wheelage Taxes	-	8,513,587	-	8,513,587
Bond Refinancing	-	4,266,384	-	4,266,384
Total Restricted	496,222	20,703,135	-	21,199,357
Assigned to:				
Sheriff Equipment and Supplies	4,804	-	-	4,804
Adult Detention Center Sheriff Equipment	162,218	-	-	162,218
Recording Fees	590,312	-	-	590,312
Elections	938,007	-	-	938,007
Computer equipment and software	487,000	-	-	487,000
Asbestos abatement	400,000	-	-	400,000
Capital Projects	-	2,094,500	-	2,094,500
Graham Park	-	794,583	-	794,583
Available for Infrastructure	4,206,857	683,737	-	4,890,594
Available for Public Health	6,134,331	-	2,827,089	8,961,420
Available for Human Services	28,987,035	-	10,277,332	39,264,367
Available for Libraries	9,466	-	-	9,466
Total Assigned	41,920,030	3,572,820	13,104,421	58,597,271
Unassigned	42,322,289	-	-	42,322,289
Total Fund Balance	\$ 87,257,516	\$ 24,923,026	\$ 13,257,269	\$ 125,437,811

OLMSTED COUNTY
NOTES TO FINANCIAL STATEMENTS
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9. JOINTLY GOVERNED ORGANIZATIONS

The County, in conjunction with other local governments, appoints at least one member to the boards of the following organizations. The County's annual financial contribution is also noted.

- | | |
|--|---|
| • South East MN Violent Crime Enforcement Team (\$175,303 in-kind services) | • Three Rivers Community Action Program (\$0) |
| • Southeastern Minnesota Emergency Medical Services (\$0) | • Metropolitan Counties for Cooperative Purchasing (\$0) |
| • Southeastern Minnesota Regional Emergency Communication Board and State of Minnesota (\$0) | • Minnesota Counties Computer Cooperative (\$0) |
| • Homeland Safety Emergency Managers Region 1 (\$0) | • Southeastern Minnesota Recycling Exchange (\$1,923) |
| • State of Minnesota, Bureau of Criminal Apprehension and Sheriff's Office (\$0) | • Southeastern Libraries Cooperating (\$0) |
| • Southeast Minnesota Water Resources Board (\$5,000) | • Residential Survey in Dakota, Olmsted, St. Louis and Washington Counties (\$0) |
| • Southeast Minnesota Workforce Development, Inc. (\$952,805) | • MN Department of Pollution Control Household Hazardous Waste Paint Care Program (\$0) |
| • South Zumbro Watershed Joint Powers Board (\$0) | • One Watershed, One Plan for the Root River Watershed (\$0) |
| • Whitewater Joint Powers Board (\$8,112) | • Bureau of Criminal Apprehension (\$0) |
| • Lake Zumbro Joint Powers Board (\$0) | • Dodge-Fillmore-Olmsted Community Corrections (See additional information below.) |

The Jointly Governed Organizations have been excluded from the County's reporting entity because the County has no operational or financial control over the organizations. More information can be obtained regarding the operational results of the Jointly Governed Organizations by contacting the Olmsted County Finance office.

Dodge-Fillmore-Olmsted (DFO) Community Corrections

DFO Community Corrections is a fiscally independent entity presented within the Custodial Funds in Olmsted County's Basic Financial Statements section. Olmsted County's financial contribution to DFO Community Corrections is reported as an expenditure of the General Fund.

DFO Community Corrections is governed by a seven-member board composed of County commissioners appointed as representatives by their respective county boards for terms of at least two years in length as follows: three commissioners from Olmsted County; two commissioners from Dodge County and two commissioners from Fillmore County. An alternate will be selected from each county, who may vote only in the instance of the absence of one of the voting members. The books and records of the Board shall be maintained at the Corrections Division of the Olmsted County Community Services Department.

DFO Community Corrections is financed through state grants and contributions from the participating counties. During 2019, county contributions were assessed in the following proportion:

Dodge County	9.318%
Fillmore County	7.379%
Olmsted County	83.303%
Total	100.000%

Actual amounts contributed are adjusted by the County for specific revenues and expenses identified in the joint powers agreement.

Olmsted County provided \$6,972,771 in funding during 2019.

Also, per agreement, Olmsted County received a credit of \$401,955 from DFO Community Corrections in 2019 for its share of 2018 net revenue. Olmsted County also received a credit of \$279,468 from DFO Community Corrections in 2019 for its share of 2019 net revenue. The payback for 2018 and 2019 was a result of favorable spending for contracted services.

Separate financial information can be obtained from:

Olmsted County Community Services Finance Department
2117 Campus Drive, Suite 200
Rochester, MN 55904

OLMSTED COUNTY
NOTES TO FINANCIAL STATEMENTS
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10. POST-EMPLOYMENT BENEFITS - PERA

Public Employees Retirement Association Plan

A. Plan Description

All full-time and certain part-time employees of Olmsted County are covered by defined benefit pension plans administered by the Public Employees Retirement Association of Minnesota (PERA). The Public Employees Retirement Association (PERA) is the administrator of three cost-sharing multiple-employer retirement plans, the General Employees Retirement Fund (GERF), the Public Employees Police and Fire Fund (PEPFF), and the Public Employees Local Government Correctional Service Retirement Fund, called the Public Employees Correctional Fund (PECF). The cost-sharing plans, including benefit provisions and the obligation to make contributions, 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.

The General Employees Retirement Fund Plan (accounted for in the General Employees Fund) has multiple benefit structures with members belong to the Coordinated Plan, the Basic Plan, or the Minneapolis Employees Retirement Fund. Coordinated Plan members are covered by Social Security and Basic Plan and Minneapolis Employees Retirement Fund members are not. The Basic Plan was closed to new members in 1967. The Minneapolis Employees Retirement Fund was closed to new members during 1978 and merged into the General Employees Retirement Plan in 2015. All new members must participate in the Coordinated Plan and benefits vest after three years of credited service (five years for those first eligible for membership after June 30, 2010). No Olmsted County employees belong to the Basic Plan or the Minneapolis Employees Retirement Fund.

All police officers, fire fighters, and peace officers who qualify for membership by statute are covered by the Public Employees Police and Fire Fund. For members first hired after June 30, 2010, but before July 1, 2014, benefits vest on graduated schedule starting with 50 percent after 5 years and increasing 10 percent for each year of service until fully vested after 10 years. Benefits for members first hired after June 30, 2014, vest on a prorated basis from 50 percent after 10 years and increasing 5 percent for each year of service until fully vested after 20 years.

Members, who are employed in a county correctional institution and have direct contact with inmates, detention deputies and juvenile correctional officers, for example, are covered by the Public Employees Correctional Fund. For members hired after June 30, 2010, benefits vest on a graduated schedule starting with 50 percent after 5 years and increasing 10 percent for each year of service until fully vested after 10 years.

B. Benefits Provided

The PERA provides retirement benefits as well as disability benefits to members and benefits to survivors upon death of eligible members. Benefits are established by state statute and can be modified only by the state legislature. Benefit increases are provided to recipients each January. Increases are related to the funding ratio of the plan.

General Employees Plan

Annuities, disability benefits, and survivor benefits are increased effective every January 1. Beginning January 1, 2019, the postretirement increase will be 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. For recipients receiving the annuity or benefit for at least one month but less than a full year as of the June 30 before the effective date of the increase will receive a reduced prorated increase. For members retiring on January 1, 2024, or later, the increase will be delayed until normal retirement age (age 65 if hired prior to July 1, 1989, or age 66 for individuals hired on or after July 1, 1989). Members retiring under Rule of 90 are exempt from the delay to normal retirement.

Police and Fire Plan

Annuities, disability benefits, and survivor benefits are increased effective every January 1. Beginning January 1, 2019, the postretirement increase will be 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. For recipients receiving the annuity or benefit for at least 25 months but less than 36 months as of the June 30 before the effective date of the increase will receive a reduced prorated increase.

**OLMSTED COUNTY
NOTES TO FINANCIAL STATEMENTS
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Correctional Plan

Annuities, disability benefits, and survivor benefits are increased effective every January 1. Beginning January 1, 2019, 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. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase will receive the full increase. For recipients receiving the annuity or benefit for at least one month but less than a full year as of the June 30 before the effective date of the increase will receive a reduced prorated increase.

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 the General Employees Retirement Fund Coordinated Plan members. Members hired prior to July 1, 1989, receive the higher of a step-rate benefit accrual formula (Method 1) or a level accrual formula (Method 2). Under Method 1, for a Coordinated Plan member, the annuity accrual rate is 1.2 percent of average salary for each of the first ten years of service and 1.7 percent of average salary for each remaining year. Under Method 2, the annuity accrual rate is 1.7 percent for Coordinated Plan members for each year of service. For Public Employees Police and Fire Fund members, the annuity accrual rate is 3.0 percent of average salary for each year of service. For Public Employee Correctional Fund members, the annuity accrual rate is 1.9 percent of average salary for each year of service.

For all General Employees Retirement Fund members hired prior to July 1, 1989, a full annuity is available when age plus years of service equal 90 and a 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.

For Public Employees Police and Fire Fund and Public Employee Correctional Fund 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 55.

Disability benefits are available for vested members and are based on years of service and average high-five salary.

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

C. Contributions

Pension benefits are funded from member and employer contributions and income from the investment of fund assets. Minnesota statute chapter 353 sets the rates for member and employer contributions. These statutes are established and amended by the state legislature.

Members of the General Employees Retirement Fund Basic Coordinated members were required to contribute 6.5 percent of their annual covered salary in 2019. Public Employees Police and Fire Plan members were required to contribute 11.30 percent of their annual covered salary in 2019. Public Employees Correctional Plan members were required to contribute 5.83 percent of their annual covered salary in 2019.

The County contribution rates for the Public Employee Police and Fire members increased from 16.20 percent in 2018 to 16.95 percent in 2019. The County contribution for the General Employee Retirement Fund and Public Employee Correctional Fund did not change from previous years. Olmsted County is currently required to contribute the following percentages of annual covered payroll in 2019:

General Employees Retirement Fund	
Coordinated Plan members	7.50%
Public Employees Police and Fire Plan	16.95%
Public Employees Correctional Fund	8.75%

OLMSTED COUNTY
NOTES TO FINANCIAL STATEMENTS
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The County's contributions for the year ending December 31, 2019, for the General Employees Retirement Fund, the Public Employees Police and Fire Fund, and the Public Employees Correctional Fund, were:

General Employees Retirement Fund (GERF)	Public Employees Police and Fire Fund (PEPFF)	Public Employees Correctional Fund (PECF)
<u> </u>	<u> </u>	<u> </u>
\$5,864,415	\$1,168,180	\$585,292

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

D. Pensions Costs

General Employees Retirement Fund

At December 31, 2019, Olmsted County reported a liability of \$57,471,627 for its proportionate share of the General Employees Retirement Fund's net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. Olmsted County's proportion of the net pension liability was based on the Olmsted County's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2018, through June 30, 2019, relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2019, Olmsted County's proportion was 1.0395 percent which was a decrease of 0.0154 percent from its proportion measured as of June 30, 2018. Olmsted County recognized pension expense of \$7,146,957 for its proportionate share of the General Employees Retirement Fund's pension expense.

The County also recognized \$133,774 as pension expense and grant revenue for its proportionate share of the State of Minnesota's contribution to the General Employees Retirement Plan, which qualifies as a special funding situation.

County's proportionate share of the net pension liability	\$ 57,471,627
State of Minnesota's proportionate share of the net pension liability associated with the County	<u>1,786,256</u>
Total	<u>\$ 59,257,883</u>

Olmsted County reported its proportionate share of the General Employees Retirement Fund's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u> </u>	<u> </u>
Differences between expected and actual economic experience	\$ 1,599,142	\$ -
Changes in actuarial assumptions	-	4,554,908
Net difference between projected and actual investment earnings	-	5,969,085
Changes in proportion	673,632	640,747
Contributions paid to PERA subsequent to the measurement date	<u>3,057,097</u>	<u>-</u>
Total	<u>\$ 5,329,871</u>	<u>\$ 11,164,740</u>

OLMSTED COUNTY
NOTES TO FINANCIAL STATEMENTS
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A total of \$3,057,097 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2020. Other amounts reported as deferred outflows and inflows of resources related to GERF pensions will be recognized as pension expense as follows:

Year Ended December 31	Pension Expense Amount
2020	\$ (2,813,747)
2021	(4,788,876)
2022	(1,381,958)
2023	92,615
2024	-
Thereafter	-
Total	<u>\$ (8,891,966)</u>

Public Employees Police and Fire Fund

At December 31, 2019, Olmsted County reported a liability of \$6,556,878 for its proportionate share of the Public Employees Police and Fire Fund's net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. Olmsted County's proportion of the net pension liability was based on the Olmsted County's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2018, through June 30, 2019, relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2019, Olmsted County's proportion was 0.6159 percent which was an increase of 0.0455 percent from its proportion measured as of June 30, 2018. Olmsted County recognized pension expense of \$936,277 for its proportionate share of the Public Employees Police and Fire Fund's pension expense.

Olmsted County also recognized \$83,146 as revenue, which results in a reduction of the net pension liability, for its proportionate share of the State of Minnesota's on-behalf contribution to the Public Employees Police and Fire Fund. Legislation requires the State of Minnesota to contribute \$9 million to the Public Employees Police and Fire Fund each year, starting in fiscal year 2014, until the plan is 90 percent funded or until the State Patrol Plan (administered by the Minnesota State Retirement System) is 90 percent funded, whichever occurs later. In addition, the state will pay \$4.5 million on October 1, 2018 and October 1, 2019 in direct state aid. Thereafter, by October 1 of each year, the state will pay \$9 million until full funding is reached or July 1, 2048, whichever is earlier.

Olmsted County reported its proportionate share of the Public Employees Police and Fire Fund's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 259,710	\$ 929,101
Changes in actuarial assumptions	5,053,334	6,601,960
Net difference between projected and actual investment earnings	-	1,214,948
Changes in proportion	578,768	445,908
Contributions paid to PERA subsequent to the measurement date	<u>605,387</u>	<u>-</u>
Total	<u>\$ 6,497,199</u>	<u>\$ 9,191,917</u>

OLMSTED COUNTY
NOTES TO FINANCIAL STATEMENTS
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A total of \$605,387 reported as deferred outflows of resources related to pensions resulting from contributions subsequent the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2020. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended December 31	Pension Expense Amount
2020	\$ (343,824)
2021	(792,483)
2022	(2,359,600)
2023	120,519
2024	75,283
Thereafter	-
Total	<u>\$ (3,300,105)</u>

Public Employees Correctional Fund

At December 31, 2019, Olmsted County reported a liability of \$420,334 for its proportionate share of the Public Employees Correctional Fund's net pension liability. The net pension liability was measured as of June 30, 2019 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. Olmsted County's proportion of the net pension liability was based on the Olmsted County's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2018, through June 30, 2019, relative to the total employer contributions received from all PERA's participating employers. At June 30, 2019, Olmsted County's proportion was 3.0360 percent which was a decrease of 0.011 from its proportion measured as of June 30, 2018. Olmsted County recognized pension expense of \$802,944 for its proportionate share of the Public Employees Correctional Fund's pension expense.

Olmsted County reported its proportionate share of the Public Employees Correctional Fund's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 15,499	\$ 68,739
Changes in accural assumptions	-	3,744,012
Net difference between projected and actual investment earnings	-	542,319
Changes in proportion	9,975	1,357
Contributions paid to PERA subsequent to the measurement date	<u>300,273</u>	<u>-</u>
Total	<u>\$ 325,747</u>	<u>\$ 4,356,427</u>

OLMSTED COUNTY
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A total of \$300,273 reported as deferred outflows of resources related to pensions resulting from contributions subsequent the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2020. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended December 31	Pension Expense Amount
2020	\$ (2,246,971)
2021	(1,956,020)
2022	(132,037)
2023	4,075
2024	-
Thereafter	-
Total	<u>\$ (4,330,953)</u>

Total Pension Expense

The total pension expense for all plans recognized by Olmsted County for the year ended December 31, 2019, was \$8,886,178.

E. Actuarial Assumptions

The total pension liability in the June 30, 2019, actuarial valuation was determined using the individual entry age normal actuarial cost method and the following additional actuarial assumptions:

Inflation	2.50 percent per year
Active member payroll growth	3.25 percent per year
Investment rate of return	7.50 percent

Salary increases were based on a service-related table. Mortality rates for active members, retirees, survivors, and disabilitants for all plans were based on RP-2014 tables for males or females, as appropriate, with slight adjustments to fit PERA's experience. Cost of living benefit increases after retirement for retirees are assumed to be 1.25 percent per year for the General Employees Plan, 1.0 percent per year for the Police and Fire Plan, and 2.0 percent per year for the Correctional plan.

Actuarial assumptions used in the June 30, 2019 valuation were based on the results of actuarial experience studies. The most recent four-year experience study in the General Employees Retirement Fund was completed in 2019. The most recent four-year experience study for the Public Employees Police and Fire Fund was completed in 2016. The five-year experience study for the Correctional Plan, prepared by a former actuary, was completed in 2012. The mortality assumption for the Correctional Plan is based on the Police and Fire Plan experience study completed in 2016. Economic assumptions were updated in 2018 based on a review of inflation and investment return assumptions.

The long-term expected rate of return on pension plan investments is 7.5 percent. The State Board of Investment, which manages the investments of PERA, prepares an analysis of the reasonableness of the long-term expected rate of return on a regular basis 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 arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic stocks	35.5%	5.10%
Private markets	25.0	5.90
Fixed income	20.0	0.75
International equity	17.5	5.90
Cash equivalents	2.0	0.00

OLMSTED COUNTY
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F. Discount Rate

The discount rate used to measure the total pension liability was 7.5 percent in 2019, which remains consistent with 2018. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rate specified in Minnesota Statutes. Based on that assumption, the fiduciary net position of the General Employee Retirement Plan, the Public Employee Police and Fire Plan, and the Correctional Fund were projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

G. 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, 2019:

General Employees Retirement Plan

Change in Actuarial Assumptions

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

Change 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.

Public Employees Police and Fire Plan

Change in Actuarial Assumptions

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

Change in Plan Provisions

There have been no changes since the prior valuation.

Public Employees Correctional Plan

Change in Actuarial Assumptions

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

Change in Plan Provisions

There have been no changes since the prior valuation.

H. Pension Liability Sensitivity

The following presents Olmsted County's proportionate share of the net pension liability calculated using the discount rate disclosed in the preceding paragraph, as well as what Olmsted County's proportionate share of the net pension liability would be if it were calculated using a discount rate 1.0 percentage point lower or 1.0 percentage point higher than the current discount rate:

	Proportionate Share of the					
	General Employees Retirement Fund		Public Employees Police and Fire Fund		Public Employees Correctional Fund	
	Discount Rate	Net Pension Liability	Discount Rate	Net Pension Liability	Discount Rate	Net Pension Liability
1% Decrease	6.50%	\$ 94,480,259	6.50%	\$ 14,332,116	6.50%	\$ 4,479,891
Current	7.50	57,471,627	7.50	6,556,878	7.50	420,334
1% Increase	8.50	29,913,643	8.50	127	8.50	(2,827,973)

**OLMSTED COUNTY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019**

I. Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary 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; by writing to PERA at 60 Empire Drive, Suite 200, St. Paul, Minnesota 55103-2088; or by calling (651) 296-7460 or 1-800-652-9026.

J. Defined Contribution Plan

Seven Olmsted County Commissioners and the County Attorney are covered by the Public Employees Defined Contribution Plan, a multiple-employer deferred compensation plan administered by PERA. The plan is established and administered in accordance with Minnesota statute chapters 353D, which may be amended by the state legislature. The plan is a tax qualified plan under Section 401(a) of the Internal Revenue Code, and all contributions by or on behalf of employees are tax deferred until time of withdrawal.

Plan benefits depend solely on amounts contributed to the plan plus investment earnings, less administrative expenses. Minnesota statute, 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 5.00 percent of salary, which is matched by the employer. Employee and employer contributions are combined and used to purchase shares in one or more of the seven accounts of the Minnesota Supplemental Investment Fund. For administering the plan, PERA receives 2.00 percent of employer contributions and 0.25 percent of the assets in each member account annually.

Total contributions by dollar amount and percentage of covered payroll made by Olmsted County during the year ended December 31, 2018, were:

	<u>Employee</u>	<u>Employer</u>
Contribution amount	\$23,404	\$23,404
Percentage of covered payroll	5%	5%

OLMSTED COUNTY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

11. OTHER POST-EMPLOYMENT BENEFITS

A. Plan Description

Olmsted County provides health insurance benefits for certain retired employees under a single-employer defined benefit self-insured plan. The County provides benefits for retirees as required by Minnesota Statute §471.61 subdivision 2b.

B. Benefits Provided

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 indefinitely. Retirees are required to pay 100% of the total group rate. Since the premium is a blended rate determined on the entire active and retiree population, the retirees, whose costs are statistically higher than the group average, are receiving an implicit rate "subsidy." No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

C. Employees Covered by Benefit Terms

All of the active employees who have access to health insurance and all retirees who have elected to continue coverage on the employer's medical plan after retirement are included. The actuarial assumptions used at December 31, 2019, included 1,207 active plan participants. As of December 31, 2019, there were 55 enrollees; 40 retirees and 15 COBRA enrollees, receiving health benefits from the County's health plan.

D. Total OPEB Liability

Olmsted County's total OPEB liability of \$7,991,740 was measured as of January 1, 2019, rolled forward to December 31, 2019, by an actuarial valuation as of January 1, 2018.

The total OPEB liability in the January 1, 2018, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified.

Inflation	2.50 percent
Salary Increases	3.00 percent
Medical Cost Trend Rates	6.25 percent as of January 1, 2019, grading to 5.00% over 5 years

The discount rate was based on the estimated yield of 20-Year AA-rated municipal bonds.

Mortality rates were based on the RP-2014 White Collar Mortality Tables with MP-2017 Generational Improvement Scale (with Blue Collar adjustment for Police and Fire Personnel).

The actuarial assumptions used in the January 1, 2018, valuation were based on the results of an actuarial experience study for the period January 1, 2017, to January 1, 2018.

E. Changes in the Total OPEB Liability

Balance at December 31, 2018	\$ 7,721,077
Changes for the year:	
Service Cost	520,432
Interest cost	267,819
Change of assumptions	(263,979)
Benefit payments	(253,609)
Net change	<u>270,663</u>
Balance at December 31, 2019	<u><u>\$ 7,991,740</u></u>

OLMSTED COUNTY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

Assumption changes:

The trend rate assumption has not changed since the initial valuation date of January 1, 2018. The initial rate shown above is as of January 1, 2019 and has decreased from the initial rate in the January 1, 2018 actuarial valuation report due to the assumed decrease over the select period.

Discount rate was changed from 3.30% to 3.80%.

F. Sensitivity of the Total OPEB Liability to Changes in the Discount Rate. 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 that is 1-percentage point lower (2.80%) or 1-percentage point higher (4.80%) than the current discount rate:

	<u>Total OPEB</u>
Selected 3.80% discount rate	\$ 7,991,740
1% decrease in discount rate	8,623,612
1% increase in discount rate	7,400,823

G. Sensitivity of the Total OPEB Liability to Changes in the Health Care Cost Trend Rates. 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 health care cost trend rates that are 1-percentage point lower (5.25% decreasing to 4.00%) or 1-percentage point higher (7.25% decreasing to 6.00%) than the current health care cost trend rates:

	<u>Total OPEB</u>
Selected health care cost trend rate	\$ 7,991,740
1% decrease in health care cost trend rate	7,098,001
1% increase in health care cost trend rate	9,043,526

H. OPEB Expense and Deferred Outflow of Resources Related to OPEB

For the year ended December 31, 2019, Olmsted County recognized expense of \$750,539. At December 31, 2019, Olmsted County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Outflow of Resources</u>	<u>Outflow of Resources</u>
Change in assumptions	\$ -	\$ 226,267
Employer contributions subsequent to the measurement date	321,515	-
	<u>\$ 321,515</u>	<u>\$ 226,267</u>

The \$321,515 reported as deferred outflows of resources related to employer contributions made after the measurement date and before the reporting date will be recognized as a reduction of the total OPEB liability in the year ended December 31, 2020.

OLMSTED COUNTY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

Other amounts reported as deferred outflows and deferred inflows related to OPEB will be recognized in OPEB expense as follows:

Year Ended December 31	OPEB Expense Amount
2020	\$ (37,712)
2021	(37,712)
2022	(37,712)
2023	(37,712)
2024	(37,712)
Thereafter	(37,707)
Total	<u>\$ (226,267)</u>

OLMSTED COUNTY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

12. CONTINGENCIES

Unvested Sick Leave

Unvested sick leave, \$3,131,627 at December 31, 2019, is available to employees in the event of illness-related absences and is not paid to them at termination.

Claims and Litigation

Minnesota Statutes Section 466.04 limits the liability of a county to \$500,000 for a single claim arising on or after July 1, 2009. In addition, the limit is up to \$1,500,000 for multiple claimants for damages arising out of a single occurrence for claims on or after July 1, 2009. However, for multiple claims involving a nonprofit engaged in outdoor recreational activities, the limit is \$1,000,000 if the activity is funded in whole or in part by the county or pursuant to a permit issued by the county. The limits double when the claim relates to the release of a hazardous substance. Punitive damages are prohibited.

Minnesota Statutes Section 466.06 raises the limit of liability of a county to the extent that insurance coverage is carried but does not waive immunity or affect the statutory limit of liability beyond the coverage. The County has commercial insurance for automobile liabilities but self-insures for other liability issues through an internal service fund. See the discussion in Note 13.

The County, in connection with the normal conduct of its affairs, is involved in various claims, judgments, and litigation. Included in the threatened or pending litigation are several suits against the County for significant amounts. The County is vigorously defending against the claims and/or suits mentioned above.

Management has no reasonable expectation, given our current knowledge of the status of these cases, that the potential claims against the County not covered by insurance resulting from the litigation will materially affect the financial statements of the County or exceed available reserves.

Capital Grants received from the Office of Environmental Assistance

The Office of Environmental Assistance provided the County with several capital grants over the years. In 1999 a grant was provided for the air pollution control upgrade, in 2006 a grant was provided for the OWEF 3rd Unit expansion, and in 2009 a grant was provided for the Green Pipes project. We received \$2,969,400 for the air pollution control upgrade, \$3,200,000 for the OWEF 3rd Unit expansion, and \$4,231,359 for the Green Pipes project. In the event the County ceases to operate the Olmsted Waste-to-Energy facility the entire \$2,969,400, \$3,200,000, and \$4,231,359 grants must be refunded back to the State.

Debt Service on Bond Issue

Olmsted County Housing and Redevelopment Authority (HRA) issued \$5,845,000, Lease Revenue Bonds, Series 2013A, on April 1, 2013, to assist in refinancing the debt of Zumbro Valley Health Center, Inc. (ZVHC). ZVHC is a not-for-profit from which the County has purchased mental health services for our clients since 1966. The call date of the notes is April 1, 2031. The final debt service payment is due April 1, 2033.

The HRA issued the debt, acquired the buildings from ZVHC and assigned all rights, title and interest to a trustee. Though the terms of the agreement call for the County to make rental payments to the HRA, the County sublets the property to ZVHC and monthly rental payments are paid by ZVHC directly to a trustee from whom the debt service payments are made.

If ZVHC does not make the lease payments, the County is obligated to appropriate no more than one year's debt service.

The County can terminate the lease at the end of any year by not appropriating the funds. If the lease terminates, the facilities return to the HRA. The HRA is not obligated to pay the debt service, thus, the responsibility for the debt falls to the trustee to generate income on the facilities.

OLMSTED COUNTY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

Biermann House Conversion Process

In 2018, Olmsted County solicited Requests for Proposals from groups or persons interested in the restoration and development of the Biermann House and its 1.3 acres. Olmsted County had purchased this property in 1979, funded partially by grants. In 1982 the property was listed on the National Register of Historic Places. Because the property was purchased with state and federal funds, the transfer of ownership requires a conversion process. A conversion process includes preparation of boundary maps of the Biermann property, designation of replacement land, preparation of an appraisal of the Biermann property, an environmental review, and a historical and archeological review of the property by the State Historical Preservation Office (SHPO). In 2019, the County purchased the Fisherman's Inn restaurant property on Lake Zumbro as the replacement property at a purchase price of \$750,000. The County was authorized to negotiate a contract for a conservation consultant for the conversion process, with major stabilization work subject to oversight by the SHPO. The party interested in purchasing the property is responsible for the first \$50,000 of conversion costs incurred, and the County is responsible for payment of the balance of any costs which exceed \$50,000. The conversion is in the process of being approved by SHPO and National Parks Service.

OLMSTED COUNTY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

13. RISK MANAGEMENT

The Self-Insurance Internal Service Fund is used to account for worker compensation, liability, health, and dental insurance for all County funds.

Interfund premiums are charged to user funds as interfund services provided and used. For workers' compensation and general liability, claims history provides the basis for allocating the premium charges. Health and dental premiums are charged based on the number of employees in user funds. The premiums pay for claims, claim reserves, and administrative costs of the programs. Historical studies of the self-insured areas show that after all costs have been covered; fund balances can be accumulated for unforeseen circumstances.

Liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that are estimated to have been incurred but not yet reported (IBNR). A total of \$3,173,202 was recorded for IBNR for all self-insurance activities reported at December 31, 2019. This calculation was based on a review of claims history.

The County assumes financial responsibility for all claim payments. A stop-loss policy was purchased for health coverage that limits the County's losses to \$1,000,000 per member per year, a coverage level that increased from \$300,000 in 2015. The plan as a whole carries 125% aggregate claim coverage. On any given month, total paid claims in excess of 125% of forecasted claims would be reimbursed to the County by the insurer. The County has never collected on this provision of our coverage. Dental benefits are capped at \$1,500 per member per year, therefore there is no need for dental stop-loss coverage. The County employs a risk manager to minimize workers' compensation claims. In the future, should insurance carriers' rates for stop-loss coverage for general liability become economical, such coverage will be considered. The amount of settlements did not exceed insurance coverage in each of the past three years.

Should claims be asserted in excess of available reserves, it is management's belief that sufficient time will elapse between assertion of a claim and settlement that the County will be able to levy taxes sufficient to pay the claim without requiring the use of other funds' fund balances.

Olmsted County pays independent third party plan administrators to process claims and to calculate IBNR for worker compensation, health and dental insurance. The liability insurance IBNR is calculated in collaboration with the County Attorney's Office.

There were no significant reductions in insurance coverage from prior years.

Changes in the balances of claims liabilities during the past two years are as follows:

	Self Insurance Claims				Year ended	Year ended
	Dental	Liability	Health	Worker Compensation	December 31, 2019	December 31, 2018
Unpaid claims, beginning of fiscal year	\$ 40,050	\$ 1,375,771	\$ 1,922,359	\$ 238,749	\$ 3,576,929	\$ 2,195,563
Incurred, claims, including IBNR	1,071,529	(202,903)	21,890,937	189,350	22,948,913	22,478,815
Claim payments	(1,077,554)	(754,731)	(21,299,708)	(220,647)	(23,352,640)	(21,097,450)
Unpaid claims, end of fiscal year	<u>\$ 34,025</u>	<u>\$ 418,137</u>	<u>\$ 2,513,588</u>	<u>\$ 207,452</u>	<u>\$ 3,173,202</u>	<u>\$ 3,576,928</u>

**OLMSTED COUNTY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019**

14. TAX ABATEMENT AGREEMENT

The County levies and collects property taxes for all governmental units within the County. The City of Rochester provides tax abatements through Pay-As-You-Go (PAYG) Tax Increment Financing (TIF) District agreements under Minnesota Statutes Sections 469.174 through 469.179. The PAYG TIF Districts in the City pay a developer up to 95 percent of the previous six months tax increment collected in order to assist with funding development projects. As of December 31, 2019, the City had eighteen such districts in which \$1,987,276 of tax revenue was paid out to developers under these agreements. The County's share of all governmental units' 2019 property tax collections is 35 percent. Thirty five percent of the amount paid to developers is \$695,547.

OLMSTED COUNTY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

15. EFFECT OF NEW ACCOUNTING STANDARDS ON CURRENT-PERIOD FINANCIAL STATEMENTS

The Governmental Accounting Standards Board (GASB) has approved the following:

Statement No. 87, *Leases*

Statement No. 91, *Conduit Debt Obligations*

Statement No. 92, *Omnibus 2020*

Statement No. 93, *Replacement of Interbank Offered Rates*

Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*

When they become effective, application of these standards may restate portions of these financial statements.

The statements listed above through Statement No. 93 had their required effective dates postponed by one year with the issuance of Statement No. 95, *Postponement of Effective Dates of Certain Authoritative Guidance*, with the exception of Statement No. 87 which was postponed by one and a half years.

OLMSTED COUNTY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

16. SUBSEQUENT EVENTS

Public Health Emergency of International Concern

In December 2019, a novel strain of coronavirus was reported in Wuhan, China. The World Health Organization has declared the outbreak to constitute a “Public Health Emergency of International Concern.” The COVID-19 outbreak is disrupting supply chains and affecting production and sales across a range of industries in the United States and the rest of the world. The extent of the impact of COVID-19 on our operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, impact on our citizens, employees and vendors all of which are uncertain and cannot be predicted. While we don’t expect the current COVID-19 situation to significantly impact our financial condition, the reality is the extent to which COVID-19 may impact our financial condition or results of operations is uncertain.

Abatement of Penalty and Interest for late Property Tax Payments

The COVID-19 health emergency has resulted in a significant loss of income for many individuals, businesses, and property owners. As a result, some Olmsted County taxpayers may have difficulty meeting the May 15, 2020 deadline for the first payment of 2020 property taxes. On April 21, 2020, the Olmsted County Board of Commissioners approved a one-time temporary abatement of the penalty and interest of late property tax payments. This will extend the date that late payment penalties begin to accrue from May 15 to July 15, 2020. This abatement does not apply to property taxes paid by escrow. Those individuals and businesses in Olmsted County that are still able to make their first-half property tax payments by May 15 are encouraged to do so.

COVID-19 Worker’s Compensation Temporary Presumption

On April 7, 2020, the legislature passed a COVID-19 Worker’s Compensation Temporary Presumption without a funding source. The temporary presumption protects first responder employees whose public service jobs put them at greater risk of contracting COVID-19. Olmsted County self-insures worker’s compensation.



Required Supplementary Information

OLMSTED COUNTY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues:				
Property taxes	\$ 49,268,216	\$ 49,268,216	\$ 49,111,035	\$ (157,181)
Licenses and permits	1,346,385	1,378,465	1,340,242	(38,223)
Intergovernmental Revenue	9,735,183	14,613,405	14,736,717	123,312
Charges for services	12,960,389	12,967,889	13,172,109	204,220
Fines and forfeits	-	-	23,734	23,734
Gifts and contributions	2,500	2,500	4,544	2,044
Investment income	1,030,000	1,030,000	3,922,346	2,892,346
Other	758,975	953,140	799,606	(153,534)
Total Revenues	75,101,648	80,213,615	83,110,333	2,896,718
Expenditures:				
Current				
General Government				
Board of commissioners	677,020	677,020	640,814	(36,206)
Administrator	1,277,314	1,256,038	1,239,166	(16,872)
Property records and licensing	6,544,397	6,755,427	6,631,899	(123,528)
Personnel	1,000	1,000	1,000	-
Planning, code enforcement	4,451,600	4,465,100	4,018,152	(446,948)
Data practices and staff development	1,060,699	1,120,575	1,075,111	(45,464)
Building and grounds	396,809	396,809	396,809	-
Total general government	14,408,839	14,671,969	14,002,951	(669,018)
Public safety				
Sheriff	17,100,607	18,638,663	17,328,195	(1,310,468)
Adult detention center	14,173,245	14,522,347	14,101,048	(421,299)
Community corrections	15,003,560	15,040,560	14,287,340	(753,220)
Coroner	344,281	344,281	343,713	(568)
District courts	1,747,660	1,847,660	1,843,422	(4,238)
Attorney	6,505,849	6,573,946	6,287,954	(285,992)
Law library	209,925	436,607	184,655	(251,952)
Total public safety	55,085,127	57,404,064	54,376,327	(3,027,737)
Conservation of natural resources				
Cooperative extension	159,217	159,217	147,841	(11,376)
Soil conservation	798,363	901,499	901,499	-
Environmental resources	432,939	3,359,803	3,099,725	(260,078)
Total conservation of natural resources	1,390,519	4,420,519	4,149,065	(271,454)
Economic development	47,000	47,000	47,000	-
Culture and recreation				
Historical society	289,515	289,515	289,515	-
Diversity and youth programs	10,000	10,000	10,000	-
Library	1,170,775	1,170,775	1,170,775	-
Total culture and recreation	1,470,290	1,470,290	1,470,290	-
Other	2,014,849	3,523,383	1,651,673	(1,871,710)
Total Expenditures	74,416,624	81,537,225	75,697,306	(5,839,919)
Excess (Deficiency) of Revenues Over Expenditures	685,024	(1,323,610)	7,413,027	8,736,637
Other Financing Sources (Uses):				
Transfers in	-	798,880	555,713	(243,167)
Transfers out	(1,485,473)	(3,215,849)	(2,169,438)	1,046,411
Sale of capital assets	50,000	50,000	11,706	(38,294)
Total Other Financing Sources (Uses)	(1,435,473)	(2,366,969)	(1,602,019)	764,950
Net changes in fund balances	(750,449)	(3,690,579)	5,811,008	9,501,587
Fund Balances - Beginning	81,446,508	81,446,508	81,446,508	-
Fund Balances - Ending	\$ 80,696,059	\$ 77,755,929	\$ 87,257,516	\$ 9,501,587

OLMSTED COUNTY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
INFRASTRUCTURE FUND
FOR THE YEAR ENDED DECEMBER 31, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Property taxes	\$ 10,002,822	\$ 10,002,822	\$ 9,878,113	\$ (124,709)
Sales taxes	13,200,000	13,200,000	14,575,026	1,375,026
Wheelage taxes	1,300,000	1,300,000	1,411,974	111,974
Licenses and permits	140,000	140,000	136,306	(3,694)
Intergovernmental Revenue	12,046,454	11,926,904	10,293,317	(1,633,587)
Charges for services	3,173,377	3,583,327	2,268,092	(1,315,235)
Gifts and contributions	312,809	349,819	397,532	47,713
Investment income	58,396	58,396	454,331	395,935
Other	22,250	22,250	38,489	16,239
Total Revenues	<u>40,256,108</u>	<u>40,583,518</u>	<u>39,453,180</u>	<u>(1,130,338)</u>
Expenditures:				
Current				
Highways and streets				
Administration	1,446,399	1,446,476	1,435,056	(11,420)
Surveying	640,686	640,686	613,356	(27,330)
Maintenance	4,936,182	4,856,840	4,776,561	(80,279)
Construction	27,771,844	27,584,526	17,500,997	(10,083,529)
Equipment maintenance and shops	3,414,971	10,084,820	10,084,819	(1)
Total highways and streets	<u>38,210,082</u>	<u>44,613,348</u>	<u>34,410,789</u>	<u>(10,202,559)</u>
Culture and recreation				
Parks	<u>8,611,753</u>	<u>8,225,682</u>	<u>6,593,841</u>	<u>(1,631,841)</u>
Debt service				
Principal	3,199,252	3,199,252	3,199,252	-
Interest and fiscal charges	1,823,908	1,899,641	1,899,640	(1)
Total debt service	<u>5,023,160</u>	<u>5,098,893</u>	<u>5,098,892</u>	<u>(1)</u>
Total Expenditures	<u>51,844,995</u>	<u>57,937,923</u>	<u>46,103,522</u>	<u>(11,834,401)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(11,588,887)</u>	<u>(17,354,405)</u>	<u>(6,650,342)</u>	<u>10,704,063</u>
Other Financing Sources (Uses):				
Transfers in	-	4,706,840	3,678,102	(1,028,738)
Transfers out	-	-	(551,421)	(551,421)
Insurance recoveries	-	-	67,497	67,497
Bond proceeds	5,620,000	9,333,500	9,333,500	-
Premium on bonds	-	365,118	365,118	-
Sale of capital assets	157,000	169,000	121,129	(47,871)
Total Other Financing Sources (Uses)	<u>5,777,000</u>	<u>14,574,458</u>	<u>13,013,925</u>	<u>(1,560,533)</u>
Net changes in fund balances	(5,811,887)	(2,779,947)	6,363,583	9,143,530
Fund Balances - Beginning	<u>18,559,443</u>	<u>18,559,443</u>	<u>18,559,443</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 12,747,556</u>	<u>\$ 15,779,496</u>	<u>\$ 24,923,026</u>	<u>\$ 9,143,530</u>

OLMSTED COUNTY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
HEALTH AND HUMAN SERVICES FUND
FOR THE YEAR ENDED DECEMBER 31, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Property taxes	\$ 43,946,609	\$ 43,946,609	\$ 43,439,582	\$ (507,027)
Licenses and permits	792,669	792,669	787,107	(5,562)
Intergovernmental Revenue	34,242,897	35,003,947	37,088,473	2,084,526
Charges for services	9,608,478	9,619,978	9,612,920	(7,058)
Gifts and contributions	-	-	882	882
Other	-	89,300	84,981	(4,319)
Total Revenues	<u>88,590,653</u>	<u>89,452,503</u>	<u>91,013,945</u>	<u>1,561,442</u>
Expenditures:				
Current				
Health	<u>13,221,452</u>	<u>13,471,279</u>	<u>12,341,132</u>	<u>(1,130,147)</u>
Human services				
Income maintenance	13,476,135	13,586,135	13,022,173	(563,962)
Social services	54,732,182	54,825,254	54,386,090	(439,164)
Support services	6,727,175	6,807,175	6,502,952	(304,223)
Veterans services	<u>458,709</u>	<u>473,405</u>	<u>471,590</u>	<u>(1,815)</u>
Total human services	<u>75,394,201</u>	<u>75,691,969</u>	<u>74,382,805</u>	<u>(1,309,164)</u>
Total Expenditures	<u>88,615,653</u>	<u>89,163,248</u>	<u>86,723,937</u>	<u>(2,439,311)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(25,000)</u>	<u>289,255</u>	<u>4,290,008</u>	<u>4,000,753</u>
Other Financing Sources (Uses):				
Transfers in	-	10,000	10,000	-
Transfers out	<u>-</u>	<u>(263,350)</u>	<u>(411,717)</u>	<u>(148,367)</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>(253,350)</u>	<u>(401,717)</u>	<u>(148,367)</u>
Net changes in fund balances	(25,000)	35,905	3,888,291	3,852,386
Fund Balances - Beginning	<u>9,368,978</u>	<u>9,368,978</u>	<u>9,368,978</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 9,343,978</u>	<u>\$ 9,404,883</u>	<u>\$ 13,257,269</u>	<u>\$ 3,852,386</u>

OLMSTED COUNTY
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED DECEMBER 31, 2019

	2018	2019
Total OPEB Liability		
Service cost	\$ 549,460	\$ 520,432
Interest	251,295	267,819
Changes of benefit terms	-	-
Differences between expected and actual experience	-	-
Changes of assumptions	-	(263,979)
Benefit payments	(288,102)	(253,609)
Net Change in Total OPEB Liability	512,653	270,663
Total OPEB Liability - Beginning	7,208,424	7,721,077
Total OPEB Liability - Ending	<u>\$ 7,721,077</u>	<u>\$ 7,991,740</u>
 Covered-employee payroll	 \$ 85,235,794	 \$ 84,419,002
 Total OPEB liability as a percentage of covered employee payroll	 9.06%	 9.47%

Note: This schedule is to show information for 10 years. However, until a full 10-year trend is compiled, only the available years are presented.

OLMSTED COUNTY
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
PERA GENERAL EMPLOYEES RETIREMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2019

Measurement Date	Employer's Proportion of the Net Pension Liability (Asset)	Employer's Proportionate Share of the Net Pension Liability (Asset) (a)	State's Proportionate Share of the Net Pension Liability Associated with Entity Name (b)	Employer's Proportionate Share of the Net Pension Liability and the State's Related Share of the Net Pension Liability (Asset) (a + b)	Covered Payroll (c)	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll (a/c)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2019	1.040%	\$ 57,471,627	\$ 1,786,256	\$ 59,257,883	\$ 73,569,293	78.12%	80.23%
2018	1.055	58,521,527	1,919,606	60,441,133	70,900,720	82.54	79.53
2017	1.048	66,882,069	841,730	67,723,799	67,492,227	99.10	75.90
2016	1.024	83,130,648	1,087,276	84,217,924	63,529,840	130.85	68.91
2015	1.019	52,792,259	N/A	52,792,259	59,961,542	88.04	78.20

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 June 30.
N/A - Not Applicable

OLMSTED COUNTY
SCHEDULE OF CONTRIBUTIONS
PERA GENERAL EMPLOYEES RETIREMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2019

Year Ending	Statutorily Required Contributions (a)	Actual Contributions in Relation to Statutorily Required Contributions (b)	Contribution (Deficiency) Excess (b - a)	Covered Payroll (c)	Actual Contributions as a Percentage of Covered Payroll (b/c)
2019	\$ 5,864,415	\$ 5,864,415	\$ -	\$ 78,192,200	7.50%
2018	5,414,747	5,414,747	-	72,196,627	7.50
2017	5,193,191	5,193,191	-	69,242,547	7.50
2016	4,945,994	4,945,994	-	65,946,587	7.50
2015	4,601,312	4,601,312	-	61,350,806	7.50

This schedule is intended to show information for ten years. Additional years will be displayed as they become available.
The County's year-end is December 31.

OLMSTED COUNTY
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
PERA PUBLIC EMPLOYEES POLICE AND FIRE FUND
FOR THE YEAR ENDED DECEMBER 31, 2019

Measurement Date	Employer's Proportion of the Net Pension Liability (Asset)	Employer's Proportionate Share of the Net Pension Liability (Asset) (a)	Covered Payroll (b)	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll (a/b)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2019	0.616%	\$ 6,556,878	\$ 6,353,221	103.21%	89.26%
2018	0.570	6,079,876	6,012,056	101.13	88.84
2017	0.551	7,439,156	5,659,370	131.45	85.43
2016	0.572	22,955,355	5,514,951	416.24	63.88
2015	0.578	6,567,433	5,305,805	123.78	86.60

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 June 30.

OLMSTED COUNTY
SCHEDULE OF CONTRIBUTIONS
PERA PUBLIC EMPLOYEES POLICE AND FIRE FUND
FOR THE YEAR ENDED DECEMBER 31, 2019

Year Ending	Statutorily Required Contributions (a)	Actual Contributions in Relation to Statutorily Required Contributions (b)	Contribution (Deficiency) Excess (b - a)	Covered Payroll (c)	Actual Contributions as a Percentage of Covered Payroll (b/c)
2019	\$ 1,168,180	\$ 1,168,180	-	\$ 6,891,917	16.95%
2018	1,007,772	1,007,772	-	6,220,815	16.20
2017	941,551	941,551	-	5,812,043	16.20
2016	913,108	913,108	-	5,636,469	16.20
2015	871,680	871,680	-	5,380,741	16.20

This schedule is intended to show information for ten years. Additional years will be displayed as they become available. The County's year-end is December 31.

OLMSTED COUNTY
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
PERA PUBLIC EMPLOYEES CORRECTIONAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2019

Measurement Date	Employer's Proportion of the Net Pension Liability (Asset)	Employer's Proportionate Share of the Net Pension Liability (Asset) (a)	Covered Payroll (b)	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll (a/b)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2019	3.036%	\$ 420,334	\$ 6,475,783	6.49%	98.17%
2018	3.047	501,140	6,223,063	8.05	97.64
2017	3.040	8,664,030	6,077,063	142.57	67.89
2016	3.040	11,105,546	5,733,246	193.70	58.16
2015	2.990	462,254	5,363,086	8.62	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 June 30.

OLMSTED COUNTY
SCHEDULE OF CONTRIBUTIONS
PERA PUBLIC EMPLOYEES CORRECTIONAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2019

Year Ending	Statutorily Required Contributions (a)	Actual Contributions in Relation to Statutorily Required Contributions (b)	Contribution (Deficiency) Excess (b - a)	Covered Payroll (c)	Actual Contributions as a Percentage of Covered Payroll (b/c)
2019	\$ 585,292	\$ 585,292	\$ -	\$ 6,689,051	8.75%
2018	558,955	558,955	-	6,388,057	8.75
2017	535,829	535,829	-	6,123,760	8.75
2016	523,804	523,804	-	5,986,331	8.75
2015	481,889	481,889	-	5,507,290	8.75

This schedule is intended to show information for ten years. Additional years will be displayed as they become available. The County's year-end is December 31.

**OLMSTED COUNTY
ROCHESTER, MINNESOTA**

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2019**

Basis of Budgeting

Annual budgets are adopted on a basis consistent with GAAP for all Governmental Funds. The County also adopts budgets for Enterprise Funds for administrative purposes only. These are not legally mandated budgets; therefore, budgetary comparisons for Enterprise Funds have been omitted from the report.

Amounts encumbered under the budgetary system for purchases to be made in the following year lapse at year-end and are adjusted into the following year's budget if expended. Unencumbered budgets also lapse at year-end. There were no carryovers to the following year.

The County Board has adopted a budget system that does not allow expenditures in excess of the approved budget within the smallest organizational unit of the County, the department. As a result, in the budget-to-actual comparisons, there are no negative variances for expenditure items. It is possible for a negative variance to occur in revenue items. Department managers are obligated to report instances where negative variances are occurring in revenues without corresponding reductions in expenditures.

Actual results of operations presented in accordance with GAAP and the County's accounting policies do not recognize encumbrances and restricted fund balance as expenditures until the period in which the actual goods or services are received and a liability is incurred. Encumbrances are only reported on the balance sheets of the Governmental Funds included within restricted, committed or assigned fund balance. Significant encumbrances are disclosed in the notes to the financial statements.

In accordance with State law, the County adopts a proposed property tax levy by September 30 and the County Administrator presents the recommended budget to the County Board. In early December, on a date prescribed by State law, the Board holds a formal public hearing. The Board must then adopt the final budget and property tax levy on or before December 31.

The amount of the County's tax levy cannot be amended after adoption. Revenue and expense/expenditure budgets can be amended during the year. Prior approval by the Administrative Committee of the Board, or by Controllers, under the supervision of the Chief Financial Officer, is required to amend the budget for all changes.

Other Postemployment Benefits

The County implemented GASB Statement No. 75 in fiscal year 2018. Information provided prior to fiscal year 2018 is not available.

Assets have not been accumulated in a trust that meets the criteria in paragraph four of the GASB Statement 75 to pay related benefits.

The following changes of assumption were reflected in the OPEB actuarial valuations:

2019

The discount rate was changed from 3.30% to 3.80%.

2018

The health care trend rates were changed to better anticipate short-term and long-term medical increases.

The mortality table was updated from RP-2014 White Collar Mortality Tables with MP-2015 Generational Improvement Scale (with Blue Collar adjustment for Police and Fire Personnel) to the RP-2014 White Collar Mortality Tables with MP-2017 Generational Improvement Scale (with Blue Collar adjustment for Police and Fire Personnel).

The retirement and withdrawal tables for all employees were updated.

The discount rate was changed from 3.50% to 3.30%

Defined Benefit Pension Plans

The following changes in significant plan provisions, actuarial methods, and assumptions were reflected in the valuation performed on behalf of the Public Employees Retirement Association for fiscal year ended June 30:

General Employees Retirement Plan

2019

Change in Actuarial Assumptions

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

Change 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

Change in Actuarial Assumptions

The mortality projection scale was changed from MP-2015 to MP-2017.

The assumed benefit increase was changed from 1.00 percent per year through 2044 and 2.50 percent per year thereafter to 1.25 percent per year.

Change in Plan Provisions

The augmentation adjustment in early retirement factors is eliminated over a five-year period starting July 1, 2019, resulting in actuarial equivalence after June 30, 2024.

Interest credited on member contributions decreased from 4.00 percent to 3.00 percent, beginning July 1, 2018.

Deferred augmentation was changed to 0.00 percent, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.

Contribution stabilizer provisions were repealed.

Postretirement benefit increases were changed from 1.00 percent per year with a provision to increase to 2.50 percent upon attainment of 90.00 percent funding ratio to 50.00 percent of the Social Security Cost of Living Adjustment, not less than 1.00 percent and not more than 1.50 percent, beginning January 1, 2019.

For retirements on or after January 1, 2024, the first benefit increase is delayed until the retiree reaches normal retirement age; does not apply to Rule of 90 retirees, disability benefit recipients, or survivors.

Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

2017

Changes in Actuarial Assumptions

The combined service annuity (CSA) loads were changed from 0.80 percent for active members and 60.00 percent for vested and non-vested deferred members. The revised CSA load are now 0.00 percent for active member liability, 15.00 percent for vested deferred member liability, and 3.00 percent for non-vested deferred member liability.

The assumed postretirement benefit increase rate was changed for 1.00 percent per year for all years to 1.00 percent per year through 2044 and 2.50 percent per year thereafter.

Changes in Plan Provisions

The State's contribution for the Minneapolis Employees Retirement Fund equals \$16,000,000 in 2017 and 2018, and \$6,000,000 thereafter.

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

2016

Change in Actuarial Assumptions

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

The assumed investment return was changed from 7.90 percent to 7.50 percent. The single discount rate changed from 7.90 percent to 7.50 percent.

Other assumptions were changed pursuant to the experience study June 30, 2015. The assumed future salary increases, payroll growth, and inflation were decreased by 0.25 percent to 3.25 percent for payroll growth and 2.50 percent for inflation.

Change in Plan Provisions

There have been no changes since the prior valuation.

2015

Change in Actuarial Assumptions

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

Change in Plan Provisions

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

Public Employees Police and Fire Plan

2019

Change in Actuarial Assumptions

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

Change in Plan Provisions

There have been no changes since the prior valuation.

2018

Change in Actuarial Assumptions

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

Change in Plan Provisions

Postretirement benefit increases were changed to 1.00 percent for all years, with no trigger.

An end date of July 1, 2048 was added to the existing \$9.0 million state contribution.

New annual state aid will equal \$4.5 million in fiscal years 2019 and 2020, and \$9.0 million thereafter until the plan reaches 100 percent funding, or July 1, 2048, if earlier.

Member contributions were changed from 10.80 percent to 11.30 percent of pay, effective January 1, 2019 and 11.80 percent of pay, effective January 1, 2020.

Employer contributions were changed from 16.20 percent to 16.95 percent of pay, effective January 1, 2019 and 17.70 percent of pay, effective January 1, 2020.

Interest credited on member contributions decreased from 4.00 percent to 3.00 percent, beginning July 1, 2018.

Deferred augmentation was changed to 0.00 percent, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.

Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

2017

Change in Actuarial Assumptions

Assumed salary increases were changed as recommended in the June 30, 2016 experience study. The net effect is proposed rates that average 0.34 percent lower than the previous rates.

Assumed rates of retirement were changed, resulting in fewer retirements.

The combined service annuity (CSA) load was 30.00 percent for vested and non-vested, deferred members. The CSA has been changed to 33.00 percent for vested members and 2.00 percent for non-vested members.

The base mortality table for healthy annuitants was changed from the RP-2000 fully generational table to the RP-2014 fully generational table (with a base year of 2006), with male rates adjusted by a factor of 0.96. The mortality improvement scale was changed from Scale AA to Scale MP-2016. The base mortality table for disabled annuitants was changed from the RP-2000 disabled mortality table to the mortality tables assumed for healthy retirees.

Assumed termination rates were decreased to 3.00 percent for the first three years of service. Rates beyond the select period of three years were adjusted, resulting in more expected terminations overall.

Assumed percentage of married female members was decreased from 65.00 percent to 60.00 percent.

Assumed age difference was changed from separate assumptions for male members (wives assumed to be three years younger) and female members (husbands assumed to be four years older) to the assumption that males are two years older than females.

The assumed percentage of female members electing joint and survivor annuities was increased.

The assumed postretirement benefit increase rate was changed from 1.00 percent for all years to 1.00 percent per year through 2064 and 2.50 percent thereafter.

The single discount rate was changed from 5.60 percent per annum to 7.50 percent per annum.

Change in Actuarial Plan Provisions

There have been no changes since the prior valuation.

2016

Change in Actuarial Assumptions

The assumed postretirement benefit increase rate was changed from 1.00 percent per year through 2037 and 2.50 percent per year thereafter to 1.00 percent per year for all future years.

The assumed investment return was changed from 7.90 percent to 7.50 percent.

The single discount rate changed from 7.90 percent to 5.60 percent.

The assumed future salary increases, payroll growth, and inflation were decreased by 0.25 percent to 3.25 percent for payroll growth and 2.50 percent for inflation.

Change in Plan Provisions

There have been no changes since the prior valuation

2015

Change in Actuarial Assumptions

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

Change in Plan Provisions

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

Public Employees Correctional Plan

2019

Change in Actuarial Assumptions

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

Change in Plan Provisions

There have been no changes since the prior valuation.

2018

Change in Actuarial Assumptions

The single discount rate was changed from 5.96 percent per annum to 7.50 percent per annum.

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

The assumed post-retirement benefit increase was changed from 2.50 percent per year to 2.00 percent per year.

Change in Plan Provisions

The augmentation adjustment in early retirement factors is eliminated over a five-year period starting July 1, 2019, resulting in actuarial equivalence after June 30, 2024.

Interest credited on member contributions decreased from 4.00 percent to 3.00 percent, beginning July 1, 2018.

Deferred augmentation was changed to 0.00 percent, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.

Postretirement benefit increases were changed from 2.50 percent per year with a provision to reduce to 1.00 percent if the funding status declines to a certain level, to 100 percent of the Social Security Cost of Living Adjustment, not less than 1.00 percent and not more than 2.50 percent, beginning January 1, 2019. If the funding status declines to 85.00 percent for two consecutive years or 80.00 percent for one year, the maximum increase will be lowered to 1.50 percent.

Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

2017

Change in Actuarial Assumptions

The base mortality table for healthy annuitants was changed from the RP-2000 fully generational table to the RP-2014 fully generational table (with a base year of 2006), with male rates adjusted by a factor of 0.96. The mortality improvement scale was changed from Scale AA to Scale MP-2016 and is applied to healthy and disabled members. The base mortality table for disabled annuitants was changed from the RP-2000 disabled mortality table to the RP-2014 disabled annuitant mortality table (with future mortality improvement according to MP-2016).

The combined service annuity (CSA) load was 30.00 percent for vested and non-vested, deferred members. The CSA has been changed to 35.00 percent for vested members and 1.00 percent for non-vested members.

The single discount rate was changed from 5.31 percent per annum to 5.96 percent per annum.

Change in Plan Provisions

There have been no changes since the prior valuation.

2016

Change in Actuarial Assumptions

The assumed investment return was changed from 7.90 percent to 7.50 percent. The single discount rate changed from 7.90 percent to 5.31 percent.

The assumed future salary increases, payroll growth, and inflation were decreased by 0.25 percent to 3.25 percent for payroll growth and 2.5 percent for inflation.

Change in Plan Provisions

There have been no changes since the prior valuation.

2015

Change in Actuarial Assumptions

There have been no changes since the prior valuation.

Change in Plan Provisions

There have been no changes since the prior valuation.



Supplementary Information

The General Fund

The **General Revenue Fund** is used to account for the financial resources and activities of the general operations of the County.

The **Public Safety Fund** is used to account for the financial activities relating to law enforcement and legal services.

The **Library Fund** accounts for funds of the county library system.

OLMSTED COUNTY
DETAIL OF BALANCE SHEET
GENERAL FUND
DECEMBER 31, 2019

	General Revenue	Public Safety	Library	Total
ASSETS				
Cash, deposits and investments	\$ 81,141,395	\$ 1,927,581	\$ 166	\$ 83,069,142
Cash and investments held by trustee	-	184,466	-	184,466
Accounts receivable, net	90,239	4,435	-	94,674
Delinquent taxes	152,000	424,100	14,000	590,100
Accrued interest	903,183	-	-	903,183
Advances/loans	100,790	-	-	100,790
Due from other funds	8,800	-	-	8,800
Advances to other funds	497,800	-	-	497,800
Due from fiduciary funds	1,876,889	173,143	-	2,050,032
Due from other governments	1,098,905	313,041	-	1,411,946
Prepaid items	1,931,102	90,073	-	2,021,175
Total Assets	<u>\$ 87,801,103</u>	<u>\$ 3,116,839</u>	<u>\$ 14,166</u>	<u>\$ 90,932,108</u>
LIABILITIES				
Accounts payable	300,833	405,049	-	705,882
Salaries payable	227,820	725,937	-	953,757
Contracts payable	63,360	-	-	63,360
Accrued liabilities	70,928	368	-	71,296
Due to fiduciary funds	821,735	-	-	821,735
Due to other governments	2,901	231,930	-	234,831
Unearned revenue	222,722	6,542	-	229,264
Total Liabilities	<u>1,710,299</u>	<u>1,369,826</u>	<u>-</u>	<u>3,080,125</u>
DEFERRED INFLOWS OF RESOURCES				
Taxes collected for subsequent year	22,900	63,800	2,100	88,800
Unavailable revenue - taxes	27,700	77,800	2,600	108,100
Unavailable revenue - other	310,877	86,690	-	397,567
Total Deferred Inflows of Resources	<u>361,477</u>	<u>228,290</u>	<u>4,700</u>	<u>594,467</u>
FUND BALANCES				
Nonspendable	2,428,902	90,073	-	2,518,975
Restricted	-	496,222	-	496,222
Assigned	41,493,542	417,022	9,466	41,920,030
Unassigned	41,806,883	515,406	-	42,322,289
Total Fund Balances	<u>85,729,327</u>	<u>1,518,723</u>	<u>9,466</u>	<u>87,257,516</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 87,801,103</u>	<u>\$ 3,116,839</u>	<u>\$ 14,166</u>	<u>\$ 90,932,108</u>

OLMSTED COUNTY
 DETAIL OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2019

	General Revenue	Public Safety	Library	Total
Revenues:				
Property Taxes	\$ 12,945,964	\$ 35,021,200	\$ 1,143,871	\$ 49,111,035
Licenses and permits	1,340,242	-	-	1,340,242
Intergovernmental Revenue	13,170,092	1,566,625	-	14,736,717
Charges for services	2,217,465	10,954,644	-	13,172,109
Fines and forfeits	-	23,734	-	23,734
Gifts and contributions	-	4,544	-	4,544
Investment income	3,918,745	3,601	-	3,922,346
Other	430,228	369,378	-	799,606
Total Revenues	34,022,736	47,943,726	1,143,871	83,110,333
Expenditures:				
Current				
General Government				
Board of commissioners	640,814	-	-	640,814
Administrator	1,239,166	-	-	1,239,166
Property records and licensing	6,631,899	-	-	6,631,899
Personnel	1,000	-	-	1,000
Planning, code enforcement	4,018,152	-	-	4,018,152
Data practices and staff development	1,075,111	-	-	1,075,111
Building and grounds	396,809	-	-	396,809
Total general government	14,002,951	-	-	14,002,951
Public safety				
Sheriff	-	17,328,195	-	17,328,195
Adult detention center	-	14,101,048	-	14,101,048
Community corrections	6,291,476	7,995,864	-	14,287,340
Coroner	343,713	-	-	343,713
District courts	-	1,843,422	-	1,843,422
Attorney	-	6,287,954	-	6,287,954
Law library	-	184,655	-	184,655
Total public safety	6,635,189	47,741,138	-	54,376,327
Conservation of natural resources				
Cooperative extension	147,841	-	-	147,841
Soil conservation	901,499	-	-	901,499
Environmental resources	3,099,725	-	-	3,099,725
Total conservation for natural resources	4,149,065	-	-	4,149,065
Economic development	47,000	-	-	47,000
Culture and recreation				
Historical society	289,515	-	-	289,515
Diversity and youth programs	10,000	-	-	10,000
Library	-	-	1,170,775	1,170,775
Total culture and recreation	299,515	-	1,170,775	1,470,290
Other	1,651,673	-	-	1,651,673
Total Expenditures	26,785,393	47,741,138	1,170,775	75,697,306
Excess (Deficiency) of Revenues Over Expenditures	7,237,343	202,588	(26,904)	7,413,027
Other Financing Sources (Uses):				
Transfers in	342,095	213,618	-	555,713
Transfers out	(1,719,892)	(449,546)	-	(2,169,438)
Internal transfers	(680,345)	651,345	29,000	-
Sale of capital assets	-	11,706	-	11,706
Total Other Financing Sources (Uses)	(2,058,142)	427,123	29,000	(1,602,019)
Net changes in fund balances	5,179,201	629,711	2,096	5,811,008
Fund Balances - Beginning	80,550,126	889,012	7,370	81,446,508
Fund Balances - Ending	\$ 85,729,327	\$ 1,518,723	\$ 9,466	\$ 87,257,516

Health and Human Services Special Revenue Fund

The **Health Fund** accounts for the financial activities relating to environmental health, nursing services, and health education.

The **Human Services Fund** accounts for the financial activities of income maintenance, social services and community action programs.

OLMSTED COUNTY
DETAIL OF BALANCE SHEET
HEALTH AND HUMAN SERVICES SPECIAL REVENUE FUND
DECEMBER 31, 2019

	HEALTH	HUMAN SERVICES	Total
ASSETS			
Cash, deposits and investments	\$ 2,284,066	\$ 7,964,923	\$ 10,248,989
Accounts receivable, net	95,022	874,559	969,581
Delinquent taxes	107,800	418,600	526,400
Due from fiduciary funds	-	29,862	29,862
Due from other governments	1,040,173	6,825,026	7,865,199
Prepaid items	-	152,848	152,848
Total Assets	<u>\$ 3,527,061</u>	<u>\$ 16,265,818</u>	<u>\$ 19,792,879</u>
LIABILITIES			
Accounts payable	28,585	1,242,019	1,270,604
Salaries payable	178,332	856,307	1,034,639
Due to fiduciary funds	-	668,567	668,567
Due to other governments	-	457,315	457,315
Unearned revenue	-	342,765	342,765
Total Liabilities	<u>206,917</u>	<u>3,566,973</u>	<u>3,773,890</u>
DEFERRED INFLOWS OF RESOURCES			
Taxes collected for subsequent year	16,200	63,000	79,200
Unavailable revenue - taxes	19,800	76,800	96,600
Unavailable revenue - other	457,055	2,128,865	2,585,920
Total Deferred Inflows of Resources	<u>493,055</u>	<u>2,268,665</u>	<u>2,761,720</u>
FUND BALANCES			
Nonspendable	-	152,848	152,848
Assigned	2,827,089	10,277,332	13,104,421
Total Fund Balances	<u>2,827,089</u>	<u>10,430,180</u>	<u>13,257,269</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 3,527,061</u>	<u>\$ 16,265,818</u>	<u>\$ 19,792,879</u>

OLMSTED COUNTY
 DETAIL OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 HEALTH AND HUMAN SERVICES SPECIAL REVENUE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2019

	Health	Human Services	Total
Revenues:			
Property Taxes	\$ 8,896,635	\$ 34,542,947	\$ 43,439,582
Licenses and permits	739,057	48,050	787,107
Intergovernmental Revenue	3,073,104	34,015,369	37,088,473
Charges for services	883,995	8,728,925	9,612,920
Gifts and contributions	-	882	882
Other	-	84,981	84,981
Total Revenues	<u>13,592,791</u>	<u>77,421,154</u>	<u>91,013,945</u>
Expenditures:			
Current			
Health	<u>12,341,132</u>	<u>-</u>	<u>12,341,132</u>
Human services			
Income maintenance	-	13,022,173	13,022,173
Social services	-	54,386,090	54,386,090
Support services	-	6,502,952	6,502,952
Veterans services	-	471,590	471,590
Total human services	<u>-</u>	<u>74,382,805</u>	<u>74,382,805</u>
Total Expenditures	<u>12,341,132</u>	<u>74,382,805</u>	<u>86,723,937</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>1,251,659</u>	<u>3,038,349</u>	<u>4,290,008</u>
Other Financing Sources (Uses):			
Transfers in	10,000	-	10,000
Transfers out	(52,743)	(358,974)	(411,717)
Total Other Financing Sources (Uses)	<u>(42,743)</u>	<u>(358,974)</u>	<u>(401,717)</u>
Net changes in fund balances	1,208,916	2,679,375	3,888,291
Fund Balances - Beginning	<u>1,618,173</u>	<u>7,750,805</u>	<u>9,368,978</u>
Fund Balances - Ending	<u>\$ 2,827,089</u>	<u>\$ 10,430,180</u>	<u>\$ 13,257,269</u>

Internal Service Funds

Internal Service Funds are used to report activities that support other County departments and that are funded by user charges to those departments.

The **Self-Insurance Fund** accounts for self-insurance activities and compensated absences.

The **Administrative Services Fund** accounts for various organizational operations such as the motor pool, purchasing, copy and mail services, computer services, human resources and finance.

The **Building Facilities Fund** accounts for the activities related to the construction and maintenance of buildings and the related property.

OLMSTED COUNTY
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
DECEMBER 31, 2019

	Governmental Activities			
	Self Insurance	Administrative Services	Building Facilities	Total
ASSETS				
Current Assets:				
Cash and cash equivalents	\$ 31,995,778	\$ 11,638,234	\$ 4,238,350	\$ 47,872,362
Cash and cash equivalents on deposit:				
Restricted for debt service	-	-	2,696,540	2,696,540
Restricted for construction	-	-	4,764,137	4,764,137
Designated for OPEB obligation	7,991,740	-	-	7,991,740
Restricted investments held by trustee	-	-	1,335,524	1,335,524
Accounts receivable, net	86,045	34,963	44,867	165,875
Interest - restricted	-	-	6,988	6,988
Due from other governments	-	1,275	12,920	14,195
Prepaid items	-	239,197	149,495	388,692
Total Current Assets	40,073,563	11,913,669	13,248,821	65,236,053
Other Assets: Long-term loans	-	-	13,741	13,741
Capital assets, net:				
Land	-	-	11,022,590	11,022,590
Building and structures	-	-	36,446,756	36,446,756
Improvements other than buildings	-	-	1,658,126	1,658,126
Equipment	-	1,285,692	1,092,379	2,378,071
Software	-	576,250	-	576,250
Construction in progress	-	102,232	2,839,483	2,941,715
Total capital assets, net	-	1,964,174	53,059,334	55,023,508
Total Noncurrent Assets	-	1,964,174	53,073,075	55,037,249
Total Assets	40,073,563	13,877,843	66,321,896	120,273,302
DEFERRED OUTFLOWS OF RESOURCES				
OPEB	321,515	-	-	321,515
Pension	17,116	874,074	146,780	1,037,970
Total Deferred Outflows of Resources	338,631	874,074	146,780	1,359,485
LIABILITIES				
Current Liabilities:				
Accounts payable	235,650	143,840	411,843	791,333
Salaries payable	8,413	414,800	65,673	488,886
Contracts payable	-	-	1,030,230	1,030,230
Accrued interest payable	-	-	432,538	432,538
Due to other governments	16,742	7,739	33,312	57,793
Unearned revenue	156,689	-	131,696	288,385
Compensated absences	6,075,933	892,144	189,050	7,157,127
Outstanding claims	2,551,250	-	-	2,551,250
Bonds payable	-	-	3,371,564	3,371,564
Total Current Liabilities	9,044,677	1,458,523	5,665,906	16,169,106
Noncurrent Liabilities:				
Total OPEB liability	7,991,740	-	-	7,991,740
Net pension liability	177,624	9,628,569	1,797,118	11,603,311
Compensated absences	3,562,467	998,175	73,150	4,633,792
Outstanding claims	621,952	-	-	621,952
Bonds payable	-	-	34,358,991	34,358,991
Total Noncurrent Liabilities	12,353,783	10,626,744	36,229,259	59,209,786
Total Liabilities	21,398,460	12,085,267	41,895,165	75,378,892
DEFERRED INFLOWS OF RESOURCES				
OPEB	226,267	-	-	226,267
Pension	43,654	1,965,065	287,285	2,296,004
Total Deferred Inflows of Resources	269,921	1,965,065	287,285	2,522,271
NET POSITION				
Net Investment in capital assets	-	1,964,174	20,493,772	22,457,946
Restricted for debt service	-	-	2,280,091	2,280,091
Unrestricted	18,743,813	(1,262,589)	1,512,363	18,993,587
Total Net Position	\$ 18,743,813	\$ 701,585	\$ 24,286,226	\$ 43,731,624

OLMSTED COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019

	Governmental Activities			
	Self Insurance	Administrative Services	Building Facilities	Total
Operating Revenues:				
Charges for services	\$ 22,262,192	\$ 22,760,046	\$ 11,699,697	\$ 56,721,935
Other	843,222	1,213,341	90,970	2,147,533
Total Operating Revenues	<u>23,105,414</u>	<u>23,973,387</u>	<u>11,790,667</u>	<u>58,869,468</u>
Operating Expenses:				
Personnel Services	737,183	23,353,256	2,997,422	27,087,861
Consultants and professional services	23,342,311	299,843	23,515	23,665,669
Repairs and maintenance	4,544	2,853,882	2,174,073	5,032,499
Other services and charges	1,725,125	1,835,346	911,040	4,471,511
Supplies	1,299	234,748	169,476	405,523
Utilities	2,361	115,390	1,919,449	2,037,200
Depreciation	-	811,821	3,189,333	4,001,154
Total Operating Expenses	<u>25,812,823</u>	<u>29,504,286</u>	<u>11,384,308</u>	<u>66,701,417</u>
Operating Income (Loss)	<u>(2,707,409)</u>	<u>(5,530,899)</u>	<u>406,359</u>	<u>(7,831,949)</u>
Nonoperating Revenues (Expenses)				
Intergovernmental revenue	558	161,473	3,626	165,657
Investment income	445,982	201,189	137,303	784,474
Gain (Loss) on disposal of capital assets	-	(33,462)	6,000	(27,462)
Interest expense	-	-	(827,076)	(827,076)
Bond issuance costs and fiscal charges	-	-	(81,203)	(81,203)
Total Nonoperating Revenues (Expenses)	<u>446,540</u>	<u>329,200</u>	<u>(761,350)</u>	<u>14,390</u>
Income (Loss) Before Transfers	(2,260,869)	(5,201,699)	(354,991)	(7,817,559)
Transfers in	-	436,089	1,312,111	1,748,200
Transfers out	-	-	(2,859,439)	(2,859,439)
Change in net position	(2,260,869)	(4,765,610)	(1,902,319)	(8,928,798)
Net position - Beginning	21,004,682	5,467,195	26,188,545	52,660,422
Net position - Ending	<u>\$ 18,743,813</u>	<u>\$ 701,585</u>	<u>\$ 24,286,226</u>	<u>\$ 43,731,624</u>

OLMSTED COUNTY
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019

	Governmental Activities			Total
	Self Insurance	Administrative	Building	
Cash flows from operating activities:				
Receipts from customers and users	\$ 575,617	\$ 7,588,478	\$ 488,104	\$ 8,652,199
Receipts from transactions with other funds	22,262,192	15,139,655	11,181,318	48,583,165
Payments to suppliers	(25,058,938)	(2,651,587)	(3,021,365)	(30,731,890)
Payments to employees	(669,801)	(18,050,660)	(3,044,926)	(21,765,387)
Payments to other funds for services provided	(242,418)	(2,624,192)	(1,953,655)	(4,820,265)
Other receipts	843,222	1,213,341	90,970	2,147,533
Net cash flows from operating activities	<u>(2,290,126)</u>	<u>615,035</u>	<u>3,740,446</u>	<u>2,065,355</u>
Cash flows from noncapital financing activities:				
Transfers in	-	436,089	1,312,111	1,748,200
Intergovernmental grants received	558	161,473	3,626	165,657
Transfers out	-	-	(2,859,439)	(2,859,439)
Net cash flows from noncapital financing activities	<u>558</u>	<u>597,562</u>	<u>(1,543,702)</u>	<u>(945,582)</u>
Cash flows from capital and related financing activities:				
Acquisitions of capital assets	-	(405,499)	(4,946,694)	(5,352,193)
Proceeds from sale of capital assets	-	16,216	6,000	22,216
Bond Proceeds	-	-	10,188,641	10,188,641
Payments on bond issue costs and fiscal charges	-	-	(81,203)	(81,203)
Principal paid	-	-	(1,970,748)	(1,970,748)
Interest paid	-	-	(994,575)	(994,575)
Net cash flows from capital and related financing activities	<u>-</u>	<u>(389,283)</u>	<u>2,201,421</u>	<u>1,812,138</u>
Cash flows from investing activities:				
Interest on investments	445,982	201,189	101,546	748,717
Withdrawals of restricted assets	-	-	38,952	38,952
Net cash flows from investing activities	<u>445,982</u>	<u>201,189</u>	<u>140,498</u>	<u>787,669</u>
Net increase (decrease) in cash and cash equivalents	(1,843,586)	1,024,503	4,538,663	3,719,580
Cash and cash equivalents - January 1	<u>41,831,104</u>	<u>10,613,731</u>	<u>7,160,364</u>	<u>59,605,199</u>
Cash and cash equivalents - December 31	<u>\$ 39,987,518</u>	<u>\$ 11,638,234</u>	<u>\$ 11,699,027</u>	<u>\$ 63,324,779</u>
Displayed on Proprietary Funds Statement of Net Position as:				
Cash and cash equivalents	\$ 31,995,778	\$ 11,638,234	\$ 4,238,350	\$ 47,872,362
Cash and cash equivalents on deposit:				
Restricted for debt service	-	-	2,696,540	2,696,540
Designated for construction	-	-	4,764,137	4,764,137
Designated for OPEB obligation	7,991,740	-	-	7,991,740
Total cash and cash equivalents	<u>\$ 39,987,518</u>	<u>\$ 11,638,234</u>	<u>\$ 11,699,027</u>	<u>\$ 63,324,779</u>
Reconciliation of operating income (loss) to net cash flows from operating activities:				
Operating income (loss)	\$ (2,707,409)	\$ (5,530,899)	\$ 406,359	\$ (7,831,949)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:				
Depreciation	-	811,821	3,189,333	4,001,154
Changes in pension amounts	258,955	4,682,253	34,762	4,975,970
Changes in OPEB amounts	(95,248)	-	-	(95,248)
(Increase) decrease in assets				
Accounts receivable	474,393	(30,638)	(18,243)	425,512
Due from other governments	-	(1,275)	3,695	2,420
Prepaid items	385	11,128	(8,198)	3,315
Accounts payable and other current liabilities	185,782	47,563	232,168	465,513
Salaries payable	(10,390)	(148,879)	(77,907)	(237,176)
Due to other governments	(8,157)	4,739	(1,437)	(4,855)
Outstanding claims	(403,726)	-	-	(403,726)
Total OPEB liability	270,663	-	-	270,663
Compensated absences	(356,598)	769,222	(4,359)	408,265
Unearned revenue	101,224	-	(15,727)	85,497
Total adjustments	<u>417,283</u>	<u>6,145,934</u>	<u>3,334,087</u>	<u>9,897,304</u>
Net cash flows from operating activities	<u>\$ (2,290,126)</u>	<u>\$ 615,035</u>	<u>\$ 3,740,446</u>	<u>\$ 2,065,355</u>
Non-cash Transaction information:				
The interest expense includes amounts for:				
amortization of bond discounts and premiums and deferred amounts	\$ -	\$ -	\$ 174,362	\$ 174,362
Contracts/accounts payable included in capital assets	-	-	(1,029,330)	(1,029,330)

Custodial Funds

Custodial Funds are used to account for resources held by the County as a custodian on behalf of other outside parties.

The **Service Bureau Activities Fund** accounts for the funds of the following:

- Dodge-Fillmore-Olmsted Community Corrections
- Family Collaborative Services
- Family Group Decision Making
- Regional Adult Mental Health Initiative
- Regional Mobile Crisis
- Lake Zumbro Restoration Project
- Olmsted County Soil and Water Conservation District
- Southeast Minnesota Water Resources Board
- Southeastern Minnesota Recyclers Exchange
- SE MN Violent Crime Enforcement Team
- Southeastern Minnesota Regional Emergency Communication Board and State of Minnesota

The **State Revenue Fund** accounts for collections received and due to the State.

The **Individuals, Organizations, and Other Governments Revenue Fund** accounts for collections received and due to individuals, organization, or other governments.

The **Taxes and Penalties Fund** accounts for the collection and distribution of property taxes (current and delinquent) to school districts, towns and cities.

OLMSTED COUNTY
COMBINING STATEMENT OF NET POSITION
CUSTODIAL FUNDS
DECEMBER 31, 2019

	Service Bureau Activities	State Revenue	Organizations, and Other Local Governments Revenue	Tax and Penalties	Total
ASSETS					
Cash, deposits, and investments	\$ 3,771,629	\$ 1,432,422	\$ 295,284	\$ 3,294,915	\$ 8,794,250
Taxes receivable	-	-	-	2,148,625	2,148,625
Special assessments receivable	1,145,164	-	-	-	1,145,164
Accounts receivable, net	421,519	3,920	8,777	-	434,216
Due from other governments	250,245	-	-	-	250,245
Due from governmental funds	1,490,302	-	-	-	1,490,302
Prepaid items	3,911	-	-	-	3,911
Total Assets	<u>7,082,770</u>	<u>1,436,342</u>	<u>304,061</u>	<u>5,443,540</u>	<u>14,266,713</u>
LIABILITIES					
Accounts payable or other liabilities	923,903	261,119	138,930	1,415,955	2,739,907
Due to other governments	235,298	772,687	1,603	1,537,097	2,546,685
Due to governmental funds	1,994,758	-	-	-	1,994,758
Unearned revenue	405,659	-	-	-	405,659
Other long-term liabilities	-	-	-	-	-
Total Liabilities	<u>3,559,618</u>	<u>1,033,806</u>	<u>140,533</u>	<u>2,953,052</u>	<u>7,687,009</u>
DEFERRED INFLOWS OF RESOURCES					
Advanced contributions	<u>1,851,912</u>	<u>-</u>	<u>-</u>	<u>341,863</u>	<u>2,193,775</u>
NET POSITION					
Restricted for other individuals, organizations, and governments	<u>\$ 1,671,240</u>	<u>\$ 402,536</u>	<u>\$ 163,528</u>	<u>\$ 2,148,625</u>	<u>\$ 4,385,929</u>

OLMSTED COUNTY
COMBINING STATEMENT OF FIDUCIARY CHANGES IN FUND NET POSITION
CUSTODIAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019

	Service Bureau Activities	State Revenue	Individuals, Organizations, and Other Local Governments Revenue	Tax and Penalties	Total
ADDITIONS					
Interest, dividends, other	\$ 145,234	\$ -	\$ -	\$ -	\$ 145,234
Property tax collections for other governments	-	24,502,486	-	168,338,407	192,840,893
Special assessments collected for other organizations	1,356,405	-	-	-	1,356,405
Sales tax collections for other governments	-	152,099	-	-	152,099
Other Tax collections for other governments	363,887	8,332,894	-	-	8,696,781
Grant collections for other governments and organization	17,287,694	-	-	-	17,287,694
Child support and recovery collections for other governments	-	1,976,777	-	-	1,976,777
Fee collections for other governments and organization	1,143,411	1,069,305	3,935	-	2,216,651
Fines and forfeits collections for other governments and organizations	344,157	-	-	-	344,157
Gifts and contribution collections for other governments and organization	1,675,222	-	-	-	1,675,222
Restitution collections for other governments and organizations	958	-	-	-	958
Court ordered collections for others	-	-	38,246	-	38,246
Bail collections for other counties	-	-	35,187	-	35,187
Inmate canteen collections	-	-	379,896	-	379,896
Redemption and foreclosure collections for others	-	-	924,000	-	924,000
Execution collections for others	-	-	60,744	-	60,744
Miscellaneous	26,504	-	-	-	26,504
Total additions	<u>22,343,472</u>	<u>36,033,561</u>	<u>1,442,008</u>	<u>168,338,407</u>	<u>228,157,448</u>
DEDUCTIONS					
Payments of property tax to other governments	-	-	-	165,317,904	165,317,904
Payments of property tax refunds and overpayments	-	-	-	2,494,691	2,494,691
Payments of sales tax to other governments	-	152,099	-	-	152,099
Payments of other taxes to other governments	-	8,332,894	-	-	8,332,894
Payments of individual's child support payments to other governments	-	473,389	-	-	473,389
Payments of other recoveries from individuals to other governments	-	1,427,535	-	-	1,427,535
Payments of fees to other governments and organizations	-	24,513,271	3,935	-	24,517,206
Payment of forfeitures to other governments and organizations	102,482	-	-	-	102,482
Payment of bail to other counties	-	-	35,187	-	35,187
Payments of inmate canteen collections to inmates and others	-	-	385,335	-	385,335
Payment of redemptions and foreclosure collections to others	-	-	864,518	-	864,518
Payment of writs of execution to others	-	-	70,342	-	70,342
Administrative expenses	1,938,858	-	-	-	1,938,858
Payments to other entities	20,736,651	1,058,520	-	-	21,795,171
Total deductions	<u>22,777,991</u>	<u>35,957,708</u>	<u>1,359,317</u>	<u>167,812,595</u>	<u>227,907,611</u>
Net increase (decrease) in fiduciary net position	(434,519)	75,853	82,691	525,812	249,837
Net Position - Beginning (1)	2,105,759	326,683	80,837	1,622,813	4,136,092
Net Position - Ending	<u>\$ 1,671,240</u>	<u>\$ 402,536</u>	<u>\$ 163,528</u>	<u>\$ 2,148,625</u>	<u>\$ 4,385,929</u>

(1) Fiduciary Fund beginning net position has been adjusted according to GASB 84. See Note 1 for more information.

Capital Assets Used in the Operation of Governmental Funds

OLMSTED COUNTY
CAPITAL ASSETS USED IN THE OPERATIONS OF GOVERNMENTAL FUNDS
SCHEDULE BY FUNCTION AND ACTIVITY
FOR THE YEAR ENDED DECEMBER 31, 2019

	Land	Infrastructure Land	Infrastructure	Buildings	Improvements other than Buildings	Equipment and Vehicles	Software	Construction in Progress	Total
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,101,503	\$ 2,723,958	\$ -	\$ 3,825,461
Public safety	-	-	-	-	-	5,419,497	988,608	-	6,408,105
Conservation of natural resources	640,000	130,859	365,055	-	-	116,068	-	-	1,251,982
Highways and streets	7,152,766	36,436,143	272,904,354	19,199,003	73,543	11,340,571	33,691	6,666,719	353,806,790
Health	-	-	-	-	-	221,478	522,808	-	744,286
Human services	-	-	-	-	-	72,723	-	-	72,723
Culture and recreation	<u>2,680,434</u>	<u>-</u>	<u>-</u>	<u>13,168,910</u>	<u>2,981,935</u>	<u>2,376,686</u>	<u>6,241</u>	<u>2,809,633</u>	<u>24,023,839</u>
Total Capital Assets	<u>10,473,200</u>	<u>36,567,002</u>	<u>273,269,409</u>	<u>32,367,913</u>	<u>3,055,478</u>	<u>20,648,526</u>	<u>4,275,306</u>	<u>9,476,352</u>	<u>390,133,186</u>
Less Accumulated Depreciation	<u>-</u>	<u>-</u>	<u>(144,034,129)</u>	<u>(12,619,696)</u>	<u>(2,458,454)</u>	<u>(14,655,135)</u>	<u>(4,036,015)</u>	<u>-</u>	<u>(177,803,429)</u>
Capital Assets, net	<u>\$ 10,473,200</u>	<u>\$ 36,567,002</u>	<u>\$ 129,235,280</u>	<u>\$ 19,748,217</u>	<u>\$ 597,024</u>	<u>\$ 5,993,391</u>	<u>\$ 239,291</u>	<u>\$ 9,476,352</u>	<u>\$ 212,329,757</u>

This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net position.

OLMSTED COUNTY
SCHEDULE OF CHANGES IN CAPITAL ASSETS USED IN THE OPERATIONS OF GOVERNMENTAL FUNDS
ADDITIONS, DEDUCTIONS AND TRANSFERS BY FUNCTION
FOR THE YEAR ENDED DECEMBER 31, 2019

	Governmental Funds Capital Assets January 1	Additions	Deductions	Transfers	Governmental Funds Capital Assets December 31
General Government	\$ 3,825,461	\$ -	\$ -	\$ -	\$ 3,825,461
Public Safety	6,831,557	64,166	(487,618)	-	6,408,105
Conservation of natural resources	1,303,480	-	-	(51,498)	1,251,982
Highways and Streets	342,578,410	23,348,250	(11,452,758)	(667,112)	353,806,790
Health	657,921	46,167	(11,300)	51,498	744,286
Human Services	72,723	-	-	-	72,723
Culture and Recreation	20,523,573	3,140,276	(307,122)	667,112	24,023,839
Total	<u>\$ 375,793,125</u>	<u>\$ 26,598,859</u>	<u>\$ (12,258,798)</u>	<u>\$ -</u>	<u>\$ 390,133,186</u>

This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above the amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net position.

OLMSTED COUNTY
CAPITAL ASSETS USED IN THE OPERATIONS OF GOVERNMENTAL FUNDS
COMPARATIVE SCHEDULES BY SOURCE
FOR THE YEAR ENDED DECEMBER 31, 2019

Governmental funds capital assets:

Land	\$ 10,473,200
Infrastructure land	36,567,002
Infrastructure	273,269,409
Buildings	32,367,913
Improvements other than buildings	3,055,478
Equipment and vehicles	20,648,526
Software	4,275,306
Construction in progress	9,476,352
Total governmental funds capital assets	<u>\$ 390,133,186</u>

Investment in governmental funds capital assets by source:

General government	\$ 3,825,461
Public safety	6,408,105
Conservation of natural resources	1,251,982
Highways and streets	353,806,790
Health	744,286
Human services	72,723
Culture and recreation	24,023,839
Total governmental funds capital assets	<u>\$ 390,133,186</u>

This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net position.

Schedule does not include assets held by the Proprietary Funds.

Schedules

OLMSTED COUNTY
SCHEDULE OF DEPOSITS AND INVESTMENTS
DECEMBER 31, 2019

<u>Investments</u>	<u>Interest Rates (Percent)</u>	<u>December 31, 2019</u>
Pooled Investments		
Municipal Bonds	2 - 2.99	\$ 5,032,750
U.S. Government Securities	0 - 0.99	3,995,470
	1 - 1.99	76,500,504
	2 - 2.99	74,800,320
	3 - 3.99	8,096,770
Total U.S. Government Securities		<u>163,393,064</u>
Mutual Funds	Variable	<u>15,591,062</u>
Investments Held at Trust		
U.S. Government Securities	1 - 1.99	<u>5,579,214</u>
Total Investments		189,596,090
Total Deposits and Petty Cash		<u>35,105,522</u>
Total Deposits and Investments		<u>\$ 224,701,612</u>

OLMSTED COUNTY

TAX CAPACITY, TAX RATES, LEVIES, AND PERCENTAGE OF COLLECTIONS
FOR FISCAL YEAR 2019

	2019	
	Net Tax Capacity	Tax Capacity Rate Percent
Tax Capacity:		
Real property	\$ 196,971,235	
Personal property	3,030,143	
Tax increment financing	(2,696,817)	
Net Tax Capacity (1)	<u>\$ 197,304,561</u>	
Taxes Levied for		
County Purposes:		
General	\$ 109,053,958	49.693
Library (2)	1,170,775	2.324
Total Levy for County Purposes (3)	<u>\$ 110,224,733</u>	<u>52.017</u>
Less:		
State paid Credits & Aids	7,007,086	
Net Levy for County Purposes	<u>\$ 103,217,647</u>	
Taxable Valuations -		
Light and Power:		
Transmission	\$ 46,300	
Distribution	2,250	
Total Taxable Valuation - Light and Power	<u>\$ 48,550</u>	
Light and Power Tax Levied (4)		
Tax Capacity Rate %		116.040
Market Value Rate %		0.22000
Transmission - County share (5)	\$ 29,700	
Distribution - County share (6)	1,467	
Total Light and Power Tax Levied	<u>\$ 31,166</u>	
Percentage of tax collections, for all purposes (7)	99.1%	

(1) Source: Payable year Abstract of Tax Lists and Certification of State Paid Property Tax Credits at the beginning of the payable year

(2) Levy applicable to selected areas only

(3) Source: Certified Levy amounts approved by the County Board

(4) Distributed pursuant to Minn. Stat. 273.42, as amended

(5) % collected is the payable year total current real estate & personal property taxes without
penalty divided by total current real estate and personal property + transmission due as of beginning of payable year

OLMSTED COUNTY
SCHEDULE OF INTERGOVERNMENTAL REVENUE
FOR THE YEAR ENDED DECEMBER 31, 2019

	General	Infrastructure	Health and Human Services	Total Governmental Funds	Waste Management Enterprise Fund	Olmsted County HRA Enterprise Fund	Telecommunications Enterprise Fund	Internal Service Funds	Total All Funds
APPROPRIATIONS AND SHARED REVENUE									
Certified Program Aid	\$ 7,007,086	\$ -	\$ -	\$ 7,007,086	\$ -	\$ -	\$ -	\$ -	\$ 7,007,086
Disparity Aid	7,262	-	-	7,262	-	-	-	-	7,262
Market Value	411,174	-	-	411,174	-	9,870	-	-	421,044
PERA Aid	292,510	9,565	55,517	357,592	8,980	-	183	27,892	394,647
Police State Aid	651,090	-	-	651,090	-	-	-	-	651,090
E911 Distribution	254,126	-	-	254,126	-	-	-	-	254,126
SCORE	-	-	-	-	445,379	-	-	-	445,379
Highway User Tax - State Aid	-	9,946,624	-	9,946,624	-	-	-	-	9,946,624
TOTAL APPROPRIATIONS AND SHARED REVENUE	8,623,248	9,956,189	55,517	18,634,954	454,359	9,870	183	27,892	19,127,258
REIMBURSEMENT FOR SERVICES	-	-	8,573,893	8,573,893	-	-	-	-	8,573,893
STATE GRANTS									
Corrections	-	-	100,000	100,000	-	-	-	-	100,000
Education	1,184,509	-	360	1,184,869	-	-	-	-	1,184,869
Health	-	-	1,256,308	1,256,308	-	-	-	-	1,256,308
Housing Finance Agency	-	-	-	-	-	222,150	-	-	222,150
Human Services	-	-	10,548,340	10,548,340	-	-	-	-	10,548,340
Natural Resources	2,925,000	38,745	-	2,963,745	-	-	-	-	2,963,745
Peace Officer Standards and Training Board	71,581	-	-	71,581	-	-	-	-	71,581
Pollution Control	-	-	-	-	50,567	-	-	-	50,567
Public Safety	43,582	-	-	43,582	-	-	-	-	43,582
Transportation	61,143	198,394	-	259,537	-	-	-	-	259,537
Veterans Affairs	-	-	14,696	14,696	-	-	-	-	14,696
Water and Soil Resources	54,946	-	-	54,946	-	-	-	-	54,946
TOTAL STATE GRANTS	4,340,761	237,139	11,919,704	16,497,604	50,567	222,150	-	-	16,770,321
FEDERAL GRANTS									
US Department of Agriculture	26,355	-	1,764,902	1,791,257	-	49,910	-	-	1,841,167
US Department of Education	-	-	648	648	-	-	-	-	648
US Department of Health and Human Services	483,374	-	14,528,517	15,011,891	-	-	-	18,720	15,030,611
US Department of Homeland Security	5,691	-	-	5,691	-	-	-	-	5,691
US Department of Housing and Urban Development	-	-	190,649	190,649	-	4,876,021	-	-	5,066,670
US Department of Justice	257,564	-	10,360	267,924	-	-	-	-	267,924
US Department of Transportation	641,527	-	10,215	651,742	-	-	-	-	651,742
TOTAL FEDERAL GRANTS	1,414,511	-	16,505,291	17,919,802	-	4,925,931	-	18,720	22,864,453
LOCAL									
City of Rochester	42,127	94,725	8,420	145,272	-	-	-	-	145,272
Fillmore County	-	-	-	-	-	-	-	8,190	8,190
Freeborn County	-	-	-	-	-	-	-	11,920	11,920
Goodhue County	-	-	-	-	-	-	-	18,075	18,075
Hennepin County	131,458	-	-	131,458	-	-	-	-	131,458
Houston County	-	-	-	-	-	-	-	7,284	7,284
Minnesota Prairie County Alliance	-	-	-	-	-	-	-	29,837	29,837
Mower County	-	-	-	-	-	-	-	15,445	15,445
Other Governmental	53,348	5,264	25,648	84,260	-	-	-	-	84,260
Wabasha County	-	-	-	-	-	-	-	8,435	8,435
Winona County	-	-	-	-	-	-	-	19,859	19,859
TOTAL LOCAL	226,933	99,989	34,068	360,990	-	-	-	119,045	480,035
PAYMENT IN LIEU OF TAXES	131,264	-	-	131,264	-	-	-	-	131,264
TOTAL INTERGOVERNMENTAL REVENUE	\$ 14,736,717	\$ 10,293,317	\$ 37,088,473	\$ 62,118,507	\$ 504,926	\$ 5,157,951	\$ 183	\$ 165,657	\$ 67,947,224

OLMSTED COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS For the Year Ended December 31, 2019

Federal Grantor/ Grant Program Title	Federal CFDA Number	Pass-Through Agency	Pass-Through Agency Grant Number	Expenditures	Passed Through to Subrecipients
U.S. DEPARTMENT OF AGRICULTURE					
WIC Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	MN Dept. of Health	192MN004W1003	\$ 688,502	\$ -
WIC Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	MN Dept. of Health	182MN004W5003	101,971	-
WIC Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	MN Dept. of Health	192MN004W5003	38,263	-
Total WIC Special Supplemental Nutrition Program for Women, Infants, and Children				828,736	-
SNAP Cluster					
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	MN Dept. of Human Services	192MN101S2514	1,227,878	-
Total SNAP Cluster				1,227,878	-
WIC Farmers' Market Nutrition Program (FMNP)	10.572	MN Dept. of Agriculture	192MN992Y8604	1,655	-
WIC Grants to States (WGS)	10.578	MN Dept. of Agriculture	192MN004W5413	43,100	-
WIC Grants to States (WGS)	10.578	MN Dept. of Agriculture	182MN004W5413	9,566	-
Total WIC Grants to States (WGS)				52,666	-
Child Nutrition Cluster					
School Breakfast Program	10.553	MN Dept. of Education	2MN300061	5,653	-
National School Lunch Program	10.555	MN Dept. of Education	2MN300061	11,750	-
Total Child Nutrition Cluster				17,403	-
Total U.S. Department of Agriculture				2,128,338	-
U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT					
Continuum of Care Program	14.267	N/A	N/A	190,649	189,704
Total U.S. Department of Housing and Urban Development				190,649	189,704
U.S. DEPARTMENT OF JUSTICE					
Crime Victim Assistance	16.575	MN Dept. of Public Safety	A-CVSP-2019-OLMSTEA0-00028	25,406	-
Crime Victim Assistance	16.575	MN Dept. of Public Safety	A-CVSP-2020-OLMSTEA0-164	12,475	-
Total Crime Victim Assistance				37,881	-
Drug Court Discretionary Grant Program	16.585	N/A	N/A	124,555	-
Violence Against Women Formula Grants	16.588	MN Dept. of Public Safety	A-SMART-2018-DFO-CC-00009	10,360	-
State Criminal Alien Assistance Program	16.606	N/A	N/A	97,480	-
Total U.S. Department of Justice				270,276	-

See accompanying notes to the schedule of expenditures of federal awards.

OLMSTED COUNTY

(continued)

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2019

Federal Grantor/ Grant Program Title	Federal CFDA Number	Pass-Through Agency	Pass-Through Agency Grant Number	Expenditures	Passed Through to Subrecipients
U.S. DEPARTMENT OF TRANSPORTATION					
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research	20.505	MN Dept. of Transportation	MPO RC19 (143)	501,427	-
Highway Safety Cluster					
State and Community Highway Safety	20.600	MN Dept. of Public Safety	A-ENFRC19-2019-OLMSTESD-006	12,000	5,104
State and Community Highway Safety	20.600	MN Dept. of Public Safety	A-ENFRC20-2020-OLMSTESD-068	6,764	1,057
State and Community Highway Safety	20.600	MN Dept. of Public Safety	A-SAFE19-2019-OLMSTEPH-005 18X9204020MN18	10,215	-
State and Community Highway Safety	20.600	MN Dept. of Public Safety	A-SAFE20-2020-OLMSTEPH-021 18X9204020MN17	2,546	-
Total State and Community Highway Safety				<u>31,525</u>	<u>6,161</u>
National Priority Safety Programs	20.616	MN Dept. of Public Safety	A-OFFICR19-2019-OLMSTESD-019	16,351	-
National Priority Safety Programs	20.616	MN Dept. of Public Safety	A-OFFICR20-2020-OLMSTESD-002	3,874	-
National Priority Safety Programs	20.616	MN Dept. of Public Safety	A-ENFRC19-2019-OLMSTESD-006	19,010	7,197
National Priority Safety Programs	20.616	MN Dept. of Public Safety	A-ENFRC20-2020-OLMSTESD-068	1,887	817
Total National Priority Safety Programs				<u>41,122</u>	<u>8,014</u>
Total Highway Safety Cluster				<u>72,647</u>	<u>14,175</u>
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	MN Dept. of Public Safety	A-OFFICR19-2019-OLMSTESD-019	33,196	-
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	MN Dept. of Public Safety	A-OFFICR20-2020-OLMSTESD-002	10,111	-
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	MN Dept. of Public Safety	A-ENFRC19-2019-OLMSTESD-006	13,823	5,311
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	MN Dept. of Public Safety	A-ENFRC20-2020-OLMSTESD-068	6,666	4,294
Total Minimum Penalties for Repeat Offenders for Driving While Intoxicated				<u>63,796</u>	<u>9,605</u>
Total U.S. Department of Transportation				<u>637,870</u>	<u>23,780</u>
U.S. DEPARTMENT OF EDUCATION					
Special Education - Grants for Infants and Families	84.181	MN Dept. of Health	H181A150029	2,672	-
Total U.S. Department of Education				<u>2,672</u>	<u>-</u>

See accompanying notes to the schedule of expenditures of federal awards.

OLMSTED COUNTY

(continued)

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2019

Federal Grantor/ Grant Program Title	Federal CFDA Number	Pass-Through Agency	Pass-Through Agency Grant Number	Expenditures	Passed Through to Subrecipients
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES					
Public Health Emergency Preparedness	93.069	MN Dept. of Health	NU90TP922026	51,583	-
Food and Drug Administration Research	93.103	N/A	N/A	81,196	-
Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances (SED)	93.104	MN Dept. of Human Services	SAMHSA- SM080155	89,889	-
Early Hearing Detection and Intervention	93.251	MN Dept. of Health	H61MC00035-16-02	1,700	-
Early Hearing Detection and Intervention Information System (EHDI-IS) Surveillance Program	93.314	MN Dept. of Health	NUR3DD000842-06-00	225	-
Promoting Safe and Stable Families	93.556	MN Dept. of Human Services	G-1701MNFPS	130,313	-
TANF Cluster					
Temporary Assistance for Needy Families	93.558	MN Dept. of Health	1801MNTANF	151,440	-
Temporary Assistance for Needy Families	93.558	MN Dept. of Health	2017G996115	75,720	-
Temporary Assistance for Needy Families	93.558	MN Dept. of Human Services	1901MNTANF	1,895,479	-
Total Temporary Assistance for Needy Families and TANF Cluster				2,122,639	-
Child Support Enforcement	93.563	MN Dept. of Human Services	1901MNCES	2,161,750	-
Child Support Enforcement	93.563	MN Dept. of Human Services	1901MNCSES	808,216	-
Total Child Support Enforcement				2,969,966	-
Refugee and Entrant Assistance State/Replacement Designee Administered Programs	93.566	MN Dept. of Human Services	1901MNRMA	1,323	-
CCDF Cluster					
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	MN Dept. of Human Services	G1901MNCCDF	267,114	-
Total CCDF Cluster				267,114	-
Community-Based Child Abuse Prevention Grants	93.590	MN Dept. of Human Services	G-1701MNFPRG	149,476	-
Stephanie Tubbs Jones Child Welfare Services Program	93.645	MN Dept. of Human Services	G-1701MNCWSS	40,121	-
Foster Care Title IV-E	93.658	MN Dept. of Human Services	1801MNFOS	1,682,439	-
Social Services Block Grant	93.667	MN Dept. of Human Services	G-1801MNSOSR	636,005	-
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	MN Dept. of Human Services	G-1801MNCILP	16,000	-
Children's Health Insurance Program	93.767	MN Dept. of Human Services	1805MN5R21	855	-
Medicaid Cluster					
Medical Assistance Program	93.778	MN Dept. of Human Services	1905MN5ADM	7,566,887	-
Medical Assistance Program	93.778	MN Dept. of Human Services	1905MN5MAP	45,045	-
Total Medical Assistance Program and Medicaid Cluster				7,611,932	-
Aging Research	93.866	Mayo Clinic	5R01AG034676-53	15,759	-
Aging Research	93.866	Mayo Clinic	5R01AG034676-54	2,961	-
Total Aging Research				18,720	-
HIV Care Formula Grants	93.917	MN Dept. of Health	1X08HA31246-02-00	37,166	-
Maternal and Child Health Services Block Grant to the States	93.994	MN Dept. of Health	B04MC32551	130,536	-
Maternal and Child Health Services Block Grant to the States	93.994	MN Dept. of Health	B04MC30621	98,240	-
Total Maternal and Child Health Services Block Grant to the States				228,776	-
Total U.S. Department of Health and Human Services				16,137,438	-

See accompanying notes to the schedule of expenditures of federal awards.

OLMSTED COUNTY

(concluded)

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2019

Federal Grantor/ Grant Program Title	Federal CFDA Number	Pass-Through Agency	Pass-Through Agency Grant Number	Expenditures	Passed Through to Subrecipients
U.S. DEPARTMENT OF HOMELAND SECURITY					
Boating Safety Financial Assistance	97.012	MN Dept. of Natural Resources	157945	5,125	-
Emergency Management Performance Grants	97.042	MN Dept. of Public Safety Southeast MN Regional Emergency Communications Board	A-EMPG-2019-OLMSTECO-058 A-DEC-SHSP-2019-SECB-002	70,817	-
Homeland Security Grant Program	97.067			<u>566</u>	<u>-</u>
Total U.S. Department of Homeland Security				<u>76,508</u>	<u>-</u>
TOTAL FEDERAL PROGRAMS				<u>\$ 19,443,751</u>	<u>\$ 213,484</u>

See accompanying notes to the schedule of expenditures of federal awards.

OLMSTED COUNTY

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS For the Year Ended December 31, 2019

NOTE 1 – REPORTING ENTITY

The schedule of expenditures of federal awards (the “schedule”) presents the activities of federal award programs expended by Olmsted County (County). Olmsted County’s financial statements include the operations of the Olmsted County Housing and Redevelopment Authority (HRA), a blended component unit of Olmsted County, which expended \$5,889,822 in federal awards during the year ended December 31, 2019. The HRA’s federal awards are not included in the schedule of expenditures of federal awards, since the HRA has been audited by other auditors and those amounts are reported in a separate report. The County’s reporting entity is defined in Note 1 to the financial statements.

NOTE 2 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal award activity of Olmsted County under programs of the federal government for the year ended December 31, 2019. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of Olmsted County, it is not intended to and does not present the financial position, changes in net position or cash flows of Olmsted County.

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

NOTE 4 – INDIRECT COST RATE

Olmsted County has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

OLMSTED COUNTY

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS For the Year Ended December 31, 2019

NOTE 5 – RECONCILIATION TO SCHEDULE OF INTERGOVERNMENTAL REVENUE

Federal grant revenue per Schedule of Intergovernmental Revenue	\$ 22,864,453
Grants received more than 45 days after year-end, unavailable revenue in 2019	
WIC Special Supplemental Nutrition Program for Women, Infants, and Children	38,263
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	255,718
WIC Grants to States (WGS)	52,666
Special Education – Grants for Infants and Families	2,024
Public Health Emergency Preparedness	14,801
Early Hearing Detection and Intervention	525
Maternal and Child Health Services Block Grant to the States	130,536
Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances (SED)	20,743
Child Support Enforcement	360,213
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	12,546
Foster Care Title IV-E	110,000
Medical Assistance	394,726
Emergency Management Performance Grants	70,817
State and Community Highway Safety	2,546
Crime Victim Assistance	12,475
Promoting Safe and Stable Families	29,396
Temporary Assistance for Needy Families	605,754
Community-Based Child Abuse Prevention Grants	39,471
Stephanie Tubbs Jones Child Welfare Services Program	5,921
John H. Chafee Foster Care Program for Successful Transition to Adulthood	14,005
Unavailable in 2018; recognized as revenue in 2019	
State and Community Highway Safety	(408)
Crime Victim Assistance	(10,122)
Promoting Safe and Stable Families	(22,523)
Public Health Emergency Preparedness	(30,212)
WIC Grants to States (WGS)	(9,566)
Stephanie Tubbs Jones Child Welfare Services Program	(4,669)
Community-Based Child Abuse Prevention Grants	(30,547)
Temporary Assistance for Needy Families	(529,093)
Minimum Penalties for Report Offenders for Driving While Intoxicated	(16,011)
John H Chafee Foster Care Program for Successful Transition to Adulthood	(14,766)
The Olmsted County HRA component unit is not included in Olmsted County's Schedule of Expenditures of Federal Awards. That information is included in the separately issued financial statements of the HRA.	(5,889,822)
Olmsted County HRA reconciling items between the Schedule of Expenditures of Federal Awards and the Schedule of Intergovernmental Revenue	963,891
Expenditures per Schedule of Expenditures of Federal Awards	<u>\$ 19,443,751</u>



SECTION III STATISTICAL SECTION

Financial Trends - These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.

Net Position by Component	106
Changes in Net Position	107
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SCHEDULE 1 (Unaudited)

OLMSTED COUNTY
Net Position by Component
(in thousands of dollars)
Last Ten Fiscal Years
(accrual basis of accounting)

	2010	2011	2012	2013	2014 (1)	2015	2016 (2)	2017 (3)	2018	2019
Governmental activities										
Net Investment in capital assets	\$ 150,073	\$ 149,960	\$ 154,629	\$ 162,636	\$ 167,741	\$ 176,290	\$ 179,278	\$ 176,362	\$ 178,260	\$ 181,076
Restricted	7,454	7,862	7,196	15,361	19,464	15,067	11,162	11,579	13,210	15,913
Unrestricted	107,320	108,316	109,829	105,510	66,465	61,308	57,055	53,045	60,872	67,646
Total Governmental activities net position	<u>\$ 264,847</u>	<u>\$ 266,138</u>	<u>\$ 271,654</u>	<u>\$ 283,507</u>	<u>\$ 253,670</u>	<u>\$ 252,665</u>	<u>\$ 247,495</u>	<u>\$ 240,986</u>	<u>\$ 252,342</u>	<u>\$ 264,635</u>
Business-type activities										
Net Investment in capital assets	\$ 37,142	\$ 35,262	\$ 38,231	\$ 37,495	\$ 37,838	\$ 33,966	\$ 32,080	\$ 31,812	\$ 33,397	\$ 34,929
Restricted	5,775	6,169	6,531	6,684	6,772	6,832	7,228	7,329	7,475	7,872
Unrestricted	12,193	11,889	4,566	4,309	132	5,251	8,266	11,692	15,328	15,941
Total Business-type activities net position	<u>\$ 55,110</u>	<u>\$ 53,320</u>	<u>\$ 49,328</u>	<u>\$ 48,488</u>	<u>\$ 44,742</u>	<u>\$ 46,049</u>	<u>\$ 47,574</u>	<u>\$ 50,833</u>	<u>\$ 56,200</u>	<u>\$ 58,742</u>
Primary government										
Net Investment in capital assets	\$ 187,215	\$ 185,222	\$ 192,860	\$ 200,131	\$ 205,579	\$ 210,256	\$ 211,358	\$ 208,174	\$ 211,657	\$ 216,005
Restricted	13,229	14,031	13,727	22,045	26,236	21,899	18,390	18,908	20,685	23,785
Unrestricted	119,513	120,205	114,395	109,819	66,597	66,559	65,321	64,737	76,200	83,587
Total primary government net position	<u>\$ 319,957</u>	<u>\$ 319,458</u>	<u>\$ 320,982</u>	<u>\$ 331,995</u>	<u>\$ 298,412</u>	<u>\$ 298,714</u>	<u>\$ 295,069</u>	<u>\$ 291,819</u>	<u>\$ 308,542</u>	<u>\$ 323,377</u>

(1) Net position has been adjusted according to GASB 68.

(2) In January of 2016, the seven-member Olmsted County Board, elected by district, acted to become the Olmsted County HRA Board (OCHRA), which resulted in reporting the OCHRA as a blended component unit of Olmsted County.

(3) Governmental activities net position has been adjusted according to GASB 75.

Business-type activities net position has not been adjusted for the \$354,000 component unit addition to the Olmsted County HRA.

Note: Accounting standards require that net position be reported in three components in the financial statements: net investment in capital assets; restricted; and unrestricted. Net position is considered restricted when (1) an external party, such as the state or federal government, places a restriction on how the resources may be used, or (2) enabling legislation is enacted by the county.

Data Source: Yearly Financial Statements

SCHEDULE 2 (Unaudited)

OLMSTED COUNTY
Changes in Net Position
(in thousands of dollars)
Last Ten Fiscal Years
(accrual basis of accounting)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Expenses										
Governmental activities:										
General Government	\$ 14,066	\$ 13,524	\$ 15,052	\$ 19,602	\$ 15,537	\$ 15,357	\$ 22,791	\$ 25,905	\$ 19,732	\$ 19,850
Public Safety	35,047	34,916	36,410	34,620	34,330	38,759	53,829	51,468	50,865	54,051
Highway and Streets	20,569	25,044	20,002	21,089	20,134	35,650	25,439	27,206	25,686	28,303
Health	11,199	11,989	11,501	11,576	11,933	13,210	13,786	13,578	13,810	13,535
Human Services	51,934	50,466	52,072	54,150	56,059	61,196	66,978	68,391	69,583	76,135
Culture and Recreation	3,689	3,681	3,977	3,771	4,525	4,519	5,370	7,216	4,801	5,464
Interest on long-term debt	2,802	2,969	3,344	2,677	2,387	2,554	3,292	2,716	2,482	2,517
Other	740	650	841	1,017	1,046	1,130	1,771	1,688	2,621	4,173
Total governmental activities expenses	140,046	143,239	143,199	148,502	145,951	172,375	193,256	198,168	189,580	204,028
Business-type activities:										
Waste Management	14,131	20,622	22,093	23,088	23,482	21,771	26,007	22,393	22,783	25,368
Sanitary Sewer	81	92	91	93	100	104	91	120	104	119
Communications	1,330	1,176	1,152	1,061	1,161	1,100	1,087	1,260	1,106	1,266
Olmsted County HRA	n/a	n/a	n/a	n/a	n/a	n/a	6,443	7,351	7,320	8,382
Total business-type activities expenses	15,542	21,890	23,336	24,242	24,743	22,975	33,628	31,124	31,313	35,135
Total primary government expenses	\$ 155,588	\$ 165,129	\$ 166,535	\$ 172,744	\$ 170,694	\$ 195,350	\$ 226,884	\$ 229,292	\$ 220,893	\$ 239,163
Program Revenues										
Governmental activities:										
Charges for services, Fines, Licenses and Permits										
General Government	\$ 4,895	\$ 4,586	\$ 5,207	\$ 6,760	\$ 4,677	\$ 4,325	\$ 6,258	\$ 5,831	\$ 6,031	\$ 5,754
Public Safety	3,260	3,174	3,212	2,048	2,604	3,080	9,543	9,668	10,018	10,469
Highway and Streets	1,610	1,428	1,373	1,643	1,646	2,551	3,389	964	995	1,500
Health	2,064	2,063	1,950	2,051	2,011	2,202	2,026	2,692	2,709	1,588
Human Services	4,604	3,681	4,070	4,968	5,246	4,636	6,258	6,690	6,602	8,715
Culture and Recreation	361	328	311	368	378	394	592	593	740	1,172
Other	12	158	109	117	121	117	205	200	192	132
Operating grants and contributions	40,706	39,655	40,769	46,558	49,339	46,174	42,533	45,133	48,401	55,195
Capital grants and contributions	2,145	1,954	3,426	7,287	2,972	5,479	10,373	6,436	215	173
Total governmental activities program revenue	59,657	57,027	60,427	71,800	68,994	68,958	81,177	78,207	75,903	84,698
Business-type activities:										
Charges for services:										
Waste Management	18,038	17,556	17,653	21,246	22,339	22,199	22,617	23,763	25,650	25,519
Communication	1,244	1,252	1,194	1,157	1,201	1,194	1,205	1,260	1,262	1,281
Olmsted County HRA	n/a	n/a	n/a	n/a	n/a	n/a	1,356	1,673	2,233	2,219
Sanitary Sewer	70	72	88	85	89	93	90	91	92	94
Operating grants and contributions	422	650	656	629	668	698	5,538	5,616	4,997	5,685
Capital grants and contributions	2,657	301	-	-	-	-	-	-	-	-
Total business-type activities program revenues	22,431	19,831	19,591	23,117	24,297	24,184	30,806	32,403	34,234	34,798
Total primary government program revenue	\$ 82,088	\$ 76,858	\$ 80,018	\$ 94,917	\$ 93,291	\$ 93,142	\$ 111,983	\$ 110,610	\$ 110,137	\$ 119,496

SCHEDULE 2 (Unaudited)
(concluded)

OLMSTED COUNTY
Changes in Net Postion
(in thousands of dollars)
Last Ten Fiscal Years
(accrual basis of accounting)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Net (Expense)/Revenue (a)										
Governmental activities	\$ (80,389)	\$ (86,212)	\$ (82,772)	\$ (76,702)	\$ (76,957)	\$ (103,417)	\$ (112,079)	\$ (119,961)	\$ (113,677)	\$ (119,330)
Business-type activities	6,889	(2,058)	(3,746)	(1,125)	(446)	1,209	(2,822)	1,279	2,921	(337)
Total primary government net expense	\$ (73,500)	\$ (88,270)	\$ (86,518)	\$ (77,827)	\$ (77,403)	\$ (102,208)	\$ (114,901)	\$ (118,682)	\$ (110,756)	\$ (119,667)
General Revenues and Other Changes in Net Postion										
Governmental activities:										
Property taxes	\$ 74,720	\$ 76,860	\$ 80,625	\$ 82,579	\$ 82,763	\$ 86,336	\$ 90,003	\$ 91,961	\$ 98,149	\$ 102,517
Sales taxes	-	-	-	-	5,682	6,411	6,649	10,027	13,925	14,619
Wheelage taxes	-	-	-	-	1,230	1,333	1,328	1,333	1,402	1,412
Unrestricted grants	8,156	8,017	5,831	5,639	6,922	7,128	7,043	7,307	8,119	7,783
Investment income	2,759	2,547	2,189	(109)	1,464	726	1,378	1,397	3,027	5,161
Other	197	79	497	435	517	478	508	387	411	131
Transfers	-	-	-	11	-	-	-	-	-	-
Total governmental activities	85,832	87,503	89,142	88,555	98,578	102,412	106,909	112,412	125,033	131,623
Business-type activities										
Property Taxes	-	-	-	-	-	-	1,344	1,348	1,744	2,484
Unrestricted grants	-	-	-	-	-	-	-	-	-	-
Investment income	349	269	585	296	187	100	147	260	349	411
Other	(420)	-	-	-	-	(2)	6	-	-	(16)
Transfers and special items	-	-	-	(11)	-	-	-	372	-	-
Total business-type activities	(71)	269	585	285	187	98	1,497	1,980	2,093	2,879
Total primary government	\$ 85,761	\$ 87,772	\$ 89,727	\$ 88,840	\$ 98,765	\$ 102,510	\$ 108,406	\$ 114,392	\$ 127,126	\$ 134,502
Changes in Net Postion										
Governmental activities	\$ 5,443	\$ 1,291	\$ 6,370	\$ 11,853	\$ 21,621	\$ (1,005)	\$ (5,170)	\$ (7,549)	\$ 11,356	\$ 12,293
Business-Type activities	6,818	(1,790)	(3,160)	(840)	(259)	1,307	(1,325)	3,259	5,014	2,542
Total primary government	\$ 12,261	\$ (499)	\$ 3,210	\$ 11,013	\$ 21,362	\$ 302	\$ (6,495)	\$ (4,290)	\$ 16,370	\$ 14,835

(a) Net revenue (expense) is the difference between the expenses and program revenues of a function or program. It indicates the degree to which a function or program is supported with its own fees and program-specific grants versus its reliance upon funding from taxes and other government revenues. Numbers in parentheses indicate that expenses were greater than program revenues and therefore general revenues were needed to finance that function or program. Numbers without parentheses mean that program revenues were more than sufficient to cover expenses.

Data Source: Yearly Financial Statements

SCHEDULE 3 (Unaudited)

OLMSTED COUNTY
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Fund										
Nonspendable	\$ 923,133	\$ 896,607	\$ 869,433	\$ 2,464,546	\$ 2,168,113	\$ 3,067,174	\$ 2,823,341	\$ 2,349,030	\$ 2,468,216	\$ 2,518,975
Restricted	2,108,986	2,239,415	1,755,035	958,413	791,629	723,378	671,530	709,686	609,003	496,222
Assigned	1,889,161	2,870,733	3,404,500	2,293,249	2,118,017	35,916,408	44,113,523	42,040,278	40,630,982	41,920,030
Unassigned	28,030,422	32,494,150	35,316,771	35,824,568	37,987,911	38,800,363	37,009,185	35,902,897	37,738,307	42,322,289
Total general fund	\$ 32,951,702	\$ 38,500,905	\$ 41,345,739	\$ 41,540,776	\$ 43,065,670	\$ 78,507,323	\$ 84,617,579	\$ 81,001,891	\$ 81,446,508	\$ 87,257,516
All Other Governmental Funds										
Nonspendable	\$ 507,763	\$ 404,750	\$ 453,774	\$ 481,514	\$ 458,874	\$ 480,663	\$ 326,851	\$ 424,118	\$ 703,773	\$ 799,919
Restricted	10,575,140	10,728,980	20,764,899	18,194,306	19,433,407	41,189,220	38,937,029	18,368,841	16,008,394	20,703,135
Assigned	37,880,494	37,082,358	39,039,780	38,550,049	44,680,200	2,695,448	3,867,076	4,961,830	11,216,254	16,677,241
Unassigned	-	-	(26,584)	(957,008)	(1,455,091)	(1,974,827)	-	-	-	-
Total all other governmental funds	\$ 48,963,397	\$ 48,216,088	\$ 60,231,869	\$ 56,268,861	\$ 63,117,390	\$ 42,390,504	\$ 43,130,956	\$ 23,754,789	\$ 27,928,421	\$ 38,180,295
Total governmental funds	\$ 81,915,099	\$ 86,716,993	\$ 101,577,608	\$ 97,809,637	\$ 106,183,060	\$ 120,897,827	\$ 127,748,535	\$ 104,756,680	\$ 109,374,929	\$ 125,437,811

Data Source: Yearly Financial Statements

SCHEDULE 4 (Unaudited)

OLMSTED COUNTY
Changes in Fund Balances, Governmental Funds
(in thousands of dollars)
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenues:										
Property taxes	\$ 74,287	\$ 76,933	\$ 80,976	\$ 82,273	\$ 83,178	\$ 86,342	\$ 90,776	\$ 91,484	\$ 98,987	\$ 102,429
Sales taxes	-	-	-	-	5,682	6,411	6,649	10,027	13,925	14,575
Wheelage taxes	-	-	-	-	1,230	1,333	1,328	1,333	1,402	1,412
Licenses and permits	1,660	1,692	1,749	1,931	1,966	2,372	2,335	2,425	2,417	2,263
Intergovernmental	51,862	49,879	46,867	44,842	56,422	60,741	64,690	58,882	56,337	62,118
Charges for services	14,992	13,986	14,272	14,326	13,609	14,361	24,953	22,763	24,006	25,053
Fines and forfeits	24	28	28	20	18	19	20	23	24	24
Gifts and contributions	400	371	497	420	399	454	508	353	411	403
Investment income	1,957	1,929	1,715	(337)	1,243	571	1,014	842	2,184	4,377
Other	1,377	1,592	1,611	1,743	466	891	498	701	809	923
Total revenues	146,559	146,410	147,715	145,218	164,213	173,495	192,771	188,833	200,502	213,577
Expenditures:										
General government	13,299	13,385	14,960	15,518	14,890	13,194	14,245	14,192	15,520	14,003
Public safety	36,156	36,263	37,787	35,012	34,728	37,601	48,019	48,908	52,745	54,376
Conservation of natural resources	659	607	791	962	991	1,107	1,638	1,607	3,185	4,149
Economic development	61	42	41	51	51	56	58	58	58	47
Highways and streets	21,796	27,640	18,336	16,683	24,215	48,008	44,681	46,815	30,147	34,410
Health	11,682	12,584	11,359	11,679	12,122	12,699	12,829	13,291	13,583	12,341
Human services	52,042	51,210	52,076	54,044	56,659	59,937	63,790	67,423	69,162	74,383
Culture and recreation	3,254	3,169	3,571	3,293	4,654	3,938	4,688	6,730	5,125	8,064
Other	385	309	344	241	298	376	582	363	363	1,652
Debt service										
Principal retirement	1,292	1,574	1,628	2,347	2,005	2,097	2,139	2,595	3,486	3,199
Interest and fiscal charges	1,564	1,830	2,031	1,864	1,546	1,466	2,277	2,225	1,940	1,900
Total expenditures	142,190	148,613	142,924	141,694	152,159	180,479	194,946	204,207	195,314	208,524
Excess (deficiency) of revenues over expenditures	4,369	(2,203)	4,791	3,524	12,054	(6,984)	(2,175)	(15,374)	5,188	5,053
Other Financing Sources (Uses):										
Transfers in	158	553	370	668	1,169	243	774	2,919	1,270	4,244
Transfers out	(413)	(297)	(764)	(833)	(1,504)	(793)	(3,981)	(3,230)	(1,922)	(3,133)
Insurance recoveries	-	77	-	-	-	-	-	-	-	67
Payment on refunding bonds	-	-	-	(7,280)	(3,435)	(6,176)	-	(7,381)	-	-
Bonds issued	7,500	6,576	9,232	-	-	26,160	11,225	-	-	9,334
Premium (discount) on bonds	188	-	1,227	-	-	2,256	896	-	-	365
Sale of capital assets	203	96	5	153	89	9	112	74	82	133
Total other financing sources (uses)	7,636	7,005	10,070	(7,292)	(3,681)	21,699	9,026	(7,618)	(570)	11,010
Net change in fund balances	\$ 12,005	\$ 4,802	\$ 14,861	\$ (3,768)	\$ 8,373	\$ 14,715	\$ 6,851	\$ (22,992)	\$ 4,618	\$ 16,063
Ratio of debt service to noncapital expenditures	2.15%	2.47%	2.71%	3.07%	2.54%	2.23%	2.64%	2.73%	3.00%	2.66%

Data Source: Yearly Financial Statements

SCHEDULE 5 (Unaudited)

OLMSTED COUNTY
Net Tax Capacity and Taxable Market Value of Taxable Property
Last Ten Fiscal Years
(in thousands of dollars)

Fiscal / Payable Year	Real Property			Personal Property			Total				
	Estimated Market Value (a)	Taxable Market Value	Net Tax Capacity	Estimated Market Value (a)	Taxable Market Value	Net Tax Capacity	Estimated Market Value (a)	Taxable Market Value	Net Tax Capacity	Net Tax Capacity to Taxable Market Value	County Tax Extension Rate (b)
2011	13,144,182	12,918,976	145,825	84,608	84,608	1,633	13,228,790	13,003,584	147,458	1.1	56.6100
2012	13,127,913	12,051,341	136,582	89,295	89,278	1,724	13,217,208	12,140,619	138,306	1.1	60.0720
2013	13,253,881	12,235,860	140,892	92,598	91,663	1,773	13,346,479	12,327,523	142,665	1.1	60.4140
2014	13,792,521	12,809,675	146,889	95,533	95,204	1,779	13,888,054	12,904,879	148,668	1.1	58.3190
2015	14,282,263	13,290,268	152,952	104,965	103,493	2,008	14,387,228	13,393,761	154,960	1.1	57.5320
2016	14,756,146	13,797,083	159,367	123,669	182,708	2,381	14,879,815	13,979,791	161,748	1.1	57.7960
2017	15,909,331	14,978,624	172,788	138,532	211,203	2,680	16,047,863	15,189,827	175,468	1.1	54.3460
2018	19,555,115	15,894,586	182,199	172,220	166,520	3,256	19,727,335	16,061,106	185,455	0.9	54.8370
2019	20,850,776	17,147,546	195,817	161,292	158,007	3,088	21,012,068	17,305,553	198,905	0.9	53.5620
2020	22,295,311	18,557,040	210,846	163,608	160,043	3,128	22,458,919	18,717,083	213,974	1.0	52.0170

*** The Net Tax Capacity values for 2013 have been updated as values from an incorrect parameter were used when preparing the 2012 CAFR.

(a) The source report for the Estimated Market Value is the assessment year Spring Market Value (Mini) Abstract, which is before the Board of Appeals. The source report for the Estimated Market Value of locally assessed real property on Schedule 6 is the assessment year Fall Market Value (Mini) Abstract.

(b) County Tax Extension Rate includes the County rates for the Libraries levy and, before 2011, the Emergency Management levy which are not applied uniformly to all properties in Olmsted County. In 2011, the Emergency Management levy became a county-wide levy. In addition, not all overlapping rates apply to all County property owners. For example, the rates for school districts apply only to the proportion of the County's property owners whose property is located within the geographic boundaries of the school district. Due to the large number of variations within the County the total direct and overlapping rates have not been presented.

TAX CAPACITY

In 1989 the Minnesota State Legislature replaced the assessed valuation system with a system that estimates a local government's tax capacity. The tax capacity is obtained by applying the statutory classification percentage, varying with the type of property, to the market value.

CALCULATION PROCESS FOR DETERMINING TAX CAPACITY TAX

TAXABLE MARKET VALUE	X	CLASS RATE	=	NET TAX CAPACITY	X	TAX EXTENSION RATE	=	NET TAX
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Amounts are shown for the year in which taxes are payable.

Data Source: Property Records and Licensing

SCHEDULE 6 (Unaudited)

OLMSTED COUNTY
Economic Market Value
Last eight payable years

Assessment Year	Payable Year		Estimated Market Value of locally assessed real property (a)	Calculated sales ratio (b)		Economic Market value of locally assessed real property (c)=(a)/(b)		Estimated Market value of utility, railroads and minerals (e) (g)		Total Economic Market Value (f)=(c)+(d)+(e)
2011	2012	\$	13,109,100,379	101.80	\$	12,877,308,820	\$	89,294,800	n/a	\$ 12,966,603,620
2012	2013		13,207,336,779	95.10		13,887,840,987		92,598,000	26,823,565	14,007,262,552
2013	2014		13,767,160,317	94.22		14,611,717,594		95,533,200	27,506,431	14,734,757,225
2014	2015		14,250,056,997	93.28		15,276,647,724		102,549,200	27,843,831	15,407,040,755
2015	2016		14,732,091,000	91.31		16,133,665,954		123,669,600	27,577,533	16,284,913,087
2016	2017		15,884,153,000	93.06		17,067,971,222		158,609,600	29,572,267	17,256,153,089
2017	2018		16,821,797,800	90.38		18,611,513,735		166,546,300	25,746,600	18,803,806,635
2018	2019		18,044,559,900	92.55		19,496,478,065		158,398,800	26,127,200	19,681,004,065

Data Source: Minnesota Department of Revenue

Economic market value reports are available beginning with Assessment Year 2010, as a different reporting model was used prior to assessment year 2010 to calculate the indicated market value.

(a) The source report for the Estimated Market Value of locally assessed real property is the assessment year Fall Market Value (Mini) Abstract. The source report for on Schedule 5 is the assessment year Spring Market Value (Mini) Abstract, which is before the Board of Appeals.

(b) Sales ratios come from the assessment year sales ratio study

(c) Estimated market values of personal property, public utility, railroads and minerals come from the assessment abstract

(d) Economic market values were produced at the property type level within each summed to the county level

(e) Sales ratio is (EMV of locally assessed real property/EcMV of locally assessed real property)

(f) Economic market is (EMV of locally assessed real property + EMV personal+ EMV utility + EMV railroads + EMV minerals)

(g) For Assessment Year 2011, the estimated market values of utility, railroads, and minerals were not reported separately.

SCHEDULE 7 (Unaudited)

OLMSTED COUNTY
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years

Unit of Government *	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Olmsted County										
Public Safety				16.7000	16.4860	16.8040	16.3300	17.5670	17.7890	17.0670
General	24.5040	26.1980	26.6710	9.9050	9.3540	9.3890	8.0860	5.7270	6.3700	6.5680
Human Services	17.3640	18.6280	18.8530	18.3620	18.3740	18.3430	17.4970	18.6810	17.5550	15.7800
Infrastructure	8.0170	8.3700	8.5380	7.1640	7.1060	6.9090	6.3140	5.9750	5.0250	6.2670
Public Health	3.7380	3.8410	3.9180	3.9230	3.9440	4.0480	3.9000	4.5080	4.5190	4.0110
Emergency Management	0.3940	0.4090	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Library	2.5930	2.6260	2.4340	2.2650	2.2680	2.3030	2.2190	2.3790	2.3040	2.3240
Olmsted County Total	56.6100	60.072	60.4140	58.3190	57.5320	57.7960	54.3460	54.8370	53.5620	52.0170
* Estimated market value based rate shown when applicable, all other rates shown are tax capacity based rates.										
Olmsted County Housing & Redevelopment Authority						0.8650	0.7930	0.9660	1.2860	0.0000
Townships:										
Cascade	17.527	19.939	20.0740	20.5560	20.3820	20.9550	21.8400	20.9690	20.3470	23.8880
Dover	16.644	16.760	14.9660	11.8300	11.8230	10.5110	10.1660	10.1640	9.9470	9.9220
Elmira	14.371	15.396	14.3700	11.6890	11.4930	11.4550	11.0420	11.4630	11.6810	11.4660
Eyota	17.000	18.529	16.5250	13.7820	14.5530	14.0840	13.7340	13.9910	13.6530	14.1640
Farmington	17.253	19.154	18.2810	14.5380	13.8650	12.5990	11.1180	11.2350	11.2870	11.4270
Haverhill (W1/2)	15.003	15.436	14.9250	14.6960	15.8940	13.5020	12.4290	14.2470	12.9740	12.6310
Haverhill (NE 1/4)	11.785	11.349	11.5700	11.2990	12.4440	10.9170	9.7830	11.7470	10.9100	10.5960
Haverhill (SE 1/4)	13.698	14.034	13.8260	13.0610	14.6650	12.4730	11.3320	13.7030	12.7710	12.3500
High Forest	9.849	10.147	9.5600	8.3520	8.1690	7.9740	7.6790	10.4300	10.1170	10.4410
Kalmar	14.651	17.632	18.2960	15.8950	15.7420	15.0660	15.9080	18.9710	18.0660	17.0100
Marion	11.743	12.492	12.3370	12.2560	11.7730	10.9990	10.9640	11.7290	11.9490	11.3070
New Haven	13.627	14.471	13.7980	6.7140	6.5270	6.1410	5.7390	6.1530	6.1910	5.9100
Orion	10.829	11.001	10.9000	9.9870	9.6900	9.3540	9.1100	9.3060	9.1150	9.1070
Oronoco	13.566	14.273	14.3180	13.8120	14.1750	16.7800	15.6150	16.0960	17.0560	17.9070
Pleasant Grove	18.064	19.403	19.8720	16.8230	16.2620	14.5350	12.7090	12.9330	12.6210	12.2930
Quincy	9.573	11.245	10.2090	8.4630	8.0290	8.4810	8.3680	8.6470	10.0510	9.2150
Rochester	19.362	19.303	18.6900	18.3680	17.8470	17.5280	18.8190	18.7540	16.6640	20.4290
Rock Dell	14.387	14.678	13.3470	11.5810	10.9700	10.6460	10.3290	10.5730	10.1030	9.8340
Salem	13.163	14.514	14.2130	12.8350	13.8900	13.3960	12.9900	14.0410	14.9280	16.2780

SCHEDULE 7 (Unaudited)
(concluded)

OLMSTED COUNTY
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years

Unit of Government *	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Cities:										
Byron	51.000	54.983	57.3480	60.4800	64.3910	67.8020	64.3750	66.0960	66.1660	69.6280
Chatfield	66.333	78.194	82.5690	83.2760	89.2720	92.0430	95.5670	98.5640	112.0700	105.6490
Dover	44.588	49.572	53.5140	55.5360	57.7380	64.2060	53.5180	55.8180	61.3970	56.3670
Eyota	51.268	57.392	58.4950	58.0630	57.9420	59.5380	51.7920	50.8860	57.8810	59.9510
Oronoco	38.933	45.464	45.0990	44.5260	44.7610	44.7720	40.5870	40.3830	40.9320	36.8920
Pine Island	68.243	79.819	72.1390	70.8870	73.5410	78.6180	79.4290	84.7410	81.3250	84.1160
Rochester	44.141	49.184	51.1570	49.4470	50.2170	51.3320	51.1090	52.1470	52.7230	51.8470
Rochester Rural Service	7.504	8.362	8.6980	8.4050	8.5380	8.7250	8.6890	8.8640	8.9650	8.8140
Stewartville	49.825	54.220	56.7170	55.3650	58.7710	61.1150	64.0830	65.7270	66.0390	66.9160
Stewartville EMV Based	0.048	0.044	0.0437	0.0851	0.0811	0.0798	0.0720	0.0663	0.0628	0.0600
School Districts:										
203 - Hayfield	15.41000	15.37200	13.3610	10.2880	12.2250	11.5100	13.5230	25.5150	22.6400	20.9370
203-EMV Based	0.14786	0.23480	0.2395	0.2107	0.1819	0.1617	0.2207	0.2207	0.2149	0.2040
204 - Kasson	36.43700	36.46300	36.5230	35.0840	46.4620	48.3230	43.6160	41.3860	39.3380	37.5260
204-EMV Based	0.09630	0.09829	0.1003	0.1008	0.1453	0.1444	0.1395	0.1382	0.1431	0.1350
227 - Chatfield	27.84800	31.14100	29.9600	25.2530	25.8670	25.8510	29.8630	29.3880	28.6730	27.1780
227-EMV Based	0.09819	0.15493	0.1501	0.1237	0.1391	0.2304	0.2194	0.2353	0.2332	0.2140
255 - Pine Island	24.15800	26.22600	24.1810	19.7170	41.1430	42.8340	38.4740	38.0070	34.1320	33.6440
255-EMV Based	0.13235	0.17554	0.1716	0.1429	0.1531	0.1572	0.1514	0.1563	0.1757	0.1490
531 - Byron	37.26800	41.81100	42.2340	36.3200	41.6420	40.9160	43.4810	41.1000	39.1520	37.3310
531-EMV Based	0.05760	0.09421	0.0982	0.0699	0.1046	0.1298	0.1308	0.1683	0.1643	0.1630
533 - Eyota	36.41800	42.15900	38.3300	28.8200	34.3540	36.1610	34.6310	32.5520	32.4250	32.6410
533-EMV Based	0.07216	0.06797	0.0686	0.0904	0.1641	0.2365	0.1717	0.1966	0.1916	0.1960
534 - Stewartville	27.80000	27.64900	26.6540	25.5950	29.7880	30.1570	25.5300	27.7600	23.5020	24.8020
534-EMV Based	0.20959	0.21101	0.2131	0.1829	0.1753	0.1845	0.1803	0.1789	0.1634	0.2250
535 - Rochester	21.91700	22.49300	21.5830	22.2190	21.1150	20.0230	17.8620	15.7580	15.6840	19.7720
535-EMV Based	0.10995	0.11991	0.1230	0.1058	0.1383	0.2147	0.2395	0.2248	0.2195	0.2060
858 - St. Charles	19.05100	19.71000	20.4590	17.4500	17.1330	22.0920	21.4690	18.6220	19.5510	29.5640
858-EMV Based	0.03223	0.08747	0.0907	0.0618	0.1328	0.1399	0.1418	0.1332	0.1339	0.1300
2805 - Zumbrota-Mazeppa	17.81000	18.52300	16.5240	19.5620	22.8050	23.2170	22.5360	21.3780	20.1360	36.5760
2805-EMV Based	0.23032	0.22862	0.2365	0.2896	0.2753	0.2748	0.2389	0.3487	0.3237	0.3010
2899 - PEM	19.12600	19.63700	19.5190	17.7190	12.5830	12.4450	12.4370	12.2780	18.4160	17.2540
2899-EMV Based	0.08670	0.08805	0.0887	0.0641	0.1218	0.1140	0.1444	0.1353	0.1468	0.1480

Data Source: Property Records and Licensing

SCHEDULE 8 (Unaudited)

OLMSTED COUNTY
Principal Property Taxpayers
Current Fiscal Payable Year and Nine Years Ago

2019				2010			
Taxpayer	Taxable Market Value	Net Tax Capacity	% of Total Net Tax Capacity	Taxpayer	Taxable Market Value	Net Tax Capacity	% of Total Net Tax Capacity
Mayo Properties	\$ 597,885,200	\$ 11,871,377	6.7	Mayo Properties	\$315,877,400	\$6,139,988	4.2
IRET Properties	125,474,300	1,568,429	0.8	Sunstone Hotels	57,510,800	1,145,904	0.8
MPEC Apache Properties	72,220,100	1,442,152	0.8	IBM	53,082,800	1,052,851	0.7
BGD5	52,473,400	1,047,218	0.6	IRET Properties	51,480,200	687,665	0.5
Minnesota Energy Resources	50,507,900	1,009,378	0.6	MEPC Apache Properties Inc	50,835,400	1,014,458	0.7
KAH 20 2nd Avenue LLC	35,417,800	707,606	0.4	NNN 3050 Superior LLC	32,073,600	639,972	0.4
City of Rochester	31,676,800	551,344	0.3	Maine Land LLC	28,748,000	569,710	0.4
Homestead At Rochester	31,431,400	392,893	0.2	New York Life Insurance Co	25,649,400	510,738	0.3
Carpenter and Torgerson SSMR	28,489,400	565,288	0.3	Leslie Nelson	23,900,100	458,475	0.3
THF-G Rochester	27,782,900	553,408	0.3	MN Energy Resources	23,790,600	475,734	0.3
All Others	16,252,193,800	155,758,907	89.0	All Others	12,331,248,700	134,713,635	91.4
Total	<u>\$ 17,305,553,000</u>	<u>\$ 175,468,000</u>	<u>100.0</u>	Total	<u>\$12,994,197,000</u>	<u>\$147,409,130</u>	<u>100.0</u>

Note: The adopted levies of each taxing district are spread on all assessable property based on the net tax capacity of the taxing district.

TAX CAPACITY

In 1989 the Minnesota State Legislature replaced the assessed valuation system with a system that estimates a local government's tax capacity. The tax capacity is obtained by applying the statutory classification percentage, varying with the type of property, to the market value.

Data Source: Property Records and Licensing

SCHEDULE 9 (Unaudited)

OLMSTED COUNTY
Property Tax Levies and Collections
Last Ten Fiscal Years
Olmsted County Portion Only

Fiscal / Payable Year	Total Tax Levied (1)	Collected within the Fiscal		Collections in Subsequent Years (2)	Total Collections to Date	
		Amount	% of Levy		Amount	% of Levy
2010	74,147,713	72,781,747	98.16	1,155,341	73,937,088	99.72
2011	76,112,018	74,919,034	98.43	920,778	75,839,812	99.64
2012	79,998,154	79,036,792	98.80	682,086	79,718,878	99.65
2013	81,656,069	80,844,984	99.01	743,506	81,588,490	99.92
2014	82,683,704	81,908,420	99.06	136,518	82,044,938	99.23
2015	85,408,583	84,330,959	98.74	564,855	84,895,814	99.40
2016	89,178,961	88,622,609	99.38	302,993	88,925,602	99.72
2017	91,460,537	90,596,247	99.06	388,683	90,984,930	99.48
2018	97,913,530	97,366,149	99.44	235,356	97,601,505	99.68
2019	102,596,254	101,818,170	99.24	-	101,818,170	99.24

(1) Amounts represent the levy as of the end of year for which they are payable. Valuations are determined as of January 1 of the preceding year.

(2) Collections are net of refunds of overpayments.

Data Source: Property Records and Licensing

SCHEDULE 9 (Unaudited)
(continued)

OLMSTED COUNTY
Property Tax Levies and Collections
Last Ten Fiscal Years
All Overlapping Governments

Fiscal / Payable Year	Total Tax Levied (1)	Collected within the Fiscal		Collections in Subsequent Years (2)	Total Collections to Date	
		Amount	% of Levy		Amount	% of Levy (3)
2010	192,956,275	189,512,425	98.22	2,783,840	192,296,265	99.66
2011	198,907,343	195,761,874	98.42	2,324,188	198,086,062	99.59
2012	212,101,932	209,610,125	98.83	1,880,299	211,490,424	99.71
2013	216,602,979	214,565,541	99.06	1,740,810	216,306,351	99.86
2014	218,174,575	213,514,367	97.86	1,139,838	214,654,205	98.39
2015	231,117,698	229,389,940	99.25	1,311,416	230,701,356	99.82
2016	251,641,120	250,093,140	99.38	1,316,340	251,409,480	99.91
2017	265,815,861	263,341,227	99.07	1,000,787	264,342,014	99.45
2018	276,720,830	275,246,164	99.47	486,836	275,733,000	99.64
2019	290,149,153	287,987,490	99.25	-	287,987,490	99.25

(1) Amounts represent the levy as of the end of year for which they are payable. Valuations are determined as of January 1 of the preceding year.

(2) Collections reflect the payments, net of refunds of overpayments.

Data Source: Property Records and Licensing

SCHEDULE 9 (Unaudited)
(continued)

OLMSTED COUNTY
Special Assessment Levies and Collections
Olmsted County Portion Only

Fiscal / Payable Year	Total Tax Levied (1)	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years (2)	Total Collections to Date	
		Amount	% of Levy		Amount	% of Levy
2010	68,448	56,241	82.17	11,658	67,899	99.20
2011	76,115	63,425	83.33	12,126	75,551	99.26
2012	93,687	82,450	88.01	10,570	93,020	99.29
2013	93,687	83,875	89.53	9,811	93,686	100.00
2014	97,413	87,094	89.41	10,318	97,412	100.00
2015	97,854	90,539	92.52	6,955	97,494	99.63
2016	92,904	88,035	94.76	4,313	92,348	99.40
2017	91,046	84,858	93.20	5,291	90,149	99.02
2018	193,078	183,684	95.13	6,407	190,091	98.45
2019	205,814	197,829	96.12	-	197,829	96.12

(1) Amounts represent fees and other special assessments assessed by Olmsted County payable with property taxes as the end of the payable year.

(2) Collections are net of refunds of overpayments.

Note: Ten years of data will be reported going forward as accurate information becomes available.

SCHEDULE 9 (Unaudited)
(concluded)

OLMSTED COUNTY
Special Assessment Levies and Collections
Last Ten Fiscal Years
All Overlapping Governments

Fiscal / Payable Year	Total Tax Levied (1)	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years (2)	Total Collections to Date	
		Amount	% of Levy		Amount	% of Levy
2010	2,179,028	1,924,151	88.30	175,694	2,099,845	96.37
2011	2,106,240	1,890,276	89.75	152,423	2,042,699	96.98
2012	2,311,084	1,886,084	81.61	314,116	2,200,200	95.20
2013	2,057,410	1,743,170	84.73	245,054	1,988,224	96.64
2014	2,140,537	1,890,945	88.34	182,492	2,073,437	96.87
2015	2,182,513	2,066,667	94.69	69,852	2,136,519	97.89
2016	2,079,323	1,948,477	93.71	126,779	2,075,256	99.80
2017	1,641,166	1,516,027	92.37	116,027	1,632,054	99.44
2018	1,873,223	1,837,984	98.12	30,894	1,868,878	99.77
2019	1,910,290	1,868,577	97.82	-	1,868,577	97.82

(1) Amounts represent the levy as of the end of year for which they are payable. Valuations are determined as of January 1 of the preceding year.

(2) Collections are net of refunds of overpayments.

Data Source: Property Records and Licensing

SCHEDULE 10 (Unaudited)

OLMSTED COUNTY
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(dollars in thousands, except per capita)

Fiscal Year	Governmental Activities					Business-Type Activities					Total Primary Government	Estimated Population	Per Capita	Tax Capacity (3)	% of Debt to Tax Capacity	% of Debt to Personal Income (4)
	General Obligation Revenue Bonds	Refunding Revenue Bonds (1)	General		General Obligation Revenue Bonds	General Obligation Revenue Bonds	General Obligation Refunding Bonds	Mortgages Payable (2)	Deferred Repayment & Forgivable Mortgages (2)							
			General Obligation Revenue Bonds	Refunding Revenue Bonds												
2010	6,795	4,604	5,834	47,625	7,678	88,841	-	-	-	-	161,377	144,000	1,121	147,409	109%	2%
2011	6,380	3,102	5,832	54,394	7,663	84,126	5,286	-	-	-	166,783	147,000	1,135	147,458	113%	3%
2012	5,950	1,545	5,829	52,299	27,668	80,547	4,897	57,576	-	-	236,311	148,500	1,591	138,306	171%	3%
2013	-	-	5,827	42,429	27,479	76,668	4,497	57,083	-	-	213,983	150,000	1,427	142,665	150%	3%
2014	-	-	5,294	36,874	26,615	72,653	4,093	56,591	-	-	202,120	150,875	1,340	148,668	136%	3%
2015	-	-	4,757	62,352	25,476	15,439	3,678	56,097	-	-	167,799	152,250	1,102	154,960	108%	2%
2016	-	-	4,210	61,132	40,128	14,643	3,253	64,019	-	-	187,385	154,000	1,217	161,748	116%	2%
2017	-	-	3,652	48,746	37,883	3,220	2,824	59,832	537	10,745	167,439	155,900	1,074	175,468	95%	2%
2018	-	-	3,080	46,390	34,973	3,032	2,379	54,889	529	10,738	156,010	156,650	996	185,455	84%	2%
2019	-	-	2,492	64,248	31,967	2,838	1,925	49,807	520	10,692	164,489	159,500	1,031	198,905	83%	n/a

1) The Refunding Revenue Bonds are the 2008B Public Facility Bonds which refunded the 2002B bonds. Primary repayment sources include, but are not limited to, monies received from the sale of the prior County courthouse and income from the rental of space within the Project.

2) Beginning in 2017, the Olmsted County HRA became part of the Primary Government, thus prior year data not included.

3) The 2014 Total Primary Government Ratios Tax Capacity has been updated to reflect Total Tax Capacity as reflected in Schedule 5.

4) See Schedule 14 for personal income data. This ratio is calculated using personal income for the calendar year.

Data Source: Yearly Financial Statements

SCHEDULE 11 (Unaudited)

OLMSTED COUNTY
Ratios of Net General Obligation Bonded Debt Outstanding
Last Ten Fiscal Years
(dollars in thousands, except per capita)

FISCAL YEAR	(1) GENERAL OBLIGATION BONDED DEBT	RESOURCES RESTRICTED TO REPAYING PRINCIPAL OF GO BONDED DEBT	NET GENERAL OBLIGATION BONDED DEBT	(2) ESTIMATED POPULATION	NET GENERAL OBLIGATION DEBT PER CAPITA	NET TAX CAPACITY	% OF NET GENERAL OBLIGATION DEBT TO TAX CAPACITY
2010	156,773	24,245	132,528	144,000	920	147,409	89.9
2011	163,681	19,250	144,431	147,000	983	147,458	97.9
2012	234,766	91,415	143,351	148,500	965	138,306	103.6
2013	213,983	79,060	134,923	150,000	899	142,665	94.6
2014	202,120	75,920	126,200	150,875	836	148,668	84.9
2015	167,799	8,165	159,634	152,250	1,048	154,960	103.0
2016	187,385	35,775	151,610	154,000	984	161,748	93.7
2017	156,157	15,925	140,232	155,900	899	175,468	79.9
2018	144,743	15,860	128,883	156,650	823	185,455	69.5
2019	153,277	16,245 (3)	137,032	159,500	859	198,905	68.9

(1) The General Obligation Bonded Debt includes the General Obligation Revenue Work Release Center Bonds supported by Olmsted County lease payments.

(2) Data Source: State Demographer

(3) Restricted balances from Statement of Net Position

Restricted Assets:

Debt service	\$ 12,502
Investments held by trustee	5,764
Less investments held by trustee for the law library	(184)
Less amounts restricted for interest payments	(1,837)
Total restricted for repaying principal	<u>\$ 16,245</u>

SCHEDULE 12 (Unaudited)

OLMSTED COUNTY
Direct and Overlapping Governmental Activities Debt
as of December 31, 2019
(dollars in thousands)

<u>GOVERNMENTAL UNIT</u>	<u>DEBT OUTSTANDING (1)</u>	<u>% OF TAX CAPACITY WITHIN OLMSTED COUNTY (2)</u>	<u>PORTION CHARGEABLE TO COUNTY (3)</u>
DIRECT:			
Olmsted County	\$ 98,707	100.00%	\$ 98,707
OVERLAPPING:			
School District # 227	29,055	45.52	13,225
School District # 531	52,883	98.44	52,057
School District #533	12,215	100.00	12,215
School District # 534	94,260	80.58	75,951
School District # 535	26,950	99.80	26,895
Total Overlapping	\$ 215,363		\$ 180,343
UNDERLYING:			
City of Rochester	\$ 179,690	100.00	\$ 179,690
City of Byron	9,030	100.00	9,030
City of Eyota	8,782	100.00	8,782
City of Oronoco	416	100.00	416
City of Dover	688	100.00	688
City of Stewartville	5,693	100.00	5,693
Cascade Township	-	100.00	-
Eyota Township	-	100.00	-
Oronoco Township	310	100.00	310
Salem Township	34	100.00	34
Olmsted County HRA	730	100.00	730
Total Underlying	\$ 205,373		\$ 205,373
TOTAL DEBT	\$ 519,443		\$ 484,423

Data Source: Olmsted County Auditors Report of Outstanding Indebtedness

- (1) Amounts are determined by deducting debt which is intended to be financed primarily by means other than a real estate tax levy.
- (2) The percentage in this column reflects the portion of the long-term debt which is secured by taxable real estate located within Olmsted County.
- (3) The dollars in this column reflects the portion of the long-term debt which is secured by taxable real estate located within Olmsted County.

** Olmsted County doesn't have any debt that we can't levy to pay back if necessary.

SCHEDULE 13 (Unaudited)

**OLMSTED COUNTY
Legal Debt Margin Information
Last Ten Fiscal Years**

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Total Taxable Market Value	\$ 12,994,197,000	\$ 13,003,584,000	\$ 12,140,619,000	\$ 12,327,523,000	\$ 12,904,879,000	\$ 13,393,761,000	\$ 13,979,791,000	\$ 15,189,827,000	\$ 16,061,106,000	\$ 17,305,553,000
Debt Limit	389,825,910	390,107,520	364,218,570	369,825,690	387,146,370	401,812,830	419,393,730	455,694,810	481,833,180	519,166,590
Debt applicable to limit:										
General obligation debt (1)	67,730,000	73,985,000	89,075,000	73,260,000	66,505,000	87,200,000	105,470,166	90,280,584	84,443,247	98,707,281
Less: Assets available for debt service	(2,285,000)	(19,023,211)	(37,337,434)	(23,953,062)	(19,952,753)	(4,830,019)	(22,874,124)	(13,076,407)	(12,673,160)	(12,695,196)
Total Net Debt Applicable to Limit	65,445,000	54,961,789	51,737,566	49,306,938	46,552,247	82,369,981	82,596,042	77,204,177	71,770,087	86,012,085
Legal debt margin	\$ 324,380,910	\$ 335,145,731	\$ 312,481,004	\$ 320,518,752	\$ 340,594,123	\$ 319,442,849	\$ 336,797,688	\$ 378,490,633	\$ 410,063,093	\$ 433,154,505
Total debt applicable to the limit as a percentage of debt limit	16.79%	14.09%	14.21%	13.33%	12.02%	20.50%	19.69%	16.94%	14.90%	16.57%

(1) Beginning in 2002, The General Obligation Bonded Debt also includes the General Obligation Revenue Work Release Center Bonds supported by Olmsted County lease payments.

Data Source: Internally generated and comes from a variety of sources

SCHEDULE 14 (Unaudited)

OLMSTED COUNTY
Demographic and Economic Statistics
Last Ten Fiscal Years

Year	Population (1)	Personal Income in thousands of dollars (2)	Per Capita Personal Income (3)	Unemployment Rates (4)		
				Olmsted County	State of Minnesota	United States
2010	144,000	6,553,135	45,342	5.9	7.4	9.6
2011	147,000	6,657,028	45,655	5.3	6.5	8.9
2012	148,500	7,033,927	47,882	4.4	5.6	8.1
2013	150,000	7,110,105	47,766	4.0	4.9	7.4
2014	150,875	7,426,136	49,489	3.4	4.2	6.2
2015	152,250	7,797,376	51,524	3.0	3.7	5.3
2016	154,000	8,146,237	53,196	3.0	3.9	4.9
2017	155,900	8,523,787	55,163	2.7	3.4	4.4
2018	156,650	9,150,699	58,554	2.3	2.9	3.9
2019	159,500	n/a	n/a	2.6	3.2	3.7

Data Sources:

- (1) State Demographer
- (2) Bureau of Economic Analysis as of March 2019 new estimated for 2018, revised estimates for 2010-2017
- (3) Bureau of Economic Analysis as of March 2019 new estimated for 2018, revised estimates for 2010-2017
- (4) Department of Employment and Economic Development

SCHEDULE 15 (Unaudited)

OLMSTED COUNTY
Principal Employers
Current Year and Nine Years Ago

<u>Employer</u>	2019			2010		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>
MAYO MEDICAL CENTER	36,330	1	42.97%	32,000	1	40.09%
ROCHESTER PUBLIC SCHOOLS DIST #535	2,873	2	3.40%	2,179	2	2.73%
IBM	2,791	3	3.30%	4,200	3	5.26%
CITY OF ROCHESTER	1,764	4	2.09%	843	7	1.06%
OLMSTED MEDICAL CENTER	1,346	5	1.59%	1,066	5	1.34%
OLMSTED COUNTY	1,340	6	1.59%	1,201	4	1.50%
CHARTER COMMUNICATIONS	634	7	0.75%	691	9	0.87%
CRENLO	633	8	0.75%	0	**	0.00%
BENCHMARK ELECTRONICS	540	9	0.64%	0	0	0.00%
CARDINAL OF MINNESOTA	520	10	0.62%	0	**	0.00%
TOTAL	48,771		57.70%	42,180		52.85%

* Estimated employees - RAEDI

**Rank falls below 10

Data Sources: Rochester Area Economic Development, Inc.
Olmsted County Human Resources
Minnesota Department of Employment and Economic Development

SCHEDULE 16 (Unaudited)

OLMSTED COUNTY
Full-time Equivalent Employees by Function/Program
Last Ten Fiscal Years

Function/program:	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Primary government:										
Governmental activities:										
General government	200	194	203	208	218	244	237	260	265	263
Public safety	271	272	267	272	280	283	285	285	293	300
Conservation of natural resources	7	7	6	6	6	5	9	11	11	7
Highways and streets	78	73	72	70	70	66	62	62	63	63
Health	118	116	109	112	113	111	112	111	110	78
Human services	326	319	325	338	343	329	347	378	391	436
Culture and recreation	17	16	16	17	18	18	19	19	19	21
Total governmental activities	1,017	997	998	1,023	1,048	1,056	1,071	1,126	1,152	1,168
Business-type activities										
Waste management	66	64	64	65	61	64	66	67	68	69
Communications	3	3	2	1	1	1	1	1	1	1
Olmsted County HRA	13	11	11	11	10	10	10	-	-	-
Total business-type activities	82	78	77	77	72	75	77	68	69	70
Total primary government	1,099	1,075	1,075	1,100	1,120	1,131	1,148	1,194	1,221	1,238

Data Source: Olmsted County Adopted Budget

SCHEDULE 17 (Unaudited)

OLMSTED COUNTY
Operating Indicators by Function/Program
Last Ten Fiscal Years

Function/Program	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Estimated Population	144,000	147,000	148,500	150,000	150,875	152,250	154,000	155,900	156,650	159,500
Public Safety										
Average Daily Detainee Population										
Adult Detention Center	142	134	119	131	112	152	161	143	135	108
Work Release Facility	31	32	39	35	26	29	27	44	16	21
Electronic Home Monitoring	52	36	44	37	39	38	35	50	33	***
Health										
Number of Client Contacts										
WIC	48,656	46,805	45,009	42,140	41,193	40,035	38,238	36,426	34,425	33,425
Adult Detention Center	11,385	12,122	**	**	**	**	**	**	**	**
Newborn/Postpartum	1,035	992	985	781	698	680	778	856	844	561
Number of Licensed Business Assessments	803	942	940	964	973	1,073	1,010	1,049	1,179	1,195
Human Services										
Public Assistance Clients Enrolled at Year-End										
Health Care	15,792	17,116	17,441	17,758	24,449	24,631	24,755	25,381	25,044	24,365
Supplemental Nutrition Assistance Program	11,745	12,530	12,746	13,107	10,733	10,616	9,427	8,828	8,461	8,160
Cash Assistance	4,447	4,465	4,422	4,232	3,929	3,875	4,059	4,252	4,059	3,892
Number of Child Support Cases	4,872	5,260	5,184	4,943	5,714	5,665	5,497	5,460	5,421	5,342
Number of Social Services Client Intakes	n/a	9,599	10,444	11,222	10,363	10,175	10,248	10,711	11,227	10,973
Highways and Streets										
Street Resurfacing (miles)	10.50	7.50	15.00	23.30	4.80	54.47	8.40	6.90	5.80	16.66
Bridge Repairs	1	1	3	2	2	-	-	-	-	2
Waste Management										
Municipal Solid Waste										
Number of tons in total waste stream	134,057	211,837	166,937	177,201	212,037	237,317	183,230	167,290	165,248	165,074
Number of tons burned	72,278	80,427	95,238	104,086	100,322	103,863	109,228	114,248	117,247	116,498
Percentage recycled	36%	60%	48%	51%	59%	59%	49%	44%	43%	41%
Steam Produced in million pounds (MLBS).	534,451	597,052	693,274	734,930	696,560	754,742	802,191	824,124	851,202	851,861
Electricity Produced in kilowatt hours (KWH)	12,664,640	18,439,760	28,353,240	29,502,464	26,386,379	33,356,320	33,575,423	34,362,631	34,344,260	33,195,430

** OCPHS no longer provide Correctional Health services - On January 1, 2012, the Olmsted County Adult Detention Center entered into a contract with Correctional Health Care Companies, Inc. to provide correctional health services.

***OCSO discontinued oversight of electronic home monitoring. Clients contract with an electronic home monitoring vendor of their choice.

Sources: Various County Departments

SCHEDULE 17 (Unaudited)
(concluded)

OLMSTED COUNTY
Operating Indicators by Function/Program
BUILDING PERMITS AT MARKET VALUE
LAST TEN FISCAL YEARS

Fiscal Year	New Residential		New Multiple	New Commercial / Industrial	All Others	Total	
	No.	Value	Value	Value	Value	No.	Value
2010	227	48,445,498	21,675,637	54,403,383	86,258,044	2,178	210,782,562
2011	232	49,906,062	15,802,248	68,662,868	85,790,484	2,107	220,161,662
2012	336	74,186,311	12,661,774	162,506,726	94,697,963	2,333	344,052,774
2013	385	88,721,501	7,151,000	74,674,660	178,387,118	2,453	348,934,279
2014	418	94,968,077	21,748,186	102,799,227	193,046,652	2,705	412,562,142
2015	411	97,417,046	142,500,263	56,799,858	211,258,433	2,636	507,975,600
2016	472	115,509,862	129,561,374	60,910,872	157,159,471	2,715	463,141,579
2017	541	130,781,191	84,791,339	167,075,157	162,882,610	2,993	545,530,297
2018	407	105,586,720	183,219,286	57,707,228	255,807,114	2,556	602,320,348
2019	317	86,841,337	63,273,537	67,920,807	288,014,783	2,544	506,050,464

Sources: Rochester-Olmsted Planning Department; City of Rochester Building Safety

SCHEDULE 18 (Unaudited)

OLMSTED COUNTY
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

Function/Program	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Government										
Government Center Building Square footage	289,700	289,700	289,700	289,700	289,700	289,700	304,700	304,700	304,700	304,700
Public Safety										
# of Rated Beds										
Adult Detention Center	188	188	188	188	188	202	202	202	202	202
Work Release Facility	90	90	90	90	90	90	90	90	90	90
Electronic Home Monitoring	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Government Center Annex Building Square Footage	69,056	96,322	96,322	96,322	96,322	96,322	96,322	96,322	96,322	96,322
Highways and Streets										
County State Aid Highways (CSAH)										
# of Miles-Hard Surfaced	314	314	313	314	314	314	313	305	304	307
# of Miles-Rock	-	-	1	-	-	-	1	1	1	1
County Roads (CR)										
# of Miles-Hard Surfaced	67	67	67	65	67	67	65	65	63	60
# of Miles-Rock	137	137	141	139	141	141	141	134	133	137
Total County Highway Miles	518	518	522	518	522	522	520	505	501	505
Bridges										
# greater than ten feet in length	336	336	337	337	342	342	342	219	219	219
Public Works Building's Square Footage	-	235,539	235,539	235,539	235,539	206,035	206,035	206,635	206,635	261,973
Health										
Health Department Building Square Footage	66,590	69,427	69,427	69,427	69,427	69,427	69,427	69,427	69,427	69,427
Human Services										
Human Services Building Square Footage	290,980	193,583	193,583	193,583	193,583	193,583	107,363	107,363	107,363	107,363
Culture and Recreation										
Park and Recreational Facilities										
Land Total Acreage (approximate)	2,165	2,181	2,181	2,181	2,216	2,216	2,216	2,216	2,216	2,218
Buildings Square Footage	280,297	289,057	231,467	231,467	242,116	251,016	251,016	251,016	251,016	298,735
Waste Management										
Landfill										
Estimated Capacity Percentage Used to Date	36%	37%	38%	38%	38%	39%	39%	42%	44%	44%
Waste-to-Energy										
Daily capacity available (in tons)	200	400	400	400	400	400	400	400	400	400
Building Square Footage	88,828	99,200	99,200	99,200	99,200	99,200	99,200	99,200	99,200	99,200
Recycling Center Building Square Footage	19,000	19,000	19,000	19,000	19,000	19,000	19,000	19,000	19,000	19,000
Interest on long-term debt	\$ 3,101,669	\$ 6,434,501	\$ 7,262,948	\$ 8,073,117	\$ 7,448,343	\$ 5,679,263	\$ 5,569,562	\$ 5,766,175	\$ 5,087,071	\$ 4,739,571