



Olmsted County

Annual Comprehensive Financial Report
For the year ended December 31, 2022



New nature center construction at Oxbow Park makes gains in 2022

Construction on the new nature center at Oxbow Park is in its final stages and expected to be completed in 2023.

In 2022, construction at the park continued with the framing and roofing of the new nature center and moved to electrical and HVAC installation by the end of the year. Building construction should be completed in mid-March of 2023 which will allow the live animal exhibit installation to start.

The building will connect even more people to the outdoors and provide programming that showcases Southeastern Minnesota's natural resources, including Zollman Zoo's 30-plus species of native animals.

With the influx of visitors to the park each year, it was necessary to expand the nature center, originally built in 1981. Once the new nature center is completed, visitors can explore new interactive exhibits within a larger, more accessible space.

The project has been funded partly by the Greater Minnesota Parks and Trails Legacy grant, private donations, and federal funding from the American Rescue Plan Act. This funding will ensure local families and visitors can explore this new feature of Oxbow Park in an environmentally sustainable way. With this new nature center, guests can expect state-of-the-art amenities such as educational activities, indoor and outdoor learning spaces, interactive displays with native wildlife, and much more.



Olmsted County, Minnesota

Annual Comprehensive Financial Report

For the Year Ended December 31, 2022

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Chief Financial Officer

Prepared by:

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DATE OF INCORPORATION: 1855

FORM OF GOVERNMENT: Board of Commissioners - Administrator

NUMBER OF EMPLOYEES: 1259 Full-Time Equivalents

AREA: 660 Square Miles

POPULATION: Estimated 166,000

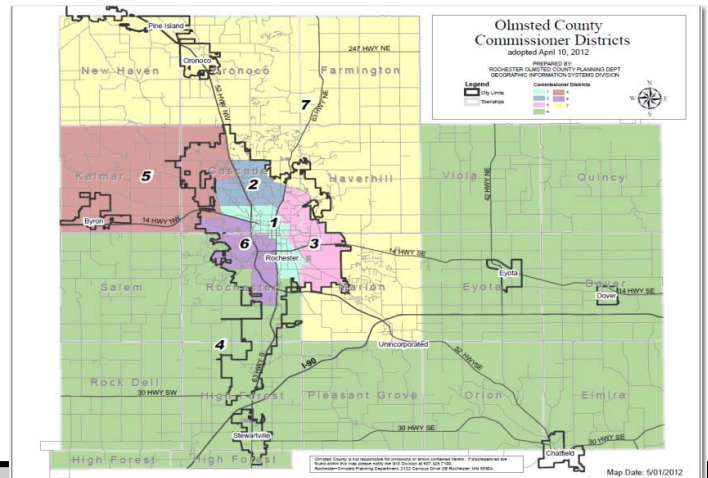
NUMBER OF TOWNSHIPS: 18

NUMBER OF CITIES: 8

LARGEST CITY: Rochester, Estimated Population 121,500

MILES OF ROAD: 500

OLMSTED COUNTY MINNESOTA



OLMSTED COUNTY
FUND LEVEL STATEMENTS FOR YEAR ENDED DECEMBER 31, 2022

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FUND LEVEL STATEMENTS FOR YEAR ENDED DECEMBER 31, 2022

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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
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Rochester, MN 55904-3710
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June 13, 2023

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, 2022. 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, 2022. 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 166,000 citizens. The county ranks seventh in population size among Minnesota's 87 counties. The City of Rochester, the county seat, has an estimated population of 122,000 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	
	2022	2023
<i>Criminal Justice / Public Safety</i>		
Courts	15	15
Attorney	36	37
Sheriff / Emergency Management	81	84
Adult Detention Center	84	88
Community Corrections	4	8
<i>Highways</i>		
Construction	10	12
Maintenance	23	23
<i>Health, Housing and Human Services</i>		
Public Health	38	39
Olmsted County Housing and Redevelopment Authority (1)	24	28
Family Support and Assistance (Eligibility Screening) (2)	25	27
Protection Social Services (Children) (2)	108	117
Protection Social Services (Adult) (2)	59	60

Land Management	40	42
Elections	11	4
Parks	14	14
Debt Service (3)	18	19
Capital Projects (3)	-	5
Administrative Services (4)	107	103
Other (5)	20	20
Total (6)	717	755

(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) In years prior to 2023, Human Services Administration had been allocated to the various reporting categories based on a formula. For years 2022 and 2023 on this 2023 Quick Budget, Human Services Administration has been allocated 100% to Protective Services - Adult

(3) In years prior to 2022, Debt Service and Capital Projects were allocated to the other services displayed.

(4) In 2022, Administrative Services was reported in the All Other reporting category. In 2023 which reports years 2022 and 2023, Administrative Services includes the Board of Commissioners, Administration, Policy and Communications, IT, Human Resources, and Finance.

(5) All Other includes Libraries, Conservation, History Center, Veteran Services and Program Aid from the State.

(6) Populations have been 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 48,000 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 2017 and 2022, residential **market values** in the county increased by about 44% (8.76% annually). During this same time, Olmsted County has continued to experience **steady growth in population, jobs, and income**. Between 2017 and 2022, the county's population grew by about 6.5%. The most recent Census data shows Olmsted County's average unemployment rate at 1.8%, compared to 2.7% for the state and 3.6% for the U.S.

Olmsted County's median annual household income (adjusted for inflation) of \$84,656 is higher than the state's, \$77,706 and the national median of \$69,021.

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 2022 population of 166,000. 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, "Superior management team that is forward looking". "Very strong economy, with more growth underway around Mayo Clinic". "Extremely high reserves even with planned spenddown, which we believe is a credit strength".

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

American Rescue Plan Act (ARPA)

On March 11, 2021, the American Rescue Plan Act (ARPA) was signed into law by the federal government. Olmsted County received a total \$30,746,560 under the Coronavirus Local Fiscal Recovery Fund, Section 603 of the ARPA. 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, was received on June 6, 2022. 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.

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. Also in May 2022, the County Board approved to maximize the revenue reduction "loss" category of the ARPA and use it to cover Public Safety salaries and benefits. The decision to maximize the revenue reduction "loss" category was made based on the fact that this category is the most flexible eligible use category under ARPA, and funds are subject to streamlined reporting

and compliance requirements. Specially if used to cover salaries and benefits. Since Public Safety salaries and benefits are budgeted to be funded with property taxes, the use of ARPA funds to cover these costs creates a surplus of property taxes. The surplus of property taxes will be used to provide unprecedented support for affordable housing, groundwater protection, soil health, workforce development, and children mental health, to name a few.

The most significant use of the property tax surplus, totaling about \$22 million, 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.
- A \$3 million investment in a new program for groundwater protection and soil health. Farm operators in Olmsted County can use cost-share through this program to integrate small grains or alternative crops into their traditional cropping systems, expand haying and grazing acres, and plant cover crops.
- A \$920 thousand contribution for two failing sewer systems serving vulnerable populations.
- About \$1 million investment in children mental health.
- A \$1.2 million for the new Oxbow Nature Center.

ARPA revenue Loss calculation is performed after year-end financial statements are audited. As of December 31, 2022, Olmsted County has claimed \$25,297,881 ARPA funds under the revenue loss calculation. The County will be able to claim the remaining \$5,448,679 (\$30,746,560 - \$25,297,881) under the revenue loss calculation once the year end 12/31/2022 audit is complete. See below.

Based on:	Counterfactual Revenue	Actual Revenue (excludes federal funds)	"Revenue Loss" (under ARPA rules)	Used in:
YE 2020	\$243,532,548	\$235,666,227	\$7,866,321	YE 2021
YE 2021	\$256,578,592	\$239,147,032	\$17,431,560	YE 2022
YE 2022	\$270,323,513	\$249,469,722	\$5,448,679*	YE 2023
			\$30,746,560	

*Based on our December 31, 2022, audited financial statements, we can only claim \$5,448,679 which represents the balance of ARPA federal funds available at the end of 12/31/2022.

Joint study on race and racism as a public health issue

In October 2022, the Olmsted County Board of Commissioners accepted the final report with recommendations in the joint study of race and racism as a public health issue. The recommendations were the result of more than two years of work by volunteers on the Olmsted County Public Health Services Advisory Board and the Olmsted County Human Rights Commission. In addition to accepting the report of recommendations, commissioners directed county employees to move forward with the next phase of this project. As we move forward with further evaluation and action, this work will now be called the Olmsted County Racial Equity Initiative. The goals of this initiative are to evaluate the 42 recommendations across nine focus areas and prepare an organization-wide response.

Redistricting and elections

In mid-April 2022, six draft commissioner redistricting maps became available for residents to review and share feedback on – both in-person and online. Olmsted County was required to redistrict due to Olmsted County's population increases and the City of Rochester precinct boundary changes, which became known after receiving the results of the 2020 U.S. Census. On April 26, 2022, the Olmsted County Board of Commissioners approved the 2022 redistricting plan outlining the county's commissioner districts. This plan forms the basis of county commissioner districts for the next 10 years until the 2030 Census is completed. As a result of redistricting, six of the seven commissioner districts were up for re-election, and four of the county's commissioners announced they would retire and not run again. In November 2022, four new commissioners were elected to office and began serving their terms in January 2023.

Approval of 10-year solid waste management plan

In December 2022, the county board approved the 2022-2023 Solid Waste Management Plan which serves as a roadmap to capture value from waste produced by the community. It enhances existing programs and paves the way toward a more sustainable future by implementing strategies that will achieve positive environmental, social, and economic outcomes. The environmental strategies focus on maximizing recoverable resources through the construction of a Materials Recovery Facility (MRF), new organics management programs, and programs to minimize construction and other waste through reuse. Social strategies include expanding waste and recycling education and stakeholder engagement. Economic strategies involve continuing to fund the solid waste management programs through an enterprise fund, analyzing and prioritizing large capital projects, and making data-supported decisions.

Resident Survey

In February 2022, residents were encouraged to participate in the 2022 Olmsted County Resident Survey. It was mailed to 4,400 households, with 842 residents responding (a 20% response rate). Residents were able to take the survey on paper or complete it online. The survey was provided in three languages: English, Spanish, or Somali.

The purpose of the survey was to gain a better understanding of residents' thoughts and perceptions of life in Olmsted County, as well as their experience with Olmsted County government. Questions were related to quality of life, safety, areas of concern, satisfaction with Olmsted County government, how residents receive information from Olmsted County government, and more.

Since 2008, overall quality of life has been a stable metric. In 2022, on a scale of 0-100 (0 being poor and 100 being excellent), residents find Olmsted County as a good place to raise a family (73), as a place to work (72), and a place to live (71).

The top concerns of residents have also remained similar to surveys in previous years. Residents named affordable housing and taxes as their highest concerns, although both were identified as “moderate” problems on a scale from 0-100; 0 being “not a problem” to 100 being a “major problem.”

Summary of 2022 housing/homelessness efforts

In 2022, the Olmsted County Housing department assisted approximately 3,700 people with rental assistance, ownership of housing units, connections to housing and other resources, and by creating and preserving housing. The Housing team provides more than 950 units of rental support through programs like the Housing Choice Voucher Program, master leasing, and state rental assistance. The team continues to look for opportunities to create new affordable housing units and continues efforts with the State of Minnesota to obtain funding to develop a facility of 36 affordable housing units for low-income seniors.

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 37 consecutive years, for the fiscal years ended December 31, 1985 through 2021. 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,



Wilfredo Román Cátala, CPA
Chief Financial Officer



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, 2021

Christopher P. Morill

Executive Director/CEO

OLMSTED COUNTY
LIST OF PRINCIPAL OFFICIALS
AS OF DECEMBER 31, 2022

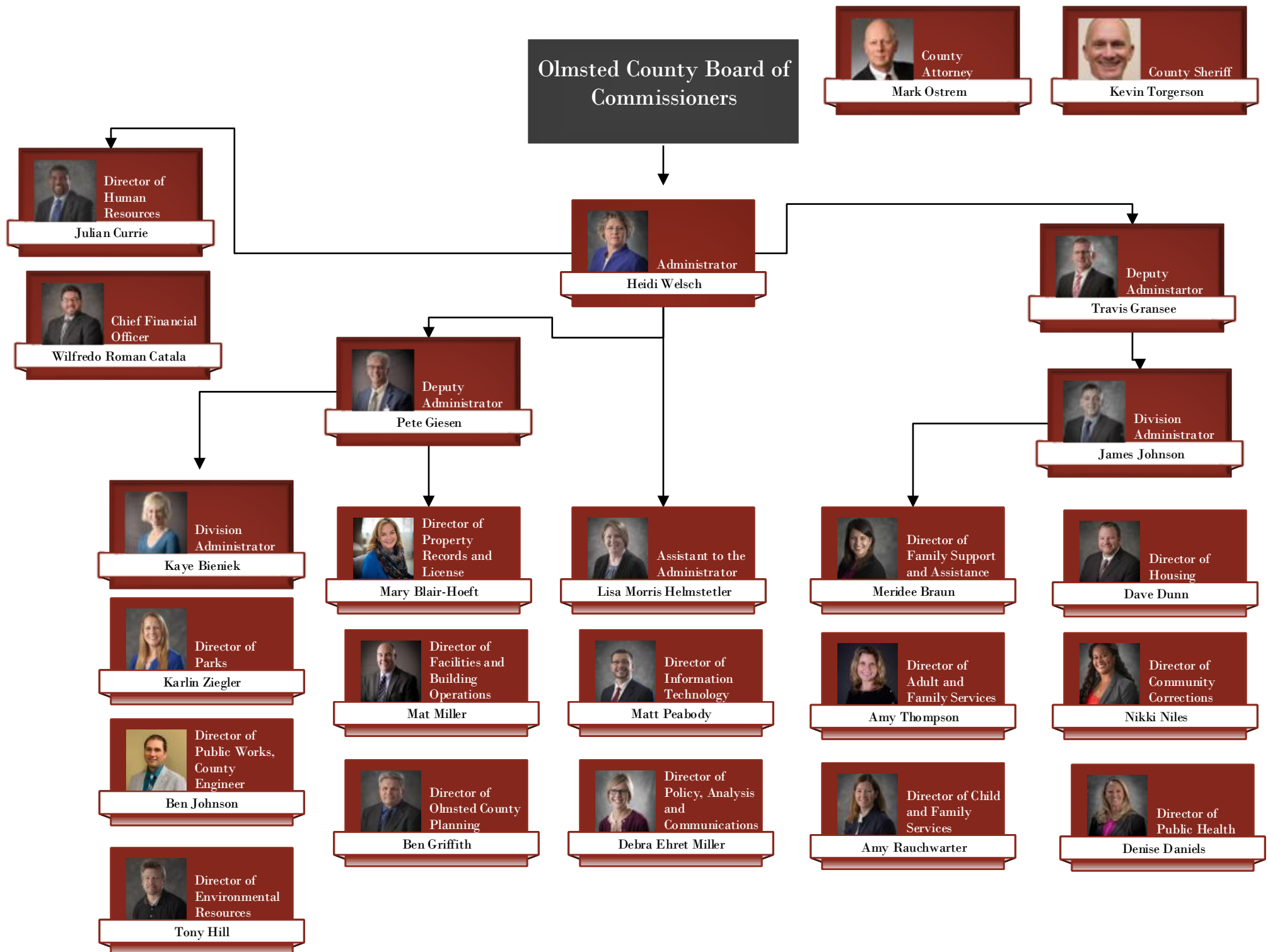
OFFICE	NAME	TERM EXPIRES	TELEPHONE	E-MAIL
Commissioners:				
1st District	Laurel Podulke-Smith	January 2027	226-2112	laurel.podulke-smith@olmstedcounty.gov
2nd District	David Senjem	January 2027	319-7627	david.senjem@olmstedcounty.gov
3rd District	Gregg Wright (2)	January 2027	951-8005	gregg.wright@olmstedcounty.gov
4th District	Brian Mueller	January 2027	254-1995	brian.mueller@olmstedcounty.gov
5th District	Michelle Rossman	January 2027	206-7986	michelle.rossman@olmstedcounty.gov
6th District	Sheila Kiscaden	January 2027	287-6845	sheila.kiscaden@olmstedcounty.gov
7th District	Mark Thein (1)	January 2025	696-7188	mark.thein@olmstedcounty.gov
Officers:				
Elected:				
Attorney	Mark Ostrem	January 2023	328-7600	mark.ostrem@olmstedcounty.gov
Sheriff	Kevin Torgerson	January 2023	328-6745	kevin.torgerson@olmstedcounty.gov
Appointed:				
Administrator	Heidi Welsch	Indefinite	328-6018	heidi.welsch@olmstedcounty.gov
Deputy Administrator: General Government, Public Works, and Environmental Resources	Pete Giesen	Indefinite	328-7434	pete.giesen@olmstedcounty.gov
Division Administrator: Public Works	Kaye Bieniek	Indefinite	328-7047	kaye.bieniek@olmstedcounty.gov
Public Works Director	Benjamin Johnson	Indefinite	328-7054	benjamin.johnson@olmstedcounty.gov
Parks Director	Karlin Ziegler	Indefinite	328-7086	karlin.ziegler@olmstedcounty.gov
Environmental Resources Director	Tony Hill	Indefinite	328-7008	tony.hill@olmstedcounty.gov
Property Records and Licensing Director	Mary Blair-Hoeft	Indefinite	328-7646	mary.blairhoeft@olmstedcounty.gov
Facilities and Building Operations Director	Mathew Miller	Indefinite	328-6722	mathew.miller@olmstedcounty.gov
Planning Director	Ben Griffith	Indefinite	325-7123	ben.griffith@olmstedcounty.gov
Deputy Administrator: Health, Housing & Human Services; DFO	Travis Gransee	Indefinite	328-7201	travis.gransee@olmstedcounty.gov
Division Administrator: Health, Housing & Human Services; DFO	James Johnson	Indefinite	328-7239	james.johnson@olmstedcounty.gov
Family Support and Assistance Director	Meridee Braun	Indefinite	328-6513	meridee.braun@olmstedcounty.gov
Adult and Family Services Director	Amy Thompson	Indefinite	328-6352	amy.thompson@olmstedcounty.gov
Child and Family Services Director	Amy Rauchwarter	Indefinite	328-6351	amy.rauchwarter@olmstedcounty.gov
Housing Director	Dave Dunn	Indefinite	328-7143	david.dunn@olmstedcounty.gov
Community Corrections Director	Nikki Niles	Indefinite	328-7245	nikki.niles@olmstedcounty.gov
Public Health Director	Denise Daniels	Indefinite	328-7468	denise.daniels@olmstedcounty.gov
Director of Policy, Analysis and Communication	Debra Ehret Miller	Indefinite	213-7866	debra.ehretmiller@olmstedcounty.gov
Information Systems Director	Matthew Peabody	Indefinite	328-7779	matthew.peabody@olmstedcounty.gov
Chief Financial Officer	Wilfredo Roman-Catala	Indefinite	328-7499	wilfredo.romancatala@olmstedcounty.gov
Human Resources Director	Julian Currie	Indefinite	328-6015	julian.currie@olmstedcounty.gov

(1) Chair of Board of Commissioners for 2022

Mark Thein

(2) Chair of Board of Commissioners for 2023

Gregg Wright





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, 2022, 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, 2022 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 19 percent, 19 percent, and 33 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.

Emphasis of Matter

As discussed in Note 1, the County adopted the provisions of GASB Statement No. 87, *Leases*, effective January 1, 2022. Our opinions are not modified with respect to this matter.

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 13, 2023 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.

Eau Claire, Wisconsin
June 13, 2023

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, 2022. 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, 2022, the county's government-wide assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$406.5 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:

- \$258.0 million, or 64% of total net position represents the county's net investment in capital assets.
- \$29.1 million, or 7% of total net position is restricted by specific statutory requirements or external commitments.
- \$119.4 million, or 29% 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 \$18.3 million. Governmental activities net position increased \$9.6 million and business-type activities increased \$8.7 million.

Olmsted County's capital assets increased \$19.6 million in 2022. The primary reason for the increase in capital assets is an \$22.9 million increase in construction in progress, \$1.9 million increase in other improvements, \$1.2 million increase in infrastructure land, \$1.2 million increase in lease equipment, \$1.1 million increase in land, offset by a \$6.3 million decrease in infrastructure, a \$1.7 million decrease in buildings, and a \$878 thousand decrease in equipment.

Olmsted County's total debt outstanding decreased \$599 thousand in 2022. The county issued bonds and mortgages totaling \$45.5 million. Debt payments in 2022 totaled \$46.1 million.

At December 31, 2022, the county's governmental funds combined assets and deferred inflows of resources exceeded its liabilities and deferred outflow of resources by \$162.4 million (fund balance).

Governmental fund balance consists of:

- \$3.5 million, or 2% of total government fund balance is nonspendable.
- \$36.7 million, or 23% of total governmental fund balance is restricted for specific purposes.
- \$122.2 million, or 75% 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 \$35.4 million. The General Fund, Infrastructure Fund, Health and Human Service Fund, Opioid Settlement Fund, Debt Service Fund, and Capital Projects Fund, fund balance increased \$14.1 million, \$213 thousand, \$2.5 million, \$837 thousand, \$15.2 million, and \$2.6 million, respectively.

Olmsted County has received \$30.8 million in a Coronavirus State and Local Fiscal Recovery Funds. In 2022, Olmsted County used \$17.4 million of these funds, 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, 2021, Annual Comprehensive Financial Report.

Olmsted County was allocated \$4.3 million in Opioid Settlement Funds and received \$835 thousand of that amount from the National Opioid Settlement Fund during 2022. These funds will be used for forward-looking strategies, programming, and services to abate the opioid epidemic.

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 39 and 40 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 41 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 seven governmental funds which are all considered to be major funds: General, Infrastructure, Health and Human Services, American Rescue Plan Act, Opioid Settlement, 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 - 105 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 107-126 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 \$405.7 million as of December 31, 2022.

Table 1: Olmsted County Net Position

Olmsted County's Net Position as of December 31 (in thousands of dollars)								
	Governmental activities		Business-type activities		Total			Percent Change
	2021	2022	2021	2022	2021	2022	Change	
Current and other assets	\$ 236,391	\$ 271,383	\$ 68,067	\$ 47,890	\$ 304,458	\$ 319,273	\$ 14,815	5%
Capital assets	293,313	311,188	96,648	98,370	389,961	409,558	19,597	5%
Total assets	\$ 529,704	\$ 582,571	\$ 164,715	\$ 146,260	\$ 694,419	\$ 728,831	\$ 34,412	5%
Total deferred outflows	\$ 50,064	\$ 52,696	\$ 2,678	\$ 1,924	\$ 52,742	\$ 54,620	\$ 1,878	4%
Current liabilities	\$ 23,657	\$ 28,514	\$ 2,683	\$ 2,239	\$ 26,340	\$ 30,753	\$ 4,413	17%
Noncurrent liabilities	176,588	271,417	93,510	66,684	270,098	338,101	68,003	25%
Total liabilities	\$ 200,245	\$ 299,931	\$ 96,193	\$ 68,923	\$ 296,438	\$ 368,854	\$ 72,416	24%
Total deferred inflows	\$ 59,326	\$ 5,584	\$ 3,222	\$ 2,543	\$ 62,548	\$ 8,127	\$ (54,421)	-87%
Net Position:								
Net investment in capital assets	\$ 204,900	\$ 218,053	\$ 37,420	\$ 39,982	\$ 242,320	\$ 258,035	\$ 15,715	6%
Restricted	17,320	19,717	8,718	9,342	26,038	29,059	3,021	12%
Unrestricted	97,977	91,982	21,840	27,394	119,817	119,376	(441)	0%
Total net position	\$ 320,197	\$ 329,752	\$ 67,978	\$ 76,718	\$ 388,175	\$ 406,470	\$ 18,295	5%

The largest portion of the county's net position reflects the net investment in capital assets (e.g. land, roads and bridges, buildings, equipment, 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 \$18.3 million, an increase of 5% from the 2021 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
	2021	2022	2021	2022	2021	2022		
Revenues								
<u>Program revenues:</u>								
Charges for services	\$ 29,640	\$ 35,822	\$ 30,576	\$ 30,743	\$ 60,216	\$ 66,565	\$ 6,349	11%
Operating grants and contributions	55,866	55,370	6,468	8,388	62,334	63,758	1,424	2%
Capital grants and contributions	4,367	4,881	-	-	4,367	4,881	514	12%
<u>General revenues and special item:</u>								
Property taxes	106,960	112,715	3,752	3,916	110,712	116,631	5,919	5%
Sales taxes	16,283	18,265	-	-	16,283	18,265	1,982	12%
Wheelage taxes	1,450	1,408	-	-	1,450	1,408	(42)	-3%
Unrestricted grants	16,317	26,154	-	-	16,317	26,154	9,837	60%
Investment income	(1,018)	(4,183)	223	418	(795)	(3,765)	(2,970)	374%
Other	149	249	204	-	353	249	(104)	-29%
Total revenues	\$ 230,014	\$ 250,681	\$ 41,223	\$ 43,465	\$ 271,237	\$ 294,146	\$ 22,909	8%
Expenses								
General government	\$ 20,291	\$ 31,055	\$ -	\$ -	\$ 20,291	\$ 31,055	\$ 10,764	53%
Public safety	57,450	64,165	-	-	57,450	64,165	6,715	12%
Conservation of natural resources	1,343	1,445	-	-	1,343	1,445	102	8%
Highways and streets	28,584	29,752	-	-	28,584	29,752	1,168	4%
Health	13,560	13,212	-	-	13,560	13,212	(348)	-3%
Human services	77,292	90,015	-	-	77,292	90,015	12,723	16%
Culture and recreation	5,942	6,879	-	-	5,942	6,879	937	16%
Interest on long-term debt	2,374	3,074	-	-	2,374	3,074	700	29%
Waste management	-	-	23,910	22,987	23,910	22,987	(923)	-4%
Sanitary sewer	-	-	131	151	131	151	20	15%
Communications	-	-	1,800	193	1,800	193	(1,607)	-89%
HRA	-	-	11,805	12,870	11,805	12,870	1,065	9%
Other	60	120	-	-	60	120	60	100%
Total expenses	\$ 206,896	\$ 239,717	\$ 37,646	\$ 36,201	\$ 244,542	\$ 275,918	\$ 31,376	13%
Excess (Deficiency) of Revenues over Expenses	\$ 23,118	\$ 10,964	\$ 3,577	\$ 7,264	\$ 26,695	\$ 18,228	\$ (8,467)	-32%
Transfers	288	(1,409)	(288)	1,409	-	-	-	-
Extraordinary gain caused by fire	-	-	-	67	-	67	67	-
Change in net position	\$ 23,406	\$ 9,555	\$ 3,289	\$ 8,740	\$ 26,695	\$ 18,295	(8,400)	-31%
Net position - beginning	\$ 296,791	\$ 320,197	\$ 64,689	\$ 67,978	\$ 361,480	\$ 388,175	\$ 26,695	7%
Net position - ending	\$ 320,197	\$ 329,752	\$ 67,978	\$ 76,718	\$ 388,175	\$ 406,470	\$ 18,295	5%

Governmental Activities

Net position in governmental activities increased \$9.6 million (3%).

Program revenues are \$96.1 million and general revenues are \$154.6 million for total revenues of \$250.7 million. Program expenses total \$239.7 million. Net transfers with business-type activities are (\$1.4) million. This results in a \$9.6 million increase in net position.

Charges for services increased \$6.2 million (21%). Significant changes from 2021 to 2022 include:

- General government charges for services increased \$4.5 million primarily due to an \$5.0 million increase in internal charges to proprietary and fiduciary funds for Human Resource, Finance, and Information Technology support due to this activity being moved from an internal service fund to the General Fund offset by the allocation of internal service fund revenues decreasing \$681 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.
- Health charges for services increased \$1.1 million. This increase is primarily due to receiving \$837 thousand in opioid settlement funds.
- Human services charges for services increased \$903 thousand. This increase is primarily due to more clients having Ucare and third-party health insurance coverage and the reprocessing of claims initially paid at an incorrect rate.
- Various other smaller increases and decreases make up the remaining change.

Operating grants and contributions decreased \$496 thousand (1%). Significant changes from 2021 to 2022 include:

- Highway and streets operating grants increased \$1.6 million primarily due an increase in the Minnesota State Aid allocation for county road maintenance and construction.
- Human service operating grants increased \$2.4 million primarily due to an \$827 increase in Adult Mental Health Initiative (AMHI) state grants, receiving a \$753 thousand one-time correction to Social Service Time Study state grant, and various other much smaller changes.
- General government operating grants decreased \$3.1 million primarily due to in 2021 receiving a \$3.2 million business assistance grant from the State of Minnesota for business loans.
- Culture and recreation operating contributions decreased \$1.4 million primarily due to in 2021 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](#).
- Various other smaller increases and decreases make up the remaining change.

Capital grants and contributions increased \$514 thousand (12%). Significant changes from 2021 to 2022 include:

- Highway and streets capital grants increased \$3.4 million due to receiving a federal grant for the reconstruction of county state aid highway (CSAH) 4 and 44 (\$2.2 million) and a local road improvement program grant (LRIP) for county road 101 (\$1.2 million) in 2022.
- Human services capital grants decreased \$2.9 million due to the completion of the construction of the [Southeast Regional Crisis Center](#) in 2021 therefore receiving \$2.9 million less in grant funds from the Minnesota Department of Human Services in 2022.

The **property tax** collections increased \$5.8 million (5%) which is at par with the tax levy increase of 4.9%.

Sales tax collections increased \$2.0 million (12%) due to growth in the local economy.

Unrestricted state aids and grants increased \$9.8 million (60%) primarily due to a \$9.5 million increase in Coronavirus State and Local Fiscal Recovery Funds expenses in 2022.

Investment income decreased \$3.2 million (311%) primarily 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 increased \$10.8 million (53%). General government activities include the Board of Commissioners, administration, property, records, licensing, human resources, finance, information technology services, planning, data practices, staff development, and other. Significant changes from 2021 to 2022 include:

- Changes in pension related deferred outflow, liability, and deferred inflows increased expenses by \$1.9 million.
- Transfer of human resource, finance, and information technology operating activities from an internal service fund in 2021 to the General Fund general government in 2022 resulting in a \$13.7 million increase in expenses.
- Coronavirus Relief expenses to aid small business and non-profits decreased \$3.3 million.
- Various other smaller increases and decreases make up the remaining change.

Public safety expenses increased \$6.7 million (12%). Public Safety activities include law enforcement, adult detention center, community corrections, County Attorney's Office, coroner, district courts, and law library. Significant changes from 2021 to 2022 include:

- Changes in pension related deferred outflow, liability, and deferred inflows increased expenses by \$8.4 million.
- Transfer of human resource, finance, and information technology operating activities from an internal service fund in 2021 to the General Fund general government in 2022 resulting in a \$3.4 million decrease in expenses.
- Various other smaller increases and decreases make up the remaining change.

Highways and streets expenses increased \$1.2 million (4%). Highway and streets activities include surveying, maintenance, construction, and equipment maintenance and shops. Significant changes from 2021 to 2022 include:

- Changes in pension related deferred outflow, liability, and deferred inflows increased expenses by \$521 thousand.
- Various other smaller increases and decreases make up the remaining change.

Human services expenses increased \$12.7 million (16%). Human services program activities include income maintenance, social services, support services, and veterans' services. Significant changes from 2021 to 2022 include:

- Changes in pension related deferred outflow, liability, and deferred inflows increased expenses by \$3.5 million.
- Internal charge for human resources, finance, and information technology services increased \$1.5 million.
- Personnel costs increased \$2.5 million primarily 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 \$1.1 million due to the internal service funds having a \$3.0 million operating loss in 2021 and \$5.2 million in operating loss in 2022. See the proprietary fund section below for more details on internal service funds.
- Paid \$2.5 million to the coalition for Rochester area affordable housing program and administration to the Rochester Area Foundation in 2022.
- Various other smaller increases and decreases make up the remaining change.

Culture and recreation expenses increased \$937 thousand (16%) due to various small increases. Culture and recreation program activities include parks, historical society, diversity and youth programs, and library.

Interest on long-term debt increased \$700 thousand (29%) primarily due to an increase in bond debt.

Business-Type Activities

Net position in business-type activities increased \$8.7 million (13%).

Program revenues are \$39.1 million and general revenues are \$4.4 million for total revenues of \$43.5 million. Program expenses total \$36.2 million. Net transfers with governmental activities are \$1.4 million. This results in a \$8.7 million increase in net position.

Charges for services increased \$167 thousand (1%) due to a \$1.2 million increase in the Waste Management Fund from a \$683 thousand increase in tipping fees and a \$567 thousand increase in steam sales offset by a \$982 thousand decrease in the Communications Fund due to the consortium being dissolved during 2021.

Operating grants and contributions increased \$1.9 million (30%) primarily due to an increase in Housing Choice Voucher funding in the Olmsted County HRA.

Waste Management expenses decreased \$923 thousand (4%) primarily due a decrease in interest expense (\$933 thousand). This decrease in interest expense is due to the payoff of 2012A bonds on February 1, 2022, with proceeds from the 2021A refunding bonds which have lower interest rates.

Sanitary Sewer expenses increases \$20 thousand (15%).

Communication expenses decreased \$1.6 million (89%) due to the consortium being dissolved in 2021 and the fund being closed as of December 31, 2022.

Olmsted County HRA expenses increased \$1.1 million (9%) primarily due to a \$1.2 million increase in housing assistance payments. The Housing Choice Voucher program payments increased \$716 thousand and the Mainstream program payments increased \$321 thousand. These increases are due to an increase in the number of clients and an increase in contribution per unit.

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)

	2021	2022	Change
Fund Balances:			
Nonspendable	\$ 3,439	\$ 3,473	\$ 34
Restricted	18,767	36,713	17,946
Assigned	54,684	57,514	2,830
Unassigned	50,049	64,681	14,632
Total Fund Balances	<u>\$ 126,939</u>	<u>\$ 162,381</u>	<u>\$ 35,442</u>
Total Operating Revenues	\$ 226,119	\$ 257,750	\$ 31,631
Assigned and Unassigned Fund Balance as % of Operating Revenues	46%	47%	

The county's total fund balance in the governmental funds as of December 31, 2022, is \$162.4 million, an increase of \$35.4 million (28%) from 2021.

Fund balance in the **General Fund** increased \$14.1 million (14%). 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 \$17.3 million. These government services would have otherwise been tax levy funded.
- Human Resource, Finance, and Information Technology operating activities moved from Internal Service Funds to the General Fund resulting in a \$10.6 million transfer to the General Fund.
- Fillmore County decision to withdraw from the DFO Community Corrections joint powers board resulted in the board not replacing vacant position therefore Olmsted County's share of the boards costs were \$517 thousand lower than planned.
- Interest income was \$981 thousand higher than planned offset by a \$7.4 million unrealized loss due to the change in fair value of cash and investments.
- Planned for a \$4.7 million decrease in fund balance primarily for housing initiatives.
- Planned for a \$3.4 million decrease in fund balance for 2020B bond defeasance (\$1.4 million), Graham Park project (\$883 thousand), other park projects (\$410 thousand), asbestos abatement in OWEF tunnels (\$400 thousand), and transportation projects (\$285 thousand).
- The remaining net change in fund balance is made of various smaller items.

Fund balance in the **Infrastructure Fund** increased \$213 thousand (2%). Significant factors contributing to the increase include:

- Supply expenditures were \$850 thousand less than planned due to lower salt and sand, aggregates, and culvert usage than anticipated.
- Revenues deferred due to availability for 2022 expenditures increased \$744 thousand.
- The remaining net change in fund balance is made of various smaller items.

Fund balance in the **Health and Human Services Fund** increased \$2.5 million (31%). Significant factors contributing to the increase include:

- Revenues deferred due to availability for 2022 expenditures decreased \$1.0 million.
- Salaries and benefits in Adult and Family Services and Public Health were \$659 thousand less than planned due to resignation and retirements of long-time employees and other vacancies due to employee turnover.
- The remaining net change in fund balance is made of various smaller items.

Fund balance in the **American Rescue Plan Act Fund** decreased \$50 (100%).

Fund balance in the **Opioid Settlement Fund** increased \$837 thousand (100%) due to receiving \$837 thousand in revenues with no expenditures in 2022. This fund is new fund in 2022.

Fund balance in the **Debt Service Fund** increased \$15.2 million (192%). Significant factors contributing to the increase include:

- Issuance of 2022A Crossover Refunding Bonds in the amount of \$17.7 million to pay off the 2015A Bonds on February 1, 2025.
- Defeasance of 2012A bonds on February 1, 2022, in the amount of \$2.8 million.
- The remaining net change in fund balance is made of various smaller items.

Fund balance in the **Capital Projects Fund** increased \$2.6 million (199%). Significant factors contributing to the increase include:

- Revenues deferred due to availability for 2022 expenditures decreases \$617 thousand.
- The remaining net change is from bond proceeds and internal transfers for projects that will not be completed until 2023.

At year-end 2022, the governmental funds have a **combined assigned and unassigned fund balance ("available")** of \$122.2 million. This is 47% of the \$257.8 million revenues in those funds, which is 1% higher than 2021. 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 2021, 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		
	2021	2022	Change	2021	2022	Change
Net Position:						
Net Investment in Capital Assets	\$ 37,420	\$ 39,982	\$ 2,562	\$ 30,145	\$ 27,587	\$ (2,558)
Restricted	8,719	9,342	623	3,134	3,355	221
Unrestricted	21,839	27,394	5,555	29,565	21,696	(7,869)
Total Net Postion	<u>\$ 67,978</u>	<u>\$ 76,718</u>	<u>\$ 8,740</u>	<u>\$ 62,844</u>	<u>\$ 52,638</u>	<u>\$(10,206)</u>

Enterprise fund total net position increased by \$8.7 million during the year.

The **Waste Management Fund** net position increased \$6.5 million primarily due to favorable operating results. This increase is a \$2.8 million increase from the prior years \$3.7 million increase in net position. The increase from the prior year is primarily due to an increase in charges for services revenue of \$1.2 million due to increases in steam rates, increases in hauler service charges, and increases in electricity sales. In addition to the \$905 thousand decrease in interest expense is due to the payoff of 2012A bonds on February 1, 2022, with proceeds from the 2021A refunding bonds which have lower interest rates.

The **Olmsted County Housing and Redevelopment Fund (HRA)** net position increased \$2.5 million. This increase is primarily due to unspent current year tax levy.

The **Communications Fund** net position decreased \$209 thousand due to the planned final payout of the net position to consortium members and closure of this fund as of December 31, 2022.

The **Sanitary Sewer Fund** net position decreased \$18 thousand.

Internal service fund total net position decreased by \$10.2 million during the year.

The **Self-Insurance Fund** net position decreased \$3.4 million. Healthcare claims were \$2.9 million more than planned due to the high cost of healthcare in SE Minnesota. There was a decrease in net position of \$558 due to a planned premium holiday for self-insured liability.

The **Administrative Services Fund** net position decreased \$3.9 million primarily due to transitioning Human Resource, Finance, and Information Technology operating activities to the General Fund (\$3.5 million).

The **Building Facilities Fund** net position decreased \$2.9 million primarily due to a \$2.1 million in transfer to governmental funds for a multi-purpose building (\$1.6 million) and 4 Information Technology full time equivalents (\$494 thousand).

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 \$412 thousand, and the custodial funds net position is \$5.0 million at year end.

General Fund Budgetary Highlights

Original budget compared to final budget

The final amended budgeted revenues are \$12.2 million more than original budgeted revenues. The charges for services budget increased \$11.4 million for Human Resources, Finance, and Information Technology internal charges (\$12.3 million) offset by a decrease in Community Correction charges to the DFO Community Corrections Joint Powers Board (\$963 thousand). The intergovernmental budget increased \$707 thousand due to various smaller items including \$139 thousand for voting equipment grant and \$272 thousand for an increase in the E911 appropriation.

The final amended budgeted expenditures are \$5.9 million more than the original budgeted expenditures. The general government expenditure budget increased \$4.4 million in Human Resource, Finance, and Information Technology internal charge budgets being moved from a reduction of expenditures to a charge for service. The general government expenditure budget also increased \$1.5 million for Finance and Information Technology compensated absence expenditures and an increase of 4 full time equivalents. These increases in general government expenditures were offset by a \$1.2 million decrease in the Information Technology budget due to the capital equipment and software budget being moved to the Administrative Services internal service fund. The remaining change in budget is due to various small increases and decreases.

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	\$ 65,907	\$ 66,280	\$ 373
Licenses and permits	1,326	1,542	216
Intergovernmental	11,724	12,135	411
Charges for services	29,011	28,220	(791)
Investment income	1,425	(5,088)	(6,513)
Other	1,576	1,308	(268)
Total Revenues	<u>\$ 110,969</u>	<u>\$ 104,397</u>	<u>\$ (6,572)</u>
Expenditures			
General government	\$ 37,183	\$ 36,390	\$ 793
Public safety	61,475	59,207	2,268
Conservation of natural resources	1,504	1,413	91
Culture and recreation	5,404	5,293	111
Other	1,862	1,139	723
Total Expenditures	<u>\$ 107,428</u>	<u>\$ 103,442</u>	<u>\$ 3,986</u>

The actual revenues are \$6.6 million less than the final amended budgeted revenues. Actual investment income was less than the budgeted amount by \$6.5 million primarily due to the market value change not being budgeted. Charge for services revenue was \$791 thousand less than the budgeted amount due to various small amount.

The actual expenditures are \$4.0 million less than the final amended budgeted expenditures. Actual general government expenditures were \$793 thousand less than the final amended budget primarily due to staff positions being vacant. Actual public safety expenditures were \$2.3 million less than the final budget primarily due to law enforcement equipment, supplies, and maintenance (\$763 thousand), E911 expenditures (\$534 thousand), and contributions to the DFO Community Corrections joint powers board (\$518 thousand). Other expenditures were \$723 thousand less than the final amended budget primarily due to budgeting for reserve build up for contingent cost.

Capital Assets and Debt Administration

Capital Assets. At the end of 2022, the county had invested \$409.6 million in a range of capital assets. The majority of that amount is in infrastructure (which includes roads and bridges), buildings, and equipment.

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

	Governmental activities		Business-type activities		Total			Percent
	2021	2022	2021	2022	2021	2022	Change	Change
Land	\$ 24,773	\$ 24,773	\$ 3,777	\$ 4,834	\$ 28,550	\$ 29,607	\$ 1,057	4%
Infrastructure land	39,116	40,295	-	-	39,116	40,295	1,179	3%
Infrastructure	132,850	126,535	1,554	1,528	134,404	128,063	(6,341)	-5%
Buildings	64,181	60,577	15,421	17,319	79,602	77,896	(1,706)	-2%
Other improvements	3,890	4,150	652	2,279	4,542	6,429	1,887	42%
Equipment	9,180	8,618	71,549	71,233	80,729	79,851	(878)	-1%
Lease Equipment - (intangible-right-to-use)	-	1,154	-	-	-	1,154	1,154	100%
Software	3,521	3,908	-	-	3,521	3,908	387	11%
Construction in progress	15,801	41,178	3,694	1,177	19,495	42,355	22,860	117%
Total assets	\$ 293,312	\$ 311,188	\$ 96,647	\$ 98,370	\$ 389,959	\$ 409,558	\$ 19,599	5%

Governmental activities net capital assets increased \$17.9 million. Major capital asset events during 2022 included:

- There were no changes to the Land asset category during 2022.
- Infrastructure land assets increased by \$1.2 million with the acquisition of right-of-way for current and future road projects.
- The infrastructure system had a decrease of \$6.3 million primarily due to depreciation of \$6.5 million.
- The buildings asset category had a net decrease of \$3.6 million. Projects totaling \$1.1 million were completed during 2022 and include roof replacement on the sand/salt storage building, technology wiring at the Public Works Service Center, remodel of the Fair board Office at Graham Park, and a restroom/shower building at the Public Safety Training Center. This increase was offset by depreciation of \$4.5 million.
- The other improvements category realized a net increase of \$260 thousand. Additions of \$604 thousand included a bison corral and cat exhibit mesh roofing at Oxbow Zoo, a new gate system and fiber extension at the Public Works Service Center, a parking lot at Graham Arena, and security improvements at an employee parking lot. This increase was offset by depreciation of \$344 thousand.
- The equipment category decreased by \$562 thousand. Equipment additions were \$1.5 million and included public safety and parks vehicles and grounds maintenance equipment and bleachers and sound equipment for Graham Park. This increase was offset by depreciation of \$2.0 million.
- The software category increased by \$387 thousand. Additions totaled \$1.5 million for Caseworks Software for Human Services and a Vendor Self-Service module. This increase was offset by depreciation of \$1.1 million.
- The construction in progress category experienced a net increase of \$25.4 million. Increases of \$27.5 million include road projects, construction work on the new Oxbow Nature Center, plaza space at Graham Park, driveway at the Public Works Service Center, Lake Zumbro Park retaining wall, and courtroom and corrections space at the Government Center. In addition, HVAC infrastructure was replaced at the Government Center to allow for heating and cooling to transition from steam to gas and electric. Decreases were \$2.1 million as projects were finished and put into service.
- The intangible right-to-use lease - equipment is a new category for 2022. Leases capitalized included information technology equipment totaling \$1.3 million offset by amortization of \$133 thousand.

Business-type activities, net capital assets increased by \$1.7 million in 2022. Waste Management Fund additions of \$7.4 included additions to boiler 3 at the Waste-To-Energy Facility, a Komatsu Loader, and ash cell completion at the Kalmar Landfill. Housing and Redevelopment Authority (HRA) fund additions of \$4.0 million included the purchase of a property to be used for housing, rehabilitation of a property acquired in a previous year, a natural lighting project in the Francis building, and a new financial software system. Construction in progress decreased \$3.5 million projects were completed and put into service. Depreciation decreased net capital assets by \$6.2 million.

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

Long-term Debt. As shown in the table below, Olmsted County had total debt outstanding of \$174.9 million at the end of 2022, a \$599 thousand decrease from 2021. 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	
	2021	2022	2021	2022	2021	2022
General obligation revenue bonds	\$ -	\$ -	\$ 71,550	\$ 44,525	\$ 71,550	\$ 44,525
General obligation bonds	91,920	118,305	-	-	91,920	118,305
Mortgages payable	-	-	500	490	500	490
Deferred repayment mortgages	-	-	3,225	3,225	3,225	3,225
Deferred forgivable mortgages	-	-	8,278	8,329	8,278	8,329
Total	\$ 91,920	\$ 118,305	\$ 83,553	\$ 56,569	\$ 175,473	\$ 174,874

The county's total debt outstanding decreased by \$599 thousand (.3%) during the current year. New bonds totaling \$45.4 million and new mortgages totaling \$52 thousand were issued in 2022. In addition, there were bond payments of \$46.1 million, including a \$2.2 million defeasance, and mortgage payments of \$11 thousand.

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

The amount of general obligation debt that the county may issue is limited by state statute and is calculated at 3% of total estimated market value of properties in the county. The current debt limit for the county for general obligation debt is \$630.6 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 2022 unemployment rate is 1.8%, a 1.2% decrease from 2021. The county's unemployment rate continues to be lower than the State of Minnesota and the national unemployment rate of 2.7% (0.7% decrease from 2021) and 3.6% (2.2% decrease from 2021), respectively. Refer to Schedule 14 of this report.
- The 2022 \$21.0 billion taxable market value of property increased from \$20.0 billion in 2021 and includes \$293.5 million of new construction. The estimated 2023 taxable market value of \$24.6 billion includes \$406.3 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 2023 governmental funds budget on December 20, 2022, in the amount of \$295.5 million. This is a \$48.5 million (20%) increase from the 2022 budget. The Olmsted County 2023 levy was adopted at \$119.5 million, a \$6.7 million (5.9%) increase from 2022. The 2023 budget was balanced using \$8.4 million of reserves, including \$838 thousand from bond proceeds. The 2023 Olmsted County HRA levy was adopted at \$4.6 million, a \$700 thousand (18%) increase from 2022.
- The overall county tax rate is calculated by comparing the total tax levy to total market value. For 2023, the rate is \$4.73 per \$1,000 of market value, which is 8.5% lower than the 2022 rate of \$5.17 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 five payments of \$3.0 million per year in 2017, 2018, 2019, 2022, and 2023. The county and city agreed that no payment was to take place in 2021. 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, the same as in 2021, as 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 2022, 115 thousand tons of waste was received from both within and outside of Olmsted County matching the budgeted amount. In 2022, actual waste tonnage decreased by approximately 300 tons from 2021 mainly due to approximately 1600 tons less waste received from sources outside of Olmsted County, net of an additional 1300 tons of waste received and generated within Olmsted County.

- The 2022-2026 Capital Improvement Plan totals \$373.1 million. Capital assets are funded by many types of revenue: intergovernmental (state and federal) at 22%, property taxes at 2%, [sales tax](#) and [wheelage tax](#) at 27%, bonded debt at 33%, and operating and other revenues funding 16%. Of the total 2022-2026 capital improvement program, 49% is for transportation construction, 20% for buildings and other improvements, 9% for Graham Park, 12% for solid waste, and 10% is for other capital improvement. The plan includes \$122.9 million funding by bonded debt, the largest projects being \$37.8 million to for Olmsted County judicial space renovation, \$12.0 million for a solid waste material recovery facility, \$6.8 million for Regional Public Safety Training Center/Public Works Service Center improvements, \$8.0 million for miscellaneous building repairs, \$5.0 million for solid waste turbine generator replacements, \$4.0 million for district energy building improvements, and \$2.9 million for squad cars.
- 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 2023 at \$10.3 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, 2022

	Primary Government		
	Governmental	Business-Type	Total
	Activities	Activities	
ASSETS			
Cash, cash equivalents, deposits and investments	\$ 178,590,870	\$ 28,350,293	\$ 206,941,163
Cash and cash equivalents on deposit:			
OPEB	10,269,904	-	10,269,904
Accounts receivable, net	2,472,866	1,940,658	4,413,524
Delinquent taxes receivable	1,414,369	101,543	1,515,912
Accrued interest	1,467,605	80,241	1,547,846
Advances/loans	90,790	-	90,790
Internal balances	467,960	(467,960)	-
Notes, loans, and mortgages	-	29,410	29,410
Due from other governments	20,184,040	912,185	21,096,225
Lease receivable	635,510	170,448	805,958
Inventories	527,260	1,680,686	2,207,946
Prepaid items	2,535,600	584,545	3,120,145
Restricted assets:			
Cash and investments restricted for:			
Debt service	9,280,087	6,056,089	15,336,176
HRA	-	862,947	862,947
Construction	10,560,928	649,860	11,210,788
Dedicated long-term environmental care trust	-	5,263,897	5,263,897
American rescue plan act	5,352,087	-	5,352,087
Opioid settlement	836,916	-	836,916
Law library - held by trustee	200,700	-	200,700
Refinancing escrow - held by trustee	26,481,460	-	26,481,460
Other assets:			
Long-term loans	13,741	1,674,927	1,688,668
Capital assets not being depreciated:			
Land	65,068,142	4,833,571	69,901,713
Construction in progress	41,177,543	1,176,733	42,354,276
Capital assets, net of depreciation:			
Infrastructure	126,535,416	1,528,053	128,063,469
Buildings	60,576,514	17,319,451	77,895,965
Improvements other than buildings	4,150,123	2,278,592	6,428,715
Equipment	8,618,232	71,233,494	79,851,726
Leased equipment (intangible right-to-use)	1,154,271	-	1,154,271
Software	3,907,742	-	3,907,742
Total capital assets	311,187,983	98,369,894	409,557,877
Total Assets	582,570,676	146,259,663	728,830,339
DEFERRED OUTFLOWS OF RESOURCES			
OPEB	1,187,754	-	1,187,754
Pension	51,508,728	1,900,834	53,409,562
Deferred charge on bonds	-	22,955	22,955
Total Deferred Outflows of Resources	52,696,482	1,923,789	54,620,271
LIABILITIES			
Accounts payable	3,241,812	788,194	4,030,006
Salaries payable	4,305,695	253,714	4,559,409
Contracts payable	3,952,278	302,062	4,254,340
Accrued interest payable	1,896,243	574,407	2,470,650
Other accrued liabilities	79,634	3,404	83,038
Due to other governments	8,324,276	116,014	8,440,290
Unearned revenue	6,714,454	201,113	6,915,567
Long-term liabilities:			
Due within one year	16,857,319	7,140,682	23,998,001
Due in more than one year	254,559,411	59,543,679	314,103,090
Total Liabilities	299,931,122	68,923,269	368,854,391
DEFERRED INFLOWS OF RESOURCES			
OPEB	728,310	-	728,310
Pension	3,446,731	311,639	3,758,370
Taxes collected for subsequent year	169,572	-	169,572
Lease	620,878	166,608	787,486
Deferred gain on refunding	618,356	2,064,370	2,682,726
Total Deferred Inflows of Resources	5,583,847	2,542,617	8,126,464
NET POSITION			
Net investment in capital assets	218,052,914	39,981,458	258,034,372
Restricted for:			
General government	1,714,515	-	1,714,515
Highways and streets	7,476,855	-	7,476,855
Public safety	948,675	-	948,675
Culture and recreation	565,862	-	565,862
Health	836,916	-	836,916
Debt service	8,174,483	6,353,561	14,528,044
Landfill closure	-	2,988,119	2,988,119
Unrestricted	91,981,969	27,394,428	119,376,397
Total Net Position	329,752,189	76,717,566	406,469,755

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

OLMSTED COUNTY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022

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	\$ 31,055,099	\$ 9,350,732	\$ 1,226,816	\$ -	\$ (20,477,551)		\$ (20,477,551)
Public safety	64,163,870	11,424,377	2,253,171	-	(50,486,322)		(50,486,322)
Conservation of natural resources	1,444,573	669,120	79,708	-	(695,745)		(695,745)
Economic development	120,000	-	-	-	(120,000)		(120,000)
Highways and streets	29,752,132	888,242	10,284,508	3,403,033	(15,176,349)		(15,176,349)
Health	13,212,476	2,665,814	4,371,045	-	(6,175,617)		(6,175,617)
Human services	90,015,381	9,706,878	36,827,525	-	(43,480,978)		(43,480,978)
Culture and recreation	6,878,943	1,117,019	327,510	1,477,909	(3,956,505)		(3,956,505)
Interest	3,073,797	-	-	-	(3,073,797)		(3,073,797)
Total governmental activities	<u>239,716,271</u>	<u>35,822,182</u>	<u>55,370,283</u>	<u>4,880,942</u>	<u>(143,642,864)</u>		<u>(143,642,864)</u>
Business-type activities:							
Waste Management Enterprise Fund	22,986,499	28,082,926	572,972	-		\$ 5,669,399	5,669,399
Communications Enterprise Fund	193,453	-	-	-		(193,453)	(193,453)
Olmsted County HRA	12,871,220	2,554,932	7,815,596	-		(2,500,692)	(2,500,692)
Sanitary Sewer Enterprise Fund	151,560	106,342	-	-		(45,218)	(45,218)
Total business-type activities:	<u>36,202,732</u>	<u>30,744,200</u>	<u>8,388,568</u>	<u>-</u>		<u>2,930,036</u>	<u>2,930,036</u>
Total	<u>\$ 275,919,003</u>	<u>\$ 66,566,382</u>	<u>\$ 63,758,851</u>	<u>\$ 4,880,942</u>	<u>(143,642,864)</u>	<u>2,930,036</u>	<u>(140,712,828)</u>
General Revenues							
Property taxes					112,714,559	3,916,278	116,630,837
Sales taxes					18,264,878	-	18,264,878
Wheelage taxes					1,408,058	-	1,408,058
Unrestricted state aids and grants					26,154,001	-	26,154,001
Payments in lieu of tax					137,623	-	137,623
Investment income (loss)					(4,183,447)	418,268	(3,765,179)
Miscellaneous					111,231	-	111,231
Transfers					(1,408,582)	1,408,582	-
Total General Revenues and Transfers					<u>153,198,321</u>	<u>5,743,128</u>	<u>158,941,449</u>
Extraordinary gain caused by fire					<u>-</u>	<u>66,734</u>	<u>66,734</u>
Change in Net Position					9,555,457	8,739,898	18,295,355
Net Position Beginning of Year					<u>320,196,732</u>	<u>67,977,668</u>	<u>388,174,400</u>
Net Position End of Year					<u>\$ 329,752,189</u>	<u>\$ 76,717,566</u>	<u>\$ 406,469,755</u>

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

OLMSTED COUNTY
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2022

	Special Revenue Funds							Total Governmental Funds
	General Fund	Infrastructure Fund	Health and Human Services Fund	American Rescue Plan Act Fund	Opioid Settlement Fund	Debt Service Fund	Capital Projects Fund	
ASSETS								
Cash, deposits and investments	\$ 111,789,763	\$ 13,464,419	\$ 6,910,649	\$ 5,352,087	\$ 836,916	\$ 5,247,465	\$ 5,038,430	\$ 148,639,729
Cash and investments held by trustee	200,700	-	-	-	-	17,696,430	-	17,897,130
Accounts receivable, net	77,443	5,555	1,254,527	-	-	-	830,860	2,168,385
Delinquent taxes	826,225	77,294	474,194	-	-	36,656	-	1,414,369
Accrued interest	1,173,847	-	-	-	-	196,306	-	1,370,153
Advances/loans	90,790	-	-	-	-	-	-	90,790
Due from other funds	10,100	-	-	-	-	-	-	10,100
Advances to other funds	468,900	-	-	-	-	-	-	468,900
Due from other governments	2,239,887	7,093,701	10,787,413	-	-	-	50,000	20,171,001
Inventories	-	527,260	-	-	-	-	-	527,260
Prepaid items	2,471,286	4,682	953	-	-	-	-	2,476,921
Total Assets	<u>\$ 119,348,941</u>	<u>\$ 21,172,911</u>	<u>\$ 19,427,736</u>	<u>\$ 5,352,087</u>	<u>\$ 836,916</u>	<u>\$ 23,176,857</u>	<u>\$ 5,919,290</u>	<u>\$ 195,234,738</u>
LIABILITIES								
Accounts payable	\$ 910,566	\$ 194,811	\$ 1,163,566	\$ -	\$ -	\$ -	\$ 17,371	\$ 2,286,314
Salaries payable	2,103,572	222,992	1,732,302	-	-	-	-	4,058,866
Contracts payable	-	795,186	-	-	-	-	1,109,350	1,904,536
Accrued liabilities	79,634	-	-	-	-	-	-	79,634
Due to other funds	-	-	11,040	-	-	-	-	11,040
Due to other governments	531,717	5,880,452	1,841,589	-	-	-	-	8,253,758
Unearned revenue	458,165	415,702	191,223	5,352,087	-	-	-	6,417,177
Total Liabilities	<u>4,083,654</u>	<u>7,509,143</u>	<u>4,939,720</u>	<u>5,352,087</u>	<u>-</u>	<u>-</u>	<u>1,126,721</u>	<u>23,011,325</u>
DEFERRED INFLOWS OF RESOURCES								
Taxes collected for subsequent year	99,059	9,267	56,851	-	-	4,395	-	169,572
Unavailable revenue - taxes	799,839	74,825	459,048	-	-	35,485	-	1,369,197
Unavailable revenue - other	349,987	3,668,017	3,404,554	-	-	-	880,860	8,303,418
Total Deferred Inflows of Resources	<u>1,248,885</u>	<u>3,752,109</u>	<u>3,920,453</u>	<u>-</u>	<u>-</u>	<u>39,880</u>	<u>880,860</u>	<u>9,842,187</u>
FUND BALANCES								
Nonspendable	2,940,186	531,942	953	-	-	-	-	3,473,081
Restricted	3,495,613	6,578,907	-	-	836,916	23,136,977	2,664,282	36,712,695
Assigned	42,899,496	2,800,810	10,566,610	-	-	-	1,247,427	57,514,343
Unassigned	64,681,107	-	-	-	-	-	-	64,681,107
Total Fund Balances	<u>114,016,402</u>	<u>9,911,659</u>	<u>10,567,563</u>	<u>-</u>	<u>836,916</u>	<u>23,136,977</u>	<u>3,911,709</u>	<u>162,381,226</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 119,348,941</u>	<u>\$ 21,172,911</u>	<u>\$ 19,427,736</u>	<u>\$ 5,352,087</u>	<u>\$ 836,916</u>	<u>\$ 23,176,857</u>	<u>\$ 5,919,290</u>	<u>\$ 195,234,738</u>

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

OLMSTED COUNTY
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2022

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

Fund balances - total governmental funds		\$ 162,381,226
Capital assets used in governmental activities are not financial resources and, therefore are not reported in the funds.		
Governmental funds capital assets	443,233,062	
Accumulated depreciation on governmental funds capital assets	<u>(201,160,590)</u>	242,072,472
Deferred outflows of resources resulting from pension obligations are not reported in governmental funds		49,264,519
Revenue earned for receivables that are not currently available and reported as deferred inflows of resources in governmental funds		9,672,615
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.		52,637,736
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in governmental funds.		
General obligation bonds	(67,671,258)	
Debt issuance premiums	(2,851,213)	
Net pension liability	(111,520,295)	
Accrued interest payable	<u>(1,033,804)</u>	(183,076,570)
Deferred inflows resulting from pension obligations and gains on refunding are not due in the current period and, therefore not reported in governmental funds.		<u>(3,199,809)</u>
Net Position of governmental activities		<u>\$ 329,752,189</u>

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

OLMSTED COUNTY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022

	Special Revenue Funds							Total
	General Fund	Infrastructure Fund	Health and Human Services Fund	American Rescue Plan Act Fund	Opioid Settlement Fund	Debt Service Fund	Capital Projects Fund	Governmental Funds
Revenues:								
Property taxes	\$ 66,279,962	\$ 6,156,527	\$ 37,693,034	\$ -	\$ -	\$ 2,896,414	\$ 525	\$ 113,026,462
Sales taxes	-	18,269,048	-	-	-	-	-	18,269,048
Wheelage taxes	-	1,408,058	-	-	-	-	-	1,408,058
Licenses and permits	1,542,245	-	891,283	-	-	-	-	2,433,528
Intergovernmental revenue	12,135,393	11,297,057	42,167,281	17,422,599	-	-	2,085,000	85,107,330
Charges for services	28,220,467	1,275,730	10,205,275	-	-	-	-	39,701,472
Fines and forfeits	14,223	-	-	-	-	-	-	14,223
Gifts and contributions	199,057	-	550	-	-	-	60,437	260,044
Investment income (loss)	(5,087,894)	-	-	-	1,632	237,937	59,348	(4,788,977)
Other	1,093,620	53,868	330,720	-	835,284	-	5,349	2,318,841
Total Revenues	104,397,073	38,460,288	91,288,143	17,422,599	836,916	3,134,351	2,210,659	257,750,029
Expenditures:								
Current								
General government	36,390,151	-	-	19,646	-	-	-	36,409,797
Public safety	59,206,893	-	-	70,568	-	-	-	59,277,461
Conservation of natural resources	1,413,103	-	-	-	-	-	-	1,413,103
Economic development	120,000	-	-	-	-	-	-	120,000
Highways and streets	-	35,611,271	-	-	-	-	-	35,611,271
Health	-	-	12,273,666	-	-	-	-	12,273,666
Human services	-	-	86,967,149	31,687	-	-	-	86,998,836
Culture and recreation	5,292,767	-	-	-	-	-	-	5,292,767
Other	1,018,817	-	-	-	-	-	-	1,018,817
Capital Outlay								
Highway and streets	-	-	-	-	-	-	1,177,762	1,177,762
Culture and recreation	-	-	-	-	-	-	5,114,136	5,114,136
Debt service								
Principal	-	-	-	-	-	6,328,231	-	6,328,231
Interest and fiscal charges	-	-	-	-	-	1,803,916	-	1,803,916
Total Expenditures	103,441,731	35,611,271	99,240,815	121,901	-	8,132,147	6,291,898	252,839,763
Excess (Deficiency) of Revenues Over Expenditures	955,342	2,849,017	(7,952,672)	17,300,698	836,916	(4,997,796)	(4,081,239)	4,910,266
Other Financing Sources (Uses)								
Transfers in	29,293,356	1,041,018	10,722,329	-	-	5,138,858	3,278,318	49,473,879
Transfers out	(16,229,190)	(3,676,816)	(283,732)	(17,300,748)	-	-	(536,325)	(38,026,811)
Payment on refunding bonds	-	-	-	-	-	(2,805,039)	-	(2,805,039)
Issuance of refunding debt	-	-	-	-	-	17,722,176	3,521,848	21,244,024
Premium on bonds	-	-	-	-	-	142,199	232,874	375,073
Sale of capital assets	81,561	-	-	-	-	-	189,155	270,716
Total Other Financing Sources (Uses)	13,145,727	(2,635,798)	10,438,597	(17,300,748)	-	20,198,194	6,685,870	30,531,842
Net change in fund balances	14,101,069	213,219	2,485,925	(50)	836,916	15,200,398	2,604,631	35,442,108
Fund Balances - Beginning	99,915,333	9,698,440	8,081,638	50	-	7,936,579	1,307,078	126,939,118
Fund Balances - Ending	\$ 114,016,402	\$ 9,911,659	\$ 10,567,563	\$ -	\$ 836,916	\$ 23,136,977	\$ 3,911,709	\$ 162,381,226

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

OLMSTED COUNTY
RECONCILIATION OF THE GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022

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

Net Change in fund balances - total governmental funds	\$ 35,442,108
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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.	(10,205,756)
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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.	6,291,898	
Some items reported as current expenditures in the fund financial statements are capitalized in the government-wide financial statements.	15,150,108	
Disposal of capital outlays not reported as expenditures in the funds	(1,227)	
Depreciation expense related to the capital outlays reported as expenditures in the funds	<u>(9,349,389)</u>	12,091,390

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	(21,244,024)	
Proceeds from premium on bonds reported as other financing sources	(375,073)	
Gain on defeasance of bonds not reported in governmental funds	111,231	
Defeasance of bonds reported as expenditures	2,083,769	
Payment on refunding bonds reported as expenditures	2,805,039	
Repayment of bond principal reported as expenditures	<u>4,255,212</u>	(12,363,846)

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	(70,561,320)	
Change in net pension asset	(481,209)	
Change in deferred outflows	8,308,248	
Change in deferred inflows	47,001,654	
Change in bond premiums	293,662	
Change in accrued interest payable	<u>(301,151)</u>	(15,740,116)

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, 2021	(9,340,938)	
Revenues not reported in the governmental funds for the year ended December 31, 2022	<u>9,672,615</u>	<u>331,677</u>

Change in Net Position of governmental activities	<u>\$ 9,555,457</u>
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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, 2022

	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	\$ 19,062,986	\$ -	\$ 9,210,942	\$ 76,365	\$ 28,350,293	\$ 46,125,642
Cash and cash equivalents on deposit:						
Restricted for debt service	5,823,726	-	232,363	-	6,056,089	4,032,622
HRA restricted cash	-	-	862,947	-	862,947	-
Restricted for construction	649,860	-	-	-	649,860	5,822,895
Designated for OPEB	-	-	-	-	-	10,269,904
Restricted investments held by trustee	-	-	-	-	-	8,785,030
Accounts receivable, net	1,831,609	-	97,511	11,538	1,940,658	304,481
Delinquent taxes	-	-	101,543	-	101,543	-
Notes, loans, and mortgages	-	-	29,410	-	29,410	-
Due from other funds	-	-	11,040	-	11,040	-
Due from other governments	728,519	-	183,666	-	912,185	13,039
Lease receivable	9,658	-	-	-	9,658	192,542
Inventories	1,680,686	-	-	-	1,680,686	-
Prepaid items	451,340	-	133,194	11	584,545	58,679
Total Current Assets	<u>30,238,384</u>	<u>-</u>	<u>10,862,616</u>	<u>87,914</u>	<u>41,188,914</u>	<u>75,604,834</u>
Noncurrent Assets:						
Restricted Assets:						
Dedicated long-term environmental care trust	5,263,897	-	-	-	5,263,897	-
Other Assets:						
Accrued interest	-	-	80,241	-	80,241	97,452
Long-term loans	-	-	1,674,927	-	1,674,927	13,741
Lease receivable	160,790	-	-	-	160,790	442,968
Total Other Assets	<u>160,790</u>	<u>-</u>	<u>1,755,168</u>	<u>-</u>	<u>1,915,958</u>	<u>554,161</u>
Capital Assets, net:						
Land	1,725,708	-	3,107,863	-	4,833,571	11,194,531
Building and structures	5,240,796	-	12,078,655	-	17,319,451	39,440,120
Improvements other than buildings	2,025,068	-	253,524	-	2,278,592	1,752,854
Equipment	71,035,241	-	198,253	-	71,233,494	1,654,669
Intangible right-to-use equipment	-	-	-	-	-	1,154,271
Software	-	-	-	-	-	2,717,773
Infrastructure	-	-	-	1,528,053	1,528,053	1,252,679
Construction in progress	1,133,477	-	43,256	-	1,176,733	9,948,614
Total capital assets, net	<u>81,160,290</u>	<u>-</u>	<u>15,681,551</u>	<u>1,528,053</u>	<u>98,369,894</u>	<u>69,115,511</u>
Total Noncurrent Assets	<u>86,584,977</u>	<u>-</u>	<u>17,436,719</u>	<u>1,528,053</u>	<u>105,549,749</u>	<u>69,669,672</u>
Total Assets	<u>116,823,361</u>	<u>-</u>	<u>28,299,335</u>	<u>1,615,967</u>	<u>146,738,663</u>	<u>145,274,506</u>
DEFERRED OUTFLOWS OF RESOURCES						
OPEB	-	-	-	-	-	1,187,754
Pension	1,900,834	-	-	-	1,900,834	2,244,209
Deferred charges on bonds	-	-	22,955	-	22,955	-
Total Deferred Outflows of Resources	<u>1,900,834</u>	<u>-</u>	<u>22,955</u>	<u>-</u>	<u>1,923,789</u>	<u>3,431,963</u>
LIABILITIES						
Current Liabilities:						
Accounts payable and other current liabilities	378,031	-	408,858	1,305	788,194	955,498
Salaries payable	253,714	-	-	-	253,714	246,829
Contracts payable	302,062	-	-	-	302,062	2,047,742
Accrued interest payable	306,124	-	8,283	-	314,407	862,439
Due to other funds	-	-	-	10,100	10,100	-
Due to other governments	15,485	-	91,714	8,815	116,014	70,518
Unearned revenue	38,957	-	162,156	-	201,113	297,277
Compensated absences	404,489	-	-	-	404,489	7,617,402
Outstanding claims	-	-	-	-	-	1,562,142
Lease payable	-	-	-	-	-	262,775
Mortgages payable	-	-	11,193	-	11,193	-
Bonds payable	6,625,000	-	100,000	-	6,725,000	3,021,784
Total Current Liabilities	<u>8,323,862</u>	<u>-</u>	<u>782,204</u>	<u>20,220</u>	<u>9,126,286</u>	<u>16,944,406</u>
Noncurrent Liabilities:						
Accrued interest payable	-	-	260,000	-	260,000	-
Tenant escrow	-	-	3,404	-	3,404	-
Total OPEB liability	-	-	-	-	-	10,269,904
Net pension liability	5,988,912	-	-	-	5,988,912	7,185,468
Compensated absences	589,661	-	-	-	589,661	7,986,600
Outstanding claims	-	-	-	-	-	947,725
Advances from other funds	-	-	123,900	345,000	468,900	-
Lease payable	-	-	-	-	-	739,965
Accrued closure and postclosure payable	2,275,778	-	-	-	2,275,778	-
Mortgages payable	-	-	12,032,654	-	12,032,654	-
Bonds payable	38,324,041	-	332,633	-	38,656,674	49,780,199
Total Noncurrent Liabilities	<u>47,178,392</u>	<u>-</u>	<u>12,752,591</u>	<u>345,000</u>	<u>60,275,983</u>	<u>76,909,861</u>
Total Liabilities	<u>55,502,254</u>	<u>-</u>	<u>13,534,795</u>	<u>365,220</u>	<u>69,402,269</u>	<u>93,854,267</u>
DEFERRED INFLOWS OF RESOURCES						
OPEB	-	-	-	-	-	728,310
Pension	311,639	-	-	-	311,639	501,624
Lease	166,608	-	-	-	166,608	620,878
Deferred gain on refunding	2,064,370	-	-	-	2,064,370	363,654
Total Deferred Inflows of Resources	<u>2,542,617</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,542,617</u>	<u>2,214,466</u>
NET POSITION						
Net investment in capital assets	34,494,677	-	3,958,728	1,528,053	39,981,458	27,586,522
Restricted for:						
Debt service	5,517,602	-	835,959	-	6,353,561	3,355,114
Landfill closure	2,988,119	-	-	-	2,988,119	-
Unrestricted	17,678,926	-	9,992,808	(277,306)	27,394,428	21,696,100
Total Net Position	<u>\$ 60,679,324</u>	<u>\$ -</u>	<u>\$ 14,787,495</u>	<u>\$ 1,250,747</u>	<u>\$ 76,717,566</u>	<u>\$ 52,637,736</u>

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, 2022

	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	\$ 27,896,908	\$ -	\$ 2,554,932	\$ 106,342	\$ 30,558,182	\$ 47,635,297
Intergovernmental operating grants	-	-	7,815,596	-	7,815,596	-
Other	186,018	-	-	-	186,018	687,309
Total Operating Revenues	28,082,926	-	10,370,528	106,342	38,559,796	48,322,606
Operating Expenses:						
Personnel services	7,861,717	-	1,585,907	-	9,447,624	11,104,633
Consultants and professional services	1,398,291	-	-	-	1,398,291	28,743,182
Repairs and maintenance	2,122,738	-	858,049	40,350	3,021,137	2,457,612
Other services and charges	2,809,361	-	2,617,201	10,977	5,437,539	3,871,623
Supplies	2,325,284	-	-	-	2,325,284	467,403
Utilities	542,098	-	250,118	58,292	850,508	1,743,233
Depreciation	5,601,738	30,382	544,192	26,441	6,202,753	5,144,710
Housing assistance payments	-	-	6,956,072	-	6,956,072	-
Landfill closure and postclosure expense	181,382	-	-	-	181,382	-
Total Operating Expenses	22,842,609	30,382	12,811,539	136,060	35,820,590	53,532,396
Operating Income (Loss)	5,240,317	(30,382)	(2,441,011)	(29,718)	2,739,206	(5,209,790)
Nonoperating Revenues (Expenses):						
Property taxes	-	-	3,916,278	-	3,916,278	-
Intergovernmental revenue	556,402	-	-	-	556,402	163,637
Gifts and contributions	16,570	-	-	-	16,570	-
Investment income	390,794	-	24,370	3,104	418,268	605,530
Gain (Loss) on disposal of capital assets	-	-	-	-	-	(302,167)
Miscellaneous revenue	-	99,574	-	-	99,574	8,614,430
Miscellaneous expense	-	(163,071)	-	-	(163,071)	-
Interest expense	(122,937)	-	(59,681)	(15,500)	(198,118)	(1,150,414)
Bond issuance costs and fiscal charges	(20,953)	-	-	-	(20,953)	(170,906)
HUD recapture of residual receipts	-	-	-	-	-	-
Total Nonoperating Revenues (Expenses)	819,876	(63,497)	3,880,967	(12,396)	4,624,950	7,760,110
Income (Loss) Before Transfers and Extraordinary Item	6,060,193	(93,879)	1,439,956	(42,114)	7,364,156	2,550,320
Extraordinary gain caused by fire	-	-	66,734	-	66,734	-
Transfers						
Transfers in	400,000	-	1,000,000	24,424	1,424,424	33,553
Transfers out	-	(115,416)	-	-	(115,416)	(12,789,629)
Total Transfers	400,000	(115,416)	1,000,000	24,424	1,309,008	(12,756,076)
Change in net position	6,460,193	(209,295)	2,506,690	(17,690)	8,739,898	(10,205,756)
Net position - beginning	54,219,131	209,295	12,280,805	1,268,437	67,977,668	62,843,492
Net position - ending	\$ 60,679,324	\$ -	\$ 14,787,495	\$ 1,250,747	\$ 76,717,566	\$ 52,637,736

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, 2022

	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	\$ 27,365,551	\$ 26,878	\$ 2,397,744	\$ 106,954	\$ 29,897,127	\$ 2,294,841
Receipts from transactions with other funds	1,253,179	-	-	-	1,253,179	46,279,468
Payments to suppliers	(8,892,172)	(23,880)	(10,804,126)	(110,273)	(19,830,451)	(34,228,221)
Payments to employees	(5,565,430)	(28,259)	(1,585,907)	-	(7,179,596)	(8,213,100)
Payments to other funds for services provided	(1,790,604)	-	-	(10,891)	(1,801,495)	(3,498,693)
Other receipts	186,018	-	8,217,146	-	8,403,164	687,309
Net cash flows from operating activities	12,556,542	(25,261)	(1,775,143)	(14,210)	10,741,928	3,321,604
Cash flows from noncapital financing activities:						
Property taxes	-	-	4,020,286	-	4,020,286	-
Payments on rehab loans	-	-	(40,843)	-	(40,843)	-
Equity transfer	-	(163,071)	-	-	(163,071)	-
Gifts and contributions	16,570	-	-	-	16,570	-
Transfers in	400,000	-	-	24,424	424,424	-
Intergovernmental grants received	556,402	-	-	-	556,402	163,637
Transfers out	-	(115,416)	-	-	(115,416)	(12,789,629)
Net cash flows from noncapital financing activities	972,972	(278,487)	3,979,443	24,424	4,698,352	(12,625,992)
Cash flows from capital and related financing activities:						
Acquisitions of capital assets	(5,563,516)	-	(2,195,620)	-	(7,759,136)	(8,548,527)
Proceeds from sale of capital assets	-	-	-	-	-	33,552
Capital lease payments	-	-	-	-	-	(284,844)
Bond proceeds	3,047,536	-	-	-	3,047,536	22,139,672
Payments on bond issue costs and fiscal charges	(20,953)	-	-	-	(20,953)	(170,906)
Principal paid	(29,860,000)	-	(58,919)	(9,600)	(29,928,519)	(6,849,750)
Transfer in	-	-	1,000,000	-	1,000,000	-
Extraordinary gain caused by fire	-	-	66,734	-	66,734	-
Interest paid	(1,178,282)	-	(45,459)	(15,500)	(1,239,241)	(975,090)
Net cash flows from capital and related financing activities	(33,575,215)	-	(1,233,264)	(25,100)	(34,833,579)	5,344,107
Cash flows from investing activities:						
Interest on investments	390,794	-	24,370	3,104	418,268	508,078
Purchase of investments held by trustee	-	-	-	-	-	(8,785,030)
Withdrawals of restricted assets	24,014,775	-	-	-	24,014,775	4,024,213
Net cash flows from investing activities	24,405,569	-	24,370	3,104	24,433,043	(4,252,739)
Net increase (decrease) in cash and cash equivalents	4,359,868	(303,748)	995,406	(11,782)	5,039,744	(8,213,020)
Cash and cash equivalents - January 1	26,440,601	303,748	9,310,846	88,147	36,143,342	74,464,083
Cash and cash equivalents - December 31	\$ 30,800,469	\$ -	\$ 10,306,252	\$ 76,365	\$ 41,183,086	\$ 66,251,063
Displayed on Proprietary Funds Statement of Net Position as:						
Cash and cash equivalents	\$ 19,062,986	\$ -	\$ 9,210,942	\$ 76,365	\$ 28,350,293	\$ 46,125,642
Cash and cash equivalents on deposit:						
Restricted for debt service	5,823,726	-	232,363	-	6,056,089	4,032,622
HRA restricted cash	-	-	862,947	-	862,947	-
Restricted for construction	649,860	-	-	-	649,860	5,822,895
Designated for OPEB	-	-	-	-	-	10,269,904
Restricted - dedicated long-term environmental care trust	5,263,897	-	-	-	5,263,897	-
Total cash and cash equivalents	\$ 30,800,469	\$ -	\$ 10,306,252	\$ 76,365	\$ 41,183,086	\$ 66,251,063
Reconciliation of operating income (loss) to net cash flows from operating activities:						
Operating income (loss)	\$ 5,240,317	\$ (30,382)	\$ (2,441,011)	\$ (29,718)	\$ 2,739,206	\$ (5,209,790)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:						
Depreciation	5,601,738	30,382	544,192	26,441	6,202,753	5,144,710
Changes in pension amounts	407,783	-	-	-	407,783	408,608
Changes in OPEB amounts	-	-	-	-	-	832,581
Landfill closure and postclosure expense	181,382	-	-	-	181,382	-
(Increase) decrease in assets						
Accounts receivable	685,645	-	35,615	612	721,872	297,709
Due from other funds	-	-	(11,040)	-	(11,040)	-
Due from other governments	38,165	26,878	412,590	-	477,633	665,488
Lease receivable	(170,448)	-	(209,349)	-	(379,797)	(635,510)
Long-term loans receivable	-	-	-	-	-	-
Inventories	313,780	-	-	-	313,780	-
Prepaid items	(18,150)	-	21,110	(11)	2,949	140,102
Increase (decrease) in liabilities						
Accounts payable and other current liabilities	17,463	(20,749)	(118,511)	(11,684)	(133,481)	(268,039)
Salaries payable	24,259	(28,259)	-	-	(4,000)	(495,802)
Contracts payable	-	-	-	-	-	18,562
Due to other governments	(7,493)	(3,131)	(25,285)	150	(35,759)	9,196
Outstanding claims	-	-	-	-	-	(343,682)
Total OPEB liability	-	-	-	-	-	(189,385)
Deferred inflow - lease	166,608	-	-	-	166,608	620,878
Compensated absences	73,641	-	-	-	73,641	2,335,531
Unearned revenue	1,852	-	16,546	-	18,398	(9,553)
Total adjustments	7,316,225	5,121	665,868	15,508	8,002,722	8,531,394
Net cash flows from operating activities	\$ 12,556,542	\$ (25,261)	\$ (1,775,143)	\$ (14,210)	\$ 10,741,928	\$ 3,321,604
Non-cash transaction information:						
The interest expense includes amounts for amortization of bond discounts and premiums and deferred amounts	\$ 614,850	\$ -	\$ 771	\$ -	\$ 615,621	\$ 227,130
Contracts/accounts payable included in capital assets	(165,970)	-	6,718	-	(159,252)	(1,394,739)
Acquisition of capital assets by lease payable	-	-	-	-	-	(1,287,584)

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

OLMSTED COUNTY
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2022

	Representative Payee Private- Purpose Trust Fund	Custodial Funds
ASSETS		
Cash, deposits, and investments	\$ 412,460	\$ 11,052,475
Taxes receivable for other governments	-	2,858,045
Special assessments receivable	-	743,020
Accounts receivable, net	-	253,407
Due from other governments	-	1,476,524
Prepaid items	-	11,272
Total Assets	<u>412,460</u>	<u>16,394,743</u>
LIABILITIES		
Accounts payable	-	3,668,279
Due to other governments	-	5,028,477
Unearned revenue	-	268,400
Total Liabilities	<u>-</u>	<u>8,965,156</u>
DEFERRED INFLOWS OF RESOURCES		
Advanced contributions	<u>-</u>	<u>2,476,332</u>
NET POSITION		
Restricted for:		
Individuals, organizations, and governments	<u>\$ 412,460</u>	<u>\$ 4,953,255</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, 2022

	Representative Payee Private- Purpose Trust Fund	Custodial Funds
ADDITIONS		
Contributions:		
Individuals	\$ 2,366,511	\$ 348,031
Members	-	9,740,164
Others	-	439,217
Interest, dividends, other	-	89,961
Property tax collections for other governments	-	232,354,076
Other tax collections for other governments	-	10,668,593
Grant collections for other governments and organizations	-	6,823,252
Fee collections for other governments and organizations	-	2,665,142
Fines and forfeits collections for other governments and organizations	-	276,115
Miscellaneous	-	2,617,311
Total additions	<u>2,366,511</u>	<u>266,021,862</u>
DEDUCTIONS		
Beneficiary payments to individuals	2,248,668	88,099
Payments of property tax to other governments	-	232,048,323
Payments to state	-	12,840,374
Administrative expenses	152,240	1,915,560
Payments to other entities	-	20,288,471
Total deductions	<u>2,400,908</u>	<u>267,180,827</u>
Net increase (decrease) in fiduciary net position	(34,397)	(1,158,965)
Net Position - Beginning	<u>446,857</u>	<u>6,112,220</u>
Net Position - Ending	<u>\$ 412,460</u>	<u>\$ 4,953,255</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, 2022

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OLMSTED COUNTY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

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, stephanie.reese@olmstedcounty.gov, (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, 2022

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, 2022

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.
- Opioid Settlement Fund – Used to account for revenues from the National Opioid Settlement Fund for forward-looking strategies, programming, and services to abate the opioid epidemic.
- 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. The consortium dissolved in 2021 and the final equity payout was made to all members in 2022. Therefore, this fund closed as of December 31, 2022.
- 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.

OLMSTED COUNTY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

Additionally, the County reports the following fund types:

- Internal Service Funds – Used to account for various employee insurances and benefits, centralized office services, computer services, and building functions.
- Private Purpose Trust Fiduciary 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, 2022, based upon quoted market prices or at amortized cost for money market and participating interest-earning investment contracts with a remaining maturity at the time of purchase of one year or less. A market approach is used to value all investments.

Pooled investment earnings credited to the General Fund were \$3,142,078 for 2022, \$2,200,979 of which was not allocated to other funds. For 2022, a \$7,377,774 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.

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

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

Lease Receivables (lessor). A lease receivable and a deferred inflow of resources is recognized at the commencement of the lease term, with certain exceptions for leases of assets held as investments, certain regulated leases, short-term leases, and leases that transfer ownership of the underlying asset. The asset underlying the lease is not derecognized. The lease receivable is measured at the present value of lease payments expected to be received during the lease term. The deferred inflow of resources should be measured at the value of the lease receivable plus any payments received at or before the commencement of the lease term that relate to future periods.

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.

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

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

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

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

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

The OCHRA capitalization threshold is \$5,000 for all capital assets. The 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 assets 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 assets that applies to a future period and will not be recognized as an inflow of resources (revenue) until then.

OLMSTED COUNTY
NOTES TO FINANCIAL STATEMENTS
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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.

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.

Lease Liabilities (Lessee). A lease liability and a lease asset are recognized at the commencement of the lease term, unless the lease is a short-term lease, or it transfers ownership of the underlying asset. The lease liability is measured at the present value of payments expected to be made during the lease term (less any lease incentives). The lease asset is measured at the amount of the initial measurement of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs.

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 \$2,275,778 reported as landfill closure and post-closure care liability at December 31, 2022, 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 \$3,406,753 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 2022. 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, 2022, the County has investments of \$5,263,897 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.

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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.

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.

OLMSTED COUNTY
NOTES TO FINANCIAL STATEMENTS
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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 \$29,925,945 of restricted net position, of which \$13,128,164 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.

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	\$ 311,187,983	\$ 98,369,894	\$ 409,557,877
Less: debt			
Total bonds payable	(118,305,000)	(44,525,000)	(162,830,000)
Total bond premiums	(5,019,454)	(856,674)	(5,876,128)
Total mortgages payable	-	(12,043,847)	(12,043,847)
Total contracts payable - capital related	(3,759,080)	(302,062)	(4,061,142)
Total lease payable - capital related	(1,002,740)	-	(1,002,740)
Total deferred gain on refunding	(618,356)	(2,064,370)	(2,682,726)
Total deferred charge on refunding (net)	-	22,955	22,955
Add back: non-capital related debt			
Various mortgages in HRA Enterprise Fund	-	730,702	730,702
Unused 2020A Bond proceeds	71,227	649,860	721,087
Unused 2020B Bond proceeds	178,809	-	178,809
Unused 2022B Bond proceeds	8,599,428	-	8,599,428
2022A Bonds Crossover refunding portion, not yet capital related	26,520,000	-	26,520,000
2022A Refunding Bond premiums - not yet capital related	200,097	-	200,097
Net investment in capital assets	<u>\$ 218,052,914</u>	<u>\$ 39,981,458</u>	<u>\$ 258,034,372</u>

Change in Accounting Principles. In June 2017, the Governmental Accounting Standards Board (GASB) issued statement No. 87, *Leases*. This statement establishes a single model for lease accounting based on the foundational principle that leases are financing of the right to use an underlying asset. This standard was implemented January 1, 2022.

In May 2019, the Governmental Accounting Standards Board (GASB) issued statement No. 91, *Conduit Debt Obligations*. This statement establishes criteria for identifying, accounting, and reporting conduit debt. This standard was implemented January 1, 2022.

OLMSTED COUNTY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

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	\$ 188,735,163
Cash and pooled investments - restricted	26,030,018
Cash and investments held by trustee - restricted	26,682,160
Petty cash and change funds	125,611

Business-type activities

Cash and pooled investments	28,345,393
Cash and pooled investments - restricted	12,832,793
Investments held by trustee - restricted	-
Petty cash and change funds	4,900

Statement of fiduciary net position

Cash and pooled investments	11,411,535
Petty cash and change funds -custodial funds	53,400
	<u>\$ 294,220,973</u>

Deposits and Non-Negotiable Certificates of Deposit	\$ 36,797,395
Petty Cash	183,911
Investments	257,239,667
	<u>\$ 294,220,973</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, 2022, 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, 2022, the County's bank balances subject to collateralization totaled \$32,162,634. 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, 2022, 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, 2022, 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, 2022, 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 & Notes			60.8%	\$ 142,084,728
Fannie Mae	Aaa	Moody's	13.0%	30,429,971
Federal Farm Credit Bank	Aaa	Moody's	7.9%	18,476,692
Federal Home Loan Bank	Aaa	Moody's	9.8%	22,976,359
Freddie Mac	Aaa	Moody's	4.0%	<u>9,411,743</u>
Total U.S. Government Securities				223,379,493
Municipal Bonds				
Florida St Board of Education	Aaa	Moody's	1.2%	2,826,089
Maryland State			1.0%	2,412,936
Wisconsin St Gen Fund	Aa2	Moody's	2.1%	<u>4,959,977</u>
Total Municipal Bonds				10,199,002
Mutual Funds				
Allsprings Government Money Market	Aaa-mf	Moody's	NA	<u>23,661,172</u>
Total Investments				<u>257,239,667</u>
Deposits				36,797,395
Petty Cash				<u>183,911</u>
Total Cash, Investments, and Agreements				<u>\$ 294,220,973</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	\$ 30,429,971	\$ 11,405,589	\$ 16,572,186	\$ 2,452,196
Federal Farm Credit Bank	18,476,692	6,013,021	3,813,554	8,650,117
Federal Home Loan Bank	22,976,359	6,213,411	16,762,948	-
Freddie Mac	9,411,743	-	9,411,743	-
US Treasury Bonds & Notes	142,084,728	32,079,822	95,389,536	14,615,370
Total U.S. Government Securities	223,379,493	55,711,843	141,949,967	25,717,683
Municipal Bonds				
Florida St Board of Education	2,826,089	-	2,826,089	-
Maryland State	2,412,936	-	2,412,936	-
Wisconsin State General Fund	4,959,977	4,959,977	-	-
Total Municipal Bonds	10,199,002	4,959,977	5,239,025	-
Total Investments	<u>\$233,578,495</u>	<u>\$ 60,671,820</u>	<u>\$ 147,188,992</u>	<u>\$ 25,717,683</u>
Reconciliation to Schedule of Deposits and Investments				
Amount from above	\$ 233,578,495			
Mutual Funds	23,661,172			
Total Investments	<u>\$257,239,667</u>			

OLMSTED COUNTY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

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, 2022, Olmsted County had the following recurring fair value measurements.

	December 31, 2022	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 & Notes	\$ 142,084,728	\$ -	\$ 142,084,728
Fannie Mae	30,429,971	-	30,429,971
Federal Farm Credit Bank	18,476,692	-	18,476,692
Federal Home Loan Bank	22,976,359	-	22,976,359
Freddie Mac	9,411,743	-	9,411,743
Municipal Bonds	10,199,002	-	10,199,002
Allsprings Government Money Market	23,661,172	23,661,172	-
Total Investments included in the Fair Value Hierarchy	<u>\$ 257,239,667</u>	<u>\$ 23,661,172</u>	<u>\$ 233,578,495</u>
Cash and Cash Equivalents			
Deposits	36,797,395		
Petty Cash	183,911		
Total Cash and Cash Equivalents	<u>36,981,306</u>		
Total Cash , Cash Equivalents, and Investments	<u>\$ 294,220,973</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
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3. RECEIVABLES, UNEARNED AND UNAVAILABLE REVENUE

Receivables

Receivables as of December 31, 2022, including the applicable allowances for uncollectible accounts are as follows:

	Governmental Activities	Business-type Activities	Total
Receivables:			
Accounts Receivable, gross	\$ 4,209,552	\$ 1,940,658	\$ 6,150,210
Less:			
Allowance for doubtful accounts	<u>(1,736,686)</u>	<u>-</u>	<u>(1,736,686)</u>
Net total receivables	<u>\$ 2,472,866</u>	<u>\$ 1,940,658</u>	<u>\$ 4,413,524</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	\$ 169,572	\$ 169,572	\$ 1,369,197
Sales Tax	-	-	100,000
Intergovernmental	5,923,323	5,923,323	6,269,035
Charges for services	309,580	309,580	1,012,369
Gifts and contributions	-	-	830,860
Other	184,274	184,274	91,154
Sub-total, governmental funds	<u>6,586,749</u>	<u>6,586,749</u>	<u>9,672,615</u>
Internal Service Funds:			
Charges for services	297,277	297,277	-
Other	620,878	620,878	-
Sub-total, internal service funds	<u>918,155</u>	<u>918,155</u>	<u>-</u>
Sub-total, governmental activities	<u>7,504,904</u>	<u>7,504,904</u>	<u>9,672,615</u>
Business-Type Activities			
Waste Management other	205,565	205,565	-
OCHRA other	162,156	162,156	-
Sub-total, business-type activities	<u>367,721</u>	<u>367,721</u>	<u>-</u>
Total	<u>\$ 7,872,625</u>	<u>\$ 7,872,625</u>	<u>\$ 9,672,615</u>

OLMSTED COUNTY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

Lease Receivables

The Minnesota Department of Public Safety Bureau of Criminal Apprehension (BCA) entered into an agreement with the County to lease 677 square feet of building space for 5 years. Under the terms of the lease, the BCA will make 60 monthly payments of \$1,055-\$1,188 increasing annually. The BCA can terminate this agreement with 30 days' notice. Termination is not considered likely. During the fiscal year, the county recorded \$13,959 in lease revenue and \$121 in interest revenue for giving the BCA the right to use County owned building space. The County used an incremental discount rate of .56%, based on the County's borrowing rate for the same time periods.

The Minnesota Department of Administration entered into an agreement with the County to lease 8,501 square feet of building space for 5 1/2 years. Under the terms of the lease, the Minnesota Department of Administration will make 66 monthly payments of \$10,695-\$15,854 increasing annually. The Minnesota Department of Administration can terminate this agreement with 30 days' notice. Termination is not considered likely. During the fiscal year, the county recorded \$178,057 in lease revenue and \$4,667 in interest revenue for giving the Minnesota Department of Administration the right to use County owned building space. The County used an incremental discount rate of .73%, based on the County's borrowing rate for the same time periods.

Cenergy Power entered into an agreement with the County to lease 6 acres of land for 25 years. Per the agreement Cenergy Power has the option to exercise 2 five-year optional renewal term. These optional terms were not included in the contract value due to it being unlikely Cenergy Power will exercise these optional terms. Under the terms of the lease, Cenergy Power will make 25 annual payments of \$4,000-\$5,360 (increasing 5% every 5 years). During the fiscal year, the County recorded \$3,210 in lease revenue for giving Cenergy Power the right to use County owned land. The County used an incremental discount rate of 2.56%, based on the County's borrowing rate for the same time periods.

UCI Tower, LLC entered into an agreement with the County to lease .23 acres of land for 10 years. Per the agreement UCI Tower, LLC has the option to exercise 2 five-year optional terms. These optional terms were included in the contract value due to it being likely UCI Tower, LLC will exercise these optional terms. There are 2 additional five-year optional terms. Either party can opt out of these optional terms with 6-months' notice. Therefore, these additional optional terms are cancellable and are not included in the contract value. Under the terms of the lease, UCI Towers, LLC will make 166 monthly fixed payments of \$835-\$1,464 (increasing 3% every year). UCI Towers, LLC will make additional payments of \$835-\$1,464 (increasing 3% every year) for a 2nd subtenant and \$350-\$825 (increasing 3% every year) for each subtenant over 2. These payments are not fixed and therefore were not included in the contract value. Only fixed payments were made during 2022. During the fiscal year, the county recorded \$12,983 in lease revenue and \$2,881 in interest revenue for giving UCI Tower, LLC the right to use County owned land. The County used an incremental discount rate of 1.64%, based on the County's borrowing rate for the same time periods.

Lease Receivables are as follows:

	Contract Start Date	Discount Rates	Contract Value	Contract End Date	Balance
Governmental Activities					
Building space 677 square feet	1/1/2019	0.56%	66,279	12/31/2023	\$ 14,208
Building space 8,501 square feet	7/1/2020	0.73%	948,529	12/31/2025	545,344
Land 6 acres	8/21/2020	2.56%	81,965	8/20/2045	75,958
Total Governmental Activities					<u>\$ 635,510</u>
Business Activities					
Land .23 acres	11/1/2015	1.64%	226,016	10/31/2045	<u>\$ 170,448</u>

OLMSTED COUNTY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

4. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2022 was as follows:

Governmental Activities

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 24,773,243	\$ -	\$ -	\$ 24,773,243
Infrastructure land	39,116,031	1,178,868	-	40,294,899
Construction in progress	15,800,533	27,443,940	(2,066,930)	41,177,543
Total capital assets not being depreciated	79,689,807	28,622,808	(2,066,930)	106,245,685
Capital assets, being depreciated/amortized:				
Infrastructure	288,863,589	208,942	-	289,072,531
Building	134,793,217	1,148,795	(370,000)	135,572,012
Improvements other than building	8,681,154	604,265	(39,662)	9,245,757
Equipment	31,944,415	1,503,125	(1,587,199)	31,860,341
Leased Equipment (Intangible asset)	-	1,287,584	-	1,287,584
Software	12,325,888	1,452,352	(1,350,233)	12,428,007
Total capital assets being depreciated/amortized	476,608,263	6,205,063	(3,347,094)	479,466,232
Less accumulated depreciation/amortization for:				
Infrastructure	(156,013,163)	(6,523,952)	-	(162,537,115)
Building	(70,612,128)	(4,451,203)	67,833	(74,995,498)
Improvements other than building	(4,790,665)	(344,631)	39,662	(5,095,634)
Equipment	(22,764,124)	(1,975,872)	1,497,887	(23,242,109)
Leased Equipment (Intangible asset)	-	(133,313)	-	(133,313)
Software	(8,805,371)	(1,065,127)	1,350,233	(8,520,265)
Total accumulated depreciation and amortization	(262,985,451)	(14,494,098)	2,955,615	(274,523,934)
Total capital assets, being depreciated and amortized, net	213,622,812	(8,289,035)	(391,479)	204,942,298
Governmental activities capital assets, net	<u>\$ 293,312,619</u>	<u>\$ 20,333,773</u>	<u>\$ (2,458,409)</u>	<u>\$ 311,187,983</u>

OLMSTED COUNTY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

Business-type Activities

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 3,776,542	\$ 1,057,029	\$ -	\$ 4,833,571
Construction in progress	3,694,242	1,019,672	(3,537,181)	1,176,733
Total capital assets not being depreciated	<u>7,470,784</u>	<u>2,076,701</u>	<u>(3,537,181)</u>	<u>6,010,304</u>
Capital assets, being depreciated:				
Infrastructure	1,984,227	-	-	1,984,227
Building	47,316,059	2,855,172	-	50,171,231
Improvements other than building	12,203,558	1,690,176	-	13,893,734
Equipment	147,522,568	4,840,237	(627,716)	151,735,089
Software	177,975	-	(125,941)	52,034
Total capital assets being depreciated	<u>209,204,387</u>	<u>9,385,585</u>	<u>(753,657)</u>	<u>217,836,315</u>
Less accumulated depreciation for:				
Infrastructure	(429,733)	(26,441)	-	(456,174)
Building	(31,895,122)	(956,658)	-	(32,851,780)
Improvements other than building	(11,551,694)	(63,448)	-	(11,615,142)
Equipment	(75,973,105)	(5,156,206)	627,716	(80,501,595)
Software	(177,975)	-	125,941	(52,034)
Total accumulated depreciation	<u>(120,027,629)</u>	<u>(6,202,753)</u>	<u>753,657</u>	<u>(125,476,725)</u>
Total capital assets, being depreciated, net	<u>89,176,758</u>	<u>3,182,832</u>	<u>-</u>	<u>92,359,590</u>
Business-type activities capital assets, net	<u>\$ 96,647,542</u>	<u>\$ 5,259,533</u>	<u>\$ (3,537,181)</u>	<u>\$ 98,369,894</u>

OLMSTED COUNTY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

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

Governmental activities:

General government	\$ 1,802,649
Public safety	887,511
Conservation of natural resources	9,329
Highways and streets	8,236,102
Health	472,791
Human Services	2,228,426
Culture and recreation	857,290
Total depreciation expense - governmental activities	<u>\$ 14,494,098</u>

Business-type activities:

Waste Management	\$ 5,601,738
Communications	30,382
Olmsted County HRA	544,192
Sanitary Sewer	26,441
Total depreciation expense - business type activities	<u>\$ 6,202,753</u>

OLMSTED COUNTY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

Construction and Other Commitments

Olmsted County has active construction projects as of December 31, 2022. At the end of the year, commitments are as follows:

	Total Contract	Spent-to-date	Remaining Commitment	Funding Source
Governmental Funds:				
Infrastructure Fund				
P434 - TH14/CSAH 44 Consulting	\$ 984,545	\$ 345,480	\$ 639,065	State Bonds
P284 - CR 101 Reconstruction	7,433,314	7,223,302	210,012	LOST, LRIP
P420 - CSAH 4/CR 105 Reconstruction	9,833,367	9,695,752	137,615	LOST, State Aid, Federal
P421 - CSAH 4/CSAH 44	20,388,939	3,344,751	17,044,188	LOST, State Aid, Federal
Bituminous/Concrete Preservation	4,737,054	2,791,012	1,946,042	LOST/Wheelage
Road/Bridge Project Consulting Contracts-Multiple projects	388,556	207,593	180,963	LOST
Total Infrastructure Fund	43,765,775	23,607,890	20,157,885	
Capital Projects Fund				
Oxbow Nature Center	6,035,150	5,613,967	421,183	Debt, Donations, Grant
Sweeper-Highway	281,427	0	281,427	Debt
Tandem Trucks-Highway	595,418	0	595,418	Debt
Graham Park Plaza Space	401,332	370,330	31,002	Reserves
CR157 overlay	637,278	635,338	1,940	Debt
Lake Zumbro Retaining Wall/Improvements	281,717	249,370	32,347	Debt
Bearcat	361,165	0	361,165	Reserves, will be reimbursed 50% by City after receipt of bearcat
Total Capital Projects Fund	8,593,487	6,869,005	1,724,482	
Total Governmental Funds	52,359,262	30,476,895	21,882,367	
Internal Service Funds:				
Building Facilities				
Judicial Space Needs	6,833,061	5,222,416	1,610,645	Debt
District Energy Project	4,659,228	4,127,615	531,613	Debt
Cyber Security	293,069	103,023	190,046	Debt
Conference Room Technology	226,239	0	226,239	Debt
Public Works Service Ctr/Public Safety Training Ctr Addition	506,500	266,315	240,185	Debt
2118 Building North Wing Remodel	232,918	80,090	152,828	Debt
DNR Campus Building Construction	232,918	80,090	152,828	Debt
Public Safety Training Ctr/Emergency Operations Ctr Addition	151,842	0	151,842	Debt
Total Internal Service Funds	13,135,775	9,879,549	3,256,226	
Enterprise Funds:				
Waste Management Fund				
Recycling Center Skidloader	35,659	0	35,659	Waste Mgmt Fund Revenues
Landfill Loader	229,168	0	229,168	Debt
OWEF Crane Grapple	261,728	11,235	250,493	Waste Mgmt Fund Revenues
OWEF Boiler Discharger	193,378	0	193,378	Debt
Total Enterprise Fund	719,933	11,235	708,698	
Total Commitments	\$ 66,214,970	\$ 40,367,679	\$ 25,847,291	

OLMSTED COUNTY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

5. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The following interfund receivables and payables are reported on the fund financial statements at December 31, 2022. 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 Health and Human Service payable to the Olmsted County HRA are for housing expenses.

	Due From Other Funds	Due to Other Funds
Governmental Funds:		
General Fund	\$ 10,100	\$ -
Health & Human Services	-	11,040
Total Governmental Funds	<u>10,100</u>	<u>11,040</u>
Enterprise Funds:		
Sanitary Sewer	-	10,100
Olmsted County HRA	11,040	-
Total Enterprise Funds	<u>11,040</u>	<u>10,100</u>
Total Due From and Due To Other Funds	<u><u>\$ 21,140</u></u>	<u><u>\$ 21,140</u></u>
	Advances To Other Funds	Advances From Other Funds
General Fund	<u>\$ 468,900</u>	<u>\$ -</u>
Enterprise Funds		
Sanitary Sewer	-	345,000
Olmsted County HRA	-	123,900
Total Enterprise Funds	<u>-</u>	<u>468,900</u>
Total Advances To and From Other Funds	<u><u>\$ 468,900</u></u>	<u><u>\$ 468,900</u></u>

OLMSTED COUNTY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

Interfund transfers reported on the fund financial statements at December 31, 2022 were:

	Transfers in:							
	Governmental Funds					Proprietary Funds		
	General	Infrastructure	Human Services	Debt Service	Capital Projects	Enterprise Funds	Internal Service Funds	Transfers out
Governmental funds:								
General	\$ -	\$ 1,041,018	\$ 10,722,329	\$ 1,433,201	\$ 1,608,218	\$ 1,424,424	\$ -	\$ 16,229,190
Infrastructure	-	-	-	3,601,816	75,000	-	-	3,676,816
Health and Human Services	283,732	-	-	-	-	-	-	283,732
American Rescue Plan Act	17,300,748	-	-	-	-	-	-	17,300,748
Capital Projects	432,484	-	-	103,841	-	-	-	536,325
Governmental funds transfers in	18,016,964	1,041,018	10,722,329	5,138,858	1,683,218	1,424,424	-	38,026,811
Proprietary funds:								
Enterprise funds	115,416	-	-	-	-	-	-	115,416
Internal Service funds	11,160,976	-	-	-	1,595,100	-	33,553	12,789,629
Proprietary funds transfers in	11,276,392	-	-	-	1,595,100	-	33,553	12,905,045
Total transfers in	\$ 29,293,356	\$ 1,041,018	\$ 10,722,329	\$ 5,138,858	\$ 3,278,318	\$ 1,424,424	\$ 33,553	\$ 50,931,856

OLMSTED COUNTY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

	Transfers in:							Transfers out
	Governmental Funds					Proprietary Funds		
	General	Infrastructure	Health and Human Services	Debt Service	Capital Projects	Enterprise Funds	Internal Service	
Reasons for interfund transfers:								
General Fund Contribution to Infrastructure Fund								
- ITS, Finance, and Human Resource Costs	\$ -	\$ 1,041,018	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,041,018
General Fund Contribution to Health and Human Service Fund								
- ITS, Finance, and Human Resource Costs	-	-	7,272,030	-	-	-	-	7,272,030
General Fund Contribution to Health and Human Service Fund								
- Caseware Software	-	-	800,260	-	-	-	-	800,260
General Fund Contribution to Health and Human Service Fund								
- Affordable Housing Units	-	-	2,500,000	-	-	-	-	2,500,000
General Fund Contribution to Health and Human Service Fund								
- 2 Social Workers	-	-	150,039	-	-	-	-	150,039
General Fund Contribution to Debt Service Fund								
- 2020B Bond Defeasance	-	-	-	1,433,201	-	-	-	1,433,201
General Fund Contribution to Capital Projects Fund								
- Parks	-	-	-	-	1,203,218	-	-	1,203,218
General Fund Contribution to Capital Projects Fund								
- Highway Equipment	-	-	-	-	285,000	-	-	285,000
General Fund Contribution to Capital Projects Fund								
- Plaza Space Project	-	-	-	-	30,000	-	-	30,000
General Fund Contribution to Capital Projects Fund								
- Ear of Corn Pumphouse	-	-	-	-	90,000	-	-	90,000
General Fund Contribution to Waste Management Enterprise Fund								
- Asbestos Abatement	-	-	-	-	-	400,000	-	400,000
General Fund Contribution to HRA Enterprise Fund								
- 105 Broadway Building	-	-	-	-	-	1,000,000	-	1,000,000
General Fund Contribution to Sanitary Sewer Enterprise Fund								
- Chester Sewer District Repair	-	-	-	-	-	24,424	-	24,424
Infrastructure Fund contributions to Debt Service Fund								
- Debt Service	-	-	-	3,601,816	-	-	-	3,601,816
Infrastructure Fund contributions to Capital Projects Fund								
- Eyota Trench Drain	-	-	-	-	75,000	-	-	75,000
Health and Human Service Contributions to General Fund								
- Adult Probation and Policy Analysis & Communications FTE	283,732	-	-	-	-	-	-	283,732
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 12/31/2021 Annual Comprehensive Financial Report	17,300,748	-	-	-	-	-	-	17,300,748
Capital Projects Fund Contributions to General Fund								
- Sheriff's Squads	432,485	-	-	-	-	-	-	432,485
Capital Projects Fund Contributions to Debt Service Fund								
- Debt Service	-	-	-	103,841	-	-	-	103,841
Communications Fund Contribution to General Fund								
- Close Fund	115,415	-	-	-	-	-	-	115,415
Internal Service Fund - Administrative Services Contribution to General Fund - Move ITS, Finance, and Human Resources operating activities	10,641,865	-	-	-	-	-	-	10,641,865
Internal Service Fund - Self Insurance Contribution to Capital Projects Fund - Oxbow Park Vehicle Replacement	-	-	-	-	45,100	-	-	45,100
Internal Service Fund - Building Contribution to General Fund - Security/Access Project	25,000	-	-	-	-	-	-	25,000
Internal Service Fund - Self Insurance Contribution to General Fund - 4 ITS FTE's	494,111	-	-	-	-	-	-	494,111
Internal Service Fund - Building Contribution to Capital Projects Fund - Graham Park Multi-Purpose Building	-	-	-	-	1,550,000	-	-	1,550,000
Internal Service Fund - Building Contribution to Internal Service Fund - Administrative Services - Transfer of Capital Assets	-	-	-	-	-	-	33,553	33,553
Total transfers in	\$ 29,293,356	\$ 1,041,018	\$ 10,722,329	\$ 5,138,858	\$ 3,278,318	\$ 1,424,424	\$ 33,553	\$ 50,931,856

OLMSTED COUNTY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

6. LONG-TERM LIABILITIES

Bonds Payable

	General Obligation Revenue Bonds	General Obligation Bonds	Total
January 1, 2022			
Governmental activities	\$ -	\$ 91,920,000	\$ 91,920,000
Business-type activities	71,550,000	-	71,550,000
	<u>71,550,000</u>	<u>91,920,000</u>	<u>163,470,000</u>
Issued:			
Governmental activities	-	42,490,000	42,490,000
Business-type activities	2,935,000	-	2,935,000
Retired:			
Governmental activities	-	(16,105,000)	(16,105,000)
Business-type activities	(29,960,000)	-	(29,960,000)
December 31, 2022	<u>\$ 44,525,000</u>	<u>\$ 118,305,000</u>	<u>\$ 162,830,000</u>

Balance by fund type

Governmental activities:

Governmental funds	\$ -	\$ 67,671,258	\$ 67,671,258
Internal Service	-	50,633,742	50,633,742
	<u>-</u>	<u>118,305,000</u>	<u>118,305,000</u>

Business-type activities:

Enterprise funds	44,525,000	-	44,525,000
Total	<u>\$ 44,525,000</u>	<u>\$ 118,305,000</u>	<u>\$ 162,830,000</u>

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

Year ending	Principal	Interest	Total
2023	\$ 14,140,000	\$ 4,452,518	\$ 18,592,518
2024	13,640,000	3,639,044	17,279,044
2025	39,585,000	2,829,666	42,414,666
2026	14,425,000	2,040,824	16,465,824
2027	14,540,000	1,748,720	16,288,720
2028 to 2032	34,585,000	5,703,712	40,288,712
2033 to 2037	22,155,000	2,437,646	24,592,646
2038 to 2042	9,015,000	593,413	9,608,413
2043	745,000	10,709	755,709
Total	<u>\$ 162,830,000</u>	<u>\$ 23,456,252</u>	<u>\$ 186,286,252</u>

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. A remaining annual installment of \$490,000 is due February 1, 2023.

OLMSTED COUNTY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

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 2016A, were issued to crossover refund the General Obligation Taxable Resource Recovery Revenue Bonds, Series 2009B. Remaining annual installments of \$805,000 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 \$330,000 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 General Obligation Resource Recovery Revenue Bonds, Series 2011A. Remaining annual installments of \$210,000 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.

On February 1, 2022, the remaining principal balance of \$23,900,000 on series 2012A bonds, general obligation revenue bond portion, was refunded from an escrow account created from the proceeds of the General Obligation Crossover Refunding Bonds, Series 2021A. 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. 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.

A portion of the General Obligation Bonds, Series 2022B, were issued to provide certain resource recovery improvements to the County's solid waste facility. Remaining annual installments of \$105,000 to \$190,000 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.

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	\$ 490,000
G.O. Governmental Housing Ref. Bonds, 2010A	6/10/2010	3.00 - 3.70%	1,475,000	1/1/2026	430,000
G.O. Crossover Refunding Bonds, 2016A	8/1/2016	1.50 - 5.00%	10,020,000	2/1/2029	6,660,000
G.O. Bonds 2020A - Construction Portion	11/17/2020	1.00 - 3.00%	8,080,000	2/1/2041	7,795,000
G.O. Bonds 2020A - Refunding Portion	11/17/2020	1.00 - 3.00%	2,260,000	2/1/2031	2,070,000
Taxable G.O. Crossover Refunding Bonds 2021A	4/7/2021	0.25 - 1.05%	24,145,000	2/1/2027	24,145,000
G.O. Bonds 2022B	3/16/2022	2.13 - 4.00%	2,935,000	2/1/2043	2,935,000
Total Business Type Activities					<u>\$ 44,525,000</u>

OLMSTED COUNTY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

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

Year ending	Business-type Activities	
	Principal	Interest
2023	\$ 6,725,000	\$ 664,329
2024	6,425,000	543,064
2025	6,525,000	464,422
2026	6,625,000	386,929
2027	6,610,000	297,616
2028 to 2032	5,720,000	884,200
2033 to 2037	2,930,000	513,060
2038 to 2042	2,775,000	175,238
2043	190,000	2,731
Total	<u>\$ 44,525,000</u>	<u>\$ 3,931,589</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. A remaining annual installment of \$845,000 is due February 1, 2023.

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. A remaining annual installment of \$640,000 is due February 1, 2023.

The General Obligation Bonds, Series 2015A, were issued to provide financing for construction of facility, bridge and infrastructure improvements. Remaining annual installments of \$1,695,000 to \$1,835,000 are due annually thru February 1, 2025, at which time the proceeds held in escrow from the 2022A Taxable General Obligation Crossover Refunding Bonds will refund the remaining general obligation bond balance of the 2015A bonds totaling \$25,715,000 on February 1, 2025.

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.

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.

On February 1, 2022, the remaining principal balance of \$6,810,000 on the series 2012A bonds, general obligation portion, was refunded from an escrow account created from the proceeds of the General Obligation Crossover Refunding Bonds, Series 2021A. 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. 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.

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A portion of the Taxable General Obligation Crossover Refunding Bonds, Series 2022A, were issued to crossover refund the remaining unpaid principal of the General Obligation Bonds, Series 2015A. The proceeds were placed with an escrow agent to purchase U.S. Treasury Notes. The securities and earnings in the escrow account will provide sufficient funds to pay all interest that becomes due on the 2015A bonds to and including the crossover date, and to pay and redeem the outstanding maturities of the 2015A bonds on the crossover date of February 1, 2025. The refunded principal of the general obligation bond portion at the crossover date is \$25,715,000. The cumulative savings in debt service on the 2022A bonds is \$1,955,646 and will return a present value savings of \$1,620,470 over the life of the new bonds. Remaining annual installments of the bonds are \$2,135,000 to \$2,690,000 and are due annually beginning February 1, 2026.

The General Obligation Bonds, Series 2022B, were issued to provide financing for certain capital improvements described in the County's capital improvement plan. Remaining annual installments of \$470,000 to \$1,285,000 are due annually on February 1.

The general obligation bonds outstanding are as follows:

	<u>Date Issued</u>	<u>Interest Rates</u>	<u>Original Issue</u>	<u>Final Maturity</u>	<u>Balance</u>
Governmental Activities					
G.O. Street Reconstruction Ref. Bonds, 2010A	4/15/2010	3.00 - 3.50%	\$7,500,000	2/1/2023	\$ 845,000
Public Facilities Lease Rev. Ref. Bonds, 2010B	6/1/2010	3.00 - 3.25%	5,805,000	2/1/2023	640,000
G.O. Bonds, 2015A	8/1/2015	4.00%	39,150,000	2/1/2025	31,005,000
G.O. Crossover Refunding Bonds, 2016A	8/1/2016	1.50 - 5.00%	15,550,000	2/1/2031	11,350,000
G.O. Bonds, 2019A	11/12/2019	2.25 - 3.00%	19,175,000	2/1/2040	17,285,000
G.O. Bonds, 2020A	11/17/2020	1.00 - 3.00%	8,315,000	2/1/2041	7,810,000
Taxable G.O. Crossover Refunding Bonds 2021A	4/7/2021	0.25 - 1.05%	6,880,000	2/1/2027	6,880,000
Taxable G.O. Crossover Refunding Bonds 2022A	3/3/2022	2.00 - 3.00%	26,520,000	2/1/2036	26,520,000
G.O. Bonds, 2022B	3/16/2022	2.13 - 4.00%	15,970,000	2/1/2043	15,970,000
Total Governmental Activities					<u>\$ 118,305,000</u>

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

Year ending	Governmental Activities	
	<u>Principal</u>	<u>Interest</u>
2023	\$ 7,415,000	\$ 3,788,189
2024	7,215,000	3,095,980
2025	33,060,000	2,365,244
2026	7,800,000	1,653,895
2027	7,930,000	1,451,104
2028 to 2032	28,865,000	4,819,512
2033 to 2037	19,225,000	1,924,586
2038 to 2042	6,240,000	418,175
2043	555,000	7,978
Total	<u>\$ 118,305,000</u>	<u>\$ 19,524,663</u>

OLMSTED COUNTY
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In-substance Defeasance

The Taxable General Obligation Tax Abatement Bonds, Series 2020B, were issued to provide financing for Graham Park and Graham Arena deferred maintenance projects. Funds on hand totaling \$2,073,019 were placed with an irrevocable trust with an escrow agent to purchase essentially risk-free U.S. Treasury Notes resulting in a defeasance of the 2020B Bonds, thus, are no longer recorded as outstanding on the County's financial statements. The securities and earnings in the escrow account will provide sufficient funds to pay all principal and interest that becomes due on the 2020B bonds to and including the call date and to pay and redeem the outstanding maturities of the 2020B bonds on the call date of February 1, 2028. The defeasance was done to save \$541,787 in future interest costs. As of December 31, 2022, the outstanding principal balance of the 2020B defeased bonds is \$2,195,000.

Annual cash flow requirements to service the defeased 2020B bonds from the funds in the escrow account are as follows:

Year ending	Principal	Interest	Total
2023	\$ 120,000	\$ 44,933	\$ 164,933
2024	120,000	42,532	162,532
2025	120,000	40,133	160,133
2026	120,000	37,732	157,732
2027	125,000	35,283	160,283
2028	1,590,000	17,016	1,607,016
Total	<u>\$ 2,195,000</u>	<u>\$ 217,629</u>	<u>\$ 2,412,629</u>

Mortgages Payable

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

The mortgages payable outstanding are as follows:

	Date Issued	Interest Rates	Original Issue	Final Maturity	Balance	Authority Program
U.S. Department of Agriculture - Rural Development	3/22/2005	5.75%	\$ 197,498	3/1/2045	\$ 158,431	Rolling Heights
U.S. Department of Agriculture - Rural Development	3/22/2005	5.75%	412,502	3/1/2045	331,331	Rolling Heights
Total Mortgages Payable					<u>\$ 489,762</u>	

OLMSTED COUNTY
NOTES TO FINANCIAL STATEMENTS
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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
NOTES TO FINANCIAL STATEMENTS
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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:

	<u>Date Issued</u>	<u>Interest Rates</u>	<u>Original Issue</u>	<u>Final Maturity</u>	<u>Balance</u>	<u>Authority Program</u>
Minnesota Housing Finance Agency - Publicly Owned Permanent Supportive Housing Program	9/15/2006	0.00%	\$ 1,469,805	9/15/2026	\$ 1,469,805	The Francis
Minnesota Housing Finance Agency - Housing Trust Fund Long-Term Homelessness Initiative Fund Program	12/9/2010	0.00%	888,945	12/9/2040	888,945	Silver Creek Corner
Minnesota Housing Finance Agency - Publicly Owned Housing Program	12/9/2010	0.00%	4,703,305	12/10/2030	4,703,305	Silver Creek Corner Rental
Minnesota Housing Finance Agency - Publicly Owned Housing Program	6/27/2013	0.00%	52,000	6/27/2033	45,275	Property Public
Minnesota Housing Finance Agency - POHP Loan	11/7/2019	0.00%	1,170,459	12/9/2040	1,222,108	Housing
Total Deferred Forgivable Mortgages Payable					<u>\$ 8,329,438</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
2023	\$ 11,193	\$ 27,869	\$ -	\$ -
2024	11,854	27,209	-	-
2025	12,553	26,509	70,000	-
2026	13,295	25,767	1,677,197	1,469,805
2027	14,080	24,983	-	-
2028 to 2032	83,891	111,419	1,081,450	4,703,305
2033 to 2037	111,757	83,552	396,000	45,275
2038 to 2042	148,880	46,429	-	2,111,053
2043 to 2045	82,259	5,632	-	-
Total	<u>\$ 489,762</u>	<u>\$ 379,369</u>	<u>\$ 3,224,647</u>	<u>\$ 8,329,438</u>

Conduit Debt

The Olmsted County HRA has approved the issuance of Lease Revenue Refunding Bonds, Series 2021A to acquire, construct, repair, maintain, and/or operate buildings, equipment and/or other facilities necessary to provide mental health services for the citizens of Olmsted County. The Lease Revenue Refunding Bonds are secured by the lease to make debt service payments and the facility is pledged as collateral, and do not constitute indebtedness of the Olmsted County HRA. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. The amount of Lease Revenue Refunding Bonds outstanding at the end of the year is \$3,385,000.

Legal Debt Limit

The Olmsted County debt limit is \$630,598,800 based on the MN Statute 475.53 debt limit rate set at 3%. Net debt applicable to the debt limit is \$87,322,966. See Statistical section Schedule 13.

OLMSTED COUNTY
NOTES TO FINANCIAL STATEMENTS
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Lease Payable

The County entered into an agreement with Dell Financial Services to lease information technology equipment for 5 years. Under the terms of the lease, the County will make 5 annual payments of \$243,899. Upon maturity of the lease term, the County has the option of purchasing the equipment for \$1. The County will exercise this purchase option. On May 1, 2022, the County recognized a right to use asset and a lease payable of \$1,166,281 related to this agreement. During the fiscal year, the County recorded \$111,074 in amortization expense and \$14,033 in interest expense for the right to use the information technology equipment. The County used an incremental discount rate of 2.28%, based on the County's borrowing rate for the same time periods.

The County entered into an agreement with Vantage Financial, LLC to lease information technology equipment for 3 years. Under the terms of the lease, the County will make 3 annual payments of \$40,945. Upon maturity of the lease term, the County has the option of purchasing the equipment for \$1. The County will exercise this purchase option. On February 1, 2022, the County recognized a right to use asset and a lease payable of \$121,303 related to this agreement. During the fiscal year, the County recorded \$22,239 in amortization expense and \$935 in interest expense for the right to use the information technology equipment. The County used an incremental discount rate of 1.27%, based on the county's borrowing rate for the same time periods.

The Lease Payables outstanding are as follows:

	Contract Start Date	Discount Rates	Contract Value	Contract End Date	Balance
Governmental Activities					
Information Technology Equipment	5/1/2022	2.28%	1,166,281	4/30/2027	922,382
Information Technology Equipment	2/1/2022	1.27%	121,303	1/31/2025	80,358
Total Governmental Activities					<u>\$ 1,002,740</u>

Annual lease payments to maturity for lease payables are as follows:

Year ending	Governmental Activities	
	Principal	Interest
2023	262,775	22,069
2024	268,368	16,476
2025	233,137	10,762
2026	238,459	5,442
2027	1	-
Total	<u>\$ 1,002,740</u>	<u>\$ 54,749</u>

OLMSTED COUNTY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

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 Bonds	\$ 91,920,000	\$ 42,490,000	\$ (16,105,000)	\$118,305,000	\$ 7,415,000	\$ 110,890,000
Premium on Bonds	4,947,012	1,268,769	(1,196,327)	5,019,454	-	5,019,454
Total Bonds Payable	96,867,012	43,758,769	(17,301,327)	123,324,454	7,415,000	115,909,454
Self-Insurance Claims						
Dental Insurance	35,563	1,301,929	(1,305,992)	31,500	31,500	-
Liability Insurance	327,986	613,771	(266,615)	675,142	30,642	644,500
Health Insurance	2,150,000	21,765,332	(22,415,332)	1,500,000	1,500,000	-
Worker's Compensation	340,000	373,267	(410,042)	303,225	-	303,225
Total Self-Insurance Claims	2,853,549	24,054,299	(24,397,981)	2,509,867	1,562,142	947,725
Total OPEB Liability	10,459,289	1,022,273	(1,211,658)	10,269,904	-	10,269,904
Net Pension Liability (1)	51,163,423	77,759,911	(10,217,571)	118,705,763	-	118,705,763
Compensated Absences (2)	15,244,902	9,408,130	(9,049,030)	15,604,002	7,617,402	7,986,600
Lease Payable	-	1,287,584	(284,844)	1,002,740	262,775	739,965
Total Governmental Activities	<u>\$176,588,175</u>	<u>\$157,290,966</u>	<u>\$ (62,462,411)</u>	<u>\$271,416,730</u>	<u>\$ 16,857,319</u>	<u>\$ 254,559,411</u>
Business-type Activities:						
Bonds Payable						
GO Revenue Bonds	\$ 71,550,000	\$ 2,935,000	\$ (29,960,000)	\$ 44,525,000	\$ 6,725,000	\$ 37,800,000
Premium on Bonds	3,359,469	112,536	(2,615,331)	856,674	-	856,674
Total Bonds Payable	74,909,469	3,047,536	(32,575,331)	45,381,674	6,725,000	38,656,674
Mortgages Payable (3)	500,331	-	(10,569)	489,762	11,193	478,569
Deferred Repayment Mortgages (3)	3,224,647	-	-	3,224,647	-	3,224,647
Deferred Forgivable Mortgages (3)	8,277,788	51,650	-	8,329,438	-	8,329,438
Net Pension Liability (1)	3,562,583	3,043,023	(616,694)	5,988,912	-	5,988,912
Compensated Absences (2)	941,144	490,400	(437,394)	994,150	404,489	589,661
Closure and Postclosure Care	2,094,396	181,382	-	2,275,778	-	2,275,778
Total Business-type Activities	<u>\$ 93,510,358</u>	<u>\$ 6,813,991</u>	<u>\$ (33,639,988)</u>	<u>\$ 66,684,361</u>	<u>\$ 7,140,682</u>	<u>\$ 59,543,679</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
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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

	Rolling Heights	River's Edge
Assets		
Current assets	\$ 264,379	\$ 1,185,493
Capital assets	626,141	2,050,853
Total assets	890,520	3,236,346
Deferred outflow of resources	-	22,955
Liabilities		
Current Liabilities	26,394	138,552
Current Liabilities payable from restricted assets	7,008	28,395
Noncurrent liabilities	874,569	1,414,083
Total liabilities	907,971	1,581,030
Net position		
Net investment in capital assets	(259,621)	559,725
Restricted	-	333,746
Unrestricted	242,170	784,800
Total net position	\$ (17,451)	\$ 1,678,271

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

	Rolling Heights	River's Edge
Charges for services	\$ 56,835	\$ 402,716
Operating grants	55,445	-
Depreciation expenses	(15,612)	(61,445)
Other operating expense	(75,893)	(247,758)
Operating income	20,775	93,513
Nonoperating revenues (expenses)		
Investment income	-	4,633
Interest expense	(28,443)	(21,238)
Changes in net position	(7,668)	76,908
Beginning net position	(9,783)	1,601,363
Ending net position	\$ (17,451)	\$ 1,678,271

Condensed Statement of Cash Flows

	Rolling Heights	River's Edge
Net cash flows from:		
Operating activities	\$ 33,678	\$ 158,578
Capital and related financing activities	(39,063)	(116,965)
Non-capital financial activities	7,275	-
Investing activities	-	4,633
Net increases (decreases)	1,890	46,246
Cash and cash equivalents	262,489	1,132,496
Ending cash and cash equivalents	\$ 264,379	\$ 1,178,742

**OLMSTED COUNTY
NOTES TO FINANCIAL STATEMENTS
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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	Opioid Settlement Fund	Debt Service Fund	Capital Projects Fund	Total
Nonspendable:								
Non-current Advances to Other Funds	\$ 468,900	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 468,900
Inventories	-	527,260	-	-	-	-	-	527,260
Prepays	2,471,286	4,682	953	-	-	-	-	2,476,921
Total Nonspendable	2,940,186	531,942	953	-	-	-	-	3,473,081
Restricted for:								
Attorney Prosecution	49,700	-	-	-	-	-	-	49,700
Attorney Child Support Enforcement	10,967	-	-	-	-	-	-	10,967
Attorney Sexual Exploitation Education	3,599	-	-	-	-	-	-	3,599
Law Library	223,439	-	-	-	-	-	-	223,439
Sheriff Contingency	2,751	-	-	-	-	-	-	2,751
Sheriff DUI Enforcement, Training, & Education	32,341	-	-	-	-	-	-	32,341
E911	563,139	-	-	-	-	-	-	563,139
D.A.R.E. Drug Education	9,936	-	-	-	-	-	-	9,936
Adult Detention Center Commissary	52,803	-	-	-	-	-	-	52,803
Recording Process Enhancements	1,714,515	-	-	-	-	-	-	1,714,515
Parks	565,862	-	-	-	-	-	-	565,862
Debt Service	266,561	-	-	-	-	5,244,241	-	5,510,802
Bond Escrow	-	-	-	-	-	17,892,736	-	17,892,736
Unspent Bond Proceeds	-	-	-	-	-	-	2,664,282	2,664,282
Opioid Abatement	-	-	-	-	836,916	-	-	836,916
Aggregate Remediation	-	69,079	-	-	-	-	-	69,079
Unspent State Aid Construction	-	1,913,881	-	-	-	-	-	1,913,881
Transit and Wheelage Taxes	-	4,595,947	-	-	-	-	-	4,595,947
Total Restricted	3,495,613	6,578,907	-	-	836,916	23,136,977	2,664,282	36,712,695
Assigned to:								
Appropriations to Outside Agencies	216,841	-	-	-	-	-	-	216,841
Network Infrastructure	360,000	-	-	-	-	-	-	360,000
PC Replacement	299,349	-	-	-	-	-	-	299,349
Sheriff Equipment	90,332	-	-	-	-	-	-	90,332
Computer Equipment and Software	161,150	-	-	-	-	-	-	161,150
Federal Lobbyist	60,000	-	-	-	-	-	-	60,000
Attorney Staffing	271,000	-	-	-	-	-	-	271,000
Health and Human Services Staffing	350,858	-	-	-	-	-	-	350,858
Soil and Water Conservation Staffing	86,974	-	-	-	-	-	-	86,974
Diversity, Equity, and Inclusion Staffing	51,769	-	-	-	-	-	-	51,769
Government Center Roof Maintenance	450,000	-	-	-	-	-	-	450,000
Highway equipment	-	-	-	-	-	-	19,028	19,028
Parks Equipment and Improvements	338,000	-	-	-	-	-	47,500	385,500
Graham Park Maintenance and Upgrades	835,000	-	-	-	-	-	1,180,899	2,015,899
Available for Infrastructure	4,206,857	2,800,810	-	-	-	-	-	7,007,667
Available for Public Health	6,134,331	-	-	-	-	-	-	6,134,331
Available for Human Services	28,987,035	-	10,566,610	-	-	-	-	39,553,645
Total Assigned	42,899,496	2,800,810	10,566,610	-	-	-	1,247,427	57,514,343
Unassigned	64,681,107	-	-	-	-	-	-	64,681,107
Total Fund Balance	\$ 114,016,402	\$ 9,911,659	\$ 10,567,563	\$ -	\$ 836,916	\$ 23,136,977	\$ 3,911,709	\$ 162,381,226

OLMSTED COUNTY
NOTES TO FINANCIAL STATEMENTS
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9. JOINTLY GOVERNED ORGANIZATIONS

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

- | | |
|--|---|
| • South East MN Violent Crime Enforcement Team (\$197,563 in-kind services) | • Metropolitan Counties for Cooperative Purchasing (\$0) |
| • Southeastern Minnesota Emergency Medical Services (\$0) | • Minnesota Counties Computer Cooperative (\$0) |
| • Southeastern Minnesota Regional Emergency Communication Board and State of Minnesota (\$0) | • Southeastern Minnesota Recycling Exchange (\$2,850) |
| • Homeland Safety Emergency Managers Region 1 (\$0) | • Southeastern Libraries Cooperating (\$0) |
| • State of Minnesota, Bureau of Criminal Apprehension and Sheriff's Office (\$0) | • Residential Survey in Dakota, Olmsted, St. Louis, and Washington Counties (\$0) |
| • Southeast Minnesota Workforce Development, Inc. (\$1,046,505) | • MN Department of Pollution Control Household Hazardous Waste Paint Care Program (\$0) |
| • South Zumbro Watershed Joint Powers Board (\$0) | • One Watershed, One Plan for the Root River Watershed (\$0) |
| • Whitewater Joint Powers Board (\$8,112) | • Bureau of Criminal Apprehension (\$0) |
| • Lake Zumbro Joint Powers Board (\$0) | • Dodge-Fillmore-Olmsted Community Corrections (See additional information below.) |
| • Three Rivers Community Action Program (\$0) | |

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
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Dodge-Fillmore-Olmsted (DFO) Community Corrections

DFO Community Corrections is a fiscally independent entity presented as a Fiduciary Fund 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 Department of Olmsted County.

DFO Community Corrections is financed through state grants and contributions from the participating counties. During 2022, county contributions were assessed in the following proportion:

Dodge County	9.815%
Fillmore County	6.701%
Olmsted County	<u>83.484%</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 \$7,872,387 in funding during 2022.

Also, per agreement, Olmsted County received a \$517,386 payback from DFO Community Corrections in fiscal year 2022 for its share of 2022 net revenue. The payback was a result of changes in staffing in response to Fillmore County's decision to withdraw from DFO Community Corrections effective December 31, 2022.

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
DECEMBER 31, 2022

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 2022 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, 2022, were \$6,425,022. 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 11.80 percent of their annual covered salary in fiscal year 2022 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, 2022, were \$1,330,808. 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 2022 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, 2022, were \$572,368. 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, 2022, Olmsted County reported a liability of \$88,577,649 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 \$2,596,633.

The net pension liability was measured as of June 30, 2022, 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, 2021 through June 30, 2022, relative to the total employer contributions received from all of PERA's participating employers. Olmsted County's proportionate share was 1.1184 percent at the end of the measurement period and 1.1698 percent for the beginning of the period.

Olmsted County's proportionate share of the net pension liability	\$ 88,577,649
State of Minnesota's proportionate share of the net pension liability associated with Olmsted County	<u>2,596,633</u>
Total	<u><u>\$ 91,174,282</u></u>

For the year ended December 31, 2022, Olmsted County recognized pension expense of \$12,737,463 for its proportionate share of the General Employees Plan's pension expense. In addition, Olmsted County recognized an additional \$387,996 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, 2022, 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	\$ 739,866	\$ 983,407
Changes in actuarial assumptions	20,940,212	349,987
Net collective difference between projected and actual investment earnings	-	118,504
Change in proportion	3,146,740	1,646,258
Contributions paid to PERA subsequent to the measurement date	<u>3,222,360</u>	<u>-</u>
Total	<u><u>\$ 28,049,178</u></u>	<u><u>\$ 3,098,156</u></u>

OLMSTED COUNTY
NOTES TO FINANCIAL STATEMENTS
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The \$3,222,360 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, 2023. 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>
2023	\$ 8,959,134
2024	8,649,026
2025	(3,890,024)
2026	8,010,526

Police and Fire Fund Pension Costs

At December 31, 2022, Olmsted County reported a liability of \$26,370,726 for its proportionate share of the Police and Fire Fund's net pension liability. The net pension liability was measured as of June 30, 2022, 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, 2021 through June 30, 2022, relative to the total employer contributions received from all of PERA's participating employers. Olmsted County's proportionate share was 0.6060 percent at the end of the measurement period and 0.6180 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, 2022. 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, 2021. Thereafter, by October 1 of each year, the state will pay \$9 million to the Police and Fire Fund until full funding is reached or July 1, 2048, whichever is earlier. The \$9 million in supplemental state aid will continue until the fund is 90 percent funded, or until the State Patrol Plan (administered by the Minnesota State Retirement System) is 90 percent funded, whichever occurs later.

The State of Minnesota 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, 2022, Olmsted County recognized pension expense of \$2,116,044 for its proportionate share of the Police and Fire Plan's pension expense. Olmsted County recognized \$223,471 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	\$ 26,370,726
State of Minnesota's proportionate share of the net pension liability associated with the County	<u>1,152,068</u>
Total	<u><u>\$ 27,522,794</u></u>

OLMSTED COUNTY
NOTES TO FINANCIAL STATEMENTS
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The State of Minnesota is not included as a non-employer contributing entity in the Police and Fire Pension Plan pension allocation schedules for the \$9 million in supplemental state aid. Olmsted County recognized \$54,540 for the year ended December 31, 2022 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, 2022, 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	\$ 1,619,414	\$ -
Changes in actuarial assumptions	15,632,143	156,024
Net difference between projected and actual investment earnings	203,441	-
Change in proportion	354,702	156,598
Contributions paid to PERA subsequent to the measurement date	677,166	-
Total	<u>\$ 18,486,866</u>	<u>\$ 312,622</u>

The \$677,166 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, 2023. 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
2023	\$ 3,446,649
2024	3,401,416
2025	2,983,088
2026	5,487,263
2027	2,178,662

Correctional Fund Pension Costs

At December 31, 2022, Olmsted County reported a liability of \$9,746,300 for its proportionate share of the Correctional Plan's net pension liability. The net pension liability was measured as of June 30, 2022, 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, 2021 through June 30, 2022, relative to the total employer contributions received from all of PERA's participating employers. Olmsted County's proportionate share was 2.9321 percent at the end of the measurement period and 2.9292 percent for the beginning of the period.

For the year ended December 31, 2022, Olmsted County recognized pension expense of \$3,363,949 for its proportionate share of the Correctional Plan's pension expense.

OLMSTED COUNTY
NOTES TO FINANCIAL STATEMENTS
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At December 31, 2022, 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	\$ -	\$ 322,948
Changes in actuarial assumptions	6,309,993	14,768
Net difference between projected and actual investment earnings	278,046	-
Change in proportion	-	9,876
Contributions paid to PERA subsequent to the measurement date	<u>285,479</u>	<u>-</u>
Total	<u>\$ 6,873,518</u>	<u>\$ 347,592</u>

The \$285,479 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, 2023. 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
2023	\$ 2,811,002
2024	2,913,616
2025	(267,151)
2026	782,980

The total pension expense for all plans recognized by Olmsted County for the year ended December 31, 2022 was \$18,828,923.

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	<u>25.0</u>	<u>5.90</u>
Total	<u>100%</u>	

OLMSTED COUNTY
NOTES TO FINANCIAL STATEMENTS
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F. Actuarial Methods and Assumptions

The total pension liability in the June 30, 2022, 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 2.0 percent for the Correctional Plan through December 31, 2054 and 1.5 percent thereafter. The Police and Fire Plan benefit increase is fixed at 1.0 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 27 years of service. In the Police and Fire Plan, salary growth assumptions range from 11.75 percent after one year of service to 3.0 percent after 24 years of service. In the Correctional Plan, salary growth assumptions range from 11.0 percent at age 20 to 3.0 percent at age 60.

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

Actuarial assumptions for the General Employees Plan are reviewed every four years. The most recent four-year experience study for the General Employees Plan was completed in 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 2022:

General Employees Fund

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

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

Police and Fire Fund

Changes in Actuarial Assumptions

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

The single discount rate changed from 6.50% to 5.40%.

Changes in Plan Provisions

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

Correctional Fund

Changes in Actuarial Assumptions

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

The single discount rate changed from 6.5% to 5.42%.

OLMSTED COUNTY
NOTES TO FINANCIAL STATEMENTS
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The benefit increase assumption was changed from 2.00% per annum to 2.00% per annum through December 31, 2054 and 1.5% per annum thereafter.

Changes in Plan Provisions

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

G. Discount Rate

The discount rate for the General Employees Plan to measure the total pension liability in 2022 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, was 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.

In the Police and Fire Fund and Correctional Fund, the fiduciary net position was projected to be available to make all projected future benefit payments of current plan members through June 30, 2060 and June 30, 2061 respectively. Beginning in fiscal year ended June 30, 2061 for the Police and Fire Fund and June 30, 2062 for the Correctional Fund, projected benefit payments exceed the funds' projected fiduciary net position. Benefit payments projected after were discounted at the municipal bond rate of 3.69 percent (based on the weekly rate closest to but not later than the measurement date of the Fidelity "20-Year Municipal GO AA Index"). The resulting equivalent single discount rate of 5.40 percent for the Police and Fire Fund and 5.42 percent for the Correctional Fund was determined to give approximately the same present value of projected benefits when applied to all years of projected benefits as the present value of projected benefits using 6.5 percent applied to all years of projected benefits through the point of asset depletion and 3.69 percent thereafter.

H. Pension Liability Sensitivity

The following presents Olmsted County's proportionate share of the net pension liability 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 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 Rate	Net Pension Liability	Discount Rate	Net Pension Liability/(Asset)	Discount Rate	Net Pension Liability/(Asset)
1% Lower	5.50%	\$ 139,913,037	4.40%	\$ 39,908,712	4.42%	\$ 17,167,621
Current	6.50	88,577,649	5.40	26,370,726	5.42	9,746,300
1% Higher	7.50	46,474,709	6.40	15,426,075	6.42	3,911,480

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.

OLMSTED COUNTY
NOTES TO FINANCIAL STATEMENTS
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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 2022 were:

	<u>Employee</u>	<u>Employer</u>
Contribution Amount	\$ 27,207	\$ 27,207
Percentage of covered payroll	5%	5%
Required rate	5%	5%

**OLMSTED COUNTY
NOTES TO FINANCIAL STATEMENTS
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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 them 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, 2022, included 1,247 active plan participants. As of December 31, 2022, there were 45 enrollees: 28 retirees and 17 COBRA enrollees, receiving health benefits from the County's health plan.

D. Total OPEB Liability

Olmsted County's total OPEB liability of \$10,269,904 was measured as of January 1, 2022, rolled forward to December 31, 2022, by an actuarial valuation as of January 1, 2022.

The total OPEB liability in the January 1, 2022, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified.

Inflation	2.00	percent
Salary Increases	3.00	3.00% used to roll pay forward to the valuation date
Medical Trend Rate	6.50	percent in 2022 grading to 5.00% over 6 years and then to 4.00% over the next 48 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-2021 Generational Improvement Scale.

The actuarial assumptions used in the January 1, 2022, valuation were based on the results of an actuarial experience study for the period January 1, 2019 to January 1, 2020.

OLMSTED COUNTY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

E. Changes in the Total OPEB Liability

Balance at December 31, 2021	\$ 10,459,289
Changes for the year:	
Service cost	801,962
Interest cost	220,309
Assumption changes	(167,747)
Differences between expected and actual experience	(549,962)
Benefit payments	(493,947)
Net change	(189,385)
Balance at December 31, 2022	<u><u>\$ 10,269,904</u></u>

Assumption changes:

Inflation rate was changed from 2.50% to 2.00%.

The health care trends rates, mortality tables, salary increase rates, and retirement and withdrawal rates were updated.

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	\$ 10,269,904
1% decrease in discount rate	11,023,920
1% increase in discount rate	9,550,877

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 (6.50% decreasing to 5.50%) or 1-percentage point higher (6.50% increasing to 7.50%) than the current health care cost trend rates:

	<u>Total OPEB</u>
Selected health care cost trend rate	\$ 10,269,904
1% decrease in health care cost trend rate	9,168,712
1% increase in health care cost trend rate	11,562,976

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

For the year ended December 31, 2022, Olmsted County recognized expense of \$1,056,829. At December 31, 2022, 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 and gains	\$ 200,037	\$ 471,396
Changes in assumptions	574,084	256,914
Employer contributions subsequent to the measurement date	413,633	-
	<u><u>\$ 1,187,754</u></u>	<u><u>\$ 728,310</u></u>

OLMSTED COUNTY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

The \$413,633 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, 2023.

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

Deferred Year Ended December 31:	OPEB Expense Amount
2023	\$ 34,557
2024	34,557
2025	34,562
2026	72,265
2027	(27,601)
Thereafter	(102,529)

**OLMSTED COUNTY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

12. CONTINGENCIES

Unvested Sick Leave

Unvested sick leave, \$2,765,480 on December 31, 2022, 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, 2022

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 \$2,509,867 was recorded for IBNR for all self-insurance activities reported at December 31, 2022. 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 December 31, 2022	Year ended December 31, 2021
	Dental	Liability	Health	Worker Compensation		
Unpaid claims, beginning of fiscal year	\$ 35,563	\$ 327,986	\$ 2,150,000	\$ 340,000	\$ 2,853,549	\$ 2,544,545
Incurred, claims, including IBNR	1,301,929	613,771	21,765,332	373,267	24,054,299	24,279,634
Claim payments	(1,305,992)	(266,615)	(22,415,332)	(410,042)	(24,397,981)	(23,970,630)
Unpaid claims, end of fiscal year	<u>\$ 31,500</u>	<u>\$ 675,142</u>	<u>\$ 1,500,000</u>	<u>\$ 303,225</u>	<u>\$ 2,509,867</u>	<u>\$ 2,853,549</u>

**OLMSTED COUNTY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

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, 2022, the City had thirty three such districts in which \$6,441,438 of tax revenue was paid out to developers under these agreements. The County's share of all governmental units' 2022 property tax collections is 33 percent. Thirty three percent of the amount paid to developers is \$2,125,675.

OLMSTED COUNTY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

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

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

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

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

Statement No. 99, *Omnibus 2022*

Statement No. 100, *Accounting Changes and Error Corrections*

Statement No. 101, *Compensated Absences*

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

**OLMSTED COUNTY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

16. SUBSEQUENT EVENTS

Sale of Building

Olmsted County and the City of Rochester jointly owned property located at 322 3rd Avenue SE and 330 3rd Avenue SE. On March 30, 2023, the City of Rochester purchased Olmsted County's 50% interest in this property for \$450,000.

Purchase of Buildings

In a March 2023 closed session, the Olmsted County Housing and Rehabilitation Authority board approved purchasing property located at 1621 10th Street SE, Rochester. This property will be used as a family shelter. The board also approved negotiating the purchase of property located at 2206 11th Avenue SE, Rochester.

Tax Forfeited Property Rehabilitation Program

In 2017, the Olmsted County HRA created a Tax Forfeited Property Rehabilitation Program. The Authority purchases tax forfeited property from Olmsted County and then sells the property to a local partner to be rehabilitated and used for affordable housing. In January 2023, the HRA purchased a tax forfeited property for \$17,843 which will be sold to this local partner.



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, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues:				
Property taxes	\$ 65,907,291	\$ 65,907,291	66,279,962	\$ 372,671
Licenses and permits	1,325,800	1,325,800	1,542,245	216,445
Intergovernmental revenue	11,016,941	11,723,649	12,135,393	411,744
Charges for services	17,591,397	29,010,791	28,220,467	(790,324)
Fines and forfeits	-	7,685	14,223	6,538
Gifts and contributions	150,500	150,500	199,057	48,557
Investment income (loss)	1,424,500	1,424,500	(5,087,894)	(6,512,394)
Other	1,328,759	1,418,758	1,093,620	(325,138)
Total Revenues	98,745,188	110,968,974	104,397,073	(6,571,901)
Expenditures:				
Current				
General government				
Board of commissioners	636,110	642,110	641,515	595
Administrator	1,403,664	1,464,523	1,441,711	22,812
Property records and licensing	7,563,151	7,602,835	7,332,532	270,303
Human resources	2,240,365	3,097,551	3,097,550	1
Finance	5,172,073	7,880,865	7,880,864	1
Information technology services	9,401,365	10,740,465	10,739,855	610
Planning, code enforcement	3,947,230	3,964,636	3,665,844	298,792
Policy analysis and communication	1,593,966	1,789,540	1,590,280	199,260
Total general government	31,957,924	37,182,525	36,390,151	792,374
Public safety				
Sheriff	17,712,217	18,584,973	17,739,053	845,920
Adult detention center	14,511,572	14,654,348	14,654,054	294
Community corrections	18,991,002	18,010,348	17,099,226	911,122
Coroner	476,287	476,287	476,287	-
District courts	2,407,114	2,411,414	2,380,569	30,845
Attorney	6,887,541	7,157,532	6,706,819	450,713
Law library	180,000	180,000	150,885	29,115
Total public safety	61,165,733	61,474,902	59,206,893	2,268,009
Conservation of natural resources				
Cooperative extension	164,698	164,698	158,595	6,103
Soil conservation	1,281,714	1,339,064	1,254,508	84,556
Total conservation of natural resources	1,446,412	1,503,762	1,413,103	90,659
Economic development	120,000	120,000	120,000	-
Culture and recreation				
Parks	3,645,615	3,702,570	3,606,660	95,910
Historical society	287,515	287,515	287,515	-
Diversity and youth programs	58,941	58,941	43,344	15,597
Library	1,355,248	1,355,248	1,355,248	-
Total culture and recreation	5,347,319	5,404,274	5,292,767	111,507
Other	1,442,839	1,742,454	1,018,817	723,637
Total Expenditures	101,480,227	107,427,917	103,441,731	3,986,186
Excess (Deficiency) of Revenues Over Expenditures	(2,735,039)	3,541,057	955,342	(2,585,715)
Other Financing Sources (Uses):				
Transfers in	-	18,651,056	29,293,356	10,642,300
Transfers out	(1,488,218)	(17,587,664)	(16,229,190)	1,358,474
Issuance of debt	658,200	225,715	-	(225,715)
Sale of capital assets	68,800	68,800	81,561	12,761
Total Other Financing Sources (Uses)	(761,218)	1,357,907	13,145,727	11,787,820
Net changes in fund balances	(3,496,257)	4,898,964	14,101,069	9,202,105
Fund Balances - Beginning	99,915,333	99,915,333	99,915,333	-
Fund Balances - Ending	\$ 96,419,076	\$ 104,814,297	\$ 114,016,402	\$ 9,202,105

OLMSTED COUNTY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
INFRASTRUCTURE FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Property taxes	\$ 6,165,665	\$ 6,165,665	\$ 6,156,527	\$ (9,138)
Sales taxes	14,843,234	16,717,702	18,269,048	1,551,346
Wheelage taxes	1,400,000	1,400,000	1,408,058	8,058
Intergovernmental revenue	10,609,615	12,646,107	11,297,057	(1,349,050)
Charges for services	4,853,106	4,861,517	1,275,730	(3,585,787)
Other	58,850	58,850	53,868	(4,982)
Total Revenues	<u>37,930,470</u>	<u>41,849,841</u>	<u>38,460,288</u>	<u>(3,389,553)</u>
Expenditures:				
Current				
Highways and streets				
Administration	655,349	1,707,953	1,684,076	23,877
Surveying	712,748	712,748	614,070	98,678
Maintenance	4,320,532	5,021,844	4,188,039	833,805
Construction	25,611,223	30,865,935	26,250,774	4,615,161
Equipment maintenance and shops	3,055,698	3,073,730	2,874,312	199,418
Total Expenditures	<u>34,355,550</u>	<u>41,382,210</u>	<u>35,611,271</u>	<u>5,770,939</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>3,574,920</u>	<u>467,631</u>	<u>2,849,017</u>	<u>2,381,386</u>
Other Financing Sources (Uses):				
Transfers in	-	1,010,447	1,041,018	30,571
Transfers out	(3,601,816)	(3,676,816)	(3,676,816)	-
Total Other Financing Sources (Uses)	<u>(3,601,816)</u>	<u>(2,666,369)</u>	<u>(2,635,798)</u>	<u>30,571</u>
Net changes in fund balances	(26,896)	(2,198,738)	213,219	2,411,957
Fund Balances - Beginning	<u>9,698,440</u>	<u>9,698,440</u>	<u>9,698,440</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 9,671,544</u>	<u>\$ 7,499,702</u>	<u>\$ 9,911,659</u>	<u>\$ 2,411,957</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, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Property taxes	\$ 37,825,909	\$ 37,825,909	\$ 37,693,034	\$ (132,875)
Licenses and permits	785,000	785,000	891,283	106,283
Intergovernmental revenue	41,242,111	41,662,792	42,167,281	504,489
Charges for services	9,312,265	9,526,581	10,205,275	678,694
Gifts and contributions	1	1	550	549
Other	121,196	287,236	330,720	43,484
Total Revenues	<u>89,286,482</u>	<u>90,087,519</u>	<u>91,288,143</u>	<u>1,200,624</u>
Expenditures:				
Current				
Health				
Health	<u>12,229,121</u>	<u>12,700,440</u>	<u>12,273,666</u>	<u>426,774</u>
Human services				
Income maintenance	14,746,159	15,662,959	15,262,194	400,765
Social services	60,843,463	63,943,378	63,286,529	656,849
Support services	1,332,732	7,921,117	7,900,936	20,181
Veterans services	504,272	519,272	517,490	1,782
Total human services	<u>77,426,626</u>	<u>88,046,726</u>	<u>86,967,149</u>	<u>1,079,577</u>
Total Expenditures	<u>89,655,747</u>	<u>100,747,166</u>	<u>99,240,815</u>	<u>1,506,351</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(369,265)</u>	<u>(10,659,647)</u>	<u>(7,952,672)</u>	<u>2,706,975</u>
Other Financing Sources (Uses):				
Transfers in	-	11,744,416	10,722,329	(1,022,087)
Transfers out	-	(1,283,732)	(283,732)	1,000,000
Total Other Financing Sources (Uses)	<u>-</u>	<u>10,460,684</u>	<u>10,438,597</u>	<u>(22,087)</u>
Net changes in fund balances	(369,265)	(198,963)	2,485,925	2,684,888
Fund Balances - Beginning	<u>8,081,638</u>	<u>8,081,638</u>	<u>8,081,638</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 7,712,373</u>	<u>\$ 7,882,675</u>	<u>\$ 10,567,563</u>	<u>\$ 2,684,888</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, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental revenue	\$ -	\$ 17,422,650	\$ 17,422,599	\$ (51)
Expenditures:				
Current				
General government				
Buildings and grounds	-	19,646	19,646	-
Public Safety				
County Attorney	-	70,568	70,568	-
Human services				
Social services	-	31,687	31,687	-
Total Expenditures	-	121,901	121,901	-
Excess (Deficiency) of Revenues Over Expenditures	-	17,300,749	17,300,698	(51)
Other Financing Sources (Uses):				
Transfers out	-	(17,300,749)	(17,300,748)	1
Net changes in fund balances	-	-	(50)	(50)
Fund Balances - Beginning	50	50	50	-
Fund Balances - Ending	\$ 50	\$ 50	\$ -	\$ (50)

OLMSTED COUNTY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
OPIOID SETTLEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Investment income (loss)	\$ -	\$ -	\$ 1,632	\$ 1,632
Other	-	837,000	835,284	(1,716)
Total Revenues	-	837,000	836,916	(84)
Net changes in fund balances	-	837,000	836,916	(84)
Fund Balances - Beginning	-	-	-	-
Fund Balances - Ending	\$ -	\$ 837,000	\$ 836,916	\$ (84)

OLMSTED COUNTY
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED DECEMBER 31, 2022

	2018	2019	2020	2021	2022
Total OPEB Liability					
Service cost	\$ 549,460	\$ 520,432	\$ 645,067	\$ 767,345	\$ 801,962
Interest	251,295	267,819	321,992	286,333	220,310
Changes of benefit terms	-	-	-	-	-
Differences between expected and actual experience	-	-	350,067	-	(549,963)
Changes of assumptions	-	(263,979)	348,991	524,527	(167,747)
Benefit payments	(288,102)	(253,609)	(329,723)	(447,050)	(493,947)
Net Change in Total OPEB Liability	512,653	270,663	1,336,394	1,131,155	(189,385)
Total OPEB Liability - Beginning	7,208,424	7,721,077	7,991,740	9,328,134	10,459,289
Total OPEB Liability - Ending	<u>\$ 7,721,077</u>	<u>\$ 7,991,740</u>	<u>\$ 9,328,134</u>	<u>\$ 10,459,289</u>	<u>\$ 10,269,904</u>
Covered-employee payroll	\$ 85,235,794	\$ 84,419,002	\$ 91,487,620	\$ 94,460,968	\$ 96,821,923
Total OPEB liability as a percentage of covered employee payroll	9.06%	9.47%	10.20%	11.07%	10.61%

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, 2022

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
2022	1.118%	\$ 88,577,649	\$ 2,596,633	\$ 91,174,282	\$ 83,767,080	105.74%	76.70%
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, 2022

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)
2022	\$ 6,425,022	\$ 6,425,022	\$ -	\$ 85,674,576	7.50%
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, 2022

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
2022	0.606%	\$ 26,370,726	\$ 1,152,068	\$ 27,522,794	\$ 7,361,655	358.22%	70.50%
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, 2022

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)
2022	\$ 1,330,808	\$ 1,330,808	\$ -	\$ 7,518,689	17.70%
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, 2022

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
2022	2.932%	\$ 9,746,300	\$ 6,441,143	151.31%	74.60%
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, 2022

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)
2022	\$ 572,368	\$ 572,368	\$ -	\$ 6,541,349	8.75%
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, 2022

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, 2022

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:

2022

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

The inflation rate was changed from 2.50% to 2.00%.

The mortality tables were updated from the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Safety) with MP-2019 Generational Improvement Scale to the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Safety) with MP-2021 Generational Improvement Scale.

The salary increase rates were updated to reflect the latest experience study.

The retirement and withdrawal rates were updated to reflect the latest experience study.

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, 2022

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

2022

Change in Actuarial Assumptions

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

Change in Plan Provisions

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

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 charged 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.

OLMSTED COUNTY
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2022

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.

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.

OLMSTED COUNTY
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2022

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

2016

Change in Actuarial Assumptions

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

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

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

Change in Plan Provisions

There were no changes in plan provisions since the previous 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, 2022

Public Employees Police and Fire Plan

2022

Change in Actuarial Assumptions

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

The single discount rate changed from 6.50% to 5.40%.

Change in Plan Provisions

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

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 were no changes in plan provisions since the previous valuation.

2020

Change in Actuarial Assumptions

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

Change in Plan Provisions

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

2019

Change in Actuarial Assumptions

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

OLMSTED COUNTY
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2022

Change in Plan Provisions

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

2018

Change in Actuarial Assumptions

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

Change in Plan Provisions

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

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

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

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

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

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

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

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

2017

Change in Actuarial Assumptions

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

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

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

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

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

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

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

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

OLMSTED COUNTY
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2022

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 were no changes in plan provisions since the prior valuation.

2016

Change in Actuarial Assumptions

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

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

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

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

Change in Plan Provisions

There were no changes in plan provisions 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, 2022

Public Employees Correctional Plan

2022

Change in Actuarial Assumptions

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

The single discount rate changed from 6.50% to 5.42%.

The benefit increase assumption was changed from 2.00% per annum to 2.00% per annum through December 31, 2054 and 1.50% per annum thereafter.

Change in Plan Provisions

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

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 were no changes in plan provisions since the prior valuation.

2020

Change in Actuarial Assumptions

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

Change in Plan Provisions

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

OLMSTED COUNTY
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2022

2019

Change in Actuarial Assumptions

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

Change in Plan Provisions

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

2018

Change in Actuarial Assumptions

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

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

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

Change in Plan Provisions

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

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

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

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

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

2017

Change in Actuarial Assumptions

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

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

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

Change in Plan Provisions

There were no changes in plan provisions 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.

OLMSTED COUNTY
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2022

Change in Plan Provisions

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

2015

Change in Actuarial Assumptions

There have been no changes since the prior valuation.

Change in Plan Provisions

There were no changes in plan provisions 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, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Property taxes	\$ 2,924,012	\$ 2,924,012	\$ 2,896,414	\$ (27,598)
Investment income	1,390	1,390	237,937	236,547
Total Revenues	<u>2,925,402</u>	<u>2,925,402</u>	<u>3,134,351</u>	<u>208,949</u>
Expenditures:				
Debt service				
Principal	4,374,591	6,328,231	6,328,231	-
Interest and fiscal charges	<u>1,635,915</u>	<u>1,803,921</u>	<u>1,803,916</u>	<u>5</u>
Total Expenditures	<u>6,010,506</u>	<u>8,132,152</u>	<u>8,132,147</u>	<u>5</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(3,085,104)</u>	<u>(5,206,750)</u>	<u>(4,997,796)</u>	<u>208,954</u>
Other Financing Sources:				
Transfers in	3,601,816	5,138,858	5,138,858	-
Transfers out	(379,123)	-	-	-
Payment on refunding bonds	(2,805,039)	(2,805,039)	(2,805,039)	-
Issuance of refunding debt	-	17,722,176	17,722,176	-
Premium on bonds	-	142,199	142,199	-
Total Other Financing Sources	<u>417,654</u>	<u>20,198,194</u>	<u>20,198,194</u>	<u>-</u>
Net changes in fund balances	(2,667,450)	14,991,444	15,200,398	208,954
Fund Balances - Beginning	<u>7,936,579</u>	<u>7,936,579</u>	<u>7,936,579</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 5,269,129</u>	<u>\$ 22,928,023</u>	<u>\$ 23,136,977</u>	<u>\$ 208,954</u>

OLMSTED COUNTY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CAPITAL PROJECTS FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Property taxes	\$ -	\$ -	\$ 525	\$ 525
Sales taxes	550,000	-	-	-
Intergovernmental revenue	545,000	1,484,060	2,085,000	600,940
Gifts and contributions	25,000	180,000	60,437	(119,563)
Investment income	-	-	59,348	59,348
Other	-	11,300	5,349	(5,951)
Total Revenues	<u>1,120,000</u>	<u>1,675,360</u>	<u>2,210,659</u>	<u>535,299</u>
Expenditures:				
Capital Outlay				
Highways and streets	1,943,000	1,427,919	1,177,762	250,157
Culture and recreation	4,902,218	7,647,701	5,114,136	2,533,565
Total Expenditures	<u>6,845,218</u>	<u>9,075,620</u>	<u>6,291,898</u>	<u>2,783,722</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(5,725,218)</u>	<u>(7,400,260)</u>	<u>(4,081,239)</u>	<u>3,319,021</u>
Other Financing Sources:				
Transfers in	3,038,218	3,278,318	3,278,318	-
Transfers out	-	(536,326)	(536,325)	1
Issuance of debt	2,515,000	3,521,848	3,521,848	-
Premium on bonds	-	232,874	232,874	-
Sale of capital assets	172,000	182,000	189,155	7,155
Total Other Financing Sources	<u>5,725,218</u>	<u>6,678,714</u>	<u>6,685,870</u>	<u>7,156</u>
Net changes in fund balances	-	(721,546)	2,604,631	3,326,177
Fund Balances - Beginning	<u>1,307,078</u>	<u>1,307,078</u>	<u>1,307,078</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 1,307,078</u>	<u>\$ 585,532</u>	<u>\$ 3,911,709</u>	<u>\$ 3,326,177</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, 2022

	Governmental Activities			
	Self Insurance	Administrative Services	Building Facilities	Total
ASSETS				
Current Assets:				
Cash and cash equivalents	\$ 32,219,476	\$ 5,581,104	\$ 8,325,062	\$ 46,125,642
Cash and cash equivalents on deposit:				
Restricted for debt service	-	-	4,032,622	4,032,622
Restricted for construction	-	-	5,822,895	5,822,895
Designated for OPEB liability	10,269,904	-	-	10,269,904
Restricted investments held by trustee	-	-	8,785,030	8,785,030
Accounts receivable, net	290,000	-	14,481	304,481
Due from other governments	-	-	13,039	13,039
Lease receivable	-	-	192,542	192,542
Prepaid items	1,450	1,550	55,679	58,679
Total Current Assets	42,780,830	5,582,654	27,241,350	75,604,834
Other Assets:				
Accrued interest	-	-	97,452	97,452
Long-term loans	-	-	13,741	13,741
Lease receivable	-	-	442,968	442,968
Total Other Assets	-	-	554,161	554,161
Capital assets, net:				
Land	-	-	11,194,531	11,194,531
Building and structures	-	-	39,440,120	39,440,120
Improvements other than buildings	-	-	1,752,854	1,752,854
Equipment	-	406,694	1,247,975	1,654,669
Leased equipment (intangible right-to-use)	-	1,154,271	-	1,154,271
Software	-	2,717,773	-	2,717,773
Infrastructure	-	-	1,252,679	1,252,679
Construction in progress	-	-	9,948,614	9,948,614
Total capital assets, net	-	4,278,738	64,836,773	69,115,511
Total Noncurrent Assets	-	4,278,738	65,390,934	69,669,672
Total Assets	42,780,830	9,861,392	92,632,284	145,274,506
DEFERRED OUTFLOWS OF RESOURCES				
OPEB	1,187,754	-	-	1,187,754
Pension	-	1,388,543	855,666	2,244,209
Total Deferred Outflows of Resources	1,187,754	1,388,543	855,666	3,431,963
LIABILITIES				
Current Liabilities:				
Accounts payable	532,684	127,382	295,432	955,498
Salaries payable	-	155,050	91,779	246,829
Contracts payable	-	-	2,047,742	2,047,742
Accrued interest payable	-	14,968	847,471	862,439
Due to other governments	30,905	-	39,613	70,518
Unearned revenue	176,214	-	121,063	297,277
Compensated absences	7,032,784	362,580	222,038	7,617,402
Outstanding claims	1,562,142	-	-	1,562,142
Leases payable	-	262,775	-	262,775
Bonds payable	-	-	3,021,784	3,021,784
Total Current Liabilities	9,334,729	922,755	6,686,922	16,944,406
Noncurrent Liabilities:				
Total OPEB liability	10,269,904	-	-	10,269,904
Net pension liability	-	4,615,826	2,569,642	7,185,468
Compensated absences	7,715,697	206,984	63,919	7,986,600
Outstanding claims	947,725	-	-	947,725
Leases payable	-	739,965	-	739,965
Bonds payable	-	-	49,780,199	49,780,199
Total Noncurrent Liabilities	18,933,326	5,562,775	52,413,760	76,909,861
Total Liabilities	28,268,055	6,485,530	59,100,682	93,854,267
DEFERRED INFLOWS OF RESOURCES				
OPEB	728,310	-	-	728,310
Pension	-	288,598	213,026	501,624
Lease	-	-	620,878	620,878
Deferred gain on refunding	-	-	363,654	363,654
Total Deferred Inflows of Resources	728,310	288,598	1,197,558	2,214,466
NET POSITION				
Net Investment in capital assets	-	3,275,998	24,310,524	27,586,522
Restricted for debt service	-	-	3,355,114	3,355,114
Unrestricted	14,972,219	1,199,809	5,524,072	21,696,100
Total Net Position	\$ 14,972,219	\$ 4,475,807	\$ 33,189,710	\$ 52,637,736

OLMSTED COUNTY
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022

	Governmental Activities			
	Self Insurance	Administrative Services	Building Facilities	Total
Operating Revenues:				
Charges for services	\$ 29,192,012	\$ 6,486,819	\$ 11,956,466	\$ 47,635,297
Other	614,772	20,036	52,501	687,309
Total Operating Revenues	<u>29,806,784</u>	<u>6,506,855</u>	<u>12,008,967</u>	<u>48,322,606</u>
Operating Expenses:				
Personnel services	2,958,175	4,943,616	3,202,842	11,104,633
Consultants and professional services	28,728,052	1,399	13,731	28,743,182
Repairs and maintenance	-	1,176,657	1,280,955	2,457,612
Other services and charges	1,759,999	975,167	1,136,457	3,871,623
Supplies	97	169,374	297,932	467,403
Utilities	280	12,081	1,730,872	1,743,233
Depreciation	-	1,259,158	3,885,552	5,144,710
Total Operating Expenses	<u>33,446,603</u>	<u>8,537,452</u>	<u>11,548,341</u>	<u>53,532,396</u>
Operating Income (Loss)	<u>(3,639,819)</u>	<u>(2,030,597)</u>	<u>460,626</u>	<u>(5,209,790)</u>
Nonoperating Revenues (Expenses)				
Intergovernmental revenue	-	153,611	10,026	163,637
Investment income	238,377	10,308	356,845	605,530
Gain (loss) on disposal of capital assets	-	-	(302,167)	(302,167)
Miscellaneous revenue	-	8,614,430	-	8,614,430
Interest expense	-	(14,968)	(1,135,446)	(1,150,414)
Bond issuance costs and fiscal charges	-	-	(170,906)	(170,906)
Total Nonoperating Revenues (Expenses)	<u>238,377</u>	<u>8,763,381</u>	<u>(1,241,648)</u>	<u>7,760,110</u>
Income Before Transfers	(3,401,442)	6,732,784	(781,022)	2,550,320
Transfers in	-	33,553	-	33,553
Transfers out	(45,100)	(10,641,865)	(2,102,664)	(12,789,629)
Total Transfers	<u>(45,100)</u>	<u>(10,608,312)</u>	<u>(2,102,664)</u>	<u>(12,756,076)</u>
Change in net position	(3,446,542)	(3,875,528)	(2,883,686)	(10,205,756)
Net position - Beginning	18,418,761	8,351,335	36,073,396	62,843,492
Net position - Ending	<u>\$ 14,972,219</u>	<u>\$ 4,475,807</u>	<u>\$ 33,189,710</u>	<u>\$ 52,637,736</u>

OLMSTED COUNTY
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022

	Governmental Activities			
	Self Insurance	Administrative Services	Building Facilities	Total
Cash flows from operating activities:				
Receipts from customers and users	\$ 767,899	\$ 409,781	\$ 1,117,161	\$ 2,294,841
Receipts from transactions with other funds	28,728,105	6,151,948	11,399,415	46,279,468
Payments to suppliers	(30,252,841)	(1,420,887)	(2,554,493)	(34,228,221)
Payments to employees	269,929	(5,343,673)	(3,139,356)	(8,213,100)
Payments to other funds for services provided	(712,498)	(874,593)	(1,911,602)	(3,498,693)
Other receipts	614,772	20,036	52,501	687,309
Net cash flows from operating activities	<u>(584,634)</u>	<u>(1,057,388)</u>	<u>4,963,626</u>	<u>3,321,604</u>
Cash flows from noncapital financing activities:				
Intergovernmental grants received	-	153,611	10,026	163,637
Transfers out	(45,100)	(10,641,865)	(2,102,664)	(12,789,629)
Net cash flows from noncapital financing activities	<u>(45,100)</u>	<u>(10,488,254)</u>	<u>(2,092,638)</u>	<u>(12,625,992)</u>
Cash flows from capital and related financing activities:				
Acquisitions of capital assets	-	(80,000)	(8,468,527)	(8,548,527)
Proceeds from sale of capital assets	-	-	33,552	33,552
Capital Lease Payments	-	(284,844)	-	(284,844)
Bond proceeds	-	-	22,139,672	22,139,672
Payments on bond issue costs and fiscal charges	-	-	(170,906)	(170,906)
Principal paid	-	-	(6,849,750)	(6,849,750)
Interest paid	-	-	(975,090)	(975,090)
Net cash flows from capital and related financing activities	<u>-</u>	<u>(364,844)</u>	<u>5,708,951</u>	<u>5,344,107</u>
Cash flows from investing activities:				
Interest on investments	238,377	10,308	259,393	508,078
Purchase of investments held by trustee	-	-	(8,785,030)	(8,785,030)
Withdrawals of restricted assets	-	-	4,024,213	4,024,213
Net cash flows from investing activities	<u>238,377</u>	<u>10,308</u>	<u>(4,501,424)</u>	<u>(4,252,739)</u>
Net increase (decrease) in cash and cash equivalents	(391,357)	(11,900,178)	4,078,515	(8,213,020)
Cash and cash equivalents - January 1	<u>42,880,737</u>	<u>17,481,282</u>	<u>14,102,064</u>	<u>74,464,083</u>
Cash and cash equivalents - December 31	<u>\$ 42,489,380</u>	<u>\$ 5,581,104</u>	<u>\$ 18,180,579</u>	<u>\$ 66,251,063</u>
Displayed on Proprietary Funds Statement of Net Position as:				
Cash and cash equivalents	\$ 32,219,476	\$ 5,581,104	\$ 8,325,062	\$ 46,125,642
Cash and cash equivalents on deposit:				
Restricted for debt service	-	-	4,032,622	4,032,622
Restricted for construction	-	-	5,822,895	5,822,895
Designated for OPEB	10,269,904	-	-	10,269,904
Total cash and cash equivalents	<u>\$ 42,489,380</u>	<u>\$ 5,581,104</u>	<u>\$ 18,180,579</u>	<u>\$ 66,251,063</u>
Reconciliation of operating income (loss) to net cash flows from operating activities:				
Operating income (loss)	\$ (3,639,819)	\$ (2,030,597)	\$ 460,626	\$ (5,209,790)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:				
Depreciation	-	1,259,158	3,885,552	5,144,710
Changes in pension amounts	-	245,495	163,113	408,608
Changes in OPEB amounts	832,581	-	-	832,581
(Increase) decrease in assets				
Accounts receivable	309,505	1,584	(13,380)	297,709
Due from other governments	-	73,326	592,162	665,488
Lease Receivable	-	-	(635,510)	(635,510)
Prepaid items	(1,450)	168,204	(26,652)	140,102
Increase (decrease) in Liabilities				
Accounts payable and other current liabilities	(152,306)	(125,917)	10,184	(268,039)
Salaries payable	-	(477,890)	(17,912)	(495,802)
Contracts payable	-	-	18,562	18,562
Due to other governments	20,527	(3,089)	(8,242)	9,196
Outstanding claims	(343,682)	-	-	(343,682)
Total OPEB liability	(189,385)	-	-	(189,385)
Deferred Inflow-Lease	-	-	620,878	620,878
Compensated absences	2,584,908	(167,662)	(81,715)	2,335,531
Unearned revenue	(5,513)	-	(4,040)	(9,553)
Total adjustments	<u>3,055,185</u>	<u>973,209</u>	<u>4,503,000</u>	<u>8,531,394</u>
Net cash flows from operating activities	<u>\$ (584,634)</u>	<u>\$ (1,057,388)</u>	<u>\$ 4,963,626</u>	<u>\$ 3,321,604</u>
Non-cash transaction information:				
The interest expense includes amounts for amortization of bond discounts and premiums and deferred amounts	\$ -	\$ -	\$ 227,130	\$ 227,130
Contracts/accounts payable included in capital assets	-	-	(1,394,739)	(1,394,739)
Acquisition of capital assets by lease payable	-	(1,287,584)	-	(1,287,584)

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, 2022

	Service Bureau Activities	State Revenue	Individuals, Organizations, and Other Local Governments Revenue	Tax and Penalties	Total
ASSETS					
Cash, deposits, and investments	\$ 3,814,505	\$ 1,238,326	\$ 411,936	\$ 5,587,708	\$ 11,052,475
Taxes receivable for other governments	-	-	-	2,858,045	2,858,045
Special assessments receivable	743,020	-	-	-	743,020
Accounts receivable, net	244,544	4,224	4,639	-	253,407
Due from other governments	1,476,524	-	-	-	1,476,524
Prepaid items	11,272	-	-	-	11,272
Total Assets	<u>6,289,865</u>	<u>1,242,550</u>	<u>416,575</u>	<u>8,445,753</u>	<u>16,394,743</u>
LIABILITIES					
Accounts payable	453,617	16	19,823	3,194,823	3,668,279
Due to other governments	1,526,092	1,242,388	212,035	2,047,962	5,028,477
Unearned revenue	268,400	-	-	-	268,400
Total Liabilities	<u>2,248,109</u>	<u>1,242,404</u>	<u>231,858</u>	<u>5,242,785</u>	<u>8,965,156</u>
DEFERRED INFLOWS OF RESOURCES					
Advanced contributions	<u>2,131,409</u>	<u>-</u>	<u>-</u>	<u>344,923</u>	<u>2,476,332</u>
NET POSITION					
Restricted for:					
Individuals, organizations, and governments	<u>\$ 1,910,347</u>	<u>\$ 146</u>	<u>\$ 184,717</u>	<u>\$ 2,858,045</u>	<u>\$ 4,953,255</u>

OLMSTED COUNTY
COMBINING STATEMENT OF CHANGES IN FIDUCIARY FUND NET POSITION
CUSTODIAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022

	Service Bureau Activities	State Revenue	Individuals, Organizations, and Other Local Governments Revenue	Tax and Penalties	Total
ADDITIONS					
Contributions:					
Individuals	\$ -	\$ -	\$ 348,031	\$ -	\$ 348,031
Members	9,740,164	-	-	-	9,740,164
Others	439,217	-	-	-	439,217
Interest, dividends, other	89,961	-	-	-	89,961
Property tax collections for other governments	-	25,650,984	-	206,703,092	232,354,076
Other tax collections for other governments	-	10,668,593	-	-	10,668,593
Grant collections for other governments and organizations	6,823,252	-	-	-	6,823,252
Fee collections for other governments and organizations	1,350,489	962,143	352,510	-	2,665,142
Fines and forfeits collections for other governments and organizations	276,115	-	-	-	276,115
Miscellaneous	14,445	1,359,210	1,243,656	-	2,617,311
Total additions	<u>18,733,643</u>	<u>38,640,930</u>	<u>1,944,197</u>	<u>206,703,092</u>	<u>266,021,862</u>
DEDUCTIONS					
Beneficiary payments to individuals	-	-	88,099	-	88,099
Payments of property tax to other governments	-	25,650,984	-	206,397,339	232,048,323
Payments to state	-	12,840,374	-	-	12,840,374
Administrative expenses	1,915,560	-	-	-	1,915,560
Payments to other entities	16,608,899	149,632	1,776,253	1,753,687	20,288,471
Total deductions	<u>18,524,459</u>	<u>38,640,990</u>	<u>1,864,352</u>	<u>208,151,026</u>	<u>267,180,827</u>
Net increase (decrease) in fiduciary net position	209,184	(60)	79,845	(1,447,934)	(1,158,965)
Net Position - Beginning	1,701,163	206	104,872	4,305,979	6,112,220
Net Position - Ending	<u>\$ 1,910,347</u>	<u>\$ 146</u>	<u>\$ 184,717</u>	<u>\$ 2,858,045</u>	<u>\$ 4,953,255</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, 2022

	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	-	-	-	-	-	6,076,412	1,154,108	-	7,230,520
Conservation of natural resources	640,000	130,859	365,055	-	-	148,681	-	-	1,284,595
Highways and streets	9,421,489	40,164,040	287,430,919	19,457,916	358,899	12,201,365	33,691	22,983,118	392,051,437
Health	-	-	-	-	-	221,478	522,808	-	744,286
Human services	-	-	-	-	-	72,723	1,159,696	-	1,232,419
Culture and recreation	3,517,223	-	-	17,360,224	4,697,931	3,043,155	-	8,245,811	36,864,344
Total Capital Assets	13,578,712	40,294,899	287,795,974	36,818,140	5,056,830	22,865,317	5,594,261	31,228,929	443,233,062
Less Accumulated Depreciation	-	-	(162,513,237)	(15,681,747)	(2,659,561)	(15,901,753)	(4,404,292)	-	(201,160,590)
Capital Assets, net	<u>\$ 13,578,712</u>	<u>\$ 40,294,899</u>	<u>\$ 125,282,737</u>	<u>\$ 21,136,393</u>	<u>\$ 2,397,269</u>	<u>\$ 6,963,564</u>	<u>\$ 1,189,969</u>	<u>\$ 31,228,929</u>	<u>\$ 242,072,472</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, 2022

	Governmental Funds Capital Assets January 1	Additions	Deductions	Governmental Funds Capital Assets December 31
General government	\$ 3,825,461	\$ -	\$ -	\$ 3,825,461
Public safety	7,235,620	347,334	(352,434)	7,230,520
Conservation of natural resources	1,251,982	32,613	-	1,284,595
Highways and streets	376,954,968	15,802,544	(706,075)	392,051,437
Health	744,286		-	744,286
Human services	72,723	1,159,696	-	1,232,419
Culture and recreation	32,398,401	5,452,693	(986,750)	36,864,344
Total	<u>\$ 422,483,441</u>	<u>\$ 22,794,880</u>	<u>\$ (2,045,259)</u>	<u>\$ 443,233,062</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, 2022

Governmental funds capital assets:

Land	\$ 13,578,712
Infrastructure land	40,294,899
Infrastructure	287,795,974
Buildings	36,818,140
Improvements other than buildings	5,056,830
Equipment and vehicles	22,865,317
Software	5,594,261
Construction in progress	31,228,929
Total governmental funds capital assets	<u>\$ 443,233,062</u>

Investment in governmental funds capital assets by source:

General government	\$ 3,825,461
Public safety	7,230,520
Conservation of natural resources	1,284,595
Highways and streets	392,051,437
Health	744,286
Human services	1,232,419
Culture and recreation	36,864,344
Total governmental funds capital assets	<u>\$ 443,233,062</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, 2022

<u>Investments</u>	<u>Interest Rates (Percent)</u>	<u>December 31, 2022</u>
Pooled Investments		
Municipal Bonds	.39 - 2.05	\$ 7,786,066
	3 - 3.99	<u>2,412,936</u>
Total Municipal Bonds		<u>10,199,002</u>
U.S. Government Securities	0 - 0.99	47,905,243
	1 - 1.99	41,158,948
	2 - 2.99	75,844,593
	3 - 3.99	26,154,171
	4 - 4.99	<u>5,835,078</u>
Total U.S. Government Securities		<u>196,898,033</u>
Mutual Funds	Variable	<u>23,114,741</u>
Investments Held at Trust		
U.S. Government Securities	0 - 0.99	<u>26,481,460</u>
Mutual Funds	Variable	<u>546,431</u>
Total Investments		<u>257,239,667</u>
Total Deposits and Petty Cash		<u>36,981,306</u>
Total Deposits and Investments		<u>\$ 294,220,973</u>

OLMSTED COUNTY
TAX CAPACITY, TAX RATES, LEVIES, AND PERCENTAGE OF COLLECTIONS
FOR FISCAL YEAR 2022

	2022	
	Net Tax Capacity	Tax Capacity Rate Percent
Tax Capacity:		
Real property	\$ 239,938,907	
Personal property	4,029,017	
Tax increment financing	(7,360,993)	
Net Tax Capacity (1)	<u>\$ 236,606,931</u>	
Taxes Levied for		
County Purposes:		
General	\$ 119,324,576	42.737
Library (2)	1,355,248	1.934
Total Levy for County Purposes (3)	<u>\$ 120,679,824</u>	<u>44.671</u>
Less:		
State paid Credits & Aids	<u>7,856,947</u>	
Net Levy for County Purposes	<u>\$ 112,822,877</u>	
Taxable Valuations -		
Light and Power:		
Transmission	\$ 43,329	
Distribution	244,605	
Total Taxable Valuation - Light and Power	<u>\$ 287,934</u>	
Light and Power Tax Levied (4)		
Tax Capacity Rate %		114.520
Market Value Rate %		0.1900
Transmission - County share	\$ 27,188	
Distribution - County share	152,123	
Total Light and Power Tax Levied	<u>\$ 179,311</u>	
Percentage of tax collections, for all purposes (5)	99.4%	

- (1) Source: Payable year Abstract of Tax Lists and Certification of State Paid Property Tax Credits at the beginning of the payable year <https://www.revenue.state.mn.us/prism-approved-summary-reports>
- (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, 2022

	General	Infrastructure	Health and Human Services	American Rescue Plan Act Fund	Capital	Total Governmental Funds	Waste Management Enterprise Fund	Olmsted County HRA Enterprise Fund	Internal Service Funds	Total All Funds
APPROPRIATIONS AND SHARED REVENUE										
Aquatic Invasive Species Program Aid	\$ 5,221	\$ -	\$ -	\$ -	\$ -	\$ 5,221	\$ -	\$ -	\$ -	\$ 5,221
Certified Program Aid	7,856,947	-	-	-	-	7,856,947	-	-	-	7,856,947
Disparity Aid	4,929	-	-	-	-	4,929	-	-	-	4,929
Market Value	369,342	-	-	-	-	369,342	-	12,728	-	382,070
PERA Aid	428,043	20,900	165,615	-	-	614,558	25,065	-	26,384	666,007
Police State Aid	743,720	-	-	-	-	743,720	-	-	-	743,720
E911 Distribution	533,152	-	-	-	-	533,152	-	-	-	533,152
MPCA Score Reimbursement	-	-	-	-	-	-	479,020	-	-	479,020
Highway User Tax - State Aid	-	10,082,677	-	-	-	10,082,677	-	-	-	10,082,677
TOTAL APPROPRIATIONS AND SHARED REVENUE	9,941,354	10,103,577	165,615	-	-	20,210,546	504,085	12,728	26,384	20,753,743
REIMBURSEMENT FOR SERVICES	-	-	9,892,193	-	-	9,892,193	-	-	-	9,892,193
STATE GRANTS										
Corrections	-	-	105,000	-	-	105,000	-	-	-	105,000
Health	-	-	1,945,912	-	-	1,945,912	-	-	-	1,945,912
Housing Finance Agency	-	-	-	-	-	-	-	320,819	-	320,819
Human Services	2,916	-	11,937,136	-	-	11,940,052	-	413,510	-	12,353,562
Natural Resources	25,545	-	-	-	2,085,000	2,110,545	-	-	-	2,110,545
Peace Officer Standards and Training Board	81,185	-	-	-	-	81,185	-	-	-	81,185
Pollution Control	-	-	-	-	-	-	52,317	-	-	52,317
Public Safety	12,314	-	-	-	-	12,314	-	-	-	12,314
Secretary of State	139,097	-	-	-	-	139,097	-	-	-	139,097
Transportation	45,857	1,193,480	-	-	-	1,239,337	-	-	-	1,239,337
Trial Courts	123,965	-	-	-	-	123,965	-	-	-	123,965
Veterans Affairs	3,000	-	11,402	-	-	14,402	-	-	-	14,402
Water and Soil Resources	151,674	-	-	-	-	151,674	-	-	-	151,674
TOTAL STATE GRANTS	585,553	1,193,480	13,999,450	-	2,085,000	17,863,483	52,317	734,329	-	18,650,129
FEDERAL GRANTS										
Executive Office of the President	87,954	-	-	-	-	87,954	-	-	-	87,954
US Department of Agriculture	32,931	-	2,931,384	-	-	2,964,315	-	55,445	-	3,019,760
US Department of Education	-	-	2,100	-	-	2,100	-	-	-	2,100
US Department of Health and Human Services	519,501	-	15,145,816	-	-	15,665,317	-	-	-	15,665,317
US Department of Homeland Security	71,364	-	-	-	-	71,364	-	-	-	71,364
US Department of Housing and Urban Development	-	-	30,723	-	-	30,723	-	7,013,094	-	7,043,817
US Department of Justice	182,179	-	-	-	-	182,179	-	-	-	182,179
US Department of the Treasury	-	-	-	17,422,599	-	17,422,599	-	-	-	17,422,599
US Department of Transportation	436,501	-	-	-	-	436,501	-	-	-	436,501
US Election Assistance Commission	59,940	-	-	-	-	59,940	-	-	-	59,940
TOTAL FEDERAL GRANTS	1,390,370	-	18,110,023	17,422,599	-	36,922,992	-	7,068,539	-	43,991,531
LOCAL										
City of Rochester	39,447	-	-	-	-	39,447	-	-	-	39,447
Fillmore County	-	-	-	-	-	-	-	-	9,491	9,491
Freeborn County	-	-	-	-	-	-	-	-	13,642	13,642
Goodhue County	-	-	-	-	-	-	-	-	20,877	20,877
Houston County	-	-	-	-	-	-	-	-	8,380	8,380
Minnesota Prairie County Alliance	-	-	-	-	-	-	-	-	34,327	34,327
Mower County	-	-	-	-	-	-	-	-	18,049	18,049
Other Governmental	41,046	-	-	-	-	41,046	-	-	-	41,046
Wabasha County	-	-	-	-	-	-	-	-	9,743	9,743
Winona County	-	-	-	-	-	-	-	-	22,744	22,744
TOTAL LOCAL	80,493	-	-	-	-	80,493	-	-	137,253	217,746
PAYMENT IN LIEU OF TAXES	137,623	-	-	-	-	137,623	-	-	-	137,623
TOTAL INTERGOVERNMENTAL REVENUE	\$ 12,135,393	\$ 11,297,057	\$ 42,167,281	\$ 17,422,599	\$ 2,085,000	\$ 85,107,330	\$ 556,402	\$ 7,815,596	\$ 163,637	\$ 93,642,965

Olmsted County
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2022

Federal Grantor/ 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	222MN004W1003	\$ 426,977	\$ -
WIC Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	MN Dept. of Health	232MN004W1003	318,291	-
WIC Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	MN Dept. of Health	222MN014W5003	112,400	-
WIC Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	MN Dept. of Health	232MN014W5003	<u>38,049</u>	<u>-</u>
Total WIC Special Supplemental Nutrition Program for Women, Infants and Children				<u>895,717</u>	<u>-</u>
SNAP Cluster					
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	MN Dept. of Human Services	222MN101S2514	<u>1,835,766</u>	<u>-</u>
Total SNAP Cluster				<u>1,835,766</u>	<u>-</u>
WIC Farmers' Market Nutrition Program (FMNP)	10.572	MN Dept. of Agriculture	202222Y860442	<u>2,532</u>	<u>-</u>
Total U.S. Department of Agriculture				<u>2,734,015</u>	<u>-</u>
U. S. Department of Housing and Urban Development					
Continuum of Care Program	14.267	Institute for Community Alliances	MN0366L5K022106	<u>42,556</u>	<u>-</u>
Total U.S. Department of Housing and Urban Development				<u>42,556</u>	<u>-</u>
U.S. Department of Justice					
COVID-19, Coronavirus Emergency Supplemental Funding Program	16.034	N/A	N/A	5,801	-
Crime Victim Assistance	16.575	MN Dept. of Public Safety	A-CVS-2022-OLMSTEO-127	57,861	-
State Criminal Alien Assistance Program	16.606	N/A	N/A	104,524	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	City of Rochester	15PBJA-21-GG-01602-JAGX	6,000	-
Equitable Sharing Program	16.922	N/A	N/A	<u>7,993</u>	<u>-</u>
Total U.S. Department of Justice				<u>182,179</u>	<u>-</u>
U.S. Department of Transportation					
Highway Planning and Construction Cluster					
Highway Planning and Construction	20.205	MN Dept. of Transportation	00055	1,979,474	-
Highway Planning and Construction	20.205	MN Dept. of Transportation	RC21(127)	<u>417,170</u>	<u>-</u>
Total Highway Planning and Construction				<u>2,396,644</u>	<u>-</u>
Total Highway Planning and Construction Cluster				<u>2,396,644</u>	<u>-</u>

See notes to schedule of expenditures of federal awards

Olmsted County
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2022

Federal Grantor/ Program Title	Federal Assistance Listing Number (ALN)	Pass-through Agency	Pass-Through Agency Grant Number	Expenditures	Passed Through to Subrecipients
U.S. Department of Transportation (cont.)					
Highway Safety Cluster					
State and Community Highway Safety	20.600	MN Dept. of Public Safety	A-ENFRC21-2022-OLMSTESD-008	\$ 21,016	\$ 4,814
National Priority Safety Programs	20.616	MN Dept. of Public Safety	A-ENFRC21-2022-OLMSTESD-008	<u>19,362</u>	<u>9,666</u>
Total Highway Safety Cluster				<u>40,378</u>	<u>14,480</u>
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	MN Dept. of Public Safety	A-ENFRC21-2022-OLMSTESD-008	14,719	10,534
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	MN Dept. of Public Safety	A-ENFRC21-2021-OLMSTESD-008	<u>11,357</u>	<u>5,072</u>
Total Minimum Penalties for Repeat Offenders for Driving While Intoxicated				<u>26,076</u>	<u>15,606</u>
Total U.S. Department of Transportation				<u>2,463,098</u>	<u>30,086</u>
U.S. Department of Treasury					
COVID-19, Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	N/A	<u>17,422,599</u>	-
Total U.S. Department of Treasury				<u>17,422,599</u>	-
U.S. Department of Education					
Special Education, Grants for Infants and Families	84.181	MN Dept. of Health	H181A220029	<u>2,100</u>	-
Total U.S. Department of Education				<u>2,100</u>	-
U.S. Election Assistance Commission					
HAVA Election Security Grants	90.404	MN Secretary of State	7723029	<u>59,940</u>	-
Total U.S. Election Assistance Commission				<u>59,940</u>	-
U.S. Department of Health and Human Services					
Public Health Emergency Preparedness	93.069	MN Dept. of Health	NU90TP922026	44,689	-
Environmental Public Health and Emergency Response	93.070	N/A	N/A	38,104	-
Immunization Cooperative Agreements	93.268	MN Dept. of Health	NH23IP922628	296,992	-
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	MN Dept. of Health	NU50CK000508	32,844	-
Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	93.354	MN Dept. of Health	NU90TP922188	96,017	-
Activities to Support State, Tribal, Local and Territorial (STLT)					
Health Department Response to Public Health or Healthcare Crises	93.391	MN Dept. of Health	NH75OT000032	21,583	-
MaryLee Allen Promoting Safe and Stable Families Program	93.556	MN Dept. of Human Services	2101MNFPS	86,804	-
Temporary Assistance for Needy Families	93.558	MN Dept. of Health	NGA 1801MNTANF	208,195	-
Temporary Assistance for Needy Families	93.558	MN Dept. of Human Services	2201MNTANF	<u>1,670,911</u>	-
Total Temporary Assistance for Needy Families				<u>1,879,106</u>	-

(concluded)

Olmsted County
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2022

Federal Grantor/ Program Title	Federal Assistance Listing Number (ALN)	Pass-through Agency	Pass-Through Agency Grant Number	Expenditures	Passed Through to Subrecipients
U.S. Department of Health and Human Services (cont.)					
Child Support Enforcement	93.563	MN Dept. of Human Services	2201MNCES	\$ 2,185,757	\$ -
Child Support Enforcement	93.563	MN Dept. of Human Services	2201MNCSES	676,029	-
Total Child Support Enforcement				2,861,786	-
Refugee and Entrant Assistance State/Replacement Designee Administered Programs	93.566	MN Dept. of Human Services	2201MNCMA	4,071	-
CCDF Cluster					
Child Care and Development Block Grant	93.575	MN Dept. of Human Services	2201MNCDF	297,446	-
Total CCDF Cluster				297,446	-
Community-Based Child Abuse Prevention Grants	93.590	MN Dept. of Human Services	2102MNBCAP	137,059	-
Stephanie Tubbs Jones Child Welfare Services Program	93.645	MN Dept. of Human Services	2101MNCWSS	10,560	-
Foster Care Title IV-E	93.658	MN Dept. of Human Services	2201MNFOS	1,618,886	-
Social Services Block Grant	93.667	MN Dept. of Human Services	2201MNSOSR	657,423	-
Child Abuse and Neglect State Grants	93.669	MN Dept. of Human Services	2101MNCAN	21,065	-
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	MN Dept. of Human Services	2201MNCILP	27,054	-
Children's Health Insurance Program	93.767	MN Dept. of Human Services	2205MN5021	13,797	-
Medicaid Cluster					
Medical Assistance Program	93.778	MN Dept. of Human Services	2205MN5ADM	6,991,313	-
Medical Assistance Program	93.778	MN Dept. of Human Services	2205MN5MAP	52,444	-
COVID-19, Medical Assistance Program	93.778	MN Dept. of Health	NH23IP922628	39,230	-
Total Medical Assistance Program and Medicaid Cluster				7,082,987	-
Maternal and Child Health Services Block Grant to the States	93.994	MN Dept. of Health	BO447426	131,704	-
Total U.S. Department of Health and Human Services				15,359,977	-
Executive Office of the President					
High Intensity Drug Trafficking Areas Program	95.001	NA	NA	60,018	-
Total Executive Office of the President				60,018	-
U.S. Department of Homeland Security					
Emergency Management Performance Grants	97.042	MN Dept. of Public Safety	A-EMPG-2021-OLMSTECO-057	77,203	-
Total U.S. Department of Homeland Security				77,203	-
Total federal programs				\$ 38,403,685	\$ 30,086

See notes to schedule of expenditures of federal awards

OLMSTED COUNTY

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS For the Year Ended December 31, 2022

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 \$8,431,943 in federal awards during the year ended December 31, 2022. 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, 2022. 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, 2022

NOTE 5 – RECONCILIATION TO SCHEDULE OF INTERGOVERNMENTAL REVENUE

Federal grant revenue per Schedule of Intergovernmental Revenue	\$ 43,991,531
Grants received more than 45 days after year-end, unavailable revenue in 2022:	
WIC Special Supplemental Nutrition Program for Women, Infants, and Children	38,049
Foster Care Title IV-E	592,360
Emergency Management Performance Grants	77,203
Highway Planning and Construction	2,041,179
Medical Assistance Program	595,796
Continuum of Care Program	11,833
Temporary Assistance for Needy Families	117,218
Community-Based Child Abuse Prevention Grants	9,490
Activities to Support State, Tribal, Local and Territorial (STLT) Health Department Response to Public Health or Healthcare Crises	12,583
John H. Chafee Foster Care Program for Successful Transition to Adulthood	5,906
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	5,451
Unavailable in 2021; recognized as revenue in 2022:	
Immunization Cooperative Agreements	(101,359)
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	(111,434)
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)
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.	(8,431,943)
Olmsted County HRA reconciling items between the Schedule of Expenditures of Federal Awards and the Schedule of Intergovernmental Revenue	<u>1,363,404</u>
Expenditures per Schedule of Expenditures of Federal Awards	<u><u>\$ 38,403,685</u></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	152
Changes in Net Position	153
Fund Balance, Governmental Funds	155
Changes in Fund Balance, Governmental Funds	156

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	157
Economic Market Value	158
Direct and Overlapping Property Tax Rates	159
Principal Property Taxpayers	161
Property Tax Levies and Collections	162

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	166
Ratios of Net General Bonded Debt Outstanding	167
Direct and Overlapping General Obligation Bonded Debt	168
Legal Debt Margin Information	169

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	170
Principal Employers	171

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	172
Operating Indicators by Function/Program	173
Capital Asset Statistics by Function/Program	175

SCHEDULE 1 (Unaudited)

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

	2013	2014 (1)	2015	2016 (2)	2017 (3)	2018	2019	2020	2021	2022
Governmental activities										
Net investment in capital assets	\$ 162,636	\$ 167,741	\$ 176,290	\$ 179,278	\$ 176,362	\$ 178,260	\$ 181,076	\$ 192,229	\$ 204,900	\$ 218,053
Restricted	15,361	19,464	15,067	11,162	11,579	13,210	15,913	15,867	17,320	19,717
Unrestricted	105,510	66,465	61,308	57,055	53,045	60,872	67,646	88,696	97,977	91,982
Total Governmental activities net position	\$ 283,507	\$ 253,670	\$ 252,665	\$ 247,495	\$ 240,986	\$ 252,342	\$ 264,635	\$ 296,792	\$ 320,197	\$ 329,752
Business-type activities										
Net investment in capital assets	\$ 37,495	\$ 37,838	\$ 33,966	\$ 32,080	\$ 31,812	\$ 33,397	\$ 34,929	\$ 37,236	\$ 37,420	\$ 39,981
Restricted	6,684	6,772	6,832	7,228	7,329	7,475	7,872	9,079	8,718	9,342
Unrestricted	4,309	132	5,251	8,266	11,692	15,328	15,941	18,375	21,839	27,394
Total Business-type activities net position	\$ 48,488	\$ 44,742	\$ 46,049	\$ 47,574	\$ 50,833	\$ 56,200	\$ 58,742	\$ 64,690	\$ 67,977	\$ 76,717
Primary government										
Net investment in capital assets	\$ 200,131	\$ 205,579	\$ 210,256	\$ 211,358	\$ 208,174	\$ 211,657	\$ 216,005	\$ 229,465	\$ 242,320	\$ 258,034
Restricted	22,045	26,236	21,899	18,390	18,908	20,685	23,785	24,946	26,038	29,059
Unrestricted	109,819	66,597	66,559	65,321	64,737	76,200	83,587	107,071	119,816	119,376
Total primary government net position	\$ 331,995	\$ 298,412	\$ 298,714	\$ 295,069	\$ 291,819	\$ 308,542	\$ 323,377	\$ 361,482	\$ 388,174	\$ 406,469

(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)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses										
Governmental activities:										
General Government	\$ 19,602	\$ 15,537	\$ 15,357	\$ 22,791	\$ 25,905	\$ 19,732	\$ 19,850	\$ 26,536	\$ 20,291	\$ 31,055
Public Safety	34,620	34,330	38,759	53,829	51,468	50,865	54,051	55,038	57,451	64,164
Highway and Streets	21,089	20,134	35,650	25,439	27,206	25,686	28,303	27,821	28,584	29,752
Health	11,576	11,933	13,210	13,786	13,578	13,810	13,535	13,689	13,560	13,212
Human Services	54,150	56,059	61,196	66,978	68,391	69,583	76,135	78,533	77,292	90,015
Culture and Recreation	3,771	4,525	4,519	5,370	7,216	4,801	5,464	5,894	5,942	6,879
Interest on long-term debt	2,677	2,387	2,554	3,292	2,716	2,482	2,517	2,494	2,374	3,074
Other	1,017	1,046	1,130	1,771	1,688	2,621	4,173	1,376	1,403	1,565
Total governmental activities expenses	148,502	145,951	172,375	193,256	198,168	189,580	204,028	211,381	206,897	239,716
Business-type activities:										
Waste Management	23,088	23,482	21,771	26,007	22,393	22,783	25,368	23,597	23,910	22,986
Sanitary Sewer	93	100	104	91	120	104	119	124	132	152
Communications	1,061	1,161	1,100	1,087	1,260	1,106	1,266	1,322	1,801	193
Olmsted County HRA	n/a	n/a	n/a	6,443	7,351	7,320	8,382	10,789	11,806	12,871
Total business-type activities expenses	24,242	24,743	22,975	33,628	31,124	31,313	35,135	35,832	37,649	36,202
Total primary government expenses	\$ 172,744	\$ 170,694	\$ 195,350	\$ 226,884	\$ 229,292	\$ 220,893	\$ 239,163	\$ 247,213	\$ 244,546	\$ 275,918
Program Revenues										
Governmental activities:										
Charges for services, Fines, Licenses and Permits										
General Government	\$ 6,760	\$ 4,677	\$ 4,325	\$ 6,258	\$ 5,831	\$ 6,031	\$ 5,754	\$ 5,371	\$ 4,888	\$ 9,351
Public Safety	2,048	2,604	3,080	9,543	9,668	10,018	10,469	10,659	11,391	11,424
Highway and Streets	1,643	1,646	2,551	3,389	964	995	1,500	1,170	1,326	888
Health	2,051	2,011	2,202	2,026	2,692	2,709	1,588	1,478	1,587	2,666
Human Services	4,968	5,246	4,636	6,258	6,690	6,602	8,715	8,718	8,804	9,707
Culture and Recreation	368	378	394	592	593	740	1,172	1,152	1,045	1,117
Other	117	121	117	205	200	192	132	572	599	669
Operating grants and contributions	46,558	49,339	46,174	42,533	45,133	48,401	55,195	55,051	55,866	55,370
Capital grants and contributions	7,287	2,972	5,479	10,373	6,436	215	173	4,540	4,367	4,881
Total governmental activities program revenue	71,800	68,994	68,958	81,177	78,207	75,903	84,698	88,711	89,873	96,073

**SCHEDULE 2 (Unaudited)
(concluded)**

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Business-type activities:										
Charges for services:										
Waste Management	21,246	22,339	22,199	22,617	23,763	25,650	25,519	25,326	26,881	28,083
Communication	1,157	1,201	1,194	1,205	1,260	1,262	1,281	1,251	983	-
Sanitary Sewer	85	89	93	90	91	92	94	98	103	106
Olmsted County HRA	n/a	n/a	n/a	1,356	1,673	2,233	2,219	2,498	2,611	2,555
Operating grants and contributions	629	668	698	5,538	5,616	4,997	5,685	8,579	6,468	8,388
Total business-type activities program revenues	23,117	24,297	24,184	30,806	32,403	34,234	34,798	37,752	37,046	39,132
Total primary government program revenue	\$ 94,917	\$ 93,291	\$ 93,142	\$ 111,983	\$ 110,610	\$ 110,137	\$ 119,496	\$ 126,463	\$ 126,919	\$ 135,205
Net (Expense)/Revenue (a)										
Governmental activities	\$ (76,702)	\$ (76,957)	\$ (103,417)	\$ (112,079)	\$ (119,961)	\$ (113,677)	\$ (119,330)	\$ (122,670)	\$ (117,024)	\$ (143,643)
Business-type activities	(1,125)	(446)	1,209	(2,822)	1,279	2,921	(337)	1,920	(604)	2,930
Total primary government net expense	\$ (77,827)	\$ (77,403)	\$ (102,208)	\$ (114,901)	\$ (118,682)	\$ (110,756)	\$ (119,667)	\$ (120,750)	\$ (117,628)	\$ (140,713)
General Revenues and Other Changes in Net Postion										
Governmental activities:										
Property taxes	\$ 82,579	\$ 82,763	\$ 86,336	\$ 90,003	\$ 91,961	\$ 98,149	\$ 102,517	\$ 106,792	\$ 106,960	\$ 112,714
Sales taxes	-	5,682	6,411	6,649	10,027	13,925	14,619	14,378	16,283	18,265
Wheelage taxes	-	1,230	1,333	1,328	1,333	1,402	1,412	1,398	1,450	1,408
Unrestricted grants	5,639	6,922	7,128	7,043	7,307	8,119	7,783	27,915	16,317	26,154
Investment income	(109)	1,464	726	1,378	1,397	3,027	5,161	3,985	(1,018)	(4,183)
Other	435	517	478	508	387	411	131	126	149	249
Transfers	11	-	-	-	-	-	-	233	288	(1,409)
Total governmental activities	88,555	98,578	102,412	106,909	112,412	125,033	131,623	154,827	140,429	153,198
Business-type activities										
Property Taxes	-	-	-	1,344	1,348	1,744	2,484	3,516	3,752	3,916
Investment income	296	187	100	147	260	349	411	295	223	418
Other	-	-	(2)	6	-	-	(16)	449	204	-
Transfers and special items	(11)	-	-	-	372	-	-	(233)	(288)	1,476
Total business-type activities	285	187	98	1,497	1,980	2,093	2,879	4,027	3,891	5,810
Total primary government	\$ 88,840	\$ 98,765	\$ 102,510	\$ 108,406	\$ 114,392	\$ 127,126	\$ 134,502	\$ 158,854	\$ 144,320	\$ 159,008
Changes in Net Postion										
Governmental activities	\$ 11,853	\$ 21,621	\$ (1,005)	\$ (5,170)	\$ (7,549)	\$ 11,356	\$ 12,293	\$ 32,157	\$ 23,405	\$ 9,555
Business-Type activities	(840)	(259)	1,307	(1,325)	3,259	5,014	2,542	5,947	3,288	8,740
Total primary government	\$ 11,013	\$ 21,362	\$ 302	\$ (6,495)	\$ (4,290)	\$ 16,370	\$ 14,835	\$ 38,104	\$ 26,693	\$ 18,295

(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)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Fund										
Nonspendable	\$ 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	\$ 2,940,186
Restricted	958,413	791,629	723,378	671,530	709,686	609,003	496,222	1,871,176	2,997,897	3,495,613
Assigned	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	42,899,496
Unassigned	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	64,681,107
Total general fund	\$ 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	\$ 114,016,402
All Other Governmental Funds										
Nonspendable	\$ 481,514	\$ 458,874	\$ 480,663	\$ 326,851	\$ 424,118	\$ 703,773	\$ 799,919	\$ 735,998	\$ 785,261	\$ 532,895
Restricted	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	33,217,082
Assigned	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	14,614,847
Unassigned	(957,008)	(1,455,091)	(1,974,827)	-	-	-	-	-	(899,000)	-
Total all other governmental funds	\$ 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	\$ 48,364,824
Total governmental funds	\$ 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	\$ 162,381,226

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)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenues:										
Property taxes	\$ 82,273	\$ 83,178	\$ 86,342	\$ 90,776	\$ 91,484	\$ 98,987	\$ 102,429	\$ 105,146	\$ 107,152	\$ 113,026
Sales taxes	-	5,682	6,411	6,649	10,027	13,925	14,575	14,259	16,342	18,269
Wheelage taxes	-	1,230	1,333	1,328	1,333	1,402	1,412	1,398	1,450	1,408
Licenses and permits	1,931	1,966	2,372	2,335	2,425	2,417	2,263	1,915	2,136	2,434
Intergovernmental	44,842	56,422	60,741	64,690	58,882	56,337	62,118	79,060	72,206	85,107
Charges for services	14,326	13,609	14,361	24,953	22,763	24,006	25,053	24,647	25,330	39,702
Fines and forfeits	20	18	19	20	23	24	24	19	14	14
Gifts and contributions	420	399	454	508	353	411	403	702	1,784	260
Investment income	(337)	1,243	571	1,014	842	2,184	4,377	3,389	(1,399)	(4,789)
Other	1,743	466	891	498	701	809	923	842	1,104	2,319
Total revenues	145,218	164,213	173,495	192,771	188,833	200,502	213,577	231,377	226,119	257,750
Expenditures:										
General government	15,518	14,890	13,194	14,245	14,192	15,520	14,003	15,036	14,111	36,410
Public safety	35,012	34,728	37,601	48,019	48,908	52,745	54,376	59,418	61,394	59,277
Conservation of natural resources	962	991	1,107	1,638	1,607	3,185	4,149	1,322	1,363	1,413
Economic development	51	51	56	58	58	58	47	60	60	120
Highways and streets	16,683	24,215	48,008	44,681	46,815	30,147	34,410	37,744	30,429	35,611
Health	11,679	12,122	12,699	12,829	13,291	13,583	12,341	14,168	13,740	12,274
Human services	54,044	56,659	59,937	63,790	67,423	69,162	74,383	80,403	77,756	86,999
Culture and recreation	3,293	4,654	3,938	4,688	6,730	5,125	8,064	10,488	5,018	5,293
Other	241	298	376	582	363	363	1,652	5,584	4,128	1,019
Capital Outlay										
Highway and streets	-	-	-	-	-	-	-	-	3,126	1,178
Culture and recreation	-	-	-	-	-	-	-	-	4,048	5,114
Debt service										
Principal retirement	2,347	2,005	2,097	2,139	2,595	3,486	3,199	3,318	5,252	6,328
Interest and fiscal charges	1,864	1,546	1,466	2,277	2,225	1,940	1,900	1,904	1,840	1,804
Total expenditures	141,694	152,159	180,479	194,946	204,207	195,314	208,524	229,445	222,265	252,840
Excess (deficiency) of revenues over expenditures	3,524	12,054	(6,984)	(2,175)	(15,374)	5,188	5,053	1,932	3,854	4,910
Other Financing Sources (Uses):										
Transfers in	668	1,169	243	774	2,919	1,270	4,244	2,704	28,136	49,474
Transfers out	(833)	(1,504)	(793)	(3,981)	(3,230)	(1,922)	(3,133)	(14,064)	(28,532)	(38,027)
Insurance recoveries	-	-	-	-	-	-	67	115	-	-
Payment on refunding bonds	(7,280)	(3,435)	(6,176)	-	(7,381)	-	-	(4,210)	-	(2,805)
Bonds issued	-	-	26,160	11,225	-	-	9,334	8,116	2,834	21,244
Premium (discount) on bonds	-	-	2,256	896	-	-	365	330	-	375
Sale of capital assets	153	89	9	112	74	82	133	122	164	271
Total other financing sources (uses)	(7,292)	(3,681)	21,699	9,026	(7,618)	(570)	11,010	(6,887)	2,602	30,532
Net change in fund balances	\$ (3,768)	\$ 8,373	\$ 14,715	\$ 6,851	\$ (22,992)	\$ 4,618	\$ 16,063	\$ (4,955)	\$ 6,456	\$ 35,442
Ratio of debt service to noncapital expenditures	3.07%	2.54%	2.23%	2.64%	2.73%	3.00%	2.66%	2.54%	3.46%	3.51%

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		
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
2023	28,123,152	24,341,960	271,622	252,955	252,223	4,745	28,376,107	24,594,183	276,367	1.0	44.6710

(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)
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
2021	2022	21,547,406,100	87.38	24,659,057,073	239,391,300	39,279,100	24,937,727,473

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 Estimated 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 *	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Olmsted County										
Public Safety	\$16.7000	\$16.4860	\$16.8040	\$16.3300	\$17.5670	\$17.7890	\$17.0670	\$15.3210	\$15.1250	\$12.0353
General	9.9050	9.3540	9.3890	8.0860	5.7270	6.3700	6.5680	7.0560	12.1150	12.9742
Human Services	18.3620	18.3740	18.3430	17.4970	18.6810	17.5550	15.7800	14.4050	13.1290	12.1174
Infrastructure	7.1640	7.1060	6.9090	6.3140	5.9750	5.0250	6.2670	4.3520	3.7960	3.2949
Public Health	3.9230	3.9440	4.0480	3.9000	4.5080	4.5190	4.0110	3.6210	2.5840	2.3160
Emergency Management	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Library	2.2650	2.2680	2.3030	2.2190	2.3790	2.3040	2.3240	2.2060	2.2590	1.9332
Olmsted County Total	\$58.3190	\$57.5320	\$57.7960	\$54.3460	\$54.8370	\$53.5620	\$52.0170	\$46.9610	\$49.0080	\$44.6710
* 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	\$1.6930
Townships:										
Cascade	\$20.5560	\$20.3820	\$20.9550	\$21.8400	\$20.9690	\$20.3470	\$23.8880	\$22.3510	\$22.0180	\$19.8780
Dover	11.8300	11.8230	10.5110	10.1660	10.1640	9.9470	9.9220	9.8230	10.0340	8.3360
Elmira	11.6890	11.4930	11.4550	11.0420	11.4630	11.6810	11.4660	11.6100	11.8240	9.6390
Eyota	13.7820	14.5530	14.0840	13.7340	13.9910	13.6530	14.1640	14.2200	12.9410	11.7250
Farmington	14.5380	13.8650	12.5990	11.1180	11.2350	11.2870	11.4270	11.1470	11.0970	9.3560
Haverhill (W1/2)	14.6960	15.8940	13.5020	12.4290	14.2470	12.9740	12.6310	13.5130	12.0880	10.5730
Haverhill (NE 1/4)	11.2990	12.4440	10.9170	9.7830	11.7470	10.9100	10.5960	11.9800	10.4430	9.1940
Haverhill (SE 1/4)	13.0610	14.6650	12.4730	11.3320	13.7030	12.7710	12.3500	13.3540	11.9440	10.3170
High Forest	8.3520	8.1690	7.9740	7.6790	10.4300	10.1170	10.4410	13.4090	13.4010	11.7370
Kalmar	15.8950	15.7420	15.0660	15.9080	18.9710	18.0660	17.0100	13.3320	11.9280	5.1190
Marion	12.2560	11.7730	10.9990	10.9640	11.7290	11.9490	11.3070	12.9860	12.6880	11.1160
New Haven	6.7140	6.5270	6.1410	5.7390	6.1530	6.1910	5.9100	6.2380	7.6420	6.6110
Orion	9.9870	9.6900	9.3540	9.1100	9.3060	9.1150	9.1070	9.6430	9.2950	7.3120
Oronoco	13.8120	14.1750	16.7800	15.6150	16.0960	17.0560	17.9070	20.7620	18.5960	16.1210
Pleasant Grove	16.8230	16.2620	14.5350	12.7090	12.9330	12.6210	12.2930	12.6390	12.3360	10.5920
Quincy	8.4630	8.0290	8.4810	8.3680	8.6470	10.0510	9.2150	10.1220	9.3230	7.7200
Rochester	18.3680	17.8470	17.5280	18.8190	18.7540	16.6640	20.4290	19.8460	20.0660	19.3220
Rock Dell	11.5810	10.9700	10.6460	10.3290	10.5730	10.1030	9.8340	8.9400	8.4880	7.1350
Salem	12.8350	13.8900	13.3960	12.9900	14.0410	14.9280	16.2780	15.4380	15.5270	14.0880
Viola	11.4320	11.9630	11.8450	11.3880	11.8450	11.3530	11.0810	11.2300	10.9370	7.4370

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

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

Unit of Government *	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
SCHEDULE 7 (Unaudited) (concluded)										
Cities:										
Byron	\$60.4800	\$64.3910	\$67.8020	\$64.3750	\$66.0960	\$66.1660	\$69.6280	\$68.4460	\$67.4090	\$67.1020
Chatfield	83.2760	89.2720	92.0430	95.5670	98.5640	112.0700	105.6490	104.8470	101.6920	90.0850
Dover	55.5360	57.7380	64.2060	53.5180	55.8180	61.3970	56.3670	60.0100	56.9090	49.1090
Eyota	58.0630	57.9420	59.5380	51.7920	50.8860	57.8810	59.9510	57.6020	56.6960	49.9840
Oronoco	44.5260	44.7610	44.7720	40.5870	40.3830	40.9320	36.8920	37.2130	37.5740	37.4400
Pine Island	70.8870	73.5410	78.6180	79.4290	84.7410	81.3250	84.1160	84.9140	86.7310	81.3210
Rochester	49.4470	50.2170	51.3320	51.1090	52.1470	52.7230	51.8470	48.2420	49.6240	46.4060
Rochester Rural Service	8.4050	8.5380	8.7250	8.6890	8.8640	8.9650	8.8140	8.2020	8.4360	7.8890
Rochester EMV Based								0.0140	0.0140	0.1200
Stewartville	55.3650	58.7710	61.1150	64.0830	65.7270	66.0390	66.9160	67.2290	70.2860	62.0430
Stewartville EMV Based	0.0851	0.0811	0.0798	0.0720	0.0663	0.0628	0.0600	0.0580	0.0510	0.0430
School Districts:										
203 - Hayfield	\$10.2880	\$12.2250	\$11.5100	\$13.5230	\$25.5150	\$22.6400	\$20.9370	\$20.1250	\$20.0940	\$12.3760
203-EMV Based	0.2107	0.1819	0.1617	0.2207	0.2207	0.2149	0.2040	0.2010	0.1950	0.1870
204 - Kasson	35.0840	46.4620	48.3230	43.6160	41.3860	39.3380	37.5260	39.7330	38.2000	31.6580
204-EMV Based	0.1008	0.1453	0.1444	0.1395	0.1382	0.1431	0.1350	0.1440	0.1530	0.1390
227 - Chatfield	25.2530	25.8670	25.8510	29.8630	29.3880	28.6730	27.1780	27.3150	25.9590	23.1890
227-EMV Based	0.1237	0.1391	0.2304	0.2194	0.2353	0.2332	0.2140	0.2280	0.2070	0.1950
255 - Pine Island	19.7170	41.1430	42.8340	38.4740	38.0070	34.1320	33.6440	32.8770	36.2180	29.7860
255-EMV Based	0.1429	0.1531	0.1572	0.1514	0.1563	0.1757	0.1490	0.1450	0.1860	0.1510
531 - Byron	36.3200	41.6420	40.9160	43.4810	41.1000	39.1520	37.3310	38.0500	48.3000	41.8950
531-EMV Based	0.0699	0.1046	0.1298	0.1308	0.1683	0.1643	0.1630	0.1720	0.1710	0.1560
533 - Eyota	28.8200	34.3540	36.1610	34.6310	32.5520	32.4250	32.6410	31.8350	28.8930	30.3420
533-EMV Based	0.0904	0.1641	0.2365	0.1717	0.1966	0.1916	0.1960	0.1780	0.1670	0.1720
534 - Stewartville	25.5950	29.7880	30.1570	25.5300	27.7600	23.5020	24.8020	25.2840	25.0840	20.0530
534-EMV Based	0.1829	0.1753	0.1845	0.1803	0.1789	0.1634	0.2250	0.2100	0.1980	0.1890
535 - Rochester	22.2190	21.1150	20.0230	17.8620	15.7580	15.6840	19.7720	20.3750	20.3870	18.1040
535-EMV Based	0.1058	0.1383	0.2147	0.2395	0.2248	0.2195	0.2060	0.1900	0.1770	0.1670
858 - St. Charles	17.4500	17.1330	22.0920	21.4690	18.6220	19.5510	29.5640	23.6340	24.1000	20.2020
858-EMV Based	0.0618	0.1328	0.1399	0.1418	0.1332	0.1339	0.1300	0.1420	0.1550	0.1340
2805 - Zumbrota-Mazeppa	19.5620	22.8050	23.2170	22.5360	21.3780	20.1360	36.5760	34.5980	33.4270	30.0180
2805-EMV Based	0.2896	0.2753	0.2748	0.2389	0.3487	0.3237	0.3010	0.3120	0.2990	0.2890
2899 - PEM	17.7190	12.5830	12.4450	12.4370	12.2780	18.4160	17.2540	16.8080	15.8190	14.3290
2899-EMV Based	0.0641	0.1218	0.1140	0.1444	0.1353	0.1468	0.1480	0.1540	0.1360	0.1430

Data Source: Property Records and Licensing

SCHEDULE 8 (Unaudited)

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

2022				2013			
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	\$ 335,778,400	\$ 6,670,902	2.8	Mayo Properties	\$ 383,688,200	\$ 6,793,895	4.8
MAYO ASSOCIATION	218,922,000	4,372,212	1.8	MEPC Apache Properties	58,275,800	1,163,266	0.8
MAYO CLINIC	86,535,200	1,723,204	0.7	Sunstone Kahler LLC	54,166,500	1,081,080	0.8
MAYO CLINIC ROCHESTER	81,841,400	1,636,057	0.7	IBM	52,659,200	1,032,688	0.7
MINNESOTA ENERGY RESOURCES	80,745,700	1,589,111	0.7	IRET Properties	52,217,900	693,232	0.5
LEGACY FUND I LLC	57,736,800	759,932	0.3	BGD5 Office	36,198,600	721,722	0.5
APACHE MALL LLC	45,847,700	916,204	0.4	Minnesota Energy Resources	35,004,600	699,988	0.5
KAH 20 2ND AVENUE LLC	45,139,200	564,240	0.2	Target Corporation	24,304,300	482,586	0.3
OLMSTED MEDICAL CENTER	41,642,000	520,525	0.2	Maineland LLC	23,336,600	461,482	0.3
ROCHESTER MN PROPERTIES LLC	40,655,100	812,352	0.3	Mills Properties	16,967,000	336,188	0.2
All Others	19,997,116,500	218,916,261	91.9	All Others	11,590,805,000	129,198,846	90.6
Total	\$ 21,031,960,000	\$ 238,481,000	100.0	Total	\$ 12,327,623,700	\$ 142,664,973	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
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	428,722	91,024,969	99.52
2018		97,913,530	97,366,149	99.44	345,951	97,712,100	99.79
2019		102,596,254	101,818,170	99.24	581,048	102,399,218	99.81
2020		106,913,674	105,332,627	98.52	978,341	106,310,968	99.44
2021		106,921,767	106,078,734	99.21	770,083	106,848,817	99.93
2022		112,376,281	111,832,247	99.52	-	111,832,247	99.52

(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)
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	1,104,838	264,446,065	99.48
2018	276,720,830	275,246,164	99.47	793,967	276,040,131	99.75
2019	290,149,153	287,987,490	99.25	1,447,772	289,435,262	99.75
2020	311,364,859	306,195,752	98.34	3,726,710	309,922,462	99.54
2021	320,021,119	317,359,209	99.17	2,053,017	319,412,225	99.81
2022	334,944,729	333,298,248	99.51	-	333,298,248	99.51

(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
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	8,757	192,441	99.67
2019	205,814	197,829	96.12	8,997	206,826	100.49
2020	185,291	175,979	94.97	9,268	185,247	99.98
2021	180,106	179,674	99.76	6,597	186,271	103.42
2022	186,541	177,762	95.29	-	177,762	95.29

(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 (1)		Collected within the Fiscal Year of the Levy		Collections in Subsequent Years (2)	Total Collections to Date	
			Amount	% of Levy		Amount	% of Levy
2013	\$	2,057,410	\$ 1,743,170	84.73	\$ 245,054	\$ 1,988,224	96.64
2014		2,140,537	1,890,945	88.34	182,492	2,073,437	96.87
2015		2,182,513	2,066,667	94.69	70,038	2,136,705	97.90
2016		2,079,323	1,948,477	93.71	134,524	2,083,001	100.18
2017		1,641,166	1,516,027	92.37	133,013	1,649,040	100.48
2018		1,873,223	1,837,984	98.12	48,290	1,886,274	100.70
2019		1,910,290	1,868,577	97.82	44,953	1,913,530	100.17
2020		2,366,031	2,245,786	94.92	88,919	2,334,705	98.68
2021		3,031,049	3,048,990	100.59	35,851	3,084,841	101.77
2022		2,899,200	2,853,484	98.42	-	2,853,484	98.42

(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	<u>Governmental Activities</u>		<u>Business-Type Activities</u>			Total Primary Government	Estimated Population	Per Capita	Tax Capacity (2)	% of Debt to Tax Capacity	% of Debt to Personal Income (3)
	General Obligation Revenue Bonds	General Obligation Bonds	General Obligation Revenue Bonds	Mortgages Payable (1)	Deferred Repayment & Forgivable Mortgages (1)						
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%	2%
2022	-	123,324	45,382	490	11,554	180,750	166,000	1,089	276,367	65%	n/a

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

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

3) 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
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	82,225	165,300	497	20,018,736	0.4
2022	123,324	34,655 (3)	88,669	166,000	534	21,031,960	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	\$ 8,174
Refinancing Escrow - held by trustee	26,481
Total restricted for repaying principal	<u>\$ 34,655</u>

SCHEDULE 12 (Unaudited)

OLMSTED COUNTY
Direct and Overlapping General Obligation Bonded Debt
as of December 31, 2022
(dollars in thousands)

GOVERNMENTAL UNIT	DEBT OUTSTANDING (1)	% OF TAX CAPACITY WITHIN OLMSTED COUNTY (2)	PORTION CHARGEABLE TO COUNTY (3)
DIRECT:			
Olmsted County	\$ 123,324	100.00%	\$ 123,324
OVERLAPPING:			
School District #227	28,050	44.61	12,514
School District #531	89,579	98.46	88,200
School District #533	9,106	100.00	9,106
School District #534	33,200	76.94	25,543
School District #535	323,145	99.76	322,372
School District #858	-	100.00	-
Total Overlapping	\$ 483,080		\$ 457,735
UNDERLYING:			
City of Rochester	\$ 268,935	100.00	\$ 268,935
City of Byron	10,953	100.00	10,953
City of Eyota	6,655	100.00	6,655
City of Oronoco	12,856	100.00	12,856
City of Dover	556	100.00	556
City of Stewartville	5,022	100.00	5,022
Cascade Township	264	100.00	264
Eyota Township	-	100.00	-
Oronoco Township	227	100.00	227
Salem Township	13	100.00	13
Olmsted County HRA	430	100.00	430
Total Underlying	\$ 305,911		\$ 305,911
TOTAL DEBT	\$ 912,315		\$ 886,970

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Total Taxable Market Value	\$ 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	\$ 21,031,960,000
Debt Limit	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	630,958,800
Debt applicable to limit:										
General obligation debt (1)	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	123,324,454
Less: Assets available for debt service	(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)	(36,001,488)
 Total Net Debt Applicable to Limit	 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	 87,322,966
Legal debt margin	\$ 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	\$ 543,635,834
Total debt applicable to the limit as a percentage of debt limit	13.33%	12.02%	20.50%	19.69%	16.94%	14.90%	16.57%	16.02%	13.54%	13.84%

(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	
2013	150,000	\$	7,184,878	\$	47,895	4.0	5.0	7.4
2014	150,875		7,514,958		49,577	3.4	4.3	6.2
2015	152,250		7,881,842		51,412	2.9	3.8	5.3
2016	154,000		8,188,876		52,615	3.0	3.9	4.9
2017	155,900		8,586,755		54,535	2.7	3.5	4.4
2018	156,650		9,098,470		57,090	2.5	3.0	3.9
2019	159,500		9,486,593		58,724	2.7	3.3	3.7
2020	161,500		10,134,592		62,179	5.5	6.3	8.1
2021	165,300		10,780,039		65,959	2.8	3.8	5.3
2022	166,000		n/a		n/a	1.8	2.7	3.6

Data Sources:

- (1) State Demographer
- (2) Bureau of Economic Analysis as of March 2022 new estimated for 2021, revised estimates for 2013-2020
- (3) Bureau of Economic Analysis as of March 2022 new estimated for 2021, revised estimates for 2013-2020
- (4) Department of Employment and Economic Development

SCHEDULE 15 (Unaudited)

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

<u>Employer</u>	2022			2013		
	<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	42,000	1	42.96%	35,000	1	46.29%
ROCHESTER PUBLIC SCHOOLS DIST #535	2,872	2	2.94%	2,367	2	3.13%
IBM*	2,791	3	2.85%	2,200	3	2.91%
OLMSTED COUNTY	1,371	4	1.40%	1,215	5	1.61%
OLMSTED MEDICAL CENTER	1,321	5	1.35%	1,166	4	1.54%
CITY OF ROCHESTER	1,166	6	1.19%	840	7	1.11%
SPECTRUM, formerly CHARTER COMMUNICATIONS*	672	7	0.69%	764	8	1.01%
BENCHMARK ELECTRONICS*	625	8	0.64%	0	**	0.00%
FEDERAL MEDICAL CENTER	452	9	0.46%	0	**	0.00%
GEOTEK	417	10	0.43%	0	**	0.00%
TOTAL	<u>53,687</u>		<u>54.91%</u>	<u>43,552</u>		<u>57.60%</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:	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Primary government:										
Governmental activities:										
General government	208	218	244	237	260	265	263	268	269	276
Public safety	272	280	283	285	285	293	300	303	331	339
Conservation of natural resources	6	6	5	9	11	11	7	7	7	7
Highways and streets	70	70	66	62	62	63	63	64	64	65
Health	112	113	111	112	111	110	78	82	82	81
Human services	338	343	329	347	378	391	436	443	417	426
Culture and recreation	17	18	18	19	19	19	21	21	20	21
Total governmental activities	1,023	1,048	1,056	1,071	1,126	1,152	1,168	1,188	1,190	1,215
Business-type activities										
Waste management	65	61	64	66	67	68	69	70	68	68
Communications	1	1	1	1	1	1	1	1	1	-
Olmsted County HRA	11	10	10	10	-	-	-	-	-	-
Total business-type activities	77	72	75	77	68	69	70	71	69	68
Total primary government	1,100	1,120	1,131	1,148	1,194	1,221	1,238	1,259	1,259	1,283

Data Source: Olmsted County Adopted Budget (Finance Budget Manager)

SCHEDULE 17 (Unaudited)

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

Function/Program	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Estimated Population	150,000	150,875	152,250	154,000	155,900	156,650	159,500	161,500	165,300	166,000
Public Safety										
Average Daily Detainee Population										
Adult Detention Center	131	112	152	161	143	135	108	86	76	91
Work Release Facility	35	26	29	27	44	16	21	10	8	8
Electronic Home Monitoring	37	39	38	35	50	33	***	***	***	***
Health										
Number of Client Contacts										
WIC	42,140	41,193	40,035	38,238	36,426	34,425	33,425	35,439	34,869	35,510
Newborn/Postpartum	781	698	680	778	856	844	561	165	659	744
Number of Licensed Business Assessments	964	973	1,073	1,010	1,049	1,179	1,195	357	563	1,046
Human Services										
Public Assistance Clients Enrolled at Year-End										
Health Care	17,758	24,449	24,631	24,755	25,381	25,044	24,365	29,745	31,646	35,018
Supplemental Nutrition Assistance Program	13,107	10,733	10,616	9,427	8,828	8,461	8,160	6,384	9,544	1,171
Cash Assistance	4,232	3,929	3,875	4,059	4,252	4,059	3,892	3,884	4,457	4,355
Number of Child Support Cases	4,943	5,714	5,665	5,497	5,460	5,421	5,342	5,090	4,819	4,625
Number of Social Services Client Intakes	11,222	10,363	10,175	10,248	10,711	11,227	10,973	10,184	11,150	12,592
Highways and Streets										
Street Resurfacing (miles)	23.30	4.80	54.47	8.40	6.90	5.80	16.66	17.88	22.29	5.96
Bridge Repairs	2	2	-	-	-	-	2	-	5	-
Waste Management										
Municipal Solid Waste										
Number of tons in total waste stream	177,201	212,037	237,317	183,230	167,290	165,248	165,074	163,868	172,046	178,554
Number of tons burned	104,086	100,322	103,863	109,228	114,248	117,247	116,498	113,446	111,612	118,129
Percentage recycled	51%	59%	59%	49%	44%	43%	41%	41%	44%	42%
Steam Produced in million pounds (MLBS).	734,930	696,560	754,742	802,191	824,124	851,202	851,861	867,212	848,646	877,255
Electricity Produced in kilowatt hours (KWH)	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	41,351,589

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

Sources: Various County Departments

SCHEDULE 17 (Unaudited)
(concluded)

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

Fiscal Year	New Residential		New Multiple		New Commercial / Industrial		All Others		Total	
	No.	Value	Value	Value	Value	Value	No.	Value	No.	Value
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			
2022	362	128,771,602	117,235,991	146,335,029	263,487,417	2,818	655,830,039			

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	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Government										
Government Center Building Square footage	289,700	289,700	289,700	304,700	304,700	304,700	304,700	330,140	330,140	330,140
Public Safety										
# of Rated Beds										
Adult Detention Center	188	188	202	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	69,728	69,728	69,728
Highways and Streets										
County State Aid Highways (CSAH)										
# of Miles-Hard Surfaced	314	314	314	313	305	304	307	314	309	307
# of Miles-Rock	-	-	-	1	1	1	1	1	1	1
County Roads (CR)										
# of Miles-Hard Surfaced	65	67	67	65	65	63	60	59	58	60
# of Miles-Rock	139	141	141	141	134	133	137	132	132	130
Total County Highway Miles	518	522	522	520	505	501	505	506	500	498
Bridges										
# greater than ten feet in length	337	342	342	342	219	219	219	216	216	216
Public Works Building's Square Footage	235,539	235,539	206,035	206,035	206,635	206,635	261,973	265,018	265,018	265,018
Health										
Health Department Building Square Footage	69,427	69,427	69,427	69,427	69,427	69,427	69,427	41,662	41,662	41,662
Human Services										
Human Services Building Square Footage	193,583	193,583	193,583	107,363	107,363	107,363	107,363	111,527	107,515	107,515
Culture and Recreation										
Park and Recreational Facilities										
Land Total Acreage (approximate)	2,181	2,216	2,216	2,216	2,216	2,216	2,218	2,247	2,247	2,247
Buildings Square Footage	231,467	242,116	251,016	251,016	251,016	251,016	298,735	283,832	283,382	283,832
Waste Management										
Landfill										
Estimated Capacity Percentage Used to Date	38%	38%	39%	39%	42%	44%	44%	38%	40%	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	\$ 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	\$ 3,802,878

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