Olmsted County

Annual Comprehensive Financial Report

For the year ended December 31, 2025

Opening of the long-awaited Regional Public Safety Training Center

The Olmsted County Sheriff's Office (OCSO) is proud to highlight the success of the new Regional Public Safety Training Center. In 2023, the Olmsted County Board of Commissioners approved funding for the project.

The concepts developed by a team of architects, construction contractors, Olmsted County Facilities and Building Operations, and other county staff resulted in a modern and highly functional facility. The building now serves as the home of OCSO's Staff Training and Emergency Management Division, which includes 10 staff members.

In 2025, the facility hosted 113 training courses, along with numerous state and regional meetings and events, occupying more than 200 of the year's 240 working days. The building's large presentation rooms, equipped with near soundproof partitions, allow multiple events to occur at the same time. On many days, more than 100 people used the space for various training sessions and meetings.

The facility features a dedicated, fully matted defensive tactics room, as well as a small but well-equipped workout area. Its state-of-the-art technology also enables the training center to serve as Olmsted County's Emergency Operations Center when needed. Additional amenities include break areas for staff and guests, locker rooms, bathrooms with showers, and scenic views of the surrounding countryside and wildlife. OCSO is extremely proud of this new space, which provides unmatched opportunities for comprehensive training under one roof.

The training center has also strengthened collaboration across county departments. By hosting large meetings and shared trainings, the facility fosters important relationships that enhance the ability of all departments to serve residents in Olmsted County and beyond.

Olmsted County, Minnesota
Annual Comprehensive Financial Report
For the Year Ended December 31, 2025

Wilfredo Román-Catála, CPA/MBA
Chief Financial Officer

Prepared by:

Nancy Thomas, CPA
Assistant Controller

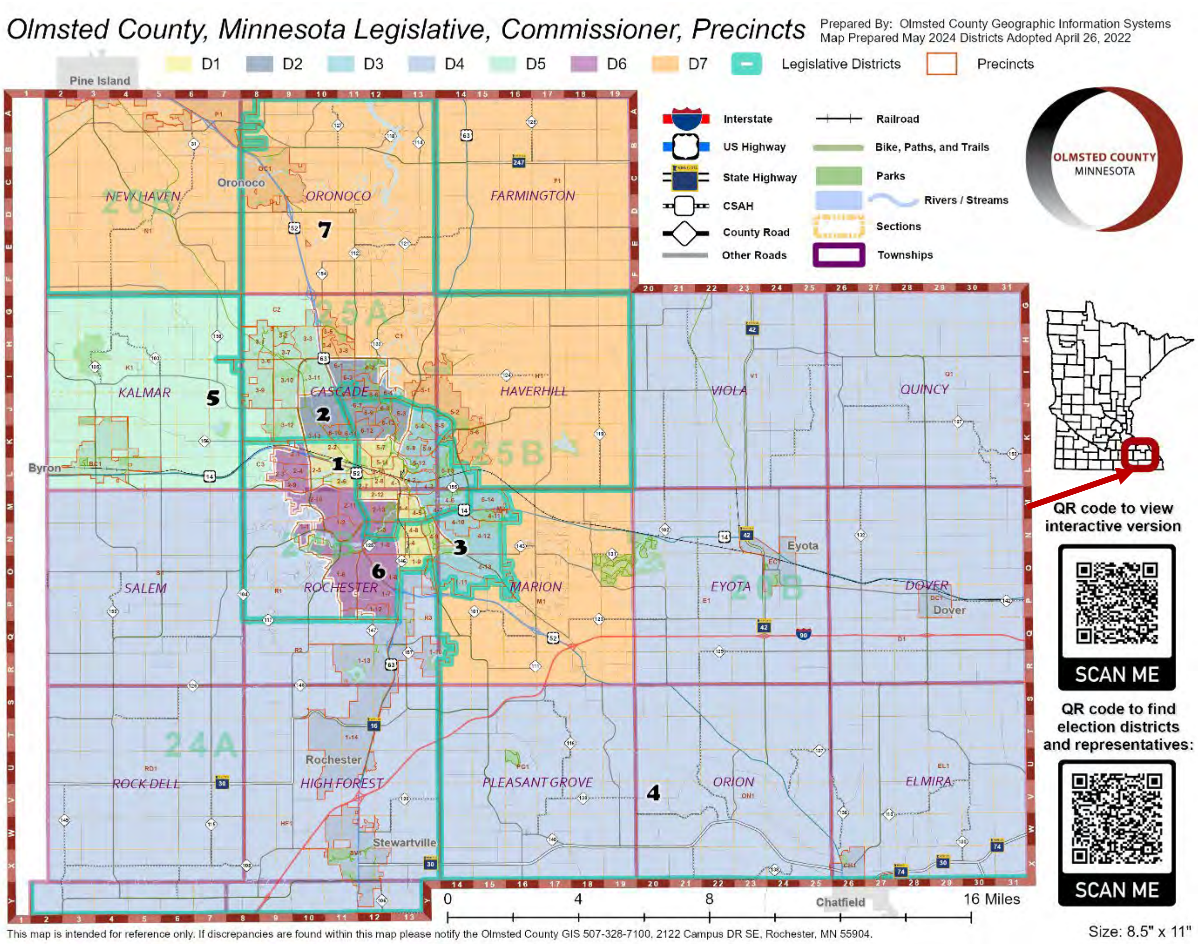
Jackie Milnes
Associate Chief Financial Officer

Jon Becker, CPA
Controller

Camy Iverson, CPFO
Controller

For inquiries contact Wilfredo Román-Catála, Finance Department, 151 Fourth Street S.E., Rochester, MN 55904-3710, wilfredo.romancatala@olmstedcounty.gov, or telephone 507.328.7499

DATE OF INCORPORATION:	1855
FORM OF GOVERNMENT:	Board of Commissioners – Administrator
NUMBER OF EMPLOYEES:	1389 Full-Time Equivalents
AREA:	660 Square Miles
POPULATION:	Estimated 169,943
NUMBER OF TOWNSHIPS:	18
NUMBER OF CITIES:	8
LARGEST CITY:	City of Rochester, Estimated Population 125,000
MILES OF ROAD:	500



OLMSTED COUNTY
FUND LEVEL STATEMENTS FOR YEAR ENDED DECEMBER 31, 2025

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OLMSTED COUNTY
MINNESOTA

SECTION I
INTRODUCTORY SECTION

Olmsted County Finance
151 4TH Street SE
Rochester, MN 55904-3710
507-328-7676
Fax: 507-328-7949

June 11, 2026

To: The Citizens of Olmsted County, Minnesota
The Olmsted County Board of Commissioners
Travis Gransee, 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, 2025. 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, 2025. 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 169,943 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 124,220 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.

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 over **70% 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?

Some departments work with citizen advisory boards and commissions during this process to gather community input on how to balance too many needs with not enough resources. **During the month of August**, county departments work with the county administrator and discuss budget requests before anything is brought to the Olmsted County Board of Commissioners for review. The board also meets with several outside agencies who request funding from the county.

By mid-September, the board meets with each department to discuss their budgets, and 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.

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	
	2025	2026
Criminal Justice / Public Safety		
Courts	$ 16	$ 16
Attorney	49	52
Sheriff / Emergency Management	108	113
Adult Detention Center	111	119
Community Corrections	5	4
Highways		
Construction	17	18
Maintenance	25	25
Health, Housing and Human Services		
Public Health	57	57
Olmsted County Housing and Redevelopment Authority (1)	41	44
Family Support and Assistance (Eligibility Screening)	43	47
Protection Social Services (Children)	158	162
Protection Social Services (Adult)	82	82
Land Management	15	23
Elections		4
Graham Park	4	16
Parks	15	16
Debt Service (2)	41	27
Other (3)	23	41
Total (4)	810	866

(1) The Olmsted County Housing and Redevelopment Authority collects taxes from all taxable properties located in Olmsted County except those within the city limits of the City of Stewartville.
(2) The 2025 per person debt service expense amount includes a payment to refund 2015A bonds from proceeds/reserves in escrow.
(3) Other include Libraries, Conservation, History Center, and other Appropriation Agencies, Veteran Services, Coroner, Opioid.
(4) The population used for 2025 and 2026 respectively are: 169,943 and 171,783. The 2025 and 2026 population are based on the Minnesota State Demographer projections. The 2026 per person amount includes the $1.5 million unintended levy error described in the section below.

Property Tax Levy Correction

Subsequent to December 31, 2025, the County identified a clerical error in the property tax levy certification process for taxes payable in 2026. As a result, the levy extended to taxpayers was approximately $1.5 million higher than the intended amount by the County Board. In accordance with guidance from the Minnesota Department of Revenue, the County will offset the error, including applicable interest, through a reduction in the 2027 property tax levy. Management has evaluated the circumstances surrounding the error and is implementing enhanced review procedures to strengthen levy certification controls and improve oversight of the certification process.

Citizen Advisory Boards and Commissions

As mentioned above, **citizen advisory boards and commissions** are asked to participate in developing the annual budget. The boards and commissions are made up of citizens who apply for appointments for a limited number of years. Advisory board and commissions 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 54,600 people in a workforce of over 136,000. Due to the presence of the Mayo Clinic, the **hospitality industry** also plays a major role in the health of the local economy. Approximately 6,700 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 value. Between 2020 and 2025, **market values** in the county increased by about 48% (9.63% annually). During this same time, Olmsted County has continued to experience **steady growth in population, jobs, and income.** Between 2020 and 2025, the county's population grew by about 5.0%. The most recent Census data shows Olmsted County's average unemployment rate at 3.1%, compared to 3.8% for the state and 4.3% for the U.S.

The most recent American Community Survey (Census) data estimates Olmsted County's median annual household income (adjusted for inflation) of $95,400 is higher than the state's, $89,100 and the national median of $80,700.

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 207,000 to 209,000 by the year 2050, with Rochester reaching a population of 155,000 to 158,000. This will represent growth in countywide population of approximately 15,700 persons per decade, reflecting about a 29% increase from the estimated 2025 population of 169,943. This growth appears to be very doable considering the anticipated impact of **Destination Medical Center (DMC) economic development initiative and Bold. Forward. Unbound.**

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/.

In 2023, Mayo Clinic launched its Bold. Forward. Unbound. Initiative, a transformative investment in Rochester that will expand its clinical, research, and educational infrastructure. This initiative is designed to enhance the patient's experience, elevate the delivery of world-class care, and strengthen Mayo's mission to inspire hope and promote health and well-being.

The plan includes approximately **2.4 million square feet of new facilities**, incorporating advanced technologies to improve healthcare delivery. **Mayo Clinic is investing $5 billion** over the course of this initiative.

Beyond the direct impact on patient care, the initiative is expected to generate substantial benefits for Rochester and the surrounding region, including:

- **Economic Development:** Creation of thousands of new jobs and generating new tax revenue for the state and local governments.
- **Regional Growth:** Attraction of additional visitors and businesses to Rochester, contributing to medical tourism and economic vitality.
- **Community Enhancement:** Improved access to services and recreational, cultural, and entertainment options, contributing to quality of life for residents and visitors alike.
- **Health and Urban Development:** Strengthening Rochester's reputation as America's City for Health, and a model for sustainable and inclusive urban development.

Tax Abatements

The County levies and collects property taxes for all governmental units within its boundaries. Certain municipalities within the County utilize tax increment financing (TIF) under Minnesota Statutes Sections 469.174 through 469.179 to support economic development activities. As disclosed in the notes to the financial statements, the City of Rochester administers Pay-As-You-Go (PAYG) TIF districts that reimburse developers for eligible project costs using a portion of the incremental property taxes generated by new development.

While these agreements reduce property tax revenues otherwise distributable to overlapping jurisdictions during the term of the district, they are structured to stimulate private investment, expand the tax base, and encourage redevelopment in targeted areas. As of December 31, 2025, the City had thirty-seven PAYG TIF districts, with $7,141,408 in tax increment distributed to developers. The County's proportionate share of that amount was $2,213,836.

The County does not directly grant tax abatements; however, because it levies property taxes for all governmental units, its share of incremental revenues associated with municipal TIF districts is disclosed in accordance with GASB Statement No. 77. These districts are established with the objective of generating long-term taxable market value growth that, once the district decertifies, benefits all overlapping jurisdictions through a broader and more sustainable tax base.

County leadership continues to monitor the cumulative fiscal impact of overlapping TIF districts as part of its long-range financial planning and tax base analysis to ensure alignment with long-term fiscal sustainability goals.

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 third quarter of 2025, Moody's Investor Services affirmed Olmsted County's **credit rating of Aaa,** the highest rating possible to attain.

In its report, Moody's Investor Services said, "Olmsted County benefits from a very strong financial position and a growing local economy anchored by Mayo Clinic".

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

Community Safety and Well-being

Ensure safe transportation conditions on all county roads
Significant progress was made in 2025 on the Trunk Highway (TH) 14 and County State Aid Highway (CSAH) 44 interchange project. Construction is scheduled to begin in spring 2026, with completion anticipated in fall 2027. Improving the TH 14/CSAH 44 intersection is essential to addressing long-standing safety concerns, reducing crash rates, and creating a transportation system that can support future regional growth and community well-being.

Provide seamless access to services for all residents regardless of need or background
In 2025, Olmsted County made significant strides toward ensuring digital equity by enhancing the accessibility of its online information and services. In preparation for new federal requirements under the Americans with Disabilities Act (ADA), county teams have been working diligently to align with new standards by April 2026.

Key efforts included mandatory staff training, ongoing improvements to the county website, and work with vendors who do business with Olmsted County. These efforts reflect Olmsted County's commitment to providing seamless, inclusive access to digital services—ensuring all residents, regardless of ability or background, can engage fully with county services and resources.

Environmental Sustainability

Climate, energy, and sustainability success
In 2025, Olmsted County advanced its Climate Action Plan by improving energy efficiency and expanding renewable energy use in county facilities. Projects included LED lighting upgrades, building energy audits, and system updates to support electrification and geothermal technology. Staff were encouraged to adopt everyday energy-saving practices and take advantage of flexible work options to reduce emissions. The county also launched its first "Slow Mow Summer," mowing select areas less frequently to support pollinators and biodiversity, furthering demonstrating its commitment to sustainability and reducing reliance on fossil fuels.

Responsible Growth and Development

Exciting changes underway at Graham Park
Olmsted County broke ground on the new Graham Park exhibition center, a major step toward transforming the site into a year-round venue for events, education, and community connection. The 80,000-square-foot facility will feature flexible event space, a main show ring, and modern amenities to host fairs, festivals, and trade shows, with completion expected in early 2027. The project will more than double Graham Park's annual economic impact and expand access to inclusive community spaces. Preservation work also continued across Graham Park in 2025, including exterior restoration of the former Public Works Highway Shop and facility updates at Graham Arena.

Respond to population changes through informed land use, parks, and trails plans
Olmsted County evolves its approach to land use, parks, and trail planning to meet changing community needs as the community grows. Reflecting this broader focus, in 2025 the former Olmsted County Parks department became Olmsted County Parks and Trails. This name change highlights the department's commitment to not only preserving and enhancing park spaces but also developing trail systems that connect neighborhoods, parks, and communities across the county.

Throughout summer 2025, the Parks and Trails department gathered valuable input through community surveys and open houses, which is helping shape updates to all existing parks master plans. The department is laying the groundwork for an additional comprehensive master plan to guide future investments in parks and trails. These efforts respond directly to resident feedback and support a long-term vision of expanding outdoor access and strengthening community connections.

Community Trust and Engagement

Engage with community and provide opportunities for residents to be heard

We continue to prioritize meaningful engagement with our community by creating spaces where residents feel heard, valued, and involved. A key milestone in 2025 was the launch of the Mental Health Local Advisory Council for Adult & Family Services (AFS), which brings together community voices to guide mental health priorities and improve service delivery. Similarly, Children & Family Services (CFS) offered several engagement opportunities in 2025 to ensure families and youth were active partners in shaping the programs that served them.

Our Youth Tobacco Prevention efforts are another example of community-centered work, empowering young people to lead advocacy and education initiatives that promote healthier futures. The Sheriff's Office has also expanded its outreach in 2025, building trust through open dialogue, community events, and partnerships that reflect a shared commitment to safety and inclusion. These efforts demonstrate our dedication to building strong, lasting relationships with the people we serve.

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 40 consecutive years, for the fiscal years ended December 31, 1985 through 2024. 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

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, 2024

Christopher P. Morrill

Executive Director/CEO

OLMSTED COUNTY
LIST OF PRINCIPAL OFFICIALS
AS OF DECEMBER 31, 2025

OFFICE	NAME	TERM	TELEPHONE	E-MAIL
Commissioners:				
1st District	Laurel Podulke-Smith	January 2028	(507) 328-6123	laurel.podulke-smith@olmstedcounty.gov
2nd District	David Senjem (2)	January 2027	(507) 319-7627	david.senjem@olmstedcounty.gov
3rd District	Gregg Wright	January 2028	(507) 328-6001	gregory.wright@olmstedcounty.gov
4th District	Brian Mueller	January 2027	(507) 328-6125	brian.mueller@olmstedcounty.gov
5th District	Michelle Rossman	January 2027	(507) 328-6136	michelle.rossman@olmstedcounty.gov
6th District	Bob Hopkins	January 2027	(507) 328-6922	robert.hopkins@olmstedcounty.gov
7th District	Mark Thein (1)	January 2028	(507) 696-7188	mark.thein@olmstedcounty.gov
Officers:				
Elected:				
Attorney	Michael Walters	January 2027	(507) 328-7806	michael.walters@olmstedcounty.gov
Sheriff	Kevin Torgerson	January 2027	(507) 328-6745	kevin.torgerson@olmstedcounty.gov
Appointed:				
Administrator	Travis Gransee	Indefinite	(507) 328-7201	travis.gransee@olmstedcounty.gov
ResourcesDeputy Administrator: Health, Housing, & Human Services Admin & Veteran Services	Amy Rauchwarter	Indefinite	(507) 328-6351	amy.rauchwarter@olmstedcounty.gov
Division Administrator: Administration	James Johnson	Indefinite	(507) 328-7239	james.johnson@olmstedcounty.gov
Division Administrator: Public Works	Tony Hill	Indefinite	(507) 328-7008	tony.hill@olmstedcounty.gov
Director of Public Works and County Engineer	Benjamin Johnson	Indefinite	(507) 328-7054	benjamin.johnson@olmstedcounty.gov
Director of Parks	Karlin Ziegler	Indefinite	(507) 328-7086	karlin.ziegler@olmstedcounty.gov
Director of Environmental Resources	Cathleen Hall	Indefinite	(507) 328-7574	cathleen.hall@olmstedcounty.gov
Director of Property Records and Licensing	Mary Blair-Hoeft	Indefinite	(507) 328-7646	mary.blairhoeft@olmstedcounty.gov
Director of Facilities and Building Operations	Mathew Miller	Indefinite	(507) 328-6722	mat.miller@olmstedcounty.gov
Director of Planning and Housing	Dave Dunn	Indefinite	(507) 328-7143	david.dunn@olmstedcounty.gov
Director of Family Support and Assistance	Meridee Braun	Indefinite	(507) 328-6513	meridee.braun@olmstedcounty.gov
Director of Adult and Family Services	Amy Thompson	Indefinite	(507) 328-6352	amy.thompson@olmstedcounty.gov
Director of Child and Family Services	Gil Domally	Indefinite	(507) 328-6639	gilbert.domally@olmstedcounty.gov
Director of Community Corrections	Nikki Niles	Indefinite	(507) 328-7245	nikki.niles@olmstedcounty.gov
Director of Public Health	Denise Daniels	Indefinite	(507) 328-7468	denise.daniels@olmstedcounty.gov
Director of Policy, Analysis and Communication	Debra Ehret Miller	Indefinite	(507)-328-6007	debra.ehretmiller@olmstedcounty.gov
Director of Information Technology	Matthew Peabody	Indefinite	(507) 328-7779	matt.peabody@olmstedcounty.gov
Director of Human Resources	Julian Currie	Indefinite	(507) 328-6015	julian.currie@olmstedcounty.gov
Chief Financial Officer	Wilfredo Roman-Catala	Indefinite	(507) 328-7499	wilfredo.romancatala@olmstedcounty.gov
Soil Conservation Manager	Skip Langer	Indefinite	(507) 328-7140	skip.langer@olmstedcounty.gov

(1) Chair of Board of Commissioners for 2025 — Mark Thein (1)
(2) Chair of Board of Commissioners for 2026 — David Senjem (2)

Olmsted County Board of Commissioners

- County Attorney — Michael Walters
- County Sheriff — Kevin Torgerson
- County Administrator — Travis Gransee
  - Deputy County Administrator — James Johnson
    - Director of Human Resources — Julian Currie
    - Director of Information Technology — Matt Peabody
    - Director of Policy, Analysis and Communications — Debra Ehret Miller
    - Director of Facilities and Building Operations — Mat Miller
    - Director of Property Records and License — Mary Blair-Hoeft
  - Deputy County Administrator — Tony Hill
    - Soil Conservation Manager — Skip Langer
    - Director of Parks and Trails — Karlin Ziegler
    - Director of Environmental Resources — Cathy Hall
    - Interim Director of Planning — Allison Sosa
    - Director of Public Works, County Engineer — Ben Johnson
  - Administration Manager — Clara Sifuentes
  - Chief Financial Officer — Wilfredo Roman Catala
  - Deputy County Administrator — Amy Rauchwarter
    - Division Administrator — Jenna Gilbertson
    - Director of Family Support and Assistance — Meridee Braun
    - Director of Adult and Family Services — Amy Thompson
    - Director of Community Corrections — Nikki Niles
    - Director of Housing — Dave Dunn
    - Director of Child and Family Services — Gil Domally
    - Director of Public Health — Denise Daniels

SECTION II
FINANCIAL SECTION

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, the discretely presented component unit, each major fund and the aggregate remaining fund information of Olmsted County (the County), as of and for the year ended December 31, 2025, 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 accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the County as of December 31, 2025 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 24%, 26% and 43%, respectively, of the assets, net position, and revenues of the business-type activities; or the Trailside Apartments Limited Partnership, the discretely presented component unit. 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 and Trailside Apartments Limited Partnership 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 (*Government Auditing Standards).* Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the 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 11, 2026 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.

Baker Tilly US, LLP

Eau Claire, Wisconsin
June 11, 2026

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, 2025. 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 page 6-14 of this report.

Financial Highlights

At December 31, 2025, the county's government-wide assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by $525.4 million (net position). Deferred outflows and inflows are defined on page 65 of this report in the notes to the financial statements.

Net position consists of:

- $320.7 million, or 61% of total net position represents the county's net investment in capital assets.
- $41.8 million, or 8% of total net position is restricted by specific statutory requirements or external commitments.
- $162.9 million, or 31% of total net position is unrestricted and may be used to meet the county's obligations to citizens and creditors.

The county's total government-wide net position increased $53.4 million during the year. Governmental activities net position increased $46.1 million during the year and business-type activities increased $7.3 million during the year.

Olmsted County's capital assets increased $17.7 million (4%) in 2025. The primary reason for the increase in capital assets is a $17.5 million increase in construction in progress, a $6.1 million increase in infrastructure, a $2.9 million increase in infrastructure land, offset by a $3.6 million decrease in buildings, a $3.1 million decrease in equipment, a $1.2 million decrease in intangible right-to-use subscription software, and a $1.1 million decrease in software.

Olmsted County's total debt outstanding decreased $22.0 million (11%) in 2025. The primary reason for the decrease in outstanding debt is due to bond payments of $40.8 million (including a $25.7 crossover refunding payment) offset by the issuance of bonds of $20.2 million and subscription payments of $1.9 million offset by $1.0 million increase in subscription payable.

At December 31, 2025, the county's governmental funds combined assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by $150.5 million (fund balance).

Governmental fund balance consists of:

- $3.2 million, or 2% of total government fund balance is nonspendable.
- $30.0 million, or 20% of total governmental fund balance is restricted for specific purposes.
- $117.3 million, or 78% of total governmental fund balance is available for spending at the county's discretion (assigned and unassigned fund balance).

The governmental funds fund balance decreased $12.6 million. The Infrastructure Fund, Health and Human Service Fund, and Opioid Settlement Fund, fund balance increased $9.1 million, $2.2 million, $114 thousand, respectively, offset by the General Fund, Debt Service Fund, and Capital Projects Fund, fund balance decrease of $3.8 million, $18.6 million, and $1.6 million, respectively.

Olmsted County was allocated $8.1 million in Opioid Settlement Funds and has received $2.7 million of that amount from the National Opioid Settlement Fund in total, $426 thousand in 2025. 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 45 and 46 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, and cultural and recreation.

- *Business-Type activities* are supported to a large extent by user fees and charges. Waste management services, an Olmsted County Housing and Redevelopment Authority (HRA) blended component unit, and a sewer collection and treatment system are the three *business-type activities* the county operates.

- *Discretely presented component unit* is a separate legal entity. The entity, Trailside Apartments LP, is presented in a separate column. Although legally separate, this component unit is important because the County is financially accountable for it. Further financial information for this component unit is available in a separately issued and audited financial statements.

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

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 47 and 49 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 48, and the statement of revenues, expenditures, and changes in fund balance, on page 50. Olmsted County has six governmental funds which are all considered to be major funds: General, Infrastructure, Health and Human Services, 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

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 51-53 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 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

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 54 and 55 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 57 - 121 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 four 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 123-144 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 $525.4 million as of December 31, 2025.

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
	2024	2025	2024	2025	2024	2025	Change	Change
Other assets	$ 279,791	$ 275,801	$ 61,179	$ 77,739	$ 340,970	$ 353,540	$ 12,570	4%
Capital assets	363,483	384,203	103,445	100,389	466,928	484,592	17,664	4%
Total assets	$ 643,274	$ 660,004	$ 164,624	$ 178,128	$ 807,898	$ 838,132	$ 30,234	4%
Total deferred outflows	$ 23,175	$ 19,859	$ 547	$ 576	$ 23,722	$ 20,435	$ (3,287)	-14%
Other liabilities	$ 20,673	$ 31,437	$ 3,624	$ 2,758	$ 24,297	$ 34,195	$ 9,898	41%
Long-term liabilities	227,099	191,506	56,142	64,100	283,241	255,606	(27,635)	-10%
Total liabilities	$ 247,772	$ 222,943	$ 59,766	$ 66,858	$ 307,538	$ 289,801	$ (17,737)	-6%
Total deferred inflows	$ 49,111	$ 41,296	$ 3,010	$ 2,104	$ 52,121	$ 43,400	$ (8,721)	-17%
Net Position:								
Net investment in capital assets	$ 245,415	$ 264,658	$ 54,005	$ 56,085	$ 299,420	$ 320,743	$ 21,323	7%
Restricted	23,359	31,855	11,034	9,908	34,393	41,763	7,370	21%
Unrestricted	100,792	119,111	37,356	43,749	138,148	162,860	24,712	18%
Total net position	$ 369,566	$ 415,624	$ 102,395	$ 109,742	$ 471,961	$ 525,366	$ 53,405	11%

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*.

As shown in the table below, the county's change in net position increased by $53.4 million during the year, an increase of 60% from the previously reported $33.3 million change in net position in 2024.

Table 2: Olmsted County Changes in Net Position

Olmsted County Changes in Net Position as of December 31

(in thousands of dollars)

	Governmental Activities		Business-Type Activities		Total			Percent
	2024	2025	2024	2025	2024	2025	Change	Change
Revenues								
Program revenues:								
Charges for services	$ 34,007	$ 33,307	$ 32,090	$ 33,512	$ 66,097	$ 66,819	$ 722	1%
Operating grants and contributions	65,693	74,343	10,958	10,928	76,651	85,271	8,620	11%
Capital grants and contributions	2,560	7,508	795	309	3,355	7,817	4,462	133%
General revenues and special item:								
Property taxes	125,094	132,094	4,878	5,124	129,972	137,218	7,246	6%
Sales taxes	17,991	19,003	-	-	17,991	19,003	1,012	6%
Wheelage taxes	1,465	1,490	-	-	1,465	1,490	25	2%
Unrestricted grants	12,969	13,011	-	16	12,969	13,027	58	0%
Investment income	11,131	13,498	1,806	2,013	12,937	15,511	2,574	20%
Other	327	182	118	-	445	182	(263)	-59%
Total revenues	**$ 271,237**	**$ 294,436**	**$ 50,645**	**$ 51,902**	**$ 321,882**	**$ 346,338**	**$ 24,456**	**8%**
Expenses								
General government	$ 15,688	$ 15,150	$ -	$ -	$ 15,688	$ 15,150	$ (538)	-3%
Public safety	70,802	70,274	-	-	70,802	70,274	(528)	-1%
Conservation of natural resources	1,818	1,972	-	-	1,818	1,972	154	8%
Highways and streets	31,715	30,208	-	-	31,715	30,208	(1,507)	-5%
Health	15,555	16,165	-	-	15,555	16,165	610	4%
Human services	100,862	102,717	-	-	100,862	102,717	1,855	2%
Culture and recreation	8,267	8,268	-	-	8,267	8,268	1	0%
Interest on long-term debt	3,484	2,903	-	-	3,484	2,903	(581)	-17%
Waste management	-	-	23,627	24,530	23,627	24,530	903	4%
Sanitary sewer	-	-	220	129	220	129	(91)	-41%
HRA	-	-	16,550	20,522	16,550	20,522	3,972	24%
Other	80	95	-	-	80	95	15	19%
Total expenses	**$ 248,271**	**$ 247,752**	**$ 40,397**	**$ 45,181**	**$ 288,668**	**$ 292,933**	**$ 4,265**	**1%**
Excess (deficiency) of revenues over expenses	$ 22,966	$ 46,684	$ 10,248	$ 6,721	$ 33,214	$ 53,405	$ 20,191	61%
Transfers	(5,793)	(626)	5,793	626	-	-	-	-
Extraordinary gain caused by storm damage	-	-	113	-	113	-	(113)	-100%
Change in net position	**$ 17,173**	**$ 46,058**	**$ 16,154**	**$ 7,347**	**$ 33,327**	**$ 53,405**	**20,078**	**60%**
Net position - beginning, as previously reported	$ 353,097	$ 369,566	$ 86,241	$ 102,395	$ 439,338	$ 471,961	$ 32,623	7%
Change in accounting principle	$ (704)	$ -	$ -	$ -	$ (704)	$ -	$ 704	-100%
Net position - beginning, as restated	$ 352,393	$ 369,566	$ 86,241	$ 102,395	$ 438,634	$ 471,961	$ 33,327	8%
Net position - ending	$ 369,566	$ 415,624	$ 102,395	$ 109,742	$ 471,961	$ 525,366	$ 53,405	11%

Governmental Activities

Governmental activities net position increased by $46.1 million (12%) during the year.

Program revenues are $115.2 million and general revenues are $179.3 million for total revenues of $294.5 million. Program expenses total $247.8 million. Net transfers with business-type activities are ($626) thousand. This results in a $46.1 million increase in net position.

Charges for services decreased by $700 thousand (2%) in 2025. The overall decrease was primarily driven by lower transportation-related design work performed for the Minnesota Department of Transportation (MnDOT) and lower opioid settlement activity reported within Health programs. These decreases were partially offset by growth in Human Services treatment-related revenues.

Key changes include:

- **Highway and streets** charges for services decreased by $531 thousand primarily because 2024 included a higher level of reimbursable design work performed for the Minnesota Department of Transportation (MnDOT). This decrease was partially offset by increased work performed for other government and individuals.

- **Health** charges for services decreased by $742 thousand primarily due to lower opioid settlement-related activity recognized in government-wide revenues during 2025.

- **Human Services** charges for services increased by $438 thousand primarily due to higher assertive community treatment revenue resulting from increased enrollment and utilization of services.

- Other programs experienced smaller increases and decreases that collectively offset one another.

Operating grants and contributions increased by $8.7 million (13%) in 2025, primarily due to additional state and federal funding supporting transportation infrastructure, behavioral health initiatives, and human services programs.

Key changes include:

- **Highway and streets** projects increased operating grants revenue by $4.3 million, largely due to additional state funding for County State Aid Highway (CSAH) construction and maintenance activities and State Truck Highway bonding and Local Road Improvement Program revenue for construction and design work related to the (CSAH) 44/TH 14 project.

- **Human service** programs increased operating grants by $3.2 million, primarily from additional funding for adult mental health services, increased Social Service Time Study (SSTS) MnCHOICES reimbursements, and higher Child Welfare Case Management (CWTCM) associated with increased service demand.

- **General government** activities increased operating grants by $601 thousand, primarily due to pollution control grant funding received for the Penz property cleanup project.

- Other smaller program increases and decreases accounted for the remaining change.

Capital grants and contributions increased by $4.9 million (193%) compared to 2024, primarily due to higher grant activity related to major county infrastructure and recreation projects.

Key changes include:

- **Culture and recreation** capital grants increased by $3.9 million, largely related to funding received for the Exhibition Center and for the Oxbow campground relocation.

- **Highway and streets** project capital grants increased by $1.1 million. This is primarily due to additional grant revenue received for the CSAH 44/TH 14 project, partially offset by lower grant activity for other bridge projects.

- Other smaller grant fluctuations across multiple projects accounted for the remaining change.

The **property tax** collections increased by $7.0 million (6%) which is at par with the tax levy increase of 5.6%.

Sales tax collections increased by $1.0 million (6%). Sales tax revenues are influenced by local consumer spending trends and continued stable economic activity during the year.

Wheelage tax increased by $25 thousand (2%).

Unrestricted state aids and grants increased by $41 thousand (0%) primarily due to a $1.7 million increase in Non-SEFA Inflation Reduction Act Renewable Tax Credit, offset by a $1.8 million decrease in PERA aid due to the State of Minnesota one-time contributions to the general employee retirement plan and general employee police and fire plan in 2024.

Investment income increased by $2.4 million (21%) primarily due an increase in interest rates and an increase in the fair value of investments resulting in an unrealized gain.

General government expenses decreased by $538 thousand (3%) in 2025. The decrease was primarily due to the reclassification of Geographic Information Systems (GIS) activities to the highway and streets function, partially offset by higher allocated support service costs. General government activities include property, records, licensing, planning, and other.

Significant changes from 2024 to 2025 included:

- (GIS) activity totaling approximately $1.0 million were moved from the general government function to the highway and streets function to better align with operational responsibilities.

- Allocated countywide support service costs increased by $714 thousand due to operating losses within internal service funds during 2025 compared to operating income in 2024.

- Various other smaller increases and decreases accounted for the remaining change.

Public safety expenses decreased by $528 thousand (1%) in 2025. The decrease was primarily driven by lower pension expenses, partially offset by higher personnel, facilities, technology, and detainee medical costs. Public Safety activities include law enforcement, adult detention center, community corrections, county attorney, coroner, district courts, and law library.

Significant changes from 2024 to 2025 included:

- Pension expense decreased by $4.8 million due to changes in actuarial assumptions, investment performance, interest rates, and other pension-related factors. This decrease was primarily accounting driven and did not reflect reductions in staffing or service levels.

- Personnel costs increased by $1.6 million primarily due to cost-of-living and performance-based wage adjustments.

- Depreciation expense increased by $2.0 million following completion of the Regional Public Safety Training Center and investments in body camera equipment and subscription software.

- Detainee medical and prescription costs increased by $532 thousand due to the continued increase in health care costs.

- Allocated countywide support service costs increased by $1.7 million due to operating losses within internal service funds during 2025 compared to operating income in 2024.

- Various other smaller increases and decreases accounted for the remaining change.

Conservation of natural resources expenses increased by $154 thousand (8%). Conservation of natural resources activities include soil and water conservation and extension services. Personnel costs increased by $205 thousand due to an increase of 1 full-time equivalent (FTE) and annual cost-of-living and performance-based wage adjustments. Various other smaller increases and decreases accounted for the remaining change.

Highways and streets expenses decreased by $1.5 million (5%) in 2025. The decrease is primarily related to lower road preservation and construction activity compared to 2024, partially offset by higher contracted services and depreciation expense. Highway and streets activities include surveying, maintenance, construction, and equipment maintenance and shops.

Significant changes from 2024 to 2025 included:

- Road Preservation costs decreased by $1.8 million due to fewer and smaller projects in 2025.

- Costs associated with the City of Rochester roundabout project decreased by $1.4 million following the completion of the project in 2024.

- Non-capital maintenance activity decreased by $1.1 million compared to the prior year.

- Contracted services increased by $1.4 million primarily related to the County State Aid Highway (CSAH) 4 and 44 projects.

- GIS activity totaling approximately $1.0 million were reclassified from the general government function to the highway and streets function to better align with operational responsibilities.

- Depreciation expense increased by $687 thousand due to the addition of capital assets, including the Public Works Service Center.

- Various other smaller increases and decreases accounted for the remaining change.

Health expenses increased by $610 thousand (4%) in 2025. The increase is primarily related to higher personnel costs and allocated support services costs, partially offset by lower pension expenses. Health activities include general public health, emergency preparedness, disease prevention, health promotion, and environmental.

Significant changes from 2024 to 2025 included:

- Personnel costs increased by $460 thousand primarily due to an increase of 1 full-time equivalent (FTE) and cost-of-living and performance-based wage adjustments.

- Pension expense decreased by $359 thousand due to changes in actuarial assumptions, investment performance, interest rates, and other pension-related factors. This decrease was primarily accounting driven and did not reflect reductions in staffing or service levels.

- Allocated countywide support service costs increased by $398 thousand due to operating losses within internal service funds during 2025 compared to operating income in 2024.

- Various other smaller increases and decreases accounted for the remaining change.

Human services expenses increased by $1.9 million (2%) in 2025. The increase was primarily driven by higher personnel costs, payments for clients, and allocated support services costs, partially offset by lower allocated indirect support services costs, Housing Community project costs, and pension expenses. Human services program activities include income maintenance, social services, support services, and veterans' services.

Significant changes from 2024 to 2025 included:

- Personnel costs increased by $3.3 million primarily due to adding 10 full-time equivalents (FTE's) and cost-of-living and performance-based wage adjustments.

- Pension expense decreased by $1.9 million due to changes in actuarial assumptions, investment performance, interest rates, and other pension-related factors. This decrease was primarily accounting driven and did not reflect reductions in staffing or service levels.

- Pension expense decreased by $669 thousand because the State of Minnesota made a one-time contribution to the Public Employee Retirement Association (PERA) on behalf of PERA member entities in 2024.

- Payments for client costs increased by $1.3 million, mainly driven by $1.4 million in higher Adult Mental Health Initiative costs due to increased state funding, partially offset by $1.0 million lower Regional Mobile Crisis costs after the program ending on December 31, 2024.

- Housing Community project costs decreased by $2.5 million due to the project being moved to the general fund.

- Allocated countywide support service costs increased by $1.1 million due to operating losses within internal service funds during 2025 compared to operating income in 2024.

- Internal service fund charges increased by $876 thousand, driven by higher indirect support costs related to the growth of Human Service FTE's in 2025.

- Various other smaller increases and decreases accounted for the remaining change.

Culture and recreation expenses increased by $1 thousand (0%) in 2025. Culture and recreation program activities include parks, historical society, diversity and youth programs, and library.

Other expenses increased by $15 thousand (19%) in 2025.

Interest on long-term debt decreased by $581 thousand (17%) in 2025, primarily due to a decrease in bond debt and subscription payables.

Transfers to business-type activities decreased by $5.2 million (89%) in 2025, primarily due to the prior year transfer for the Growing Affordable Inclusive Neighborhoods (GAIN) program which creates incentives to develop smaller, lower-priced, owner-occupied homes.

Business-Type Activities

Business-Type activities net position increased by $7.3 million (7%) during the year.

Program revenues are $44.7 million and general revenues are $7.2 million for total revenues of $51.9 million. Program expenses total $45.2 million. Net transfers with governmental activities are $626 thousand. This results in a $7.3 million increase in net position.

Charges for services increased by $1.4 million (4%). The HRA recognized a development fee ($1.0 million) from Trailside Apartments, LP (the Partnership) for development services related to the Trailside Apartments project. HRA Program fees increased $500 thousand primarily due to the Housing Opportunities Promoting Education program ($200 thousand) and the Olmsted County Building Authority ($200 thousand). The remaining change is made of various other smaller increases and decreases.

Operating grants and contributions decreased by $30 thousand (0%).

Capital grants and contributions decreased by $486 thousand (61%) due to a decrease in capital grants available for projects in the Olmsted County HRA.

The **property tax** collections for the Olmsted County HRA increased by $246 thousand (5%) which is at par with the tax levy increase of 5.3%.

Unrestricted state aids and grants increased by $16 thousand (100%) due to the Waste Management Fund receipt of Inflation Reduction Act Renewable Tax Credit funds in 2025.

Investment income increased by $207 thousand (11%) primarily due the average cash and investment balance increasing compared to 2024 and increased interest rates.

Other general revenue decreased by $118 thousand (100%).

Waste Management expenses increased by $903 thousand (4%) primarily due to personnel costs increasing $375 thousand as a result of overtime and cost-of-living and performance-based wage adjustments and asbestos abatement costs of $312 thousand on the steam pipes in the tunnels on campus. The remaining change is made of various other smaller increases and decreases.

Sanitary Sewer expenses decreased by $91 thousand (41%).

Olmsted County HRA expenses increased by $4.0 million (24%). The HRA made a $1.2 million contribution to the Trailside Apartments, LP Discretely Presented Component Unit. Housing Choice Voucher and Mainstream program vouchers increased $1.1 million. Both programs saw an increase in the number of units and contribution per unit. There was a $707 thousand loss on the sale of 10 single family homes that were part of the Growing Affordable Inclusive Neighborhoods (GAIN) project. Administrative costs increased $471 thousand due to new properties and programs. The remaining change is made of various other smaller increases and decreases.

Extraordinary Gain decreased by $113 thousand (100%).

Transfers from governmental activities decreased by $5.2 million (89%) primarily due to the prior year transfer for the Growing Affordable Inclusive Neighborhoods (GAIN) program which creates incentives to develop smaller, lower-priced owner-occupied homes.

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)

	2024	2025	Change
Fund balances:			
Nonspendable	$ 3,534	$ 3,237	$ (297)
Restricted	40,811	30,030	(10,781)
Assigned	31,905	53,443	21,538
Unassigned	86,872	63,806	(23,066)
Total fund balances	$ 163,122	$ 150,516	$ (12,606)
Total operating revenues	$ 262,990	$ 289,076	$ 26,086
Assigned and unassigned fund balance as % of operating revenues	45%	41%	

The county's total fund balance in the governmental funds as of December 31, 2025, is $150.5 million, a decrease of $12.6 million (8%) from the previously reported 2024 fund balance.

Fund balance in the **General Fund** decreased by $3.8 million (3%) during 2025. The decrease was primarily driven by the planned use of fund balance for major capital and infrastructure projects. This planned use was partially offset by stronger than anticipated investment earnings, higher intergovernmental revenues, and personnel cost savings resulting from vacancies and turnover.

Key factors contributing to the change in fund balance included:

- Planned $11.8 million decrease in fund balance for projects including Graham Park Exhibition Center ($8.1 million), Graham Park ($1.1 million), groundwater protection ($990 thousand), and various other smaller projects ($1.6 million).

- Higher than anticipated Adult Detention Center medical services costs in the amount of $478 thousand due to a new medical service contract and pharmacy costs.

- Investment income was more than anticipated by $4.5 million primarily due to an increase in interest rates and an increase in the fair value of investments resulting in an unrealized gain.

- Excess Debt Service Fund, fund balance of $2.0 million that was not restricted for debt service was transferred to the General Fund to be used for other projects, including the Graham Arena Project, in lieu of taxable debt.

- Higher than anticipated intergovernmental revenue of $1.6 million primarily due to Federal Administrative Aid for child support ($291 thousand), Safe Streets and Roads Grant ($275 thousand), PERA Aid ($249 thousand), and State Police Aid ($214 thousand).

- Less personnel costs than anticipated in the amount of $852 thousand primarily due to the following:
    - o Facilities and Building operations less than anticipated in the amount of $516 thousand due to retirements, vacancies, and changes in benefit selections.
    - o Community Corrections less than anticipated in the amount of $611 thousand due to vacancies and frozen positions.
    - o Adult Detention Center less than anticipated in the amount of $359 thousand due to vacancies.
    - o Sheriff more than anticipated in the amount of $717 thousand due to being fully staffed during the year with additional overfill positions.
- The remaining net change in fund balance is made of various smaller items.

Fund balance in the **Infrastructure Fund** increased by $9.1 million (332%) during 2025, primarily due to project timing differences and higher-than-expected local sales tax revenue remaining unspent at year-end.

The largest factor was $7.6 million of unused local option sales tax (LOST) revenues. Several planned road and preservation projects were delayed into 2026 or funded from other sources during the year.

Key factors include:

- County State Aid Highway (CSAH) 21 construction costs of $3.7 million being funded with state highway user tax-state aid revenues instead of local sales tax revenues.
- Delays in planned infrastructure projects, including:
    - o $1.6 million of preservation projects,
    - o $850 thousand related to County Road 147,
    - o $200 thousand related to CSAH 1, and
    - o $100 thousand related to CSAH 21 and Trunk Highway 63.
- Fund balance was also impacted by the timing of reimbursements for several construction projects. Approximately $523 thousand of state, federal, and local revenues related to the County Road 102 box culvert replacements project, CSAH 4 and County Road 104 improvements, and the county-wide rumble strip project were deferred from 2024 to 2025 because reimbursements were not received until the following year. In addition, $296 thousand of state detour agreement revenues were similarly delayed due to reimbursement timing.
- Operating expenditures were lower then anticipated by approximately $501 thousand, primarily due to lower costs for winter salt usage, fuel, and vehicle and equipment maintenance.

Overall, the increase in fund balance primarily reflects the timing of capital expenditures and related reimbursements that are expected to occur in future periods.

Fund balance in the **Health and Human Services Fund** increased by $2.2 million (17%) during 2025. The increase was primarily driven by lower personnel and program costs, along with the timing of certain grant reimbursements and revenue recognition.

Key factors contributing included:

- Personnel costs were approximately $1.3 million lower than anticipated due to employee turnover, retirements, vacancies, and frozen positions during the year.

- Detox and detox hold program costs were approximately $447 thousand lower than expected due to utilization levels.

- Approximately $867 thousand of Regional Adult Mental Health grant revenue that had been deferred in 2024 was recognized in 2025 after the reimbursement became available.

- Approximately $980 thousand of Federal Administration Aid revenue was deferred at year-end because the reimbursement was not received within the period required for revenue recognition under governmental accounting standards. This revenue is expected to be recognized in 2026.

- The remaining net change in fund balance resulted from various smaller operational revenue and expenditure variances across the fund.

Fund balance in the **Opioid Settlement Fund** increased $114 thousand (6%) during 2025. The net change in fund balance is made of various small items.

Fund balance in the **Debt Service Fund** decreased by $18.6 million (71%) during 2025. The decrease was primarily driven by the planned use of existing bond reserves and the reallocation of excess property taxes previously levied for future capital projects.

Key factors included:

- The County used $17.4 million of 2022A Bond Escrow reserves on February 1, 2025, to make scheduled payments on the 2022 A Crossover Refunding Bonds. This represented a planned use of previously restricted bond proceeds.

- The County transferred Debt Service Fund unrestricted fund balance to the Capital Projects Fund and General Fund. These resources represented property taxes previously levied in advance of future capital projects, for which related projects were delayed within the County's Capital Improvement Plan (CIP) or may no longer move forward in future CIP cycles. Because these resources were no longer needed for debt service purposes, they were reallocated to support other County priorities, including the Graham Arena Project, reducing the potential need for future taxable debt financing.

- Property tax collections for certain existing bond issues were intentionally structured to cover debt payments due on August 1, 2025 and February 1, 2026. Because the related February 1, 2026 payment occurred in the following year, fund balance increased by approximately $1.2 million due to timing differences between revenues and expenditures.

Fund balance in the **Capital Projects Fund** decreased $1.6 million (18%) during 2025. The decrease was mainly caused by the timing of grant reimbursements for ongoing construction and improvement projects. At year-end, the County was waiting to receive approximately $4.7 million of grant reimbursements related to projects such as the Exhibition Center, Oxbow campground, and Lake Zumbro Park. In addition, the fund still had approximately $3.1 million of unspent transfers dedicated to the Exhibition Center project.

At year-end 2025, the governmental funds have a **combined assigned and unassigned fund balance ("available")** of $117.2 million. This is 41% of the $289.1 million revenues in those funds, which is 4% lower than 2024. 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 a bond rating of Aaa from national rating agency, Moody's. In the third quarter of 2025, Moody's Investor Services affirmed the Aaa credit rating citing the county's very strong financial position, growing local economy, strong institutional structure, and an established history of prudent budget management.

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		
	2024	2025	Change	2024	2025	Change
Net position:						
Net Investment in Capital Assets	$ 54,005	$ 56,085	$ 2,080	$ 23,781	$ 22,080	$ (1,701)
Restricted	11,034	9,908	(1,126)	4,047	4,417	370
Unrestricted	37,356	43,749	6,393	27,471	30,073	2,602
Total net position	$ 102,395	$ 109,742	$ 7,347	$ 55,299	$ 56,570	$ 1,271

Enterprise fund total net position increased by $7.3 million (7%) during 2025.

The **Waste Management Fund** net position increased by $5.8 million (8%) during 2025, exceeding the planned increase of $2.0 million. The stronger than expected results were primarily driven by lower operating costs, higher investment earnings, and increased service fee revenue.

Key factors contributing to the increase included:

- Supply costs were approximately $993 thousand less than planned primarily because fuel costs were lower than anticipated and certain turbine and boiler spare parts purchased during the year remained in inventory and had not been used.

- Pension expense was $643 thousand less than planned due to changes in actuarial assumptions, investment performance, and interest rate factors affecting pension calculations.

- Personnel costs were $362 thousand less than planned due to staff vacancies and changes in benefit selections.

- Boiler repair and maintenance costs were $268 thousand lower the anticipated due to fewer major maintenance activities occurring during the year.

- Investment income was more than anticipated by $542 thousand due to higher interest rates and stronger cash and investment balances.

- Charges for services were $457 thousand more than planned primarily due to higher tipping fees, recycling revenue, and electric fee revenue.

The **Olmsted County Housing and Redevelopment Fund (HRA)** net position increased by $1.5 million (6%) during 2025. The increase was primarily driven by $1.2 million of unspent property tax collections and $308 thousand in capital grant funding received for capital asset purchases.

The **Sanitary Sewer Fund** net position remained relatively stable during the year, decreasing slightly by $5 thousand (.4%).

Internal service fund total net position increased by $1.3 million (2%) during 2025.

The **Self-Insurance Fund** net position decreased by $1.8 million (13%) during 2025, primarily due to higher-than-expected healthcare and prescription drug costs within the health insurance program.

Health insurance activity decreased net position by $1.7 million. Although premium charges to participating funds were originally expected to increase net position by approximately $720 thousand, actual results were significantly impacted by higher claim costs, including:

- Healthcare claims that exceeded expectations by approximately $1.5 million, primarily due to one claimant reaching the $1.0 million stop-loss threshold.

- Prescription drug costs that exceeded expectations by approximately $1.3 million, largely driven by continued growth in the use of GLP-1 weight loss medications.

- These increases were partially offset by pharmacy rebates that were approximately $400 thousand higher than anticipated.

Dental insurance activity decreased net position by $185 thousand during 2025, which was slightly better than the planned decrease of $240 thousand. Differences from projected results were primarily due to normal fluctuation in claims activity and other routine operating revenue.

Liability insurance activity increased net position by $348 thousand, which was generally consistent with expectations. Minor differences from projected results were attributable to normal year-to-year claim activity and other operational variances.

Workers' Compensation activity decreased net position by $281 thousand. While changes to participating funds were originally expected to result in approximately no change in net position, actual results were impacted by claims costs that were approximately $294 thousand higher than anticipated.

Despite the decline in net position during the year, the Self-Insurance Fund continues to maintain reserves intended to support future claims obligations and operational stability.

The **Administrative Services Fund** net position increased by $2.4 million (36%) during 2025. The fund was originally planned to increase net position by approximately $274 thousand through charges to other county funds for administrative support services. Actual results exceeded expectations primarily because pension expense was $1.9 million lower than anticipated. The decrease in pension expense was driven by actuarial assumption updates, changes in investment market performance, and interest rate fluctuations affecting the county's pension liabilities. The remaining increase was primarily due to normal operational variances across administrative activities.

The **Building Facilities Fund** net position increased by $668 thousand (2%) during 2025. The fund was originally planned to break even, with charges to other county funds expected to fully recover operating costs. Actual results were favorable largely because utility costs were approximately $483 thousand lower than anticipated following the decommissioning of steam lines and related reductions in energy usage. The remaining increase resulted from routine operational savings and other minor variances from what was plan.

The county maintains two **fiduciary funds**: a private-purpose trust fund and a custodial fund. The funds are used to hold and manage resources on behalf of individuals, organizations, and other governments rather than for county operations.

The **private-purpose trust fund** accounts for representative payee funds, where the county manages funds for individuals requiring financial assistance or oversight. The **custodial fund** accounts for resources collected and distributed on behalf of other parties, including revenues collected for the State of Minnesota, local governments, school districts, towns, cities, and service bureau activities.

At year-end, the private-purpose trust fund reported net position is $267 thousand, and the custodial funds net position is $7.0 million.

General Fund Budgetary Highlights

Original budget compared to final budget

Final amended budget General Fund revenues totaled $98.9 million, an increase of $1.2 million, or 1.2% from the original budget of $97.7 million. The increase was primarily due to additional intergovernmental revenues received during the year, including:

- $277 thousand for the Safe Streets and Roads grant program.
- $249 thousand related to State of Minnesota PERA aid contributions.
- $120 thousand from the Conservation Partner Legacy grant.
- Various other smaller revenue adjustments made throughout the year.

Final amended budget General Fund expenditures totaled $101.7 million, an increase of $4.3 million, or 4.4%, from the original budget of $97.4 million. Significant factors contributing to this increase include:

- $2.2 million increase in public safety expenditures, primarily related to body camera contracts costs ($379 thousand), Adult Detention Center medical and prescription costs for detainees ($350 thousand), attorney costs for child protection matters and commitments ($245 thousand), pension expenses ($232 thousand), Next Generation 911 implementation costs ($157 thousand), and various other smaller operational increases.
- $584 thousand increase in general government expenditures, primarily related to contracted services for the Safe Streets and Roads grant program.
- $870 thousand increase in other expenditures, primarily due to contracted services for the groundwater protection project.
- The remaining budget changes were attributable to routine operational adjustments and other smaller budget amendments made throughout the year.

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	$ 57,226	$ 56,927	$ (299)
Licenses and permits	1,383	1,425	42
Intergovernmental	15,419	16,006	587
Charges for services	16,183	15,763	(420)
Investment income	6,754	11,313	4,559
Other	1,890	1,693	(197)
Total revenues	$ 98,855	$ 103,127	$ 4,272
Expenditures			
General government	$ 13,867	$ 13,046	$ 821
Public safety	75,854	74,113	1,741
Conservation of natural resources	2,071	2,028	43
Culture and recreation	6,600	6,580	20
Other	3,358	2,772	586
Total expenditures	$ 101,750	$ 98,539	$ 3,211

Actual revenues were $103.1 million, which was $4.2 million, or 4.2%, higher than the final amended budget of 98.9 million. The favorable revenue variance was primarily driven by investment earnings and several intergovernmental revenue sources that exceeded budget expectations.

Key revenue variances included:

- Investment income exceeded budget by $4.6 million primarily due to market value adjustments ($3.3 million), interest accruals and amortization activity ($1.2 million) were not included in the budget.

- Intergovernmental revenue exceeded budget by $587 thousand mainly due to federal child support administrative aid ($291 thousand), state police aid ($164 thousand), and payments in lieu of taxes ($182 thousand) being higher than anticipated or not budgeted.

- Charges for services were $420 thousand below budget primarily due to employee turnover, vacancies, and held positions, which resulted in lower contracted services charges to the Dodge Olmsted Community Corrections joint powers board.

- The remaining revenue variance resulted from various smaller increases and decreases across departments and programs.

Actual expenditures were $98.5 million, which was $3.2 million, or 3.1%, lower than the final amended budget of $101.7 million. The favorable expenditure variance was primarily attributable to personnel savings from vacancies and turnover, reduced contributions to joint operations and unused contingency appropriations.

Key expenditure variances included:

- General government expenditures are $821 thousand below budget. The Planning, Code Enforcement expenditures were $628 thousand below budget primarily due to turnover, frozen positions, and employee benefit changes, which reduced personnel costs by approximately $516 thousand.

- Public safety expenditures were $1.7 million below budget:
    - Adult Detention Center expenditures were $412 thousand below budget, primarily due to lower personnel costs related to overtime, shift differential, on-call pay, and employee benefit elections.

    - Community corrections expenditures were $1.2 million below budget primarily due to lower contributions to the Dodge Olmsted Community Corrections joint powers board ($618 thousand) and personnel savings from employee turnover, vacancies, and held positions ($612 thousand).

- Other expenditures were $586 thousand below budget primarily due to unused commissioners' contingency appropriation ($180 thousand) and unused contingency for conduit debt default reserves ($374 thousand).

- The remaining expenditures variance resulted from various smaller favorable and unfavorable variances across departments and functions.

Capital Assets and Debt Administration

Capital Assets

At the end of 2025, the County invested $484.6 million in capital assets, net of depreciation, an increase of $17.7 million, or 4%, from 2024. Capital assets included infrastructure, land, buildings, equipment, software, and construction projects in progress. Infrastructure assets, primarily roads and bridges, continue to represent the County's largest investment.

Table 6: Olmsted County Capital Assets, Net of Depreciation

	Governmental activities		Business-type activities		Total			%
	2024	2025	2024	2025	2024	2025	Change	Change
Land	$ 24,373	$ 24,260	$ 6,326	$ 6,326	$ 30,699	$ 30,586	$ (113)	0%
Infrastructure land	41,712	44,655	-	-	41,712	44,655	2,943	7%
Infrastructure	152,501	158,620	1,475	1,449	153,976	160,069	6,093	4%
Buildings	102,016	98,195	22,912	23,167	124,928	121,362	(3,566)	-3%
Other improvements	5,308	5,745	3,238	3,159	8,546	8,904	358	4%
Equipment	15,605	16,335	67,654	63,825	83,259	80,160	(3,099)	-4%
Intangible right-to-use -							-	
lease equipment	722	555	-	-	722	555	(167)	0%
Software	1,809	761	-	-	1,809	761	(1,048)	-58%
Intangible right-to-use -							-	
subscription software	5,149	4,023	76	0	5,225	4,023	(1,202)	0%
Construction in progress	14,288	31,054	1,764	2,462	16,052	33,516	17,464	109%
Total	$ 363,483	$ 384,203	$ 103,445	$100,388	$ 466,928	$ 484,591	$ 17,663	4%

Governmental activities, accountant for most of the increase, with net capital assets growing by $20.7 million. The increase was driven primarily by continued investment in transportation infrastructure and construction projects underway throughout the County.

Key changes in governmental activities capital assets during 2025 included:

- The Land asset category decreased by $113 thousand due to the sale of a parcel of land on Mayowood Road SW in Rochester, MN.

- Infrastructure Land assets increased by $2.9 million with the acquisition of right-of-way for current and future road projects. The majority of this is for the County State Aid Highway (CSAH) 44/TH 14 Interchange project which makes up $2.1 million of the total.

- The Infrastructure System increased by $6.1 million. Transactions included an increase of $13.0 million for the completion of a road project, with the majority of this ($10.6 million) for the completion of the County State Aid Highway (CSAH) 5/25 road project. Disposals netted to $0 for a fully depreciated road section. Depreciation expense was $6.9 million.

- The Buildings asset category decreased by $3.8 million. Completed projects totaled $2.0 million. Dispositions netted $275 thousand and included buildings 45-Horse Barn, 43-Hog Barn, 25-Cattle Barn, and 43-Hog Barn at Graham Park. Depreciation expense in this category was $5.6 million.

- The Other improvements category realized a net increase of $437 thousand. Additions of $884 thousand included playgrounds at Oxbow and Chester Woods Park, a Graham Arena compressor control, and concrete work at Regional Public Safety Training Center. Depreciation expense was $447 thousand.

- The Equipment category increased by $730 thousand. Equipment additions were $4.1 million and included public safety, court security, parks and motor pool vehicles, survey and grounds maintenance equipment, Highway Maintenance equipment, Graham Park billboard, and Chester Woods security system. Depreciation expense in this category was $3.3 million. Disposals netted to $68 thousand which included mostly fully depreciated vehicles for sheriff’s office, public works, and parks and sirens for Graham Park.

- The Software category decreased by $1 million. There were no additions to this category. Depreciation expense in this category was $1 million and asset dispositions netted to $0.00.

- The Construction in Progress category experienced a net increase of $16.7 million. Increases of $32.1 million include road and bridge projects, solar panel work on various building locations, Oxbow Park camper cabins, Lake Zumbro remodel project, Oxbow Park caretaker home replacement and sewer upgrades, and Graham Park Arena geothermal and ventilation upgrades. Decreases were $15.4 million, as projects were finished and put into service.

- The Intangible Right-To-Use Lease-Equipment category decreased by $167 thousand. There were no additions or disposals. Amortization expense totaled $167 thousand.

- The Intangible Right-To-Use Subscription Software category decreased by $1.1 million. Additions were $1.0 million which included Personify Health, Granicus, SIEM/QFrame, and Accela software’s. Disposals of $942 thousand included adjustments to existing software subscriptions. Amortization expense net totaled $1.2 million.

For business-type activities, net capital assets decreased by $3.1 million during 2025. The decrease was primarily due to depreciation expense exceeding current-year capital additions.

Major business-type activities capital asset activity included:

- $3.9 million invested in the Waste Management operations, including improvements to the Waste-to-Energy plant cold storage building, communication analyzers, boiler feed pumps, baghouse filter bags, fire pump redundancy, and landfill equipment.

- $1.4 million invested in the Housing and Redevelopment Authority (HRA) for improvements for existing properties.

- Depreciation expense of $7.2 million, which exceeded capital additions and contributions to the overall decline in business-type net capital assets.

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

Long-Term Debt

At the end of 2025, Olmsted County had total debt outstanding of $170.6 million, a decrease of $22.0 million (11%) from 2024. The reduction was primarily driven by scheduled principal payments and the payoff of debt through a crossover refunding structure, partially offset by the issuance of new debt during the year.

Most of the County's outstanding debt consists of general obligation bonds, which are backed by the full faith and credit of the County. Some of these bonds are additionally supported by pledged net revenues from specific activities.

Table 7: Olmsted County Outstanding Debt

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

	Governmental activities		Business-Type activities		Total			%
	2024	2025	2024	2025	2024	2025	Change	Change
General obligation revenue bonds	$ -	$ -	$ 36,060	$ 43,760	$ 36,060	$ 43,760	$ 7,700	21%
General obligation bonds	137,625	109,330	-	-	137,625	109,330	(28,295)	-21%
Mortgages payable	-	-	467	454	467	454	(13)	-3%
Deferred repayment mortgages	-	-	3,225	3,155	3,225	3,155	(70)	-2%
Deferred forgivable mortgages	-	-	9,329	9,329	9,329	9,329	-	0%
Financed purchase	920	770	-	-	920	770	(150)	-16%
Lease payable	472	238	-	-	472	238	(234)	-50%
Subscription payable	4,527	3,606	-	-	4,526	3,606	(920)	100%
Total	$ 143,544	$ 113,944	$ 49,081	$ 56,698	$ 192,624	$ 170,642	$ (21,982)	-11%

Key debt-related activities during 2025 included:

- Issuance of $20.2 million of new bonds.

- Principal payments of $40.8 million, including $25.7 million related to a crossover refunding payoff.

- Principal payments of $1.9 million on subscription liabilities.

- Principal payments of $234 thousand on lease liabilities.

- Issuance of $1.0 million in subscription-based information technology arrangements (SBITA's).

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 $831.0 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 2025 unemployment rate is 3.1%, a 0.7% increase from 2024. The county's unemployment rate continues to be lower than the State of Minnesota and the national unemployment rate of 3.8% (0.8% increase from 2024) and 4.3% (0.3% increase from 2024), respectively. Refer to Schedule 14 of this report.

- The 2025 $27.7 billion taxable market value of property increased from $26.8 billion in 2024 and includes $458.0 million of new construction. The estimated 2026 taxable market value of $29.9 billion includes $479.0 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 2026 governmental funds budget on December 16, 2025, in the amount of $365.7 million. This is a $10.8 million (3.0%) increase from the 2025 budget. The County's intended 2026 property tax levy was adopted at $141.7 million, a $9.0 million (6.8%) increase from 2025. The 2026 budget was balanced using $3.7 million of reserves. The 2026 Olmsted County HRA levy was adopted at $5.6 million, a $400 thousand (7.7%) increase from 2025.

  Subsequent to adoption, the county identified a clerical error in the levy amount submitted to the property tax system. As a result, the actual 2026 levy certified and extended to taxpayers was approximately $1.5 million higher than the amount approved by the County Board. Following guidance from the Minnesota Department of revenue, the County will collect 2026 property taxes as billed and plans to offset the error, including applicable interest, through a corresponding reduction in the 2027 property tax levy.

- The overall county tax rate is calculated by comparing the total tax levy to total market value. Based on the levy approved by the County Board, the intended 2026 county tax rate was projected to be $4.04 per $1,000 of market value, compared to $4.17 per $1,000 in 2025, a decrease of 3.1%. However, due to a clerical error in the levy certification process, the actual 2026 levy extended to taxpayers resulted in an estimated tax rate of approximately $4.09 per $1,000 of market value.

- 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. In 2016, the County made a half-year payment to the City of Rochester, followed by seven annual payments of $3.0 million per year in 2017, 2018, 2019, 2021, 2022, 2023, 2024, and 2025. The county and city agreed that no payment was to take place in 2020. Olmsted County payments to the City of Rochester are funded with sales tax revenues.

- Waste generation in Olmsted County is influenced by economic conditions; when the economy slows down, less waste is produced. In addition, local haulers have adopted single stream recycling, which has increased the amount of recycling material collected per household. This shift has reduced the total waste handled at County facilities. To help maintain capacity at the Waste-to-Energy facility and generate additional revenue, the County is also working to attract more waste from outside Olmsted County. In 2025, The County budgeted for 115.9 thousand tons of waste, .4 thousand tons more than 2024, anticipating a slight increase in waste from the previous year. However, the actual waste received in 2025 totaled 120.4 thousand tons, exceeding the budget by 4.5 thousand tons. Compared to 2024, total waste increased by about .8 thousand tons from outside Olmsted County and 1.4 thousand tons in waste generated within the County.

- The County's 2026-2030 Capital Improvement Plan totals $461.0 million and reflects continued investment in transportation infrastructure, public facilities, environmental sustainability, public safety, and community amenities.

  The plan is funded primarily through intergovernmental (32%), bonded debt (27%), sales tax and wheelage tax (26%), operating and other revenues funding (10%), and reserves (5%).

  Transportation projects represent 55% of planned capital spending, followed by Facilities and Building Operation (11%), Graham Park (10%), solid waste (10%), parks (7%), and other capital improvements (7%).

  Approximately $124.0 million of the plan is expected to be financed through bonded debt. Significant projects include the Olmsted County Recycling Center reuse facility, Regional Public Safety Training Center improvements, multiple County building remodels, Graham Park and Graham Commons improvements, landfill infrastructure, and upgrades to the Olmsted Waste-to-Energy Facility.

  These investments are intended to support long-term infrastructure needs, improve operational efficiency, maintain public facilities, and accommodate continued community growth

- 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 2025 at $9.6 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.

OLMSTED COUNTY
MINNESOTA

Basic Financial Statements

OLMSTED COUNTY
STATEMENT OF NET POSITION
DECEMBER 31, 2025

	Primary Government			Discretely Presented Component Unit
	Governmental Activities	Business-Type Activities	Total	Trailside Apartments LP
ASSETS				
Cash, cash equivalents, deposits and investments	$ 191,696,241	$ 38,514,163	$ 230,210,404	$ 62,311
Cash and cash equivalents on deposit:				
OPEB	9,601,696	-	9,601,696	-
Accounts receivable, net	1,528,532	4,550,723	6,079,255	223,234
Delinquent taxes receivable	1,561,657	134,618	1,696,275	-
Accrued interest	2,408,575	177,779	2,586,354	-
Internal balances	371,497	(371,497)	-	-
Notes, loans, and mortgages	90,790	104,932	195,722	-
Due from other governments	25,015,851	989,546	26,005,397	-
Lease receivable	113,683	97,554	211,237	-
Inventories	583,666	3,130,556	3,714,222	-
Prepaid items	2,443,600	720,707	3,164,307	31,718
Restricted assets:				
Cash and investments restricted for:				
Debt service	12,527,575	6,231,326	18,758,901	-
HRA	-	792,493	792,493	102,862
Construction	23,797,392	14,175,520	37,972,912	-
Dedicated long-term environmental care trust	-	6,060,459	6,060,459	-
Opioid settlement	1,970,838	-	1,970,838	-
Law library - held by trustee	295,481	-	295,481	-
Net pension asset	1,780,534	-	1,780,534	-
Other assets:				
Tax credit fee	-	-	-	17,250
Long-term loans	13,741	2,429,720	2,443,461	-
Capital assets not being depreciated:				
Land	68,914,684	6,326,577	75,241,261	140,662
Construction in progress	31,053,600	2,462,105	33,515,705	-
Capital assets, net of depreciation:				
Infrastructure	158,619,645	1,448,731	160,068,376	-
Buildings	98,195,400	23,167,223	121,362,623	10,024,223
Improvements other than buildings	5,744,800	3,158,863	8,903,663	672,907
Equipment	16,335,260	63,825,385	80,160,645	521,639
Intangible right-to-use lease equipment	555,372	-	555,372	-
Software	761,476	-	761,476	-
Intangible right-to-use subscription software	4,022,981	-	4,022,981	-
Total capital assets	384,203,218	100,388,884	484,592,102	11,359,431
Total assets	660,004,567	178,127,483	838,132,050	11,796,806
DEFERRED OUTFLOWS OF RESOURCES				
OPEB	1,030,424	-	1,030,424	-
Pension	18,828,903	573,597	19,402,500	-
Deferred charge on bonds	-	2,800	2,800	-
Total deferred outflows of resources	19,859,327	576,397	20,435,724	-
LIABILITIES				
Accounts payable	2,891,345	843,360	3,734,705	4,785,539
Salaries payable	6,779,309	458,541	7,237,850	-
Contracts payable	5,759,673	307,488	6,067,161	3,600
Accrued interest payable	1,452,691	687,885	2,140,576	26,745
Other accrued liabilities	79,634	18,071	97,705	-
Due to other governments	2,520,907	178,320	2,699,227	2,335
Unearned revenue	11,953,615	264,185	12,217,800	883
Long-term liabilities:				
Due within one year	25,700,503	10,281,835	35,982,338	3,653
Due in more than one year	165,805,905	53,818,151	219,624,056	5,303,513
Total liabilities	222,943,582	66,857,836	289,801,418	10,126,268
DEFERRED INFLOWS OF RESOURCES				
OPEB	2,039,407	-	2,039,407	-
Pension	37,188,755	1,459,835	38,648,590	-
Taxes collected for subsequent year	136,822	-	136,822	-
Lease	106,569	96,818	203,387	-
Deferred gain on refunding	1,824,738	547,690	2,372,428	-
Total deferred inflows of resources	41,296,291	2,104,343	43,400,634	-
NET POSITION				
Net investment in capital assets	264,658,557	56,085,120	320,743,677	2,387,312
Restricted for:				
General government	2,433,410	-	2,433,410	-
Highways and streets	10,803,596	-	10,803,596	-
Public safety	3,004,545	-	3,004,545	-
Culture and recreation	725,595	-	725,595	-
Health	1,970,838	-	1,970,838	-
Net pension asset	1,780,534	-	1,780,534	-
Operating deficit escrow	-	-	-	49,152
Rent-up	-	-	-	102,696
Debt service	11,136,325	6,402,591	17,538,916	-
Landfill closure	-	3,504,764	3,504,764	-
Unrestricted (Deficit)	119,110,621	43,749,226	162,859,847	(868,622)
Total net position	$ 415,624,021	$ 109,741,701	$ 525,365,722	$ 1,670,538

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

OLMSTED COUNTY
STATEMENT OF ACTIVITES
FOR THE YEAR ENDED DECEMBER 31, 2025

		Program Revenues			Net (Expense) Revenue and Changes in Net Position			Discretely Presented Component Unit
					Primary Government			Component Unit
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	Trailside Apartments LP
Primary Government								
Governmental activities:								
General government	$ 15,149,881	$ 3,758,429	$ 2,796,704	$ -	$ (8,594,748)		$ (8,594,748)	
Public safety	70,274,240	12,529,344	2,299,841	-	(55,445,055)		(55,445,055)	
Conservation of natural resources	1,971,313	938,846	59,345	-	(973,122)		(973,122)	
Economic development	95,000	-	-	-	(95,000)		(95,000)	
Highways and streets	30,208,103	1,027,953	16,366,117	2,638,266	(10,175,767)		(10,175,767)	
Health	16,165,039	2,591,676	5,929,976	-	(7,643,387)		(7,643,387)	
Human services	102,716,890	11,185,572	46,537,195	-	(44,994,123)		(44,994,123)	
Culture and recreation	8,268,177	1,275,167	354,117	4,870,164	(1,768,729)		(1,768,729)	
Interest	2,902,889	-	-	-	(2,902,889)		(2,902,889)	
Total governmental activities	247,751,532	33,306,987	74,343,295	7,508,430	(132,592,820)		(132,592,820)	
Business-Type activities:								
Waste Management	24,530,460	28,098,842	643,013	-		$ 4,211,395	4,211,395	
Olmsted County HRA	20,521,800	5,298,295	10,285,110	308,425		(4,629,970)	(4,629,970)	
Sanitary Sewer	128,714	114,192	-	-		(14,522)	(14,522)	
Total business-type activities:	45,180,974	33,511,329	10,928,123	308,425		(433,097)	(433,097)	
Total primary government	$ 292,932,506	$ 66,818,316	$ 85,271,418	$ 7,816,855	(132,592,820)	(433,097)	(133,025,917)	
Discretely Presented Component Unit								
Trailside Apartments LP	$ 442,869	$ 56,531	$ 57,140	$ 1,998,397				$ 1,669,199
		General Revenues						
		Property taxes			132,094,158	5,124,100	137,218,258	-
		Sales taxes			19,003,358	-	19,003,358	-
		Wheelage taxes			1,489,688	-	1,489,688	-
		Unrestricted state aids and grants			13,010,357	16,305	13,026,662	-
		Payments in lieu of tax			181,805	-	181,805	-
		Investment income			13,498,041	2,013,000	15,511,041	1,339
		Transfers			(626,178)	626,178	-	-
		Total general revenues and transfers			178,651,229	7,779,583	186,430,812	1,339
		Change in net position			46,058,409	7,346,486	53,404,895	1,670,538
		Net position, beginning balance			369,565,612	102,395,215	471,960,827	-
		Net position, ending balance			$ 415,624,021	$ 109,741,701	$ 525,365,722	$ 1,670,538

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

OLMSTED COUNTY
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2025

	General Fund	Special Revenue Funds: Infrastructure Fund	Special Revenue Funds: Health and Human Services Fund	Special Revenue Funds: Opioid Settlement Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
ASSETS							
Cash, deposits and investments	$ 103,683,342	$ 21,365,827	$ 13,550,001	$ 1,970,838	$ 7,571,218	$ 11,038,410	$ 159,179,636
Cash and investments held by trustee	295,481	-	-	-	-	-	295,481
Accounts receivable, net	163,500	190	970,690	-	-	35,049	1,169,429
Delinquent taxes	673,502	104,424	701,671	-	81,070	990	1,561,657
Accrued interest	2,408,575	-	-	-	-	-	2,408,575
Advances/loans	90,790	-	-	-	-	-	90,790
Due from other funds	11,400	-	-	-	-	-	11,400
Advances to other funds	436,000	-	-	-	-	-	436,000
Due from other governments	2,764,735	8,291,253	9,175,390	-	-	4,744,453	24,975,831
Inventories	-	583,666	-	-	-	-	583,666
Prepaid items	2,184,462	32,753	8	-	-	-	2,217,223
Total assets	$ 112,711,787	$ 30,378,113	$ 24,397,760	$ 1,970,838	$ 7,652,288	$ 15,818,902	$ 192,929,688
LIABILITIES							
Accounts payable	$ 1,100,117	$ 120,764	$ 1,185,729	$ -	$ -	$ -	$ 2,406,610
Salaries payable	2,268,400	347,001	2,916,349	-	-	-	5,531,750
Contracts payable	-	2,578,276	-	-	-	2,961,284	5,539,560
Accrued liabilities	79,634	-	-	-	-	-	79,634
Due to other funds	-	-	75,903	-	-	-	75,903
Due to other governments	545,861	213,064	1,071,829	-	-	327,520	2,158,274
Unearned revenue	676,470	10,312,560	427,224	-	-	300,000	11,716,254
Total liabilities	4,670,482	13,571,665	5,677,034	-	-	3,588,804	27,507,985
DEFERRED INFLOWS OF RESOURCES							
Taxes collected for subsequent year	59,008	9,149	61,475	-	7,103	87	136,822
Unavailable revenue - taxes	593,184	91,971	617,990	-	71,402	872	1,375,419
Unavailable revenue - other	618,286	4,859,669	3,171,015	-	-	4,744,453	13,393,423
Total deferred inflows of resources	1,270,478	4,960,789	3,850,480	-	78,505	4,745,412	14,905,664
FUND BALANCES							
Nonspendable	2,620,462	616,419	8	-	-	-	3,236,889
Restricted	6,163,550	10,288,712	-	1,970,838	7,573,783	4,033,112	30,029,995
Assigned	34,180,715	940,528	14,870,238	-	-	3,451,574	53,443,055
Unassigned	63,806,100	-	-	-	-	-	63,806,100
Total fund balances	106,770,827	11,845,659	14,870,246	1,970,838	7,573,783	7,484,686	150,516,039
Total liabilities, deferred inflows of resources and fund balance	$ 112,711,787	$ 30,378,113	$ 24,397,760	$ 1,970,838	$ 7,652,288	$ 15,818,902	$ 192,929,688

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

OLMSTED COUNTY
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO GOVERNMENTAL
ACTIVITIES STATEMENT OF NET POSITION
DECEMBER 31, 2025

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

Fund balances - total governmental funds		$ 150,516,039
Capital assets used in governmental activities are not financial resources and, therefore are not reported in the funds.		
Governmental funds capital assets	548,778,416	
Accumulated depreciation/amortization on governmental funds capital assets	(232,799,009)	315,979,407
Deferred outflows of resources resulting from pension obligations are not reported in governmental funds		16,954,218
Net pension assets are not available to pay for current period expenditures therefore, are not reported in in governmental funds.		1,780,534
Revenue earned for receivables that are not currently available and reported as deferred inflows of resources in governmental funds.		14,768,842
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.		56,569,667
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in in governmental funds.		
General obligation bonds	(66,977,260)	
Debt issuance premiums	(2,883,007)	
Deferred gain on refunding	(1,183,552)	
Financed purchase	(770,119)	
Information technology subscription payable	(1,394,583)	
Net pension liability	(34,426,828)	
Accrued interest payable	(891,750)	(108,527,099)
Deferred inflows resulting from pension obligations are not due in the current period and, therefore not reported in governmental funds.		(32,417,587)
Net position of governmental activities		$ 415,624,021

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, 2025

	General Fund	Special Revenue Funds: Infrastructure Fund	Special Revenue Funds: Health and Human Services Fund	Special Revenue Funds: Opioid Settlement Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
Revenues:							
Property taxes	$ 56,926,744	$ 8,812,901	$ 59,226,376	$ -	$ 6,847,202	$ 83,755	$ 131,896,978
Sales taxes	-	18,934,067	-	-	-	-	18,934,067
Wheelage taxes	-	1,489,688	-	-	-	-	1,489,688
Licenses and permits	1,425,085	-	916,254	-	-	-	2,341,339
Intergovernmental revenue	16,006,434	20,607,853	52,266,894	120,000	-	1,892,950	90,894,131
Charges for services	15,762,865	1,071,593	12,138,326	-	-	-	28,972,784
Fines and forfeits	10,368	-	-	-	-	-	10,368
Gifts and contributions	188,341	-	750	-	-	-	189,091
Investment income	11,313,186	-	-	76,178	250,326	289,294	11,928,984
Other	1,493,763	255,321	239,177	426,271	-	3,750	2,418,282
Total revenues	103,126,786	51,171,423	124,787,777	622,449	7,097,528	2,269,749	289,075,712
Expenditures:							
Current							
General government	13,045,968	-	-	-	-	-	13,045,968
Public safety	74,112,773	-	-	-	-	-	74,112,773
Conservation of natural resources	2,028,118	-	-	-	-	-	2,028,118
Economic development	95,000	-	-	-	-	-	95,000
Highways and streets	-	38,392,284	-	-	-	-	38,392,284
Health	-	-	16,772,487	37,832	-	-	16,810,319
Human services	-	-	105,941,947	-	-	-	105,941,947
Culture and recreation	6,580,449	-	-	-	-	-	6,580,449
Other	2,252,182	-	-	-	-	-	2,252,182
Capital Outlay							
Public safety	-	-	-	-	-	1,560,127	1,560,127
Highway and streets	-	-	-	-	-	1,988,304	1,988,304
Culture and recreation	-	-	-	-	-	18,448,098	18,448,098
Debt service							
Principal	414,240	139,545	-	-	21,936,083	-	22,489,868
Interest and fiscal charges	10,134	7,780	-	-	2,235,334	-	2,253,248
Total expenditures	98,538,864	38,539,609	122,714,434	37,832	24,171,417	21,996,529	305,998,685
Excess (deficiency) of revenues over expenditures	4,587,922	12,631,814	2,073,343	584,617	(17,073,889)	(19,726,780)	(16,922,973)
Other financing sources (uses):							
Transfers in	2,013,236	10,000	734,545	-	3,522,595	12,621,110	18,901,486
Transfers out	(10,800,763)	(3,535,048)	(622,263)	(470,829)	(5,024,117)	-	(20,453,020)
Issuance of debt	-	-	-	-	-	5,031,372	5,031,372
Premium on bonds	-	-	-	-	-	374,878	374,878
Inception of subscription	397,865	-	-	-	-	-	397,865
Sale of capital assets	5,209	-	-	-	-	58,568	63,777
Total other financing sources (uses)	(8,384,453)	(3,525,048)	112,282	(470,829)	(1,501,522)	18,085,928	4,316,358
Net change in fund balances	(3,796,531)	9,106,766	2,185,625	113,788	(18,575,411)	(1,640,852)	(12,606,615)
Fund balances - beginning	110,567,358	2,738,893	12,684,621	1,857,050	26,149,194	9,125,538	163,122,654
Fund balances - ending	$ 106,770,827	$ 11,845,659	$ 14,870,246	$ 1,970,838	$ 7,573,783	$ 7,484,686	$ 150,516,039

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 GOVERNMENTAL ACTIVITIES STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2025

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

Net change in fund balances - total governmental funds		$ (12,606,615)
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.		1,270,211
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.	21,996,529	
Some items reported as current expenditures in the fund financial statements are capitalized in the government-wide financial statements.	16,698,220	
Capital assets transferred from internal service funds not reported in the funds	1,744	
Disposal of capital outlays reported as revenues in the funds	(35,468)	
Depreciation/amortization expense related to the capital outlays reported as expenditures in the funds	(12,973,377)	25,687,648
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	(5,031,372)	
Proceeds from premium on bonds reported as other financing sources	(374,878)	
Inception of subscription software reported as other financing sources	(397,865)	
Payment of bond principal reported as expenditures	21,936,083	
Payment on information technology subscriptions reported as expenditure	403,922	
Payment on financed purchase reported as expenditure	149,863	16,685,753
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	4,872,169	
Change in net pension asset	1,780,534	
Change in deferred outflows	(3,244,193)	
Change in deferred inflows	7,963,705	
Change in bond premiums	224,062	
Change in accrued interest payable	125,278	11,721,555
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, 2024	(11,468,985)	
Revenues not reported in the governmental funds for the year ended December 31, 2025	14,768,842	3,299,857
Change in net position of governmental activities		$ 46,058,409

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

OLMSTED COUNTY
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2025

	Business-Type Activities Enterprise Funds				Governmental Activities
	Major Waste Management Fund	Major Olmsted County HRA Fund	Nonmajor Sanitary Sewer Fund	Total Enterprise Funds	Internal Service Funds
ASSETS					
Current assets:					
Cash and cash equivalents	$ 27,663,905	$ 10,753,640	$ 96,618	$ 38,514,163	$ 64,646,317
Cash and cash equivalents on deposit:					
Restricted for debt service	5,988,485	242,841	-	6,231,326	4,956,357
HRA restricted cash	-	792,493	-	792,493	-
Restricted for construction	14,175,520	-	-	14,175,520	1,209,736
Designated for OPEB	-	-	-	-	9,601,696
Accounts receivable, net	1,862,096	2,671,073	17,554	4,550,723	359,103
Delinquent taxes	-	134,618	-	134,618	-
Notes, loans, and mortgages	-	104,932	-	104,932	-
Due from other funds	-	75,903	-	75,903	-
Due from other governments	552,880	436,666	-	989,546	40,020
Lease receivable	3,769	-	-	3,769	17,139
Inventories	3,130,556	-	-	3,130,556	-
Prepaid items	539,831	180,865	11	720,707	226,377
Total current assets	53,917,042	15,393,031	114,183	69,424,256	81,056,745
Noncurrent assets:					
Restricted assets:					
Dedicated long-term environmental care trust	6,060,459	-	-	6,060,459	-
Other assets:					
Accrued interest	-	177,779	-	177,779	-
Long-term loans	-	2,429,720	-	2,429,720	13,741
Lease receivable	93,785	-	-	93,785	96,544
Total other assets	93,785	2,607,499	-	2,701,284	110,285
Capital Assets, net:					
Land	1,725,708	4,600,869	-	6,326,577	8,875,332
Building and structures	5,690,055	17,477,168	-	23,167,223	48,780,148
Improvements other than buildings	1,780,148	1,378,715	-	3,158,863	661,018
Equipment	62,589,807	1,235,578	-	63,825,385	4,416,328
Software	-	-	-	-	365,246
Infrastructure	-	-	1,448,731	1,448,731	1,149,552
Intangible right-to-use lease equipment	-	-	-	-	555,372
Intangible right-to-use subscription software	-	-	-	-	2,562,905
Construction in progress	2,294,161	167,944	-	2,462,105	857,910
Total capital assets, net	74,079,879	24,860,274	1,448,731	100,388,884	68,223,811
Total noncurrent assets	80,234,123	27,467,773	1,448,731	109,150,627	68,334,096
Total assets	134,151,165	42,860,804	1,562,914	178,574,883	149,390,841
DEFERRED OUTFLOWS OF RESOURCES					
OPEB	-	-	-	-	1,030,424
Pension	573,597	-	-	573,597	1,874,685
Deferred charges on bonds	-	2,800	-	2,800	-
Total deferred outflows of resources	573,597	2,800	-	576,397	2,905,109
LIABILITIES					
Current liabilities:					
Accounts payable and other current liabilities	408,804	433,170	1,386	843,360	484,735
Salaries payable	363,987	94,554	-	458,541	1,247,559
Contracts payable	307,488	-	-	307,488	220,113
Accrued interest payable	395,290	2,595	-	397,885	560,941
Due to other funds	-	-	11,400	11,400	-
Due to other governments	27,580	146,128	4,612	178,320	362,633
Unearned revenue	17,851	246,334	-	264,185	237,361
Total OPEB liability	-	-	-	-	458,635
Compensated absences	660,740	-	-	660,740	11,277,682
Outstanding claims	-	-	-	-	1,657,901
Lease payable	-	-	-	-	238,460
Information technology subscription payable	-	-	-	-	1,494,092
Mortgages payable	-	2,676,095	-	2,676,095	-
Bonds payable	6,830,000	115,000	-	6,945,000	4,012,628
Total current liabilities	9,011,740	3,713,876	17,398	12,743,014	22,252,740
Noncurrent liabilities:					
Accrued interest payable	-	290,000	-	290,000	-
Tenant escrow	-	18,071	-	18,071	-
Total OPEB liability	-	-	-	-	9,143,061
Net pension liability	2,299,350	-	-	2,299,350	7,514,950
Compensated absences	296,593	-	-	296,593	7,366,260
Outstanding claims	-	-	-	-	1,143,826
Advances from other funds	-	123,900	312,100	436,000	-
Lease payable	-	-	-	-	1
Information technology subscription payable	-	-	-	-	717,747
Accrued closure and postclosure payable	2,555,695	-	-	2,555,695	-
Mortgages payable	-	10,262,153	-	10,262,153	-
Bonds payable	38,404,039	321	-	38,404,360	40,029,368
Total noncurrent liabilities	43,555,677	10,694,445	312,100	54,562,222	65,915,213
Total liabilities	52,567,417	14,408,321	329,498	67,305,236	88,167,953
DEFERRED INFLOWS OF RESOURCES					
OPEB	-	-	-	-	2,039,407
Pension	1,459,835	-	-	1,459,835	4,771,168
Lease	96,818	-	-	96,818	106,569
Deferred gain on refunding	547,690	-	-	547,690	641,186
Total deferred inflows of resources	2,104,343	-	-	2,104,343	7,558,330
NET POSITION					
Net investment in capital assets	42,166,182	12,470,207	1,448,731	56,085,120	22,079,952
Restricted for:					
Debt service	5,593,195	809,396	-	6,402,591	4,416,694
Landfill closure	3,504,764	-	-	3,504,764	-
Unrestricted	28,788,861	15,175,680	(215,315)	43,749,226	30,073,021
Total net position	$ 80,053,002	$ 28,455,283	$ 1,233,416	$ 109,741,701	$ 56,569,667

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

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STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

PROPRIETARY FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2025

	Business-Type Activities Enterprise Funds				Governmental Activities
	Major Waste Management Fund	Major Olmsted County HRA Fund	Nonmajor Sanitary Sewer Fund	Total Enterprise Funds	Internal Service Funds
Operating revenues:					
Charges for services	$ 27,849,891	$ 5,298,295	$ 114,192	$ 33,262,378	$ 82,720,253
Intergovernmental operating grants	-	10,285,110	-	10,285,110	-
Other	214,923	-	-	214,923	1,122,298
Total operating revenues	28,064,814	15,583,405	114,192	43,762,411	83,842,551
Operating expenses:					
Personnel services	8,263,169	2,250,192	-	10,513,361	28,578,802
Consultants and professional services	1,199,081	-	-	1,199,081	35,121,840
Repairs and maintenance	2,552,853	1,194,487	11,016	3,758,356	7,041,689
Other services and charges	3,481,470	4,421,080	12,196	7,914,746	5,054,206
Supplies	1,868,673	-	-	1,868,673	465,123
Utilities	521,028	370,536	64,845	956,409	1,634,823
Depreciation and amortization	6,305,597	896,405	26,441	7,228,443	6,816,544
Housing assistance payments	-	10,179,194	-	10,179,194	-
Landfill closure and postclosure expense	79,362	-	-	79,362	-
Total operating expenses	24,271,233	19,311,894	114,498	43,697,625	84,713,027
Operating income (loss)	3,793,581	(3,728,489)	(306)	64,786	(870,476)
Nonoperating revenues (expenses):					
Property taxes	-	5,124,100	-	5,124,100	-
Intergovernmental revenue	635,820	308,425	-	944,245	761,240
Gifts and contributions	23,498	-	-	23,498	-
Contributions to component unit	-	(1,163,059)	-	(1,163,059)	-
Investment income	1,574,545	433,088	5,367	2,013,000	1,569,057
Gain (loss) on disposal of capital assets	(2,181)	-	-	(2,181)	(221,167)
Lease revenue	34,028	-	-	34,028	267,497
Insurance recoveries	-	-	-	-	6,712
Interest expense	(137,135)	(46,847)	(14,216)	(198,198)	(1,160,719)
Bond issuance costs and fiscal charges	(119,911)	-	-	(119,911)	(7,289)
Total nonoperating revenues (expenses)	2,008,664	4,655,707	(8,849)	6,655,522	1,215,331
Income (loss) before transfers	5,802,245	927,218	(9,155)	6,720,308	344,855
Transfers					
Transfers in	-	622,263	3,915	626,178	975,000
Transfers out	-	-	-	-	(49,644)
Total transfers	-	622,263	3,915	626,178	925,356
Change in net position	5,802,245	1,549,481	(5,240)	7,346,486	1,270,211
Net position - beginning	74,250,757	26,905,802	1,238,656	102,395,215	55,299,456
Net position - ending	$ 80,053,002	$ 28,455,283	$ 1,233,416	$ 109,741,701	$ 56,569,667

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, 2025

	Business-Type Activities Enterprise Funds				Governmental Activities
	Major Waste Management Fund	Major Olmsted County HRA Fund	Nonmajor Sanitary Sewer Fund	Total Enterprise Funds	Internal Service Funds
Cash flows from operating activities:					
Receipts from customers and users	$ 27,241,497	$ 6,315,314	$ 112,699	$ 33,669,510	$ 3,133,273
Receipts from transactions with other funds	740,907	-	-	740,907	79,791,589
Payments to suppliers	(10,087,330)	(16,455,425)	(78,514)	(26,621,269)	(46,265,041)
Payments to employees	(6,671,153)	(2,146,185)	-	(8,817,338)	(29,729,810)
Payments to other funds for services provided	(2,285,755)	-	(11,273)	(2,297,028)	(2,396,502)
Other receipts	214,923	10,589,763	-	10,804,686	1,092,398
Net cash flows from operating activities	9,153,089	(1,696,533)	22,912	7,479,468	5,625,907
Cash flows from noncapital financing activities:					
Property taxes	-	5,091,025	-	5,091,025	-
Payments on rehab loans	-	2	-	2	-
Contributions to component unit	-	(1,163,059)	-	(1,163,059)	-
Non-operating lease receipts	43,248	-	-	43,248	277,535
Gifts and contributions	23,498	-	-	23,498	-
Transfers in	-	622,263	3,915	626,178	975,000
Intergovernmental grants received	635,820	-	-	635,820	761,240
Transfers out	-	-	-	-	(49,644)
Net cash flows from noncapital financing activities	702,566	4,550,231	3,915	5,256,712	1,964,131
Cash flows from capital and related financing activities:					
Intergovernmental capital grants received	-	308,425	-	308,425	-
Acquisitions of capital assets	(3,262,029)	(1,475,133)	-	(4,737,162)	(1,744,871)
Proceeds from sale of capital assets	15,499	-	-	15,499	34,639
Insurance recoveries	-	-	-	-	6,712
Lease and subscription payments	-	-	-	-	(1,659,578)
Bond proceeds	15,117,859	-	-	15,117,859	858,132
Payments on bond issue costs and fiscal charges	(119,911)	-	-	(119,911)	(7,289)
Principal paid	(6,570,000)	(175,053)	(11,000)	(6,756,053)	(12,188,917)
Interest paid	(641,973)	(32,940)	(14,216)	(689,129)	(1,581,316)
Net cash flows from capital and related financing activities	4,539,445	(1,374,701)	(25,216)	3,139,528	(16,282,488)
Cash flows from investing activities:					
Interest on investments	1,574,545	433,088	5,367	2,013,000	1,617,636
Withdrawals of restricted assets	-	-	-	-	8,575,145
Net cash flows from investing activities	1,574,545	433,088	5,367	2,013,000	10,192,781
Net increase in cash and cash equivalents	15,969,645	1,912,085	6,978	17,888,708	1,500,331
Cash and cash equivalents - January 1	37,918,724	9,876,889	89,640	47,885,253	78,913,775
Cash and cash equivalents - December 31	$ 53,888,369	$ 11,788,974	$ 96,618	$ 65,773,961	$ 80,414,106
Displayed on Proprietary Funds Statement of Net Position as:					
Cash and cash equivalents	$ 27,663,905	$ 10,753,640	$ 96,618	$ 38,514,163	$ 64,646,317
Cash and cash equivalents on deposit:					
Restricted for debt service	5,988,485	242,841	-	6,231,326	4,956,357
HRA restricted cash	-	792,493	-	792,493	-
Restricted for construction	14,175,520	-	-	14,175,520	1,209,736
Designated for OPEB	-	-	-	-	9,601,696
Restricted - dedicated long-term environmental care trust	6,060,459	-	-	6,060,459	-
Total cash and cash equivalents	$ 53,888,369	$ 11,788,974	$ 96,618	$ 65,773,961	$ 80,414,106
Reconciliation of operating income (loss) to net cash flows from operating activities:					
Operating income (loss)	$ 3,793,581	$ (3,728,489)	$ (306)	$ 64,786	$ (870,476)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:					
Depreciation and amortization	6,305,597	896,405	26,441	7,228,443	6,816,544
Changes in pension amounts	(670,891)	-	-	(670,891)	(2,181,026)
Changes in OPEB amounts	-	-	-	-	20,962
Deferred forgivable debt	-	(17,500)	-	(17,500)	-
Landfill closure and postclosure expense	79,362	-	-	79,362	-
(Increase) decrease in assets					
Accounts receivable	237,062	(1,046,892)	(1,493)	(811,323)	245,064
Due from other governments	(82,217)	322,153	-	239,936	(21,707)
Long-term loans receivable	-	(295,580)	-	(295,580)	-
Inventories	(642,893)	-	-	(642,893)	-
Prepaid items	189,693	(2,961)	(2)	186,730	273,633
Payments for assets held for sale	-	2,674,103	-	2,674,103	-
Increase (decrease) in liabilities					
Accounts payable and other current liabilities	90,212	(425,343)	(6,307)	(341,438)	(533,810)
Salaries payable	45,719	94,554	-	140,273	132,503
Contracts payable	-	-	-	-	28,036
Due to other governments	(101,237)	(88,711)	4,579	(185,369)	274,190
Outstanding claims	-	-	-	-	391,011
Total OPEB liability	-	-	-	-	202,116
Compensated absences	(68,567)	-	-	(68,567)	897,515
Unearned revenue	(22,332)	(78,272)	-	(100,604)	(48,648)
Total adjustments	5,359,508	2,031,956	23,218	7,414,682	6,496,383
Net cash flows from operating activities	$ 9,153,089	$ (1,696,533)	$ 22,912	$ 7,479,468	$ 5,625,907
Non-cash transaction information:					
The interest expense includes amounts for amortization of bond discounts and premiums and deferred amounts	$ 634,680	$ (5,947)	$ -	$ 628,733	$ 243,401
Contracts/accounts payable included in capital assets	547,600	-	-	547,600	151,607
Acquisition of capital assets by subscription payable	-	-	-	-	(676,404)
Forgiveness of note payable	-	17,500	-	17,500	-

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

OLMSTED COUNTY
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2025

	Representative Payee Private-Purpose Trust Fund	Custodial Funds
ASSETS		
Cash, deposits, and investments	$ 267,440	$ 12,793,068
Taxes receivable for other governments	-	4,130,442
Special assessments receivable	-	364,792
Accounts receivable, net	-	104,600
Due from other governments	-	1,086,344
Prepaid items	-	32,586
Total assets	267,440	18,511,832
LIABILITIES		
Accounts payable	-	4,428,340
Due to other governments	-	4,264,735
Unearned revenue	-	339,468
Total liabilities	-	9,032,543
DEFERRED INFLOWS OF RESOURCES		
Advanced contributions	-	2,459,401
NET POSITION		
Restricted for:		
Individuals, organizations, and governments	$ 267,440	$ 7,019,888

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, 2025

	Representative Payee Private-Purpose Trust Fund	Custodial Funds
ADDITIONS		
Contributions:		
Individuals	$ 1,941,868	$ 386,283
Members	-	8,775,502
Others	-	1,613,600
Interest, dividends, other	4,993	190,310
Property tax collections for other governments	-	295,400,747
Other tax collections for other governments	-	8,193,470
Grant collections for other governments and organizations	-	10,211,803
Fee collections for other governments and organizations	-	1,975,803
Fines and forfeits collections for other governments and organizations	-	547,737
Miscellaneous	-	2,626,811
Total additions	1,946,861	329,922,066
DEDUCTIONS		
Beneficiary payments to individuals	1,912,024	-
Payments of property tax to other governments	-	291,249,457
Payments to state	-	10,400,582
Administrative expenses	76,775	698,228
Payments to other entities	-	26,578,876
Total deductions	1,988,799	328,927,143
Net increase (decrease) in fiduciary net position	(41,938)	994,923
Net position - beginning	309,378	6,024,965
Net position - ending	$ 267,440	$ 7,019,888

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

Notes to the Financial Statements

OLMSTED COUNTY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025

GUIDE TO NOTES

NOTE 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.

Financial Reporting Entity

Olmsted County was established February 20, 1855, and is an organized county having the powers, duties, and privileges granted counties by Minn. Stat. Ch 373. The County is governed by a seven-member Board of Commissioners elected from districts within the County. The Board is organized with a chair and vice chair elected at the annual meeting in January of each year. The blended component units and a discretely presented component unit are included in the County's reporting entity because of their relationships with the County, as described below.

Component units are reported using one of three methods, discrete presentation, blended, or fiduciary. Generally, component units should be discretely presented in a separate column in the financial statements. A component unit should be reported as part of the primary government using the blending method if it meets any one of the following criteria: (1) the primary government and the component unit have substantially the same governing body and a financial benefit or burden relationship exists, (2) the primary government and the component unit have substantially the same governing body and management of the primary government has operational responsibility for the component unit, (3) the component unit serves or benefits, exclusively or almost exclusively, the primary government rather than its citizens, or (4) the total debt of the component unit will be paid entirely or almost entirely from resources of the primary government.

Blended Component Units

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. 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. Separately issued Olmsted County Housing and Redevelopment Authority financial statements can be obtained by contacting Karla Strain, karla.strain@olmstedcounty.gov, (507) 328-6369.

Olmsted County Building Authority - A board consisting of the seven members of the County Board of Commissioners governs the Olmsted County Building Authority (Building Authority). The Building Authority was created by Olmsted County 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. In 2023, the County Board voted to use the Building Authority to hold title to some of the Olmsted County Housing and Redevelopment Authority housing assets.

The Building Authority will remain available to Olmsted County as needed in connection with its need for alternative funding arrangements for capital improvements. 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.

Discretely Presented Component Unit

Trailside Apartments Limited Partnership (the Partnership) – While part of the reporting entity, the discretely presented component unit is presented in a separate column in the government-wide financial statements to emphasize it is a legally separate organization from the County. The partnership was formed on June 11, 2024, under Minnesota Uniform Limited Partnership Act, to acquire, construct, own, and operate a 36-unit affordable housing development located in Rochester, Minnesota (the project). The project was acquired in October 2024, and construction was substantially completed in September 2025. These financial statements cover the period from October 1, 2024 through December 31, 2025. All subsequent statements will have a fiscal year end of December 31. The Partnership participates in the federal housing tax credit program, which imposes restrictions on rents and tenant income qualifications. The Partnership anticipates 2026 to be the first credit year and is required to maintain program compliance through December 31, 2040, with an additional 35-year extended use period. All units are also subject to a 20-year Rental Subsidy Agreement with the Olmsted County Housing and Redevelopment Authority (HRA), expiring in May 2045.

As of May 1, 2025, the Partnership's ownership structure consists of MHEG Fund 59, LP as the Investor Limited Partner, Midwest Housing Assistance Corporation as the Special Limited Partner, and Olmsted Holding LLC as the General Partner, whose sole member is the Olmsted County HRA. The Olmsted County HRA also served as the initial Limited Partner and project developer prior to the admission of the Investor Limited Partner. Pursuant to the partnership agreement, income, losses, and tax credits are generally allocated 99.99% to the Investor Limited Partner and 0.01% to the General Partner.

Separately issued financial statements for the Partnership can be obtained by contacting Karla Strain, karla.strain@olmstedcounty.gov, (507) 328-6369.

Jointly Governed Organizations

The County participates in jointly governed organizations described in Note 9.

Measurement Focus, Basis of Accounting, and Basic Financial Statements

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

The government-wide, proprietary, 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 government-wide financial statements (the statement of net position and the statement of activities) display information about the primary government and its component units. These statements include the financial activities of the overall County government, except for fiduciary activities. The effect of interfund activity has been eliminated from these statements; the exception being the interfund charges of proprietary funds services so as not to distort the reporting of direct costs and program revenues. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely on fees and charges for support.

In the government-wide statement of net position, both governmental and business-type activities columns: (a) are presented on a consolidated basis by column; and (b) are reported using an economic resources measurement focus and the accrual basis of accounting, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The County's net position is reported in three parts: 1) net investment in capital assets, (2) restricted net position, and (3) unrestricted net position. The County first utilizes restricted resources to finance qualifying activities.

The statement of activities demonstrates the degree to which the direct expenses of each function of the County's governmental activities and business-type activities are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or activity. Program revenues include (1) fees, fines, and charges paid by recipients of goods, services, or privileges provided by a given function or activity; and (2) grants and contributions restricted to meeting the operational or capital requirements of a particular function or activity. Revenues not classified as program revenues, including all taxes, are presented 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

The fund financial statements provide information about the County's funds, including fiduciary funds. Separate financial statements for each fund category (governmental, proprietary, and fiduciary) are presented. The emphasis of governmental and proprietary fund financial statements is on major individual governmental funds and enterprise funds, with each displayed 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.

Governmental fund financial statements are reported using modified accrual basis of accounting. 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, money 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.

Proprietary fund financial statements are reported using the accrual basis of accounting. 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 expenses, 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.

The County reports the following major governmental funds:

The General Fund is the County's primary operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund.

The Infrastructure Special Revenue Fund is 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.

The Health and Human Services Special Revenue Fund is 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, veteran services, and public health.

The Opioid Settlement Special Revenue Fund is used to account for revenues from the National Opioid Settlement Fund for forward-looking strategies, programming, and services to abate the opioid epidemic.

The Debt Service Fund is used to account for the servicing of general long-term debt not being financed by proprietary funds.

The Capital Projects Fund is 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:

The Waste Management Fund is used to account for financial activities related to the waste to energy facility, landfill, and resource recovery.

The Olmsted County HRA Fund is 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:

The Sanitary Sewer Fund is used to account for the financial activities related to the sewage collection and treatment system serving the Chester Heights area.

Additionally, the County reports the following fund types:

The Internal Service Funds are used to account for various employee insurances and benefits, centralized office services, computer services, and building functions.

The Private Purpose Trust Fiduciary Fund is used to account for representative payee collections and beneficiary payments.

The Custodial Fiduciary Funds are 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.

Reconciliation from Fund Statements to Government-Wide Statements

The governmental funds' Balance Sheet is followed by 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.

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, Net Position, and Fund Balances

Cash, Cash Equivalents, Deposits, and 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, 2025, 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 $11,920,082 for 2025, $7,920,513 of which was not allocated to other funds. For 2025, a $3,326,191 unrealized gain 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.

Olmsted County invests in an external investment pool, the Minnesota Association of Governments Investing for Counties (MAGIC) Fund, which is created under a joint powers agreement pursuant to Minnesota Statute 471.59. The investment in the pool is measured at the net asset value (NAV) per share provided by the pool.

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

Taxes Receivables

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

Real estate and personal property taxes are payable in two equal installments, the first half on May 15 and the second half on October 15. Second half real estate taxes on agricultural property may be paid until November 15 without penalty. The County levies and collects property taxes and special assessments for all governmental units within the County. The County is required by Minnesota 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 are 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 is measured at the value of the lease receivable adjusted for lease payments received at or before the commencement of the lease term. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

The County’s estimated incremental borrowing rate is used as the discount rate for leases. The lease term is the noncancellable period of the lease. Lessee fixed payments are used to measure lease receivables.

Due from/to Other Funds and Advances to/from Other Funds

In the fund financial statements, current portions of interfund loans are reported in "Due from/to other funds" and noncurrent portions of interfund loans are reported in "Advances to/from other funds". In governmental fund financial statements, current portions of interfund loans are considered available spendable resources and noncurrent portions of interfund loans do not constitute available spendable resources and are reported as nonspendable fund balance. On the government-wide statements, interfund loan balances between governmental activities and business-type activities are reported in assets as internal balances which net to zero in total. Any residual balances outstanding between the primary government and the component unit are reported in the government-wide financial statements as “due to/from primary government” and “due to/due from component unit”.

See Note 5 for fund statement details.

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.

In governmental fund financial statements, inventories and prepaid items do not constitute available spendable resources and are reported as nonspendable fund balance.

Restricted Assets

Certain funds are classified as restricted asserts on the statement of net position due to restrictions either imposed by law through constitutional provisions or enabling legislation or imposed externally by creditors, grantors, contributors, or laws or regulations of other governments.

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

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

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, dams, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide and proprietary fund financial statements. Capital assets are valued at historical cost, except for infrastructure acquired before 2003 and assets of the Building Facilities internal service fund that were transferred from the State, which are valued at estimated historical cost. 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:

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

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

Asset	Useful Life
Buildings	25 to 50 years
Improvements	4 to 25 years
Equipment	2 to 20 years

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.

Unearned Revenue

Unearned revenue is resources that have been received but not yet earned.

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. Bond payables 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.

The County uses the interest rate charged as the discount rate for lease liabilities. When the interest rate charged is not provided, the County uses its estimated borrowing rate as the discount rate. The lease term is the noncancellable period of the lease. Fixed payments plus any purchase option price the County is reasonably certain to exercise are used to measure lease liabilities.

Information Technology Subscription Liabilities

An information technology subscription liability and an information technology subscription asset are recognized at the commencement of the subscription term, unless the subscription is a short-term subscription. The information technology subscription liability is measured at the present value of payments expected to be made during the subscription term less any subscription incentives. The information technology subscription asset is measured at the amount of the initial measurement of the information technology subscription liability, plus any payments made to the vendor at or before the commencement of the lease term and initial implementation costs.

The County uses the interest rate charged as the discount rate for subscription liabilities. When the interest rate charged is not provided, the County uses its estimated borrowing rate as the discount rate. The subscription term is the noncancellable period of the subscription. Fixed payments are used to measure lease subscription liabilities.

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 $2,555,695 reported as landfill closure and post-closure care liability at December 31, 2025, represents the cumulative amount reported to date based on the use of 41 percent of the estimated capacity of the landfill. The County will recognize the remaining $3,624,482 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 2025. 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, 2025, the County has investments of $6,060,459 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 full-time equivalent.

County policy allows employees to accumulate earned but unused paid time off (PTO) to a maximum of 740 hours (prorated for part-time employees). Some union contracts authorized employees to accumulate earned but unused compensatory time. Employees no longer accrue sick leave, but some employees have a sick leave bank. Sick leave bank time can be used by employees for illness-related absences. Employees are paid fifty percent of the remaining sick leave bank hours, up to a maximum of 384 hours, at termination of employment. The entire balance of PTO and compensatory time are recognized as a liability at year end. Sick leave bank balances are recognized as a liability if it is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. The liability for compensated absences includes salary-related benefits.

The liability for such leave is reported as incurred in the government-wide and proprietary fund financial statements. The liability for governmental funds compensated absences is accounted for in the Self-Insurance Compensated Absences internal service fund. The related current year expenses are recognized in the governmental funds when earned.

Pension Plan

For purposes of measuring the net pension liability/asset, deferred outflows/inflows of resources, and pension expense, information about the fiduciary net position of the Public Employees Retirement Association (PERA) and additions to/deductions from PERA's fiduciary net position have been determined on the same basis as they are reported by PERA. For this purpose, plan contributions are recognized as of employer payroll paid dates and benefit payments, and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Fund Balance

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

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

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

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

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

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

Net Position

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

Net investment in capital assets is the amount of net position representing capital assets, net of accumulated depreciation and amortization, and reduced by outstanding debt attributed to the acquisition, construction, or improvement of the assets.

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	$ 384,203,218	$ 100,388,884	$ 484,592,102
Less: debt			
Total bonds payable	(109,330,000)	(43,760,000)	(153,090,000)
Total bond premiums	(4,572,263)	(1,589,360)	(6,161,623)
Total mortgages payable	-	(12,938,248)	(12,938,248)
Total financed purchase payable	(770,119)	-	(770,119)
Total contracts payable - capital related	(5,715,238)	(307,488)	(6,022,726)
Total lease payable - capital related	(238,461)	-	(238,461)
Total Subscription payable - capital related	(3,606,422)	-	(3,606,422)
Total deferred gain on refunding	(1,824,738)	(547,690)	(2,372,428)
Total deferred charge on refunding (net)	-	2,800	2,800
Add back: non-capital related debt			
Various mortgages in HRA Enterprise Fund	-	660,702	660,702
Unused 2024A Bond proceeds	2,914,236	-	2,914,236
Unused 2025A Bond proceeds	3,598,344	14,175,520	17,773,864
Net investment in capital assets	$ 264,658,557	$ 56,085,120	$ 320,743,677

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 other governments and restrictions imposed by law through constitutional provisions or enabling legislation. The government-wide statement of net position reports $41,762,198 of restricted net position, of which $21,516,170 is restricted by enabling legislation.

Unrestricted net position is the amount of net position that does not meet the definition of restricted or net investment in capital assets.

Change in Accounting Principles

In December 2023, the Governmental Accounting Standards Board (GASB) issued Statement No. 102, *Certain Risk Disclosures.* This statement establishes financial reporting requirements for risks related to vulnerabilities due to concentrations or constraints. This standard was implemented January 1, 2025.

NOTE 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	$	201,171,826
Cash and pooled investments - restricted		38,295,805
Cash and investments held by trustee - restricted		295,481
Change and Imprest funds		126,111
Business-Type activities		
Cash and pooled investments		38,509,263
Cash and pooled investments - restricted		27,259,798
Change funds		4,900
Statement of fiduciary net position		
Cash and pooled investments		13,002,681
Change and Imprest funds - custodial funds		57,827
	$	318,723,692
Change and Imprest funds		188,838
Investments		318,534,854
	$	318,723,692

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 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

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, 2025, none of the County's deposits were subject to custodial credit risk.

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, 2025, the County's deposits were not exposed to custodial credit risk, being fully covered through collateral agreements with designated depositories.

Investments

The County may invest in the following types of investments authorized by Minnesota Statutes Section 118A.04 and 118.05:

(1) 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
(2) mutual funds through shares of registered investment companies provided the mutual fund received certain ratings depending on its investments
(3) 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
(4) time deposits that are fully insured by the Federal Deposit Insurance Corporation or bankers' acceptances of U.S. banks
(5) 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
(6) with certain restrictions, in repurchase agreements, securities lending agreements, joint powers investment trusts, and guaranteed investment contracts.

Interest Rate Risk

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.

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 Maturities (in Years)		
Investment or Deposit Type	Fair Value	Less Than 1 Year	2-3 Years	3-5 Years
U. S. Government Securities				
Fannie Mae	$ 4,636,401	$ 2,729,497	$ 1,906,904	$ -
Federal Farm Credit Bank	46,523,530	20,147,570	13,736,162	12,639,798
Federal Home Loan Bank	40,298,538	7,588,195	15,197,705	17,512,638
Federal Home Loan Discount Note	4,462,388	4,462,388		
Freddie Mac	8,068,674	-	2,753,672	5,315,002
US Treasury Bills, Bonds & Notes	124,889,152	41,208,722	53,003,066	30,677,364
Total U.S. Government Securities	228,878,683	76,136,372	86,597,509	66,144,802
Municipal Bonds				
New York NY	3,483,219	-	3,483,219	-
Wisconsin State General Fund	2,524,335	-	2,524,335	-
Total Municipal Bonds	6,007,554	-	6,007,554	-
MAGIC Term	15,000,000	15,000,000		-
Total Investments	$ 249,886,237	$ 91,136,372	$ 92,605,063	$ 66,144,802

Reconciliation to Schedule of Deposits and Investments	
Amount from above	$ 249,886,237
Mutual Funds	23,552,987
MAGIC Money Market	45,095,630
Total Investments	$ 318,534,854

Credit Risk, Custodial Credit Risk, and Concentration of Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. 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.

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, 2025, 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 following table presents the County's investment balances at December 31, 2025, and information relating to potential Credit Risk and Concentration Risk:

	Credit Risk		Concentration Risk	
Instrument Type	Credit Rating	Rating Agency	Over 5 Percent of Portfolio	Carrying (Fair) Value
U.S. Government and Gov't Agency Securities				
US Treasury Bills, Bonds & Notes			N/A	$ 124,889,152
Fannie Mae	Aa1	Moody's		4,636,401
Federal Farm Credit Bank	Aa1	Moody's	14.6%	46,523,530
Federal Home Loan Bank	Aa1	Moody's	12.7%	40,298,538
Federal Home Loan Discount Note	Aa1	Moody's		4,462,388
Freddie Mac	Aa1	Moody's		8,068,674
Total U.S. Government Securities				228,878,683
Municipal Bonds				
New York NY	Aa2	Moody's		3,483,219
Wisconsin St Gen Fund	Aa2	Moody's		2,524,335
Total Municipal Bonds				6,007,554
Mutual Funds				
Allsprings Government Money Market	Aaa-mf	Moody's	N/A	23,552,987
MAGIC Money Market	AAAm	S & P	N/A	45,095,630
MAGIC Term	AAAf	Fitch	N/A	15,000,000
				83,648,617
Total Investments				318,534,854
Change and Imprest Funds				188,838
Total Cash, Investments, and Agreements				$ 318,723,692

Fair Value of 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, 2025, Olmsted County had the following recurring fair value measurements.

	December 31, 2025	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	$ 124,889,152	$ -	$ 124,889,152
Fannie Mae	4,636,401	-	4,636,401
Federal Farm Credit Bank	46,523,530	-	46,523,530
Federal Home Loan Bank	40,298,538	-	40,298,538
Federal Home Loan Discount Note	4,462,388	-	4,462,388
Freddie Mac	8,068,674	-	8,068,674
Municipal Bonds	6,007,554	-	6,007,554
Allsprings Government Money Market	23,552,987	23,552,987	-
Total Investments included in the Fair Value Hierarchy	258,439,224	$ 23,552,987	$ 234,886,237
Investments measured at the net asset value (NAV) or amortized cost:			
MAGIC Money Market	45,095,630		
MAGIC Term	15,000,000		
Total Investments at NAV	60,095,630		
Total Investments	318,534,854		
Cash and Cash Equivalents			
Change and Imprest Funds	188,838		
Total Cash, Cash Equivalents, and Investments	$ 318,723,692		

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.

MAGIC is a local government investment pool which is quoted at a net asset value (NAV). The County invests in this pool for the purpose of the joint investments of the County's money with those of other counties to enhance the investment earnings accrued to each member. The MAGIC Fund currently consists of the MAGIC Portfolio and the MAGIC Term Series.

MAGIC Portfolio is valued using amortized cost. Shares of the MAGIC Portfolio are available to be redeemed upon proper notice without restrictions under normal operating conditions. There are no limits to the number of redemptions that can be made if the County has a sufficient number of shares to meet the redemption request. The MAGIC Fund's Board of Trustees can suspend the right of withdrawal or postpone the date of payment if the Trustee determines there is an emergency that makes the sale of the Portfolio's securities or determination of its NAV not reasonably practical.

Shares of MAGIC Term Series are purchased to mature upon pre-determined maturity dates selected by the County at the time of purchase. Should the County need to redeem shares in a MAGIC Term Series prematurely, they must provide notice at least seven days prior to the premature redemption date. The value of a premature redemption is equal to the original price for such share, plus dividends thereon, at the projected yield, less such share's allocation of any losses incurred by the series, less a premature redemption penalty, if any.

NOTE 3 - RECEIVABLES, UNEARNED AND UNAVAILABLE REVENUE

Receivables

Accounts Receivable

Receivables as of December 31, 2025, including the applicable allowances for uncollectible accounts are as follows:

	Governmental Activities	Business-Type Activities	Total
Receivables:			
Accounts Receivable, gross	$ 2,932,215	$ 4,550,723	$ 7,482,938
Less:			
Allowance for doubtful accounts	(1,403,683)	-	(1,403,683)
Net total receivables	$ 1,528,532	$ 4,550,723	$ 6,079,255

Net receivables for Governmental Activities are collectible within the year.

Lease Receivables

The Minnesota Department of Public Safety Bureau of Criminal Apprehension (BCA) entered into an agreement with the County to lease 678 square feet of building space for 5 years ending December 31, 2023. On June 1, 2023, this agreement was modified to extend the lease for an additional 5 years to December 31, 2028. Under the terms of the lease, the BCA will make monthly payments of $1,089-$1,379, increasing annually. The BCA can terminate this agreement with 30 days' notice. Termination is not considered likely. During the fiscal year, the County recorded $13,870 in lease revenue and $1,269 in interest revenue for giving the BCA the right to use County owned building space. The County used an incremental discount rate of 2.350% (.56% prior to the lease modification), 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 $189,498 in lease revenue and $754 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 $2,419 in lease revenue and $1,781 in interest 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 amended agreement with the County to lease .13 acres of land for 15 years on September 1, 2025. There is an additional five-year optional term. Either party can opt out of this optional term with 6-months' notice. Therefore, this additional optional term is cancellable and is not included in the contract value. Under the terms of the lease, UCI Towers, LLC will make 182 monthly fixed payments starting at $545 (increasing 3% every year). During the fiscal year, the County recorded $8,545 in lease revenue and $2,384 in interest revenue for giving UCI Tower, LLC the right to use County owned land. The County used an incremental discount rate of 3.13%, 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 678 square feet	1/1/2019	2.35%	138,846	12/31/2028	$ 46,473
Land 6 acres	8/21/2020	2.56%	81,965	8/20/2045	67,210
Total Governmental Activities					$ 113,683
Business-Type Activities					
Land .13 acres	9/1/2025	3.13%	98,997	10/31/2040	$ 97,554

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	Fund Statements Unavailable Revenue
Governmental Funds:			
Taxes	$ 136,822	$ 136,822	$ 1,375,419
Sales Tax	-	-	1,811,471
Licenses and permits	-	-	848
Intergovernmental	10,831,034	10,831,034	10,773,939
Charges for services	207,984	207,984	716,374
Other	677,236	677,236	90,791
Sub-total, governmental funds	11,853,076	11,853,076	14,768,842
Internal Service Funds:			
Charges for services	127,134	127,134	-
Other	110,227	110,227	-
Sub-total, internal service funds	237,361	237,361	-
Sub-total, governmental activities	12,090,437	12,090,437	14,768,842
Business-Type Activities			
Waste Management other	17,851	17,851	-
OCHRA other	246,334	246,334	-
Sub-total, business-type activities	264,185	264,185	-
Total	$ 12,354,622	$ 12,354,622	$ 14,768,842

NOTE 4 - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2025, was as follows:

Governmental Activities

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	$ 24,373,078	$ -	$ (113,497)	$ 24,259,581
Infrastructure land	41,711,571	2,943,532	-	44,655,103
Construction in progress	14,287,975	32,183,472	(15,417,847)	31,053,600
Total capital assets not being depreciated	80,372,624	35,127,004	(15,531,344)	99,968,284
Capital assets, being depreciated/amortized:				
Infrastructure	327,940,083	13,043,429	(21,103)	340,962,409
Building	185,194,120	2,054,357	(275,099)	186,973,378
Improvements other than building	11,152,830	884,888	(10,322)	12,027,396
Equipment	40,291,361	4,169,437	(1,597,874)	42,862,924
Intangible right-to-use lease - equipment	1,166,281	-	-	1,166,281
Software	9,959,497	-	-	9,959,497
Intangible right-to-use subscription software	7,176,575	1,074,269	(942,779)	7,308,065
Total capital assets being depreciated/amortized	582,880,747	21,226,380	(2,847,177)	601,259,950
Less accumulated depreciation/amortization for:				
Infrastructure	(175,439,378)	(6,924,489)	21,103	(182,342,764)
Building	(83,178,387)	(5,796,403)	196,812	(88,777,978)
Improvements other than building	(5,844,342)	(448,576)	10,322	(6,282,596)
Equipment	(24,685,991)	(3,370,681)	1,529,008	(26,527,664)
Intangible right-to-use lease - equipment	(444,297)	(166,612)	-	(610,909)
Software	(8,150,186)	(1,047,835)	-	(9,198,021)
Intangible right-to-use subscription software	(2,027,846)	(2,035,325)	778,087	(3,285,084)
Total accumulated depreciation and amortization	(299,770,427)	(19,789,921)	2,535,332	(317,025,016)
Total capital assets, being depreciated and amortized, net	283,110,320	1,436,459	(311,845)	284,234,934
Governmental activities capital assets, net	$ 363,482,944	$ 36,563,463	$ (15,843,189)	$ 384,203,218

Business-Type Activities

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	$ 6,326,577	$ -	$ -	$ 6,326,577
Construction in progress	1,763,907	1,926,074	(1,227,876)	2,462,105
Total capital assets not being depreciated	8,090,484	1,926,074	(1,227,876)	8,788,682
Capital assets, being depreciated/amortized:				
Infrastructure	1,984,227	-	-	1,984,227
Building	57,670,269	1,263,633	-	58,933,902
Improvements other than building	15,403,120	307,214	-	15,710,334
Equipment	155,546,177	1,902,837	(191,803)	157,257,211
Software	52,034	-	-	52,034
Intangible right-to-use subscription software	240,952	-	-	240,952
Total capital assets being depreciated/amortized	230,896,779	3,473,684	(191,803)	234,178,660
Less accumulated depreciation/amortized for:				
Infrastructure	(509,055)	(26,441)	-	(535,496)
Building	(34,758,277)	(1,008,402)	-	(35,766,679)
Improvements other than building	(12,165,244)	(386,227)	-	(12,551,471)
Equipment	(87,891,984)	(5,731,645)	191,803	(93,431,826)
Software	(52,034)	-	-	(52,034)
Intangible right-to-use subscription software	(165,224)	(75,728)	-	(240,952)
Total accumulated depreciation/amortization	(135,541,818)	(7,228,443)	191,803	(142,578,458)
Total capital assets, being depreciated/amortized, net	95,354,961	(3,754,759)	-	91,600,202
Business-Type activities capital assets, net	$ 103,445,445	$ (1,828,685)	$ (1,227,876)	$ 100,388,884

Depreciation and Amortization Expense

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

Governmental activities:	
General government	$ 1,164,018
Public safety	5,002,663
Conservation of natural resources	16,707
Highways and streets	9,377,485
Health	492,111
Human Services	2,306,031
Culture and recreation	1,430,906
Total depreciation/amortization expense - governmental activities	$ 19,789,921
Business-Type activities:	
Waste Management	$ 6,305,597
Olmsted County HRA	896,405
Sanitary Sewer	26,441
Total depreciation/amortization expense - business-type activities	$ 7,228,443

Construction and Other Commitments

Olmsted County has active projects as of December 31, 2025. At the end of the year, the commitments are as follows:

	Total Contract	Spent-to-date	Remaining Commitment	Funding Source
Governmental Funds:				
Infrastructure Fund				
County State Aid Highway 3 Bridge 7212	$ 2,425,939	$ -	$ 2,425,939	Local Sales Tax, Grant
County State Aid Highway 14/County Road 44 Reconstruction	6,119,231	5,871,487	247,744	Local Sales Tax, State Aid, State Bonds
County State Aid Highway 5/25	10,429,954	10,326,113	103,841	Local Sales Tax, State Aid
County Road 112 TH 63	528,735	439,936	88,799	Local Sales Tax, State Aid
County State Aid Highway 21 & TH 63	9,063,776	3,760,825	5,302,951	Local Sales Tax, State Aid
County Road 121 Bridge Relocation Consulting	127,740	62,869	64,871	State Bonds
County State Aid Highway 1 Reconstruction	359,000	129,112	229,888	Lost Sales Tax
Public Works Service Center	1,372,893	1,276,319	96,574	Local Sales Tax
Eyota Brine Shop	295,468	162,621	132,847	Local Sales Tax
Total Infrastructure Fund	30,722,736	22,029,282	8,693,454	
Capital Projects Fund				
Lake Zumbro Boat Launch and Parking Lot Rehabilitation	732,111	367,349	364,762	Grant
Arena 4 ventilation upgrades	497,800	-	497,800	Reserves
Dehumidification system	1,406,800	125,817	1,280,983	Reserves
Exhibition Center	41,933,246	8,371,075	33,562,171	Reserves/Grant
Graham Commons - support plaza and activity pad exhibition	1,568,231	705,683	862,548	Reserves/Debt
Oxbow Campground relocation	2,633,139	2,124,789	508,350	Debt/Grant
Tractor with flail	192,428	-	192,428	Reserves/Sale of Asset
Arena 3/4 geothermal replacement	111,950	-	111,950	Reserves/RYHA contribution
Historic Highway Shop restoration	146,890	120,525	26,365	Debt
Oxbow caretaker home replacement	450,930	22,769	428,161	Debt
Exhibition Center solar	133,800	66,900	66,900	Grant/Reserves
Public Works wash bay solar panels	89,189	44,595	44,594	Grant/Reserves
Public Works Service Center Main solar panels	108,570	54,285	54,285	Grant/Reserves
Oxbow Nature Center Solar Panels	130,200	65,100	65,100	Grant/Reserves
Hydroseeder	63,250	-	63,250	Reserves
Hydraulic excavator	210,102	-	210,102	Reserves/Sale of Asset
Public Works Service Center fiber	228,178	93,998	134,180	Debt/Contributions
550 pickup	31,727	-	31,727	Debt/Sale of Asset
Lake Zumbro pier upgrades and parking	343,750	162,279	181,471	Grant/Debt/Reserves
Total Capital Projects Fund	51,012,291	12,325,164	38,687,127	
Total Governmental Funds	81,735,027	34,354,446	47,380,581	
Internal Service Fund:				
Building Facilities				
Remodeling	388,809	115,081	273,728	Reserves
Enterprise Fund:				
Waste Management Fund				
Materials Recovery Facility	10,030,547	1,467,678	8,562,869	Debt
OWEF Admin Office Space	125,000	94,400	30,600	Debt
OWEF Replace 2.4KV Switchgear	55,200	-	55,200	Operations
OWEF 13.8 Bus 1 Metering/Upgrade	177,139	123,997	53,142	Operations
Environmental Resource Solid Waste Campus Planning	243,476	140,973	102,503	Operations
Total Enterprise Fund	10,631,362	1,827,048	8,804,314	
Total Commitments	$ 92,755,198	$ 36,296,575	$ 56,458,623	

NOTE 5 - INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Interfund Receivables and Payables

The following interfund receivables and payables are reported on the fund financial statements at December 31, 2025. The short-term and long-term portions of the loans are 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 amounts due to the Olmsted County HRA from the Health and Human Service Fund are for low income public housing.

	Due From Other Funds	Due to Other Funds
Governmental Funds:		
General Fund	$ 11,400	$ -
Health and Human Services	-	75,903
Total Governmental Funds	11,400	75,903
Enterprise Funds:		
Sanitary Sewer	-	11,400
Olmsted County HRA	75,903	-
Total Enterprise Funds	75,903	11,400
Total Due From and Due To Other Funds	$ 87,303	$ 87,303

	Advances To Other Funds	Advances From Other Funds
Governmental Funds:		
General Fund	$ 436,000	$ -
Enterprise Funds:		
Sanitary Sewer	-	312,100
Olmsted County HRA	-	123,900
Total Enterprise Funds	-	436,000
Total Advances To and From Other Funds	$ 436,000	$ 436,000

Interfund Transfers

Interfund transfers reported on the fund financial statements at December 31, 2025 were:

	Transfers in:							
	Governmental Funds					Proprietary Funds		
	General	Infrastructure	Health and Human Services	Debt Service	Capital Projects	Enterprise Funds	Internal Service Funds	Total transfers out
Governmental funds:								
General	$ -	$ 10,000	$ 263,716	$ -	$ 9,548,132	$ 3,915	$ 975,000	$ 10,800,763
Infrastructure	4,200	-	-	3,522,595	8,253	-	-	3,535,048
Health and Human Services	-	-	-	-	-	622,263	-	622,263
Opioid Settlement	-	-	470,829	-	-	-	-	470,829
Debt Service	2,009,036	-	-	-	3,015,081	-	-	5,024,117
Governmental funds transfers in	2,013,236	10,000	734,545	3,522,595	12,571,466	626,178	975,000	20,453,020
Proprietary funds:								
Internal Service funds	-	-	-	-	49,644	-	-	49,644
Proprietary funds transfers in	-	-	-	-	49,644	-	-	49,644
Total transfers in	$ 2,013,236	$ 10,000	$ 734,545	$ 3,522,595	$ 12,621,110	$ 626,178	$ 975,000	$ 20,502,664

	Transfers in:							
	Governmental Funds					Proprietary Funds		
	General	Infrastructure	Health and Human Services	Debt Service	Capital Projects	Enterprise Funds	Internal Service Funds	Transfers out
Reasons for interfund transfers:								
General Fund Contribution to Health and Human Services Fund for emergency Channel One funding	$ -	$ -	$ 200,000	$ -	$ -	$ -	$ -	$ 200,000
General Fund Contribution to Health and Human Services Fund for social worker	-	-	63,716	-	-	-	-	63,716
General Fund Contribution to Infrastructure Fund for furniture	-	10,000	-	-	-	-	-	10,000
General Fund Contribution to Capital Project Fund for law enforcement equipment	-	-	-	-	24,000	-	-	24,000
General Fund Contribution to Capital Projects Fund for highway equipment	-	-	-	-	185,000	-	-	185,000
General Fund Contribution to Capital Projects Fund for parks equipment and improvements	-	-	-	-	301,763	-	-	301,763
General Fund Contribution to Capital Projects Fund for graham park equipment and improvements	-	-	-	-	955,127	-	-	955,127
General Fund Contribution to Capital Projects Fund for graham park exhibition center	-	-	-	-	8,082,242	-	-	8,082,242
General Fund Contribution to Sanitary Sewer Enterprise Fund for Chester Heights Sewer	-	-	-	-	-	3,915	-	3,915
General Fund Contribution to Internal Service Fund for PENZ property clean up	-	-	-	-	-	-	200,000	200,000
General Fund Contribution to Internal Service Fund for information technology equipment improvements	-	-	-	-	-	-	345,000	345,000
General Fund contributions to Internal Service Fund for administration projects	-	-	-	-	-	-	430,000	430,000
Infrastructure Fund Contributions to General Fund Fund for unused seasonal salaries	4,200	-	-	-	-	-	-	4,200
Infrastructure Fund Contributions to Debt Service Fund for debt service	-	-	-	3,522,595	-	-	-	3,522,595
Infrastructure Fund Contribution to Capital Projects Fund for highway equipment	-	-	-	-	8,253	-	-	8,253
Opioid Settlement Fund Contribution to Health and Service Fund for Diversity, Equity, and Community Outreach salaries, benefits, and other employee costs	-	-	442,029	-	-	-	-	442,029
Opioid Settlement Fund Contribution to Health and Service Fund for Doc's Recovery House	-	-	28,800	-	-	-	-	28,800
Health and Human Services Fund Contributions to HRA Enterprise Fund for housing	-	-	-	-	-	622,263	-	622,263
Debt Service Fund Contribution to General Fund for excess unrestricted reserves	2,009,036	-	-	-	-	-	-	2,009,036
Debt Service Fund Contribution to General Fund for excess unrestricted reserves	-	-	-	-	3,015,081	-	-	3,015,081
Internal Service Fund Contributions to Capital Projects Fund for Public Safety totaled vehicle	-	-	-	-	49,644	-	-	49,644
Total transfers in	$ 2,013,236	$ 10,000	$ 734,545	$ 3,522,595	$ 12,621,110	$ 626,178	$ 975,000	$ 20,502,664

NOTE 6: LONG-TERM LIABILITIES

Bonds Payable

	General Obligation Revenue Bonds	General Obligation Bonds	Total
January 1, 2025			
Governmental activities	$ -	$ 137,625,000	$ 137,625,000
Business-Type activities	36,060,000	-	36,060,000
	36,060,000	137,625,000	173,685,000
Issued:			
Governmental activities	-	5,830,000	5,830,000
Business-Type activities	14,380,000	-	14,380,000
Retired:			
Governmental activities	-	(34,125,000)	(34,125,000)
Business-Type activities	(6,680,000)	-	(6,680,000)
December 31, 2025	$ 43,760,000	$ 109,330,000	$ 153,090,000
Balance by fund type			
Governmental activities:			
Governmental funds	$ -	$ 66,977,260	$ 66,977,260
Internal Service	-	42,352,740	42,352,740
	-	109,330,000	109,330,000
Business-Type activities:			
Enterprise funds	43,760,000	-	43,760,000
Total	$ 43,760,000	$ 109,330,000	$ 153,090,000

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

Year ending	Principal	Interest	Total
2026	$ 16,890,000	$ 4,396,873	$ 21,286,873
2027	17,545,000	4,160,776	21,705,776
2028	11,825,000	3,753,355	15,578,355
2029	11,700,000	3,383,130	15,083,130
2030	9,355,000	3,040,930	12,395,930
2031 to 2035	41,305,000	10,990,964	52,295,964
2036 to 2040	27,580,000	5,343,160	32,923,160
2041 to 2045	15,615,000	1,609,144	17,224,144
2046	1,275,000	27,094	1,302,094
Total	$ 153,090,000	$ 36,705,426	$ 189,795,426

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.

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.

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 $1,385,000 to $1,395,000 and are due annually on February 1.

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. On February 1, 2025, the remaining principal balance of $25,715,000 on the General Obligation Bonds, Series 2015A, was refunded from an escrow account created from the proceeds of the Taxable General Obligation Crossover Refunding Bonds, Series 2022A. Remaining annual installments of the bonds are $2,135,000 to $2,690,000 and are due annually beginning February 1, 2026.

A portion of 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.

A portion of the General Obligation Bonds, Series 2023A, were issued to provide financing for certain capital improvements described in the County's capital improvement plan. Remaining annual installments of $730,000 to $1,065,000 are due annually on February 1.

A portion of the General Obligation Bonds, Series 2024A, were issued to provide financing for certain capital improvements and equipment described in the County's capital improvement plan. Remaining annual installments of $665,000 to $1,080,000 are due annually on February 1.

A portion of the General Obligation Bonds, Series 2025A, were issued to provide certain capital improvements and equipment described in the County's capital improvement plan. Remaining annual installments of $185,000 to $445,000 are due annually on February 1.

The general obligation bonds outstanding are as follows:

	Date Issued	Interest Rates	Original Issue	Final Maturity	Balance
Governmental Activities					
G.O. Crossover Refunding Bonds 2016A	8/1/2016	1.50 - 5.00%	$ 15,550,000	2/1/2031	$ 7,315,000
G.O. Bonds 2019A	11/12/2019	2.25 - 3.00%	19,175,000	2/1/2040	14,195,000
G.O. Bonds 2020A	11/17/2020	1.00 - 3.00%	8,315,000	2/1/2041	6,085,000
Taxable G.O. Crossover Refunding Bonds 2021A	4/7/2021	0.25 - 1.05%	6,880,000	2/1/2027	2,780,000
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	13,720,000
G.O. Bonds 2023A	10/18/2023	4.00 - 5.00%	16,860,000	2/1/2044	15,795,000
G.O. Bonds 2024A	10/16/2024	3.50 - 5.00%	17,090,000	2/1/2045	17,090,000
G.O. Bonds 2025A	10/15/2025	4.00 - 5.00%	5,830,000	2/1/2046	5,830,000
Total Governmental Activities					$ 109,330,000

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

	Governmental Activities	
Year ending	Principal	Interest
2026	$ 9,945,000	$ 3,304,026
2027	10,350,000	3,047,960
2028	9,270,000	2,737,711
2029	9,060,000	2,445,786
2030	7,755,000	2,174,499
2031 to 2035	33,775,000	7,510,358
2036 to 2040	19,610,000	3,244,298
2041 to 2045	9,345,000	800,584
2046	220,000	4,675
Total	$ 109,330,000	$ 25,269,897

General Obligation Revenue Bonds

General Obligation Governmental Housing Refunding Bonds, Series 2010A, were issued to refund general obligation housing bonds. Remaining annual installment of $115,000 is due January 1, 2026. These bonds are payable from the pledged net revenues of the 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 $960,000 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 the 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 $360,000 to $490,000 are due annually on February 1. These bonds are payable from the pledged net revenues of the 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 $225,000 to $245,000 are due annually on February 1. These bonds are payable from the pledged net revenues of the Waste Management Enterprise Fund and backed by the full faith, credit, and taxing powers of the County.

A portion of the Taxable General Obligation Crossover Refunding Bonds, Series 2021A, were issued to crossover refund the remaining unpaid principal of the general obligation revenue bond portion of the General Obligation Crossover Refunding Bonds, Series 2012A. Remaining annual installments of $4,850,000 to $4,890,000 are due annually on February 1. These bonds are payable from the pledged net revenues of the 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 $115,000 to $190,000 are due annually on February 1. These bonds are payable from the pledged net revenues of the 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 2023A, were issued to provide certain improvements to the County's solid waste facility. Remaining annual installments of $70,000 to $155,000 are due annually on February 1. These bonds are payable from the pledged net revenues of the 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 2024A, were issued to provide certain improvements to the County's solid waste facility. Remaining annual installments of $110,000 to $165,000 are due annually on February 1. These bonds are payable from the pledged net revenues of the 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 2025A, were issued to provide certain improvements to the County's solid waste facility. Remaining annual installments of $275,000 to $1,055,000 are due annually on February 1. These bonds are payable from the pledged net revenues of the Waste Management Enterprise Fund and backed by the full faith, credit, and taxing power of the County.

The general obligation revenue bonds outstanding are as follows:

	Date Issued	Interest Rates	Original Issue	Final Maturity	Balance
Business-Type Activities					
G.O. Governmental Housing Ref. Bonds 2010A	6/10/2010	3.00 - 3.70%	$ 1,475,000	1/1/2026	$ 115,000
G.O. Crossover Refunding Bonds 2016A	8/1/2016	1.50 - 5.00%	10,020,000	2/1/2029	4,075,000
G.O. Bonds 2020A - Construction Portion	11/17/2020	1.00 - 3.00%	8,080,000	2/1/2041	6,775,000
G.O. Bonds 2020A - Refunding Portion	11/17/2020	1.00 - 3.00%	2,260,000	2/1/2031	1,425,000
Taxable G.O. Crossover Refunding Bonds 2021A	4/7/2021	0.25 - 1.05%	24,145,000	2/1/2027	9,740,000
G.O. Bonds 2022B	3/16/2022	2.13 - 4.00%	2,935,000	2/1/2043	2,720,000
G.O. Bonds 2023A	10/18/2023	4.00 - 5.00%	1,830,000	2/1/2039	1,675,000
G.O. Bonds 2024A	10/16/2024	3.50 - 5.00%	2,855,000	2/1/2045	2,855,000
G.O. Bonds 2025A	10/15/2025	4.00 - 5.00%	14,380,000	2/1/2046	14,380,000
Total Business-Type Activities					$ 43,760,000

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

	Business-Type Activities	
Year ending	Principal	Interest
2026	$ 6,945,000	$ 1,092,847
2027	7,195,000	1,112,816
2028	2,555,000	1,015,644
2029	2,640,000	937,344
2030	1,600,000	866,431
2031 to 2035	7,530,000	3,480,606
2036 to 2040	7,970,000	2,098,862
2041 to 2045	6,270,000	808,560
2046	1,055,000	22,419
Total	$ 43,760,000	$ 11,435,529

Legal Debt Limit

The Olmsted County debt limit is $831,137,880 based on the Minnesota Statute 475.53 debt limit rate set at 3%. Net debt applicable to the debt limit is $101,656,891. See Statistical Section Schedule 13.

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, 2025, the outstanding principal balance of the 2020B defeased bonds is $1,835,000.

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
2026	120,000	37,732	$ 157,732
2027	125,000	35,283	160,283
2028	1,590,000	17,016	1,607,016
Total	$ 1,835,000	$ 90,031	$ 1,925,031

Mortgages

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:

Business-Type Activities	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	$ 146,915	Rolling Heights
U.S. Department of Agriculture - Rural Development	3/22/2005	5.75%	412,502	3/1/2045	307,248	Rolling Heights
Total Mortgages Payable					$ 454,163	

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:

Business-Type Activities	Date Issued	Interest Rates	Original Issue	Final Maturity	Balance	Authority Program
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
Total Deferred Repayment Mortgages Payable					$ 3,154,647	

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:

Business-Type Activities	Date Issued	Interest Rates	Original Issue	Final Maturity	Balance	Authority Program
Minnesota Housing Finance Agency - Publicly Owned Permanent Supportive Housing Program	9/15/2006	0.00%	$ 1,469,805	9/15/2026	$ 1,469,805	The Francis
Minnesota Housing Finance Agency - Housing Trust Fund Long-Term Homelessness Initiative Fund Program	12/9/2010	0.00%	888,945	12/9/2040	888,945	Silver Creek Corner
Minnesota Housing Finance Agency - Publicly Owned Housing Program	12/9/2010	0.00%	4,703,305	12/10/2030	4,703,305	Silver Creek Corner
Minnesota Housing Finance Agency - Publicly Owned Housing Program	6/27/2013	0.00%	52,000	6/27/2033	45,275	Rental Property
Minnesota Housing Finance Agency - POHP Loan	11/7/2019	0.00%	1,170,459	12/9/2040	1,222,108	Public Housing
Rochester Area Foundation	7/15/2024	0.00%	1,000,000	7/15/2054	1,000,000	The Roth
Total Deferred Forgivable Mortgages Payable					$ 9,329,438	

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

	Business-Type Activities			
	Mortgage Payable		Deferred Repayment Mortgages	Deferred Mortgages Forgivable
Year ending	Principal	Interest	Principal	Principal
2026	$ 13,294	$ 25,767	$ 1,192,996	$ 1,469,805
2027	14,080	24,983	-	-
2028	14,910	24,152	-	-
2029	15,790	23,271	-	-
2030	16,723	22,339	-	4,703,305
2031 to 2035	99,646	95,666	1,706,651	45,275
2036 to 2040	132,744	62,566	255,000	2,111,053
2041 to 2045	146,976	19,040	-	-
2046 to 2050	-	-	-	-
2051 to 2054	-	-	-	1,000,000
Total	$ 454,163	$ 297,784	$ 3,154,647	$ 9,329,438

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 $2,565,000.

Financed Purchase

The County entered into a 5-year financed purchase agreement for the purchase of law enforcement equipment and supplies.

The financed purchase outstanding is as follows:

	Contract Start Date	Discount Rates	Contract Value	Contract End Date	Balance
Governmental Activities					
Sheriff Equipment	12/1/2024	2.50%	$ 965,066	11/30/2029	$ 770,119

Annual payments to maturity for the financed purchase are as follows:

	Governmental Activities	
Year ending	Principal	Interest
2026	$ 185,461	$ 19,253
2027	190,098	14,616
2028	194,851	9,864
2029	199,709	5,006
Total	$ 770,119	$ 48,739

Lease Payable

The County entered into an agreement to lease information technology equipment for 5 years. Upon maturity of the lease term, the County has the option of purchasing the equipment for $1. The County will exercise this purchase option.

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	$ 238,461

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

	Governmental Activities	
Year ending	Principal	Interest
2026	238,460	5,442
2027	1	-
Total	$ 238,461	$ 5,442

Information Technology Subscription Payable

The County has entered into various subscription-based information technology arrangements for software.

The Information Technology Subscription Payables outstanding are as follows:

	Contract Start Date	Discount Rates	Contract Value	Contract End Date	Balance
Governmental Activities					
Digital Communications	12/18/2025	2.35%	$ 328,418	12/31/2028	$ 326,825
Security Incident and Event Management	8/1/2025	2.60%	138,937	7/31/2027	68,577
Planning Data Management	7/14/2025	2.80%	397,865	7/13/2030	321,626
Wellness Platform	7/1/2025	2.70%	209,049	12/31/2028	177,801
Sheriff Data Management	12/1/2024	2.50%	1,090,860	11/30/2029	870,501
Attorney Data Management	11/15/2024	2.50%	98,500	11/14/2029	59,075
Human Resource Management	8/28/2024	3.10%	458,923	12/31/2027	315,340
Virtualization	7/6/2024	3.10%	226,895	7/5/2027	75,608
Asset Management	7/1/2024	3.05%	119,457	12/31/2029	98,456
Geographic Management	3/30/2024	2.75%	418,736	3/19/2027	143,381
Website Management	3/1/2024	2.70%	327,482	2/28/2029	196,396
Productivity	3/1/2024	2.75%	2,502,301	2/28/2027	928,505
Strategy Management	1/1/2024	2.75%	71,057	12/31/2026	24,331
Total Governmental Activities					$ 3,606,422

Annual subscription payments to maturity for information technology subscription payables are as follows:

	Governmental Activities	
Year ending	Principal	Interest
2026	$ 1,937,364	$ 89,698
2027	731,378	44,056
2028	594,881	24,330
2029	342,799	9,004
2030	-	-
Total	$ 3,606,422	$ 167,088

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	$137,625,000	$ 5,830,000	$ (34,125,000)	$109,330,000	$ 9,945,000	$ 99,385,000
Premium on Bonds	6,283,621	434,382	(2,145,740)	4,572,263	-	4,572,263
Total Bonds Payable	143,908,621	6,264,382	(36,270,740)	113,902,263	9,945,000	103,957,263
Self-Insurance Claims						
Dental Insurance	37,814	1,532,263	(1,536,077)	34,000	34,000	-
Liability Insurance	649,500	484,644	(332,743)	801,401	23,901	777,500
Health Insurance	1,510,000	24,763,408	(24,673,408)	1,600,000	1,600,000	-
Worker's Compensation	213,402	593,711	(440,787)	366,326	-	366,326
Total Self-Insurance Claims	2,410,716	27,374,026	(26,983,015)	2,801,727	1,657,901	1,143,826
Total OPEB Liability	9,399,580	972,368	(770,252)	9,601,696	458,635	9,143,061
Net Pension Liability (1)	47,715,285	21,730,136	(27,503,643)	41,941,778	-	41,941,778
Compensated Absences (4)	17,746,427	897,515	-	18,643,942	11,277,682	7,366,260
Financed Purchase (3)	919,982	-	(149,863)	770,119	185,461	584,658
Lease Payable	471,596	-	(233,135)	238,461	238,460	1
Subscription Payable	4,527,210	1,043,021	(1,963,809)	3,606,422	1,937,364	1,669,058
Total Governmental Activities	$227,099,417	$ 58,281,448	$ (93,874,457)	$191,506,408	$ 25,700,503	$ 165,805,905
Business-Type Activities:						
Bonds Payable						
GO Revenue Bonds	$ 36,060,000	$ 14,380,000	$ (6,680,000)	$ 43,760,000	$ 6,945,000	$ 36,815,000
Premium on Bonds	981,392	737,858	(129,890)	1,589,360	-	1,589,360
Total Bonds Payable	37,041,392	15,117,858	(6,809,890)	45,349,360	6,945,000	38,404,360
Mortgages Payable (2)	466,716	-	(12,553)	454,163	13,294	440,869
Deferred Repayment Mortgages (2)	3,224,647	-	(70,000)	3,154,647	1,192,996	1,961,651
Deferred Forgivable Mortgages (2)	9,329,438	-	-	9,329,438	1,469,805	7,859,633
Net Pension Liability (1)	2,577,514	1,039,942	(1,318,106)	2,299,350	-	2,299,350
Compensated Absences (4)	1,025,900	-	(68,567)	957,333	660,740	296,593
Closure and Postclosure Care	2,476,333	79,362	-	2,555,695	-	2,555,695
Total Business-Type Activities	$ 56,141,940	$ 16,237,162	$ (8,279,116)	$ 64,099,986	$ 10,281,835	$ 53,818,151

(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) 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.
(3) The financed purchase is direct borrowing. Direct borrowing terms are negotiated directly with the lender and are not offered for public sale. Default would occur if there were a material breach of any term or condition of the contract. If default occurs, the non-defaulting party may exercise any remedy provided by law or terminate any portion of the contract with 30 days' written notice. If the contract is terminated due to Olmsted County breach, the county remains responsible for all fees incurred before the effective date of termination and will be invoiced the difference between negotiated price and manufacturer's suggested retail price (MSRP) for any device received below MSRP.
(4) The change in the compensated absences liability is presented as a net change.

NOTE 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	$ 204,046	$ 1,044,851
Capital assets	698,910	2,337,171
Total assets	902,956	3,382,022
Deferred outflows of resources	-	2,800
Liabilities		
Current liabilities	29,428	150,367
Current liabilities payable from restricted assets	9,178	24,853
Noncurrent liabilities	836,869	1,081,771
Total liabilities	875,475	1,256,991
Net position		
Net investment in capital assets	(151,253)	1,143,200
Restricted	-	261,141
Unrestricted	178,734	723,490
Total net position	$ 27,481	$ 2,127,831

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

	Rolling Heights	River's Edge
Charges for services	$ 82,400	$ 483,498
Operating grants	43,978	-
Depreciation expenses	(21,215)	(99,288)
Other operating expense	(76,320)	(313,801)
Operating income	28,843	70,409
Nonoperating revenues (expenses)		
Investment income	82	40,952
Interest expense	(26,644)	(10,203)
Changes in net position	2,281	101,158
Beginning net position	25,200	2,026,673
Ending net position	$ 27,481	$ 2,127,831

Condensed Statement of Cash Flows

	Rolling Heights	River's Edge
Net cash flows from:		
Operating activities	$ 53,005	$ 173,901
Capital and related financing activities	(95,270)	(221,736)
Non-capital financial activities	(32,791)	-
Investing activities	82	40,952
Net increases (decreases)	(74,974)	(6,883)
Cash and cash equivalents	279,006	1,041,931
Ending cash and cash equivalents	$ 204,032	$ 1,035,048

NOTE 8: FUND BALANCES

Fund Balance Policy

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

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.

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	Opioid Settlement Fund	Debt Service Fund	Capital Projects Fund	Total
Nonspendable:							
Non-current Advances to Other Funds	$ 436,000	$ -	$ -	$ -	$ -	$ -	$ 436,000
Inventories	-	583,666	-	-	-	-	583,666
Prepaids	2,184,462	32,753	8	-	-	-	2,217,223
Total Nonspendable	2,620,462	616,419	8	-	-	-	3,236,889
Restricted for:							
Attorney Narcotics	90,744	-	-	-	-	-	90,744
Attorney Child Support Enforcement	14,747	-	-	-	-	-	14,747
Attorney Sexual Exploitation Education	2,847	-	-	-	-	-	2,847
Law Library	318,351	-	-	-	-	-	318,351
Sheriff Contingency	2,514	-	-	-	-	-	2,514
Sheriff DUI Enforcement, Training, & Education	36,741	-	-	-	-	-	36,741
Sheriff Crime Prevention	5,243	-	-	-	-	-	5,243
Sheriff Designated Offense Forfeiture	5,436	-	-	-	-	-	5,436
Public Safety	1,172,558	-	-	-	-	-	1,172,558
E911	1,283,349	-	-	-	-	-	1,283,349
D.A.R.E. Drug Education	14,632	-	-	-	-	-	14,632
Adult Detention Center Commissary	57,383	-	-	-	-	-	57,383
Recording Process Enhancements	2,265,140	-	-	-	-	-	2,265,140
Voting Operations, Technology, and Elections	168,270	-	-	-	-	-	168,270
Parks	725,595	-	-	-	-	-	725,595
Debt Service	-	-	-	-	7,573,783	-	7,573,783
Capital Projects	-	-	-	-	-	4,033,112	4,033,112
Opioid Abatement	-	-	-	1,970,838	-	-	1,970,838
Aggregate Remediation	-	69,079	-	-	-	-	69,079
Transit and Transportation	-	10,219,633	-	-	-	-	10,219,633
Total Restricted	6,163,550	10,288,712	-	1,970,838	7,573,783	4,033,112	30,029,995
Assigned to:							
Chester Heights Sewer	355,011	-	-	-	-	-	355,011
Groundwater Protection Programs	2,611,507	-	-	-	-	-	2,611,507
Affordable Housing Programs	2,500,000	-	-	-	-	-	2,500,000
Graham Park Exhibition Center	26,113,317	-	-	-	-	-	26,113,317
Highway Equipment	10,689	-	-	-	-	181,536	192,225
Parks Equipment and Improvements	332,000	-	-	-	-	158,093	490,093
Graham Park Improvements	930,000	-	-	-	-	2,480,380	3,410,380
Law Enforcement Equipment and Improvements	143,950	-	-	-	-	631,565	775,515
Planning Consultant for Zoning Ordinance Modernization	300,000	-	-	-	-	-	300,000
Property Records and Licensing Equipment Improvements	74,499	-	-	-	-	-	74,499
Administration Board Agenda Software	45,562	-	-	-	-	-	45,562
Health and Human Services Homeless Overflow Shelter	88,250	-	-	-	-	-	88,250
Other future projects	675,930	-	-	-	-	-	675,930
Available for Infrastructure	-	940,528	-	-	-	-	940,528
Available for Human Services	-	-	14,870,238	-	-	-	14,870,238
Total Assigned	34,180,715	940,528	14,870,238	-	-	3,451,574	53,443,055
Unassigned	63,806,100	-	-	-	-	-	63,806,100
Total Fund Balance	$ 106,770,827	$ 11,845,659	$ 14,870,246	$ 1,970,838	$ 7,573,783	$ 7,484,686	$ 150,516,039

NOTE 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.

- Southeast MN Violent Crime Enforcement Team ($192,274 in-kind services)
- Southeastern Minnesota Emergency Medical Services ($0)
- Southeastern Minnesota Regional Emergency Communication Board and State of Minnesota ($0)
- Region One Southeast Minnesota Homeland Security Emergency Management ($1,000)
- State of Minnesota, Bureau of Criminal Apprehension and Sheriff's Office ($0)
- Southeast Minnesota Workforce Development, Inc. ($926,781)
- South Zumbro Watershed Joint Powers Board ($0)
- Whitewater Joint Powers Board ($8,112)
- Lake Zumbro Joint Powers Board ($0)
- Three Rivers Community Action Program ($0)
- Metropolitan Counties for Cooperative Purchasing ($0)
- Minnesota Counties Computer Cooperative ($0)
- Southeastern Minnesota Recycling Exchange ($2,960)
- Southeastern Libraries Cooperating ($0)
- Residential Survey in Dakota, Olmsted, St. Louis, and Washington Counties ($0)
- MN Department of Pollution Control Household Hazardous Waste Paint Care Program ($0)
- One Watershed, One Plan for the Root River Watershed ($0)
- Bureau of Criminal Apprehension ($0)
- WinLaC Partnership (Mississippi River Winona La Crescent Comprehensive Watershed Management) ($0)
- Dodge & Olmsted Community Corrections (see next page)

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

Dodge & Olmsted Community Corrections (D&OCC)

D&OCC is a fiscally independent entity presented as a Fiduciary Fund in Olmsted County's Basic Financial Statements section. Olmsted County's financial contribution to D&OCC is reported as an expenditure of the General Fund.

D&OCC is governed by a four-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: two commissioners from Olmsted County and two commissioners from Dodge 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.

D&OCC is financed through state grants and contributions from the participating counties. During 2025, county contributions were assessed in the following proportion:

Dodge County	11.069%
Olmsted County	88.931%
Total	100.00%

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

Olmsted County provided $7,696,124 in funding during 2025.

Olmsted County received a credit of $617,660 from D&O Community Corrections in 2025 for its share of 2025 net revenue. The payback was a result of favorable spending for personal services.

Separate financial information can be obtained from:

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

NOTE 10: POST-EMPLOYMENT BENEFITS – PERA

Public Employees Retirement Association Defined Benefit Plan

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). These plan provisions are established and administered according to Minnesota Statutes chapters 353, 353D, 353E, 353G, and 356. Minnesota Statutes chapter 356 defines each plan's financial reporting requirements. PERA's defined benefit pension plans are tax qualified plans under Section 401(a) of the Internal Revenue Code.

General Employees Retirement Plan (General Plan)

Membership in the General Plan includes employees of counties, cities, townships, schools in non-certified positions, and other governmental entities whose revenues are derived from taxation, fees, or assessments. Plan membership is required for any employee who is expected to earn more than $425 in a month, unless the employee meets exclusion criteria.

Public Employees Police and Fire Retirement Plan (Police and Fire Plan)

Membership in the Police & Fire Plan includes full-time, licensed police officers and firefighters who meet the membership criteria defined in Minnesota Statutes section 353.64 and who are not earning service credit in any other PERA retirement plan or a local relief association for the same service. Employers can provide Police & Fire Plan coverage for part-time positions and certain other public safety positions by submitting a resolution adopted by the entity's governing body. The resolution must state that the position meets plan requirements.

Public Employee Local Government Correctional Service Retirement Plan (Correctional Plan)

Membership in the Correctional Plan includes correctional officers serving in county and regional adult and juvenile corrections facilities. Participants must be responsible for the security, custody, and control of the facilities and their inmates.

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. When a member is "vested," they have earned enough service credit to receive a lifetime monthly benefit after leaving public service and reaching an eligible retirement age. Members who retire at or over their Social Security full retirement age with at least one year of service qualify for a retirement benefit.

General Employees Plan Benefits
General Employees Plan requires three years of service to vest. 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 General Plan members. Members hired prior to July 1, 1989, receive the higher of the Step or Level formulas. Only the Level formula is used for members hired after June 30, 1989. Under the Step formula, General Plan members receive 1.2% of the highest average salary for each of the first 10 years of service and 1.7% for each additional year. Under the Level formula, General Plan members receive 1.7% of highest average salary for all years of service. For members hired prior to July 1, 1989 a full retirement benefit is available when age plus years of service equal 90 and normal retirement age is 65. Members can receive a reduced requirement benefit as early as age 55 if they have three or more years of service. Early retirement benefits are reduced by .25% for each month under age 65. Members with 30 or more years of service can retire at any age with a reduction of .25% for each month the member is younger than age 62. The Level formula allows General Plan members to receive a full retirement benefit at age 65 if they were first hired before July 1, 1989 or at age 66 if they were hired on or after July 1, 1989. Early retirement begins at age 55 with an actuarial reduction applied to the benefit.

Benefit increases are provided to benefit recipients each January. The postretirement increase is equal to 50% of the cost-of-living adjustment (COLA) announced by the SSA, with a minimum increase of at least 1% and a maximum of 1.5%. The 2025 annual increase was 1.25%. 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 prorated increase.

Police and Fire Plan Benefits
Benefits for Police and Fire Plan members hired before July 1, 2010, are vested after three years of service. Members hired on or after July 1, 2010, are 50% vested after five years of service and 100% vested after ten years. After five years, vesting increases by 10% each full year of service until members are 100% vested after ten years. Police and Fire Plan members receive 3% of highest average salary for all years of service. Police and Fire Plan members receive a full retirement benefit when they are age 55 and vested, or when their age plus their years of service equals 90 or greater if they were first hired before July 1, 1989. Early retirement starts at age 50, and early retirement benefits are reduced by 0.417% each month members are younger than age 55.

Benefit increases are provided to benefit recipients each January. The postretirement increase is fixed at 1%. Recipients that have been receiving the annuity or benefit for at least 36 months as of the June 30 before the effective date of the increase will receive the full increase. Recipients receiving the annuity or benefit for at least 25 months but less than 36 months as of the June 30 before the effective date of the increase will receive a prorated increase.

Correctional Plan Benefits
Benefits for Correctional Plan members hired before July 1, 2010, are vested after three years of service. Members hired on or after July 1, 2010, are 50% vested after five years of service and 100% vested after ten years. After five years, vesting increases by 10% each full year of service until members are 100% vested after ten years. Correctional Plan members receive 1.9% of highest average salary for each year of service earned before July 1, 2025, and 2.2% of their highest average salary for years of service earned on or after July 1, 2025. Correctional Plan members receive a full retirement benefit when they are age 55 and vested or when their age plus their years of service equals 90 or greater if they were first hired before July 1, 1989. Early retirement begins at age 50 with an actuarial reduction applied to the benefit.

Benefit increases are provided to benefit recipients each January. The postretirement increase will be equal to 100% of the COLA announced by SSA, with a minimum increase of 1% and a maximum of 2.5%. The 2025 annual increase was 2.5%. If the plan's funding status is less than or equal to 85% for two consecutive years or 80% for one year, the maximum will be lowered from 2.5% to 1.5%. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase will receive the full increase. 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 prorated increase.

Contributions

Minnesota Statutes chapters 353, 353E, 353G, and 356 set the rates for employer and employee contributions. Contribution rates can only be modified by the state Legislature.

General Employees Fund Contributions

General Plan members were required to contribute 6.50% of their annual covered salary in fiscal year 2025 and Olmsted County was required to contribute 7.50% for General Plan members. Olmsted County's contributions to the General Employees Fund for the year ended December 31, 2025, were $7,663,516. 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% of their annual covered salary in fiscal year 2025 and Olmsted County was required to contribute 17.70% for Police and Fire Plan members. Olmsted County's contributions to the Police and Fire Fund for the year ended December 31, 2025, were $1,571,265. 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% of their annual covered salary in fiscal year 2025 and Olmsted County was required to contribute 8.75% for Correctional Plan members. As of July 1, 2025, the required contribution increased to 6.83% for plan members and 10.25% for Olmsted County. Olmsted County's contributions to the Correctional Fund for the year ended December 31, 2025, were $643,716. Olmsted County's contributions were equal to the required contributions as set by state statute.

Pensions Costs

General Employees Fund Pension Costs

At December 31, 2025, Olmsted County reported a liability of $37,387,811 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 $901,911.

Olmsted County's proportionate share of the net pension liability	$	37,387,811
State of Minnesota's proportionate share of the net pension liability associated with Olmsted County		901,911
Total	$	38,289,722

The net pension liability was measured as of June 30, 2025, 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, 2024 through June 30, 2025, relative to the total employer contributions received from all of PERA's participating employers. Olmsted County's proportionate share was 1.1282% at the end of the measurement period and 1.1209% for the beginning of the period.

For the year ended December 31, 2025, Olmsted County recognized pension expense of ($2,332,673) for its proportionate share of the General Employees Plan's pension expense. In addition, Olmsted County recognized an additional ($138,340) 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, 2025, Olmsted County reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	$ 3,562,240	$ -
Changes in actuarial assumptions	900,830	8,602,806
Net difference between projected and actual earnings on pension plan investments	-	14,876,967
Change in proportion	918,210	257,379
Employer contributions subsequent to the measurement date	3,945,508	-
Total	$ 9,326,788	$ 23,737,152

The $3,945,508 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, 2026. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31	Pension Expense Amount
2026	$ (4,046,551)
2027	(6,630,746)
2028	(5,021,000)
2029	(2,657,575)

Police and Fire Fund Pension Costs

At December 31, 2025, Olmsted County reported a liability of $6,853,317 for its proportionate share of the Police and Fire Fund's net pension liability. The net pension liability was measured as of June 30, 2025, 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, 2024 through June 30, 2025, relative to the total employer contributions received from all of PERA's participating employers. Olmsted County's proportionate share was 0.5849% at the end of the measurement period and 0.6071% for the beginning of the period.

The State of Minnesota contributed $18 million to the Police and Fire Fund in the plan fiscal year ended June 30, 2025. The contribution consisted of $9 million in direct state aid that meets 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 aid was paid on October 1, 2024. The direct state aid payment will increase by $17.7 million which was paid on October 1, 2025. Thereafter, by October 1 of each year, the state will pay $26.7 million to the Police and Fire Fund until the fund is 110% funded for a minimum of three consecutive years (on an actuarial value of asset basis). The $9 million in supplemental state aid will continue until the fund and the State Patrol Plan (administered by the Minnesota Retirement System) are 100% funded for three consecutive years (on an actuarial value of asset basis). The State of Minnesota's proportionate share of the net pension liability associated with Olmsted County totaled $237,570.

County's proportionate share of the net pension liability	$	6,853,317
State of Minnesota's proportionate share of the net pension liability associated with Olmsted County		237,570
Total	$	7,090,887

For the year ended December 31, 2025, Olmsted County recognized pension expense of $1,596,909 for its proportionate share of the Police and Fire Plan's pension expense. Olmsted County recognized $114,948 as grant revenue and pension expense for its proportionate share of the State of Minnesota's pension expense for the contribution of $9 million to the Police and Fire Fund special funding situation.

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 because this contribution was not considered to meet the definition of a special funding situation. Olmsted County recognized $156,174 for the year ended December 31, 2025 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, 2025, Olmsted County reported 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	$ 3,166,450	$ -
Changes in actuarial assumptions	5,197,011	8,586,919
Net difference between projected and actual earnings on pension plan investments	-	3,058,731
Change in proportion	183,430	453,868
Employer contributions subsequent to the measurement date	812,650	-
Total	$ 9,359,541	$ 12,099,518

The $812,650 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, 2026. 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
2026	$ 1,567,294
2027	(1,607,589)
2028	(3,410,731)
2029	(217,294)
2030	115,693

Correctional Fund Pension Costs

At December 31, 2025, Olmsted County reported an asset of $1,780,534 for its proportionate share of the Correctional Plan's net pension asset. The net pension asset was measured as of June 30, 2025, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of that date. Olmsted County's proportionate share of the net pension asset was based on Olmsted County's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2024 through June 30, 2025, relative to the total employer contributions received from all of PERA's participating employers. Olmsted County's proportionate share was 2.6917% at the end of the measurement period and 2.8418% for the beginning of the period.

For the year ended December 31, 2025, Olmsted County recognized pension expense of ($3,104,061) for its proportionate share of the Correctional Plan's pension expense.

At December 31, 2025, Olmsted County reported 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	$ 308,043	$ -
Changes in actuarial assumptions	-	1,167,571
Net difference between projected and actual earnings on pension plan investments	-	1,489,961
Change in proportion	7,219	154,388
Employer contributions subsequent to the measurement date	400,909	-
Total	$ 716,171	$ 2,811,920

The $400,909 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 asset in the year ended December 31, 2026. 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
2026	$ (387,224)
2027	(1,286,810)
2028	(564,620)
2029	(258,004)

The total pension expense for all plans recognized by Olmsted County for the year ended December 31, 2025, was ($3,839,825).

Long-Term Expected Return on Investment

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

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

Actuarial Methods and Assumptions

The total pension liability for each of the cost-sharing defined benefit plans was determined by an actuarial valuation as of June 30, 2025, using the entry age normal actuarial cost method. The long-term rate of return on pension plan investments used to determine the total liability is 7%. The 7% assumption is based on a review of inflation and investment return assumptions from a number of national investment consulting firms. The review provided a range of investment return rates considered reasonable by the actuary. An investment return of 7% is within that range.

Inflation is assumed to be 2.25% for the General Employees Plan, Police & Fire Plan, and the Correctional Plan.

Benefit increases after retirement are assumed to be 1.50% for the General Employees Plan, 1% for the Police & Fire Plan, and 2% for the Correctional Plan.

Salary growth assumptions in the General Employees Plan range in annual increments from 11.5% after one year of service to 3% after 27 years of service. In the Police & Fire Plan, salary growth assumptions range in annual increments from 10.75% after one year of service to 3% after 23 years of service. In the Correctional Plan, salary growth assumptions range in annual increments from 8% after one year of service to 3% after 19 years of service.

Mortality rates for the General Employees Plan are based on the Pub-2010 General Employee Mortality Table. Mortality rates for the Police & Fire Plan and the Correctional Plan 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 General Employees Plan was last reviewed in 2022. The assumption changes were adopted by the board and became effective with the July 1, 2023 actuarial valuation. The Police & Fire Plan and Correctional Plan were reviewed in 2024. The assumption changes were adopted by the board and effective with the July 1, 2025 actuarial valuation.

The following changes in actuarial assumptions and plan provisions occurred in 2025:

General Employees Fund

Changes in Actuarial Assumptions

The combined service annuity loading factors increased from 15% to 19% for vested terminated members and from 3% to 44% for non-vested, terminated members.

The assumed post-retirement benefit increase changed from 1.25% to 1.5%.

Changes in Plan Provisions

The post-retirement benefit increase formula changed to 100% of the Social Security annual increase, between 1% and 1.75%, beginning January 1, 2026. If the funded ratio (on market value of assets basis) is less than 85% for the last two consecutive annual valuations or is less than 80% in the most recent actuarial valuation, the maximum is reduced to 1.5%. Previously, the benefit increase was 50% of the Social Security annual increase, between 1% and 1.5%.

The 1% additional employer contribution is eliminated when the plan reaches 98% funded status (on an actuarial value of asset basis); this contribution was previously scheduled to stop when the plan reached 100% funded status.

Police and Fire Fund

Changes in Actuarial Assumptions

Assumed rates of salary increases were reduced slightly.

Assumed rates of retirement were adjusted, resulting in an overall increase in unreduced (full) retirements and an overall increase in reduced (early) retirements.

Assumed rates of withdrawal were modified; the new rates will increase predicted terminations, especially in the first few years of employment.

Assured rates of disability retirement were significantly increased, especially for ages over 30.

Continued use of Pub-2010 Public Safety Mortality Table with rates adjusted to better fit observed experience.

Percent married assumptions for female retirees lowered from 70% to 65%.

Minor changes were made to form of payment assumptions for retirees.

Minor changes were made to assumptions made with respect to missing participant data.

The combined service annuity load changed from 33% to 13% for vested, terminated members and from 2% to 38% for non-vested, terminated members.

Changes in Plan Provisions

The period of time needed for benefit recipients to receive their first benefit increase was reduced by one year (from 36 months to 24 months for a full increase).

The January 1, 2026 benefit increase changed from 1% to 3%; subsequent January 1 increases will be 1%.

The threshold to end the $9 million annual state aid contribution changed from the earlier of July 1, 2048 or 90% funded for both PERA Police & Fire and MSRS State Patrol for three consecutive years to 100% funded for both PERA & Fire and MSRS State Patrol for three consecutive years (on an actuarial value of assets basis).

The threshold to end the additional $9 million annual state aid contribution changed from the earlier of July 1, 2048 or 100% funded for a minimum of three consecutive years to 110% funded for a minimum of three consecutive years (on an actuarial value of asset basis.

An additional $17.7 million in direct state aid will be paid annually each October 1 beginning October 1, 2025 through June 30, 2048.

Joint and survivor actuarial equivalent factors were updated to reflect changes in assumptions.

Correctional Fund

Changes in Actuarial Assumptions

Assumed rate of salary increases were reduced slightly and changed to service-based (vs. age based).

Assumed rates of retirement were adjusted resulting in an overall increase in unreduced (full) retirements and reduced (early) retirements.

Assumed rates of withdrawal were changed from age-based rates after three years of service to service-based for all years; the new rates result in an increase in predicted terminations for males and females.

Minor changes were made to the assumed rates of disability retirements.

Continued use of the Pub-2010 Public Safety Mortality Table, with no adjustments.

Minor changes were made to the assumed percent married, beneficiary age difference and form of payment assumptions for future retirees.

Minor changes were made to assumptions made with respect to missing participant data.

The combined service annuity load was changed from 35% to 9% for vested, terminated members, and from 1% to 119% for non-vested, terminated members.

Changes in Plan Provisions

The benefit payable to a member who qualifies for a duty disability benefit was changed to 47.5% of average salary plus, for each year of service in excess of 25 years, 1.9% for each year of allowable service before July 1, 2025, and 2.2% for each year of allowable service beginning after June 30, 2025.

Actuarial equivalent factors were updated to reflect changes in assumptions.

Discount Rate

The discount rate used to measure the total pension liability in 2025 was 7.0%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at rates set in Minnesota Statutes. Based on these assumptions, the fiduciary net position of the General Employees, Police and Fire, and Correctional Plans were projected to be available to make all projected future benefit payments of current plan members. 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.

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	6.00%	$ 90,809,127	6.00%	$ 17,957,142	6.00%	$ 4,215,943
Current Discount Rate	7.00	37,387,811	7.00	6,853,317	7.00	(1,780,534)
1% Higher	8.00	(5,948,898)	8.00	(2,264,676)	8.00	(6,554,906)

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.

Public Employees Defined Contribution Plan (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 and 356, 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 2025 were:

	Employee	Employer
Contribution Amount	$ 30,883	$ 30,883
Percentage of covered payroll	5%	5%
Required rate	5%	5%

NOTE 11. OTHER POST-EMPLOYMENT BENEFITS

Self-Insured Defined Benefit Plan

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.

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.

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 January 1, 2025, included 1,283 active plan participants. As of December 31, 2025, there were 29 enrollees: 19 retirees and 10 COBRA enrollees, receiving health benefits from the County's health plan.

Total OPEB Liability

Olmsted County's total OPEB liability of $9,601,696 was measured as of January 1, 2025, rolled forward to December 31, 2025, by an actuarial valuation as of January 1, 2024.

The total OPEB liability in the January 1, 2024, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified.

Inflation	2.50	percent
Salary Increases		rates are based on most recent four-year experience study
Medical Trend Rate	6.25	percent in 2025 decreasing to 5.00% over 5 years and then to 4.00% over the next 48 years

The discount rate was based on the estimated yield of 20-year AA-rated 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 assumption valuations were based on the results of an actuarial experience study for the period January 1, 2019 to January 1, 2020.

Changes in the Total OPEB Liability

Balance at December 31, 2024	$ 9,399,580
Changes for the year:	
Service cost	609,893
Interest cost	362,475
Assumption changes	(340,665)
Benefit payments	(429,587)
Net change	202,116
Balance at December 31, 2025	$ 9,601,696

Assumption changes:
Discount rate was changed from 3.70% to 4.20%.

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 (3.20%) or 1-percentage point higher (5.20%) than the current discount rate:

	Total OPEB
Selected 4.20% discount rate	$ 9,601,696
1% decrease in discount rate	10,404,454
1% increase in discount rate	8,863,287

Sensitivity of the Total OPEB Liability to Changes in the Health Care Cost Trend Rates

The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using health care cost trend rates that are 1-percentage point lower (5.25%) or 1-percentage point higher (7.25%) than the current health care cost trend rates:

	Total OPEB
Selected 6.25% health care cost trend rate	$ 9,601,696
1% decrease in health care cost trend rate	8,521,811
1% increase in health care cost trend rate	10,874,360

OPEB Expense and Deferred Outflow of Resources Related to OPEB

For the year ended December 31, 2025, Olmsted County recognized expense of $696,334. At December 31, 2025, Olmsted County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Liability losses and gains	$ 50,007	$ 966,428
Changes in assumptions	507,161	1,072,979
Employer contributions subsequent to the measurement date	473,256	-
	$ 1,030,424	$ 2,039,407

The $473,256 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, 2026.

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

Year Ended December 31	OPEB Expense Amount
2026	(238,331)
2027	(338,197)
2028	(413,125)
2029	(310,594)
2030	(133,329)
Thereafter	(48,663)

NOTE 12: CONTINGENCIES

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 expectations, 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.

NOTE 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 $2,801,727 was recorded for IBNR for all self-insurance activities reported at December 31, 2025. 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. 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 collected on the $1,000,000 stop loss for one member in 2025. 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					
	Dental	Liability	Health	Worker Compensation	Year ended December 31, 2025	Year ended December 31, 2024
Unpaid claims, beginning of fiscal year	$ 37,814	$ 649,500	$ 1,510,000	$ 213,402	$ 2,410,716	$ 2,836,966
Incurred, claims, including IBNR	1,532,263	484,644	24,763,408	593,711	$ 27,374,026	26,835,315
Claim payments	(1,536,077)	(332,743)	(24,673,408)	(440,787)	$ (26,983,015)	(27,261,565)
Unpaid claims, end of fiscal year	$ 34,000	$ 801,401	$ 1,600,000	$ 366,326	$ 2,801,727	$ 2,410,716

NOTE 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 to assist with funding development projects. As of December 31, 2025, the city had thirty-seven such districts in which $7,141,408 of tax revenue was paid out to developers under these agreements. The County's share of all governmental units' 2025 property tax collections is 31 percent. Thirty-one percent of the amount paid to developers is $2,213,836.

NOTE 15: EFFECT OF NEW ACCOUNTING STANDARDS ON CURRENT FINANCIAL STATEMENTS

Governmental Accounting Standards Board (GASB) Statements

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

Statement No. 103, *Financial Reporting Model Improvements*

Statement No. 104, *Disclosure of Certain Capital Assets*

Statement No. 105, *Subsequent Events*

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

NOTE 16: SUBSEQUENT EVENTS

UCare Receivable

Subsequent to year-end, UCare entered a court-supervised financial rehabilitation process. As a result, the County's outstanding receivable related to 2025 claims, totaling approximately $800,000, is subject to significant uncertainty regarding both collectability and timing of recovery. Any future payments will be dependent on court approval and the availability of assets from UCare's liquidation or recovery efforts.

Given these circumstances, management evaluated the receivable in accordance with applicable accounting standards and determined that a partial allowance for uncollectible accounts is appropriate. As of December 31, 2025, the County has recorded an allowance of approximately $400,000, representing an estimate of the portion of the receivable that may not be collected. This estimate is based on currently available information; however, actual recoveries may differ materially as the rehabilitation process progresses.

From a financial reporting perspective, the impact differs between the government-wide and fund financial statements due to the application of different measurement focuses and bases of accounting:

- **Government-Wide financial statements (full accrual):** Revenue of approximately $400,000 has been recognized, reflecting the net realizable value of the receivable after the allowance for uncollectible accounts.
- **Fund financial statements (modified accrual – Health and Human Services Fund):** No revenue has been recognized, as the amount is not considered both measurable and available.

The County will continue to monitor developments related to the rehabilitation proceedings and will adjust the recorded amounts as additional information becomes available.

State and Federal Funding

Subsequent to year-end, there have been ongoing discussions at the federal and state levels regarding potential changes to funding levels and cost-sharing requirements for human services programs, including but not limited to SNAP administration, medical assistance programs, disability waiver programs, and other intergovernmental grants.

The County has performed preliminary analyses of potential impacts under various scenarios. While the ultimate outcome and timing of any changes are uncertain and dependent on future legislative and administrative actions, such changes could have a material effect on the County's future financial position and operations.

No amounts have been recognized in the accompanying financial statements as of December 31, 2025, as the conditions giving rise to these potential impacts had not been finalized as of that date.

Property Tax Levy Correction

Subsequent to December 31, 2025, the County identified a clerical error in the property tax levy certification process for taxes payable in 2026. The County Board had intended to certify a levy of $141,713,639; however, the amount distributed to taxing jurisdictions and applied to parcels was $143,236,740, resulting in an over-levy of $1,523,101.

The error was identified by County staff in March 2026 after tax statements had been issued. After consultation with the Minnesota Department of Revenue and consideration of applicable statutory requirements (Minnesota Statute 275.075), the County Board approved a corrective action on April 21, 2026. The approved action provides for a reduction in the County's 2027 property tax levy in the amount of $1,523,101, along with an additional reduction of $57,116 to account for interest, for a total reduction of $1,580,217.

This matter does not impact the County's financial position or results of operations as of and for the year ended December 31, 2025. The financial effect of the correction will be recognized in future periods.

NOTE 17: OTHER

National Opioid Settlement

Olmsted County is a participating government in the opioid settlement with pharmaceutical manufacturers, distributors, and pharmacy chains. The county is expected to receive $4,657,037 over the next 13 years (2026-2038). The majority of the funds are intended for opioid abatement. The Minnesota Opioids State-Subdivision Memorandum of Agreement (MOA) identifies the requirements for Minnesota governments participating in the settlement. Pursuant to the terms of MOA the county created a special revenue fund. Funds are restricted until expended. The MOA requires that the county recognize the settlement revenues when the annual distribution is made to the participating governments. Therefore, the county does not record a receivable for the settlement. Olmsted County received $835,284 in 2022, $207,317 in 2023, $1,261,989 in 2024, and $426,271 in 2025 as part of the settlement.

NOTE 18: Discretely Presented Component Unit

Capital Assets

Capital asset activity for the year ended December 31, 2025, was as follows:

Trailside Apartments LP	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	$ -	$ 140,662	$ -	$ 140,662
Total capital assets not being depreciated	-	140,662	-	140,662
Capital assets, being depreciated:				
Building	-	10,136,855	-	10,136,855
Improvements other than building	-	688,200	-	688,200
Equipment	-	558,899	-	558,899
Total capital assets being depreciated	-	11,383,954	-	11,383,954
Less accumulated depreciation for:				
Building	-	(112,632)	-	(112,632)
Improvements other than building	-	(15,293)	-	(15,293)
Equipment	-	(37,260)	-	(37,260)
Total accumulated depreciation	-	(165,185)	-	(165,185)
Total capital assets, being depreciated, net	-	11,218,769	-	11,218,769
Capital assets, net	$ -	$ 11,359,431	$ -	$ 11,359,431

Construction Loan

Construction loan activity for the year ended December 31, 2025, was as follows:

Trailside Apartments LP	Balance	Commitment
MN Housing Tax Exempt Bridge Loan	$ 4,665,000	$ 4,665,000
Sponsor Loan	-	237,434
	4,665,000	4,902,434
Less unamoritized finance fees	(58,202)	-
	$ 4,606,798	$ 4,902,434

MN Housing Tax Exempt Bridge Loan – Loan payable to MN Housing, funded with Rental Housing Bonds (Series F1 and F2), in the amount of $4,665,000, dated May 15, 2025, with interest at 4.70%. Monthly payments of interest are due until July 1, 2026, at which time all outstanding principal and interest are due. Secured by a mortgage, an assignment of rents and leases, and guaranty from the OCHRA.

Sponsor Loan – Note payable to the OCHRA in the original amount of $237,434 dated January 13, 2025, without interest. The principal amount is due July 1, 2026.

Notes Payable

Notes payable activity for the year ended December 31, 2025, was as follows:

Trailside Apartments LP	Balance
Due to related party - development	$ 191,845
Long term debt, net	4,361,668
Accrued development fee	750,000
	$ 5,303,513

Long-term debt activity for the year ended December 31, 2025, was as follows:

Trailside Apartments LP	Balance	Commitment
MN Housing LMIR Bond Loan	$ 1,595,000	$ 1,595,000
Mn Housing HI Loan	2,843,158	6,175,000
	4,438,158	7,770,000
Less unamoritized finance fees	(72,837)	-
Less current maturities	(3,653)	-
	$ 4,361,668	$ 7,770,000

The accrued development fee is part of a Development Services Agreement with the OCHRA. The OCHRA is to receive a fee in the amount of $1,000,000 for development services related to the construction of Trailside Apartments LP. At December 31, 2025, the entire development fee has been earned and $750,000 remains to be paid. The remaining amount is expected to be paid from capital contributions. If any amount is deferred, it will be paid from available cash flow and/or net proceeds. If not paid by December 31, 2036, the General Partner is required to make capital contributions to pay the outstanding amount of the development fee.

Sales Tax Refund Receivable

Trailside Apartments LP was eligible for a sales tax refund as a result of the General Partner's tax-exempt status. The sales tax refund of $219,159 is expected to be received in 2026 and is related to sales tax paid on materials and supplies used or consumed in construction and equipment incorporated into Trailside Apartments LP during construction.

OLMSTED COUNTY
MINNESOTA

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, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues:				
Property taxes	$ 57,221,444	$ 57,225,966	$ 56,926,744	$ (299,222)
Licenses and permits	1,383,000	1,383,000	1,425,085	42,085
Intergovernmental revenue	14,392,594	15,418,886	16,006,434	587,548
Charges for services	16,198,436	16,183,320	15,762,865	(420,455)
Fines and forfeits	22,000	22,794	10,368	(12,426)
Gifts and contributions	150,500	194,468	188,341	(6,127)
Investment income	6,753,631	6,753,631	11,313,186	4,559,555
Other	1,549,852	1,672,569	1,493,763	(178,806)
Total revenues	97,671,457	98,854,634	103,126,786	4,272,152
Expenditures:				
Current				
General government				
Property records and licensing	9,702,465	9,628,491	9,435,990	192,501
Planning, code enforcement	3,580,603	4,238,407	3,609,978	628,429
Total general government	13,283,068	13,866,898	13,045,968	820,930
Public safety				
Sheriff	22,177,358	23,558,896	23,544,937	13,959
Adult detention center	19,694,213	20,171,284	19,758,990	412,294
Community corrections	18,701,606	18,701,606	17,461,051	1,240,555
Coroner	581,992	581,992	559,228	22,764
District courts	2,741,039	3,046,039	3,046,029	10
Attorney	9,536,863	9,588,882	9,538,984	49,898
Law library	180,000	205,000	203,554	1,446
Total public safety	73,613,071	75,853,699	74,112,773	1,740,926
Conservation of natural resources				
Cooperative extension	342,726	342,726	299,860	42,866
Soil conservation	1,670,847	1,728,341	1,728,258	83
Total conservation of natural resources	2,013,573	2,071,067	2,028,118	42,949
Economic development	95,000	95,000	95,000	-
Culture and recreation				
Parks	4,678,250	4,831,727	4,819,786	11,941
Historical society	239,515	239,515	239,515	-
Diversity and youth programs	33,500	33,500	26,213	7,287
Library	1,494,935	1,494,935	1,494,935	-
Total culture and recreation	6,446,200	6,599,677	6,580,449	19,228
Other	1,969,315	2,839,097	2,252,182	586,915
Debt service				
Principal	-	414,240	414,240	-
Interest and fiscal charges	-	10,134	10,134	-
Total debt service	-	424,374	424,374	-
Total expenditures	97,420,227	101,749,812	98,538,864	3,210,948
Excess (deficiency) of revenues over expenditures	251,230	(2,895,178)	4,587,922	7,483,100
Other financing sources (uses):				
Transfers in	-	2,013,236	2,013,236	-
Transfers out	(2,376,500)	(12,000,992)	(10,800,763)	1,200,229
Inception of subscription	-	397,865	397,865	-
Sale of capital assets	-	-	5,209	5,209
Total other financing sources (uses)	(2,376,500)	(9,589,891)	(8,384,453)	1,205,438
Net changes in fund balances	(2,125,270)	(12,485,069)	(3,796,531)	8,688,538
Fund balances - beginning	110,567,358	110,567,358	110,567,358	-
Fund balances - ending	$ 108,442,088	$ 98,082,289	$ 106,770,827	$ 8,688,538

OLMSTED COUNTY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
INFRASTRUCTURE SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget
Revenues:				
Property taxes	$ 8,872,691	$ 8,872,691	$ 8,812,901	$ (59,790)
Sales taxes	19,442,103	19,365,860	18,934,067	(431,793)
Wheelage taxes	1,400,000	1,400,000	1,489,688	89,688
Intergovernmental revenue	37,762,875	18,071,957	20,607,853	2,535,896
Charges for services	632,700	632,700	1,071,593	438,893
Other	988,050	1,958,679	255,321	(1,703,358)
Total revenues	69,098,419	50,301,887	51,171,423	869,536
Expenditures:				
Current				
Highways and streets				
Administration	594,118	635,171	546,155	89,016
Surveying	828,393	843,821	835,422	8,399
Geographic information systems	1,028,916	893,447	890,898	2,549
Maintenance	5,218,888	5,218,888	4,986,269	232,619
Construction	54,378,791	29,078,000	28,049,461	1,028,539
Equipment maintenance and shops	3,526,718	3,392,682	3,084,079	308,603
Total highways and streets	65,575,824	40,062,009	38,392,284	1,669,725
Debt service				
Principal	-	139,545	139,545	-
Interest and fiscal charges	-	7,780	7,780	-
Total debt service	-	147,325	147,325	-
Total expenditures	65,575,824	40,209,334	38,539,609	1,669,725
Excess of revenues over expenditures	3,522,595	10,092,553	12,631,814	2,539,261
Other financing sources (uses):				
Transfers in	-	10,000	10,000	-
Transfers out	(3,522,595)	(3,535,048)	(3,535,048)	-
Total other financing sources (uses)	(3,522,595)	(3,525,048)	(3,525,048)	-
Net changes in fund balances	-	6,567,505	9,106,766	2,539,261
Fund balances - beginning	2,738,893	2,738,893	2,738,893	-
Fund balances - ending	$ 2,738,893	$ 9,306,398	$ 11,845,659	$ 2,539,261

OLMSTED COUNTY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
HEALTH AND HUMAN SERVICES SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget
Revenues:				
Property taxes	$ 59,619,519	$ 59,619,519	$ 59,226,376	$ (393,143)
Licenses and permits	899,000	899,000	916,254	17,254
Intergovernmental revenue	52,353,480	53,523,861	52,266,894	(1,256,967)
Charges for services	12,055,589	12,253,322	12,138,326	(114,996)
Gifts and contributions	500	500	750	250
Other	172,046	172,046	239,177	67,131
Total revenues	125,100,134	126,468,248	124,787,777	(1,680,471)
Expenditures:				
Current				
Health				
Health	16,990,768	17,102,281	16,772,487	329,794
Human services				
Income maintenance	20,253,755	20,470,178	20,136,125	334,053
Social services	87,301,697	88,647,989	85,154,944	3,493,045
Support services	404,739	413	413	-
Veterans services	619,600	654,365	650,465	3,900
Total human services	108,579,791	109,772,945	105,941,947	3,830,998
Total expenditures	125,570,559	126,875,226	122,714,434	4,160,792
Excess (deficiency) of revenues over expenditures	(470,425)	(406,978)	2,073,343	2,480,321
Other financing sources (uses):				
Transfers in	515,365	786,910	734,545	(52,365)
Transfers out	(424,940)	(692,035)	(622,263)	69,772
Total other financing sources (uses)	90,425	94,875	112,282	17,407
Net changes in fund balances	(380,000)	(312,103)	2,185,625	2,497,728
Fund balances - beginning	12,684,621	12,684,621	12,684,621	-
Fund balances - ending	$ 12,304,621	$ 12,372,518	$ 14,870,246	$ 2,497,728

OLMSTED COUNTY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
OPIOID SETTLEMENT SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget
Revenues:				
Intergovernmental revenue	$ 120,000	$ 120,000	$ 120,000	$ -
Investment income	32,176	48,126	76,178	28,052
Other	596,773	596,773	426,271	(170,502)
Total revenues	748,949	764,899	622,449	(142,450)
Expenditures:				
Current				
Health	30,578	38,699	37,832	867
Total expenditures	30,578	38,699	37,832	867
Excess of revenues over expenditures	718,371	726,200	584,617	(141,583)
Other financing sources (uses):				
Transfers out	(463,000)	(470,829)	(470,829)	-
Total other financing sources (uses)	(463,000)	(470,829)	(470,829)	-
Net changes in fund balances	255,371	255,371	113,788	(141,583)
Fund balances - beginning	1,857,050	1,857,050	1,857,050	-
Fund balances - ending	$ 2,112,421	$ 2,112,421	$ 1,970,838	$ (141,583)

OLMSTED COUNTY
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED DECEMBER 31, 2025

Year	Service Costs	Interest	Difference between Expected and Actual Experience	Change of Assumption	Benefit Payments	Net Change in Total OPEB Liability	Total OPEB Liability - Beginning	Total OPEB Liability - Ending	Covered Employee Payroll	Total OPEB Liability as a Percentage of Covered Employee Payroll
2025	$ 609,893	$ 362,475	$ -	$ (340,665)	$ (429,587)	$ 202,116	$ 9,399,580	$ 9,601,696	$ 113,352,525	8.47%
2024	641,347	393,434	(1,023,022)	430,424	(469,615)	(27,432)	9,427,012	9,399,580	110,050,995	8.54%
2023	598,400	213,250	-	(1,240,909)	(413,633)	(842,892)	10,269,904	9,427,012	99,726,581	9.45%
2022	801,962	220,310	(549,963)	(167,747)	(493,947)	(189,385)	10,459,289	10,269,904	96,821,923	10.61%
2021	767,345	286,333	-	524,527	(447,050)	1,131,155	9,328,134	10,459,289	94,460,968	11.07%
2020	645,067	321,992	350,067	348,991	(329,723)	1,336,394	7,991,740	9,328,134	91,487,620	10.20%
2019	520,432	267,819	-	(263,979)	(253,609)	270,663	7,721,077	7,991,740	84,419,002	9.47%
2018	549,460	251,295	-	-	(288,102)	512,653	7,208,424	7,721,077	85,235,794	9.06%

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
PERA PUBLIC EMPLOYEE GENERAL EMPLOYEES RETIREMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

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
2025	1.128%	$ 37,387,811	$ 901,911	$ 38,289,722	$102,180,213	36.59%	90.80%
2024	1.121	41,439,136	1,071,531	42,510,667	94,868,360	43.68	89.10
2023	1.101	61,589,054	1,697,854	63,286,908	87,587,853	70.32	83.10
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

The measurement date for each year is June 30.

OLMSTED COUNTY
SCHEDULE OF CONTRIBUTIONS
PERA PUBLIC EMPLOYEES GENERAL EMPLOYEES RETIREMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

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)
2025	$ 7,870,431	$ 7,870,431	$ -	$104,939,080	7.50%
2024	7,444,968	7,444,968	-	99,266,240	7.50
2023	6,755,481	6,755,481	-	90,081,965	7.50
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

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, 2025

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
2025	0.585%	$ 6,853,317	$ 237,570	$ 7,090,887	$ 8,877,203	77.20%	91.80%
2024	0.607	7,987,532	304,482	8,292,014	8,407,249	95.01	90.20
2023	0.595	10,281,784	414,169	10,695,953	7,818,514	131.51	86.50
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

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, 2025

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)
2025	$ 1,614,968	$ 1,614,968	$ -	$ 9,124,113	17.70%
2024	1,526,677	1,526,677	-	8,625,294	17.70
2023	1,437,074	1,437,074	-	8,119,059	17.70
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

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, 2025

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
2025	2.692%	$ (1,780,534)	$ 7,356,754	24.20%	105.20%
2024	2.842	866,131	7,214,240	12.01	97.50
2023	2.826	1,277,493	6,626,331	19.28	95.90
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

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, 2025

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)
2025	$ 729,879	$ 729,879	$ -	$ 7,670,964	10.25%
2024	632,119	632,119	-	7,224,217	8.75
2023	608,198	608,198	-	6,950,834	8.75
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

The County's year-end is December 31.

Basis of Budgeting

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

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

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

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

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

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

Other Postemployment Benefits

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

The following changes in significant plan provisions, actuarial methods, and assumptions were reflected in the OPEB actuarial valuation:

2025
Change in Actuarial Assumptions
The discount rate was changed from 3.70% to 4.20%.

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

2024
Change in Actuarial Assumptions
The discount rate was changed from 4.00% to 3.70%.

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

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

2023
Change in Actuarial Assumptions
The discount rate was changed from 2.00% to 4.00%.

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

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

2022
Change in Actuarial Assumptions
The inflation rate was changed from 2.50% to 2.00%.

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

The mortality tables were updated from 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.

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

2021

Change in Actuarial Assumptions
The discount rate was changed from 2.90% to 2.00%.

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

2020

Change in Actuarial Assumptions
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%.

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

2019

Change in Actuarial Assumptions
The discount rate was changed from 3.30% to 3.80%.

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

2018

Change in Actuarial Assumptions
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%

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

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

2025

Change in Actuarial Assumptions

The combined service annuity loading factors increased from 15% to 19% for vested terminated members and from 3% to 44% for non-vested, terminated members.

The assumed post-retirement benefit increase changed from 1.25% to 1.5%.

Change in Plan Provisions

The post-retirement benefit increase formula changed to 100% of the Social Security annual increase, between 1% and 1.75%, beginning January 1, 2026. If the funded ratio (on market value of assets basis) is less than 85% for the last two consecutive annual valuations or is less than 80% in the most recent actuarial valuation, the maximum is reduced to 1.5%. Previously, the benefit increase was 50% of the Social Security annual increase, between 1% and 1.5%.

The 1% additional employer contribution is eliminated when the plan reaches 98% funded status (on an actuarial value of asset basis); this contribution was previously scheduled to stop when the plan reached 100% funded status.

2024

Change in Actuarial Assumptions

Rates of merit and seniority were adjusted, resulting in slightly higher rates.

Assumed rates of retirement were adjusted as follows: increase the rate of assumed unreduced retirements, slight adjustments to Rule of 90 retirement rates, and slight adjustments to early retirement rates for Tier 1 and Tier 2 members.

Minor increase in assumed withdrawals for males and females.

Lower rates of disability.

Continued use of Pub-2010 general mortality table with slight rate adjustments as recommended in the most recent experience study.

Minor changes to form of payment assumptions for male and female retirees.

Minor changes to assumptions made with respect to missing participant data.

Change in Plan Provisions

The workers' compensation offset for disability benefits was eliminated. The actuarial equivalent factors updated to reflect the changes in assumptions.

2023

Change in Actuarial Assumptions

The investment return assumption and single discount rate were changed from 6.5 percent to 7.00 percent.

Change in Plan Provisions
An additional one-time direct state aid contribution of $170.1 million will be contributed to the Plan on October 1, 2023.

The vesting period of those hired after June 30, 2010, was changed from five years of allowable service to three years of allowable service.

The benefit increase delay for early retirements on or after January 1, 2024, was eliminated.

A one-time, non-compounding benefit increase of 2.5 percent minus the actual 2024 adjustment will be payable in a lump sum for calendar year 2024 by March 31, 2024.

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 changed from Scale MP-2019 to Scale MP-2020.

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

2020
Change in Actuarial Assumptions
The price inflation assumption was decreased from 2.50% to 2.25%.

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

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

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

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

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

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

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

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

The assumed number of married male new retirees electing the 100% Joint & Survivor option changed from 35% to 45%.

The assumed number of married female new retirees electing the 100% Joint & Survivor option changed from 15% to 30%.

The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.

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

2019
Change in Actuarial Assumptions
The mortality projection scale was changed from MP-2017 to MP-2018.

Change in Plan Provisions
The employer supplemental contribution was changed prospectively, decreasing from $31.0 million to $21.0 million per year. The State's special funding contribution was changed prospectively, requiring $16.0 million due per year through 2031.

2018
Change in Actuarial Assumptions
The mortality projection scale was changed from MP-2015 to MP-2017.

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

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

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

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

Contribution stabilizer provisions were repealed.

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

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

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

2017
Changes in Actuarial Assumptions
The combined service annuity (CSA) loads were changed from 0.80 percent for active members and 60.00 percent for vested and non-vested deferred members. The revised CSA load are now 0.00 percent for active member liability, 15.00 percent for vested deferred member liability, and 3.00 percent for non-vested deferred member liability.

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

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

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

2016
Change in Actuarial Assumptions
The assumed postretirement benefit increase rate was changed from 1.00 percent per year through 2035 and 2.50 percent per year thereafter to 1.00 percent per year for all years.

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

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

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

Public Employees Police and Fire Plan

2025
Changes in Actuarial Assumptions
Assumed rates of salary increases were reduced slightly.

Assumed rates of retirement were adjusted, resulting in an overall increase in unreduced (full) retirements and an overall increase in reduced (early) retirements.

Assumed rates of withdrawal were modified; the new rates will increase predicted terminations, especially in the first few years of employment.

Assumed rates of disabled retirement were significantly increased, especially for ages over age 30.

Continued use of Pub-2010 Public Safety Mortality Table with rates adjusted to better fit observed experience.

Percent married assumptions for female retirees lowered from 70% to 65%.

Minor changes were made to form of payment assumptions for retirees.

Minor changes were made to assumptions made with respect to missing participant data.

The combined service annuity load changed from 33% to 13% for vested, terminated members and from 2% to 38% for non-vested, terminated members.

Changes in Plan Provisions
The period of time needed for benefit recipients to receive their first benefit increase was reduced by one year (from 36 months to 24 months for a full increase).

The January 1, 2026 benefit increase changed from 1% to 3%; subsequent January 1 increases will be 1%.

The threshold to end the $9 million annual state aid contribution changed from the earlier of July 1, 2048 or 90% funded for both PERA Police & Fire and MSRS State Patrol for three consecutive years to 100% funded for both PERA Police & Fire and MSRS State Patrol for three consecutive years (on an actuarial value of assets basis).

The threshold to end the additional $9 million annual state aid contribution changed from the earlier of July 1, 2048 or 100% funded for a minimum of three consecutive years to 110% funded for a minimum of three consecutive years (on an actuarial value of asset basis.

An additional $17.7 million in direct state aid will be paid annually each October 1 beginning October 1, 2025 through June 30, 2048.

Joint and survivor actuarial equivalent factors were updated to reflect changes in assumptions.

2024
Change in Actuarial Assumptions
There were no changes in actuarial assumptions since the previous valuation.

Change in Plan Provisions
The State contribution of $9.0 million per year will continue until the earlier of 1) both the Police & Fire Plan and the State Patrol Retirement Fund attain 90 percent funded status for three consecutive years (on an actuarial value of assets basis) or 2) July 1, 2048. The contribution was previously due to expire after attaining a 90 percent funded status for one year.

The additional $9.0 million contribution will continue until the Police & Fire Plan is fully funded for a minimum of three consecutive years on an actuarial value of assets basis, or July 1, 2048, whichever is earlier. This contribution was previously due to expire upon attainment of fully funded status on an actuarial value of assets basis for one year (or July 1, 2048, if earlier).

2023
Change in Actuarial Assumptions
The investment return assumption was changed from 6.5 percent to 7.00 percent.

The single discount rate changed from 5.40% to 7.00%.

Change in Plan Provisions
Additional one-time direct state aid contribution of $19.4 million will be contributed to the Plan on October 1, 2023.

Vesting requirements for new hires after June 30, 2014, was changed from graded 20-year vesting schedule to a graded 10-year vesting schedule, with 50 percent vesting after five years, increasing incrementally to 100% after 10 years.

A one-time, non-compounding benefit increase of 3.0 percent will be payable in a lump sum for calendar year 2024 by March 31, 2024.

Psychological treatment is required effective July 1, 2023, prior to approval for a duty disability benefit for a psychological condition related to the member’s occupation.

The total and permanent duty disability benefit was increased, effective July 1, 2023.

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 MP-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.

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

2018
Change in Actuarial Assumptions
The mortality projection scale was changed from MP-2016 to MP-2017.

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

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

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

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

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

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

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

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

2017
Change in Actuarial Assumptions
Assumed salary increases were changed as recommended in the June 30, 2016 experience study. The net effect is proposed rates that average 0.34 percent lower than the previous rates.

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

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

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

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

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

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

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

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

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

Change in Actuarial Plan Provisions
There 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

Public Employees Correctional Plan

2025

Change in Actuarial Assumptions
Assumed rates of salary increases were reduced slightly and changed to service-based (vs. age based).

Assumed rates of retirement were adjusted, resulting in an overall increase in unreduced (full) retirements and reduced (early) retirements.

Assumed rates of withdrawal were changed from age-based rates after three years of service to service-based for all years; the new rates result in an increase in predicted terminations for males and females.

Minor changes were made to assumed rates of disability retirements.

Continued use of Pub-2010 Public Safety Mortality Table with no adjustments.

Minor changes were made to the assumed percent married, beneficiary age difference and form of payment assumptions for future retirees.

Minor changes were made to assumptions made with respect to missing participant data.

The combined service annuity load changed from 35% to 9% for vested, terminated members and from 1% to 119% for non-vested, terminated members.

Change in Plan Provisions
The benefit payable to a member who qualifies for a duty disability benefit was changed to 47.5% of average salary plus, for each year of service in excess of 25 years, 1.9% for each year of allowable service before July 1, 2025, and 2.2% for each year of allowable service beginning after June 30, 2025.

Actuarial equivalent factors were updated to reflect changes in assumptions.

2024

Change in Actuarial Assumptions

There were no changes in actuarial assumptions since the prior valuation.

Change in Plan Provisions

Employee contribution rates will increase from 5.83% of pay to 6.83% of pay, effective July 1, 2025.

Employer contribution rates will increase from 8.75% of pay to 10.25% of pay, effective July 1, 2025.

The benefit multiplier changed from 1.9% to 2.2% for service earned after June 30, 2025.

2023

Change in Actuarial Assumptions

The investment return rate was changed from 6.50 percent to 7.00 percent.

The single discount rate changed from 5.42% to 7.00%.

Change in Plan Provisions

Additional one-time direct state aid contribution of $5.3 million will be contributed to the Plan on October 1, 2023.

A one-time, non-compounding benefit increase of 2.5 percent minus the actual 2024 adjustment will be payable in a lump sum calendar year 2024 by March 31, 2024.

The maximum benefit increase will revert back to 2.5 percent. The maximum increase is 1.5 percent and the Plan's funding ratio improves to 85 percent for two consecutive years on a market value of assets basis.

2022

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 MP-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 morality 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.

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.

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, 2025

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget
Revenues:				
Property taxes	$ 6,888,347	$ 6,888,347	$ 6,847,202	$ (41,145)
Investment income	215,952	215,952	250,326	34,374
Total revenues	7,104,299	7,104,299	7,097,528	(6,771)
Expenditures:				
Debt service				
Principal	22,143,812	21,936,083	21,936,083	-
Interest and fiscal charges	1,925,054	2,236,632	2,235,334	1,298
Total expenditures	24,068,866	24,172,715	24,171,417	1,298
Excess of revenues over expenditures	(16,964,567)	(17,068,416)	(17,073,889)	(5,473)
Other financing sources (uses):				
Transfers in	3,522,596	3,522,596	3,522,595	(1)
Transfers out	-	(5,024,117)	(5,024,117)	-
Total other financing sources (uses)	3,522,596	(1,501,521)	(1,501,522)	(1)
Net changes in fund balances	(13,441,971)	(18,569,937)	(18,575,411)	(5,474)
Fund balances - beginning	26,149,194	26,149,194	26,149,194	-
Fund balances - ending	$ 12,707,223	$ 7,579,257	$ 7,573,783	$ (5,474)

OLMSTED COUNTY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CAPITAL PROJECTS FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget
Revenues:				
Property taxes	$ 84,150	$ 84,150	$ 83,755	$ (395)
Intergovernmental revenue	1,325,000	639,237	1,892,950	1,253,713
Gifts and contributions	468,750	187,500	-	(187,500)
Investment income	143,061	143,061	289,294	146,233
Other	6,025,000	-	3,750	3,750
Total revenues	8,045,961	1,053,948	2,269,749	1,215,801
Expenditures:				
Capital Outlay				
Public safety	4,395,293	1,795,488	1,560,127	235,361
Highways and streets	1,712,000	2,035,078	1,988,304	46,774
Culture and recreation	29,083,000	19,029,226	18,448,098	581,128
Total expenditures	35,190,293	22,859,792	21,996,529	863,263
Deficiency of revenues over expenditures	(27,144,332)	(21,805,844)	(19,726,780)	2,079,064
Other financing sources:				
Transfers in	1,669,000	13,991,861	12,621,110	(1,370,751)
Issuance of debt	25,281,393	5,031,372	5,031,372	-
Premium on bonds	-	374,878	374,878	-
Sale of capital assets	337,000	100,355	58,568	(41,787)
Total other financing sources	27,287,393	19,498,466	18,085,928	(1,412,538)
Net changes in fund balances	143,061	(2,307,378)	(1,640,852)	666,526
Fund balances - beginning	9,125,538	9,125,538	9,125,538	-
Fund balances - ending	$ 9,268,599	$ 6,818,160	$ 7,484,686	$ 666,526

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, board of commissioners, administration, and policy, analysis, and communication 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, 2025

	Governmental Activities			
	Self Insurance	Administrative Services	Building Facilities	Total
ASSETS				
Current assets:				
Cash and cash equivalents	$ 30,347,848	$ 20,902,631	$ 13,395,838	$ 64,646,317
Cash and cash equivalents on deposit:				
Restricted for debt service	-	-	4,956,357	4,956,357
Restricted for construction	-	-	1,209,736	1,209,736
Designated for OPEB liability	9,601,696	-	-	9,601,696
Accounts receivable, net	250,000	99,016	10,087	359,103
Due from other governments	-	-	40,020	40,020
Lease receivable	-	-	17,139	17,139
Prepaid items	18,000	197,403	10,974	226,377
Total current assets	40,217,544	21,199,050	19,640,151	81,056,745
Noncurrent assets:				
Long-term loans	-	-	13,741	13,741
Lease receivable	-	-	96,544	96,544
Total other assets	-	-	110,285	110,285
Capital assets, net:				
Land	-	-	8,875,332	8,875,332
Building and structures	-	-	48,780,148	48,780,148
Improvements other than buildings	-	-	661,018	661,018
Equipment	-	1,269,007	3,147,321	4,416,328
Software	-	365,246	-	365,246
Infrastructure	-	-	1,149,552	1,149,552
Intangible right-to-use lease equipment	-	555,372	-	555,372
Intangible right-to-use subscription software	189,886	2,286,141	86,878	2,562,905
Construction in progress	-	-	857,910	857,910
Total capital assets, net	189,886	4,475,766	63,558,159	68,223,811
Total noncurrent assets	189,886	4,475,766	63,668,444	68,334,096
Total assets	40,407,430	25,674,816	83,308,595	149,390,841
DEFERRED OUTFLOWS OF RESOURCES				
OPEB	1,030,424	-	-	1,030,424
Pension	-	1,662,658	212,027	1,874,685
Total deferred outflows of resources	1,030,424	1,662,658	212,027	2,905,109
LIABILITIES				
Current liabilities:				
Accounts payable	152,195	261,785	70,755	484,735
Salaries payable	-	1,103,059	144,500	1,247,559
Contracts payable	-	-	220,113	220,113
Accrued interest payable	-	21,278	539,663	560,941
Due to other governments	11,419	315,296	35,918	362,633
Unearned revenue	127,134	-	110,227	237,361
Total OPEB liability	458,635	-	-	458,635
Compensated absences	9,293,179	1,732,473	252,030	11,277,682
Outstanding claims	1,657,901	-	-	1,657,901
Lease payable	-	238,460	-	238,460
Information technology subscription payable	57,695	1,414,017	22,380	1,494,092
Bonds payable	-	-	4,012,628	4,012,628
Total current liabilities	11,758,158	5,086,368	5,408,214	22,252,740
Noncurrent liabilities:				
Total OPEB liability	9,143,061	-	-	9,143,061
Net pension liability	-	6,665,009	849,941	7,514,950
Compensated absences	5,501,815	1,767,094	97,351	7,366,260
Outstanding claims	1,143,826	-	-	1,143,826
Lease payable	-	1	-	1
Information technology subscription payable	120,106	521,565	76,076	717,747
Bonds payable	-	-	40,029,368	40,029,368
Total noncurrent liabilities	15,908,808	8,953,669	41,052,736	65,915,213
Total liabilities	27,666,966	14,040,037	46,460,950	88,167,953
DEFERRED INFLOWS OF RESOURCES				
OPEB	2,039,407	-	-	2,039,407
Pension	-	4,231,549	539,619	4,771,168
Lease	-	-	106,569	106,569
Deferred gain on refunding	-	-	641,186	641,186
Total deferred inflows of resources	2,039,407	4,231,549	1,287,374	7,558,330
NET POSITION				
Net investment in capital assets	12,085	2,301,723	19,766,144	22,079,952
Restricted for debt service	-	-	4,416,694	4,416,694
Unrestricted	11,719,396	6,764,165	11,589,460	30,073,021
Total net position	$ 11,731,481	$ 9,065,888	$ 35,772,298	$ 56,569,667

OLMSTED COUNTY
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2025

	Governmental Activities			
	Self Insurance	Administrative Services	Building Facilities	Total
Operating revenues:				
Charges for services	$ 34,910,405	$ 34,924,141	$ 12,885,707	$ 82,720,253
Other	533,026	439,983	149,289	1,122,298
Total operating revenues	35,443,431	35,364,124	13,034,996	83,842,551
Operating expenses:				
Personnel services	712,414	24,629,185	3,237,203	28,578,802
Consultants and professional services	34,606,642	511,230	3,968	35,121,840
Repairs and maintenance	-	3,602,644	3,439,045	7,041,689
Other services and charges	2,483,311	2,188,019	382,876	5,054,206
Supplies	113	235,469	229,541	465,123
Utilities	-	209,070	1,425,753	1,634,823
Depreciation	40,703	2,743,772	4,032,069	6,816,544
Total operating expenses	37,843,183	34,119,389	12,750,455	84,713,027
Operating income (loss)	(2,399,752)	1,244,735	284,541	(870,476)
Nonoperating revenues (expenses):				
Intergovernmental revenue	-	182,206	579,034	761,240
Investment income	659,701	236,633	672,723	1,569,057
Gain (loss) on disposal of capital assets	-	12,635	(233,802)	(221,167)
Lease revenue	-	-	267,497	267,497
Insurance recoveries	-	6,712	-	6,712
Interest expense	-	(66,059)	(1,094,660)	(1,160,719)
Bond issuance costs and fiscal charges	-	-	(7,289)	(7,289)
Total nonoperating revenues (expenses)	659,701	372,127	183,503	1,215,331
Income (loss) before transfers	(1,740,051)	1,616,862	468,044	344,855
Transfers in	-	775,000	200,000	975,000
Transfers out	(49,644)	-	-	(49,644)
Total transfers	(49,644)	775,000	200,000	925,356
Change in net position	(1,789,695)	2,391,862	668,044	1,270,211
Net position - beginning	13,521,176	6,674,026	35,104,254	55,299,456
Net position - ending	$ 11,731,481	$ 9,065,888	$ 35,772,298	$ 56,569,667

OLMSTED COUNTY
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2025

	Governmental Activities			
	Self Insurance	Administrative Services	Building Facilities	Total
Cash flows from operating activities:				
Receipts from customers and users	$ 1,412,815	$ 1,720,457	$ 1	$ 3,133,273
Receipts from transactions with other funds	33,801,215	33,104,668	12,885,706	79,791,589
Payments to suppliers	(36,386,015)	(5,329,786)	(4,549,240)	(46,265,041)
Payments to employees	-	(26,253,941)	(3,475,869)	(29,729,810)
Payments to other funds for services provided	(746,562)	(915,174)	(734,766)	(2,396,502)
Other receipts	533,026	439,983	119,389	1,092,398
Net cash flows from operating activities	(1,385,521)	2,766,207	4,245,221	5,625,907
Cash flows from noncapital financing activities:				
Non-operating lease receipts	-	-	277,535	277,535
Transfers in	-	775,000	200,000	975,000
Intergovernmental grants received	-	182,206	579,034	761,240
Transfers out	(49,644)	-	-	(49,644)
Net cash flows from noncapital financing activities	(49,644)	957,206	1,056,569	1,964,131
Cash flows from capital and related financing activities:				
Acquisitions of capital assets	-	(513,835)	(1,231,036)	(1,744,871)
Proceeds from sale of capital assets	-	12,635	22,004	34,639
Insurance recoveries	-	6,712	-	6,712
Lease and subscription payments	(31,248)	(1,607,329)	(21,001)	(1,659,578)
Bond proceeds	-	-	858,132	858,132
Payments on bond issue costs and fiscal charges	-	-	(7,289)	(7,289)
Principal paid	-	-	(12,188,917)	(12,188,917)
Interest paid	-	(91,685)	(1,489,631)	(1,581,316)
Net cash flows from capital and related financing activities	(31,248)	(2,193,502)	(14,057,738)	(16,282,488)
Cash flows from investing activities:				
Interest on investments	659,701	236,633	721,302	1,617,636
Withdrawals of restricted assets	-	-	8,575,145	8,575,145
Net cash flows from investing activities	659,701	236,633	9,296,447	10,192,781
Net increase (decrease) in cash and cash equivalents	(806,712)	1,766,544	540,499	1,500,331
Cash and cash equivalents - January 1	40,756,256	19,136,087	19,021,432	78,913,775
Cash and cash equivalents - December 31	$ 39,949,544	$ 20,902,631	$ 19,561,931	$ 80,414,106
Displayed on Proprietary Funds Statement of Net Position as:				
Cash and cash equivalents	$ 30,347,848	$ 20,902,631	$ 13,395,838	$ 64,646,317
Cash and cash equivalents on deposit:				
Restricted for debt service	-	-	4,956,357	4,956,357
Restricted for construction	-	-	1,209,736	1,209,736
Designated for OPEB	9,601,696	-	-	9,601,696
Total cash and cash equivalents	$ 39,949,544	$ 20,902,631	$ 19,561,931	$ 80,414,106
Reconciliation of operating income (loss) to net cash flows from operating activities:				
Operating income (loss)	$ (2,399,752)	$ 1,244,735	$ 284,541	$ (870,476)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:				
Depreciation	40,703	2,743,772	4,032,069	6,816,544
Changes in pension amounts	-	(1,904,130)	(276,896)	(2,181,026)
Changes in OPEB amounts	20,962	-	-	20,962
(Increase) decrease in assets				
Accounts receivable	350,000	(99,016)	(5,920)	245,064
Due from other governments	-	-	(21,707)	(21,707)
Prepaid items	(18,000)	112,806	178,827	273,633
Increase (decrease) in liabilities				
Accounts payable and other current liabilities	(613,160)	86,577	(7,227)	(533,810)
Salaries payable	-	116,932	15,571	132,503
Contracts payable	-	-	28,036	28,036
Due to other governments	(25,440)	302,089	(2,459)	274,190
Outstanding claims	391,011	-	-	391,011
Total OPEB liability	202,116	-	-	202,116
Compensated absences	712,414	162,442	22,659	897,515
Unearned revenue	(46,375)	-	(2,273)	(48,648)
Total adjustments	1,014,231	1,521,472	3,960,680	6,496,383
Net cash flows from operating activities	$ (1,385,521)	$ 2,766,207	$ 4,245,221	$ 5,625,907
Non-cash transaction information:				
The interest expense includes amounts for amortization of bond discounts and premiums and deferred amounts	$ -	$ -	$ 243,401	$ 243,401
Contracts/accounts payable included in capital assets	-	-	151,607	151,607
Acquisition of capital assets by subscription payable	(209,049)	(467,355)	-	(676,404)

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 Olmsted Community Corrections
Family Collaborative Services
Lake Zumbro Restoration Project
Olmsted County Soil and Water Conservation District
Regional Family Group Decision Making
Regional Mental Health Initiative
Regional Mobile Crisis
Southeastern Minnesota Recyclers Exchange
Southeast Minnesota 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 I**ndividuals, 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, 2025

	Service Bureau Activities	State Revenue	Individuals, Organizations, and Other Local Governments Revenue	Tax and Penalties	Total
ASSETS					
Cash, deposits, and investments	$ 5,325,453	$ 1,182,749	$ 161,411	$ 6,123,455	$ 12,793,068
Taxes receivable for other governments	-	-	-	4,130,442	4,130,442
Special assessments receivable	364,792	-	-	-	364,792
Accounts receivable, net	92,481	2,399	9,720	-	104,600
Due from other governments	877,830	87,348	-	121,166	1,086,344
Prepaid items	32,586	-	-	-	32,586
Total assets	6,693,142	1,272,496	171,131	10,375,063	18,511,832
LIABILITIES					
Accounts payable	108,019	235	32,313	4,287,773	4,428,340
Due to other governments	1,333,706	1,272,160	2,680	1,656,189	4,264,735
Unearned revenue	339,468	-	-	-	339,468
Total liabilities	1,781,193	1,272,395	34,993	5,943,962	9,032,543
DEFERRED INFLOWS OF RESOURCES					
Advanced contributions	2,158,741	-	-	300,660	2,459,401
NET POSITION					
Restricted for:					
Individuals, organizations, and governments	$ 2,753,208	$ 101	$ 136,138	$ 4,130,441	$ 7,019,888

OLMSTED COUNTY
COMBINING STATEMENT OF CHANGES IN FIDUCIARY FUND NET POSITION
CUSTODIAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2025

	Service Bureau Activities	State Revenue	Individuals, Organizations, and Other Local Governments Revenue	Tax and Penalties	Total
ADDITIONS					
Contributions:					
Individuals	$ -	$ -	$ 386,283	$ -	$ 386,283
Members	8,775,502	-	-	-	8,775,502
Others	1,613,600	-	-	-	1,613,600
Interest, dividends, other	190,310	-	-	-	190,310
Property tax collections for other governments	-	23,043,793	-	272,356,954	295,400,747
Other tax collections for other governments	-	8,193,470	-	-	8,193,470
Grant collections for other governments and organizations	10,211,803	-	-	-	10,211,803
Fee collections for other governments and organizations	837,564	983,127	155,112	-	1,975,803
Fines and forfeits collections for other governments and organizations	547,737	-	-	-	547,737
Miscellaneous	39,131	1,424,612	1,163,068	-	2,626,811
Total additions	22,215,647	33,645,002	1,704,463	272,356,954	329,922,066
DEDUCTIONS					
Payments of property tax to other governments	-	23,043,793	-	268,205,664	291,249,457
Payments to state	-	10,400,582	-	-	10,400,582
Administrative expenses	698,228	-	-	-	698,228
Payments to other entities	21,212,405	200,632	1,829,456	3,336,383	26,578,876
Total deductions	21,910,633	33,645,007	1,829,456	271,542,047	328,927,143
Net increase (decrease) in fiduciary net position	305,014	(5)	(124,993)	814,907	994,923
Net position - beginning	2,448,194	106	261,131	3,315,534	6,024,965
Net position - ending	$ 2,753,208	$ 101	$ 136,138	$ 4,130,441	$ 7,019,888

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, 2025

	Land	Infrastructure Land	Infrastructure	Buildings	Improvements other than Buildings	Equipment and Vehicles	Software	Subscription Right-To-Use Software	Construction in Progress	Total
General government	$ -	$ -	$ -	$ -	$ -	$ 1,192,462	$ 2,704,318	$ 397,865	$ -	$ 4,294,645
Public safety	1,805,537	-	54,352	15,815,513	2,172,025	8,270,203	1,154,108	1,189,360	-	30,461,098
Conservation of natural resources	640,000	130,859	365,055	-	-	182,171	-	-	-	1,318,085
Highways and streets	9,421,489	44,524,244	338,616,546	28,841,992	1,164,041	16,630,730	33,691	418,736	12,359,662	452,011,131
Health	-	-	-	-	-	221,478	522,808	-	-	744,286
Human services	-	-	-	-	-	72,723	1,159,696	-	-	1,232,419
Culture and recreation	3,517,223	-	704,251	26,319,993	6,378,742	3,960,515	-	-	17,836,028	58,716,752
Total Capital Assets	15,384,249	44,655,103	339,740,204	70,977,498	9,714,808	30,530,282	5,574,621	2,005,961	30,195,690	548,778,416
Less Accumulated Depreciation	-	-	(182,270,111)	(21,562,246)	(4,631,026)	(18,611,350)	(5,178,391)	(545,885)	-	(232,799,009)
Capital Assets, net	$ 15,384,249	$ 44,655,103	$ 157,470,093	$ 49,415,252	$ 5,083,782	$ 11,918,932	$ 396,230	$ 1,460,076	$ 30,195,690	$ 315,979,407

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, 2025

	Governmental Funds Capital Assets January 1	Additions	Deductions	Transfers	Governmental Funds Capital Assets December 31
General government	$ 4,036,495	$ 397,865	$ (139,715)	$ -	$ 4,294,645
Public safety	29,453,740	1,332,255	(354,797)	29,900	30,461,098
Conservation of natural resources	1,318,085	-	-	-	1,318,085
Highways and streets	433,420,384	31,699,826	(13,109,079)	-	452,011,131
Health	744,286	-	-	-	744,286
Human services	1,232,419	-	-	-	1,232,419
Culture and recreation	40,918,563	18,931,252	(1,133,063)	-	58,716,752
Total	$ 511,123,972	$ 52,361,198	$ (14,736,654)	$ 29,900	$ 548,778,416

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, 2025

Governmental funds capital assets:		
Land	$	15,384,249
Infrastructure land		44,655,103
Infrastructure		339,740,204
Buildings		70,977,498
Improvements other than buildings		9,714,808
Equipment and vehicles		30,530,282
Software		5,574,621
Subscription right-to-use software		2,005,961
Construction in progress		30,195,690
Total governmental funds capital assets	$	548,778,416

Investment in governmental funds capital assets by source:		
General government	$	4,294,645
Public safety		30,461,098
Conservation of natural resources		1,318,085
Highways and streets		452,011,131
Health		744,286
Human services		1,232,419
Culture and recreation		58,716,752
Total governmental funds capital assets	$	548,778,416

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, 2025

Investments	Interest Rates (Percent)		December 31, 2025
Pooled Investments			
Municipal Bonds	3 - 3.99	$	3,483,219
	4 - 4.99		2,524,335
Total Municipal Bonds			6,007,554
U.S. Government Securities	0 - 0.99		18,188,680
	1 - 1.99		7,316,702
	2 - 2.99		22,442,652
	3 - 3.99		42,246,686
	4 - 4.99		135,527,518
	5 - 5.99		3,156,445
Total U.S. Government Securities			228,878,683
Mutual Funds	Variable		57,936,555
MAGIC Term	3 - 3.99		15,000,000
Total Mutual Funds			72,936,555
Total Pooled Investments			307,822,792
Investments Held at Trust			
Mutual Funds	Variable		10,712,062
Total Investments			318,534,854
Total Change & Imprest Funds			188,838
Total Deposits and Investments		$	318,723,692

OLMSTED COUNTY
TAX CAPACITY, TAX RATES, LEVIES, AND PERCENTAGE OF COLLECTIONS
FOR FISCAL YEAR 2025

	2025	
	Net Tax Capacity	Tax Capacity Rate Percent
Tax Capacity:		
Real property	$ 313,196,036	
Personal property	4,643,354	
Tax increment financing	(10,064,298)	
Net Tax Capacity (1)	$ 307,775,092	
Taxes Levied for		
County Purposes:		
General	$ 139,509,522	42.500
Library (2)	1,494,935	1.646
Total Levy for County Purposes (3)	$ 141,004,457	44.146
Less:		
State paid Credits & Aids	8,313,784	
Net Levy for County Purposes	$ 132,690,673	
Taxable Valuations -		
Light and Power:		
Transmission	$ 111,942	
Distribution	329,354	
Total Taxable Valuation - Light and Power	$ 441,296	
Light and Power Tax Levied (4)		
Tax Capacity Rate %		107.557
Market Value Rate %		0.246
Transmission - County share (5)	$ 67,072	
Distribution - County share (5)	197,337	
Total Light and Power Tax Levied	$ 264,409	
Percentage of tax collections, for all purposes (6)	98.8%	

(1) Source: Payable year Abstract of Tax Lists and Certification of State Paid Property Tax Cre
the beginning of the payable year
(2) Levy applicable to selected areas only
(3) Source: Certified Levy amounts approved by the County Board
(4) Distributed pursuant to Minn. Stat. 273.42, as amended
(5) Source: MN Dept of Revenue ATL Summary Report
(6) % 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 12/31/2025

	General	Infrastructure	Health & Human Services	Opioid Settlement	Capital Projects Fund	Fund Type Total	Waste Management Enterprise Fund	Olmsted County HRA Enterprise Fund	Internal Service Funds	Grand Total
APPROPRIATIONS AND SHARED REVENUE										
Aquatic Invasive Species Program Aid	$ 11,056	$ -	$ -	$ -	$ -	$ 11,056	$ -	$ -	$ -	$ 11,056
Certified Program Aid	10,543,567	-	-	-	-	10,543,567	-	-	-	10,543,567
Disparity Aid	4,892	-	-	-	-	4,892	-	-	-	4,892
Local Government Cannabis Aid	-	-	5,454	-	-	5,454	-	-	-	5,454
Local Homeless Prevention Aid	-	-	1,060,393	-	-	1,060,393	-	-	-	1,060,393
Local Performance Aid	-	-	-	-	-	-	-	-	23,299	23,299
Market Value	400,103	-	-	-	-	400,103	-	15,432	-	415,535
Out of Home Placement Aid	-	-	1,164	-	-	1,164	-	-	-	1,164
PERA Aid	248,883	9,847	83,227	-	-	341,957	-	-	-	341,957
Police State Aid	1,134,088	-	-	-	-	1,134,088	-	-	-	1,134,088
Statewide Affordable Housing Aid	-	-	105,536	-	-	105,536	-	-	-	105,536
E911 Distribution	539,732	-	-	-	-	539,732	-	-	-	539,732
MPCA Score Reimbursement	-	-	-	-	-	-	570,284	-	-	570,284
Highway User Tax - State Aid	-	15,238,582	-	-	-	15,238,582	-	-	-	15,238,582
TOTAL APPROPRIATIONS AND SHARED REVENUE	12,882,321	15,248,429	1,255,774	-	-	29,386,524	570,284	15,432	23,299	29,995,539
REIMBURSEMENT FOR SERVICES	13,233	-	11,618,678	-	-	11,631,911	-	-	-	11,631,911
STATE GRANTS										
Agriculture	27,267	-	-	-	-	27,267	-	-	-	27,267
Children Youth and Families			2,278,185			2,278,185				2,278,185
Commerce	-	-	-	-	51,836	51,836	-	-	-	51,836
Corrections	-	-	20,004	-	-	20,004	-	-	-	20,004
Health	-	-	2,818,205	-	-	2,818,205	-	-	-	2,818,205
Housing Finance Agency	-	-	-	-	-	-	-	809,582	-	809,582
Human Services	3,734	-	12,803,250	-	-	12,806,984	-	592,952	-	13,399,936
Natural Resources	156,528	-	-	-	208,321	364,849	-	-	-	364,849
Peace Officer Standards and Training Board	84,527	-	-	-	-	84,527	-	-	-	84,527
Pollution Control	-	-	-	-	-	-	49,231	-	550,000	599,231
Public Safety	13,942	-	-	-	-	13,942	-	-	-	13,942
Secretary of State	80,080	-	-	-	-	80,080	-	-	-	80,080
Transportation	142,363	4,644,352	-	-	-	4,786,715	-	-	-	4,786,715
Trial Courts	187,463	-	-	-	-	187,463	-	-	-	187,463
Veterans Affairs	-	-	30,000	-	-	30,000	-	-	-	30,000
Water and Soil Resources	70,819	-	-	-	-	70,819	-	-	-	70,819
TOTAL STATE GRANTS	766,723	4,644,352	17,949,644	-	260,157	23,620,876	49,231	1,402,534	550,000	25,622,641
FEDERAL GRANTS										
Executive Office of the President	60,000	-	-	-	-	60,000	-	-	-	60,000
US Department of Agriculture	34,338	-	2,964,281	-	-	2,998,619	-	43,978	-	3,042,597
US Department of Health and Human Services	792,481	-	18,436,809	-	-	19,229,290	-	-	-	19,229,290
US Department of Homeland Security	73,716	-	-	-	-	73,716	-	-	-	73,716
US Department of Housing and Urban Development	-	-	33,512	-	-	33,512	-	9,131,591	-	9,165,103
US Department of Justice	77,886	-	-	-	-	77,886	-	-	-	77,886
US Department of Transportation	1,061,918	230,145	-	-	-	1,292,063	-	-	-	1,292,063
TOTAL FEDERAL GRANTS	2,100,339	230,145	21,434,602	-	-	23,765,086	-	9,175,569	-	32,940,655
GENERAL										
Non-SEFA Inflation Reduction Act Renewable Tax Credit	-	-	-	-	1,632,793	1,632,793	16,305	-	29,034	1,678,132
TOTAL GENERAL	-	-	-	-	1,632,793	1,632,793	16,305	-	29,034	1,678,132
LOCAL										
City of Rochester	40,985	484,927	8,196	120,000	-	654,108	-	-	-	654,108
Fillmore County	-	-	-	-	-	-	-	-	11,066	11,066
Freeborn County	-	-	-	-	-	-	-	-	15,875	15,875
Goodhue County	-	-	-	-	-	-	-	-	24,812	24,812
Houston County	-	-	-	-	-	-	-	-	9,716	9,716
Minnesota Prairie County Alliance	-	-	-	-	-	-	-	-	39,933	39,933
Mower County	-	-	-	-	-	-	-	-	20,744	20,744
Other Governmental	21,028	-	-	-	-	21,028	-	-	-	21,028
Wabasha County	-	-	-	-	-	-	-	-	11,192	11,192
Winona County	-	-	-	-	-	-	-	-	25,569	25,569
TOTAL LOCAL	62,013	484,927	8,196	120,000	-	675,136	-	-	158,907	834,043
PAYMENT IN LIEU OF TAXES	181,805	-	-	-	-	181,805	-	-	-	181,805
TOTAL INTERGOVERNMENTAL REVENUE	$ 16,006,434	$ 20,607,853	$ 52,266,894	$ 120,000	$ 1,892,950	$ 90,894,131	$ 635,820	$ 10,593,535	$ 761,240	$ 102,884,726

OLMSTED COUNTY
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2025

Federal Grantor / Grant Program Title	Federal Assistance Listing Number (ALN)	Pass-Through Agency	Pass-Through Agency Grant Number	Expenditures	Passed Through to Subrecipients
U.S. Department of Agriculture					
WIC Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	MN Dept. of Health	242MN004W1003	$ 487,093	$ -
WIC Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	MN Dept. of Health	252MN004W1003	403,257	-
WIC Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	MN Dept. of Health	242MN004W5003	92,563	-
WIC Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	MN Dept. of Health	252MN014W5003	87,486	-
Total WIC Special Supplemental Nutrition Program for Women, Infants, and Children				1,070,399	-
SNAP Cluster					
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	MN Dept. of Children Youth and Families	252MN101S2514	447,653	-
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	MN Dept. of Human Services	252MN101S2514	1,484,850	-
Total State Administrative Matching Grants for the Supplemental Nutrition Assistance Program and SNAP Cluster				1,932,503	-
WIC Farmers' Market Nutrition Program (FMNP)	10.572	MN Dept. of Agriculture	202522Y860442	600	-
WIC Grants To States (WGS)	10.578	MN Dept. of Health	252MN014W5005	1,314	-
Total U.S. Department of Agriculture				3,004,816	-
U.S. Department of Housing and Urban Development					
Continuum of Care Program	14.267	Institute for Community Alliances	MN0366L5K02308	27,964	-
Continuum of Care Program	14.267	Institute for Community Alliances	MN0366L5K02409	5,548	-
Total Continuum of Care Program				33,512	-
Total U.S. Department of Housing and Urban Development				33,512	-
U.S. Department of Justice					
Crime Victim Assistance	16.575	MN Dept. of Public Safety	A-CVS-2024-OLMSTEAO-128	42,451	-
Crime Victim Assistance	16.575	MN Dept. of Public Safety	A-CVS-2026-OLMSTEAO-165	15,649	-
Total Crime Victim Assistance				58,100	-
Equitable Sharing Program	16.922	N/A	N/A	10,962	-
Total U.S. Department of Justice				69,062	-

See notes to schedule of expenditures of federal awards

(continued)

OLMSTED COUNTY
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2025

Federal Grantor / Grant Program Title	Federal Assistance Listing Number (ALN)	Pass-Through Agency	Pass-Through Agency Grant Number	Expenditures	Passed Through to Subrecipients
U.S. Department of Transportation					
Highway Planning and Construction	20.205	MN Dept. of Transportation	BROS 5523 (191)	$ 119,594	$ -
Highway Planning and Construction	20.205	MN Dept. of Transportation	RC21(127)	620,047	-
Total Highway Planning and Construction				739,641	-
Highway Safety Cluster					
State and Community Highway Safety	20.600	MN Dept. of Public Safety	A-ENFRC25-2025-OLMSTESD-057	38,833	20,391
State and Community Highway Safety	20.600	MN Dept. of Public Safety	A-ENFRC26-2026-OLMSTESD-006	385	-
Total State and Community Highway Safety and Highway Safety Cluster				39,218	20,391
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	MN Dept. of Public Safety	A-ENFRC25-2025-OLMSTESD-057	31,590	19,926
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	MN Dept. of Public Safety	A-ENFRC26-2026-OLMSTESD-006	9,768	5,212
Total Minimum Penalties for Repeat Offenders for Driving While Intoxicated				41,358	25,138
Safe Streets and Roads for All	20.939	N/A	N/A	275,845	-
Total U.S. Department of Transportation				1,096,062	45,529
U.S. Environmental Protection Agency					
Climate Pollution Reduction Grants	66.046	MN Dept. of Health	00E03864	7,871	-
Total U.S. Environmental Protection Agency				7,871	-
U.S. Department of Health and Human Services					
Public Health Emergency Preparedness	93.069	MN Dept. of Health	NU90TU000040	96,965	-
Environmental Public Health and Emergency Response	93.070	N/A	N/A	71,399	-
Special Projects of Regional and National Significance	93.110	MN Dept. of Health	U7A46839	41,520	-
Projects for Assistance in Transition from Homelessness (PATH)	93.150	MN Dept. of Human Services	SM090082	8,226	-
Immunization Cooperative Agreements	93.268	MN Dept. of Health	NH25IP922628	15,460	-
Title IV-E Prevention Program	93.472	MN Dept. of Children Youth and Families	2501MNPSGP	11,164	
Title IV-E Prevention Program	93.472	MN Dept. of Human Services	2501MNPSGP	13,421	-
Total Title IV-E Prevention Program				24,585	-
MaryLee Allen Promoting Safe and Stable Families Program	93.556	MN Dept. of Children Youth and Families	2501MNFPSS	75,000	-
MaryLee Allen Promoting Safe and Stable Families Program	93.556	MN Dept. of Human Services	2501MNFPSS	24,592	-
Total MaryLee Allen Promoting Safe and Stable Families Program				99,592	-
Temporary Assistance for Needy Families	93.558	MN Dept. of Children Youth and Families	2501MNTANF	24,385	-
Temporary Assistance for Needy Families	93.558	MN Dept. of Health	2501MNTANF	262,582	-

See notes to schedule of expenditures of federal awards

(continued)

OLMSTED COUNTY
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2025

Federal Grantor / Grant Program Title	Federal Assistance Listing Number (ALN)	Pass-Through Agency	Pass-Through Agency Grant Number	Expenditures	Passed Through to Subrecipients
U.S. Department of Health and Human Services (cont.)					
Temporary Assistance for Needy Families	93.558	MN Dept. of Human Services	2501MNTANF	$ 1,610,230	$ -
Total Temporary Assistance for Needy Families				1,897,197	-
Child Support Services	93.563	MN Dept. of Children Youth and Families	2501MNCESS/2501MNCEST	619,642	-
Child Support Services	93.563	MN Dept. of Children Youth and Families	2501MNCSES	362,290	-
Child Support Services	93.563	MN Dept. of Human Services	2501MNCESS/2501MNCEST	2,129,255	-
Child Support Services	93.563	MN Dept. of Human Services	2501MNCSES	1,123,478	-
Total Child Support Services				4,234,665	-
Refugee and Entrant Assistance State/Replacement Designee Administered Programs	93.566	MN Dept. of Human Services	2501MNRCMA	24,162	-
CCDF Cluster					
Child Care and Development Block Grant	93.575	MN Dept. of Human Services	2501MNCCDF	565,171	-
Total CCDF Cluster				565,171	-
Community-Based Child Abuse Prevention Grants	93.590	MN Dept. of Human Services	2502MNBCAP	234,529	-
Stephanie Tubbs Jones Child Welfare Services Program	93.645	MN Dept. of Human Services	2501MNCWSS	3,017	-
Foster Care Title IV-E	93.658	MN Dept. of Children Youth and Families	2501MNFOST	1,116,094	-
Foster Care Title IV-E	93.658	MN Dept. of Human Services	2501MNFOST	1,136,388	-
Total Foster Care Title IV-E				2,252,482	-
Social Services Block Grant	93.667	MN Dept. of Children Youth and Families	2501MNSOSR	110,949	-
Social Services Block Grant	93.667	MN Dept. of Human Services	2501MNSOSR	554,740	-
Total Social Services Block Grant				665,689	-
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	MN Dept. of Human Services	2501MNCILP	10,950	-
Children's Health Insurance Program	93.767	MN Dept. of Human Services	2505MN5021	2,642	-
Medicaid Cluster					
Grants to States for Medicaid	93.778	MN Dept. of Human Services	2505MN5ADM	39,360	-
Grants to States for Medicaid	93.778	MN Dept. of Human Services	2505MN5MAP	9,091,428	-
Total Grants to States for Medicaid and Medicaid Cluster				9,130,788	-
Maternal, Infant and Early Childhood Home Visiting Grant	93.870	MN Dept. of Health	X1043589	619,685	-
Block Grants for Community Mental Health Services	93.958	MN Dept. of Human Services	B09SM085364	45,960	-
Block Grants for Community Mental Health Services	93.958	MN Dept. of Human Services	B09SM089633/B09SM090351	50,518	-
Total Block Grants for Community Mental Health Services				96,478	-

See notes to schedule of expenditures of federal awards

OLMSTED COUNTY
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2025

Federal Grantor / Grant Program Title	Federal Assistance Listing Number (ALN)	Pass-Through Agency	Pass-Through Agency Grant Number	Expenditures	Passed Through to Subrecipients
U.S. Department of Health and Human Services (cont.)					
Centers for Disease Control and Prevention Collaboration with Academia to Strengthen Public Health	93.967	MN Dept. of Health	NE11OE000048	$ 76,055	$ -
Maternal and Child Health Services Block Grant to the States	93.994	MN Dept. of Health	BO452933	137,100	-
Total U.S. Department of Health and Human Services				20,308,357	-
Executive Office of the President					
High Intensity Drug Trafficking Areas Program	95.001	N/A	N/A	54,063	-
Total Executive Office of the President				54,063	-
U.S. Department of Homeland Security					
Emergency Management Performance Grants	97.042	MN Dept. of Public Safety	EMC-2024-EP-05011	58,870	-
Total U.S. Department of Homeland Security				58,870	-
Total Federal Programs				$ 24,632,613	$ 45,529

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, 2025

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 $10,954,046 in federal awards during the year ended December 31, 2025. 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, 2025. 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 15% de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 5 – RECONCILIATION TO SCHEDULE OF INTERGOVERNMENTAL REVENUE

Federal grant revenue per Schedule of Intergovernmental Revenue	$	32,940,655
Grants received more than 45 days after year-end, unavailable revenue in 2025:		
High Intensity Drug Trafficking Areas Program		54,063
WIC Special Supplemental Nutrition Program for Women, Infants, and Children		43,567
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program		314,153
Temporary Assistance for Needy Families		548,540
Climate Pollution Reduction Grants		7,871
Child Support Services		488,472
Child Care and Development Block Grant		47,097
Community-Based Child Abuse Prevention Grants		58,632
Foster Care Title IV-E		223,022
John H. Chafee Foster Care Program for Successful Transition to Adulthood		6,554
Grants to States for Medicaid		401,623
Crime Victim Assistance		15,649
Emergency Management Performance Grants		58,870
Unavailable in 2024; recognized as revenue in 2025:		
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program		(351,523)
Child Abuse and Neglect State Grants		(3,642)
Temporary Assistance for Needy Families		(391,632)
Foster Care Title IV-E		(299,599)
Crime Victim Assistance		(24,473)
Emergency Management Performance Grants		(73,716)
High Intensity Drug Trafficking Areas Program		(60,000)
Highway Planning and Construction		(196,001)
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.		(10,954,046)
Olmsted County HRA reconciling items between the Schedule of Expenditures of Federal Awards and the Schedule of Intergovernmental Revenue		1,778,477
Expenditures per Schedule of Expenditures of Federal Awards	$	24,632,613

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
Changes in Net Position
Fund Balance, Governmental Funds
Changes in Fund Balance, Governmental Funds

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
Economic Market Value
Direct and Overlapping Property Tax Rates
Principal Property Taxpayers
Property Tax Levies and Collections

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
Ratios of Net General Bonded Debt Outstanding
Direct and Overlapping General Obligation Bonded Debt
Legal Debt Margin Information

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
Principal Employers

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
Operating Indicators by Function/Program
Capital Asset Statistics by Function/Program

SCHEDULE 1 (Unaudited)

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

	2016 (1)	2017 (2)	2018	2019	2020	2021	2022	2023	2024 (3)	2025
Governmental activities										
Net investment in capital assets	$ 179,278	$ 176,362	$ 178,260	$ 181,076	$ 192,229	$ 204,900	$ 218,053	$ 230,797	$ 245,415	$ 264,658
Restricted	11,162	11,579	13,210	15,913	15,867	17,320	19,717	23,490	23,359	31,855
Unrestricted	57,055	53,045	60,872	67,646	88,696	97,977	91,982	98,810	100,792	119,111
Total governmental activities net position	$ 247,495	$ 240,986	$ 252,342	$ 264,635	$ 296,792	$ 320,197	$ 329,752	$ 353,097	$ 369,566	$ 415,624
Business-Type activities										
Net investment in capital assets	$ 32,080	$ 31,812	$ 33,397	$ 34,929	$ 37,236	$ 37,420	$ 39,981	$ 44,297	$ 54,005	$ 56,085
Restricted	7,228	7,329	7,475	7,872	9,079	8,718	9,342	9,323	11,034	9,908
Unrestricted	8,266	11,692	15,328	15,941	18,375	21,839	27,394	32,620	37,356	43,749
Total business-type activities net position	$ 47,574	$ 50,833	$ 56,200	$ 58,742	$ 64,690	$ 67,977	$ 76,717	$ 86,240	$ 102,395	$ 109,742
Primary government										
Net investment in capital assets	$ 211,358	$ 208,174	$ 211,657	$ 216,005	$ 229,465	$ 242,320	$ 258,034	$ 275,094	$ 299,420	$ 320,743
Restricted	18,390	18,908	20,685	23,785	24,946	26,038	29,059	32,813	34,393	41,763
Unrestricted	65,321	64,737	76,200	83,587	107,071	119,816	119,376	131,430	138,148	162,860
Total primary government net position	$ 295,069	$ 291,819	$ 308,542	$ 323,377	$ 361,482	$ 388,174	$ 406,469	$ 439,337	$ 471,961	$ 525,366

(1) 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.
(2) 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.
(3) Governmental activities net position has been adjusted according to GASB 101.

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)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Expenses										
Governmental activities:										
General government	$ 22,791	$ 25,905	$ 19,732	$ 19,850	$ 26,536	$ 20,291	$ 31,055	$ 14,817	$ 15,688	$ 15,150
Public safety	53,829	51,468	50,865	54,051	55,038	57,451	64,164	68,881	70,802	70,274
Highway and streets	25,439	27,206	25,686	28,303	27,821	28,584	29,752	30,728	31,715	30,208
Health	13,786	13,578	13,810	13,535	13,689	13,560	13,212	15,272	15,555	16,165
Human services	66,978	68,391	69,583	76,135	78,533	77,292	90,015	95,579	100,862	102,717
Culture and recreation	5,370	7,216	4,801	5,464	5,894	5,942	6,879	7,309	8,267	8,268
Interest on long-term debt	3,292	2,716	2,482	2,517	2,494	2,374	3,074	3,033	3,484	2,903
Other	1,771	1,688	2,621	4,173	1,376	1,403	1,565	2,023	1,898	2,066
Total governmental activities expenses	193,256	198,168	189,580	204,028	211,381	206,897	239,716	237,642	248,271	247,751
Business-Type activities:										
Waste Management	26,007	22,393	22,783	25,368	23,597	23,910	22,986	23,434	23,627	24,530
Sanitary Sewer	91	120	104	119	124	132	152	134	220	129
Communications	1,087	1,260	1,106	1,266	1,322	1,801	193	-	-	-
Olmsted County HRA	6,443	7,351	7,320	8,382	10,789	11,806	12,871	14,161	16,550	20,522
Total business-type activities expenses	33,628	31,124	31,313	35,135	35,832	37,649	36,202	37,729	40,397	45,181
Total primary government expenses	$ 226,884	$ 229,292	$ 220,893	$ 239,163	$ 247,213	$ 244,546	$ 275,918	$ 275,371	$ 288,668	$ 292,932
Program Revenues										
Governmental activities:										
Charges for services, Fines, Licenses and Permits:										
General government	$ 6,258	$ 5,831	$ 6,031	$ 5,754	$ 5,371	$ 4,888	$ 9,351	$ 3,587	$ 3,647	$ 3,758
Public safety	9,543	9,668	10,018	10,469	10,659	11,391	11,424	12,394	12,675	12,529
Highway and streets	3,389	964	995	1,500	1,170	1,326	888	1,577	1,559	1,028
Health	2,026	2,692	2,709	1,588	1,478	1,587	2,666	2,169	3,334	2,592
Human services	6,258	6,690	6,602	8,715	8,718	8,804	9,707	9,780	10,747	11,186
Culture and recreation	592	593	740	1,172	1,152	1,045	1,117	1,211	1,280	1,275
Other	205	200	192	132	572	599	669	636	765	939
Operating grants and contributions	42,533	45,133	48,401	55,195	55,051	55,866	55,370	59,540	65,693	74,343
Capital grants and contributions	10,373	6,436	215	173	4,540	4,367	4,881	6,139	2,560	7,508
Total governmental activities program revenue	81,177	78,207	75,903	84,698	88,711	89,873	96,073	97,033	102,260	115,158

SCHEDULE 2 (Unaudited)
(concluded)

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Business-Type activities:										
Charges for services:										
Waste Management	22,617	23,763	25,650	25,519	25,326	26,881	28,083	28,266	28,205	28,099
Communication	1,205	1,260	1,262	1,281	1,251	983	-	-	-	-
Sanitary Sewer	90	91	92	94	98	103	106	106	111	114
Olmsted County HRA	1,356	1,673	2,233	2,219	2,498	2,611	2,555	2,771	3,774	5,299
Operating grants and contributions	5,538	5,616	4,997	5,685	8,579	6,468	8,388	9,501	10,958	10,928
Capital grants and contributions	-	-	-	-	-	-	-	97	795	309
Total business-type activities program revenues	30,806	32,403	34,234	34,798	37,752	37,046	39,132	40,741	43,843	44,749
Total primary government program revenue	$ 111,983	$ 110,610	$ 110,137	$ 119,496	$ 126,463	$ 126,919	$ 135,205	$ 137,774	$ 146,103	$ 159,907
Net (expense)/revenue (a):										
Governmental activities	$ (112,079)	$ (119,961)	$ (113,677)	$ (119,330)	$ (122,670)	$ (117,024)	$ (143,643)	$ (140,609)	$ (146,011)	$ (132,593)
Business-Type activities	(2,822)	1,279	2,921	(337)	1,920	(604)	2,930	3,012	3,446	(432)
Total primary government net expense	$ (114,901)	$ (118,682)	$ (110,756)	$ (119,667)	$ (120,750)	$ (117,628)	$ (140,713)	$ (137,597)	$ (142,565)	$ (133,025)
General revenues and other changes in net position:										
Governmental activities:										
Property taxes	$ 90,003	$ 91,961	$ 98,149	$ 102,517	$ 106,792	$ 106,960	$ 112,714	$ 119,236	$ 125,094	$ 132,094
Sales taxes	6,649	10,027	13,925	14,619	14,378	16,283	18,265	18,557	17,991	19,003
Wheelage taxes	1,328	1,333	1,402	1,412	1,398	1,450	1,408	1,426	1,465	1,490
Unrestricted grants	7,043	7,307	8,119	7,783	27,915	16,317	26,154	13,517	12,969	13,010
Investment income	1,378	1,397	3,027	5,161	3,985	(1,018)	(4,183)	11,782	11,131	13,498
Other	508	387	411	131	126	149	249	303	327	182
Transfers	-	-	-	-	233	288	(1,409)	(867)	(5,793)	(626)
Total governmental activities	106,909	112,412	125,033	131,623	154,827	140,429	153,198	163,954	163,184	178,651
Business-Type activities										
Property Taxes	1,344	1,348	1,744	2,484	3,516	3,752	3,916	4,541	4,878	5,124
Unrestricted grants	-	-	-	-	-	-	-	-	-	16
Investment income	147	260	349	411	295	223	418	1,010	1,806	2,013
Other	6	-	-	(16)	449	204	-	93	231	-
Transfers and special items	-	372	-	-	(233)	(288)	1,476	867	5,793	626
Total business-type activities	1,497	1,980	2,093	2,879	4,027	3,891	5,810	6,511	12,708	7,779
Total primary government	$ 108,406	$ 114,392	$ 127,126	$ 134,502	$ 158,854	$ 144,320	$ 159,008	$ 170,465	$ 175,892	$ 186,430
Changes in Net Position										
Governmental activities	$ (5,170)	$ (7,549)	$ 11,356	$ 12,293	$ 32,157	$ 23,405	$ 9,555	$ 23,345	$ 17,173	$ 46,058
Business-Type activities	(1,325)	3,259	5,014	2,542	5,947	3,287	8,740	9,523	16,154	7,347
Total primary government	$ (6,495)	$ (4,290)	$ 16,370	$ 14,835	$ 38,104	$ 26,692	$ 18,295	$ 32,868	$ 33,327	$ 53,405

(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)

	2016	2017	2018	2019	2020	2021	2022	2023	2024 (1)	2025
General Fund										
Nonspendable	$ 2,823,341	$ 2,349,030	$ 2,468,216	$ 2,518,975	$ 2,678,223	$ 2,653,758	$ 2,940,186	$ 2,786,643	$ 2,837,990	$ 2,620,462
Restricted	671,530	709,686	609,003	496,222	1,871,176	2,997,897	3,495,613	6,272,158	6,384,584	6,163,550
Assigned	44,113,523	42,040,278	40,630,982	41,920,030	39,401,349	43,315,853	42,899,496	22,044,721	13,968,011	34,180,715
Unassigned	37,009,185	35,902,897	37,738,307	42,322,289	47,210,756	50,947,825	64,681,107	84,693,187	87,376,773	63,806,100
Total general fund	$ 84,617,579	$ 81,001,891	$ 81,446,508	$ 87,257,516	$ 91,161,504	$ 99,915,333	$ 114,016,402	$ 115,796,709	$ 110,567,358	$ 106,770,827
All Other Governmental Funds										
Nonspendable	$ 326,851	$ 424,118	$ 703,773	$ 799,919	$ 735,998	$ 785,261	$ 532,895	$ 518,439	$ 695,802	$ 616,427
Restricted	38,937,029	18,368,841	16,008,394	20,703,135	17,519,346	15,769,232	33,217,082	33,971,129	34,426,822	23,866,445
Assigned	3,867,076	4,961,830	11,216,254	16,677,241	11,066,106	11,368,292	14,614,847	17,602,594	17,937,436	19,262,340
Unassigned (Deficit)	-	-	-	-	-	(899,000)	-	-	(504,764)	-
Total all other governmental funds	$ 43,130,956	$ 23,754,789	$ 27,928,421	$ 38,180,295	$ 29,321,450	$ 27,023,785	$ 48,364,824	$ 52,092,162	$ 52,555,296	$ 43,745,212
Total governmental funds	$ 127,748,535	$ 104,756,680	$ 109,374,929	$ 125,437,811	$ 120,482,954	$ 126,939,118	$ 162,381,226	$ 167,888,871	$ 163,122,654	$ 150,516,039

(1) Fund balance has been adjusted according to GASB 101.

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)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenues:										
Property taxes	$ 90,776	$ 91,484	$ 98,987	$ 102,429	$ 105,146	$ 107,152	$ 113,026	$ 119,480	$ 125,041	$ 131,897
Sales taxes	6,649	10,027	13,925	14,575	14,259	16,342	18,269	18,557	16,349	18,935
Wheelage taxes	1,328	1,333	1,402	1,412	1,398	1,450	1,408	1,426	1,465	1,490
Licenses and permits	2,335	2,425	2,417	2,263	1,915	2,136	2,434	2,246	2,346	2,341
Intergovernmental	64,690	58,882	56,337	62,118	79,060	72,206	85,107	81,674	76,317	90,894
Charges for services	24,953	22,763	24,006	25,053	24,647	25,330	39,702	27,327	27,167	28,973
Fines and forfeits	20	23	24	24	19	14	14	18	15	10
Gifts and contributions	508	353	411	403	702	1,784	260	1,153	350	189
Investment income (loss)	1,014	842	2,184	4,377	3,389	(1,399)	(4,789)	10,522	9,538	11,929
Other	498	701	809	923	842	1,104	2,319	4,790	4,402	2,418
Total revenues	192,771	188,833	200,502	213,577	231,377	226,119	257,750	267,193	262,990	289,076
Expenditures:										
General government	14,245	14,192	15,520	14,003	15,036	14,111	36,410	11,722	13,744	13,046
Public safety	48,019	48,908	52,745	54,376	59,418	61,394	59,277	66,377	73,795	74,113
Conservation of natural resources	1,638	1,607	3,185	4,149	1,322	1,363	1,413	1,940	1,840	2,028
Economic development	58	58	58	47	60	60	120	80	80	95
Highways and streets	44,681	46,815	30,147	34,410	37,744	30,429	35,611	44,130	40,516	38,392
Health	12,829	13,291	13,583	12,341	14,168	13,740	12,274	14,762	16,248	16,810
Human services	63,790	67,423	69,162	74,383	80,403	77,756	86,999	93,100	103,320	105,942
Culture and recreation	4,688	6,730	5,125	8,064	10,488	5,018	5,293	5,749	6,152	6,581
Other	582	363	363	1,652	5,584	4,128	1,019	1,557	2,188	2,252
Capital outlay										
Highway and streets	-	-	-	-	-	3,126	1,178	745	3,319	1,988
Public safety	-	-	-	-	-	-	-	783	12,489	1,560
Culture and recreation	-	-	-	-	-	4,048	5,114	2,762	3,286	18,448
Debt service										
Principal retirement	2,139	2,595	3,486	3,199	3,318	5,252	6,328	4,462	4,407	22,490
Interest and fiscal charges	2,277	2,225	1,940	1,900	1,904	1,840	1,804	2,129	2,144	2,253
Total expenditures	194,946	204,207	195,314	208,524	229,445	222,265	252,840	250,298	283,528	305,998
Excess (deficiency) of revenues over expenditures	(2,175)	(15,374)	5,188	5,053	1,932	3,854	4,910	16,895	(20,538)	(16,922)
Other Financing Sources (Uses):										
Transfers in	774	2,919	1,270	4,244	2,704	28,136	49,474	25,315	13,221	18,901
Transfers out	(3,981)	(3,230)	(1,922)	(3,133)	(14,064)	(28,532)	(38,027)	(39,339)	(14,757)	(20,453)
Insurance recoveries	-	-	-	67	115	-	-	-	-	-
Payment on refunding bonds	-	(7,381)	-	-	(4,210)	-	(2,805)	-	-	-
Issuance of debt	11,225	-	-	9,334	8,116	2,834	21,244	2,357	14,026	5,031
Premium (discount) on bonds	896	-	-	365	330	-	375	117	1,019	375
Inception of subscription	-	-	-	-	-	-	-	-	1,608	398
Inception of financed purchase	-	-	-	-	-	-	-	-	965	-
Sale of capital assets	112	74	82	133	122	164	271	163	210	64
Total other financing sources (uses)	9,026	(7,618)	(570)	11,010	(6,887)	2,602	30,532	(11,387)	16,292	4,316
Net change in fund balances	$ 6,851	$ (22,992)	$ 4,618	$ 16,063	$ (4,955)	$ 6,456	$ 35,442	$ 5,508	$ (4,246)	$ (12,606)
Ratio of debt service to noncapital expenditures	2.64%	2.73%	3.00%	2.66%	2.54%	3.46%	3.51%	2.93%	2.66%	9.26%

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)

	Real Property			Personal Property			Total				
Fiscal / Payable Year	Estimated Market Value (a)	Taxable Market Value	Net Tax Capacity	Estimated Market Value (a)	Taxable Market Value	Net Tax Capacity	Estimated Market Value (a)	Taxable Market Value	Net Tax Capacity	Net Tax Capacity to Taxable Market Value	County Tax Extension Rate (b)
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
2024	30,404,190	26,582,478	295,369	252,560	251,837	4,695	30,656,750	26,834,315	300,064	1.0	43.1522
2025	31,801,159	27,454,211	303,130	252,400	250,385	4,645	32,053,559	27,704,596	307,775	1.0	44.4217
2026	35,043,057	29,658,007	329,169	235,667	232,625	4,310	35,278,724	29,890,632	333,479	0.9	44.1457

(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

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)	Total Economic Market Value (f)=(c)+(d)+(e)
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
2022	2023	24,954,675,200	89.81	27,785,923,572	220,985,600	89,463,300	28,096,372,472
2023	2024	27,151,972,900	92.50	29,354,212,333	215,128,100	82,890,900	29,652,231,333
2024	2025	28,354,088,050	91.15	31,108,517,818	211,085,500	86,057,400	31,405,660,718

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)

SCHEDULE 7 (Unaudited)

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

Unit of Government *	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Olmsted County										
Public Safety	$16.3300	$17.5670	$17.7890	$17.0670	$15.3210	$15.1250	$12.0353	$15.6850	$16.3103	$16.2570
General	8.0860	5.7270	6.3700	6.5680	7.0560	12.1150	12.9742	3.2339	3.4058	4.0459
Human Services	17.4970	18.6810	17.5550	15.7800	14.4050	13.1290	12.1174	15.4322	15.8873	15.3207
Infrastructure	6.3140	5.9750	5.0250	6.2670	4.3520	3.7960	3.2949	4.0042	3.9072	3.9152
Public Health	3.9000	4.5080	4.5190	4.0110	3.6210	2.5840	2.3160	3.0645	3.1213	2.9437
Emergency Management	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Library	2.2190	2.3790	2.3040	2.3240	2.2060	2.2590	1.9332	1.7324	1.7898	1.6632
Olmsted County Total	**$54.3460**	**$54.8370**	**$53.5620**	**$52.0170**	**$46.9610**	**$49.0080**	**$44.6710**	**$43.1522**	**$44.4217**	**$44.1457**

* Estimated market value based rate shown when applicable, all other rates shown are tax capacity based rates.

Unit of Government *	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Olmsted County Housing & Redevelopment Authority	$0.7930	$0.9660	$1.2860	$1.6920	$1.6870	$1.6880	$1.6930	$1.6765	$1.7218	$1.7106
Townships:										
Cascade	$21.8400	$20.9690	$20.3470	$23.8880	$22.3510	$22.0180	$19.8780	$20.5391	$21.8997	$21.9148
Dover	10.1660	10.1640	9.9470	9.9220	9.8230	10.0340	8.3360	7.2568	8.1737	8.3295
Elmira	11.0420	11.4630	11.6810	11.4660	11.6100	11.8240	9.6390	8.1609	8.3636	7.6065
Eyota	13.7340	13.9910	13.6530	14.1640	14.2200	12.9410	11.7250	9.9592	10.2374	10.5732
Farmington	11.1180	11.2350	11.2870	11.4270	11.1470	11.0970	9.3560	7.7322	7.8705	7.2715
Haverhill (W1/2)	12.4290	14.2470	12.9740	12.6310	13.5130	12.0880	10.5730	9.5861	9.3255	10.0254
Haverhill (NE 1/4)	9.7830	11.7470	10.9100	10.5960	11.9800	10.4430	9.1940	9.4565	7.8682	8.4837
Haverhill (SE 1/4)	11.3320	13.7030	12.7710	12.3500	13.3540	11.9440	10.3170	11.6624	8.6787	9.3936
High Forest	7.6790	10.4300	10.1170	10.4410	13.4090	13.4010	11.7370	10.7738	11.4306	10.4232
Kalmar	15.9080	18.9710	18.0660	17.0100	13.3320	11.9280	5.1190	8.1966	8.8076	7.4020
Marion	10.9640	11.7290	11.9490	11.3070	12.9860	12.6880	11.1160	10.3346	11.0915	11.1441
New Haven	5.7390	6.1530	6.1910	5.9100	6.2380	7.6420	6.6110	5.7521	6.1167	5.6410
Orion	9.1100	9.3060	9.1150	9.1070	9.6430	9.2950	7.3120	6.7546	6.7846	6.2698
Oronoco	15.6150	16.0960	17.0560	17.9070	20.7620	18.5960	16.1210	14.0444	14.8466	13.6236
Pleasant Grove	12.7090	12.9330	12.6210	12.2930	12.6390	12.3360	10.5920	9.7656	10.3649	9.4671
Quincy	8.3680	8.6470	10.0510	9.2150	10.1220	9.3230	7.7200	6.1273	6.1242	5.6149
Rochester	18.8190	18.7540	16.6640	20.4290	19.8460	20.0660	19.3220	17.8414	16.7240	15.5105
Rock Dell	10.3290	10.5730	10.1030	9.8340	8.9400	8.4880	7.1350	6.0981	6.5945	5.8818
Salem	12.9900	14.0410	14.9280	16.2780	15.4380	15.5270	14.0880	12.0745	11.3505	10.2772
Viola	11.3880	11.8450	11.3530	11.0810	11.2300	10.9370	7.4370	7.4144	7.7942	7.0550

SCHEDULE 7 (Unaudited)
(concluded)

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

Unit of Government *		2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Cities:											
Byron		$64.3750	$66.0960	$66.1660	$69.6280	$68.4460	$67.4090	$67.1020	$60.6024	$60.7760	$60.2449
Chatfield		95.5670	98.5640	112.0700	105.6490	104.8470	101.6920	90.0850	86.5104	89.0616	90.0657
Dover		53.5180	55.8180	61.3970	56.3670	60.0100	56.9090	49.1090	42.6149	44.7637	41.5186
Eyota		51.7920	50.8860	57.8810	59.9510	57.6020	56.6960	49.9840	45.5431	48.4100	43.0389
Oronoco		40.5870	40.3830	40.9320	36.8920	37.2130	37.5740	37.4400	41.5928	44.7750	43.9541
Pine Island		79.4290	84.7410	81.3250	84.1160	84.9140	86.7310	81.3210	80.9720	81.7620	82.5675
Rochester		51.1090	52.1470	52.7230	51.8470	48.2420	49.6240	46.4060	47.8420	51.2305	50.5799
Rochester Rural Service		8.6890	8.8640	8.9650	8.8140	8.2020	8.4360	7.8890	8.1331	8.7092	8.6070
Rochester EMV Based						0.0140	0.0140	0.0120	0.0112	0.0108	0.0102
Stewartville		64.0830	65.7270	66.0390	66.9160	67.2290	70.2860	62.0430	61.9398	65.2470	69.5188
Stewartville EMV Based		0.0720	0.0663	0.0628	0.0600	0.0580	0.0510	0.0430	0.0391	0.0378	0.0347
School Districts:											
203 - Hayfield		$13.5230	$25.5150	$22.6400	$20.9370	$20.1250	$20.0940	$12.3760	$13.9330	$13.7270	$13.1440
	203-EMV Based	0.2207	0.2207	0.2149	0.2040	0.2010	0.1950	0.1870	0.1916	0.1745	0.1745
204 - Kasson		43.6160	41.3860	39.3380	37.5260	39.7330	38.2000	31.6580	31.1190	29.9110	29.0180
	204-EMV Based	0.1395	0.1382	0.1431	0.1350	0.1440	0.1530	0.1390	0.1469	0.1240	0.1307
227 - Chatfield		29.8630	29.3880	28.6730	27.1780	27.3150	25.9590	23.1890	19.3763	20.5439	18.0007
	227-EMV Based	0.2194	0.2353	0.2332	0.2140	0.2280	0.2070	0.1950	0.1977	0.1753	0.1757
255 - Pine Island		38.4740	38.0070	34.1320	33.6440	32.8770	36.2180	29.7860	25.2670	24.5620	24.4450
	255-EMV Based	0.1514	0.1563	0.1757	0.1490	0.1450	0.1860	0.1510	0.1350	0.1499	0.1313
531 - Byron		43.4810	41.1000	39.1520	37.3310	38.0500	48.3000	41.8950	38.6804	40.1667	36.0591
	531-EMV Based	0.1308	0.1683	0.1643	0.1630	0.1720	0.1710	0.1560	0.1400	0.1465	0.2367
533 - Eyota		34.6310	32.5520	32.4250	32.6410	31.8350	28.8930	30.3420	26.0110	31.5404	27.3591
	533-EMV Based	0.1717	0.1966	0.1916	0.1960	0.1780	0.1670	0.1720	0.1674	0.1805	0.1480
534 - Stewartville		25.5300	27.7600	23.5020	24.8020	25.2840	25.0840	20.0530	17.4665	18.5402	16.6316
	534-EMV Based	0.1803	0.1789	0.1634	0.2250	0.2100	0.1980	0.1890	0.1887	0.1856	0.1602
535 - Rochester		17.8620	15.7580	15.6840	19.7720	20.3750	20.3870	18.1040	17.2061	18.2370	18.3469
	535-EMV Based	0.2395	0.2248	0.2195	0.2060	0.1900	0.1770	0.1670	0.1667	0.2491	0.2413
858 - St. Charles		21.4690	18.6220	19.5510	29.5640	23.6340	24.1000	20.2020	19.6430	20.5167	18.4626
	858-EMV Based	0.1418	0.1332	0.1339	0.1300	0.1420	0.1550	0.1340	0.1284	0.1245	0.1143
2805 - Zumbrota-Mazeppa		22.5360	21.3780	20.1360	36.5760	34.5980	33.4270	30.0180	26.0600	25.4330	24.4166
	2805-EMV Based	0.2389	0.3487	0.3237	0.3010	0.3120	0.2990	0.2890	0.3054	0.2915	0.2642
2899 - PEM		12.4370	12.2780	18.4160	17.2540	16.8080	15.8190	14.3290	12.3710	13.6420	12.8820
	2899-EMV Based	0.1444	0.1353	0.1468	0.1480	0.1540	0.1360	0.1430	0.1286	0.1267	0.1256

Data Source: Property Records and Licensing

SCHEDULE 8 (Unaudited)

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

	2025				2016		
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 Clinic	$ 572,745,000	$ 11,435,910	3.4	Mayo Properties	$ 583,842,100	$ 11,446,830	7.1
Mayo Foundation	236,752,400	4,700,575	1.4	IRET Properties	88,620,600	1,107,759	0.7
Knickerbocker Berkman LLC	121,726,800	1,603,001	0.5	MEPC Apache Properties	67,244,600	1,341,892	0.8
Minnesota Energy Resources	110,115,500	2,201,539	0.7	IBM	48,970,600	961,166	0.6
Regency Consolidated Residential LLC	68,468,100	853,983	0.3	BGD5 Office	47,194,600	941,642	0.6
Mayo Clinic Rochester	62,996,300	1,238,624	0.4	Minnesota Energy Resources	42,725,000	854,470	0.5
Northland Soroc LLC	53,056,900	663,211	0.2	THF-G Rochester Joint Venture	27,367,900	545,108	0.3
IRET Properties	52,110,300	651,379	0.2	Menards	25,364,700	502,043	0.3
Apache Mall LLC	47,730,100	953,852	0.3	KAH 20 2nd Avenue LLC	26,357,200	526,394	0.3
IRET Grandeville Properties	46,698,800	583,735	0.2	Rochester Development	25,558,400	356,648	0.2
All Others	28,518,231,800	308,593,191	92.4	All Others	13,048,460,900	144,047,090	88.6
Total	$ 29,890,632,000	$ 333,479,000	100.0	Total	$ 13,979,791,000	$ 161,748,000	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.
Net Tax Capacity is determined by multiplying the property's taxable market value by the relevant class rate(s). Class Rates are set by Minnesota statute.
% of Total Net Tax Capacity varies based on class rates on properties held.

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
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	359,483	97,725,632	99.81
2019	102,596,254	101,818,170	99.24	778,084	102,596,254	100.00
2020	106,913,674	105,332,627	98.52	1,203,538	106,536,165	99.65
2021	106,921,767	106,078,734	99.21	843,033	106,921,767	100.00
2022	112,376,281	111,832,247	99.52	544,034	112,376,281	100.00
2023	119,090,709	118,351,190	99.38	492,366	118,843,556	99.79
2024	125,150,872	124,352,225	99.36	617,086	124,969,311	99.85
2025	131,984,686	130,902,123	99.18	-	130,902,123	99.18

(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)
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	830,399	276,076,563	99.77
2019	290,149,153	287,987,490	99.25	2,053,347	290,040,836	99.96
2020	311,364,859	306,195,752	98.34	4,456,135	310,651,887	99.77
2021	320,021,119	317,359,209	99.17	2,424,410	319,783,619	99.93
2022	334,944,729	333,298,248	99.51	1,646,481	334,944,729	100.00
2023	367,438,308	365,170,485	99.38	357,602	365,528,087	99.48
2024	385,361,410	382,878,391	99.36	1,566,886	384,445,277	99.76
2025	428,733,078	424,925,095	99.11	-	424,925,095	99.11

(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
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
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	9,346	193,030	99.98
2019	205,814	197,829	96.12	7,985	205,814	100.00
2020	185,291	175,979	94.97	9,311	185,291	100.00
2021	180,106	179,674	99.76	432	180,106	100.00
2022	186,541	177,762	95.29	7,134	184,896	99.12
2023	184,766	172,249	93.23	10,830	183,079	99.09
2024	187,657	177,636	94.66	5,931	177,636	97.82
2025	197,380	181,192	91.80	-	181,192	91.80

(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
2016	$ 2,079,323	$ 1,948,477	93.71	$ 130,846	$ 2,079,323	100.00
2017	1,641,166	1,516,027	92.37	125,139	1,641,166	100.00
2018	1,873,223	1,837,984	98.12	35,239	1,873,223	100.00
2019	1,910,290	1,868,577	97.82	41,713	1,910,290	100.00
2020	2,366,031	2,245,786	94.92	112,091	2,357,877	99.66
2021	3,031,049	3,031,049	100.00	-	3,031,049	100.00
2022	2,899,200	2,853,484	98.42	36,734	2,890,218	99.69
2023	3,383,233	3,305,677	97.71	62,645	3,368,322	99.56
2024	3,646,454	3,581,576	98.22	34,503	3,616,079	99.17
2025	4,069,936	3,867,212	95.02	-	3,867,212	95.02

(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)

	Governmental Activities					Business-Type Activities									
Fiscal Year (3)	General Obligation Revenue Bonds	General Obligation Bonds	Financed Purchase	Lease Payable	Information Technology Subscription Payable	General Obligation Revenue Bonds	Mortgages Payable (1)	Deferred Repayment & Forgivable Mortgages (1)	Information Technology Subscription Payable	Total Primary Government	Estimated Population (3)	Per Capita	Tax Capacity	% of Debt to Tax Capacity	% of Debt to Personal Income (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	161,625	1,018	213,974	77%	2%
2020	1,754	96,583	-	-	-	59,368	510	11,502	-	169,717	163,000	1,041	229,066	74%	2%
2021	-	96,867	-	-	-	74,909	500	11,502	-	183,778	163,750	1,122	238,481	77%	2%
2022	-	123,324	-	1,003	-	45,382	490	11,554	-	181,753	164,000	1,108	276,367	66%	2%
2023	-	133,228	-	740	1,104	40,518	479	11,554	82	187,705	164,785	1,139	300,064	63%	2%
2024	-	143,909	920	472	4,527	37,041	467	12,554	-	199,890	167,100	1,196	307,775	65%	2%
2025	-	113,902	770	238	3,606	45,349	454	12,484	-	176,803	169,943	1,040	333,479	53%	n/a

(1) Beginning in 2017, the Olmsted County HRA became part of the Primary Government, thus prior year data not included.
(2) See Schedule 14 for personal income data. This ratio is calculated using personal income for the calendar year.
(3) Revised statistic for 2023

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
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	161,625	539	17,305,553	0.5
2020	98,337	7,181		91,156	163,000	559	18,717,083	0.5
2021	96,867	14,642		82,225	163,750	502	20,018,736	0.4
2022	123,324	34,655		88,669	164,000	541	21,031,960	0.4
2023	133,228	33,998		99,230	164,785	602	24,594,183	0.4
2024	143,909	35,071		108,838	167,100	651	26,834,315	0.4
2025	113,902	11,137	(3)	102,765	169,943	605	27,704,596	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 Updated revised statistic for 2023
(3) Restricted balances from Statement of Net Position

Restricted for Debt Service	$	11,137

SCHEDULE 12 (Unaudited)

OLMSTED COUNTY
Direct and Overlapping General Obligation Bonded Debt
as of December 31, 2025
(dollars in thousands)

GOVERNMENTAL UNIT	DEBT OUTSTANDING (1)	% OF TAX CAPACITY WITHIN OLMSTED COUNTY (2)	PORTION CHARGEABLE TO COUNTY (3)
DIRECT:			
Olmsted County	$ 118,516	100.00%	$ 118,516
OVERLAPPING:			
School District #227	24,890	44.42	11,057
School District #531	81,162	98.40	79,860
School District #533	30,165	100.00	30,165
School District #534	30,235	76.11	23,010
School District #535	310,450	99.74	309,645
School District #858	-	100.00	-
Total Overlapping	$ 476,902		$ 453,737
UNDERLYING:			
City of Rochester	$ 225,020	100.00	$ 225,020
City of Byron	7,297	100.00	7,297
City of Eyota	5,208	100.00	5,208
City of Oronoco	11,808	100.00	11,808
City of Dover	297	100.00	297
City of Stewartville	2,166	100.00	2,166
Cascade Township	215	100.00	215
Eyota Township		100.00	-
Oronoco Township	186	100.00	186
Salem Township		100.00	-
Olmsted County HRA	1,710	100.00	1,710
Total Underlying	$ 253,907		$ 253,907
TOTAL DEBT	$ 849,325		$ 826,160

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.

All Olmsted County debt can be levied to pay back, if necessary.

SCHEDULE 13 (Unaudited)

OLMSTED COUNTY
Legal Debt Margin Information
Last Ten Fiscal Years

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Taxable Market Value	$ 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	$ 24,594,183,000	$ 26,834,315,000	$ 27,704,596,000
Debt Limit	419,393,730	455,694,810	481,833,180	519,166,590	561,512,490	600,562,080	630,958,800	737,825,490	805,029,450	831,137,880
Debt applicable to limit:										
General obligation debt (1)	105,470,166	90,280,584	84,443,247	98,707,281	98,337,266	96,867,011	123,324,454	133,228,097	143,908,621	113,902,263
Less: Assets available for debt service	(22,874,124)	(13,076,407)	(12,673,160)	(12,695,196)	(8,383,142)	(15,525,353)	(36,001,488)	(35,213,443)	(36,493,442)	(12,245,372)
Total Net Debt Applicable to Limit	82,596,042	77,204,177	71,770,087	86,012,085	89,954,124	81,341,658	87,322,966	98,014,654	107,415,179	101,656,891
Legal debt margin	$ 336,797,688	$ 378,490,633	$ 410,063,093	$ 433,154,505	$ 471,558,366	$ 519,220,422	$ 543,635,834	$ 639,810,836	$ 697,614,271	$ 729,480,989
Total debt applicable to the limit as a percentage of debt limit	19.69%	16.94%	14.90%	16.57%	16.02%	13.54%	13.84%	13.28%	13.34%	12.23%

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
2016	155,775	$ 8,116,470	$ 52,105	3.0	3.9	4.9
2017	157,600	8,518,498	54,059	2.7	3.5	4.4
2018	159,500	9,032,231	56,635	2.4	3.0	3.9
2019	161,625	9,380,597	58,038	2.7	3.3	3.7
2020	163,000	10,066,276	61,742	5.5	6.3	8.1
2021	163,750	10,838,312	66,191	3.1	3.7	5.3
2022	164,000	11,243,458	68,543	2.0	2.5	3.6
2023	164,785	11,848,675	71,904	2.2	2.8	3.6
2024	167,100	12,460,643	74,873	2.4	3.0	4.0
2025	169,943	n/a	n/a	3.1	3.8	4.3

Data Sources:
(1) State Demographer - revised statistics
(2) Bureau of Economic Analysis as of February 5, 2026 - new estimate for 2024 and revised statistics for 2020-2023
(3) Bureau of Economic Analysis as of February 5, 2026 - new estimate for 2024 and revised statistics for 2020-2023
(4) Department of Employment and Economic Development

SCHEDULE 15 (Unaudited)

OLMSTED COUNTY
Principal Employers
Current Year and Nine Years Ago

Employer	2025* Employees	2025* Rank	2025* Percentage of Total County Employment	2016 Employees	2016 Rank	2016 Percentage of Total County Employment
MAYO MEDICAL CENTER	50,385	1	51.53%	33,990	1	44.95%
ROCHESTER PUBLIC SCHOOLS DIST #535	2,959	2	3.03%	2,727	2	3.61%
IBM*	2,791	3	2.85%	2,500	3	3.31%
OLMSTED COUNTY	1,426	4	1.46%	1,279	5	1.69%
OLMSTED MEDICAL CENTER	1,432	5	1.46%	1,249	6	1.65%
CITY OF ROCHESTER	1,312	6	1.34%	1,291	4	1.71%
BENCHMARK ELECTRONICS*	750	7	0.77%	562	9	0.74%
ROCHESTER COMMUNITY AND TECHNICAL COLLEGE	490	8	0.50%	500	10	0.66%
FEDERAL MEDICAL CENTER	456	9	0.47%	0	**	0.00%
CRENLO	442	10	0.45%	600	8	0.79%
TOTAL	62,443		63.86%	44,698		59.11%

* This is the most recent information from Rochester Area Economic Development, Inc (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:	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**
Primary government:										
Governmental activities:										
General government	237	260	265	263	268	269	276	283	319	303
Public safety	285	285	293	300	303	331	339	336	342	348
Conservation of natural resources	9	11	11	7	7	7	7	8	8	9
Highways and streets	62	62	63	63	64	64	65	67	70	71
Health	112	111	110	78	82	82	81	85	86	89
Human services	347	378	391	436	443	417	426	434	442	472
Culture and recreation	19	19	19	21	21	20	21	22	24	24
Total governmental activities	1,071	1,126	1,152	1,168	1,188	1,190	1,215	1,235	1,291	1,316
Business-Type activities										
Waste management	66	67	68	69	70	68	68	69	71	72
Communications	1	1	1	1	1	1	-	-	-	-
Olmsted County HRA	10	-	-	-	-	-	-	-	-	-
Total business-type activities	77	68	69	70	71	69	68	69	71	72
Total primary government	1,148	1,194	1,221	1,238	1,259	1,259	1,283	1,304	1,362	1,388

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	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Estimated Population (1)	154,000	155,900	156,650	159,500	161,500	165,300	166,000	164,800	167,100	169,943
Public Safety										
Average Daily Detainee Population										
Adult Detention Center	161	143	135	108	86	76	91	109	121	123
Work Release Facility	27	44	16	21	10	8	8	9	11	17
Electronic Home Monitoring	35	50	33	***	***	***	***	***	***	***
Health										
Number of Client Contacts										
WIC	38,238	36,426	34,425	33,425	35,439	34,869	35,510	37,577	36,169	35,886
Newborn/Postpartum	778	856	844	561	165	659	744	610	461	425
Number of Licensed Business Assessments	1,010	1,049	1,179	1,195	357	563	1,046	1,366	1,249	1,254
Human Services										
Public Assistance Clients Enrolled at Year-End										
Health Care	24,755	25,381	25,044	24,365	29,745	31,646	35,018	34,733	30,005	29,794
Supplemental Nutrition Assistance Program	9,427	8,828	8,461	8,160	6,384	9,544	1,171	11,141	11,203	10,348
Cash Assistance	4,059	4,252	4,059	3,892	3,884	4,457	4,355	4,387	4,308	4,876
Number of Child Support Cases	5,497	5,460	5,421	5,342	5,090	4,819	4,625	4,468	4,397	3,948
Number of Social Services Client Intakes	10,248	10,711	11,227	10,973	10,184	11,150	12,592	13,935	14,217	14,205
Highways and Streets										
Street Resurfacing (miles)	8.40	6.90	5.80	16.66	17.88	22.29	5.96	9.68	8.77	5.63
Bridge Repairs	-	-	-	2	-	5	-	3	-	-
Waste Management										
Municipal Solid Waste										
Number of tons in total waste stream	183,230	167,290	165,248	165,074	163,868	172,046	178,554	161,777	176,040	169,646
Number of tons burned	109,228	114,248	117,247	116,498	113,446	111,612	118,129	120,019	117,809	121,943
Percentage recycled	49%	44%	43%	41%	41%	44%	42%	39%	42%	40%
Steam Produced in million pounds (MLBS).	802,191	824,124	851,202	851,861	867,212	848,646	877,255	887,692	886,570	919,144
Electricity Produced in kilowatt hours (KWH)	33,575,423	34,362,631	34,344,260	33,195,430	31,587,545	36,982,676	41,351,589	40,763,654	48,155,706	48,921,647

(1) Revised statistic for 2023

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	New Residential		New Multiple	New Commercial / Industrial	All Others	Total	
Year	No.	Value	Value	Value	Value	No.	Value
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
2023	286	106,533,264	87,553,594	68,476,327	307,775,669	2,954	570,338,854
2024	252	93,655,829	137,760,031	184,048,145	338,630,170	2,771	754,094,175
2025	283	100,126,693	42,503,949	474,474,987	470,521,722	4,050	1,087,627,351

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	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Government										
Government Center Building Square footage	304,700	304,700	304,700	304,700	330,140	330,140	330,140	330,140	330,140	330,140
Public Safety										
# of Rated Beds										
Adult Detention Center	202	202	202	202	202	202	202	202	202	202
Work Release Facility	90	90	90	90	90	90	90	90	90	90
Government Center Annex Building Square Footage	96,322	96,322	96,322	96,322	69,728	69,728	69,728	69,728	69,728	69,728
Public Safety Training Center restrooms	-	-	-	-	-	-	900	900	900	900
Public Safety Training Center	-	-	-	-	-	-	-	-	17,625	17,625
Highways and Streets										
County State Aid Highways (CSAH)										
# of Miles-Hard Surfaced	313	305	304	307	314	309	307	310	310	310
# of Miles-Rock	1	1	1	1	1	1	1	-	-	-
County Roads (CR)										
# of Miles-Hard Surfaced	65	65	63	60	59	58	60	58	58	59
# of Miles-Rock	141	134	133	137	132	132	130	131	131	131
Total County Highway Miles	520	505	501	505	506	500	498	499	499	500
Bridges										
# greater than ten feet in length	342	219	219	219	216	216	216	216	217	217
Public Works Building's Square Footage	206,035	206,635	206,635	261,973	265,018	265,018	265,018	265,018	275,018	275,018
Health										
Health Department Building Square Footage	69,427	69,427	69,427	69,427	41,662	41,662	41,662	41,662	41,662	41,662
Human Services										
Human Services Building Square Footage	107,363	107,363	107,363	107,363	111,527	107,515	107,515	107,515	107,515	107,515
Culture and Recreation										
Park and Recreational Facilities										
Land Total Acreage (approximate)	2,216	2,216	2,216	2,218	2,247	2,247	2,247	2,247	2,247	2,247
Buildings Square Footage	251,016	251,016	251,016	298,735	283,832	283,382	283,832	312,221	312,221	312,221
Waste Management										
Landfill										
Estimated Capacity Percentage Used to Date	39%	42%	44%	44%	38%	40%	40%	40%	41%	41%
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	100,183	100,183	100,183
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	$ 5,569,562	$ 5,766,175	$ 5,087,071	$ 4,739,571	$ 4,645,271	$ 4,561,301	$ 3,802,878	$ 4,452,518	$ 4,315,119	$ 4,364,680

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