



Olmsted County

Annual Comprehensive Financial Report

For the year ended December 31, 2021



Opening of Southeast Regional Crisis Center

The ribbon-cutting of the Southeast Regional Crisis Center (SERCC) occurred on July 26, 2021, with the facility officially opening its doors two days later. The SERCC is a 24/7 walk-in mental health facility – located at 2121 Campus Drive SE in Rochester, Minnesota – that was designed specifically for people experiencing a mental health crisis.

The center serves Dodge, Fillmore, Goodhue, Houston, Mower, Olmsted, Steele, Wabasha, Waseca, and Winona counties. Residents may use the center regardless of the mental health crisis, financial situation, or insurance status.

The SERCC came to fruition through an unprecedented collaboration between 10 southeast Minnesota counties, Mayo Clinic, Olmsted Medical Center, the Southeast Minnesota National Alliance on Mental Illness (NAMI) chapter, health plan partners, and other community partners.

The SERCC is operated by Nexus Family Healing, experts in trauma-informed care, systemic family treatment, and mental health crisis care.



Olmsted County, Minnesota

Annual Comprehensive Financial Report

For the Year Ended December 31, 2021

Wilfredo Román-Catála, CPA/MBA
Chief Financial Officer

Prepared by:

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507.328.7499

DATE OF INCORPORATION: 1855

FORM OF GOVERNMENT: Board of Commissioners - Administrator

NUMBER OF EMPLOYEES: 1259 Full-Time Equivalents

AREA: 660 Square Miles

POPULATION: Estimated 159,500

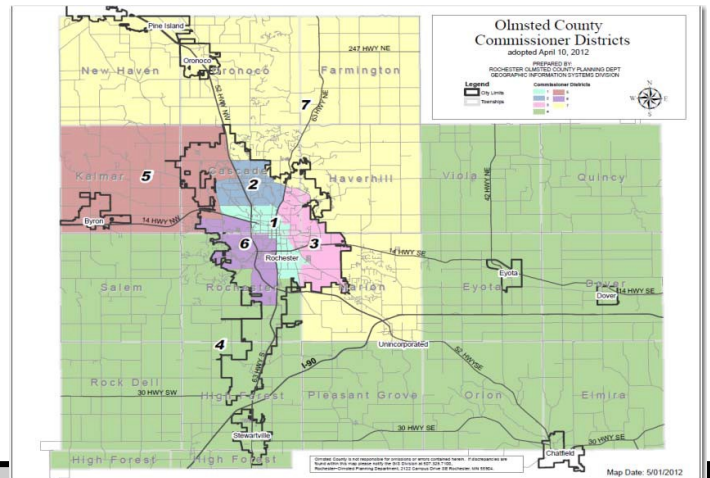
NUMBER OF TOWNSHIPS: 18

NUMBER OF CITIES: 8

LARGEST CITY: Rochester, Estimated Population 121,400

MILES OF ROAD: 500

OLMSTED COUNTY MINNESOTA



OLMSTED COUNTY
FUND LEVEL STATEMENTS FOR YEAR ENDED DECEMBER 31, 2021

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FUND LEVEL STATEMENTS FOR YEAR ENDED DECEMBER 31, 2021

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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 8, 2022

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 Annual Comprehensive Financial Report for the year ended December 31, 2021. 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 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 US, LLP, has issued an **unmodified ("clean") opinion** on the county's financial statements for the year ended December 31, 2021. The auditor report is located at the front of the financial section of this report (page 19).

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 Auditors' 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 Annual Comprehensive Financial Report is available, in its entirety, on the county's website at <https://www.olmstedcounty.gov/>. Other electronic and printed formats may be made available by contacting the Olmsted 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 16 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 158,300 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 119,000 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 **Olmsted 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 day-to-day operations of the county and appoints the heads of the various county departments to manage these operations. Our Olmsted County website provides contact information for the county administrator:
<https://www.olmstedcounty.gov/profile/heidi-welsch>.

Olmsted County government provides its citizens with a broad spectrum of services and infrastructure based on state laws and community needs. 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 **73% 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 of 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 Olmsted County Board of Commissioners for review.

By September, the county 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 people buy.

Budgets Per Person - Property Taxes

	Per Person Levy	
	2021	2022
Criminal Justice / Public Safety		
Courts	14	15
Attorney	37	36
Sheriff / Emergency Management	91	81
Adult Detention Center	91	84
Community Corrections	55	53
Highways		
Construction	15	10
Maintenance	28	23
Health, Housing and Human Services		
Public Health	54	38
Olmsted County Housing and Redevelopment Authority (1)	24	24
Veteran Services		

Family Support and Assistance	41	27
Protection Social Services	170	164
Land Management	46	40
Elections	4	11
Parks	14	14
Other (2)	10	97
Total (3)	694	717

(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) Other includes the Board, Administration, Policy and Communications, Libraries, Conservation, History Center, Certified Program Aid from the state and, new in 2022, IT, Human Resources and Finance charges that were allocated to other lines in 2021.

(3) Populations are updated to those used by the Minnesota Inter-County Association (MICA)

After the budgets are adopted, they are continually monitored. Adjustments are made throughout the year, as needed. In addition to monitoring budget dollars, the Olmsted 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 on our county website and social media pages. 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: <https://www.olmstedcounty.gov/government/boards-commissions>.

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 45,000 people in a workforce of over 124,000. Due to the presence of the Mayo Clinic, the **hospitality industry** also plays a major role in the health of the local economy. Over 6,000 transient lodging rooms serve more than 3.3 million national and international visitors each year.

The housing market in Olmsted County has maintained a healthy increase in values. Between 2016 and 2021, residential **market values** in the county increased by about 55% (9.1% annually). During this same time, Olmsted County has continued to experience **steady growth in population, jobs, and income**. Between 2016 and 2021, the county’s population grew by about 7%. The most recent Census data shows Olmsted County’s average unemployment rate at 3.0%, compared to 3.4% for the state and 5.8% for the U.S.

Olmsted County's median annual household income of \$80,403 is higher than the state's, \$73,382, and the national median of \$64,994.

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 to 215,000 by the year 2045, with Rochester reaching a population of 165,000 to 170,000. This will represent growth in countywide population of approximately 20,000 persons per decade, reflecting about a 27% increase from the estimated 2021 population of 165,300. Their projections also show that the county should reach about 166,000 jobs by the same year (2045). This growth appears to be very doable considering 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 currently underway 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 more than 30,000 jobs and generating up to \$8 billion in new net tax revenue. Additional information about DMC can be found on the DMC website at <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 everchanging 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 the first quarter of 2022, Moody's Investor Services and S&P Global Ratings agencies affirmed Olmsted County's **credit rating of Aaa and AAA**, respectively and "stable," the highest rating possible to attain.

In its report, S&P said, "The county has an experienced, highly knowledgeable management team, as evidenced by a long history of responsible budget development and monitoring, which we believe will continue based on management's forward-looking perspective."

Current economic downturn and pandemic response

On March 11, 2020, the World Health Organization designated the incidence of COVID-19 as a global pandemic. Due to the uncertainty and unpredictability of the economy as a result of the pandemic, county leadership made several decisions to preserve cash and bring revenues and expenditures into alignment to help ensure the county provide needed services while maintaining a strong financial position over the short-, medium-, and long-term. Some of those decisions included, but were 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 worked very well by helping county leadership eliminate the need for other strategies like compensation reduction, furloughs, and layoffs implemented by other employers in Olmsted County and the rest of the nation.
- **Delay capital projects/assets purchases** – County leadership 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. Once funds became available, projects were allowed to move forward.
- **Program elimination** - After 22 years, the 16-bed Olmsted County Juvenile Detention Center (JDC) closed its doors permanently 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.

During March 2020, the U.S. federal government passed the Coronavirus Aid, Relief, and Economic Security (CARES) Act to help individuals, businesses, state and local governments, and tribes, respond to the pandemic emergency. Olmsted County received \$20,365,073 Coronavirus Relief funds from the US Treasury through the CARES Act. These funds were passed through from the State of Minnesota and represent a key major source of increased federal funding for Olmsted County in 2020. As of December 31, 2020, 100% of the funds were spent.

The CARES Act funds were used for the purchase of personal protective equipment for county employees, cleaning and sanitization of county buildings, temporary court rooms, workplace safety barriers, public health and public safety payroll related costs, economic relief for small business and non-profits, food support, family emergency assistance, eviction prevention, homeless shelter operations, and mental health, just to name a few.

In January 2021, Olmsted County also received \$3,166,192 in COVID-19 Economic Relief Funds from the State of Minnesota. These funds, along with an additional \$347,308 of County reserves, were used to provide economic relief grants to small businesses and non-profits with a physical location in Olmsted County.

On March 11, 2021, the American Rescue Plan Act (ARPA) was signed into law by the federal government. Olmsted County is expected to receive about \$30,746,560 under the Coronavirus Local Fiscal Recovery Fund, Section 603 of the ARPA. Funds will be available through and must be spent by December 31, 2024. The funds' period of performance will run until December 31, 2026, which will provide Olmsted County reasonable amount of time to complete projects funded with the Coronavirus Local Fiscal Recovery Funds. The funds will be used to respond to or mitigate the public health emergency or its negative economic impacts.

On May 17, 2021, Olmsted County received the first portion of the Coronavirus Local Fiscal Recovery Funds or \$15,373,280. The second portion, also \$15,373,280, is expected to be received in the second quarter of 2022.

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

ARPA funds allocated to housing/homelessness

In August 2021, Olmsted County commissioners approved a plan to spend \$19,960,000 million of federal American Rescue Plan Act state and local recovery dollars. In May 2022, Olmsted County commissioners updated their plans and approved to spend an additional \$4,842,000. The remaining almost \$5.9 million of the county's total award of almost \$31 million will be reviewed and allocated at a future date.

The most significant use of the funds, totaling \$16.1 million, will provide unprecedented support for affordable housing infrastructure and programs in Olmsted County. Specifically, it will fund:

- The county's portion (\$10 million) of the Rochester Area Foundation's request for a five-year investment in affordable housing to create and preserve more than 1,100 affordable housing units in Olmsted County and leverage an investment of more than \$200 million.
- A \$5 million investment to create affordable homeownership opportunities through the new Growing Affordable, Inclusive Neighborhoods (GAIN) program.
- Purchase of the building at 105 Broadway Avenue N. in Rochester to continue providing transitional housing to homeless individuals. The \$1 million allocation will cover about half of the anticipated purchase cost. Housing and Redevelopment Authority reserves will fund the remainder.

- Repairs to the Rochester Community Warming Center totaling \$100,000. This facility is owned by Olmsted County and operated by Catholic Charities of Southern Minnesota.

COVID-19 response

From January 11, 2021 to December 21, 2021, Olmsted County Public Health held 178 COVID-19 vaccination clinics. More than 13,000 people were vaccinated, and more than 25,000 doses were administered.

Throughout the COVID-19 pandemic, the Olmsted County Public Health Services (OCPHS) team has had leaders and staff members dedicating time around the clock to keeping our community healthy and safe.

We have an excellent, qualified Public Health leadership team that continues to guide our county's robust COVID-19 efforts with the help of knowledgeable, talented staff. OCPHS employees are dedicated to providing COVID-19 vaccines to the public and working with schools and businesses in the county to offer guidance and support. The department also continues surveillance of local case counts and coordination with the Minnesota Department of Health as well as work with local medical providers and other community partners on education and resources for the community.

Olmsted County remains dedicated to this county's COVID response. We will continue leading and serving the community through this pandemic every step of the way.

Implementation of Olmsted County Kiosks

In August 2021, in an effort to help eliminate barriers such as transportation and increase access to Olmsted County services, the county placed 11 kiosks in various locations across the community. Through the kiosks, residents can get help accessing services provided by Olmsted County's Health, Housing, and Human Services teams as well as information on Legal Assistance of Olmsted County, RentHelpMN, and State of Minnesota benefits. The kiosks are designed to be another touchpoint for residents to access help from the county.

Groundbreaking of new Oxbow Park Nature Center

Olmsted County officially broke ground for the new Oxbow Park nature center in May 2021. The new nature center will nearly triple in size, providing more exhibits and interactive learning areas as well as a larger programming and event space. The new nature center is expected to open in the fall of 2022!

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 36 consecutive years, for the fiscal years ended December 31, 1985 through 2020. 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 Annual Comprehensive 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 Olmsted County's web page at <https://www.olmstedcounty.gov/>.

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 Cántala', with a stylized, cursive script.

Wilfredo Román Cántala, 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 Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2020

Christopher P. Morill

Executive Director/CEO

OLMSTED COUNTY
LIST OF PRINCIPAL OFFICIALS

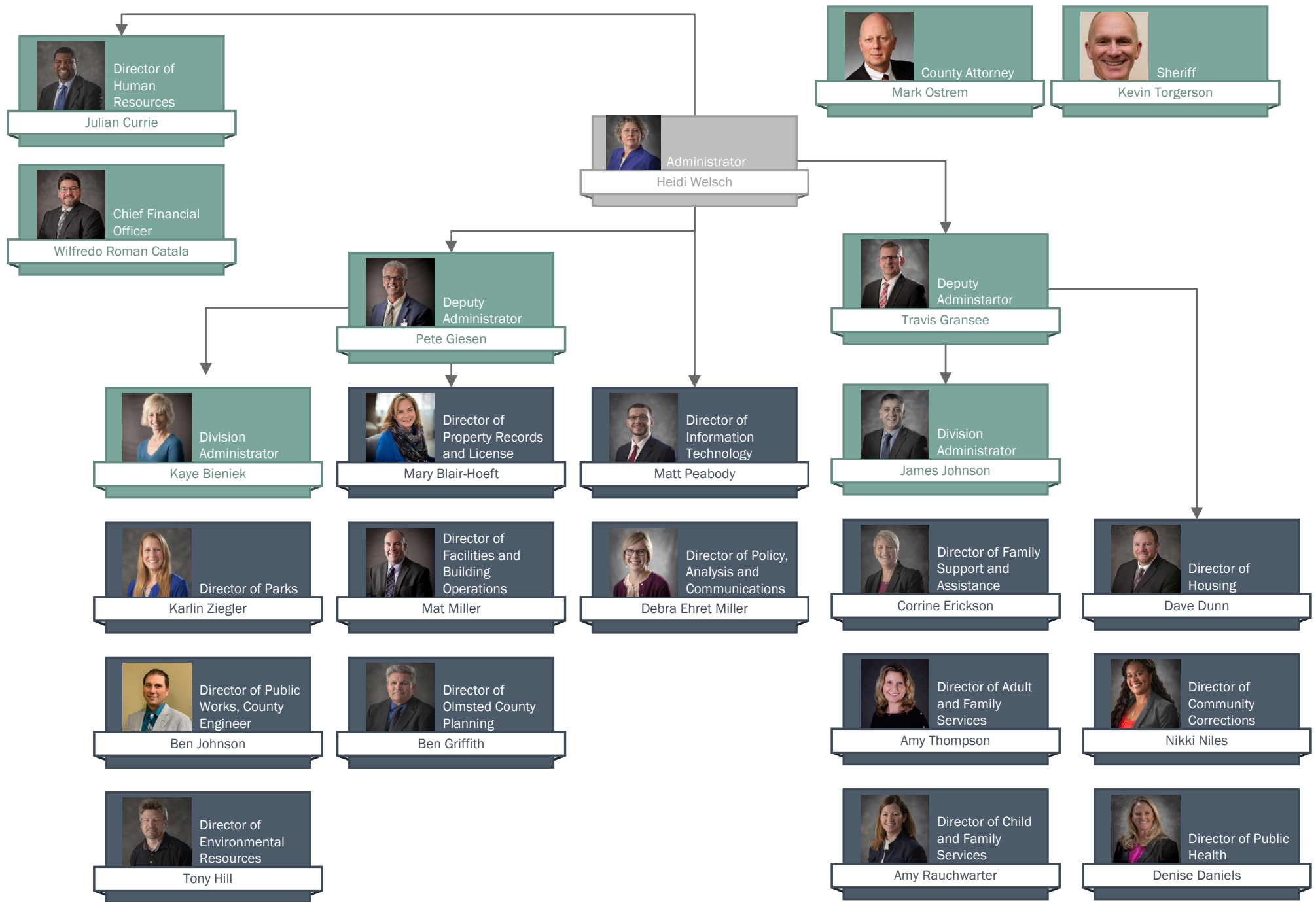
OFFICE	NAME	TERM EXPIRES	TELEPHONE	E-MAIL
Commissioners:				
1st District	Stephanie Podulke (1)	January 2025	282-2752	podulke.stephanie@co.olmsted.mn.us
2nd District	Ken Brown	January 2023	288-7134	brown.ken@co.olmsted.mn.us
3rd District	Gregg Wright	January 2025	216-7985	wright.gregg@co.olmsted.mn.us
4th District	Matt Flynn	January 2023	533-8758	flynn.matt@co.olmsted.mn.us
5th District	Jim Bier	January 2025	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 (2)	January 2025	696-7188	thein.mark@co.olmsted.mn.us
Officers:				
Elected:				
Attorney	Mark Ostrem	January 2023	328-7600	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, Public Works, and Environmental Resources	Pete Giesen	Indefinite	328-7434	giesen.pete@co.olmsted.mn.us
Division Administrator: Public Works	Kaye Bieniek	Indefinite	328-7047	bienieke.kaye@co.olmsted.mn.us
Public Works Director	Benjamin Johnson	Indefinite	328-7054	johnson.benjamin@co.olmsted.mn.us
Parks Director	Karlin Ziegler	Indefinite	328-7086	ziegler.karlin@co.olmsted.mn.us
Environmental Resources Director	Tony Hill	Indefinite	328-7008	hill.tony@co.olmsted.mn.us
Property Records and Licensing Director	Mary Blair-Hoeft	Indefinite	328-7646	blairhoeft.mary@co.olmsted.mn.us
Facilities and Building Operations Director	Mathew Miller	Indefinite	328-6722	miller.mathew@co.olmsted.mn.us
Planning Director	Ben Griffith	Indefinite	325-7123	griffith.ben@co.olmsted.mn.us
Deputy Administrator: Health, Housing & Human Services; DFO	Travis Gransee	Indefinite	328-7201	gransee.travis@co.olmsted.mn.us
Division Administrator: Health, Housing & Human Services; DFO	James Johnson	Indefinite	328-7239	johnson.james@co.olmsted.mn.us
Family Support and Assistance Director	Corrine Erickson	Indefinite	328-6644	erickson.corrine@co.olmsted.mn.us
Adult and Family Services Director	Amy Thompson	Indefinite	328-6352	thompson.amy@co.olmsted.mn.us
Child and Family Services Director	Amy Rauchwarter	Indefinite	328-6351	rauchwarter.amy@co.olmsted.mn.us
Housing Director	Dave Dunn	Indefinite	328-7143	dunn.dave@co.olmsted.mn.us
Community Corrections Director	Nikki Niles	Indefinite	328-7245	niles.nikki@co.olmsted.mn.us
Public Health Director	Denise Daniels	Indefinite	328-7468	daniels.denise@co.olmsted.mn.us
Director of Policy, Analysis and Communication	Debra Ehret Miller	Indefinite	213-7866	ehretmiller.debra@co.olmsted.mn.us
Information Systems Director	Matthew Peabody	Indefinite	328-7779	peabody.matthew@co.olmsted.mn.us
Chief Financial Officer	Wilfredo Roman-Catala	Indefinite	328-7499	catala.wilfredo@co.olmsted.mn.us
Human Resources Director	Julian Currie	Indefinite	328-6015	currie.julian@co.olmsted.mn.us

(1) Chair of Board of Commissioners for 2021

(2) Chair of Board of Commissioners for 2022

Stephanie Podulke

Mark Thein





SECTION II FINANCIAL SECTION

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Independent Auditors' Report

To the Board of County Commissioners of
Olmsted County

Report on the Audit of the Financial Statements

Opinions

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 (the County), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, based on our 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 the County as of December 31, 2021 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.

We did not audit the financial statements of the Olmsted County Housing and Redevelopment Authority, a major enterprise fund, which represents 16 percent, 18 percent, and 30 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 opinions, insofar as it relates to the amounts included for the Olmsted County Housing and Redevelopment Authority, are based solely on the report of the other auditors.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and GAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information, as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We 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 the 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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 8, 2022 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Baker Tilly US, LLP". The signature is written in a cursive, flowing style.

Minneapolis, Minnesota
June 8, 2022

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, 2021. 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 6-14 of this report.

Financial Highlights

At December 31, 2021, the county's government-wide assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$388.2 million (net position). Deferred outflows and inflows are defined on page 57 of this report in the notes to the financial statements.

Net position consists of:

- \$242.3 million, or 62% of total net position represents the county's net investment in capital assets.
- \$26.1 million, or 7% of total net position is restricted by specific statutory requirements or external commitments.
- \$119.8 million, or 31% 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 \$26.7 million. Governmental activities net position increased \$23.4 million and business-type activities increased \$3.3 million.

Olmsted County's capital assets increased \$8.7 million in 2021. The primary reason for the increase in capital assets is an \$3.3 million increase in land, \$3.1 million increase in buildings, \$3.0 million increase in software, and \$5.7 million increase in construction in progress offset by a \$5.2 million decrease in infrastructure and a \$1.4 million decrease in equipment.

Olmsted County's total debt outstanding increased \$15.3 million in 2021. The county issued bonds and mortgages totaling \$31.0 million. Debt payments in 2021 totaled \$15.8 million.

At December 31, 2021, the county's governmental funds combined assets and deferred inflows of resources exceeded its liabilities and deferred outflow of resources by \$126.9 million (fund balance).

Governmental fund balance consists of:

- \$3.4 million, or 3% of total government fund balance is nonspendable.
- \$18.8 million, or 15% of total governmental fund balance is restricted for specific purposes.
- \$104.7 million, or 82% 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 \$6.5 million. The General Fund, Debt Service Fund, and Capital Projects Fund, fund balance increased \$8.8 million, \$7.9 million, and \$1.3 million, respectively and the Infrastructure Fund and Health and Human Service Fund, fund balances decreased \$11.1 million and \$394 thousand, respectively.

Olmsted County will receive an estimated \$30.8 million in a Coronavirus State and Local Fiscal Recovery Funds allocation. In 2021, the county received \$15.4 million and used \$8.0 million primarily on providing government services to the extent of revenue loss due to the COVID-19 pandemic as calculated based on the year end December 31, 2020, Annual Comprehensive Financial Report.

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 40 and 41 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 42 and 43 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 42, and the statement of revenues, expenditures, and changes in fund balance, on page 44.

Olmsted County has six governmental funds which are all considered to be major funds: General, Infrastructure, Health and Human Services, American Rescue Plan Act, Debt Service, and Capital Projects.

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.

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 45-47 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 48 and 49 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 51 - 102 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 104-121 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 \$388.2. million as of December 31, 2021.

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
	2020	2021	2020	2021	2020	2021	Change	Change
Current and other assets	\$ 221,097	\$ 236,391	\$ 49,087	\$ 68,067	\$ 270,184	\$ 304,458	\$ 34,274	13%
Capital assets	283,513	293,313	97,725	96,648	381,238	389,961	8,723	2%
Total assets	\$ 504,610	\$ 529,704	\$ 146,812	\$ 164,715	\$ 651,422	\$ 694,419	\$ 42,997	7%
Total deferred outflows	\$ 12,423	\$ 50,064	\$ 553	\$ 2,678	\$ 12,976	\$ 52,742	\$ 39,766	306%
Current liabilities	\$ 16,618	\$ 23,657	\$ 3,587	\$ 2,683	\$ 20,205	\$ 26,340	\$ 6,135	30%
Noncurrent liabilities	193,161	176,588	78,756	93,510	271,917	270,098	(1,819)	-1%
Total liabilities	\$ 209,779	\$ 200,245	\$ 82,343	\$ 96,193	\$ 292,122	\$ 296,438	\$ 4,316	1%
Total deferred inflows	\$ 10,462	\$ 59,326	\$ 333	\$ 3,222	\$ 10,795	\$ 62,548	\$ 51,753	479%
Net Position:								
Net investment in capital assets	\$ 192,229	\$ 204,900	\$ 37,236	\$ 37,420	\$ 229,465	\$ 242,320	\$ 12,855	6%
Restricted	15,867	17,320	9,079	8,720	24,946	26,040	1,094	4%
Unrestricted	88,696	97,977	18,374	21,838	107,070	119,815	12,745	12%
Total net position	\$ 296,792	\$ 320,197	\$ 64,689	\$ 67,978	\$ 361,481	\$ 388,175	\$ 26,694	7%

The largest portion of the county's net position reflects the net investment in capital assets (e.g. land, roads and bridges, buildings, equipment, and 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*.

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 \$26.7 million, an increase of 7% from the 2020 net position.

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

	Governmental activities		Business-type activities		Total		Percent Change	Percent Change
	2020	2021	2020	2021	2020	2021		
Revenues								
<u>Program revenues:</u>								
Charges for services	\$ 29,119	\$ 29,640	\$ 29,173	\$ 30,576	\$ 58,292	\$ 60,216	\$ 1,924	3%
Operating grants and contributions	55,051	55,866	8,579	6,468	63,630	62,334	(1,296)	-2%
Capital grants and contributions	4,540	4,367	-	-	4,540	4,367	(173)	-4%
<u>General revenues and special item:</u>								
Property taxes	106,792	106,960	3,517	3,752	110,309	110,712	403	0%
Sales taxes	14,378	16,283	-	-	14,378	16,283	1,905	13%
Wheelage taxes	1,398	1,450	-	-	1,398	1,450	52	4%
Unrestricted grants	27,915	16,317	-	-	27,915	16,317	(11,598)	-42%
Investment income	3,985	(1,018)	295	223	4,280	(795)	(5,075)	-119%
Other	126	149	305	204	431	353	(78)	-18%
Total revenues	\$ 243,304	\$ 230,014	\$ 41,869	\$ 41,223	\$ 285,173	\$ 271,237	\$(13,936)	-5%
Expenses								
General government	\$ 26,536	\$ 20,291	\$ -	\$ -	\$ 26,536	\$ 20,291	\$ (6,245)	-24%
Public safety	55,038	57,451	-	-	55,038	57,451	2,413	4%
Conservation of natural resources	1,316	1,343	-	-	1,316	1,343	27	2%
Highways and streets	27,821	28,584	-	-	27,821	28,584	763	3%
Health	13,689	13,560	-	-	13,689	13,560	(129)	-1%
Human services	78,533	77,292	-	-	78,533	77,292	(1,241)	-2%
Culture and recreation	5,894	5,942	-	-	5,894	5,942	48	1%
Interest on long-term debt	2,494	2,374	-	-	2,494	2,374	(120)	-5%
Waste management	-	-	23,597	23,910	23,597	23,910	313	1%
Sanitary sewer	-	-	124	131	124	131	7	6%
Communications	-	-	1,322	1,800	1,322	1,800	478	36%
HRA	-	-	10,789	11,805	10,789	11,805	1,016	9%
Other	60	60	-	-	60	60	-	0%
Total expenses	\$ 211,381	\$ 206,897	\$ 35,832	\$ 37,646	\$ 247,213	\$ 244,543	\$ (2,670)	-1%
Excess (Deficiency) of Revenues over Expenses	\$ 31,923	\$ 23,117	\$ 6,037	\$ 3,577	\$ 37,960	\$ 26,694	\$ (11,266)	-30%
Transfers	233	288	(233)	(288)	-	-	-	-
Extraordinary gain caused by fire	-	-	143	-	143	-	(143)	-100%
Change in net position	\$ 32,156	\$ 23,405	\$ 5,947	\$ 3,289	\$ 38,103	\$ 26,694	(11,409)	-30%
Net position - beginning	\$ 264,635	\$ 296,791	\$ 58,742	\$ 64,689	\$ 323,377	\$ 361,480	\$ 38,103	12%
Net position - ending	\$ 296,791	\$ 320,196	\$ 64,689	\$ 67,978	\$ 361,480	\$ 388,174	\$ 26,694	7%

Governmental Activities

Net position in governmental activities increased \$23.4 million (8%).

Program revenues are \$89.9 million and general revenues are \$140.1 million for total revenues of \$230.0 million. Program expenses total \$206.9 million. Net transfers with business-type activities are \$288 thousand. This results in a \$23.4 million increase in net position.

Charges for services increased \$521 thousand (2%). Significant changes from 2020 to 2021 include:

- Public safety charges for services increased \$732 thousand. This increase is primarily due to Community Corrections charges for services for employees contracted to the Dodge-Fillmore-Olmsted Community Correction (DFO) joint powers board increasing \$499 thousand. The increase was to cover two additional contracted employees and to cover increased costs of the existing contracted employees.
- General government charges for services decreased \$483 thousand primarily due to the allocation of internal service fund revenues for activities related to external customers decreasing \$770 thousand. In the government-wide statement of activities, internal service fund revenues for activities related to external customers is allocated to governmental activities general government charges for services. See the proprietary fund section below for more details on internal service funds.
- Various other smaller increases and decreases make up the remaining change.

Operating grants and contributions increased \$815 thousand (1%). Significant changes from 2020 to 2021 include:

- General government operating grants increased \$2.1 million primarily due to receiving a \$3.2 million business assistance grant from the State of Minnesota for business loans, offset by a \$510 thousand decrease in operating grants from the State of Minnesota received for the primary presidential election in 2020.
- Health operating grants increased \$1.4 million primarily due to receiving \$1.2 million in federal grants to help with the COVID-19 pandemic response, Immunization Cooperative Agreements (\$736 thousand) and Epidemiology and Laboratory Capacity for Infectious Diseases (\$467 thousand).
- Culture and recreation operating contributions increased \$1.0 million due to receiving \$1.2 million of additional contributions from the Rochester Youth Hockey Association, Rochester Public School District, and City of Rochester to pay off G.O. Crossover Refunding Bonds, 2012B which financed an ice area at [Graham Park](#).
- Highway and streets operating grants decreased \$2.4 million primarily due to receiving \$1.4 million less in Flood Disaster Aid and \$852 thousand less in State Highway Aid due to a decrease in state fuel revenue caused by the COVID-19 pandemic.
- Human service operating grants decreased \$1.3 million primarily due to receiving a \$867 thousand COVID-19 Housing Assistance Program (CHAP) grant in 2020.
- Various other smaller increases and decreases make up the remaining change.

Capital grants and contributions decreased \$173 thousand (4%). Significant changes from 2020 to 2021 include:

- Highway and streets capital grants decreased \$2.3 million due to receiving a federal grant in 2020 for the reconstruction of county state aid highway (CSAH) 9.
- Human services capital grants increased due to receiving \$792 thousand more in grant funds in 2021 from the Minnesota Department of Human Services for the construction of the [Southeast Regional Crisis Center](#) than in 2020.
- Culture and recreation capital grants increased \$1.4 million due to receiving a grant from the State of Minnesota for the construction of a new [Oxbow Park Nature Center and Zollman Zoo entryway](#).

The **property tax** collections were at par with the budgeted increase of 0%.

Sales tax collections increased \$1.9 million (13%) due to the local economy opening back up as concerns about the COVID-19 pandemic begin to subside.

Unrestricted state aids and grants decreased \$11.6 million (42%) due to receiving \$19.5 million in Coronavirus Relief Funds in 2020, offset receiving a \$8.0 million in Coronavirus State and Local Fiscal Recovery Funds in 2021.

Investment income decreased \$5.0 million (126%) due to the change in fair value of cash and investments resulting in an unrealized loss due to the market conditions brought on by the COVID-19 pandemic.

General government expenses decreased \$6.2 million (24%). General government activities include the Board of Commissioners, administration, property, records, licensing, planning, data practices, staff development, and other. Significant changes from 2020 to 2021 include:

- Disposal of capital assets expense decreased \$4.0 million.
- Coronavirus Relief expenses to aid small business and non-profits decreased \$1.2 million.
- Election expenses decreased \$1.2 million due to the 2020 election.
- In the government-wide statement of activities, internal service fund expenses for activities related to external customers is allocated to governmental activities general government expense. The allocation of internal service fund expenses for activities related to external customers decreased \$760 thousand. See the proprietary fund section below for more details on internal service funds.
- In the government-wide statement of activities, internal service fund operating income or loss from internal activities is allocated to governmental activities expense to eliminate internal revenues and expenses. The allocation of internal service fund operations to general government expenses increased \$1.6 million due to the internal service funds having a \$2.5 million operating income in 2020 and \$3.0 million in operating loss in 2021. See the proprietary fund section below for more details on internal service funds.
- Various other smaller increases and decreases make up the remaining change.

Public safety expenses increased \$2.4 million (4%). Public Safety activities include law enforcement, adult detention center, community corrections, County Attorney's Office, coroner, district courts, and law library. Significant changes from 2020 to 2021 include:

- Personnel costs in the Adult Detention Center increased \$430 thousand due to an increase of 3 full-time equivalents in late 2020, an increase of 1 additional full-time equivalent in mid-2021, and cost of living and performance increases.
- Personnel costs in the Law Enforcement Center increased \$660 thousand due to an increase in overtime and cost of living and performance increases.
- Personnel costs in Community Corrections increased \$598 thousand due to an increase of 5 full-time equivalent and cost of living and performance increases.
- In the government-wide statement of activities, internal service fund operating income or loss from internal activities is allocated to governmental activities expense to eliminate internal revenues and expenses. The allocation of internal service fund operations to public safety expenses increased \$1.4 million due to the internal service funds having a \$2.5 million operating income in 2020 and \$3.0 million in operating loss in 2021. See the proprietary fund section below for more details on internal service funds.
- Changes in pension related deferred outflow, liability, and deferred inflows decreased expenses by \$1.4 million.
- Various other smaller increases and decreases make up the remaining change.

Highways and streets expenses increased \$763 thousand (3%). Highway and streets activities include surveying, maintenance, construction, and equipment maintenance and shops. Significant changes from 2020 to 2021 include:

- [Destination Medical Center](#) costs increased \$3.0 million. Olmsted County did not make a payment to the City of Rochester for Destination Medical Center in 2020.
- Road preservation project costs decreased \$1.2 million.
- Flood damage road repair costs decreased \$519 thousand.
- Transportation building maintenance project costs decreased \$494 thousand.

Human services expenses decreased \$1.2 million (2%). Human services program activities include income maintenance, social services, support services, and veterans' services. Significant changes from 2020 to 2021 include:

- COVID-19 emergency assistance and response costs decreased by \$1.5 million.
- COVID-19 Housing Assistance Program (CHAPS) grant costs decreased \$867 thousand.
- Internal Service Fund charges decreased \$558 thousand primarily due to reductions in rent and Information Technology Systems (ITS) costs.
- Changes in pension related deferred outflow, liability, and deferred inflows decreased expenses by \$513 thousand.
- Personnel costs increased \$689 thousand due to cost of living and performance increases.
- In the government-wide statement of activities, internal service fund operating income or loss from internal activities is allocated to governmental activities expense to eliminate internal revenues and expenses. The allocation of internal service fund operations to human service expenses increased \$1.8 million due to the internal service funds having a \$2.5 million operating income in 2020 and \$3.0 million in operating loss in 2021. See the proprietary fund section below for more details on internal service funds.
- Various other smaller increases and decreases make up the remaining change.

Business-Type Activities

Net position in business-type activities increased \$3.3 million (5%).

Program revenues are \$37.0 million and general revenues are \$4.2 million for total revenues of \$41.2 million. Program expenses total \$37.6 million. Net transfers with governmental activities are (\$288) thousand. This results in a \$3.3 million increase in net position.

Charges for services increased \$1.4 million (5%) primarily due to an \$1.6 million increase in the Waste Management Funds due to the economy opening back up as concerns about the COVID-19 pandemic begin to subside.

Operating grants and contributions decreased \$2.1 million (25%) primarily due to the Olmsted County HRA receiving \$1.0 million less funds for the Housing Choice Voucher Program and \$1.2 million less in Coronavirus Relief Funds and the Emergency Service Program grant.

Communication expenses increased \$479 thousand (36%) primarily due to the payout of \$625 thousand to consortium members in anticipation of the fund closure.

Olmsted County HRA expenses increased \$1.0 million (9%) primarily due to a \$600 thousand increase in Housing Choice Voucher Program expenses. This increase in expense is due to an increase in the number of clients in need and an increase in average housing rent cost.

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)			
	2020	2021	Change
Fund Balances:			
Nonspendable	\$ 3,414	\$ 3,439	\$ 25
Restricted	19,391	18,767	(624)
Assigned	50,467	54,684	4,217
Unassigned	47,211	50,049	2,838
Total Fund Balances	<u>\$ 120,483</u>	<u>\$ 126,939</u>	<u>\$ 6,456</u>
 Total Operating Revenues	 \$ 231,377	 \$ 226,119	 \$ (5,258)
 Assigned and Unassigned Fund Balance as % of Operating Revenues	 42%	 46%	

The county's total fund balance in the governmental funds as of December 31, 2021, is \$126.9 million, an increase of \$6.5 million (5%) from 2020.

Fund balance in the **General Fund** increased \$8.8 million. Significant factors contributing to the increase in fund balance include:

- Coronavirus State and Local Recovery Funds were used in place of property taxes to provide government services to the extent of revenue loss due to the COVID-19 pandemic in the amount of \$7.8 million. These government services would have otherwise been tax levy funded.
- Parks operations moved from the Infrastructure Fund to the General Fund resulting in a \$2.9 million transfer from the Infrastructure Fund.
- Planned for a \$1.3 million increase in fund balance for future debt service payments.
- The change in fair value of cash and investments resulted in \$2.7 million unrealized loss.
- Planned for a \$500 thousand decrease in fund balance for the purchase of Sheriff's squads.

Fund balance in the **Infrastructure Fund** decreased \$11.1 million. Significant factors contributing to the decrease include:

- Parks operations moved from the Infrastructure Fund to the General Fund resulting in a \$2.9 million transfer to the General Fund.
- Debt service activity previously accounted for in the Infrastructure Fund was moved to the Debt service Fund resulting in a \$8.7 million transfer to the Debt Service Fund.
- Some capital projects and equipment activity previously accounted for in the Infrastructure Fund was moved to the Capital Projects Fund resulting in a \$6.8 million transfer to the Capital Projects Fund.
- Construction expenditures of \$900 thousand were a planned use of reserves.
- Right-of-way expenditures were more than planned by \$520 thousand.
- Revenues deferred due to availability decreased \$2.7 million from the prior year.
- Local Option Sales Tax (LOST) revenue was \$2.1 million more than planned.
- Consulting expenditures on projects were \$1.2 million less than planned.
- Unspent State Aid Construction Allotment funds resulted in a \$1.0 million increase in reserves.

- Purchase of service and supplies expenditures were \$848 thousand less than planned due to fewer equipment breakdowns, fewer significant snow events, and no major flood damage.
- Salaries and benefits expenditures were \$422 thousand less than planned due to extended vacancies, rehiring at lower salaries, and employee changing benefit selections.
- The remaining net change in fund balance is made of smaller items.

Fund balance in the **Health and Human Services Fund** decreased \$394 thousand. Significant factors contributing to the decrease include:

- Revenues deferred due to availability increased \$1.3 million from the prior year.
- Federal Administrative Aid social service time study (SSTS) revenue was less than planned by \$1.1 million due to the State of Minnesota redefining their random moments time study response choices.
- Foster care and other child placement expenditures were \$1.1 million more than planned due to court cases being backlogged due to the COVID-19 pandemic. This increase in expenditures was offset by a \$325 thousand increase in foster care intergovernmental revenue.
- Detox expenditures were \$546 thousand more than planned due to a delay in the State of Minnesota's new withdrawal management plan.
- Received an unplanned COVID-19 vaccine planning and implementation grant in the amount of \$961 thousand. This grant covered salaries and benefits that otherwise would have been tax levy funded.
- Children's targeted case management (TCM) revenue was more than planned by \$839 thousand due to higher reimbursement rates.
- Staff development, mileage, and employability expenditures were \$531 thousand less than planned due to the COVID-19 pandemic.
- Consolidated chemical dependency treatment fund (CCDTF) expenditures were \$404 thousand less than planned due to facilities being incentivized to get eligible clients on medical assistance to get reimbursed at higher rates.
- The remaining net change in fund balance is made of smaller items.

Fund balance in the **American Rescue Plan Act Fund** increased \$50.

Fund balance in the **Debt Service Fund** increased \$7.9 million. Significant factors contributing to the increase include:

- Issuance of 2021A Crossover Refunding Bonds in the amount of \$2.8 million to pay off the 2012A Crossover Refunding Bonds on February 1, 2022.
- Debt service activity previously accounted for in the Infrastructure Fund was moved to the Debt Service Fund resulting in a \$8.7 million transfer from the Infrastructure Fund. Of this \$8.7 million transfer, \$3.6 million was used for current year principal and interest expenditures.

Fund balance in the **Capital Projects Fund** increased \$1.3 million. Significant factors contributing to the increase include:

- Capital project and equipment activity previously accounted for in the Infrastructure Fund was moved to the Capital Projects Fund resulting in a \$8.0 million transfer from the Infrastructure Fund. Of this \$8.0 million transfer, \$6.7 million was used for current year capital expenditures.

At year-end 2021, the governmental funds have a **combined assigned and unassigned fund balance ("available")** of \$104.7 million. This is 46% of the \$226.1 million revenues in those funds, which is 4% higher than 2020. 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 Minnesota 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. It is Olmsted County practice to maintain a combined governmental funds unrestricted fund balance around 42.5% of operating revenues.

Olmsted County has maintained bond ratings of Aaa and AAA from two national rating agencies, Moody's and Standard & Poor's (S&P), respectively. In January 2022, Moody's affirmed the Aaa rating citing the county's very large tax base anchored by the Mayo Clinic, healthy financial operations supporting strong reserves and liquidity, moderate debt and pension burdens, and solid wealth and income levels. In February 2020, S&P affirmed the AAA rating citing a very strong economy, extremely high reserves, very strong debt profile, and a strong institutional framework.

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 4: Olmsted County Proprietary Fund – Net Position

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

	Enterprise Funds			Internal Service Funds		
	2020	2021	Change	2020	2021	Change
Net Position:						
Net Investment in Capital Assets	\$ 37,236	\$ 37,420	\$ 184	\$ 26,649	\$ 30,145	\$ 3,496
Restricted	9,079	8,719	(360)	2,818	3,134	316
Unrestricted	18,375	21,839	3,464	33,202	29,565	(3,637)
Total Net Position	<u>\$ 64,690</u>	<u>\$ 67,978</u>	<u>\$ 3,288</u>	<u>\$ 62,669</u>	<u>\$ 62,844</u>	<u>\$ 175</u>

Enterprise fund total net position increased by \$3.3 million during the year.

The **Waste Management Fund** net position increased \$3.7 million due to favorable operating results. This increase is a \$1.2 million increase from the prior years \$2.5 million increase in net position. The increase from the prior year is primarily due to an increase in charges for services revenue of \$1.5 million due to increases in recycling rates, increases in hauler service charges, and the economy opening back up as concerns about the COVID-19 pandemic begin to subside.

The **Olmsted County Housing and Redevelopment Fund (HRA)** net position increased \$687 thousand. This increase is due to unspent current year tax levy of \$1.6 million offset by \$1.0 million decrease in federal Housing Choice Voucher Program funding from the U.S. Department of Housing and Urban Development.

The **Communications Fund** net position decreased \$1.1 million primarily due to the planned payout of the net position to consortium members in anticipation of the fund closure.

The **Sanitary Sewer Fund** net position decreased \$27 thousand.

Internal service fund total net position increased by \$175 thousand during the year.

The **Self-Insurance Fund** net position decreased \$3.5 million. The county planned a \$2.1 million decrease in the Self-Insurance Fund net position by charging users less than expected cost. Healthcare claims were \$2.9 million more than planned due to the insured "making up" for delayed services during the start of the COVID-19 pandemic, possibly more acute illness due to the delay, and two serious accidents requiring long-term hospitalization. These decreases were offset by a \$460 thousand unexpected reimbursement of surplus from the Workers Compensation Reinsurance Association (WCRA), receiving \$489 thousand more in user fees than planned, and various other smaller items.

The **Administrative Services Fund** net position increased \$690 thousand. Information Technology repair and maintenance expenses were \$423 thousand less than planned due to subscription cancellations, renegotiation of service contracts, and annual price increases not being as much as expected. Various other smaller items make up the remaining increase in net position.

The **Building Facilities Fund** net position increased \$3.0 million. The Building Facilities Fund received a \$2.9 million Southeast Regional Crisis Center Grant, and the related expenses were capitalized.

Fiduciary funds. The county maintains two fiduciary funds, a private-purpose trust fund and a custodial fund. The private-purpose 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 private-purpose trust fund net position is \$447 thousand, and the custodial funds net position is \$6.1 million at year end.

General Fund Budgetary Highlights

Original budget compared to final budget

The final amended budgeted revenues are \$4.7 million more than original budgeted revenues. This increase is primarily due to a \$3.6 million increase to the intergovernmental revenue budget and an \$880 thousand increase in the property tax revenue budget. The increase in the intergovernmental revenue budget is primarily for a \$3.2 million Business Assistance grant from the State of Minnesota for business loans. The remaining increase in the intergovernmental revenue budget was for various other small increases. The increase in the property tax revenue budget is due to a decrease in property tax allocation to the Health and Human Service Fund due to the Coronavirus State and Local Fiscal Recovery Funds grant covering some of the salaries in this fund.

The final amended budgeted expenditures are \$4.9 million more than the original budgeted expenditures. This increase is primarily due to a \$9.4 million increase in the public safety budget, offset by a \$4.8 million decrease in the other budget. A \$7.7 million expenditure budget for contributions to the Dodge-Fillmore-Olmsted Community Corrections Joint Powers Board and a \$417 thousand expenditure budget for district courts building rent was moved from the other budget to the public safety budget. The \$8.1 million decrease in the other budget mentioned above was offset by a \$3.5 million increase to provide the Rochester Area Economic Development, Inc and Rochester Area Foundation funds for business grants. The funds provided for business grants are comprised of the \$3.2 million Business Assistance grant noted above and a \$347 thousand county contribution. In addition to the \$8.1 million increase in the public safety budget mentioned above, there were increases for the carryover of 2020 budget for incomplete projects and restricted funds (\$681 thousand) and various other smaller items.

Final budget compared to actual results

Table 5: 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	\$ 56,027	\$ 56,057	\$ 30
Licenses and permits	1,273	1,333	60
Intergovernmental	14,123	14,538	415
Charges for services	14,938	15,267	329
Investment income	1,285	(1,466)	(2,751)
Other	1,121	869	(252)
Total Revenues	<u>\$ 88,767</u>	<u>\$ 86,598</u>	<u>\$ (2,169)</u>
Expenditures			
General government	\$ 14,439	\$ 14,034	\$ 405
Public safety	62,070	61,374	696
Conservation of natural resources	1,383	1,363	20
Culture and recreation	5,027	5,018	9
Other	6,114	4,188	1,926
Total Expenditures	<u>\$ 89,033</u>	<u>\$ 85,977</u>	<u>\$ 3,056</u>

The actual revenues are \$2.2 million less than the final amended budgeted revenues. Actual Intergovernmental revenue exceeded the final amended budget by \$415 thousand due to payments in lieu of taxes, market value credit, State of Minnesota PERA contributions, and E911 revenues being higher than expected. The actual Property, Records, and Licensing Department charges for services exceeded the final amended budget by \$465 thousand. Actual investment income was less than the budgeted amount by \$2.8 million primarily due to the market value change not being budgeted.

The actual expenditures are \$3.1 million less than the final amended budgeted expenditures. Actual general government expenditures were \$405 thousand less than the final amended budget primarily due to staff positions being vacant. Actual public safety expenditures were \$696 thousand less than the final budget due to various small items. Other expenditures were \$1.9 million less than the final amended budget due to budgeting for reserve build up for future cost.

Capital Assets and Debt Administration

Capital Assets. At the end of 2021, the county had invested \$390.0 million in a range of capital assets. Most 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
	2020	2021	2020	2021	2020	2021	2020-2021
Land	\$ 23,306	\$ 24,773	\$ 3,789	\$ 3,777	\$ 27,095	\$ 28,550	5.4%
Infrastructure land	37,235	39,116	-	-	37,235	39,116	5.1%
Infrastructure	138,004	132,850	1,581	1,554	139,585	134,404	-3.7%
Buildings	60,183	64,181	16,323	15,421	76,506	79,602	4.0%
Other improvements	3,496	3,890	836	652	4,332	4,542	4.8%
Equipment	9,752	9,180	72,378	71,549	82,130	80,729	-1.7%
Software	560	3,521	4	-	564	3,521	524.3%
Construction in progress	10,977	15,801	2,814	3,694	13,791	19,495	41.4%
Total	\$ 283,513	\$ 293,312	\$ 97,725	\$ 96,647	\$ 381,238	\$ 389,959	2.3%

Governmental activities net capital assets increased \$9.8 million. Major capital asset events during 2021 included:

- Land assets increased by \$1.5 million and includes non-depreciable site improvements at the former Seneca Foods site and demolition of structures for the purpose of preparing several parcels for future construction projects.
- Infrastructure Land assets increased by \$1.9 million with the acquisition of right-of-way for current and future road projects.
- The Infrastructure System had a total decrease of \$5.2 million. Transactions included an increase of \$1.5 million from a storm sewer improvement project and completed road projects and straight-line depreciation offset of \$6.7 million. There were no disposals. Approximately \$6.5 million was reinvested into the system, which includes \$6.2 million for road maintenance projects that are not capitalized.
- Building projects in the buildings asset category had a net increase of \$4.0 million. Completed projects totaled \$8.2 million and included a locker room remodel at Graham Arena, construction of a Mental Health Crisis facility, HVAC upgrades and completion of a 2nd floor shell in the Annex Building. Depreciation offset in this category was \$4.2 million. Dispositions netted to \$0.
- The Other improvements category realized a net increase of \$394 thousand. Additions of \$695 thousand included city sewer hook-up for Oxbow Park, a parking lot improvement at the Public Works Service Center and security fencing at the Government Center. The depreciation offset was \$301 thousand and dispositions netted to \$0.00.
- The Equipment category decreased by \$572 thousand. Equipment additions were \$1.7 million and included public safety and parks vehicles and heavy equipment for highways. Depreciation expense was \$2.1 million and asset dispositions had a book value of \$142 thousand.
- The Software category increased by \$3.0 million. Additions totaled \$3.7 million for ERP modules for Finance, Human Resources, Budgeting and Procurement. Depreciation expense in this category was \$668 thousand and asset dispositions netted to \$0.
- The Construction in progress category experienced an increase of \$4.8 million. Increases of \$18.8 million include road projects, construction work on the new Oxbow Nature Center, Lake Zumbro Park improvements, HVAC upgrades at the 4H Building, driveway at the Public Works Service Center, restrooms at the Regional Public Safety Training Center, ERP Software Modernization, construction work on the Mental Health Crisis Center, security fencing and HVAC upgrades at the Government Center and the addition of courtroom space. Decreases were \$14.0 million as projects were finished and put into use.

Business-type activities net capital assets decreased by \$1.1 million in 2021. Increases of \$6.1 million consisted of additions for a forklift at the Recycling Center, ash cell development at the Landfill and turbine replacement, steam condenser, boiler inlet and economizer, air compressor, CEMS analyzers and safety relief valve at the Waste-To-Energy Facility. Decreases of \$1.1 million occurred as construction in progress projects were completed and put into use. Depreciation offset was \$6.1 million and disposals netted to \$36 thousand.

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 \$175.5 million at the end of 2021, a \$15.3 million increase from 2020. 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	
	2020	2021	2020	2021	2020	2021
General obligation revenue bonds	\$ 1,660	\$ -	\$ 55,375	\$ 71,550	\$ 57,035	\$ 71,550
General obligation bonds	91,160	91,920	-	-	91,160	91,920
Mortgages payable	-	-	510	500	510	500
Deferred repayment mortgages	-	-	3,225	3,225	3,225	3,225
Deferred forgivable mortgages	-	-	8,277	8,278	8,277	8,278
Total	\$ 92,820	\$ 91,920	\$ 67,387	\$ 83,553	\$ 160,207	\$ 175,473

The county's total debt outstanding increased by \$15.3 million (10%) during the current year. New bonds totaling \$31.0 million were issued in 2021. In addition, there were bond payments of \$15.7 million.

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 \$600.6 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 2021 unemployment rate is 3.0%, a 2.4% decrease from 2020. The county's unemployment rate continues to be lower than the State of Minnesota and the national unemployment rate of 3.4% (2.8% decrease from 2020) and 5.8% (2.8% decrease from 2020), respectively. Refer to Schedule 14 of this report.
- The 2021 \$20.0 billion taxable market value of property increased from \$18.7 billion in 2020 and includes \$363.1 million of new construction. The estimated 2022 taxable market value of \$21.8 billion includes \$302.3 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.

- The Olmsted County Board of Commissioners adopted the county’s 2022 governmental funds budget on December 14, 2021, in the amount of \$247.0 million. This is a \$18.4 million (8%) increase from the 2021 budget. The Olmsted County 2022 levy was adopted at \$112.8 million, a \$5.2 million increase from 2021. The 2022 budget was balanced using \$6.6 million of reserves, including \$2.8 million from bond proceeds. The 2022 Olmsted County HRA levy was adopted at \$3.9 million, a \$100 thousand (2.6%) increase from 2021.
- The overall county tax rate is calculated by comparing the total tax levy to total market value. For 2022, the rate is \$5.17 per \$1,000 of market value, which is .8% lower than the 2021 rate of \$5.21 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.
- [Destination Medical Center](#) (DMC) is a 20-year and over \$5 billion economic development plan for a premier destination medical center in Rochester, Minnesota. The DMC economic development plan consists of private development by Mayo Clinic and other developers. It also includes public funding from the City of Rochester, Olmsted County, and the State of Minnesota. The Minnesota legislature approved drawing down State of Minnesota funds for the Destination Medical Center (DMC) economic development initiative when Mayo Clinic met a \$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 made a half-year payment to the City of Rochester in 2016, followed by four transfers of \$3.0 million per year in 2017, 2018, 2019, and 2021. The county and city agreed that no transfer was to take place in 2020. Olmsted County payments to the City of Rochester are funded with [sales tax](#) revenues.
- 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 2022 tonnage was budgeted at 115 thousand tons, up from 113 thousand tons budgeted in 2021. Although 115.3 thousand tons of waste were received in 2021 from both within and outside of Olmsted County, the county budgeted 2022 tonnage conservatively due to the current economic outlook and the impact the COVID-19 pandemic has had on the economy. In 2021, actual waste tonnage increased by 300 tons from 2020 mainly due to the changes the COVID-19 pandemic had on the economy as more people worked from home.
- The 2021-2025 Capital Improvement Plan totals \$351.8 million. Capital assets are funded by many types of revenue: intergovernmental (state and federal) at 15%, property taxes at 4%, [sales tax](#) and [wheelage tax](#) at 24%, bonded debt at 24%, and operating and other revenues funding 33%. Of the total 2021-2025 capital improvement program, 48% is for transportation construction, 20% for buildings and other improvements, 12% for Graham Park, 11% for solid waste, and 9% is for other capital improvement. The plan includes \$84.8 million funding by bonded debt, the largest projects being \$38.5 million to for Olmsted County judicial space renovation, \$18.8 million for a solid waste material recovery facility, \$6.8 million for Regional Public Safety Training Center improvements, \$7.0 million for County Road 101 reconstruction, and \$3 million for the 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 OPEB liability at the end of 2021 at \$10.5 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.

- For more highlights, please read the Transmittal Letter in the Introductory Section starting page 6.

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.



Basic Financial Statements

OLMSTED COUNTY
STATEMENT OF NET POSITION
DECEMBER 31, 2021

	Primary Government		
	Governmental	Business-Type	Total
	Activities	Activities	
ASSETS			
Cash, cash equivalents, deposits and investments	\$ 170,141,837	\$ 21,191,895	\$ 191,333,732
Cash and cash equivalents on deposit:			
OPEB	10,459,288	-	10,459,288
Accounts receivable, net	2,843,666	2,666,762	5,510,428
Delinquent taxes receivable	2,104,300	113,333	2,217,633
Accrued interest	746,229	62,163	808,392
Advances/loans	100,790	-	100,790
Internal balances	152,292	(152,292)	-
Notes, loans, and mortgages	-	25,178	25,178
Due from other governments	16,619,376	1,145,728	17,765,104
Inventories	712,623	1,994,466	2,707,089
Prepaid items	2,446,177	587,494	3,033,671
Restricted assets:			
Cash and investments restricted for:			
Debt service	8,644,456	5,843,631	14,488,087
HRA	-	414,800	414,800
Construction	6,412,080	3,225,265	9,637,345
Dedicated long-term environmental care trust	-	4,988,053	4,988,053
American rescue plan act	7,490,367	-	7,490,367
Law library - held by trustee	179,741	-	179,741
Refinancing escrow - held by trustee	6,842,736	24,014,775	30,857,511
HRA - held by trustee	-	479,698	479,698
Net pension asset	481,209	-	481,209
Other assets:			
Long-term loans	13,741	1,465,578	1,479,319
Capital assets not being depreciated:			
Land	63,889,274	3,776,542	67,665,816
Construction in progress	15,800,533	3,694,242	19,494,775
Capital assets, net of depreciation:			
Infrastructure	132,850,426	1,554,494	134,404,920
Buildings	64,181,089	15,420,937	79,602,026
Improvements other than buildings	3,890,489	651,864	4,542,353
Equipment	9,180,291	71,549,463	80,729,754
Software	3,520,517	-	3,520,517
Total capital assets	293,312,619	96,647,542	389,960,161
Total Assets	529,703,527	164,714,069	694,417,596
DEFERRED OUTFLOWS OF RESOURCES			
OPEB	1,442,868	-	1,442,868
Pension	48,621,624	2,648,756	51,270,380
Deferred charge on bonds	-	29,674	29,674
Total Deferred Outflows of Resources	50,064,492	2,678,430	52,742,922
LIABILITIES			
Accounts payable	4,980,046	944,440	5,924,486
Salaries payable	4,043,772	257,714	4,301,486
Contracts payable	3,063,290	136,092	3,199,382
Accrued interest payable	1,192,638	1,006,629	2,199,267
Other accrued liabilities	69,634	15,194	84,828
Due to other governments	1,532,476	151,773	1,684,249
Unearned revenue	8,775,351	170,925	8,946,276
Long-term liabilities:			
Due within one year	23,208,408	30,361,867	53,570,275
Due in more than one year	153,379,767	63,148,491	216,528,258
Total Liabilities	200,245,382	96,193,125	296,438,507
DEFERRED INFLOWS OF RESOURCES			
OPEB	150,843	-	150,843
Pension	59,022,762	3,157,046	62,179,808
Taxes collected for subsequent year	152,300	-	152,300
Deferred gain on refunding	-	64,660	64,660
Total Deferred Inflows of Resources	59,325,905	3,221,706	62,547,611
NET POSITION			
Net investment in capital assets	204,900,403	37,420,196	242,320,599
Restricted for:			
General government	1,467,298	-	1,467,298
Highways and streets	6,308,395	-	6,308,395
Public safety	678,357	-	678,357
Culture and recreation	551,945	-	551,945
Net pension asset	481,209	-	481,209
Debt service	7,832,473	4,976,842	12,809,315
Landfill closure	-	2,893,657	2,893,657
HRA	-	847,648	847,648
Unrestricted	97,976,652	21,839,325	119,815,977
Total Net Position	\$ 320,196,732	\$ 67,977,668	\$ 388,174,400

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

OLMSTED COUNTY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021

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	\$ 20,291,002	\$ 4,887,893	\$ 4,374,005	\$ -	\$ (11,029,104)		\$ (11,029,104)
Public safety	57,450,668	11,391,150	1,655,325	-	(44,404,193)		(44,404,193)
Conservation of natural resources	1,342,676	599,037	82,036	-	(661,603)		(661,603)
Economic development	60,000	-	-	-	(60,000)		(60,000)
Highways and streets	28,583,597	1,325,608	8,676,899	11,126	(18,569,964)		(18,569,964)
Health	13,560,370	1,587,294	4,930,573	-	(7,042,503)		(7,042,503)
Human services	77,292,113	8,803,534	34,388,437	2,868,255	(31,231,887)		(31,231,887)
Culture and recreation	5,942,101	1,045,460	1,758,244	1,487,951	(1,650,446)		(1,650,446)
Interest	2,373,610	-	-	-	(2,373,610)		(2,373,610)
Total governmental activities	<u>206,896,137</u>	<u>29,639,976</u>	<u>55,865,519</u>	<u>4,367,332</u>	<u>(117,023,310)</u>		<u>(117,023,310)</u>
Business-type activities:							
Waste Management Enterprise Fund	23,909,856	26,880,685	553,129	-		\$ 3,523,958	3,523,958
Communications Enterprise Fund	1,800,402	982,515	165	-		(817,722)	(817,722)
Olmsted County HRA	11,805,932	2,610,661	5,914,484	-		(3,280,787)	(3,280,787)
Sanitary Sewer Enterprise Fund	131,597	102,508	-	-		(29,089)	(29,089)
Total business-type activities:	<u>37,647,787</u>	<u>30,576,369</u>	<u>6,467,778</u>	<u>-</u>		<u>(603,640)</u>	<u>(603,640)</u>
Total	<u>\$ 244,543,924</u>	<u>\$ 60,216,345</u>	<u>\$ 62,333,297</u>	<u>\$ 4,367,332</u>	<u>(117,023,310)</u>	<u>(603,640)</u>	<u>(117,626,950)</u>
General Revenues							
Property taxes					106,960,388	3,751,768	110,712,156
Sales taxes					16,282,827	-	16,282,827
Wheelage taxes					1,449,602	-	1,449,602
Unrestricted state aids and grants					16,317,029	-	16,317,029
Payments in lieu of tax					113,265	-	113,265
Investment income (loss)					(1,018,446)	223,237	(795,209)
Miscellaneous					35,560	204,314	239,874
Transfers					<u>288,000</u>	<u>(288,000)</u>	<u>-</u>
Total General Revenues and Transfers					<u>140,428,225</u>	<u>3,891,319</u>	<u>144,319,544</u>
Change in Net Position					23,404,915	3,287,679	26,692,594
Net Position Beginning of Year					<u>296,791,817</u>	<u>64,689,989</u>	<u>361,481,806</u>
Net Position End of Year					<u>\$ 320,196,732</u>	<u>\$ 67,977,668</u>	<u>\$ 388,174,400</u>

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

OLMSTED COUNTY
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2021

		Special Revenue Funds						Total
	General Fund	Infrastructure Fund	Health and Human Services Fund	American Rescue Plan Act Fund	Debt Service Fund	Capital Projects Fund	Governmental Funds	
ASSETS								
Cash, deposits and investments	\$ 97,374,423	\$ 8,702,919	\$ 7,256,126	\$ 7,409,367	\$ 5,070,008	\$ 2,871,102	\$ 128,683,945	
Cash and investments held by trustee	179,741	-	-	-	2,818,523	-	2,998,264	
Accounts receivable, net	212,990	-	983,277	-	-	2,950	1,199,217	
Delinquent taxes	1,078,977	145,377	838,655	-	34,697	6,594	2,104,300	
Accrued interest	746,229	-	-	-	-	-	746,229	
Advances/loans	100,790	-	-	-	-	-	100,790	
Due from other funds	9,600	-	-	-	-	-	9,600	
Advances to other funds	479,000	-	-	-	-	-	479,000	
Due from fiduciary funds	1,002,257	-	40,002	-	-	-	1,042,259	
Due from other governments	1,166,506	4,554,683	8,688,128	-	43,581	1,487,951	15,940,849	
Inventories	-	712,623	-	-	-	-	712,623	
Prepaid items	2,174,758	3,695	68,943	-	-	-	2,247,396	
Total Assets	<u>\$ 104,525,271</u>	<u>\$ 14,119,297</u>	<u>\$ 17,875,131</u>	<u>\$ 7,409,367</u>	<u>\$ 7,966,809</u>	<u>\$ 4,368,597</u>	<u>\$ 156,264,472</u>	
LIABILITIES								
Accounts payable	\$ 739,524	\$ 830,295	\$ 1,492,058	\$ 1,775	\$ -	\$ 7,554	\$ 3,071,206	
Salaries payable	1,506,589	195,359	1,593,056	6,137	-	-	3,301,141	
Contracts payable	-	879,435	-	-	-	1,549,414	2,428,849	
Accrued liabilities	69,634	-	-	-	-	-	69,634	
Due to other funds	-	-	336,308	-	-	-	336,308	
Due to fiduciary funds	-	-	685,303	-	-	-	685,303	
Due to other governments	424,292	335,458	700,549	-	-	10,855	1,471,154	
Unearned revenue	431,077	415,702	220,337	7,401,405	-	-	8,468,521	
Total Liabilities	<u>3,171,116</u>	<u>2,656,249</u>	<u>5,027,611</u>	<u>7,409,317</u>	<u>-</u>	<u>1,567,823</u>	<u>19,832,116</u>	
DEFERRED INFLOWS OF RESOURCES								
Taxes collected for subsequent year	78,091	10,522	60,699	-	2,511	477	152,300	
Unavailable revenue - taxes	861,983	116,140	669,990	-	27,719	5,268	1,681,100	
Unavailable revenue - other	498,748	1,637,946	4,035,193	-	-	1,487,951	7,659,838	
Total Deferred Inflows of Resources	<u>1,438,822</u>	<u>1,764,608</u>	<u>4,765,882</u>	<u>-</u>	<u>30,230</u>	<u>1,493,696</u>	<u>9,493,238</u>	
FUND BALANCES								
Nonspendable	2,653,758	716,318	68,943	-	-	-	3,439,019	
Restricted	2,997,897	5,626,525	-	50	7,936,579	2,206,078	18,767,129	
Assigned	43,315,853	3,355,597	8,012,695	-	-	-	54,684,145	
Unassigned	50,947,825	-	-	-	-	(899,000)	50,048,825	
Total Fund Balances	<u>99,915,333</u>	<u>9,698,440</u>	<u>8,081,638</u>	<u>50</u>	<u>7,936,579</u>	<u>1,307,078</u>	<u>126,939,118</u>	
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 104,525,271</u>	<u>\$ 14,119,297</u>	<u>\$ 17,875,131</u>	<u>\$ 7,409,367</u>	<u>\$ 7,966,809</u>	<u>\$ 4,368,597</u>	<u>\$ 156,264,472</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	422,483,441
Accumulated depreciation on governmental funds capital assets	(192,502,359)
Deferred outflows of resources resulting from pension obligations are not reported in governmental funds	40,956,271
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.	62,843,492
Interest on long term liabilities is not due in the current period and, therefore, not reported in the funds.	(732,653)
Bonds payable are not due and payable in the current period and, therefore, not reported in the funds.	(55,682,485)
Debt issuance premiums are reported as revenues in the funds rather than deferred and amortized	(3,081,682)
The net pension asset does not relate to current financial resources and is not reported in governmental funds.	481,209
Revenue earned for receivables that are not currently available and reported as deferred inflows of resources in governmental funds	9,340,938
The net pension liability is not due and payable in the current period and, therefore, not reported in governmental funds.	(40,958,975)
Deferred inflows resulting from pension obligations are not due in the current period and, therefore not reported in governmental funds	(49,889,583)

Net Position of governmental activities \$ 320,196,732

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, 2021

	Special Revenue Funds						Total Governmental Funds
	General Fund	Infrastructure Fund	Health and Human Services Fund	American Rescue Plan Act Fund	Debt Service Fund	Capital Projects Fund	
Revenues:							
Property taxes	\$ 56,057,002	\$ 7,378,669	\$ 41,631,432	\$ -	\$ 1,752,139	\$ 332,746	\$ 107,151,988
Sales taxes	-	16,342,547	-	-	-	-	16,342,547
Wheelage taxes	-	1,449,602	-	-	-	-	1,449,602
Licenses and permits	1,333,150	-	802,632	-	-	-	2,135,782
Intergovernmental revenue	14,537,975	11,765,297	37,930,744	7,971,875	-	-	72,205,891
Charges for services	15,266,817	808,894	9,251,743	-	-	3,110	25,330,564
Fines and forfeits	13,872	-	-	-	-	-	13,872
Gifts and contributions	131,117	-	53,475	-	1,599,219	-	1,783,811
Investment income (loss)	(1,466,003)	-	-	-	28,430	38,178	(1,399,395)
Other	723,638	-	380,367	-	-	-	1,104,005
Total Revenues	<u>86,597,568</u>	<u>37,745,009</u>	<u>90,050,393</u>	<u>7,971,875</u>	<u>3,379,788</u>	<u>374,034</u>	<u>226,118,667</u>
Expenditures:							
Current							
General government	14,034,361	-	-	76,997	-	-	14,111,358
Public safety	61,374,129	-	-	19,976	-	-	61,394,105
Conservation of natural resources	1,363,391	-	-	-	-	-	1,363,391
Economic development	60,000	-	-	-	-	-	60,000
Highways and streets	-	30,429,075	-	-	-	-	30,429,075
Health	-	-	13,740,103	-	-	-	13,740,103
Human services	-	-	77,726,923	28,514	-	-	77,755,437
Culture and recreation	5,017,615	-	-	-	-	-	5,017,615
Other	4,127,773	-	-	-	-	-	4,127,773
Capital Outlay							
Highway and streets	-	-	-	-	-	3,126,226	3,126,226
Culture and recreation	-	-	-	-	-	4,048,374	4,048,374
Debt service							
Principal	-	-	-	-	5,251,565	-	5,251,565
Interest and fiscal charges	-	-	-	-	1,839,585	-	1,839,585
Total Expenditures	<u>85,977,269</u>	<u>30,429,075</u>	<u>91,467,026</u>	<u>125,487</u>	<u>7,091,150</u>	<u>7,174,600</u>	<u>222,264,607</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>620,299</u>	<u>7,315,934</u>	<u>(1,416,633)</u>	<u>7,846,388</u>	<u>(3,711,362)</u>	<u>(6,800,566)</u>	<u>3,854,060</u>
Other Financing Sources (Uses)							
Transfers in	10,052,270	-	1,228,505	-	8,814,069	8,041,418	28,136,262
Transfers out	(2,016,706)	(18,463,745)	(205,433)	(7,846,338)	-	-	(28,532,222)
Issuance of refunding debt	-	-	-	-	2,833,872	-	2,833,872
Sale of capital assets	97,966	-	-	-	-	66,226	164,192
Total Other Financing Sources (Uses)	<u>8,133,530</u>	<u>(18,463,745)</u>	<u>1,023,072</u>	<u>(7,846,338)</u>	<u>11,647,941</u>	<u>8,107,644</u>	<u>2,602,104</u>
Net change in fund balances	8,753,829	(11,147,811)	(393,561)	50	7,936,579	1,307,078	6,456,164
Fund Balances - Beginning	<u>91,161,504</u>	<u>20,846,251</u>	<u>8,475,199</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>120,482,954</u>
Fund Balances - Ending	<u>\$ 99,915,333</u>	<u>\$ 9,698,440</u>	<u>\$ 8,081,638</u>	<u>\$ 50</u>	<u>\$ 7,936,579</u>	<u>\$ 1,307,078</u>	<u>\$ 126,939,118</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, 2021

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

Net Change in fund balances - total governmental funds	\$ 6,456,164
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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.		175,020
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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 outlay is reported as an expenditure in the fund financial statements but is capitalized in the government-wide financial statements.	7,174,600	
Some items reported as current expenditures in the fund financial statements are capitalized in the government-wide financial statements.	10,153,902	
Disposal of capital outlays not reported as expenditures in the funds	(142,156)	
Depreciation expense related to the capital outlays reported as expenditures in the funds	(9,425,643)	7,760,703

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	(2,833,872)	
Repayment of bond principal reported as expenditures	5,251,565	2,417,693

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Change in net pension liability	15,165,518	
Change in net pension asset	481,209	
Change in deferred outflows	31,002,995	
Change in deferred inflows	(40,447,463)	
Change in accrued interest payable	391,450	6,593,709

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, 2020	(9,339,312)	
Revenues not reported in the governmental funds for the year ended December 31, 2021	9,340,938	1,626

Change in Net Position of governmental activities		\$ 23,404,915
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The notes to the financial statements are an integral part of this statement.

OLMSTED COUNTY
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2021

	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
ASSETS						
Current Assets:						
Cash and cash equivalents	\$ 12,616,933	\$ 303,748	\$ 8,183,067	\$ 88,147	\$ 21,191,895	\$ 58,937,501
Cash and cash equivalents on deposit:						
Restricted for debt service	5,610,350	-	233,281	-	5,843,631	3,574,448
HRA restricted cash	-	-	414,800	-	414,800	-
Restricted for construction	3,225,265	-	-	-	3,225,265	1,492,846
Designated for OPEB	-	-	-	-	-	10,459,288
Restricted investments held by trustee	24,014,775	-	479,698	-	24,494,473	4,024,213
Accounts receivable, net	2,517,254	-	137,358	12,150	2,666,762	602,190
Delinquent taxes	-	-	113,333	-	113,333	-
Notes, loans, and mortgages	-	-	25,178	-	25,178	-
Due from other funds	-	-	336,308	-	336,308	-
Due from other governments	766,684	26,878	352,166	-	1,145,728	678,527
Inventories	1,994,466	-	-	-	1,994,466	-
Prepaid items	433,190	-	154,304	-	587,494	198,781
Total Current Assets	51,178,917	330,626	10,429,493	100,297	62,039,333	79,967,794
Noncurrent Assets:						
Restricted Assets:						
Dedicated long-term environmental care trust	4,988,053	-	-	-	4,988,053	-
Other Assets:						
Accrued interest	-	-	62,163	-	62,163	-
Long-term loans	-	-	1,465,578	-	1,465,578	13,741
Total Other Assets	-	-	1,527,741	-	1,527,741	13,741
Capital Assets, net:						
Land	1,725,708	-	2,050,834	-	3,776,542	11,194,531
Building and structures	5,718,017	-	9,702,920	-	15,420,937	42,494,512
Improvements other than buildings	383,722	-	268,142	-	651,864	1,791,890
Equipment	71,312,331	30,382	206,750	-	71,549,463	2,116,735
Software	-	-	-	-	-	3,344,882
Infrastructure	-	-	-	1,554,494	1,554,494	1,214,736
Construction in progress	1,892,765	-	1,801,477	-	3,694,242	1,174,251
Total capital assets, net	81,032,543	30,382	14,030,123	1,554,494	96,647,542	63,331,537
Total Noncurrent Assets	86,020,596	30,382	15,557,864	1,554,494	103,163,336	63,345,278
Total Assets	137,199,513	361,008	25,987,357	1,654,791	165,202,669	143,313,072
DEFERRED OUTFLOWS OF RESOURCES						
OPEB	-	-	-	-	-	1,442,868
Pension	2,596,079	52,677	-	-	2,648,756	7,665,353
Deferred charges on bonds	-	-	29,674	-	29,674	-
Total Deferred Outflows of Resources	2,596,079	52,677	29,674	-	2,678,430	9,108,221
LIABILITIES						
Current Liabilities:						
Accounts payable and other current liabilities	360,568	20,749	550,134	12,989	944,440	1,223,537
Salaries payable	229,455	28,259	-	-	257,714	742,631
Contracts payable	136,092	-	-	-	136,092	634,441
Accrued interest payable	746,620	-	10,009	-	756,629	459,985
Due to other funds	-	-	-	9,600	9,600	-
Due to other governments	22,978	3,131	116,999	8,665	151,773	61,322
Unearned revenue	37,105	-	133,820	-	170,925	306,830
Compensated absences	383,623	7,675	-	-	391,298	7,110,359
Outstanding claims	-	-	-	-	-	2,188,049
Mortgages payable	-	-	10,569	-	10,569	-
Bonds payable	29,860,000	-	100,000	-	29,960,000	6,849,750
Total Current Liabilities	31,776,441	59,814	921,531	31,254	32,789,040	19,576,904
Noncurrent Liabilities:						
Accrued interest payable	-	-	250,000	-	250,000	-
Due to other funds	-	-	-	-	-	-
Tenant escrow	-	-	15,194	-	15,194	-
Total OPEB liability	-	-	-	-	-	10,459,289
Net pension liability	3,493,935	68,648	-	-	3,562,583	10,204,448
Compensated absences	536,886	12,960	-	-	549,846	8,134,543
Outstanding claims	-	-	-	-	-	665,500
Advances from other funds	-	-	123,900	355,100	479,000	-
Accrued closure and postclosure payable	2,094,396	-	-	-	2,094,396	-
Mortgages payable	-	-	11,992,197	-	11,992,197	-
Bonds payable	44,516,065	-	433,404	-	44,949,469	31,253,095
Total Noncurrent Liabilities	50,641,282	81,608	12,814,695	355,100	63,892,685	60,716,875
Total Liabilities	82,417,723	141,422	13,736,226	386,354	96,681,725	80,293,779
DEFERRED INFLOWS OF RESOURCES						
OPEB	-	-	-	-	-	150,843
Pension	3,094,078	62,968	-	-	3,157,046	9,133,179
Deferred gain on refunding	64,660	-	-	-	64,660	-
Total Deferred Inflows of Resources	3,158,738	62,968	-	-	3,221,706	9,284,022
NET POSITION						
Net investment in capital assets	33,580,991	30,382	2,254,329	1,554,494	37,420,196	30,144,663
Restricted for:						
Debt service	4,976,842	-	-	-	4,976,842	3,133,435
Landfill closure	2,893,657	-	-	-	2,893,657	-
HRA restrictions	-	-	847,648	-	847,648	-
Unrestricted	12,767,641	178,913	9,178,828	(286,057)	21,839,325	29,565,394
Total Net Position	\$ 54,219,131	\$ 209,295	\$ 12,280,805	\$ 1,268,437	\$ 67,977,668	\$ 62,843,492

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

OLMSTED COUNTY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021

	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	\$ 26,747,770	\$ 982,515	\$ 2,610,661	\$ 102,508	\$ 30,443,454	\$ 63,216,299
Intergovernmental operating grants	-	-	5,914,484	-	5,914,484	-
Other	132,915	-	-	-	132,915	821,411
Total Operating Revenues	26,880,685	982,515	8,525,145	102,508	36,490,853	64,037,710
Operating Expenses:						
Personnel services	7,528,529	145,708	1,652,763	-	9,327,000	23,128,950
Consultants and professional services	1,329,149	-	-	-	1,329,149	28,324,783
Repairs and maintenance	2,527,887	246,785	734,807	25,686	3,535,165	3,856,091
Other services and charges	2,827,954	944,952	2,887,883	7,137	6,667,926	4,680,109
Supplies	2,233,319	40,606	-	19	2,273,944	360,215
Utilities	557,837	390,648	236,555	56,424	1,241,464	2,144,975
Depreciation	5,605,307	31,703	443,534	26,440	6,106,984	4,562,371
Housing assistance payments	-	-	5,786,411	-	5,786,411	-
Landfill closure and postclosure expense	140,379	-	-	-	140,379	-
Total Operating Expenses	22,750,361	1,800,402	11,741,953	115,706	36,408,422	67,057,494
Operating Income (Loss)	4,130,324	(817,887)	(3,216,808)	(13,198)	82,431	(3,019,784)
Nonoperating Revenues (Expenses):						
Property taxes	-	-	3,751,768	-	3,751,768	-
Intergovernmental revenue	530,051	165	-	-	530,216	3,041,846
Gifts and contributions	23,078	-	-	-	23,078	-
Investment income	202,766	6,878	11,299	2,294	223,237	380,949
Gain (Loss) on disposal of capital assets	-	-	203,958	-	203,958	13,524
Interest expense	(1,027,766)	-	(63,623)	(15,891)	(1,107,280)	(902,099)
Bond issuance costs and fiscal charges	(131,729)	-	-	-	(131,729)	(23,376)
Total Nonoperating Revenues (Expenses)	(403,600)	7,043	3,903,402	(13,597)	3,493,248	2,510,844
Income (Loss) Before Transfers and Extraordinary Item	3,726,724	(810,844)	686,594	(26,795)	3,575,679	(508,940)
Transfers						
Transfers in	-	-	-	-	-	1,104,680
Transfers out	-	(288,000)	-	-	(288,000)	(420,720)
Total Transfers	-	(288,000)	-	-	(288,000)	683,960
Change in net position	3,726,724	(1,098,844)	686,594	(26,795)	3,287,679	175,020
Net position - beginning	50,492,407	1,308,139	11,594,211	1,295,232	64,689,989	62,668,472
Net position - ending	\$ 54,219,131	\$ 209,295	\$ 12,280,805	\$ 1,268,437	\$ 67,977,668	\$ 62,843,492

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, 2021

	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
Cash flows from operating activities:						
Receipts from customers and users	\$ 25,244,804	\$ 1,104,005	\$ 2,349,459	\$ 107,093	\$ 28,805,361	\$ 8,803,254
Receipts from transactions with other funds	1,192,527	-	-	-	1,192,527	53,998,819
Payments to suppliers	(10,038,741)	(1,446,431)	(9,797,405)	(64,802)	(21,347,379)	(33,487,733)
Payments to employees	(6,018,077)	(123,370)	(1,683,778)	-	(7,825,225)	(21,477,797)
Payments to other funds for services provided	(1,639,395)	(22,208)	-	(7,131)	(1,668,734)	(5,262,168)
Other receipts	132,915	-	5,380,195	-	5,513,110	821,411
Net cash flows from operating activities	8,874,033	(488,004)	(3,751,529)	35,160	4,669,660	3,395,786
Cash flows from noncapital financing activities:						
Property taxes	-	-	3,855,776	-	3,855,776	-
Payments on rehab loans	-	-	(51,388)	-	(51,388)	-
Gifts and contributions	23,078	-	-	-	23,078	-
Transfers in	-	-	-	-	-	889,938
Intergovernmental grants received	530,051	165	-	-	530,216	3,041,846
Transfers out	-	(288,000)	-	-	(288,000)	(205,978)
Net cash flows from noncapital financing activities	553,129	(287,835)	3,804,388	-	4,069,682	3,725,806
Cash flows from capital and related financing activities:						
Acquisitions of capital assets	(4,824,046)	-	(222,008)	-	(5,046,054)	(7,140,227)
Proceeds from sale of capital assets	-	-	269,042	-	269,042	33,724
Bond proceeds	24,145,000	-	-	-	24,145,000	4,046,128
Payments on bond issue costs and fiscal charges	(131,729)	-	-	-	(131,729)	(23,376)
Principal paid	(7,870,000)	-	(109,361)	(9,200)	(7,988,561)	(2,528,434)
Interest paid	(1,620,352)	-	(49,348)	(15,891)	(1,685,591)	(1,100,710)
Net cash flows from capital and related financing activities	9,698,873	-	(111,675)	(25,091)	9,562,107	(6,712,895)
Cash flows from investing activities:						
Interest on investments	202,766	6,878	11,299	2,294	223,237	380,949
Purchase of investments held by trustee	(24,014,775)	-	-	-	(24,014,775)	(4,024,213)
Net cash flows from investing activities	(23,812,009)	6,878	11,299	2,294	(23,791,538)	(3,643,264)
Net increase (decrease) in cash and cash equivalents	(4,685,974)	(768,961)	(47,517)	12,363	(5,490,089)	(3,234,567)
Cash and cash equivalents - January 1	31,126,575	1,072,709	9,358,363	75,784	41,633,431	77,698,650
Cash and cash equivalents - December 31	\$ 26,440,601	\$ 303,748	\$ 9,310,846	\$ 88,147	\$ 36,143,342	\$ 74,464,083
Displayed on Proprietary Funds Statement of Net Position as:						
Cash and cash equivalents	\$ 12,616,933	\$ 303,748	\$ 8,183,067	\$ 88,147	\$ 21,191,895	\$ 58,937,501
Cash and cash equivalents on deposit:						
Restricted for debt service	5,610,350	-	233,281	-	5,843,631	3,574,448
HRA restricted cash	-	-	894,498	-	894,498	-
Restricted for construction	3,225,265	-	-	-	3,225,265	1,492,846
Designated for OPEB	-	-	-	-	-	10,459,288
Restricted - dedicated long-term environmental care trust	4,988,053	-	-	-	4,988,053	-
Total cash and cash equivalents	\$ 26,440,601	\$ 303,748	\$ 9,310,846	\$ 88,147	\$ 36,143,342	\$ 74,464,083
Reconciliation of operating income (loss) to net cash flows from operating activities:						
Operating income (loss)	\$ 4,130,324	\$ (817,887)	\$ (3,217,164)	\$ (13,198)	\$ 82,075	\$ (3,019,784)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:						
Depreciation	5,605,307	31,703	443,534	26,440	6,106,984	4,562,371
Changes in pension amounts	(244,760)	(4,997)	-	-	(249,757)	(726,192)
Changes in OPEB amounts	-	-	-	-	-	(434,338)
Landfill closure and postclosure expense	140,379	-	-	-	140,379	-
(Increase) decrease in assets						
Accounts receivable	(146,251)	39,800	44,476	4,585	(57,390)	(461,191)
Due from other funds	-	-	(336,308)	-	(336,308)	-
Due from other governments	(162,972)	81,690	(197,981)	-	(279,263)	(60,368)
Long-term loans receivable	-	-	(216,026)	-	(216,026)	-
Inventories	162,121	-	-	-	162,121	-
Prepaid items	23,699	171,032	5,402	-	200,133	7,585
Increase (decrease) in liabilities						
Accounts payable and other current liabilities	(323,503)	(8,448)	(52,623)	12,275	(372,299)	284,461
Salaries payable	17,074	24,643	(31,015)	-	10,702	95,601
Contracts payable	(404,267)	-	-	-	(404,267)	39
Due to other governments	(20,645)	(8,232)	(104,172)	5,058	(127,991)	15,183
Outstanding claims	-	-	-	-	-	309,004
Total OPEB liability	-	-	-	-	-	1,131,155
Compensated absences	98,743	2,692	-	-	101,435	1,584,927
Unearned revenue	(1,216)	-	(89,652)	-	(90,868)	107,333
Total adjustments	4,743,709	329,883	(534,365)	48,358	4,587,585	6,415,570
Net cash flows from operating activities	\$ 8,874,033	\$ (488,004)	\$ (3,751,529)	\$ 35,160	\$ 4,669,660	\$ 3,395,786
Non-cash transaction information:						
The interest expense includes amounts for amortization of bond discounts and premiums and deferred amounts	\$ 645,733	\$ -	\$ (5,947)	\$ -	\$ 639,786	\$ 193,218
Contracts/accounts payable included in capital assets	(47,738)	-	-	-	(47,738)	538,754
Accounts Receivable consists of proceeds from sale of capital asset	-	-	-	-	-	20,200

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

OLMSTED COUNTY
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2021

	Representative Payee Private- Purpose Trust Fund	Custodial Funds
ASSETS		
Cash, deposits, and investments	\$ 446,857	\$ 10,504,974
Taxes receivable for other governments	-	4,305,979
Special assessments receivable	-	865,914
Accounts receivable, net	-	315,764
Due from other governments	-	289,105
Due from governmental funds	-	685,303
Prepaid items	-	7,087
Total Assets	<u>446,857</u>	<u>16,974,126</u>
LIABILITIES		
Accounts payable	-	3,023,366
Due to other governments	-	4,237,025
Due to governmental funds	-	1,042,259
Unearned revenue	-	204,535
Total Liabilities	<u>-</u>	<u>8,507,185</u>
DEFERRED INFLOWS OF RESOURCES		
Advanced contributions	<u>-</u>	<u>2,354,721</u>
NET POSITION		
Restricted for:		
Individuals, organizations, and governments	<u>\$ 446,857</u>	<u>\$ 6,112,220</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, 2021

	Representative Payee Private- Purpose Trust Fund	Custodial Funds
ADDITIONS		
Contributions:		
Individuals	\$ 2,485,445	\$ 368,921
Members	-	9,573,918
Others	-	421,477
Interest, dividends, other	-	75,156
Property tax collections for other governments	-	224,201,274
Special assessment collections for other organizations	-	5,825
Other tax collections for other governments	-	13,721,945
Grant collections for other governments and organizations	-	6,202,607
Fee collections for other governments and organizations	-	2,614,589
Fines and forfeits collections for other governments and organizations	-	351,761
Miscellaneous	-	2,105,574
Total additions	<u>2,485,445</u>	<u>259,643,047</u>
DEDUCTIONS		
Beneficiary payments to individuals	2,575,050	132,879
Payments of property tax to other governments	-	221,153,870
Payments to state	-	16,167,930
Administrative expenses	136,781	1,720,572
Payments to other entities	-	21,056,852
Total deductions	<u>2,711,831</u>	<u>260,232,103</u>
Net increase (decrease) in fiduciary net position	(226,386)	(589,056)
Net Position - Beginning	<u>673,243</u>	<u>6,701,276</u>
Net Position - Ending	<u>\$ 446,857</u>	<u>\$ 6,112,220</u>

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



Notes to the Financial Statement

OLMSTED COUNTY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

GUIDE TO NOTES

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OLMSTED COUNTY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

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.

OLMSTED COUNTY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

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 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 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.

OLMSTED COUNTY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

Proprietary funds use the accrual basis of accounting, the same basis as is used in the government-wide statements. This measurement focus is based upon determination of net income, financial position, and cash flows. 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.

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, sales, and wheelage tax revenues restricted, committed, or assigned for infrastructure, including highways and bridges construction and maintenance.
- 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.
- American Rescue Plan Act Special Revenue Fund – Used to account for revenues from the federal government for responding to the Coronavirus pandemic and its economic effects and to build a stronger, more equitable economy during the recovery.
- Debt Service Fund – Used to account for the servicing of general long-term debt not being financed by proprietary funds.
- Capital Project Fund – Used to account for the acquisition and construction of major capital assets not being financed by federal, state, sales tax, and wheelage tax revenues restricted for highways and bridges or by proprietary funds.

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.

OLMSTED COUNTY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

- Private Purpose Trust Fiduciary Fund – Used to account for representative payee collections and beneficiary payments.
- Custodial Fiduciary Funds – Used to account for assets controlled by the county that are for the benefit of individuals, private organizations, and/or other governments, including service bureau activities; tax, fee, other miscellaneous collections for the State of Minnesota; fee, writ of execution, mortgage foreclosure and redemption, inmate, and bail collections for individuals, organizations, or other governments; and property taxes collections for school districts, towns, and cities.

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, Expenses, 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, 2021, 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 \$1,711,523 for 2021, \$1,098,642 of which was not allocated to other funds. For 2021, a \$2,659,770 unrealized loss due to the change in fair value of cash and investments was reported in the operating statements in the General 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.

OLMSTED COUNTY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

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 based on 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. Mandatory segregations of assets are presented as restricted assets. Such segregations are required by bond agreements and other external parties.

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.

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.

OLMSTED COUNTY
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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 estimated 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.

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.

OLMSTED COUNTY
NOTES TO FINANCIAL STATEMENTS
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Government-wide statements and proprietary fund statements identify the other post-employment benefit (OPEB) liability 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 liability based on employee/employer paid health insurance premiums. Governmental funds contribute to the OPEB liability 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 \$2,094,396 reported as landfill closure and post-closure care liability at December 31, 2021, represents the cumulative amount reported to date based on the use of 40 percent of the estimated capacity of the landfill. The County will recognize the remaining \$3,185,971 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 2021. 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, 2021, the County has investments of \$4,988,053 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.

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.

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.

OLMSTED COUNTY
NOTES TO FINANCIAL STATEMENTS
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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. The government-wide statement of net position reports \$26,037,824 of restricted net position, of which \$11,828,916 is restricted by 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
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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	\$ 293,312,619	\$ 96,647,542	\$ 389,960,161
Less: debt			
Total bonds payable	(91,920,000)	(71,550,000)	(163,470,000)
Total bond premiums	(4,947,012)	(3,359,469)	(8,306,481)
Total mortgages payable	-	(12,002,766)	(12,002,766)
Total contracts payable - capital related	(2,680,766)	(136,092)	(2,816,858)
Total deferred gain on refunding	-	(64,660)	(64,660)
Total deferred charge on refunding (net)	-	29,674	29,674
Add back: non-capital related debt			
Various mortgages in HRA Enterprise Fund	-	730,702	730,702
Unused 2019A Bond proceeds	1,064,112	-	1,064,112
Unused 2020A Bond proceeds	2,893,119	3,225,265	6,118,384
Unused 2020B Bond proceeds	368,331	-	368,331
2021A Bonds Crossover refunding portion, not yet capital related	6,810,000	23,900,000	30,710,000
Net investment in capital assets	<u>\$ 204,900,403</u>	<u>\$ 37,420,196</u>	<u>\$ 242,320,599</u>

OLMSTED COUNTY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

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	\$ 180,475,514
Cash and pooled investments - restricted	22,546,903
Cash and investments held by trustee - restricted	7,022,477
Petty cash and change funds	125,611

Business-type activities

Cash and pooled investments	21,186,995
Cash and pooled investments - restricted	14,471,749
Investments held by trustee - restricted	24,494,473
Petty cash and change funds	4,900

Statement of fiduciary net position

Cash and pooled investments	10,901,931
Petty cash and change funds -custodial funds	49,900
	<u>\$ 281,280,453</u>

Deposits and Non-Negotiable Certificates of Deposit	\$ 37,909,770
Petty Cash	180,411
Investments	243,190,272
	<u>\$ 281,280,453</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, 2021, none of the County's deposits were subject to custodial credit risk.

OLMSTED COUNTY
NOTES TO FINANCIAL STATEMENTS
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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, 2021, the County's bank balances subject to collateralization totaled \$33,610,550. 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, 2021, 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, 2021, 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
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The following table presents the County's investment balances at December 31, 2021, 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 Bonds			54.3%	\$111,782,110
Fannie Mae	Aaa	Moody's	14.6%	30,091,552
Federal Farm Credit Bank	Aaa	Moody's	10.3%	21,162,435
Federal Home Loan Bank	Aaa	Moody's	10.9%	22,471,388
Freddie Mac	Aaa	Moody's	6.0%	<u>12,396,482</u>
Total U.S. Government Securities				197,903,967
Municipal Bonds				
Florida St Board of Education	Aaa	Moody's	1.4%	2,954,921
Wisconsin St Gen Fund	Aa2	Moody's	2.5%	<u>5,087,656</u>
Total Municipal Bonds				8,042,577
Mutual Funds				
Wells Fargo Advantage Government Money Market	Aaa-mf	Moody's	NA	<u>37,243,728</u>
Total Investments				243,190,272
Deposits				37,909,770
Petty Cash				<u>180,411</u>
Total Cash, Investments, and Agreements				<u><u>\$281,280,453</u></u>

OLMSTED COUNTY
NOTES TO FINANCIAL STATEMENTS
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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				
Fannie Mae	\$ 30,091,552	\$ 6,324,535	\$ 13,854,266	\$ 9,912,751
Federal Farm Credit Bank	21,162,435	11,056,856	10,105,579	-
Federal Home Loan Bank	22,471,388	6,036,528	12,986,565	3,448,295
Freddie Mac	12,396,482	2,501,623	9,894,859	
Treasury Bonds	111,782,110	56,132,540	39,512,773	16,136,797
Total U.S. Government Securities	197,903,967	82,052,082	86,354,042	29,497,843
Municipal Bonds				
Florida St Board of Education	2,954,921	-	2,954,921	-
Wisconsin State General Fund	5,087,656	-	5,087,656	-
Total Municipal Bonds	8,042,577	-	8,042,577	-
Total Investments	<u>\$205,946,544</u>	<u>\$ 82,052,082</u>	<u>\$94,396,619</u>	<u>\$ 29,497,843</u>
Reconciliation to Schedule of Deposits and Investments				
Amount from above	\$205,946,544			
Mutual Funds	37,243,728			
Total Investments	<u>\$243,190,272</u>			

OLMSTED COUNTY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

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, 2021, Olmsted County had the following recurring fair value measurements.

	December 31, 2021	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Investments by fair value			
Debt Securities			
U.S. Government and Gov't Agency Securities			
US Treasury Bonds	\$ 111,782,110	\$ -	\$ 111,782,110
Fannie Mae	30,091,552	-	30,091,552
Federal Farm Credit Bank	21,162,435	-	21,162,435
Federal Home Loan Bank	22,471,388	-	22,471,388
Freddie Mac	12,396,482	-	12,396,482
Municipal Bonds	8,042,577	-	8,042,577
Wells Fargo Advantage Government Money Market Mutual Fund	37,243,728	37,243,728	-
Total Investments included in the Fair Value Hierarchy	<u>243,190,272</u>	<u>\$ 37,243,728</u>	<u>\$ 205,946,544</u>
Cash and Cash Equivalents			
Deposits	37,909,770		
Petty Cash	180,411		
Total Cash and Cash Equivalents	<u>38,090,181</u>		
Total Cash , Cash Equivalents, and Investments	<u>\$ 281,280,453</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, 2021

3. RECEIVABLES, UNEARNED AND UNAVAILABLE REVENUE

Receivables

Receivables as of December 31, 2021, including the applicable allowances for uncollectible accounts are as follows:

	Governmental Activities	Business-type Activities	Total
Receivables:			
Accounts Receivable, gross	\$ 5,485,796	\$ 2,666,762	\$ 8,152,558
Less:			
Allowance for doubtful accounts	(2,642,130)	-	(2,642,130)
Net total receivables	<u>\$ 2,843,666</u>	<u>\$ 2,666,762</u>	<u>\$ 5,510,428</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	\$ 152,300	\$ 152,300	\$ 1,681,100
Sales Tax	-	-	104,170
Intergovernmental	7,996,207	7,996,207	6,088,057
Charges for services	199,001	199,001	1,276,609
Other	273,313	273,313	191,002
Sub-total, governmental funds	<u>8,620,821</u>	<u>8,620,821</u>	<u>9,340,938</u>
Internal Service Funds:			
Charges for services	306,830	306,830	-
Sub-total, internal service funds	<u>306,830</u>	<u>306,830</u>	-
Sub-total, governmental activities	<u>8,927,651</u>	<u>8,927,651</u>	<u>9,340,938</u>
Business-Type Activities			
Waste Management other	37,105	37,105	-
OCHRA other	133,820	133,820	-
Sub-total, business-type activities	<u>170,925</u>	<u>170,925</u>	-
Total	<u>\$ 9,098,576</u>	<u>\$ 9,098,576</u>	<u>\$ 9,340,938</u>

OLMSTED COUNTY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

4. CAPITAL ASSETS

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

Governmental Activities

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 23,305,898	\$ 1,467,345	\$ -	\$ 24,773,243
Infrastructure land	37,235,425	1,880,606	-	39,116,031
Construction in progress	10,977,414	18,865,308	(14,042,189)	15,800,533
Total capital assets not being depreciated	<u>71,518,737</u>	<u>22,213,259</u>	<u>(14,042,189)</u>	<u>79,689,807</u>
Capital assets, being depreciated:				
Infrastructure	287,343,807	1,519,782	-	288,863,589
Building	126,623,255	8,236,412	(66,450)	134,793,217
Improvements other than building	7,990,911	695,350	(5,107)	8,681,154
Equipment	32,207,275	1,679,139	(1,941,999)	31,944,415
Software	8,754,146	3,628,222	(56,480)	12,325,888
Total capital assets being depreciated	<u>462,919,394</u>	<u>15,758,905</u>	<u>(2,070,036)</u>	<u>476,608,263</u>
Less accumulated depreciation for:				
Infrastructure	(149,340,380)	(6,672,783)	-	(156,013,163)
Building	(66,440,612)	(4,237,966)	66,450	(70,612,128)
Improvements other than building	(4,494,547)	(301,225)	5,107	(4,790,665)
Equipment	(22,455,452)	(2,108,515)	1,799,843	(22,764,124)
Software	(8,194,326)	(667,525)	56,480	(8,805,371)
Total accumulated depreciation	<u>(250,925,317)</u>	<u>(13,988,014)</u>	<u>1,927,880</u>	<u>(262,985,451)</u>
Total capital assets, being depreciated, net	<u>211,994,077</u>	<u>1,770,891</u>	<u>(142,156)</u>	<u>213,622,812</u>
Governmental activities capital assets, net	<u>\$ 283,512,814</u>	<u>\$ 23,984,150</u>	<u>\$ (14,184,345)</u>	<u>\$ 293,312,619</u>

OLMSTED COUNTY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

Business-type Activities

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 3,788,977	\$ -	\$ (12,435)	\$ 3,776,542
Construction in progress	2,813,660	1,947,070	(1,066,488)	3,694,242
Total capital assets not being depreciated	<u>6,602,637</u>	<u>1,947,070</u>	<u>(1,078,923)</u>	<u>7,470,784</u>
Capital assets, being depreciated:				
Infrastructure	1,984,227	-	-	1,984,227
Building	47,370,299	13,601	(67,841)	47,316,059
Improvements other than building	12,203,558	-	-	12,203,558
Equipment	143,811,883	4,170,486	(459,801)	147,522,568
Software	177,975	-	-	177,975
Total capital assets being depreciated	<u>205,547,942</u>	<u>4,184,087</u>	<u>(527,642)</u>	<u>209,204,387</u>
Less accumulated depreciation for:				
Infrastructure	(403,293)	(26,440)	-	(429,733)
Building	(31,047,147)	(897,396)	49,421	(31,895,122)
Improvements other than building	(11,367,321)	(184,373)	-	(11,551,694)
Equipment	(71,433,848)	(4,994,308)	455,051	(75,973,105)
Software	(173,508)	(4,467)	-	(177,975)
Total accumulated depreciation	<u>(114,425,117)</u>	<u>(6,106,984)</u>	<u>504,472</u>	<u>(120,027,629)</u>
Total capital assets, being depreciated, net	<u>91,122,825</u>	<u>(1,922,897)</u>	<u>(23,170)</u>	<u>89,176,758</u>
Business-type activities capital assets, net	<u>\$ 97,725,462</u>	<u>\$ 24,173</u>	<u>\$ (1,102,093)</u>	<u>\$ 96,647,542</u>

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

Governmental activities:

General government	\$ 503,861
Public safety	3,479,161
Conservation of natural resources	6,747
Highways and streets	7,962,882
Health	329,133
Human Services	912,474
Culture and recreation	793,756
Total deprecation expense - governmental activities	<u>\$ 13,988,014</u>

Business-type activities:

Waste Management	\$ 5,605,307
Communications	31,703
Olmsted County HRA	443,534
Sanitary Sewer	26,440
Total depreciation expense - business type activities	<u>\$ 6,106,984</u>

Construction commitments

Olmsted County has active construction projects as of December 31, 2021. At the end of the year, commitments with contractors are as follows:

Project	Total Contract	Spent-to-date	Remaining Commitment	Funding Source
Public Safety Training Center Restroom Building	\$ 502,101	\$ 333,234	\$ 168,867	Debt
Public Safety Training Center Overlay - CR157	755,923	395,054	360,869	Debt
P284 - CR 101 Reconstruction	7,129,975	905,056	6,224,919	Debt, LRIP, Rochester, LOST
P420 - CSAH 4/CR 105 Reconstruction	9,807,464	5,840,714	3,966,750	State Aid, CRRSAA, LOST
P423 - MNDOT Project Share	144,900	120,887	24,013	LOST
P433 - CSAH 2 Bituminous Preservation	1,899,835	1,091,554	808,281	LOST
Oxbow Nature Center-Construction	5,422,896	3,473,146	1,949,750	Debt & Grant
Seneca Property Demo	1,098,013	343,225	754,788	Debt
Fairboard Office Remodel	194,980	86,100	108,880	Debt
Salt Building Tarp Replacement	160,508	-	160,508	Debt
HRA Repair and Replacement Projects	1,713,825	1,603,497	110,328	Debt & Levy
	<u>\$ 28,830,420</u>	<u>\$ 14,192,467</u>	<u>\$ 14,637,953</u>	

OLMSTED COUNTY
NOTES TO FINANCIAL STATEMENTS
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5. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The following interfund receivables and payables are reported on the fund financial statements at December 31, 2021. 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 loans for the Lake Zumbro Restoration Project. The Health and Human Service payable to the Olmsted County HRA are for Partnering for Alternative Tenant Choice Housing, Emergency Solution, and Continuum of Care reimbursements. The Health and Human Services Fund payables to Fiduciary Funds are for grants sub-recipient to Custodial Funds for Human Service Regional Projects.

	Due From Other Funds	Due to Other Funds
Governmental Funds:		
General Fund	\$ 1,011,857	\$ -
Health & Human Services	40,002	1,021,611
Total Governmental Funds	<u>1,051,859</u>	<u>1,021,611</u>
Enterprise Funds:		
Sanitary Sewer	-	9,600
Olmsted County HRA	336,308	-
Total Enterprise Funds	<u>336,308</u>	<u>9,600</u>
Fiduciary Funds:		
Service Bureau Activities Custodial Funds	<u>685,303</u>	<u>1,042,259</u>
Total Due From and Due To Other Funds	<u>\$ 2,073,470</u>	<u>\$ 2,073,470</u>
	Advances To Other Funds	Advances From Other Funds
General Fund	<u>\$ 479,000</u>	<u>\$ -</u>
Enterprise Funds		
Sanitary Sewer	-	355,100
Olmsted County HRA	-	123,900
Total Enterprise Funds	<u>-</u>	<u>479,000</u>
Total Advances To and From Other Funds	<u>\$ 479,000</u>	<u>\$ 479,000</u>

OLMSTED COUNTY
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Interfund transfers reported on the fund financial statements at December 31, 2021 were:

	Transfers in:				Proprietary Funds	
	Governmental Funds				Internal Service Funds	Transfers out
	General	Human Services	Debt Service	Capital Projects		
Governmental funds:						
General	\$ -	\$ 348,977	\$ 71,769	\$ 1,200,000	\$ 395,960	\$ 2,016,706
Infrastructure	2,880,027	-	8,742,300	6,841,418	-	18,463,745
Health and Human Services	205,433	-	-	-	-	205,433
American Rescue Plan Act	6,966,810	879,528	-	-	-	7,846,338
Governmental funds transfers in	<u>10,052,270</u>	<u>1,228,505</u>	<u>8,814,069</u>	<u>8,041,418</u>	<u>395,960</u>	<u>28,532,222</u>
Proprietary funds:						
Internal Service funds	-	-	-	-	420,720	420,720
Enterprise funds	-	-	-	-	288,000	288,000
Proprietary funds transfers in	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>708,720</u>	<u>708,720</u>
Total transfers in	<u>\$ 10,052,270</u>	<u>\$ 1,228,505</u>	<u>\$ 8,814,069</u>	<u>\$ 8,041,418</u>	<u>\$ 1,104,680</u>	<u>\$ 29,240,942</u>

OLMSTED COUNTY
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	Transfers in:					
	Governmental Funds			Proprietary Funds		
	General	Health and Human	Debt Service	Capital Projects	Internal Service Funds	Transfers out
Reasons for interfund transfers:						
General Fund Contribution to Health and Human Service Fund - community diversity and outreach	\$ -	\$ 348,977	\$ -	\$ -	\$ -	\$ 348,977
General Fund Contribution to Capital Projects Fund - Oxbow Park Nature Center	-	-	-	1,200,000	-	1,200,000
General Fund Contribution to Debt Service Fund - debt service	-	-	71,769	-	-	71,769
General Fund Contribution to Internal Service Fund Administrative Services - Human Rights Commission	-	-	-	-	24,300	24,300
General Fund Contribution to Internal Service Fund Administrative Services - Purchasing Department	-	-	-	-	355,000	355,000
General Fund Contribution to Internal Service Fund Administrative Services - Global Protect software	-	-	-	-	16,660	16,660
Infrastructure Fund Contribution to General Fund - Graham Park	2,401,690	-	-	-	-	2,401,690
Infrastructure Fund Contribution to General Fund - Parks	478,337	-	-	-	-	478,337
Infrastructure Fund Contribution to Debt Service Fund - debt service	-	-	8,742,300	-	-	8,742,300
Infrastructure Fund Contribution to Capital Projects Fund - Graham Park project	-	-	-	1,076,699	-	1,076,699
Infrastructure Fund Contribution to Capital Projects Fund - Parks project	-	-	-	4,785,719	-	4,785,719
Infrastructure Fund Contribution to Capital Projects Fund - highway equipment	-	-	-	979,000	-	979,000
Health and Human Service Fund Contribution to General Fund - Community Corrections	120,000	-	-	-	-	120,000
Health and Human Service Fund Contribution to General Fund - policy, analysis, and communications	85,433	-	-	-	-	85,433
American Rescue Plan Act Fund Contribution to General Fund - providing government services to the extent of revenue loss due to the pandemic and as calculated based on the YE 12/31/2020 Annual Comprehensive Financial Report	6,966,810	-	-	-	-	6,966,810
American Rescue Plan Act Fund Contribution to Health and Human Service Fund - providing government services to the extent of revenue loss due to the pandemic and as calculated based on the YE 12/31/2020 Annual Comprehensive Financial Report	-	879,528	-	-	-	879,528
Internal Service Fund - Self-Insurance Contribution to Internal Service Fund - Administrative Services - transfer of employees	-	-	-	-	205,978	205,978
Internal Service Fund - Administrative Services Contribution to Internal Service Fund - Building Facilities - capital assets	-	-	-	-	214,742	214,742
Communications Fund Contribution to Internal Service Fund - Administrative Services - telecommunications	-	-	-	-	288,000	288,000
	\$ 10,052,270	\$ 1,228,505	\$ 8,814,069	\$ 8,041,418	\$ 1,104,680	\$ 29,240,942

OLMSTED COUNTY
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6. LONG-TERM LIABILITIES

Bonds Payable

	General Obligation Revenue Bonds	General Obligation Bonds	Total
January 1, 2021			
Governmental activities	\$ 1,660,000	\$ 91,160,000	\$ 92,820,000
Business-type activities	55,375,000	-	55,375,000
	<u>57,035,000</u>	<u>91,160,000</u>	<u>148,195,000</u>
Issued:			
Governmental activities	-	6,880,000	6,880,000
Business-type activities	24,145,000	-	24,145,000
Retired:			
Governmental activities	(1,660,000)	(6,120,000)	(7,780,000)
Business-type activities	(7,970,000)	-	(7,970,000)
December 31, 2021	<u>\$ 71,550,000</u>	<u>\$ 91,920,000</u>	<u>\$ 163,470,000</u>

Balance by fund type

Governmental activities:			
Governmental funds	\$ -	\$ 55,682,485	\$ 55,682,485
Internal Service	-	36,237,515	36,237,515
	<u>-</u>	<u>91,920,000</u>	<u>91,920,000</u>
Business-type activities:			
Enterprise funds	71,550,000	-	71,550,000
Total	<u>\$ 71,550,000</u>	<u>\$ 91,920,000</u>	<u>\$ 163,470,000</u>

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

Year ending	Principal	Interest	Total
2022	\$ 43,870,000	\$ 3,802,878	\$ 47,672,878
2023	14,260,000	2,756,570	17,016,570
2024	12,550,000	2,456,009	15,006,009
2025	12,735,000	2,207,831	14,942,831
2026	13,015,000	1,975,914	14,990,914
2027 to 2031	37,785,000	6,617,590	44,402,590
2032 to 2036	21,695,000	2,754,817	24,449,817
2037 to 2041	7,560,000	425,350	7,985,350
Total	<u>\$ 163,470,000</u>	<u>\$ 22,996,959</u>	<u>\$ 186,466,959</u>

OLMSTED COUNTY
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General Obligation Revenue Bonds

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 \$480,000 to \$490,000 are due annually on February 1.

General Obligation Governmental Housing Refunding Bonds, Series 2010A, were issued to refund general obligation housing bonds. Remaining annual installments of \$100,000 to \$115,000 are due annually on January 1. These bonds are payable from the pledged net revenues of Olmsted County HRA Enterprise Fund and backed by the full faith credit and taxing powers of the County.

A portion of the General Obligation Crossover Refunding Bonds, Series 2012A, were issued to crossover refund the General Obligation Resource Recovery Revenue Bonds, Series 2007A. 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. A remaining installment of \$4,255,000 is due February 1, 2022 at which time the proceeds held in escrow from the Waste Management Fund portion of the 2021A Taxable General Obligation Crossover Refunding Bonds will refund the remaining balance of the 2012A bonds totaling \$23,900,000 on February 1, 2022.

A portion of the General Obligation Crossover Refunding Bonds, Series 2016A, were issued to crossover refund the General Obligation Taxable Resource Recovery Revenue Bonds, Series 2009B. Remaining annual installments of \$750,000 to \$1,085,000 are due annually on February 1. 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.

A portion of the General Obligation Bonds, Series 2020A, were issued to provide certain improvements to the County's waste to energy system. Remaining annual installments of \$285,000 to \$490,000 are due annually on February 1. 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.

A portion of the General Obligation Bonds, Series 2020A, were issued to current refund the remaining unpaid principal of the General Obligation Resource Recovery Revenue Bonds, Series 2011A on February 1, 2021. The cumulative savings in debt service is \$398,456 and will return a present value savings of \$362,741 over the life of the new bonds. Remaining annual installments of \$190,000 to \$245,000 are due annually on February 1. 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.

A portion of the Taxable General Obligation Crossover Refunding Bonds, Series 2021A, were issued to crossover refund the remaining unpaid principal of the general obligation revenue bond portion of the General Obligation Crossover Refunding Bonds, Series 2012A. The proceeds were placed with an escrow agent to purchase U.S. Treasury Bonds and Notes. The securities and earnings in the escrow account will provide sufficient funds to pay all interest that becomes due on the 2021A bonds to and including the crossover date, and to pay and redeem the outstanding maturities of the 2012A bonds on the crossover date of February 1, 2022. The refunded principal of the general obligation revenue bond portion at the crossover date is \$23,900,000. The cumulative savings in debt service on the full issue for the 2021A bonds is \$2,349,495 and will return a present value savings of \$2,288,046 over the life of the new bonds. Remaining annual installments of \$4,790,000 to \$4,890,000 are due annually on February 1. 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.

OLMSTED COUNTY
NOTES TO FINANCIAL STATEMENTS
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The general obligation revenue bonds outstanding are as follows:

	<u>Date Issued</u>	<u>Interest Rates</u>	<u>Original Issue</u>	<u>Final Maturity</u>	<u>Balance</u>
Business Type Activities					
G.O. Resource Rec. Rev. Refunding Bonds, 2009D	12/1/2009	3.00 - 3.375%	\$ 5,180,000	2/1/2023	\$ 970,000
G.O. Governmental Housing Ref. Bonds, 2010A	6/10/2010	3.00 - 3.70%	1,475,000	1/1/2026	530,000
G.O. Crossover Refunding Bonds, 2012A	2/28/2012	3.45 - 4.23%	50,635,000	2/1/2022	28,155,000
G.O. Crossover Refunding Bonds, 2016A	8/1/2016	1.50 - 5.00%	10,020,000	2/1/2029	7,410,000
G.O. Bonds 2020A - Construction Portion	11/17/2020	1.00 - 3.00%	8,080,000	2/1/2041	8,080,000
G.O. Bonds 2020A - Refunding Portion	11/17/2020	1.00 - 3.00%	2,260,000	2/1/2031	2,260,000
Taxable G.O. Crossover Refunding Bonds 2021A	4/7/2021	0.25 - 1.05%	24,145,000	2/1/2027	24,145,000
Total Business Type Activities					<u>\$ 71,550,000</u>

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

Year ending	Business-type Activities	
	Principal	Interest
2022	\$ 29,960,000	\$ 1,195,248
2023	6,725,000	540,683
2024	6,320,000	455,239
2025	6,415,000	380,897
2026	6,510,000	307,904
2027 to 2031	11,145,000	722,772
2032 to 2036	2,125,000	360,203
2037 to 2041	2,350,000	131,825
Total	<u>\$ 71,550,000</u>	<u>\$ 4,094,771</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.

The General Obligation Capital Street Reconstruction Refunding Bonds, Series 2010A, were issued to crossover refund the General Obligation Street Reconstruction Refunding Bonds, Series 2002D. Remaining annual installments of \$815,000 to \$845,000 are due annually on February 1.

The Public Facilities Lease Revenue Refunding Bonds, Series 2010B were issued 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 \$630,000 to \$640,000 are due annually on February 1.

A portion of the General Obligation Crossover Refunding Bonds, Series 2012A, were issued to crossover refund the General Obligation Capital Improvement Plan Bonds, Series 2007B. A remaining installment of \$1,205,000 is due February 1, 2022 at which time the proceeds held in escrow from the 2021A Taxable General Obligation Crossover Refunding Bonds will refund the remaining general obligation bond balance of the 2012A bonds totaling \$6,810,000 on February 1, 2022.

The General Obligation Bonds, Series 2015A, were issued to provide financing for construction of facility, bridge and infrastructure improvements. Remaining annual installments of \$1,630,000 to \$2,825,000 are due annually on February 1.

A portion of the General Obligation Crossover Refunding Bonds, Series 2016A, were issued to crossover refund the General Obligation Taxable Capital Improvement Plan Bonds, Series 2009A, and the General Obligation Capital Improvement Plan Bonds, Series 2011B. Remaining annual installments of \$555,000 to \$1,625,000 are due annually on February 1.

OLMSTED COUNTY
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The General Obligation Bonds, Series 2019A, were issued to provide financing for facility and transit improvements and purchase equipment. Remaining annual installments of \$800,000 to \$1,100,000 are due annually on February 1.

A portion of the General Obligation Bonds, Series 2020A, were issued to provide financing for certain facility improvements. Remaining annual installments of \$245,000 to \$615,000 are due annually on February 1.

The Taxable General Obligation Tax Abatement Bonds, Series 2020B, were issued to provide financing for Graham Park and Graham Arena deferred maintenance projects. Remaining annual installments of \$90,000 to \$140,000 are due annually on February 1. These bonds supported primarily from tax abatement levies and revenues derived from property taxes are backed by the full faith credit and taxing powers of the County.

A portion of the Taxable General Obligation Crossover Refunding Bonds, Series 2021A, were issued to crossover refund the remaining unpaid principal of the general obligation bond portion of the General Obligation Crossover Refunding Bonds, Series 2012A. The proceeds were placed with an escrow agent to purchase U.S. Treasury Bonds and Notes. The securities and earnings in the escrow account will provide sufficient funds to pay all interest that becomes due on the 2021A bonds to and including the crossover date, and to pay and redeem the outstanding maturities of the 2012A bonds on the crossover date of February 1, 2022. The refunded principal of the general obligation bond portion at the crossover date is \$6,810,000. The cumulative savings in debt service on the full issue for the 2021A bonds is \$2,349,495 and will return a present value savings of \$2,288,046 over the life of the new bonds. Remaining annual installments of the general obligation bond portion of the bonds are \$1,360,000 to \$1,395,000 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. Street Reconstruction Ref. Bonds, 2010A	4/15/2010	3.00 - 3.50%	\$ 7,500,000	2/1/2023	\$ 1,660,000
Public Facilities Lease Rev. Ref. Bonds, 2010B	6/1/2010	3.00 - 3.25%	5,805,000	2/1/2023	1,270,000
G.O. Crossover Refunding Bonds, 2012A	2/28/2012	3.45 - 4.23%	14,245,000	2/1/2022	8,015,000
G.O. Bonds, 2015A	8/1/2015	4.00%	39,150,000	2/1/2036	32,635,000
G.O. Crossover Refunding Bonds, 2016A	8/1/2016	1.50 - 5.00%	15,550,000	2/1/2031	12,540,000
G.O. Bonds, 2019A	11/12/2019	2.25 - 3.00%	19,175,000	2/1/2040	18,300,000
G.O. Bonds, 2020A	11/17/2020	1.00 - 3.00%	8,315,000	2/1/2041	8,315,000
Taxable G.O. Tax Abatement Bonds, 2020B	11/17/2020	2.00 - 2.40%	2,305,000	2/1/2041	2,305,000
Taxable G.O. Crossover Refunding Bonds 2021A	4/7/2021	0.25 - 1.05%	6,880,000	2/1/2027	6,880,000
Total Governmental Activities					<u>\$ 91,920,000</u>

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

Year ending	Governmental Activities	
	Principal	Interest
2022	\$ 13,910,000	\$ 2,607,630
2023	7,535,000	2,215,888
2024	6,230,000	2,000,770
2025	6,320,000	1,826,934
2026	6,505,000	1,668,010
2027 to 2031	26,640,000	5,894,817
2032 to 2036	19,570,000	2,394,614
2037 to 2041	5,210,000	293,525
Total	<u>\$ 91,920,000</u>	<u>\$ 18,902,188</u>

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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:

	<u>Date Issued</u>	<u>Interest Rates</u>	<u>Original Issue</u>	<u>Final Maturity</u>	<u>Balance</u>	<u>Authority Program</u>
U.S. Department of Agriculture - Rural Development	3/22/2005	5.75%	\$ 197,498	3/1/2045	\$ 161,850	Rolling Heights
U.S. Department of Agriculture - Rural Development	3/22/2005	5.75%	412,502	3/1/2045	338,481	Rolling Heights
Total Mortgages Payable					<u>\$ 500,331</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:

	<u>Date Issued</u>	<u>Interest Rates</u>	<u>Original Issue</u>	<u>Final Maturity</u>	<u>Balance</u>	<u>Authority Program</u>
First Homes Properties	5/16/2002	0.00%	\$ 585,000	5/16/2032	\$ 225,000	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
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>\$ 3,224,647</u>	

OLMSTED COUNTY
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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:

	Date Issued	Interest Rates	Original Issue	Final Maturity	Balance	Authority Program
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
Minnesota Housing Finance Agency - POHP Loan	11/7/2019	0.00%	1,170,459	12/9/2040	1,170,458	Public Housing
Total Deferred Forgivable Mortgages Payable					<u>\$ 8,277,788</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
	Principal	Interest	Principal	Principal
2022	\$ 10,569	\$ 28,493	\$ -	\$ -
2023	11,193	27,869	-	-
2024	11,853	27,209	-	-
2025	12,553	26,509	70,000	-
2026	13,295	25,767	422,197	1,469,805
2027 to 2031	79,215	116,096	1,000,000	4,703,305
2032 to 2036	105,527	89,783	1,732,450	45,275
2037 to 2041	140,580	54,729	-	2,059,403
2042 to 2046	115,546	11,409	-	-
Total	<u>\$ 500,331</u>	<u>\$ 407,864</u>	<u>\$ 3,224,647</u>	<u>\$ 8,277,788</u>

Conduit Debt

The Authority 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 Authority. 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, 2021 is \$3,650,000.

Legal Debt Limit

The Olmsted County debt limit is \$600,562,080 based on the MN Statute 475.53 debt limit rate set at 3%. Net debt applicable to the debt limit is \$81,341,658. See Statistical section Schedule 13.

OLMSTED COUNTY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

Changes in Long-Term Liabilities

Changes in long-term liabilities are summarized as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year	Long Term
Governmental Activities:						
Bonds Payable						
GO Revenue Bonds	\$ 1,660,000	\$ -	\$ (1,660,000)	\$ -	\$ -	\$ -
GO Bonds	91,160,000	6,880,000	(6,120,000)	91,920,000	13,910,000	78,010,000
Premium on Bonds	5,517,266	-	(570,254)	4,947,012	-	4,947,012
Total Bonds Payable	98,337,266	6,880,000	(8,350,254)	96,867,012	13,910,000	82,957,012
Self-Insurance Claims						
Dental Insurance	28,634	1,172,065	(1,165,136)	35,563	35,563	-
Liability Insurance	286,615	177,274	(135,903)	327,986	2,486	325,500
Health Insurance	1,641,576	22,421,514	(21,913,090)	2,150,000	2,150,000	-
Worker's Compensation	587,720	508,781	(756,501)	340,000	-	340,000
Total Self-Insurance Claims	2,544,545	24,279,634	(23,970,630)	2,853,549	2,188,049	665,500
Total OPEB Liability	9,328,134	1,578,205	(447,050)	10,459,289	-	10,459,289
Net Pension Liability (1)	69,291,519	59,077,578	(77,205,674)	51,163,423	-	51,163,423
Compensated Absences (2)	13,659,975	9,367,099	(7,782,172)	15,244,902	7,110,359	8,134,543
Total Governmental Activities	<u>\$193,161,439</u>	<u>\$101,182,516</u>	<u>\$ (117,755,780)</u>	<u>\$176,588,175</u>	<u>\$ 23,208,408</u>	<u>\$ 153,379,767</u>
Business-type Activities:						
Bonds Payable						
GO Revenue Bonds	\$ 55,375,000	\$ 24,145,000	\$ (7,970,000)	\$ 71,550,000	\$ 29,960,000	\$ 41,590,000
Premium on Bonds	3,993,252	-	(633,783)	3,359,469	-	3,359,469
Total Bonds Payable	59,368,252	24,145,000	(8,603,783)	74,909,469	29,960,000	44,949,469
Mortgages Payable (3)	510,310	-	(9,979)	500,331	10,569	489,762
Deferred Repayment Mortgages (3)	3,224,647	-	-	3,224,647	-	3,224,647
Deferred Forgivable Mortgages (3)	8,277,171	617	-	8,277,788	-	8,277,788
Net Pension Liability (1)	4,581,491	3,485,439	(4,504,347)	3,562,583	-	3,562,583
Compensated Absences (2)	839,709	513,081	(411,646)	941,144	391,298	549,846
Closure and Postclosure Care	1,954,017	140,379	-	2,094,396	-	2,094,396
Total Business-type Activities	<u>\$ 78,755,597</u>	<u>\$ 28,284,516</u>	<u>\$ (13,529,755)</u>	<u>\$ 93,510,358</u>	<u>\$ 30,361,867</u>	<u>\$ 63,148,491</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, 2021

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 Net Position

	<u>Rolling Heights</u>	<u>River's Edge</u>
Assets		
Current assets	\$ 262,489	\$ 1,142,673
Capital assets	641,753	2,112,298
Total assets	<u>904,242</u>	<u>3,254,971</u>
Deferred outflow of resources	<u>-</u>	<u>29,674</u>
Liabilities		
Current Liabilities	21,879	141,108
Current Liabilities payable from restricted assets	6,384	27,320
Noncurrent liabilities	885,762	1,514,854
Total liabilities	<u>914,025</u>	<u>1,683,282</u>
Net position		
Net investment in capital assets	(254,578)	527,118
Restricted	-	322,040
Unrestricted	244,795	752,205
Total net position	<u>\$ (9,783)</u>	<u>\$ 1,601,363</u>

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

	<u>Rolling Heights</u>	<u>River's Edge</u>
Charges for services	\$ 53,354	\$ 395,707
Operating grants	58,748	-
Depreciation expenses	(15,612)	(60,750)
Other operating expense	(53,989)	(221,083)
Operating income	<u>42,501</u>	<u>113,874</u>
Nonoperating revenues (expenses)		
Investment income	71	670
Interest expense	(29,035)	(24,588)
Changes in net position	<u>13,537</u>	<u>89,956</u>
Beginning net position	<u>(23,320)</u>	<u>1,511,407</u>
Ending net position	<u>\$ (9,783)</u>	<u>\$ 1,601,363</u>

OLMSTED COUNTY
NOTES TO FINANCIAL STATEMENTS
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Condensed Statement of Cash Flows

	Rolling Heights	River's Edge
Net cash flows from:		
Operating activities	\$ 61,893	\$ 178,628
Capital and related financing activities	(39,061)	(132,165)
Investing activities	71	670
Net increases (decreases)	22,903	47,133
Cash and cash equivalents	239,586	1,085,363
Ending cash and cash equivalents	<u>\$ 262,489</u>	<u>\$ 1,132,496</u>

OLMSTED COUNTY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

8. FUND BALANCES

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.

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.

OLMSTED COUNTY
NOTES TO FINANCIAL STATEMENTS
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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	American Rescue Plan Act Fund	Debt Service Fund	Capital Projects Fund	Total
Nonspendable:							
Non-current Advances to Other Funds	\$ 479,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 479,000
Inventories	-	712,623	-	-	-	-	712,623
Prepays	2,174,758	3,695	68,943	-	-	-	2,247,396
Total Nonspendable	2,653,758	716,318	68,943	-	-	-	3,439,019
Restricted for:							
Attorney Prosecution	50,285	-	-	-	-	-	50,285
Attorney Child Support Enforcement	10,049	-	-	-	-	-	10,049
Attorney Sexual Exploitation Education	3,658	-	-	-	-	-	3,658
Law Library	198,577	-	-	-	-	-	198,577
Sheriff Contingency	4,006	-	-	-	-	-	4,006
Sheriff DUI Enforcement, Training, & Education	23,981	-	-	-	-	-	23,981
E911	304,730	-	-	-	-	-	304,730
D.A.R.E. Drug Education	27,055	-	-	-	-	-	27,055
Adult Detention Center Commissary	56,016	-	-	-	-	-	56,016
Recording Process Enhancements	1,467,248	-	-	-	-	-	1,467,248
Parks	551,945	-	-	-	-	-	551,945
Debt Service	300,347	-	-	-	5,118,056	-	5,418,403
Bond escrow	-	-	-	-	2,818,523	-	2,818,523
Unspent Bond Proceeds	-	-	-	-	-	2,206,078	2,206,078
American Rescue Plan Act	-	-	-	50	-	-	50
Aggregate Remediation	-	69,079	-	-	-	-	69,079
Unspent State Aid Construction	-	1,021,215	-	-	-	-	1,021,215
Transit and Wheelage Taxes	-	4,536,231	-	-	-	-	4,536,231
Total Restricted	2,997,897	5,626,525	-	50	7,936,579	2,206,078	18,767,129
Assigned to:							
Appropriations to outside agencies	230,000	-	-	-	-	-	230,000
Copier replacements	269,477	-	-	-	-	-	269,477
Network infrastructure	435,000	-	-	-	-	-	435,000
Virtual servers	416,000	-	-	-	-	-	416,000
PC replacement	433,076	-	-	-	-	-	433,076
Sheriff equipment	2,247	-	-	-	-	-	2,247
Computer equipment and software	513,612	-	-	-	-	-	513,612
Consulting	200,000	-	-	-	-	-	200,000
Highway equipment	285,000	-	-	-	-	-	285,000
Parks equipment and improvements	410,000	-	-	-	-	-	410,000
Graham Park maintenance and upgrades	793,218	-	-	-	-	-	793,218
Available for Infrastructure	4,206,857	3,355,597	-	-	-	-	7,562,454
Available for Public Health	6,134,331	-	-	-	-	-	6,134,331
Available for Human Services	28,987,035	-	8,012,695	-	-	-	36,999,730
Total Assigned	43,315,853	3,355,597	8,012,695	-	-	-	54,684,145
Unassigned	50,947,825	-	-	-	-	(899,000)	50,048,825
Total Fund Balance	\$ 99,915,333	\$ 9,698,440	\$ 8,081,638	\$ 50	\$ 7,936,579	\$ 1,307,078	\$ 126,939,118

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.

- | | |
|--|---|
| <ul style="list-style-type: none">• South East MN Violent Crime Enforcement Team (\$160,377 in-kind services)• Southeastern Minnesota Emergency Medical Services (\$0)• Southeastern Minnesota Regional Emergency Communication Board and State of Minnesota (\$0)• Homeland Safety Emergency Managers Region 1 (\$0)• State of Minnesota, Bureau of Criminal Apprehension and Sheriff's Office (\$0)• Southeast Minnesota Workforce Development, Inc. (\$901,015)• South Zumbro Watershed Joint Powers Board (\$0)• Whitewater Joint Powers Board (\$8,112)• Lake Zumbro Joint Powers Board (\$0)• Three Rivers Community Action Program (\$0) | <ul style="list-style-type: none">• Metropolitan Counties for Cooperative Purchasing (\$0)• Minnesota Counties Computer Cooperative (\$0)• Southeastern Minnesota Recycling Exchange (\$2,333)• Southeastern Libraries Cooperating (\$0)• Residential Survey in Dakota, Olmsted, St. Louis, and Washington Counties (\$0)• MN Department of Pollution Control Household Hazardous Waste Paint Care Program (\$0)• One Watershed, One Plan for the Root River Watershed (\$0)• Bureau of Criminal Apprehension (\$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.

OLMSTED COUNTY
NOTES TO FINANCIAL STATEMENTS
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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 2021, county contributions were assessed in the following proportion:

Dodge County	9.518%
Fillmore County	6.669%
Olmsted County	<u>83.813%</u>
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 \$7,792,867 in funding during 2021.

Also, per agreement, Olmsted County owed an additional \$55,367 to DFO Community Corrections in 2021 for its share of 2021 net expenses. The additional pay was a result of unfavorable revenue collection due to economic issues of our clients caused by a yearlong ongoing COVID pandemic.

Separate financial information can be obtained from:

Olmsted County 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

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

General Employees Retirement Plan

All fulltime and certain part-time employees of Olmsted County are covered by the General Employees Plan. General Employees Plan members belong to the Coordinated Plan. Coordinated Plan members are covered by Social Security.

Public Employees Police and Fire Plan

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

Local Government Correctional Plan

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

B. Benefits Provided

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

General Employees Plan Benefits

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

Benefit increases are provided to benefit recipients each January. The postretirement increase is equal to 50 percent of the cost-of-living adjustment (COLA) announced by the SSA, with a minimum increase of at least 1 percent and a maximum of 1.5 percent. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase will receive the full increase. Recipients receiving the annuity or benefit for at least one month but less than a full year as of the June 30 before the effective date of the increase will receive a reduced prorated increase. 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.

**OLMSTED COUNTY
NOTES TO FINANCIAL STATEMENTS
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Police and Fire Plan Benefits

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

Benefit increases are provided to benefit recipients each January. The postretirement increase 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. 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.

Correctional Plan Benefits

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

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

C. Contributions

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

General Employees Fund Contributions

Coordinated Plan members were required to contribute 6.50 percent of their annual covered salary in fiscal year 2021 and Olmsted County was required to contribute 7.50 percent for Coordinated Plan members. Olmsted County's contributions to the General Employees Fund for the year ended December 31, 2021, were \$6,161,118. Olmsted County's contributions were equal to the required contributions as set by state statute.

Police and Fire Fund Contributions

Police and Fire Plan members were required to contribute 11.8 percent of their annual covered salary in fiscal year 2021 and Olmsted County was required to contribute 17.70 percent for Police and Fire Plan members. Olmsted County's contributions to the Police and Fire Fund for the year ended December 31, 2021, were \$1,286,201. Olmsted County's contributions were equal to the required contributions as set by state statute.

Correctional Fund Contributions

Correctional Plan members were required to contribute 5.83 percent of their annual covered salary in fiscal year 2021 and Olmsted County was required to contribute 8.75 percent for Correctional Plan members. Olmsted County's contributions to the Correctional Fund for the year ended December 31, 2021, were \$555,305. Olmsted County's contributions were equal to the required contributions as set by state statute.

OLMSTED COUNTY
NOTES TO FINANCIAL STATEMENTS
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D. Pensions Costs

General Employees Fund Pension Costs

At December 31, 2021, Olmsted County reported a liability of \$49,955,701 for its proportionate share of the General Employees Fund's net pension liability. Olmsted County's net pension liability reflected a reduction due to the State of Minnesota's contribution of \$16 million. The State of Minnesota is considered a non-employer contributing entity and the state's contribution meets the definition of a special funding situation. The State of Minnesota's proportionate share of the net pension liability associated with Olmsted County totaled \$1,525,514.

The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. Olmsted County's proportionate share of the net pension liability was based on Olmsted County's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2020 through June 30, 2021, relative to the total employer contributions received from all of PERA's participating employers. Olmsted County's proportionate share was 1.1698 percent at the end of the measurement period and 1.0865 percent for the beginning of the period.

County's proportionate share of the net pension liability	\$ 49,955,701
State of Minnesota's proportionate share of the net pension liability associated with Olmsted County	<u>1,525,514</u>
Total	<u><u>\$ 51,481,215</u></u>

For the year ended December 31, 2021, Olmsted County recognized pension expense of \$2,438,945 for its proportionate share of the General Employees Plan's pension expense. In addition, Olmsted County recognized an additional \$123,085 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of \$16 million to the General Employees Fund.

At December 31, 2021, Olmsted County reported its proportionate share of the General Employees Plan's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$ 272,726	\$ 1,516,187
Changes in actuarial assumptions	30,501,915	1,012,244
Net difference between projected and actual investment earnings	-	43,515,906
Change in proportion	5,044,925	213,583
Contributions paid to PERA subsequent to the measurement date	<u>3,079,869</u>	<u>-</u>
Total	<u><u>\$ 38,899,435</u></u>	<u><u>\$ 46,257,920</u></u>

OLMSTED COUNTY
NOTES TO FINANCIAL STATEMENTS
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The \$3,079,869 reported as deferred outflows of resources related to pensions resulting from Olmsted County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2022. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended December 31</u>	<u>Pension Expense Amount</u>
2022	\$ (425,702)
2023	1,048,872
2024	738,764
2025	(11,800,288)

Police and Fire Fund Pension Costs

At December 31, 2021, Olmsted County reported a liability of \$4,770,305 for its proportionate share of the Police and Fire Fund's net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. Olmsted County's proportionate share of the net pension liability was based on Olmsted County's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2020 through June 30, 2021, relative to the total employer contributions received from all of PERA's participating employers. Olmsted County's proportionate share was 0.6180 percent at the end of the measurement period and 0.6010 percent for the beginning of the period.

The State of Minnesota also contributed \$18 million to the Police and Fire Fund in the plan fiscal year ended June 30, 2021. The contribution consisted of \$9 million in direct state aid that does meet the definition of a special funding situation and \$9 million in supplemental state aid that does not meet the definition of a special funding situation. The \$9 million direct state was paid on October 1, 2020. Thereafter, by October 1 of each year, the state will pay \$9 million to the Police and Fire Fund until full funding is reached or July 1, 2048, whichever is earlier. The \$9 million in supplemental state aid will continue until the fund is 90 percent funded, or until the State Patrol Plan (administered by the Minnesota State Retirement System) is 90 percent funded, whichever occurs later. Strong asset returns for the fiscal year ended 2021 will accelerate the phasing out of these state contributions, although we do not anticipate them to be phased out during the fiscal year ending 2022.

The State of Minnesota is included as a non-employer contributing entity in the Police and Fire Retirement Plan Schedule of Employer Allocations and Schedule of Pension Amounts by Employer, Current Reporting Period Only (pension allocation schedules) for the \$9 million in direct state aid. Police and Fire Plan employers need to recognize their proportionate share of the State of Minnesota's pension expense (and grant revenue) under GASB 68 special funding situation accounting and financial reporting requirements. For the year ended December 31, 2021, Olmsted County recognized pension expense of (\$257,047) for its proportionate share of the Police and Fire Plan's pension expense. Olmsted County recognized \$39,057 as grant revenue for its proportionate share of the State of Minnesota's pension expense for the contribution of \$9 million to the Police and Fire Fund.

County's proportionate share of the net pension liability	\$ 4,770,305
State of Minnesota's proportionate share of the net pension liability associated with the County	<u>214,465</u>
Total	<u>\$ 4,984,770</u>

OLMSTED COUNTY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

The State of Minnesota is not included as a non-employer contributing entity in the Police and Fire Pension Plan pension allocation schedules for the \$9 million in supplemental state aid. Olmsted County recognized \$55,620 for the year ended December 31, 2021 as revenue and an offsetting reduction of net pension liability for its proportionate share of the State of Minnesota's on-behalf contributions to the Police and Fire Fund.

At December 31, 2021, Olmsted County reported its proportionate share of the Police and Fire Plan's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 904,989	\$ -
Changes in actuarial assumptions	7,011,099	2,354,321
Net difference between projected and actual investment earnings	-	9,122,271
Change in proportion	516,532	246,340
Contributions paid to PERA subsequent to the measurement date	649,371	-
Total	<u>\$ 9,081,991</u>	<u>\$ 11,722,932</u>

The \$649,371 reported as deferred outflows of resources related to pensions resulting from Olmsted County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2022. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31	Pension Expense Amount
2022	\$ (2,948,522)
2023	(468,403)
2024	(513,636)
2025	(931,962)
2026	1,572,211

Correctional Fund Pension Costs

At December 31, 2021, Olmsted County reported an asset of \$481,209 for its proportionate share of the Correctional Plan's net pension asset. The net pension asset was measured as of June 30, 2021, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of that date. Olmsted County's proportionate share of the net pension asset was based on Olmsted County's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2020 through June 30, 2021, relative to the total employer contributions received from all of PERA's participating employers. Olmsted County's proportionate share was 2.9292 percent at the end of the measurement period and 2.9872 percent for the beginning of the period.

For the year ended December 31, 2021, Olmsted County recognized pension expense of (\$1,357,483) for its proportionate share of the Correctional Plan's pension expense.

OLMSTED COUNTY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

At December 31, 2021, Olmsted County reported its proportionate share of the Correctional Plan's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ -	\$ 278,424
Changes in actuarial assumptions	3,012,243	46,273
Net difference between projected and actual investment earnings	-	3,858,625
Change in proportion	-	15,634
Contributions paid to PERA subsequent to the measurement date	276,711	-
	<u>3,288,954</u>	<u>4,198,956</u>
Total	<u>\$ 3,288,954</u>	<u>\$ 4,198,956</u>

The \$276,711 reported as deferred outflows of resources related to pensions resulting from Olmsted County contributions subsequent to the measurement date will be recognized as an addition of the net pension asset in the year ended December 31, 2022. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31	Pension Expense Amount
2022	\$ (170,471)
2023	(34,362)
2024	68,252
2025	(1,050,132)

The total pension expense for all plans recognized by Olmsted County for the year ended December 31, 2021 was \$986,557.

E. Long-Term Expected Return on Investment

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	33.5%	5.10%
International Equity	16.5	5.30
Fixed Income	25.0	0.75
Private Markets	25.0	5.90
Total	<u>100%</u>	

OLMSTED COUNTY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

F. Actuarial Methods and Assumptions

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

Inflation is assumed to be 2.25 percent for the General Employees Plan, 2.25 percent for the Police and Fire Plan, and 2.25 percent for the Correctional Plan. Benefit increases after retirement are assumed to be 1.25 percent for the General Employee Plan and 2.00 percent for the Correctional Plan. The Police and Fire Plan benefit increase is fixed at 1.00 percent per year and that increase was used in the valuation.

Salary growth assumptions in the General Employee Plan range in annual increments from 10.25 percent after one year of service to 3.0 percent after 29 years of service and 6.0 percent per year thereafter. In the Police and Fire Plan, salary growth assumptions range from 11.7 percent after one year of service to 3.0 percent after 24 years of service. In the Correctional Plan, salary growth assumptions range from 11.0 percent at age 20 to 3.0 percent at age 60.

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

Actuarial assumptions for the General Employees Plan are reviewed every four years. The most recent four-year experience study for the General Employees Plan was completed in 2019. The assumption changes were adopted by the Board and became effective with the July 1, 2020 actuarial valuation. The most recent four-year experience studies for the Police and Fire and the Correctional Plan were completed in 2020 were adopted by the Board and became effective with the July 1, 2021 actuarial valuation.

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

General Employees Fund

Changes in Actuarial Assumptions

The investment return and single discount rates were changed from 7.50 percent to 6.50 percent, for financial reporting purposes.

The mortality improvement scale was changed from Scale MP-2019 to Scale MP-2020.

Changes in Plan Provisions

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

Police and Fire Fund

Changes in Actuarial Assumptions

The investment return and single discount rates were changed from 7.50 percent to 6.50 percent, for financial reporting purposes.

The inflation assumption was changed from 2.50 percent to 2.25 percent.

The payroll growth assumption was changed from 3.25 percent to 3.00 percent.

The base mortality table for healthy annuitants and employees was changed from RP-2014 table to the Pub-2010 Public Safety Mortality table. The mortality improvement scale was changed from MP-2019 to MN-2020.

OLMSTED COUNTY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

The base mortality table for disabled annuitants was changed from RP-2014 healthy annuitant mortality table (with future mortality improvement according to Scale MP-2019) to the Pub-2010 Public Safety disabled annuitant mortality table (with future mortality improvement according to Scale MP-2020).

Assumed rates of salary increase were modified as recommended in the July 14, 2020 experience study. The overall impact is a decrease in gross salary increase rates.

Assumed rates of retirement were changed as recommended in the July 14, 2020 experience study. The changes result in slightly more reduced retirements and fewer assumed early retirements.

Assumed rates of withdrawal were changed from select and ultimate rates to service-based rates. The changes result in more assumed terminations.

Assumed rates of disability were increased for ages 25-44 and decreased for ages over 49. Overall, proposed rates result in more projected disabilities.

Assumed percent married for active female members was changed from 60 percent to 70 percent. Minor changes to form of payment assumptions were applied.

Changes in Plan Provisions

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

Correctional Fund

Changes in Actuarial Assumptions

The investment return and single discount rates were changed from 7.50 percent to 6.50 percent, for financial reporting purposes.

The inflation assumption was changed from 2.50 percent to 2.25 percent.

The payroll growth assumption was changed from 3.25 percent to 3.00 percent.

The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 Public Safety Mortality table. The mortality improvement scale was changed from MP-2019 to MN-2020.

The base mortality table for disabled annuitants was changed from the RP-2014 healthy annuitant mortality table (with future mortality improvement according to Scale MP-2019) to the Pub-2010 Public Safety disabled annuitant mortality table (with future mortality improvement according to Scale MP-2020).

Assumed rates of salary increase were modified as recommended in the July 10, 2020 experience study. The overall impact is a decrease in gross salary increase rates.

Assumed rates of retirement were changed as recommended in the July 10, 2020 experience study. The changes result in slightly more unreduced retirements and fewer assumed early retirements.

Assumed rates of withdrawal were changed as recommended in the July 10, 2020 experience study. The new rates predicted more terminations, both on the three-year select period (based on service) and the ultimate rates (based on age).

Assumed rates of disability lowered.

Assumed percent married for active members was lowered from 85 percent to 75 percent.

Minor changes to form of payment assumptions were applied.

Changes in Plan Provisions

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

OLMSTED COUNTY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

G. Discount Rate

The discount rate used to measure the total pension liability in 2021 was 6.50 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at rates set in Minnesota Statutes. Based on these assumptions, the fiduciary net positions of the General Employees Fund, the Police and Fire Fund, and the Correctional Fund were projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

H. Pension Liability Sensitivity

The following presents Olmsted County's proportionate share of the net pension liability (asset) for all plans it participates in, calculated using the discount rate disclosed in a preceding paragraph, as well as what Olmsted County's proportionate share of the net pension liability (asset) 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:

Sensitivity Analysis						
Net Pension Liability (Asset) at Different Discount Rates						
General Employees Fund			Police and Fire Fund		Correctional Fund	
Discount	Net Pension		Discount	Net Pension	Discount	Net Pension
Rate	Liability		Rate	Liability/(Asset)	Rate	Liability/(Asset)
1% Lower	5.50%	\$ 101,884,129	5.50%	\$ 15,144,912	5.50%	\$ 5,008,083
Current	6.50	49,955,701	6.50	4,770,305	6.50	(481,209)
1% Higher	7.50	7,345,256	7.50	(3,734,302)	7.50	(4,837,545)

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.

J. Public Employee Defined Contribution Plan

Seven Olmsted County Commissioners and the County Attorney are covered by the Defined Contribution Plan, a multiple employer deferred compensation plan administered by PERA. The Defined Contribution Plan is a tax qualified plan under Section 401(a) of the Internal Revenue Code and all contributions by or on behalf of employees are tax deferred until time of withdrawal.

Plan benefits depend solely on amounts contributed to the plan plus investment earnings, less administrative expenses. *Minnesota Statutes*, Chapter 353D.03, specifies plan provisions, including the employee and employer contribution rates for those qualified personnel who elect to participate. An eligible elected official who decides to participate contributes five percent of salary which is matched by the elected official's employer. Employer and employee contributions are combined and used to purchase shares in one or more of the seven accounts of the Minnesota Supplemental Investment Fund. For administering the plan, PERA receives two percent of employer contributions and twenty-five hundredths of one percent (0.25 percent) of the assets in each member's account annually.

Total contributions made by Olmsted County during fiscal year 2021 were:

	Employee	Employer
Contribution Amount	\$ 26,416	\$ 26,416
Percentage of covered payroll	5%	5%
Required rate	5%	5%

**OLMSTED COUNTY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

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, 2021, included 1,237 active plan participants. As of December 31, 2021, there were 57 enrollees: 38 retirees and 19 COBRA enrollees, receiving health benefits from the County's health plan.

D. Total OPEB Liability

Olmsted County's total OPEB liability of \$10,459,289 was measured as of January 1, 2021, rolled forward to December 31, 2021, by an actuarial valuation as of January 1, 2020.

The total OPEB liability in the January 1, 2020, 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 in 2021 to roll pay forward to the valuation date
Medical Trend Rate	6.25 percent in 2021 grading to 5.00% over 5 years

The discount rate was based on published rate information for 20-year high quality, tax-exempt, general obligation municipal bonds as of the measurement date.

Mortality rates were based on the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Safety) with MP-2019 Generational Improvement Scale.

The actuarial assumptions used in the January 1, 2020, valuation were based on the results of an actuarial experience study for the period January 1, 2018, to January 1, 2019.

OLMSTED COUNTY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

E. Changes in the Total OPEB Liability

Balance at December 31, 2020	\$ 9,328,134
Changes for the year:	
Service cost	767,345
Interest cost	286,333
Assumption changes	524,527
Benefit payments	(447,050)
Net change	<u>1,131,155</u>
Balance at December 31, 2021	<u><u>\$ 10,459,289</u></u>

Assumption changes:

Discount rate was changed from 2.90% to 2.00%.

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 (1.00%) or 1-percentage point higher (3.00%) than the current discount rate:

	<u>Total OPEB</u>
Selected 2.00% discount rate	\$ 10,459,289
1% decrease in discount rate	11,187,382
1% increase in discount rate	9,762,361

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	\$ 10,459,289
1% decrease in health care cost trend rate	9,291,176
1% increase in health care cost trend rate	11,833,940

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

For the year ended December 31, 2021, Olmsted County recognized expense of \$1,190,765. At December 31, 2021, Olmsted County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Liability losses	\$ 250,047	\$ -
Changes in assumptions	698,873	150,843
Employer contributions subsequent to the measurement date	493,948	-
Total	<u><u>\$ 1,442,868</u></u>	<u><u>\$ 150,843</u></u>

The \$493,948 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, 2022.

OLMSTED COUNTY
NOTES TO FINANCIAL STATEMENTS
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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
2022	\$ 137,087
2023	137,087
2024	137,087
2025	137,092
2026	174,795
Thereafter	74,929

OLMSTED COUNTY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

12. CONTINGENCIES

Unvested Sick Leave

Unvested sick leave, \$3,035,342 on December 31, 2021, 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 \$3,650,000 Lease Revenue Refunding Bonds, Series 2021A, on November 23, 2021, to current refund the remaining unpaid principal of Lease Revenue Bonds, Series 2013A. These bonds were issued 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 bond call date 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, 2021

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 \$2,853,549 was recorded for IBNR for all self-insurance activities reported at December 31, 2021. 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 and carries reinsurance for any workers' compensation claim that exceeds \$500,000 for the life of the claim. 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, 2021	December 31, 2020
Unpaid claims, beginning of fiscal year	\$ 28,634	\$ 286,615	\$ 1,641,576	\$ 587,720	\$ 2,544,545	\$ 3,173,202
Incurred, claims, including IBNR	1,172,065	177,274	22,421,514	508,781	24,279,634	19,447,536
Claim payments	(1,165,136)	(135,903)	(21,913,090)	(756,501)	(23,970,630)	(20,076,193)
Unpaid claims, end of fiscal year	<u>\$ 35,563</u>	<u>\$ 327,986</u>	<u>\$ 2,150,000</u>	<u>\$ 340,000</u>	<u>\$ 2,853,549</u>	<u>\$ 2,544,545</u>

OLMSTED COUNTY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

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, 2021, the City had thirty such districts in which \$4,221,350 of tax revenue was paid out to developers under these agreements. The County's share of all governmental units' 2021 property tax collections is 32 percent. Thirty two percent of the amount paid to developers is \$1,350,832.

OLMSTED COUNTY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

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*

Statement No. 96, *Subscription-Based Information Technology Arrangements*

Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans-an amendment of GASB Statement No. 14 and No. 84, and a supersession of GASB Statement No. 32*

Statement No. 99, *Omnibus 2022*

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

OLMSTED COUNTY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

16. SUBSEQUENT EVENTS

Purchase of Building

On March 31, 2022, the Authority purchased the 105 Broadway for \$2,044,148. This facility was being rented and the option to purchase the facility was exercised. The facility is being used to serve 18 single homeless individuals and provide permanent supportive housing.

Issue of 2022A and 2022B Bonds

On March 3, 2022, the County issued \$26,520,000 of Taxable General Obligation Crossover Refunding Bonds Series 2022A to crossover refund the 2026 through 2036 maturities of the General Obligation Bonds, Series 2015A, on February 1, 2025. The proceeds of the issue were deposited into an escrow account that bears interest at rates to provide sufficient funds to pay the interest due on the 2022A Bonds thru the crossover date of February 1, 2025, and to the refund remaining balance of the 2015A bonds on February 1, 2025.

On March 16, 2022, the County issued \$18,905,000 of General Obligation Bonds Series 2022B. These bonds were issued for the purpose of financing various capital improvements described in the County's Capital Improvement Plan and improvements to the County's solid waste management facility.



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, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Property taxes	\$ 55,147,523	\$ 56,027,051	56,057,002	\$ 29,951
Licenses and permits	1,209,385	1,273,385	1,333,150	59,765
Intergovernmental revenue	10,553,823	14,122,546	14,537,975	415,429
Charges for services	14,871,475	14,938,428	15,266,817	328,389
Fines and forfeits	-	-	13,872	13,872
Gifts and contributions	150,500	150,500	131,117	(19,383)
Investment income (loss)	1,284,500	1,284,500	(1,466,003)	(2,750,503)
Other	865,575	970,575	723,638	(246,937)
Total Revenues	84,082,781	88,766,985	86,597,568	(2,169,417)
Expenditures:				
Current				
General government				
Board of commissioners	756,157	761,157	697,996	63,161
Administrator	1,655,613	1,700,613	1,537,174	163,439
Property records and licensing	6,677,002	6,677,002	6,605,598	71,404
Personnel	1,000	1,000	1,000	-
Planning, code enforcement	4,007,911	4,055,771	4,001,394	54,377
Data practices and staff development	1,188,308	1,243,441	1,191,199	52,242
Total general government	14,285,991	14,438,984	14,034,361	404,623
Public safety				
Sheriff	18,511,040	19,398,275	19,190,270	208,005
Adult detention center	15,238,413	15,405,278	15,039,978	365,300
Community corrections	9,560,924	17,231,448	17,216,338	15,110
Coroner	425,309	425,309	425,309	-
District courts	1,925,227	2,394,811	2,323,721	71,090
Attorney	6,877,841	7,035,533	7,022,832	12,701
Law library	180,000	180,000	155,681	24,319
Total public safety	52,718,754	62,070,654	61,374,129	696,525
Conservation of natural resources				
Cooperative extension	162,221	162,221	159,653	2,568
Soil conservation	1,116,123	1,220,303	1,203,738	16,565
Total conservation of natural resources	1,278,344	1,382,524	1,363,391	19,133
Economic development	60,000	60,000	60,000	-
Culture and recreation				
Parks	3,380,805	3,356,340	3,355,869	471
Historical society	289,515	289,515	289,515	-
Diversity and youth programs	75,655	75,655	66,880	8,775
Library	1,305,351	1,305,351	1,305,351	-
Total culture and recreation	5,051,326	5,026,861	5,017,615	9,246
Other	10,804,512	6,054,056	4,127,773	1,926,283
Total Expenditures	84,198,927	89,033,079	85,977,269	3,055,810
Excess (Deficiency) of Revenues Over Expenditures	(116,146)	(266,094)	620,299	886,393
Other Financing Sources (Uses):				
Transfers in	-	7,172,243	10,052,270	2,880,027
Transfers out	(384,595)	(2,017,036)	(2,016,706)	330
Issuance of debt	496,317	-	-	-
Sale of capital assets	120,000	120,000	97,966	(22,034)
Total Other Financing Sources (Uses)	231,722	5,275,207	8,133,530	2,858,323
Net changes in fund balances	115,576	5,009,113	8,753,829	3,744,716
Fund Balances - Beginning	91,161,504	91,161,504	91,161,504	-
Fund Balances - Ending	\$ 91,277,080	\$ 96,170,617	\$ 99,915,333	\$ 3,744,716

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
INFRASTRUCTURE FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Property taxes	7,430,379	7,430,379	7,378,669	\$ (51,710)
Sales taxes	13,917,089	16,505,089	16,342,547	(162,542)
Wheelage taxes	1,300,000	1,400,000	1,449,602	49,602
Intergovernmental revenue	11,746,413	12,428,126	11,765,297	(662,829)
Charges for services	787,811	834,155	808,894	(25,261)
Investment income	26,532	26,532	-	(26,532)
Other	250	250	-	(250)
Total Revenues	<u>35,208,474</u>	<u>38,624,531</u>	<u>37,745,009</u>	<u>(879,522)</u>
Expenditures:				
Current				
Highways and streets				
Administration	1,352,559	1,384,559	1,381,599	2,960
Surveying	683,971	823,001	781,231	41,770
Maintenance	4,112,365	4,472,711	4,045,411	427,300
Construction	30,357,298	21,711,170	21,626,278	84,892
Equipment maintenance and shops	2,942,852	2,918,698	2,594,556	324,142
Total Expenditures	<u>39,449,045</u>	<u>31,310,139</u>	<u>30,429,075</u>	<u>881,064</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(4,240,571)</u>	<u>7,314,392</u>	<u>7,315,934</u>	<u>1,542</u>
Other Financing Sources (Uses):				
Transfers out	(3,631,999)	(3,606,999)	(18,463,745)	(14,856,746)
Issuance of debt	7,000,000	7,000,000	-	(7,000,000)
Total Other Financing Sources (Uses)	<u>3,368,001</u>	<u>3,393,001</u>	<u>(18,463,745)</u>	<u>(21,856,746)</u>
Net changes in fund balances	(872,570)	10,707,393	(11,147,811)	(21,855,204)
Fund Balances - Beginning	<u>20,846,251</u>	<u>20,846,251</u>	<u>20,846,251</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 19,973,681</u>	<u>\$ 31,553,644</u>	<u>\$ 9,698,440</u>	<u>\$ (21,855,204)</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, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Property taxes	\$ 42,864,494	\$ 41,984,966	\$ 41,631,432	\$ (353,534)
Licenses and permits	804,976	804,976	802,632	(2,344)
Intergovernmental revenue	36,838,906	40,711,550	37,930,744	(2,780,806)
Charges for services	8,787,248	8,830,248	9,251,743	421,495
Gifts and contributions	-	50,000	53,475	3,475
Other	400,000	620,186	380,367	(239,819)
Total Revenues	<u>89,695,624</u>	<u>93,001,926</u>	<u>90,050,393</u>	<u>(2,951,533)</u>
Expenditures:				
Current				
Health				
Health	<u>13,820,323</u>	<u>13,957,287</u>	<u>13,740,103</u>	<u>217,184</u>
Human services				
Income maintenance	14,110,867	14,423,167	14,422,150	1,017
Social services	54,151,266	57,849,992	56,167,774	1,682,218
Support services	7,228,094	6,920,094	6,713,924	206,170
Veterans services	385,072	423,764	423,075	689
Total human services	<u>75,875,299</u>	<u>79,617,017</u>	<u>77,726,923</u>	<u>1,890,094</u>
Total Expenditures	<u>89,695,622</u>	<u>93,574,304</u>	<u>91,467,026</u>	<u>2,107,278</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>2</u>	<u>(572,378)</u>	<u>(1,416,633)</u>	<u>(844,255)</u>
Other Financing Sources (Uses):				
Transfers in	-	1,228,505	1,228,505	-
Transfers out	-	(205,433)	(205,433)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>1,023,072</u>	<u>1,023,072</u>	<u>-</u>
Net changes in fund balances	2	450,694	(393,561)	(844,255)
Fund Balances - Beginning	<u>8,475,199</u>	<u>8,475,199</u>	<u>8,475,199</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 8,475,201</u>	<u>\$ 8,925,893</u>	<u>\$ 8,081,638</u>	<u>\$ (844,255)</u>

OLMSTED COUNTY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
AMERICAN RESCUE PLAN ACT FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues:				
Intergovernmental revenue	\$ -	\$ 25,485,838	\$ 7,971,875	\$ (17,513,963)
Total Revenues	-	25,485,838	7,971,875	(17,513,963)
Expenditures:				
Current				
General government				
Buildings and grounds	-	90,355	76,997	13,358
Public Safety				
County Attorney	-	500,000	19,976	480,024
Human services				
Social services	-	16,120,000	28,514	16,091,486
Other	-	919,500	-	919,500
Total Expenditures	-	17,629,855	125,487	17,504,368
Excess (Deficiency) of Revenues Over Expenditures	-	7,855,983	7,846,388	(9,595)
Other Financing Sources (Uses):				
Transfers out	-	(7,846,338)	(7,846,338)	-
Net changes in fund balances	-	9,645	50	(9,595)
Fund Balances - Beginning	-	-	-	-
Fund Balances - Ending	\$ -	\$ 9,645	\$ 50	\$ (9,595)

OLMSTED COUNTY
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED DECEMBER 31, 2021

	2018	2019	2020	2021
Total OPEB Liability				
Service cost	\$ 549,460	\$ 520,432	\$ 645,067	\$ 767,345
Interest	251,295	267,819	321,992	286,333
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	-	-	350,067	-
Changes of assumptions	-	(263,979)	348,991	524,527
Benefit payments	(288,102)	(253,609)	(329,723)	(447,050)
Net Change in Total OPEB Liability	512,653	270,663	1,336,394	1,131,155
Total OPEB Liability - Beginning	7,208,424	7,721,077	7,991,740	9,328,134
Total OPEB Liability - Ending	<u>\$ 7,721,077</u>	<u>\$ 7,991,740</u>	<u>\$ 9,328,134</u>	<u>\$ 10,459,289</u>
Covered-employee payroll	\$ 85,235,794	\$ 84,419,002	\$ 91,487,620	\$ 94,460,968
Total OPEB liability as a percentage of covered employee payroll	9.06%	9.47%	10.20%	11.07%

Note: This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

OLMSTED COUNTY
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
PUBLIC EMPLOYEE GENERAL EMPLOYEES RETIREMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

Measurement Date	Employer's Proportionate Share (Percentage) of the Net Pension Liability	Employer's Proportionate Share (Amount) of the Net Pension Liability (a)	State's Proportionate Share (Amount) of the Net Pension Liability Associated with Olmsted County (b)	Employer's Proportionate Share of the Net Pension Liability and the State's Proportionate Share of the Net Pension Liability Associated with Olmsted County (a + b)	Employer's Covered Payroll (c)	Employer's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll (a/c)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2021	1.170%	\$ 49,955,701	\$ 1,525,514	\$ 51,481,215	\$ 84,213,320	59.32%	87.00%
2020	1.087	65,140,640	2,008,699	67,149,339	77,481,240	84.07	79.10
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
PUBLIC EMPLOYEES GENERAL EMPLOYEES RETIREMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

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)
2021	\$ 6,161,118	\$ 6,161,118	\$ -	\$ 82,148,240	7.50%
2020	5,988,746	5,988,746	-	79,849,947	7.50
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, 2021

Measurement Date	Employer's Proportionate Share (Percentage) of the Net Pension Liability	Employer's Proportionate Share (Amount) of the Net Pension Liability (a)	State's Proportionate Share (Amount) of the Net Pension Liability Associated with Olmsted County (b)	Employer's Proportionate Share of the Net Pension Liability and the State's Proportionate Share of the Net Pension Liability Associated with Olmsted County (a + b)	Employer's Covered Payroll (c)	Employer's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll (a/c)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2021	0.618%	\$ 4,770,305	\$ 214,465	\$ 4,984,770	\$ 7,303,757	65.31%	93.70%
2020	0.601	7,921,823	186,606	8,108,429	6,638,390	119.33	87.20
2019	0.616	6,556,878	N/A	6,556,878	6,353,221	103.21	89.26
2018	0.570	6,079,876	N/A	6,079,876	6,012,056	101.13	88.84
2017	0.551	7,439,156	N/A	7,439,156	5,659,370	131.45	85.43
2016	0.572	22,955,355	N/A	22,955,355	5,514,951	416.24	63.88
2015	0.578	6,567,433	N/A	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.
N/A - Not Applicable

OLMSTED COUNTY
SCHEDULE OF CONTRIBUTIONS
PERA PUBLIC EMPLOYEES POLICE AND FIRE FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

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)
2021	\$ 1,286,201	\$ 1,286,201	\$ -	\$ 7,266,672	17.70%
2020	1,225,543	1,225,543	-	6,923,972	17.70
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 (ASSET)
PERA PUBLIC EMPLOYEES CORRECTIONAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

Measurement Date	Employer's Proportionate Share (Percentage) of the Net Pension Liability (Asset)	Employer's Proportionate Share (Amount) of the Net Pension Liability (Asset) (a)	Employer's 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
2021	2.929%	\$ (481,209)	\$ 6,476,754	7.43%	101.60%
2020	2.987	810,547	6,500,069	12.47	96.70
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, 2021

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)
2021	\$ 555,305	\$ 555,305	\$ -	\$ 6,346,343	8.75%
2020	556,605	556,605	-	6,361,200	8.75
2019	585,298	585,298	-	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
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2021

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.

OLMSTED COUNTY
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2021

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 criterion in paragraph four of the GASB Statement 75 to pay related benefits.

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

2021

The discount rate was changed from 2.90% to 2.00%.

2020

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

The mortality tables were updated from the RP-2014 Mortality Tables (Blue Collar for Public Safety, White Collar for Others) with MP-2017 Generational Improvement Scale to the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Safety) with MP-2019 Generational Improvement Scale.

The salary increase rates were changed from a flat 3.00% per year for all employees to rates which vary by service and employee classification.

The discount rate was changed from 3.80% to 2.90%

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 Table MP-2015 Generational Improvement Scale (with Blue Collar adjustments for Police and Fire Personnel) to the RP-2014 White Collar Mortality Table with MP-2017 Correctional 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 3.3%

OLMSTED COUNTY
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2021

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

2021

Change in Actuarial Assumptions

The investment return and single discount rates were changed from 7.5% to 6.5%, for financial reporting purposes.

The mortality improvement scale was changed from Scale MP-2019 to Scale MP-2020.

Change in Plan Provisions

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

2020

Change in Actuarial Assumptions

The price inflation assumption was decreased from 2.50% to 2.25%.

The payroll growth assumption was decreased from 3.25% to 3.00%.

Assumed salary increase rates were changed as recommended in the June 30, 2019 experience study. The net effect is assumed rates that average 0.25% less than previous rates.

Assumed rates of retirement were changed as recommended in the June 30, 2019 experience study. The changes result in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements.

Assumed rates of termination were changed as recommended in the June 30, 2019 experience study. The new rates are based on service and are generally lower than the previous rates for years 2-5 and slightly higher thereafter.

Assumed rates of disability were changed as recommended in the June 30, 2019 experience study. The change results in fewer predicted disability retirements for males and females.

The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 General Mortality table, with adjustments. The base mortality table for disabled annuitants was changed from the RP-2014 disabled annuitant mortality table to the PUB-2010 General/Teacher disabled annuitant mortality table, with adjustments.

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

The assumed spouse age difference was changed from two years older for females to one year older.

The assumed number of married male new retirees electing the 100% Joint & Survivor option changed from 35% to 45%. The assumed number of married female new retirees electing the 100% Joint & Survivor option changed from 15% to 30%. The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.

Change in Plan Provisions

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

OLMSTED COUNTY
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2021

2019

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.

2018

Change in Actuarial Assumptions

The morality 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.

OLMSTED COUNTY
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2021

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.

OLMSTED COUNTY
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2021

Public Employees Police and Fire Plan

2021

Change in Actuarial Assumptions

The investment return and single discount rates were changed from 7.50% to 6.50%, for financial reporting purposes.

The inflation assumption was changed from 2.50% to 2.25%.

The payroll growth assumption was changed from 3.25% to 3.00%.

The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 Public Safety Mortality table. The mortality improvement scale was changed from MP-2019 to MN-2020.

The base mortality table for disabled annuitants was changed from the RP-2014 healthy annuitant mortality table (with future mortality improvement according to Scale MP-2019) to the Pub-2010 Public Safety disabled annuitant mortality table (with future mortality improvement according to Scale MP-2020).

Assumed rates of salary increase were modified as recommended in the July 14, 2020 experience study. The overall impact is a decrease in gross salary increase rates.

Assumed rates of retirement were changed as recommended in the July 14, 2020 experience study. The changes result in slightly more unreduced retirements and fewer assumed early retirements.

Assumed rates of withdrawal were changed from select and ultimate rates to service-based rates. The changes result in more assumed terminations.

Assumed rates of disability were increased for ages 25-44 and decreased for ages over 49. Overall, proposed rates result in more projected disabilities.

Assumed percent married for active female members was changed from 60% to 70%. Minor changes to form of payment assumptions were applied.

Change in Plan Provisions

There have been no changes in plan provisions since the previous valuation.

2020

Change in Actuarial Assumptions

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

Change in Plan Provisions

There have been no changes since the prior valuation.

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.

OLMSTED COUNTY
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2021

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.

OLMSTED COUNTY
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2021

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

OLMSTED COUNTY
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2021

Public Employees Correctional Plan

2021

Change in Actuarial Assumptions

The investment return and single discount rates were changed from 7.50% to 6.50%, for financial purposes.

The inflation assumption was changed from 2.50% to 2.25%.

The payroll growth assumption was changed from 3.25% to 3.00%.

The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 Public Safety Mortality table. The mortality improvement scale was changed from MP-2019 to MN-2020.

The base mortality table for disabled annuitants was changed from the RP-2014 healthy annuitant mortality table (with future mortality improvement according to Scale MP-2019) to the Pub-2010 Public Safety disabled annuitant mortality table (with future mortality improvement according to Scale MP-2020).

Assumed rates of salary increase were modified as recommended in the July 10, 2020 experience study. The overall impact is a decrease in gross salary increase rates.

Assumed rates of retirement were changed as recommended in the July 10, 2020 experience study. The changes result in slightly more unreduced retirements and fewer assumed early retirements.

Assumed rates of withdrawal were changed as recommended in the July 10, 2020 experience study. The new rates predict more terminations, both in the three-year select period (based on service) and the ultimate rates (based on age).

Assumed rates of disability lowered.

Assumed percent married for active members was lowered from 85% to 75%.

Minor changes to form of payment assumptions were applied.

Change in Plan Provisions

There have been no changes since the prior valuation.

2020

Change in Actuarial Assumptions

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

Change in Plan Provisions

There have been no changes since the prior valuation.

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.

OLMSTED COUNTY
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2021

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

GOVERNMENTAL FUNDS

OLMSTED COUNTY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
DEBT SERVICE FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Property taxes	\$ 1,773,394	\$ 1,773,394	\$ 1,752,139	\$ (21,255)
Gifts and contributions	313,484	1,599,219	1,599,219	-
Investment income	-	-	28,430	28,430
Total Revenues	<u>2,086,878</u>	<u>3,372,613</u>	<u>3,379,788</u>	<u>7,175</u>
Expenditures:				
Debt service				
Principal	3,906,565	5,251,565	5,251,565	-
Interest and fiscal charges	<u>1,812,312</u>	<u>1,840,074</u>	<u>1,839,585</u>	<u>489</u>
Total Expenditures	<u>5,718,877</u>	<u>7,091,639</u>	<u>7,091,150</u>	<u>489</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(3,631,999)</u>	<u>(3,719,026)</u>	<u>(3,711,362)</u>	<u>7,664</u>
Other Financing Sources:				
Transfers in	3,631,999	3,703,768	8,814,069	5,110,301
Issuance of refunding debt	-	2,833,872	2,833,872	-
Total Other Financing Sources	<u>3,631,999</u>	<u>6,537,640</u>	<u>11,647,941</u>	<u>5,110,301</u>
Net changes in fund balances	-	2,818,614	7,936,579	5,117,965
Fund Balances - Beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances - Ending	<u>\$ -</u>	<u>\$ 2,818,614</u>	<u>\$ 7,936,579</u>	<u>\$ 5,117,965</u>

OLMSTED COUNTY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CAPITAL PROJECTS FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Property taxes	\$ 337,000	\$ 337,000	\$ 332,746	\$ (4,254)
Intergovernmental revenue	2,000,000	2,000,000	-	(2,000,000)
Charges for services	-	632,000	3,110	(628,890)
Investment income	-	-	38,178	38,178
Total Revenues	<u>2,337,000</u>	<u>2,969,000</u>	<u>374,034</u>	<u>(2,594,966)</u>
Expenditures:				
Capital Outlay				
Highways and streets	1,391,000	4,031,989	3,126,226	905,763
Culture and recreation	3,544,000	4,117,830	4,048,374	69,456
Total Expenditures	<u>4,935,000</u>	<u>8,149,819</u>	<u>7,174,600</u>	<u>975,219</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(2,598,000)</u>	<u>(5,180,819)</u>	<u>(6,800,566)</u>	<u>(1,619,747)</u>
Other Financing Sources:				
Transfers in	-	1,200,000	8,041,418	6,841,418
Issuance of debt	979,000	979,000	-	(979,000)
Sale of capital assets	229,000	229,000	66,226	(162,774)
Total Other Financing Sources	<u>1,208,000</u>	<u>2,408,000</u>	<u>8,107,644</u>	<u>5,699,644</u>
Net changes in fund balances	(1,390,000)	(2,772,819)	1,307,078	4,079,897
Fund Balances - Beginning	-	-	-	-
Fund Balances - Ending	<u>\$ (1,390,000)</u>	<u>\$ (2,772,819)</u>	<u>\$ 1,307,078</u>	<u>\$ 4,079,897</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, 2021

	Governmental Activities			
	Self Insurance	Administrative Services	Building Facilities	Total
ASSETS				
Current Assets:				
Cash and cash equivalents	\$ 32,421,449	\$ 17,481,282	\$ 9,034,770	\$ 58,937,501
Cash and cash equivalents on deposit:				
Restricted for debt service	-	-	3,574,448	3,574,448
Restricted for construction	-	-	1,492,846	1,492,846
Designated for OPEB liability	10,459,288	-	-	10,459,288
Restricted investments held by trustee	-	-	4,024,213	4,024,213
Accounts receivable, net	599,505	1,584	1,101	602,190
Due from other governments	-	73,326	605,201	678,527
Prepaid items	-	169,754	29,027	198,781
Total Current Assets	<u>43,480,242</u>	<u>17,725,946</u>	<u>18,761,606</u>	<u>79,967,794</u>
Noncurrent Assets:				
Other Assets: Long-term loans	-	-	13,741	13,741
Capital assets, net:				
Land	-	-	11,194,531	11,194,531
Building and structures	-	-	42,494,512	42,494,512
Improvements other than buildings	-	-	1,791,890	1,791,890
Equipment	-	579,221	1,537,514	2,116,735
Software	-	3,344,882	-	3,344,882
Infrastructure	-	-	1,214,736	1,214,736
Construction in progress	-	212,656	961,595	1,174,251
Total capital assets, net	<u>-</u>	<u>4,136,759</u>	<u>59,194,778</u>	<u>63,331,537</u>
Total Noncurrent Assets	<u>-</u>	<u>4,136,759</u>	<u>59,208,519</u>	<u>63,345,278</u>
Total Assets	<u>43,480,242</u>	<u>21,862,705</u>	<u>77,970,125</u>	<u>143,313,072</u>
DEFERRED OUTFLOWS OF RESOURCES				
OPEB	1,442,868	-	-	1,442,868
Pension	-	6,546,122	1,119,231	7,665,353
Total Deferred Outflows of Resources	<u>1,442,868</u>	<u>6,546,122</u>	<u>1,119,231</u>	<u>9,108,221</u>
LIABILITIES				
Current Liabilities:				
Accounts payable	684,990	253,299	285,248	1,223,537
Salaries payable	-	632,940	109,691	742,631
Contracts payable	-	-	634,441	634,441
Accrued interest payable	-	-	459,985	459,985
Due to other governments	10,378	3,089	47,855	61,322
Unearned revenue	181,727	-	125,103	306,830
Compensated absences	5,929,887	987,434	193,038	7,110,359
Outstanding claims	2,188,049	-	-	2,188,049
Bonds payable	-	-	6,849,750	6,849,750
Total Current Liabilities	<u>8,995,031</u>	<u>1,876,762</u>	<u>8,705,111</u>	<u>19,576,904</u>
Noncurrent Liabilities:				
Total OPEB liability	10,459,289	-	-	10,459,289
Net pension liability	-	8,632,797	1,571,651	10,204,448
Compensated absences	6,233,686	1,726,223	174,634	8,134,543
Outstanding claims	665,500	-	-	665,500
Bonds payable	-	-	31,253,095	31,253,095
Total Noncurrent Liabilities	<u>17,358,475</u>	<u>10,359,020</u>	<u>32,999,380</u>	<u>60,716,875</u>
Total Liabilities	<u>26,353,506</u>	<u>12,235,782</u>	<u>41,704,491</u>	<u>80,293,779</u>
DEFERRED INFLOWS OF RESOURCES				
OPEB	150,843	-	-	150,843
Pension	-	7,821,710	1,311,469	9,133,179
Total Deferred Inflows of Resources	<u>150,843</u>	<u>7,821,710</u>	<u>1,311,469</u>	<u>9,284,022</u>
NET POSITION				
Net Investment in capital assets	-	4,136,759	26,007,904	30,144,663
Restricted for debt service	-	-	3,133,435	3,133,435
Unrestricted	18,418,761	4,214,576	6,932,057	29,565,394
Total Net Position	<u>\$ 18,418,761</u>	<u>\$ 8,351,335</u>	<u>\$ 36,073,396</u>	<u>\$ 62,843,492</u>

OLMSTED COUNTY
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021

	Governmental Activities			
	Self Insurance	Administrative Services	Building Facilities	Total
Operating Revenues:				
Charges for services	\$ 27,452,525	\$ 23,724,856	\$ 12,038,918	\$ 63,216,299
Other	821,411	-	-	821,411
Total Operating Revenues	<u>28,273,936</u>	<u>23,724,856</u>	<u>12,038,918</u>	<u>64,037,710</u>
Operating Expenses:				
Personnel services	2,048,313	17,750,243	3,330,394	23,128,950
Consultants and professional services	27,955,329	346,146	23,308	28,324,783
Repairs and maintenance	-	2,415,054	1,441,037	3,856,091
Other services and charges	2,126,343	1,616,902	936,864	4,680,109
Supplies	910	182,861	176,444	360,215
Utilities	338	432,493	1,712,144	2,144,975
Depreciation	-	829,813	3,732,558	4,562,371
Total Operating Expenses	<u>32,131,233</u>	<u>23,573,512</u>	<u>11,352,749</u>	<u>67,057,494</u>
Operating Income (Loss)	<u>(3,857,297)</u>	<u>151,344</u>	<u>686,169</u>	<u>(3,019,784)</u>
Nonoperating Revenues (Expenses)				
Intergovernmental revenue	-	159,989	2,881,857	3,041,846
Investment income	178,207	102,119	100,623	380,949
Gain (loss) on disposal of capital assets	-	13,524	-	13,524
Interest expense	-	-	(902,099)	(902,099)
Bond issuance costs and fiscal charges	-	-	(23,376)	(23,376)
Total Nonoperating Revenues (Expenses)	<u>178,207</u>	<u>275,632</u>	<u>2,057,005</u>	<u>2,510,844</u>
Income Before Transfers	(3,679,090)	426,976	2,743,174	(508,940)
Transfers in	205,978	683,960	214,742	1,104,680
Transfers out	-	(420,720)	-	(420,720)
Total Transfers	<u>205,978</u>	<u>263,240</u>	<u>214,742</u>	<u>683,960</u>
Change in net position	(3,473,112)	690,216	2,957,916	175,020
Net position - Beginning	21,891,873	7,661,119	33,115,480	62,668,472
Net position - Ending	<u>\$ 18,418,761</u>	<u>\$ 8,351,335</u>	<u>\$ 36,073,396</u>	<u>\$ 62,843,492</u>

OLMSTED COUNTY
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021

	Governmental Activities			Total
	Self Insurance	Administrative Services	Building Facilities	
Cash flows from operating activities:				
Receipts from customers and users	\$ 239,549	\$ 7,929,131	\$ 634,574	\$ 8,803,254
Receipts from transactions with other funds	26,837,713	15,734,347	11,426,759	53,998,819
Payments to suppliers	(28,772,551)	(2,250,568)	(2,464,614)	(33,487,733)
Payments to employees	(546,417)	(17,549,039)	(3,382,341)	(21,477,797)
Payments to other funds for services provided	(648,606)	(2,845,494)	(1,768,068)	(5,262,168)
Other receipts	821,411	-	-	821,411
Net cash flows from operating activities	<u>(2,068,901)</u>	<u>1,018,377</u>	<u>4,446,310</u>	<u>3,395,786</u>
Cash flows from noncapital financing activities:				
Transfers in	205,978	683,960	-	889,938
Intergovernmental grants received	-	159,989	2,881,857	3,041,846
Transfers out	-	(205,978)	-	(205,978)
Net cash flows from noncapital financing activities	<u>205,978</u>	<u>637,971</u>	<u>2,881,857</u>	<u>3,725,806</u>
Cash flows from capital and related financing activities:				
Acquisitions of capital assets	-	(2,363,533)	(4,776,694)	(7,140,227)
Proceeds from sale of capital assets	-	33,724	-	33,724
Bond proceeds	-	-	4,046,128	4,046,128
Payments on bond issue costs and fiscal charges	-	-	(23,376)	(23,376)
Principal paid	-	-	(2,528,434)	(2,528,434)
Interest paid	-	-	(1,100,710)	(1,100,710)
Net cash flows from capital and related financing activities	<u>-</u>	<u>(2,329,809)</u>	<u>(4,383,086)</u>	<u>(6,712,895)</u>
Cash flows from investing activities:				
Interest on investments	178,207	102,119	100,623	380,949
Purchase of investments held by trustee	-	-	(4,024,213)	(4,024,213)
Net cash flows from investing activities	<u>178,207</u>	<u>102,119</u>	<u>(3,923,590)</u>	<u>(3,643,264)</u>
Net increase (decrease) in cash and cash equivalents	(1,684,716)	(571,342)	(978,509)	(3,234,567)
Cash and cash equivalents - January 1	44,565,453	18,052,624	15,080,573	77,698,650
Cash and cash equivalents - December 31	<u>\$ 42,880,737</u>	<u>\$ 17,481,282</u>	<u>\$ 14,102,064</u>	<u>\$ 74,464,083</u>
Displayed on Proprietary Funds Statement of Net Position as:				
Cash and cash equivalents	\$ 32,421,449	\$ 17,481,282	\$ 9,034,770	\$ 58,937,501
Cash and cash equivalents on deposit:				
Restricted for debt service	-	-	3,574,448	3,574,448
Restricted for construction	-	-	1,492,846	1,492,846
Designated for OPEB	10,459,288	-	-	10,459,288
Total cash and cash equivalents	<u>\$ 42,880,737</u>	<u>\$ 17,481,282</u>	<u>\$ 14,102,064</u>	<u>\$ 74,464,083</u>
Reconciliation of operating income (loss) to net cash flows from operating activities:				
Operating income (loss)	<u>\$ (3,857,297)</u>	<u>\$ 151,344</u>	<u>\$ 686,169</u>	<u>\$ (3,019,784)</u>
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:				
Depreciation	-	829,813	3,732,558	4,562,371
Changes in pension amounts	(194,905)	(422,359)	(108,928)	(726,192)
Changes in OPEB amounts	(434,338)	-	-	(434,338)
(Increase) decrease in assets				
Accounts receivable	(481,286)	(1,584)	21,679	(461,191)
Due from other governments	-	(59,794)	(574)	(60,368)
Prepaid items	-	1,624	5,961	7,585
Increase (decrease) in Liabilities				
Accounts payable and other current liabilities	352,382	(100,319)	32,398	284,461
Salaries payable	(11,073)	89,223	17,451	95,601
Contracts payable	-	-	39	39
Due to other governments	377	(3,911)	18,717	15,183
Outstanding claims	309,004	-	-	309,004
Total OPEB liability	1,131,155	-	-	1,131,155
Compensated absences	1,011,057	534,340	39,530	1,584,927
Unearned revenue	106,023	-	1,310	107,333
Total adjustments	<u>1,788,396</u>	<u>867,033</u>	<u>3,760,141</u>	<u>6,415,570</u>
Net cash flows from operating activities	<u>\$ (2,068,901)</u>	<u>\$ 1,018,377</u>	<u>\$ 4,446,310</u>	<u>\$ 3,395,786</u>
Non-cash transaction information:				
The interest expense includes amounts for				
amortization of bond discounts and premiums and deferred amounts	\$ -	\$ -	\$ 193,218	\$ 193,218
Contracts/accounts payable included in capital assets	-	-	538,754	538,754
Accounts Receivable consists of proceeds from sale of capital asset	-	20,200	-	20,200

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 FIDUCIARY NET POSITION
CUSTODIAL FUNDS
DECEMBER 31, 2021

	Service Bureau Activities	State Revenue	Individuals, Organizations, and Other Local Governments Revenue	Tax and Penalties	Total
ASSETS					
Cash, deposits, and investments	\$ 3,309,921	\$ 1,783,443	\$ 370,236	\$ 5,041,374	\$ 10,504,974
Taxes receivable for other governments	-	-	-	4,305,979	4,305,979
Special assessments receivable	865,914	-	-	-	865,914
Accounts receivable, net	311,669	-	4,095	-	315,764
Due from other governments	285,600	3,505	-	-	289,105
Due from governmental funds	685,303	-	-	-	685,303
Prepaid items	7,087	-	-	-	7,087
Total Assets	<u>5,465,494</u>	<u>1,786,948</u>	<u>374,331</u>	<u>9,347,353</u>	<u>16,974,126</u>
LIABILITIES					
Accounts payable	217,398	10,702	126,093	2,669,173	3,023,366
Due to other governments	258,063	1,776,040	143,366	2,059,556	4,237,025
Due to governmental funds	1,042,259	-	-	-	1,042,259
Unearned revenue	204,535	-	-	-	204,535
Total Liabilities	<u>1,722,255</u>	<u>1,786,742</u>	<u>269,459</u>	<u>4,728,729</u>	<u>8,507,185</u>
DEFERRED INFLOWS OF RESOURCES					
Advanced contributions	<u>2,042,076</u>	<u>-</u>	<u>-</u>	<u>312,645</u>	<u>2,354,721</u>
NET POSITION					
Restricted for:					
Individuals, organizations, and governments	<u>\$ 1,701,163</u>	<u>\$ 206</u>	<u>\$ 104,872</u>	<u>\$ 4,305,979</u>	<u>\$ 6,112,220</u>

OLMSTED COUNTY
COMBINING STATEMENT OF CHANGES IN FIDUCIARY FUND NET POSITION
CUSTODIAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021

	Service Bureau Activities	State Revenue	Individuals, Organizations, and Other Local Governments Revenue	Tax and Penalties	Total
ADDITIONS					
Contributions:					
Individuals	\$ -	\$ -	\$ 368,921	\$ -	\$ 368,921
Members	9,573,918	-	-	-	9,573,918
Others	421,477	-	-	-	421,477
Interest, dividends, other	75,156	-	-	-	75,156
Property tax collections for other governments	-	25,227,667	-	198,973,607	224,201,274
Special assessment collections for other organizations	5,825	-	-	-	5,825
Other tax collections for other governments	-	13,721,945	-	-	13,721,945
Grant collections for other governments and organizations	6,202,607	-	-	-	6,202,607
Fee collections for other governments and organizations	1,218,658	1,124,841	271,090	-	2,614,589
Fines and forfeits collections for other governments and organizations	351,761	-	-	-	351,761
Miscellaneous	8,125	1,544,305	553,144	-	2,105,574
Total additions	<u>17,857,527</u>	<u>41,618,758</u>	<u>1,193,155</u>	<u>198,973,607</u>	<u>259,643,047</u>
DEDUCTIONS					
Beneficiary payments to individuals	-	-	132,879	-	132,879
Payments of property tax to other governments	-	25,227,667	-	195,926,203	221,153,870
Payments to state	-	16,167,930	-	-	16,167,930
Administrative expenses	1,720,572	-	-	-	1,720,572
Payments to other entities	16,295,803	297,522	1,035,962	3,427,565	21,056,852
Total deductions	<u>18,016,375</u>	<u>41,693,119</u>	<u>1,168,841</u>	<u>199,353,768</u>	<u>260,232,103</u>
Net increase (decrease) in fiduciary net position	(158,848)	(74,361)	24,314	(380,161)	(589,056)
Net Position - Beginning	1,860,011	74,567	80,558	4,686,140	6,701,276
Net Position - Ending	<u>\$ 1,701,163</u>	<u>\$ 206</u>	<u>\$ 104,872</u>	<u>\$ 4,305,979</u>	<u>\$ 6,112,220</u>

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, 2021

	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	-	-	-	-	-	6,081,512	1,154,108	-	7,235,620
Conservation of natural resources	640,000	130,859	365,055	-	-	116,068	-	-	1,251,982
Highways and streets	9,421,489	38,985,172	287,276,329	19,199,003	178,207	12,247,344	33,691	9,613,733	376,954,968
Health	-	-	-	-	-	221,478	522,808	-	744,286
Human services	-	-	-	-	-	72,723	-	-	72,723
Culture and recreation	3,517,223	-	-	17,059,827	4,405,923	2,402,879	-	5,012,549	32,398,401
Total Capital Assets	13,578,712	39,116,031	287,641,384	36,258,830	4,584,130	22,243,507	4,434,565	14,626,282	422,483,441
Less Accumulated Depreciation	-	-	(156,005,694)	(14,572,253)	(2,485,531)	(15,179,951)	(4,258,930)	-	(192,502,359)
Capital Assets, net	<u>\$ 13,578,712</u>	<u>\$ 39,116,031</u>	<u>\$ 131,635,690</u>	<u>\$ 21,686,577</u>	<u>\$ 2,098,599</u>	<u>\$ 7,063,556</u>	<u>\$ 175,635</u>	<u>\$ 14,626,282</u>	<u>\$ 229,981,082</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
BY FUNCTION AND ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021

	Governmental Funds Capital Assets January 1	Additions	Deductions	Governmental Funds Capital Assets December 31
General government	\$ 3,825,461	\$ -	\$ -	\$ 3,825,461
Public safety	7,143,207	562,939	(470,526)	7,235,620
Conservation of natural resources	1,251,982	-	-	1,251,982
Highways and streets	365,100,147	13,293,988	(1,439,167)	376,954,968
Health	744,286		-	744,286
Human services	72,723		-	72,723
Culture and recreation	<u>28,563,478</u>	<u>4,565,113</u>	<u>(730,190)</u>	<u>32,398,401</u>
Total	<u>\$ 406,701,284</u>	<u>\$ 18,422,040</u>	<u>\$ (2,639,883)</u>	<u>\$ 422,483,441</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
CAPITAL ASSETS USED IN THE OPERATIONS OF GOVERNMENTAL FUNDS
COMPARATIVE SCHEDULES BY SOURCE
FOR THE YEAR ENDED DECEMBER 31, 2021

Governmental funds capital assets:

Land	\$ 13,578,712
Infrastructure land	39,116,031
Infrastructure	287,641,384
Buildings	36,258,830
Improvements other than buildings	4,584,130
Equipment and vehicles	22,243,507
Software	4,434,565
Construction in progress	14,626,282
Total governmental funds capital assets	<u>\$ 422,483,441</u>

Investment in governmental funds capital assets by source:

General government	\$ 3,825,461
Public safety	7,235,620
Conservation of natural resources	1,251,982
Highways and streets	376,954,968
Health	744,286
Human services	72,723
Culture and recreation	32,398,401
Total governmental funds capital assets	<u>\$ 422,483,441</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, 2021

<u>Investments</u>	<u>Interest Rates (Percent)</u>	<u>December 31, 2021</u>
Pooled Investments		
Municipal Bonds	.39 - 2.05	<u>\$ 8,042,577</u>
U.S. Government Securities	0 - 0.99	46,512,762
	1 - 1.99	50,667,475
	2 - 2.99	69,866,219
	3 - 3.99	-
Total U.S. Government Securities		<u>167,046,456</u>
Mutual Funds	Variable	<u>36,764,030</u>
Investments Held at Trust		
U.S. Government Securities	0 - 0.99	<u>30,857,511</u>
Mutual Funds	Variable	<u>479,698</u>
Total Investments		<u>243,190,272</u>
Total Deposits and Petty Cash		<u>38,090,181</u>
Total Deposits and Investments		<u><u>\$ 281,280,453</u></u>

OLMSTED COUNTY
TAX CAPACITY, TAX RATES, LEVIES, AND PERCENTAGE OF COLLECTIONS
FOR FISCAL YEAR 2021

	2021	
	Net Tax Capacity	Tax Capacity Rate Percent
Tax Capacity:		
Real property	\$ 230,014,488	
Personal property	3,768,008	
Tax increment financing	(6,556,752)	
Net Tax Capacity (1)	<u>\$ 227,225,744</u>	
Taxes Levied for		
County Purposes:		
General	\$ 113,989,454	46.748
Library (2)	1,305,351	2.260
Total Levy for County Purposes (3)	<u>\$ 115,294,805</u>	<u>49.008</u>
Less:		
State paid Credits & Aids	7,742,017	
Net Levy for County Purposes	<u>\$ 107,552,788</u>	
Taxable Valuations -		
Light and Power:		
Transmission	\$ 47,297	
Distribution	203,626	
Total Taxable Valuation - Light and Power	<u>\$ 250,923</u>	
Light and Power Tax Levied (4)		
Tax Capacity Rate %		112.760
Market Value Rate %		0.2020
Transmission - County share (5)	\$ 29,438	
Distribution - County share (6)	125,570	
Total Light and Power Tax Levied	<u>\$ 155,008</u>	
Percentage of tax collections, for all purposes (7)	99.0%	

- (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, 2021

	General	Infrastructure	Health and Human Services	American Rescue Plan Act Fund	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										
Aquatic Invasive Species Program Aid	\$ 5,237	\$ -	\$ -	\$ -	\$ 5,237	\$ -	\$ -	\$ -	\$ -	\$ 5,237
Certified Program Aid	7,742,017	-	-	-	7,742,017	-	-	-	-	7,742,017
Disparity Aid	4,929	-	-	-	4,929	-	-	-	-	4,929
Local Performance Aid	22,799	-	-	-	22,799	-	-	-	-	22,799
Market Value	368,906	-	-	-	368,906	-	13,185	-	-	382,091
PERA Aid	126,461	6,357	49,671	-	182,489	8,094	-	165	24,014	214,762
Police State Aid	670,292	-	-	-	670,292	-	-	-	-	670,292
E911 Distribution	388,822	-	-	-	388,822	-	-	-	-	388,822
SCORE	-	-	-	-	-	467,174	-	-	-	467,174
Highway User Tax - State Aid	-	10,873,401	-	-	10,873,401	-	-	-	-	10,873,401
TOTAL APPROPRIATIONS AND SHARED REVENUE	9,329,463	10,879,758	49,671	-	20,258,892	475,268	13,185	165	24,014	20,771,524
REIMBURSEMENT FOR SERVICES	-	-	9,121,440	-	9,121,440	-	-	-	-	9,121,440
STATE GRANTS										
Corrections	-	-	100,000	-	100,000	-	-	-	-	100,000
Employment and Economic Development	3,166,192	-	-	-	3,166,192	-	-	-	-	3,166,192
Health	-	-	1,653,862	-	1,653,862	-	-	-	-	1,653,862
Housing Finance Agency	-	-	-	-	-	-	160,041	-	-	160,041
Human Services	-	-	9,595,668	-	9,595,668	-	645,238	-	2,868,255	13,109,161
Labor and Industry	-	-	-	-	-	-	-	-	10,000	10,000
Natural Resources	\$46,499	-	-	-	46,499	-	-	-	-	46,499
Peace Officer Standards and Training Board	\$84,490	-	-	-	84,490	-	-	-	-	84,490
Pollution Control	-	-	-	-	-	54,783	-	-	-	54,783
Public Safety	\$114,456	558,729	-	-	673,185	-	-	-	-	673,185
Transportation	\$76,429	11,126	-	-	87,555	-	-	-	-	87,555
Trial Courts	\$113,158	-	-	-	113,158	-	-	-	-	113,158
Veterans Affairs	\$1,000	-	18,598	-	19,598	-	-	-	-	19,598
Water and Soil Resources	\$101,777	-	-	-	101,777	-	-	-	-	101,777
TOTAL STATE GRANTS	3,704,001	569,855	11,368,128	-	15,641,984	54,783	805,279	-	2,878,255	19,380,301
FEDERAL GRANTS										
Executive Office of the President	92,046	-	-	-	92,046	-	-	-	-	92,046
US Department of Agriculture	15,891	-	2,364,225	-	2,380,116	-	58,748	-	-	2,438,864
US Department of Education	-	-	2,100	-	2,100	-	-	-	-	2,100
US Department of Health and Human Services	441,828	-	14,867,396	-	15,309,224	-	-	-	-	15,309,224
US Department of Homeland Security	75,981	-	-	-	75,981	-	-	-	-	75,981
US Department of Housing and Urban Development	-	-	148,960	-	148,960	-	4,986,951	-	-	5,135,911
US Department of Justice	94,456	-	-	-	94,456	-	-	-	-	94,456
US Department of the Treasury	3,550	-	-	7,971,875	7,975,425	-	49,674	-	-	8,025,099
US Department of Transportation	596,501	315,684	3,264	-	915,449	-	-	-	-	915,449
TOTAL FEDERAL GRANTS	1,320,253	315,684	17,385,945	7,971,875	26,993,757	-	5,095,373	-	-	32,089,130
LOCAL										
City of Rochester	43,881	-	5,560	-	49,441	-	-	-	6,000	55,441
Fillmore County	-	-	-	-	-	-	-	-	9,214	9,214
Freeborn County	-	-	-	-	-	-	-	-	13,321	13,321
Goodhue County	-	-	-	-	-	-	-	-	20,304	20,304
Houston County	-	-	-	-	-	-	-	-	8,129	8,129
Minnesota Prairie County Alliance	-	-	-	-	-	-	-	-	33,392	33,392
Mower County	-	-	-	-	-	-	-	-	17,507	17,507
Other Governmental	27,112	-	-	-	27,112	-	647	-	-	27,759
Wabasha County	-	-	-	-	-	-	-	-	9,471	9,471
Winona County	-	-	-	-	-	-	-	-	22,239	22,239
TOTAL LOCAL	70,993	-	5,560	-	76,553	-	647	-	139,577	216,777
PAYMENT IN LIEU OF TAXES	113,265	-	-	-	113,265	-	-	-	-	113,265
TOTAL INTERGOVERNMENTAL REVENUE	\$ 14,537,975	\$ 11,765,297	\$ 37,930,744	\$ 7,971,875	\$ 72,205,891	\$ 530,051	\$ 5,914,484	\$ 165	\$ 3,041,846	\$ 81,692,437

OLMSTED COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2021

Federal Grantor/ Grant Program Title	Federal Assistance Listing Number (ALN)	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	212MN004W1003	\$ 698,117	\$ -
WIC Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	MN Dept. of Health	222MN004W1003	308,780	-
WIC Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	MN Dept. of Health	212MN014W5003	106,391	-
WIC Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	MN Dept. of Health	222MN014W5003	<u>37,117</u>	<u>-</u>
Total WIC Special Supplemental Nutrition Program for Women, Infants, and Children				<u>1,150,405</u>	<u>-</u>
SNAP Cluster					
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	MN Dept. of Human Services	212MN101S2514	<u>1,501,012</u>	<u>-</u>
Total SNAP Cluster				<u>1,501,012</u>	<u>-</u>
WIC Farmers' Market Nutrition Program (FMNP)	10.572	MN Dept. of Agriculture	202121Y860442	<u>2,499</u>	<u>-</u>
Total U.S. Department of Agriculture				<u>2,653,916</u>	<u>-</u>
U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT					
Continuum of Care Program	14.267	N/A	N/A	138,960	138,960
Continuum of Care Program	14.267	Three Rivers Community Action	MN0366L5K021904	<u>10,000</u>	<u>-</u>
Total Continuum of Care Program				<u>148,960</u>	<u>138,960</u>
Total U.S. Department of Housing and Urban Development				<u>148,960</u>	<u>138,960</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, 2021

Federal Grantor/ Grant Program Title	Federal Assistance Listing Number (ALN)	Pass-Through Agency	Pass-Through Agency Grant Number	Expenditures	Passed Through to Subrecipients
U.S. DEPARTMENT OF JUSTICE					
COVID-19-Coronavirus Emergency Supplemental Funding Program	16.034	N/A	N/A	\$ 32,940	\$ -
Crime Victim Assistance	16.575	MN Dept. of Public Safety	A-CVS-2020-OLMSTEAO-164	36,855	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	City of Rochester	2020-DJ-BX-0746	5,000	-
Equitable Sharing Program	16.922	N/A	N/A	6,527	-
Total U.S. Department of Justice				<u>81,322</u>	<u>-</u>
U.S. DEPARTMENT OF TRANSPORTATION					
Highway Planning and Construction Cluster					
Highway Planning and Construction	20.205	MN Dept. of Transportation	00055	315,684	-
Highway Planning and Construction	20.205	MN Dept. of Transportation	RC20(109)	505,500	-
Total Highway Planning and Construction				<u>821,184</u>	<u>-</u>
Recreational Trails Program	20.219	Mn Dept. of Natural Resources	#0008-20-3C	15,236	15,236
Total Highway Planning and Construction Cluster				<u>836,420</u>	<u>15,236</u>
Highway Safety Cluster					
State and Community Highway Safety	20.600	MN Dept. of Public Safety	A-SAFE21-2021-OLMSTEPH-018	3,264	-
State and Community Highway Safety	20.600	MN Dept. of Public Safety	A-ENFRC21-2021-OLMSTESD-008	22,952	7,145
Total State and Community Highway Safety				<u>26,216</u>	<u>7,145</u>
National Priority Safety Programs	20.616	MN Dept. of Public Safety	A-ENFRC21-2021-OLMSTESD-008	12,740	6,822
Total Highway Safety Cluster				<u>38,956</u>	<u>13,967</u>
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	MN Dept. of Public Safety	A-ENFRC21-2021-OLMSTESD-008	26,945	10,657
Total U.S. Department of Transportation				<u>902,321</u>	<u>39,860</u>
U.S. Department of Treasury					
Equitable Sharing	21.016	N/A	N/A	3,550	-
COVID-19-Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	N/A	7,971,875	-
Total U.S. Department of Treasury				<u>7,975,425</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, 2021

Federal Grantor/ Grant Program Title	Federal Assistance Listing Number (ALN)	Pass-Through Agency	Pass-Through Agency Grant Number	Expenditures	Passed Through to Subrecipients
U.S. DEPARTMENT OF EDUCATION					
Special Education-Grants for Infants and Families	84.181	MN Dept. of Health	NGA B04MC32551	\$ 2,100	\$ -
Total U.S. Department of Education				<u>2,100</u>	<u>-</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES					
Public Health Emergency Preparedness	93.069	MN Dept. of Health	NU90TP922026	62,821	-
Environmental Public Health and Emergency Response	93.070	N/A	N/A	14,902	-
Food and Drug Administration Research	93.103	N/A	N/A	9,769	-
Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances (SED)	93.104	MN Dept. of Human Services	H79SM080155	64,302	-
Immunization Cooperative Agreements	93.268	MN Dept. of Health	5H23IP000737	677,288	-
Immunization Cooperative Agreements	93.268	MN Dept. of Health	NH23IP922628	<u>59,184</u>	<u>-</u>
Total Immunization Cooperative Agreements				<u>736,472</u>	<u>-</u>
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	MN Dept. of Health	NU50CK000508	466,625	-
MaryLee Allen Promoting Safe and Stable Families Program	93.556	MN Dept. of Human Services	2101MNFPSS	127,291	-
Temporary Assistance for Needy Families	93.558	MN Dept. of Health	NGA 1801MNTANF	104,174	-
Temporary Assistance for Needy Families	93.558	MN Dept. of Human Services	2101MNTANF	<u>1,748,613</u>	<u>-</u>
Total Temporary Assistance for Needy Families				<u>1,852,787</u>	<u>-</u>
Child Support Enforcement	93.563	MN Dept. of Human Services	2001MNCEST	2,133,517	-
Child Support Enforcement	93.563	MN Dept. of Human Services	2101MNCSES	<u>841,951</u>	<u>-</u>
Total Child Support Enforcement				<u>2,975,468</u>	<u>-</u>
Refugee and Entrant Assistance State/Replacement Designee Administered Programs	93.566	MN Dept. of Human Services	2101MNRCMA	998	-
CCDF Cluster					
Child Care and Development Block Grant	93.575	MN Dept. of Human Services	2101MNCCDF	<u>230,473</u>	<u>-</u>
Total CCDF Cluster				<u>230,473</u>	<u>-</u>

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, 2021

Federal Grantor/ Grant Program Title	Federal Assistance Listing Number (ALN)	Pass-Through Agency	Pass-Through Agency Grant Number	Expenditures	Passed Through to Subrecipients
Community-Based Child Abuse Prevention Grants	93.590	MN Dept. of Human Services	1901MNBCAP	\$ 145,610	\$ -
Stephanie Tubbs Jones Child Welfare Services Program	93.645	MN Dept. of Human Services	2001MNCWSS	21,795	-
Foster Care Title IV-E	93.658	MN Dept. of Human Services	2101MNFOST	1,529,970	-
Social Services Block Grant	93.667	MN Dept. of Human Services	2101MNSOSR	650,300	-
John H Chafee Foster Care Program for Successful Transition to Adulthood	93.674	MN Dept. of Human Services	2101MNCLIP	49,869	-
Children's Health Insurance Program	93.767	MN Dept. of Human Services	2105MN5021	2,977	-
Medicaid Cluster					
Medical Assistance Program	93.778	MN Dept. of Human Services	2105MN5ADM	7,028,460	-
Medical Assistance Program	93.778	MN Dept. of Human Services	2105MN5MAP	52,636	-
COVID-19-Medical Assistance Program	93.778	MN Dept. of Health	NH23IP922628	36,243	-
Total Medical Assistance Program and Medicaid Cluster				<u>7,117,339</u>	<u>-</u>
Maternal and Child Health Services Block Grant to the States	93.994	MN Dept. of Health	B0433847	21,167	-
Maternal and Child Health Services Block Grant to the States	93.994	MN Dept. of Health	B0440142	131,066	-
Total Maternal and Child Health Services Block Grant to the States				<u>152,233</u>	<u>-</u>
Total U.S. Department of Health and Human Services				<u>16,212,001</u>	<u>-</u>
EXECUTIVE OFFICE OF THE PRESIDENT					
High Intensity Drug Trafficking Areas Program	95.001	NA	NA	105,554	-
Total Executive Office of the President				<u>105,554</u>	<u>-</u>
U.S. DEPARTMENT OF HOMELAND SECURITY					
Boating Safety Financial Assistance	97.012	MN Dept. of Natural Resources	194267	5,125	-
Emergency Management Performance Grants	97.042	MN Dept. of Public Safety	A-EMPG-2020-OLMSTEDCO-057	71,364	-
Total U.S. Department of Homeland Security				<u>76,489</u>	<u>-</u>
TOTAL FEDERAL PROGRAMS				<u>\$ 28,158,088</u>	<u>\$ 178,820</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, 2021

NOTE 1 – REPORTING ENTITY

The schedule of expenditures of federal awards (the schedule) presents the activities of federal award programs expended by Olmsted County (the 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 \$6,475,722 in federal awards during the year ended December 31, 2021. 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, 2021. 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, 2021

NOTE 5 – RECONCILIATION TO SCHEDULE OF INTERGOVERNMENTAL REVENUE

Federal grant revenue per Schedule of Intergovernmental Revenue	\$ 32,089,130
Grants received more than 45 days after year-end, unavailable revenue in 2021:	
Immunization Cooperative Agreements	272,793
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	65,000
Child Support Enforcement	310,809
Foster Care Title IV-E	120,335
Emergency Management Performance Grants	71,364
High Intensity Drug Trafficking Areas Program	27,936
Medical Assistance Program	241,520
MaryLee Allen Promoting Safe and Stable Families Program	8,273
Temporary Assistance for Needy Families	672,891
Community-Based Child Abuse Prevention Grants	41,379
Stephanie Tubbs Jones Child Welfare Services Program	5,453
John H. Chafee Foster Care Program for Successful Transition to Adulthood	25,240
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	273,800
State and Community Highway Safety	1,550
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	9,388
National Priority Safety Programs	3,644
Unavailable in 2020; recognized as revenue in 2021:	
High Intensity Drug Trafficking Areas Program	(14,428)
Highway Planning and Construction	(27,710)
Crime Victim Assistance	(13,134)
MaryLee Allen Promoting Safe and Stable Families	(31,298)
Public Health Emergency Preparedness	(34,568)
Stephanie Tubbs Jones Child Welfare Services Program	(13,985)
Community-Based Child Abuse Prevention Grants	(61,993)
Foster Care Title IV-E	(175,732)
Temporary Assistance for Needy Families	(528,803)
Emergency Management Performance Grants	(70,856)
John H Chafee Foster Care Program for Successful Transition to Adulthood	(14,537)
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.	(6,475,722)
Olmsted County HRA reconciling items between the Schedule of Expenditures of Federal Awards and the Schedule of Intergovernmental Revenue	1,380,349
Expenditures per Schedule of Expenditures of Federal Awards	<u>\$ 28,158,088</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	148
Changes in Net Position	149
Fund Balance, Governmental Funds	151
Changes in Fund Balance, Governmental Funds.....	152

Revenue Capacity - These schedules contain information to help the reader assess the County's most significant revenue source, the property tax.

Net Tax Capacity and Taxable Market Value of Taxable Property	153
Economic Market Value.....	154
Direct and Overlapping Property Tax Rates	155
Principal Property Taxpayers	157
Property Tax Levies and Collections	158

Debt Capacity - These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.

Ratios of Outstanding Debt by Type	162
Ratios of Net General Bonded Debt Outstanding	163
Direct and Overlapping General Obligation Bonded Debt	164
Legal Debt Margin Information	165

Demographic and Economic - These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.

Demographic and Economic Statistics	166
Principal Employers	167

Operating - These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs.

Full-time Equivalent Employees by Function/Program	168
Operating Indicators by Function/Program	169
Capital Asset Statistics by Function/Program	171

SCHEDULE 1 (Unaudited)

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

	2012	2013	2014 (1)	2015	2016 (2)	2017 (3)	2018	2019	2020	2021
Governmental activities										
Net investment in capital assets	\$ 154,629	\$ 162,636	\$ 167,741	\$ 176,290	\$ 179,278	\$ 176,362	\$ 178,260	\$ 181,076	\$ 192,229	\$ 204,900
Restricted	7,196	15,361	19,464	15,067	11,162	11,579	13,210	15,913	15,867	17,320
Unrestricted	109,829	105,510	66,465	61,308	57,055	53,045	60,872	67,646	88,696	97,977
Total Governmental activities net position	\$ 271,654	\$ 283,507	\$ 253,670	\$ 252,665	\$ 247,495	\$ 240,986	\$ 252,342	\$ 264,635	\$ 296,792	\$ 320,197
Business-type activities										
Net investment in capital assets	\$ 38,231	\$ 37,495	\$ 37,838	\$ 33,966	\$ 32,080	\$ 31,812	\$ 33,397	\$ 34,929	\$ 37,236	\$ 37,420
Restricted	6,531	6,684	6,772	6,832	7,228	7,329	7,475	7,872	9,079	8,718
Unrestricted	4,566	4,309	132	5,251	8,266	11,692	15,328	15,941	18,375	21,839
Total Business-type activities net position	\$ 49,328	\$ 48,488	\$ 44,742	\$ 46,049	\$ 47,574	\$ 50,833	\$ 56,200	\$ 58,742	\$ 64,690	\$ 67,977
Primary government										
Net investment in capital assets	\$ 192,860	\$ 200,131	\$ 205,579	\$ 210,256	\$ 211,358	\$ 208,174	\$ 211,657	\$ 216,005	\$ 229,465	\$ 242,320
Restricted	13,727	22,045	26,236	21,899	18,390	18,908	20,685	23,785	24,946	26,038
Unrestricted	114,395	109,819	66,597	66,559	65,321	64,737	76,200	83,587	107,071	119,816
Total primary government net position	\$ 320,982	\$ 331,995	\$ 298,412	\$ 298,714	\$ 295,069	\$ 291,819	\$ 308,542	\$ 323,377	\$ 361,482	\$ 388,174

(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)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses										
Governmental activities:										
General Government	\$ 15,052	\$ 19,602	\$ 15,537	\$ 15,357	\$ 22,791	\$ 25,905	\$ 19,732	\$ 19,850	\$ 26,536	\$ 20,291
Public Safety	36,410	34,620	34,330	38,759	53,829	51,468	50,865	54,051	55,038	57,451
Highway and Streets	20,002	21,089	20,134	35,650	25,439	27,206	25,686	28,303	27,821	28,584
Health	11,501	11,576	11,933	13,210	13,786	13,578	13,810	13,535	13,689	13,560
Human Services	52,072	54,150	56,059	61,196	66,978	68,391	69,583	76,135	78,533	77,292
Culture and Recreation	3,977	3,771	4,525	4,519	5,370	7,216	4,801	5,464	5,894	5,942
Interest on long-term debt	3,344	2,677	2,387	2,554	3,292	2,716	2,482	2,517	2,494	2,374
Other	841	1,017	1,046	1,130	1,771	1,688	2,621	4,173	1,376	1,403
Total governmental activities expenses	143,199	148,502	145,951	172,375	193,256	198,168	189,580	204,028	211,381	206,897
Business-type activities:										
Waste Management	22,093	23,088	23,482	21,771	26,007	22,393	22,783	25,368	23,597	23,910
Sanitary Sewer	91	93	100	104	91	120	104	119	124	132
Communications	1,152	1,061	1,161	1,100	1,087	1,260	1,106	1,266	1,322	1,801
Olmsted County HRA	n/a	n/a	n/a	n/a	6,443	7,351	7,320	8,382	10,789	11,806
Total business-type activities expenses	23,336	24,242	24,743	22,975	33,628	31,124	31,313	35,135	35,832	37,649
Total primary government expenses	\$ 166,535	\$ 172,744	\$ 170,694	\$ 195,350	\$ 226,884	\$ 229,292	\$ 220,893	\$ 239,163	\$ 247,213	\$ 244,546
Program Revenues										
Governmental activities:										
Charges for services, Fines, Licenses and Permits										
General Government	\$ 5,207	\$ 6,760	\$ 4,677	\$ 4,325	\$ 6,258	\$ 5,831	\$ 6,031	\$ 5,754	\$ 5,371	\$ 4,888
Public Safety	3,212	2,048	2,604	3,080	9,543	9,668	10,018	10,469	10,659	11,391
Highway and Streets	1,373	1,643	1,646	2,551	3,389	964	995	1,500	1,170	1,326
Health	1,950	2,051	2,011	2,202	2,026	2,692	2,709	1,588	1,478	1,587
Human Services	4,070	4,968	5,246	4,636	6,258	6,690	6,602	8,715	8,718	8,804
Culture and Recreation	311	368	378	394	592	593	740	1,172	1,152	1,045
Other	109	117	121	117	205	200	192	132	572	599
Operating grants and contributions	40,769	46,558	49,339	46,174	42,533	45,133	48,401	55,195	55,051	55,866
Capital grants and contributions	3,426	7,287	2,972	5,479	10,373	6,436	215	173	4,540	4,367
Total governmental activities program revenue	60,427	71,800	68,994	68,958	81,177	78,207	75,903	84,698	88,711	89,873

SCHEDULE 2 (Unaudited)
(concluded)

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Business-type activities:										
Charges for services:										
Waste Management	17,653	21,246	22,339	22,199	22,617	23,763	25,650	25,519	25,326	26,881
Communication	1,194	1,157	1,201	1,194	1,205	1,260	1,262	1,281	1,251	983
Olmsted County HRA	n/a	n/a	n/a	n/a	1,356	1,673	2,233	2,219	2,498	2,611
Sanitary Sewer	88	85	89	93	90	91	92	94	98	103
Operating grants and contributions	656	629	668	698	5,538	5,616	4,997	5,685	8,579	6,468
Total business-type activities program revenues	19,591	23,117	24,297	24,184	30,806	32,403	34,234	34,798	37,752	37,046
Total primary government program revenue	\$ 80,018	\$ 94,917	\$ 93,291	\$ 93,142	\$ 111,983	\$ 110,610	\$ 110,137	\$ 119,496	\$ 126,463	\$ 126,919
Net (Expense)/Revenue (a)										
Governmental activities	\$ (82,772)	\$ (76,702)	\$ (76,957)	\$ (103,417)	\$ (112,079)	\$ (119,961)	\$ (113,677)	\$ (119,330)	\$ (122,670)	\$ (117,024)
Business-type activities	(3,746)	(1,125)	(446)	1,209	(2,822)	1,279	2,921	(337)	1,920	(604)
Total primary government net expense	\$ (86,518)	\$ (77,827)	\$ (77,403)	\$ (102,208)	\$ (114,901)	\$ (118,682)	\$ (110,756)	\$ (119,667)	\$ (120,750)	\$ (117,628)
General Revenues and Other Changes in Net Postion										
Governmental activities:										
Property taxes	\$ 80,625	\$ 82,579	\$ 82,763	\$ 86,336	\$ 90,003	\$ 91,961	\$ 98,149	\$ 102,517	\$ 106,792	\$ 106,960
Sales taxes	-	-	5,682	6,411	6,649	10,027	13,925	14,619	14,378	16,283
Wheelage taxes	-	-	1,230	1,333	1,328	1,333	1,402	1,412	1,398	1,450
Unrestricted grants	5,831	5,639	6,922	7,128	7,043	7,307	8,119	7,783	27,915	16,317
Investment income	2,189	(109)	1,464	726	1,378	1,397	3,027	5,161	3,985	(1,018)
Other	497	435	517	478	508	387	411	131	126	149
Transfers	-	11	-	-	-	-	-	-	233	288
Total governmental activities	89,142	88,555	98,578	102,412	106,909	112,412	125,033	131,623	154,827	140,429
Business-type activities										
Property Taxes	-	-	-	-	1,344	1,348	1,744	2,484	3,516	3,752
Investment income	585	296	187	100	147	260	349	411	295	223
Other	-	-	-	(2)	6	-	-	(16)	449	204
Transfers and special items	-	(11)	-	-	-	372	-	-	(233)	(288)
Total business-type activities	585	285	187	98	1,497	1,980	2,093	2,879	4,027	3,891
Total primary government	\$ 89,727	\$ 88,840	\$ 98,765	\$ 102,510	\$ 108,406	\$ 114,392	\$ 127,126	\$ 134,502	\$ 158,854	\$ 144,320
Changes in Net Postion										
Governmental activities	\$ 6,370	\$ 11,853	\$ 21,621	\$ (1,005)	\$ (5,170)	\$ (7,549)	\$ 11,356	\$ 8,953	\$ 32,157	\$ 23,405
Business-Type activities	(3,160)	(840)	(259)	1,307	(1,325)	3,259	5,014	1,845	5,947	3,288
Total primary government	\$ 3,210	\$ 11,013	\$ 21,362	\$ 302	\$ (6,495)	\$ (4,290)	\$ 16,370	\$ 10,798	\$ 38,104	\$ 26,693

(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)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund										
Nonspendable	\$ 869,433	\$ 2,464,546	\$ 2,168,113	\$ 3,067,174	\$ 2,823,341	\$ 2,349,030	\$ 2,468,216	\$ 2,518,975	\$ 2,678,223	\$ 2,653,758
Restricted	1,755,035	958,413	791,629	723,378	671,530	709,686	609,003	496,222	1,871,176	2,997,897
Assigned	3,404,500	2,293,249	2,118,017	35,916,408	44,113,523	42,040,278	40,630,982	41,920,030	39,401,349	43,315,853
Unassigned	35,316,771	35,824,568	37,987,911	38,800,363	37,009,185	35,902,897	37,738,307	42,322,289	47,210,756	50,947,825
Total general fund	\$ 41,345,739	\$ 41,540,776	\$ 43,065,670	\$ 78,507,323	\$ 84,617,579	\$ 81,001,891	\$ 81,446,508	\$ 87,257,516	\$ 91,161,504	\$ 99,915,333
All Other Governmental Funds										
Nonspendable	\$ 453,774	\$ 481,514	\$ 458,874	\$ 480,663	\$ 326,851	\$ 424,118	\$ 703,773	\$ 799,919	\$ 735,998	\$ 785,261
Restricted	20,764,899	18,194,306	19,433,407	41,189,220	38,937,029	18,368,841	16,008,394	20,703,135	17,519,346	15,769,232
Assigned	39,039,780	38,550,049	44,680,200	2,695,448	3,867,076	4,961,830	11,216,254	16,677,241	11,066,106	11,368,292
Unassigned	(26,584)	(957,008)	(1,455,091)	(1,974,827)	-	-	-	-	-	(899,000)
Total all other governmental funds	\$ 60,231,869	\$ 56,268,861	\$ 63,117,390	\$ 42,390,504	\$ 43,130,956	\$ 23,754,789	\$ 27,928,421	\$ 38,180,295	\$ 29,321,450	\$ 27,023,785
Total governmental funds	\$ 101,577,608	\$ 97,809,637	\$ 106,183,060	\$ 120,897,827	\$ 127,748,535	\$ 104,756,680	\$ 109,374,929	\$ 125,437,811	\$ 120,482,954	\$ 126,939,118

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)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues:										
Property taxes	\$ 80,976	\$ 82,273	\$ 83,178	\$ 86,342	\$ 90,776	\$ 91,484	\$ 98,987	\$ 102,429	\$ 105,146	\$ 107,152
Sales taxes	-	-	5,682	6,411	6,649	10,027	13,925	14,575	14,259	16,342
Wheelage taxes	-	-	1,230	1,333	1,328	1,333	1,402	1,412	1,398	1,450
Licenses and permits	1,749	1,931	1,966	2,372	2,335	2,425	2,417	2,263	1,915	2,136
Intergovernmental	46,867	44,842	56,422	60,741	64,690	58,882	56,337	62,118	79,060	72,206
Charges for services	14,272	14,326	13,609	14,361	24,953	22,763	24,006	25,053	24,647	25,330
Fines and forfeits	28	20	18	19	20	23	24	24	19	14
Gifts and contributions	497	420	399	454	508	353	411	403	702	1,784
Investment income	1,715	(337)	1,243	571	1,014	842	2,184	4,377	3,389	(1,399)
Other	1,611	1,743	466	891	498	701	809	923	842	1,104
Total revenues	147,715	145,218	164,213	173,495	192,771	188,833	200,502	213,577	231,377	226,119
Expenditures:										
General government	14,960	15,518	14,890	13,194	14,245	14,192	15,520	14,003	15,036	14,111
Public safety	37,787	35,012	34,728	37,601	48,019	48,908	52,745	54,376	59,418	61,394
Conservation of natural resources	791	962	991	1,107	1,638	1,607	3,185	4,149	1,322	1,363
Economic development	41	51	51	56	58	58	58	47	60	60
Highways and streets	18,336	16,683	24,215	48,008	44,681	46,815	30,147	34,410	37,744	30,429
Health	11,359	11,679	12,122	12,699	12,829	13,291	13,583	12,341	14,168	13,740
Human services	52,076	54,044	56,659	59,937	63,790	67,423	69,162	74,383	80,403	77,756
Culture and recreation	3,571	3,293	4,654	3,938	4,688	6,730	5,125	8,064	10,488	5,018
Other	344	241	298	376	582	363	363	1,652	5,584	4,128
Capital Outlay										
Highway and streets	-	-	-	-	-	-	-	-	-	3,126
Culture and recreation	-	-	-	-	-	-	-	-	-	4,048
Debt service										
Principal retirement	1,628	2,347	2,005	2,097	2,139	2,595	3,486	3,199	3,318	5,252
Interest and fiscal charges	2,031	1,864	1,546	1,466	2,277	2,225	1,940	1,900	1,904	1,840
Total expenditures	142,924	141,694	152,159	180,479	194,946	204,207	195,314	208,524	229,445	222,265
Excess (deficiency) of revenues over expenditures	4,791	3,524	12,054	(6,984)	(2,175)	(15,374)	5,188	5,053	1,932	3,854
Other Financing Sources (Uses):										
Transfers in	370	668	1,169	243	774	2,919	1,270	4,244	2,704	28,136
Transfers out	(764)	(833)	(1,504)	(793)	(3,981)	(3,230)	(1,922)	(3,133)	(14,064)	(28,532)
Insurance recoveries	-	-	-	-	-	-	-	67	115	-
Payment on refunding bonds	-	(7,280)	(3,435)	(6,176)	-	(7,381)	-	-	(4,210)	-
Bonds issued	9,232	-	-	26,160	11,225	-	-	9,334	8,116	2,834
Premium (discount) on bonds	1,227	-	-	2,256	896	-	-	365	330	-
Sale of capital assets	5	153	89	9	112	74	82	133	122	164
Total other financing sources (uses)	10,070	(7,292)	(3,681)	21,699	9,026	(7,618)	(570)	11,010	(6,887)	2,602
Net change in fund balances	\$ 14,861	\$ (3,768)	\$ 8,373	\$ 14,715	\$ 6,851	\$ (22,992)	\$ 4,618	\$ 16,063	\$ (4,955)	\$ 6,456
Ratio of debt service to noncapital expenditures	2.71%	3.07%	2.54%	2.23%	2.64%	2.73%	3.00%	2.66%	2.54%	3.30%

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			Net Tax Capacity to Taxable Market Value	County Tax Extension Rate (b)
	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		
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
2021	23,656,319	19,812,844	225,231	209,359	205,892	3,835	23,865,678	20,018,736	229,066	1.0	46.9610
2022	24,651,990	20,815,241	234,406	220,185	216,719	4,075	24,872,175	21,031,960	238,481	1.0	49.0080

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

(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 the Emergency Management levy which are not applied uniformly between properties in Olmsted County. 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 ten 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 personal property (d)	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
2019	2020	19,404,788,600	91.72	21,156,577,445	157,789,100	30,516,800	21,344,883,345
2020	2021	20,623,926,400	93.87	21,969,565,445	213,894,200	29,337,600	22,212,797,245

Data Source: Minnesota Department of Revenue

(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 value 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 *	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Olmsted County										
Public Safety		\$16.7000	\$16.4860	\$16.8040	\$16.3300	\$17.5670	\$17.7890	\$17.0670	\$15.3210	\$15.1250
General	\$26.6710	9.9050	9.3540	9.3890	8.0860	5.7270	6.3700	6.5680	7.0560	12.1150
Human Services	18.8530	18.3620	18.3740	18.3430	17.4970	18.6810	17.5550	15.7800	14.4050	13.1290
Infrastructure	8.5380	7.1640	7.1060	6.9090	6.3140	5.9750	5.0250	6.2670	4.3520	3.7960
Public Health	3.9180	3.9230	3.9440	4.0480	3.9000	4.5080	4.5190	4.0110	3.6210	2.5840
Emergency Management	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
Library	2.4340	2.2650	2.2680	2.3030	2.2190	2.3790	2.3040	2.3240	2.2060	2.2590
Olmsted County Total	\$60.4140	\$58.3190	\$57.5320	\$57.7960	\$54.3460	\$54.8370	\$53.5620	\$52.0170	\$46.9610	\$49.0080
* 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	\$1.6920	\$1.6870	\$1.6880
Townships:										
Cascade	\$20.0740	\$20.5560	\$20.3820	\$20.9550	\$21.8400	\$20.9690	\$20.3470	\$23.8880	\$22.3510	\$22.0180
Dover	14.9660	11.8300	11.8230	10.5110	10.1660	10.1640	9.9470	9.9220	9.8230	10.0340
Elmira	14.3700	11.6890	11.4930	11.4550	11.0420	11.4630	11.6810	11.4660	11.6100	11.8240
Eyota	16.5250	13.7820	14.5530	14.0840	13.7340	13.9910	13.6530	14.1640	14.2200	12.9410
Farmington	18.2810	14.5380	13.8650	12.5990	11.1180	11.2350	11.2870	11.4270	11.1470	11.0970
Haverhill (W1/2)	14.9250	14.6960	15.8940	13.5020	12.4290	14.2470	12.9740	12.6310	13.5130	12.0880
Haverhill (NE 1/4)	11.5700	11.2990	12.4440	10.9170	9.7830	11.7470	10.9100	10.5960	11.9800	10.4430
Haverhill (SE 1/4)	13.8260	13.0610	14.6650	12.4730	11.3320	13.7030	12.7710	12.3500	13.3540	11.9440
High Forest	9.5600	8.3520	8.1690	7.9740	7.6790	10.4300	10.1170	10.4410	13.4090	13.4010
Kalmar	18.2960	15.8950	15.7420	15.0660	15.9080	18.9710	18.0660	17.0100	13.3320	11.9280
Marion	12.3370	12.2560	11.7730	10.9990	10.9640	11.7290	11.9490	11.3070	12.9860	12.6880
New Haven	13.7980	6.7140	6.5270	6.1410	5.7390	6.1530	6.1910	5.9100	6.2380	7.6420
Orion	10.9000	9.9870	9.6900	9.3540	9.1100	9.3060	9.1150	9.1070	9.6430	9.2950
Oronoco	14.3180	13.8120	14.1750	16.7800	15.6150	16.0960	17.0560	17.9070	20.7620	18.5960
Pleasant Grove	19.8720	16.8230	16.2620	14.5350	12.7090	12.9330	12.6210	12.2930	12.6390	12.3360
Quincy	10.2090	8.4630	8.0290	8.4810	8.3680	8.6470	10.0510	9.2150	10.1220	9.3230
Rochester	18.6900	18.3680	17.8470	17.5280	18.8190	18.7540	16.6640	20.4290	19.8460	20.0660
Rock Dell	13.3470	11.5810	10.9700	10.6460	10.3290	10.5730	10.1030	9.8340	8.9400	8.4880
Salem	14.2130	12.8350	13.8900	13.3960	12.9900	14.0410	14.9280	16.2780	15.4380	15.5270
Viola	13.8200	11.4320	11.9630	11.8450	11.3880	11.8450	11.3530	11.0810	11.2300	10.9370

**SCHEDULE 7 (Unaudited)
(concluded)**

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

Unit of Government *	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Cities:										
Byron	\$57.3480	\$60.4800	\$64.3910	\$67.8020	\$64.3750	\$66.0960	\$66.1660	\$69.6280	\$68.4460	\$67.4090
Chatfield	82.5690	83.2760	89.2720	92.0430	95.5670	98.5640	112.0700	105.6490	104.8470	101.6920
Dover	53.5140	55.5360	57.7380	64.2060	53.5180	55.8180	61.3970	56.3670	60.0100	56.9090
Eyota	58.4950	58.0630	57.9420	59.5380	51.7920	50.8860	57.8810	59.9510	57.6020	56.6960
Oronoco	45.0990	44.5260	44.7610	44.7720	40.5870	40.3830	40.9320	36.8920	37.2130	37.5740
Pine Island	72.1390	70.8870	73.5410	78.6180	79.4290	84.7410	81.3250	84.1160	84.9140	86.7310
Rochester	51.1570	49.4470	50.2170	51.3320	51.1090	52.1470	52.7230	51.8470	48.2420	49.6240
Rochester Rural Service	8.6980	8.4050	8.5380	8.7250	8.6890	8.8640	8.9650	8.8140	8.2020	8.4360
Rochester EMV Based									0.0140	0.0140
Stewartville	56.7170	55.3650	58.7710	61.1150	64.0830	65.7270	66.0390	66.9160	67.2290	70.2860
Stewartville EMV Based	0.0437	0.0851	0.0811	0.0798	0.0720	0.0663	0.0628	0.0600	0.0580	0.0510
School Districts:										
203 - Hayfield	\$13.3610	\$10.2880	\$12.2250	\$11.5100	\$13.5230	\$25.5150	\$22.6400	\$20.9370	\$20.1250	\$20.0940
203-EMV Based	0.2395	0.2107	0.1819	0.1617	0.2207	0.2207	0.2149	0.2040	0.2010	0.1950
204 - Kasson	36.5230	35.0840	46.4620	48.3230	43.6160	41.3860	39.3380	37.5260	39.7330	38.2000
204-EMV Based	0.1003	0.1008	0.1453	0.1444	0.1395	0.1382	0.1431	0.1350	0.1440	0.1530
227 - Chatfield	29.9600	25.2530	25.8670	25.8510	29.8630	29.3880	28.6730	27.1780	27.3150	25.9590
227-EMV Based	0.1501	0.1237	0.1391	0.2304	0.2194	0.2353	0.2332	0.2140	0.2280	0.2070
255 - Pine Island	24.1810	19.7170	41.1430	42.8340	38.4740	38.0070	34.1320	33.6440	32.8770	36.2180
255-EMV Based	0.1716	0.1429	0.1531	0.1572	0.1514	0.1563	0.1757	0.1490	0.1450	0.1860
531 - Byron	42.2340	36.3200	41.6420	40.9160	43.4810	41.1000	39.1520	37.3310	38.0500	48.3000
531-EMV Based	0.0982	0.0699	0.1046	0.1298	0.1308	0.1683	0.1643	0.1630	0.1720	0.1710
533 - Eyota	38.3300	28.8200	34.3540	36.1610	34.6310	32.5520	32.4250	32.6410	31.8350	28.8930
533-EMV Based	0.0686	0.0904	0.1641	0.2365	0.1717	0.1966	0.1916	0.1960	0.1780	0.1670
534 - Stewartville	26.6540	25.5950	29.7880	30.1570	25.5300	27.7600	23.5020	24.8020	25.2840	25.0840
534-EMV Based	0.2131	0.1829	0.1753	0.1845	0.1803	0.1789	0.1634	0.2250	0.2100	0.1980
535 - Rochester	21.5830	22.2190	21.1150	20.0230	17.8620	15.7580	15.6840	19.7720	20.3750	20.3870
535-EMV Based	0.1230	0.1058	0.1383	0.2147	0.2395	0.2248	0.2195	0.2060	0.1900	0.1770
858 - St. Charles	20.4590	17.4500	17.1330	22.0920	21.4690	18.6220	19.5510	29.5640	23.6340	24.1000
858-EMV Based	0.0907	0.0618	0.1328	0.1399	0.1418	0.1332	0.1339	0.1300	0.1420	0.1550
2805 - Zumbrota-Mazeppa	16.5240	19.5620	22.8050	23.2170	22.5360	21.3780	20.1360	36.5760	34.5980	33.4270
2805-EMV Based	0.2365	0.2896	0.2753	0.2748	0.2389	0.3487	0.3237	0.3010	0.3120	0.2990
2899 - PEM	19.5190	17.7190	12.5830	12.4450	12.4370	12.2780	18.4160	17.2540	16.8080	15.8190
2899-EMV Based	0.0887	0.0641	0.1218	0.1140	0.1444	0.1353	0.1468	0.1480	0.1540	0.1360

Data Source: Property Records and Licensing

SCHEDULE 8 (Unaudited)

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

2021				2012			
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 FOUNDATION	\$ 334,317,400	\$ 6,642,274	2.9	Mayo Properties	\$ 370,419,398	\$ 7,230,721	5.2
MAYO ASSOCIATION	218,899,000	4,371,982	1.9	MEPC Apache Properties	57,849,200	1,154,734	0.8
MAYO CLINIC	85,092,100	1,694,342	0.7	IBM	56,617,200	1,111,018	0.8
MAYO CLINIC ROCHESTER	81,347,200	1,601,141	0.7	Sunstone Kahler LLC	56,159,000	1,118,868	0.8
MINNESOTA ENERGY RESOURCES	78,355,300	1,566,323	0.7	IRET Properties	51,585,000	682,992	0.5
LEGACY FUND I LLC	53,900,300	1,077,256	0.5	BGD5 Office	34,518,400	688,118	0.5
APACHE MALL LLC	49,159,800	982,446	0.4	Minnesota Energy Resources	33,401,400	667,924	0.5
KAH 20 2ND AVENUE LLC	43,801,900	875,288	0.4	Maineland LLC	23,136,800	457,486	0.3
OLMSTED MEDICAL CENTER	33,908,200	666,209	0.3	City of Rochester	18,516,500	363,521	0.3
ROCHESTER MN PROPERTIES LLC	57,615,900	757,972	0.3	Rochester Development	19,670,500	358,323	0.3
All Others	18,982,338,900	208,830,767	91.2	All Others	11,418,745,294	124,472,743	90.0
Total	\$ 20,018,736,000	\$ 229,066,000	100.0	Total	\$ 12,140,618,692	\$ 138,306,448	100.0

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 Year of the Levy		Collections in Subsequent Years (2)	Total Collections to Date	
			Amount	% of Levy		Amount	% of Levy
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	567,118	84,898,077	99.40
2016		89,178,961	88,622,609	99.38	327,807	88,950,416	99.74
2017		91,460,537	90,596,247	99.06	422,675	91,018,922	99.52
2018		97,913,530	97,366,149	99.44	319,258	97,685,407	99.77
2019		102,596,254	101,818,170	99.24	407,880	102,226,050	99.64
2020		106,913,674	105,332,627	98.52	644,806	105,977,433	99.12
2021		106,921,767	106,078,734	99.21	-	106,078,734	99.21

(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 Year of the Levy		Collections in Subsequent Years (2)	Total Collections to Date	
		Amount	% of Levy		Amount	% of Levy (3)
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	1,316,251	230,706,191	99.82
2016	251,641,120	250,093,140	99.38	1,386,483	251,479,623	99.94
2017	265,815,861	263,341,227	99.07	1,086,148	264,427,375	99.48
2018	276,720,830	275,246,164	99.47	723,248	275,969,412	99.73
2019	290,149,153	287,987,490	99.25	981,670	288,969,160	99.59
2020	311,364,859	306,195,752	98.34	2,654,487	308,850,239	99.19
2021	320,021,119	317,359,209	99.17	-	317,359,209	99.17

(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
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	6,028	90,886	99.82
2018	193,078	183,684	95.13	8,359	192,043	99.46
2019	205,814	197,829	96.12	7,480	205,309	99.75
2020	185,291	175,979	94.97	8,389	184,368	99.50
2021	180,106	179,674	99.76	-	179,674	99.76

(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.

Data Source: Property Records and Licensing

SCHEDULE 9 (Unaudited)
(concluded)

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

Fiscal / Payable Year	Total Tax Levied		Collected within the Fiscal Year of the Levy		Collections in Subsequent Years (2)	Total Collections to Date			
	(1)		Amount	% of Levy		Amount	% of Levy		
2012	\$	2,311,084	\$	1,886,084	81.61	\$	2,200,200	95.20	
2013		2,057,410		1,743,170	84.73		1,988,224	96.64	
2014		2,140,537		1,890,945	88.34		2,073,437	96.87	
2015		2,182,513		2,066,667	94.69		2,136,705	97.90	
2016		2,079,323		1,948,477	93.71		2,083,001	100.18	
2017		1,641,166		1,516,027	92.37		1,649,033	100.48	
2018		1,873,223		1,837,984	98.12		1,884,056	100.58	
2019		1,910,290		1,868,577	97.82		1,908,654	99.91	
2020		2,366,031		2,245,786	94.92		2,315,775	97.88	
2021		3,031,049		3,048,990	100.59		-	3,048,990	100.59

(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 Obligation Bonds	General Obligation Revenue Bonds	Mortgages Payable (2)	Deferred Repayment & Forgivable Mortgages (2)						
2012	\$ 3,642	\$ 1,545	\$ 88,104	\$ 143,020	\$ -	\$ -	\$ 236,311	148,500	\$ 1,591	\$ 138,306	171%	3%
2013	3,619	-	72,116	138,248	-	-	213,983	150,000	1,427	142,665	150%	3%
2014	3,596	-	65,187	133,337	-	-	202,120	150,875	1,340	148,668	136%	3%
2015	3,308	-	89,277	75,214	-	-	167,799	152,250	1,102	154,960	108%	2%
2016	3,011	-	102,459	81,915	-	-	187,385	154,000	1,217	161,748	116%	2%
2017	2,708	-	87,573	65,876	537	10,745	167,439	155,900	1,074	185,455	90%	2%
2018	2,400	-	82,043	60,300	529	10,738	156,010	156,650	996	198,905	78%	2%
2019	2,082	-	96,625	54,570	520	10,692	164,489	159,500	1,031	213,974	77%	2%
2020	1,754	-	96,583	59,368	510	11,502	169,717	161,500	1,051	229,066	74%	2%
2021	-	-	96,867	74,909	500	11,502	183,778	165,300	1,112	238,481	77%	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	ACTUAL TAXABLE PROPERTY	% OF NET GENERAL OBLIGATION DEBT TO ACTUAL TAXABLE PROPERTY
2012	\$ 93,291	\$ 36,333	\$ 56,958	148,500	\$ 384	\$ 13,003,584	0.4
2013	75,735	22,235	53,500	150,000	357	12,327,523	0.4
2014	68,783	18,896	49,887	150,875	331	12,904,879	0.4
2015	92,585	3,430	89,155	152,250	586	13,393,761	0.7
2016	105,470	20,994	84,476	154,000	549	13,979,791	0.6
2017	90,281	11,587	78,694	155,900	505	15,189,827	0.5
2018	84,443	11,364	73,079	156,650	467	16,061,106	0.5
2019	98,707	11,561	87,146	159,500	546	17,305,553	0.5
2020	98,337	7,181	91,156	161,500	564	18,717,083	0.5
2021	96,867	14,642 (3)	82,225	165,300	497	20,018,736	0.4

(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 for Debt Service	\$ 7,832
Refinancing Escrow - held by trustee	6,842
Less Ref. Escrow restricted for interest payments	(32)
Total restricted for repaying principal	<u>\$ 14,642</u>

Note: Prior year numbers have been reclassified to conform with 2021 presentation.

SCHEDULE 12 (Unaudited)

OLMSTED COUNTY
Direct and Overlapping General Obligation Bonded Debt
as of December 31, 2021
(dollars in thousands)

GOVERNMENTAL UNIT	DEBT OUTSTANDING (1)	% OF TAX CAPACITY WITHIN OLMSTED COUNTY (2)	PORTION CHARGEABLE TO COUNTY (3)
DIRECT:			
Olmsted County	\$ 96,867	100.00%	\$ 96,867
OVERLAPPING:			
School District #227	27,265	45.38	12,372
School District #531	47,743	98.42	46,991
School District #533	9,854	100.00	9,854
School District #534	24,210	76.95	18,630
School District #535	285,685	99.76	285,013
School District #858	-	100.00	-
Total Overlapping	\$ 394,757		\$ 372,860
UNDERLYING:			
City of Rochester	\$ 326,725	100.00	\$ 326,725
City of Byron	12,507	100.00	12,507
City of Eyota	7,205	100.00	7,205
City of Oronoco	805	100.00	805
City of Dover	652	100.00	652
City of Stewartville	5,904	100.00	5,904
Cascade Township	-	100.00	-
Eyota Township	-	100.00	-
Oronoco Township	243	100.00	243
Salem Township	20	100.00	20
Olmsted County HRA	530	100.00	530
Total Underlying	\$ 354,591		\$ 354,591
TOTAL DEBT	\$ 846,215		\$ 824,318

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Total Taxable Market Value	\$ 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	\$ 18,717,083,000	\$ 20,018,736,000
Debt Limit	364,218,570	369,825,690	387,146,370	401,812,830	419,393,730	455,694,810	481,833,180	519,166,590	561,512,490	600,562,080
Debt applicable to limit:										
General obligation debt (1)	89,075,000	73,260,000	66,505,000	87,200,000	105,470,166	90,280,584	84,443,247	98,707,281	98,337,266	96,867,011
Less: Assets available for debt service	(37,337,434)	(23,953,062)	(19,952,753)	(4,830,019)	(22,874,124)	(13,076,407)	(12,673,160)	(12,695,196)	(8,383,142)	(15,525,353)
 Total Net Debt Applicable to Limit	 51,737,566	 49,306,938	 46,552,247	 82,369,981	 82,596,042	 77,204,177	 71,770,087	 86,012,085	 89,954,124	 81,341,658
Legal debt margin	\$ 312,481,004	\$ 320,518,752	\$ 340,594,123	\$ 319,442,849	\$ 336,797,688	\$ 378,490,633	\$ 410,063,093	\$ 433,154,505	\$ 471,558,366	\$ 519,220,422
Total debt applicable to the limit as a percentage of debt limit	14.21%	13.33%	12.02%	20.50%	19.69%	16.94%	14.90%	16.57%	16.02%	13.54%

(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	
2012	148,500	\$	7,072,168	\$	48,128	4.4	5.7	8.1
2013	150,000		7,184,878		48,249	4.0	5.0	7.4
2014	150,875		7,514,595		50,055	3.4	4.3	6.2
2015	152,250		7,881,474		52,026	2.9	3.8	5.3
2016	154,000		8,188,989		53,367	3.0	3.9	4.9
2017	155,900		8,593,913		55,486	2.7	3.5	4.4
2018	156,650		9,100,502		58,183	2.3	3.1	3.9
2019	159,500		9,404,345		59,450	2.6	3.4	3.7
2020	161,500		10,051,751		63,100	5.2	6.3	8.1
2021	165,300		na		na	3.0	3.4	5.3

Data Sources:

- (1) State Demographer
- (2) Bureau of Economic Analysis as of March 2021 new estimated for 2020, revised estimates for 2012-2019
- (3) Bureau of Economic Analysis as of March 2021 new estimated for 2020, revised estimates for 2012-2019
- (4) Department of Employment and Economic Development

SCHEDULE 15 (Unaudited)

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

<u>Employer</u>	2021			2012		
	<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	40,950	1	48.44%	35,000	1	43.85%
ROCHESTER PUBLIC SCHOOLS DIST #535	2,854	2	3.38%	2,239	3	2.81%
IBM*	2,791	3	3.30%	3,000	2	3.76%
OLMSTED MEDICAL CENTER	1,319	4	1.56%	1,091	5	1.37%
OLMSTED COUNTY	1,268	5	1.50%	1,193	4	1.49%
CITY OF ROCHESTER	1,118	6	1.32%	831	7	1.04%
CHARTER COMMUNICATIONS*	672	7	0.79%	725	9	0.91%
BENCHMARK ELECTRONICS*	495	8	0.59%	0	**	0.00%
FEDERAL MEDICAL CENTER	451	9	0.53%	0	**	0.00%
GEOTEK	450	10	0.53%	0	**	0.00%
TOTAL	<u>52,368</u>		<u>61.94%</u>	<u>44,079</u>		<u>55.23%</u>

* 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:	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Primary government:										
Governmental activities:										
General government	203	208	218	244	237	260	265	263	268	269
Public safety	267	272	280	283	285	285	293	300	303	331
Conservation of natural resources	6	6	6	5	9	11	11	7	7	7
Highways and streets	72	70	70	66	62	62	63	63	64	64
Health	109	112	113	111	112	111	110	78	82	82
Human services	325	338	343	329	347	378	391	436	443	417
Culture and recreation	16	17	18	18	19	19	19	21	21	20
Total governmental activities	998	1,023	1,048	1,056	1,071	1,126	1,152	1,168	1,188	1,190
Business-type activities										
Waste management	64	65	61	64	66	67	68	69	70	68
Communications	2	1	1	1	1	1	1	1	1	1
Olmsted County HRA	11	11	10	10	10	-	-	-	-	-
Total business-type activities	77	77	72	75	77	68	69	70	71	69
Total primary government	1,075	1,100	1,120	1,131	1,148	1,194	1,221	1,238	1,259	1,259

Data Source: Olmsted County Adopted Budget

SCHEDULE 17 (Unaudited)

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

Function/Program	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Estimated Population	148,500	150,000	150,875	152,250	154,000	155,900	156,650	159,500	161,500	165,300
Public Safety										
Average Daily Detainee Population										
Adult Detention Center	119	131	112	152	161	143	135	108	86	76
Work Release Facility	39	35	26	29	27	44	16	21	10	8
Electronic Home Monitoring	44	37	39	38	35	50	33	***	***	***
Health										
Number of Client Contacts										
WIC	45,009	42,140	41,193	40,035	38,238	36,426	34,425	33,425	35,439	34,869
Newborn/Postpartum	985	781	698	680	778	856	844	561	165	659
Number of Licensed Business Assessments	940	964	973	1,073	1,010	1,049	1,179	1,195	357	563
Human Services										
Public Assistance Clients Enrolled at Year-End										
Health Care	17,441	17,758	24,449	24,631	24,755	25,381	25,044	24,365	29,745	31,646
Supplemental Nutrition Assistance Program	12,746	13,107	10,733	10,616	9,427	8,828	8,461	8,160	6,384	9,544
Cash Assistance	4,422	4,232	3,929	3,875	4,059	4,252	4,059	3,892	3,884	4,457
Number of Child Support Cases	5,184	4,943	5,714	5,665	5,497	5,460	5,421	5,342	5,090	4,819
Number of Social Services Client Intakes	10,444	11,222	10,363	10,175	10,248	10,711	11,227	10,973	10,184	11,150
Highways and Streets										
Street Resurfacing (miles)	15.00	23.30	4.80	54.47	8.40	6.90	5.80	16.66	17.88	22.29
Bridge Repairs	3	2	2	-	-	-	-	2	-	5
Waste Management										
Municipal Solid Waste										
Number of tons in total waste stream	166,937	177,201	212,037	237,317	183,230	167,290	165,248	165,074	163,868	172,046
Number of tons burned	95,238	104,086	100,322	103,863	109,228	114,248	117,247	116,498	113,446	111,612
Percentage recycled	48%	51%	59%	59%	49%	44%	43%	41%	41%	44%
Steam Produced in million pounds (MLBS).	693,274	734,930	696,560	754,742	802,191	824,124	851,202	851,861	867,212	848,646
Electricity Produced in kilowatt hours (KWH)	28,353,240	29,502,464	26,386,379	33,356,320	33,575,423	34,362,631	34,344,260	33,195,430	31,587,545	36,982,676

***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	No.	Value	No.	Value	No.	Value	No.	Value
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
2020	314	87,446,559	24,255,628		96,015,157		179,692,906		2,238	387,410,250
2021	369	112,243,628	47,184,489		78,341,461		210,208,966		2,430	447,978,544

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	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Government										
Government Center Building Square footage	289,700	289,700	289,700	289,700	304,700	304,700	304,700	304,700	330,140	330,140
Public Safety										
# of Rated Beds										
Adult Detention Center	188	188	188	202	202	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	96,322	96,322	96,322	96,322	96,322	96,322	96,322	96,322	69,728	69,728
Highways and Streets										
County State Aid Highways (CSAH)										
# of Miles-Hard Surfaced	313	314	314	314	313	305	304	307	314	309
# of Miles-Rock	1	-	-	-	1	1	1	1	1	1
County Roads (CR)										
# of Miles-Hard Surfaced	67	65	67	67	65	65	63	60	59	58
# of Miles-Rock	141	139	141	141	141	134	133	137	132	132
Total County Highway Miles	522	518	522	522	520	505	501	505	506	500
Bridges										
# greater than ten feet in length	337	337	342	342	342	219	219	219	216	216
Public Works Building's Square Footage	235,539	235,539	235,539	206,035	206,035	206,635	206,635	261,973	265,018	265,018
Health										
Health Department Building Square Footage	69,427	69,427	69,427	69,427	69,427	69,427	69,427	69,427	41,662	41,662
Human Services										
Human Services Building Square Footage	193,583	193,583	193,583	193,583	107,363	107,363	107,363	107,363	111,527	107,515
Culture and Recreation										
Park and Recreational Facilities										
Land Total Acreage (approximate)	2,181	2,181	2,216	2,216	2,216	2,216	2,216	2,218	2,247	2,247
Buildings Square Footage	231,467	231,467	242,116	251,016	251,016	251,016	251,016	298,735	283,832	283,382
Waste Management										
Landfill										
Estimated Capacity Percentage Used to Date	38%	38%	38%	39%	39%	42%	44%	44%	38%	40%
Waste-to-Energy										
Daily capacity available (in tons)	400	400	400	400	400	400	400	400	400	400
Building Square Footage	99,200	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	\$ 7,262,948	\$ 8,073,117	\$ 7,448,343	\$ 5,679,263	\$ 5,569,562	\$ 5,766,175	\$ 5,087,071	\$ 4,739,571	\$ 4,645,271	\$ 4,561,301

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