



Olmsted County

Annual Comprehensive Financial Report
For the year ended December 31, 2023



Groundwater protection and soil health initiative makes impacts on county landscape

Groundwater in Olmsted County is vulnerable to nitrate pollution due to the dissolution of soluble rocks, natural features of our Karst geology. Collaborative efforts are necessary among landowners and agricultural producers to implement solutions.

One solution led by the Olmsted Soil and Water Conservation District (OSWCD) is the groundwater protection and soil health initiative. The program assists farmers in playing a role in reducing nitrate leaching, increasing nitrogen retention, and limiting soil erosion.

The initiative encourages the use of cover crops, alternative crops, haying, or grazing to reduce nitrate pollution in groundwater. Farmers can use the cost-share program to implement new management practices that assist in protecting Olmsted County's groundwater and soil.

As an example, landowners must ensure their acres meet a minimum height of 12 inches as part of the cover crop program certification option. Research has proven that meeting this minimum program requirement can significantly reduce nitrate loss through the soil profile and into groundwater.

In 2023, 66 producers enrolled in the program. Since piloting the initiative in 2022, the OSWCD has impacted nearly 6,400 acres of private agricultural land in the county. As a result of this implementation of soil health best management practices, Olmsted County saw a direct program reduction of 310,000 pounds in nitrate nitrogen delivery to groundwater. This is equivalent to 13 semi-trailer loads of urea, a nitrogen waste product.

To help this initiative come to fruition, the Olmsted County Board of Commissioners allotted \$5 million in reserves generated thanks to federal funding from the American Rescue Plan Act. In 2023, the OSWCD expended \$469,470 through the groundwater protection and soil health initiative.

With continued investment in this program, Olmsted County fosters the growth of local agriculture while preserving and enriching the environment. The Olmsted Soil and Water Conservation District will continue its groundwater protection and soil health initiative into 2024 with \$850,920 contracted as of March 2024 for the upcoming growing season.



Olmsted County, Minnesota

Annual Comprehensive Financial Report

For the Year Ended December 31, 2023

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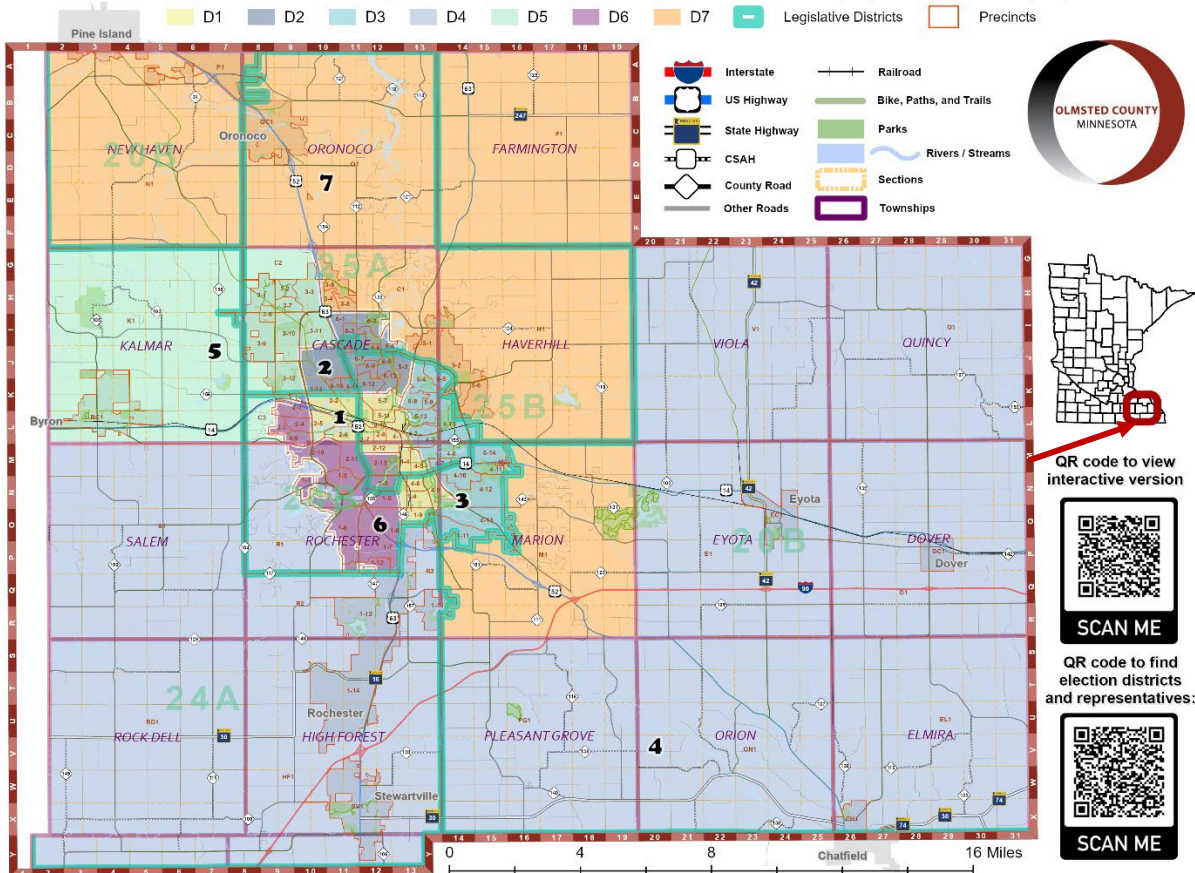
Camy Iverson, CPFO
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DATE OF INCORPORATION: 1855
 FORM OF GOVERNMENT: Board of Commissioners – Administrator
 NUMBER OF EMPLOYEES: 1340 Full-Time Equivalents
 AREA: 660 Square Miles
 POPULATION: Estimated 172,000
 NUMBER OF TOWNSHIPS: 18
 NUMBER OF CITIES: 8
 LARGEST CITY: City of Rochester, Estimated Population 125,000
 MILES OF ROAD: 500

Olmsted County, Minnesota Legislative, Commissioner, Precincts Prepared By: Olmsted County Geographic Information Systems
 Map Prepared May 2024 Districts Adopted April 26, 2022



This map is intended for reference only. If discrepancies are found within this map please notify the Olmsted County GIS 507-328-7100, 2122 Campus DR SE, Rochester, MN 55904.

**OLMSTED COUNTY
FUND LEVEL STATEMENTS FOR YEAR ENDED DECEMBER 31, 2023**

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FUND LEVEL STATEMENTS FOR YEAR ENDED DECEMBER 31, 2023**

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SECTION I INTRODUCTORY SECTION

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



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

June 11, 2024

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

The Finance Department is pleased to present Olmsted County's Annual Comprehensive Financial Report for the year ended December 31, 2023. 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, 2023. 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 172,000 citizens. The county ranks seventh in population size among Minnesota's 87 counties. The City of Rochester, the county seat, has an estimated population of 125,000 making it the third largest Minnesota city, after the twin cities of Minneapolis and St. Paul.

The county operates under an elected seven-member board of commissioners, each member representing one of the seven districts of the county. The county attorney and county sheriff are also elected officials. The **Olmsted County Board of Commissioners** are responsible for, among other things, authorizing resolutions, adopting the annual budget, appointing committees, and hiring the county administrator. The **county administrator** is responsible for carrying out the policies and resolutions the board adopts. The administrator oversees day-to-day operations of the county and appoints the heads of the various county departments to manage these operations. Our Olmsted County website provides contact information for the county administrator:
<https://www.olmstedcounty.gov/profile/heidi-welsch>.

Olmsted County government provides its citizens with a broad spectrum of services and infrastructure based on state laws and community needs. Examples of county services include law enforcement and detention, construction and maintenance of roads and bridges, solid waste management and recycling, public health, social services, emergency management, and library services for rural citizens.

Budgetary overview

It is estimated that 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. The departments also work with the county administrator and almost always make significant reductions to budget requests before anything is brought to the Olmsted County Board of Commissioners for review.

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

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

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

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

Budgets Per Person - Property Taxes

	Per Person Levy	
	2023	2024
<i>Criminal Justice / Public Safety</i>		
Courts	15	16
Attorney	37	48
Sheriff / Emergency Management	84	104
Adult Detention Center	88	108
Community Corrections	8	-
<i>Highways</i>		
Construction	12	22
Maintenance	23	23
<i>Health, Housing and Human Services</i>		
Public Health	39	55
Olmsted County Housing and Redevelopment Authority (1)	28	29
Family Support and Assistance (Eligibility Screening) (2)	27	43
Protection Social Services (Children) (2)	117	144
Protection Social Services (Adult) (2)	60	89
Land Management	42	15
Elections	4	7
Graham Park	7	4
Parks	11	14
Debt Service	19	26
Other (3)	134	30
Total (4)	755	777

(1) The Olmsted County Housing and Redevelopment Authority collects taxes from all taxable property located in Olmsted County except those within the city limits of the City of Stewartville.

(2) In years prior to 2023, Human Services Administration had been allocated to the various reporting categories based on a formula. For years 2023 and 2024 on this Quick Budget, Human Services Administration has been allocated 100% to Protective Services - Adult

(3) All Other includes Libraries, Conservation, History Center, Veteran Services, Program Aid from the State, and Administrative Services. In the 2023 budget, Administrative Services included all levy and expense from the Board of Commissioners, Administration, Policy and Communications, IT, Human Resources, and Finance. In the 2024 budget, the costs of the Board of Commissioners, Administration, Policy and Communications, IT, Human Resources, and Finance are spread among all other departments in the county.

(4) Populations have been updated to those used by the Minnesota Inter-County Association (MICA). Population used for 2023 and 2024 respectively are: 164,196 and 168,055

As mentioned above, **citizen advisory boards** are asked to participate in developing the annual budget. The boards are made up of citizens who apply for appointments for a limited number of years. Advisory board openings are publicly advertised on our county website and social media pages. Citizens who feel they have the experience and skills to make useful contributions to an advisory board are encouraged to apply. The list of advisory boards can be found on the Olmsted County website: <https://www.olmstedcounty.gov/government/boards-commissions>.

Factors affecting Olmsted County's economic condition and outlook

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

The local economy

The economy of the county, for which the City of Rochester is the county seat, is built around health care, high technology, and agriculture. The three major (non-government) employers for Olmsted County include the **Mayo Clinic, IBM-Rochester, and Olmsted Medical Center**. These three employers combined employ approximately 46,000 people in a workforce of over 124,000. Due to the presence of the Mayo Clinic, the **hospitality industry** also plays a major role in the health of the local economy. Over 6,000 transient lodging rooms serve more than 3.3 million national and international visitors each year.

The housing market in Olmsted County has maintained a healthy increase in values. Between 2018 and 2023, **market values** in the county increased by about 46% (9.16% annually). During this same time, Olmsted County has continued to experience **steady growth in population, jobs, and income**. Between 2018 and 2023, the county's population grew by about 9.8%. The most recent Census data shows Olmsted County's average unemployment rate at 2.1%, compared to 2.8% for the state and 3.6% for the U.S.

Olmsted County's median annual household income (adjusted for inflation) of \$90,420 is higher than the state's, \$84,313 and the national median of \$75,149.

Olmsted County is projected to remain one of Minnesota's fastest-growing counties over the next two decades, while Rochester will be part of one of the fastest-growing metropolitan areas in the state. According to the Olmsted County Planning Department, Olmsted County is projected to reach a population of 210,000 to 215,000 by the year 2045, with Rochester reaching a population of 160,000 to 165,000. This will represent growth in countywide population of approximately 20,000 persons per decade, reflecting about a 23% increase from the estimated 2023 population of 172,000. Their projections also show that the county should reach about 166,000 jobs by the same year (2045). This growth appears to be very doable considering the anticipated impact of **Destination Medical Center (DMC) economic development initiative**.

Destination Medical Center (DMC) is the largest economic development initiative in Minnesota and one of the largest currently underway in the United States. It represents a shared vision of making the Rochester area as the world's premier destination center for health and wellness. With more than \$5 billion in projected private investments, it is estimated that DMC could generate significant growth to the region by creating more than 30,000 jobs and generating up to \$8 billion in new net tax revenue. Additional information about DMC can be found on the DMC website at <http://dmc.mn/>.

In 2023, Mayo Clinic announced its Bold, Forward, Unbound initiative to expand its clinical, research, and education facilities in Rochester. Mayo envisions enhancing the patient experience in addition to its ability to deliver world-class care and innovation to patients while advancing its mission of inspiring hope and contributing to health and well-being.

The initiative involves new facilities totaling approximately 2.4 million square feet of space, infused with technology to improve health care delivery. Mayo's total investment is \$5 billion over six years.

Mayo Clinic's new commitment will also bring significant benefits to Rochester and the region, including:

- Creating thousands of new jobs and generating new tax revenue for the state and local governments.
- Attracting more visitors and businesses to Rochester, boosting the local economy and tourism industry.

- Enhancing the quality of life and well-being of Rochester residents and Mayo Clinic patients and visitors, by providing more amenities, services, and opportunities for recreation, culture, and entertainment.
- Strengthening Rochester’s reputation as America’s City for Health, and a model for sustainable and inclusive urban development.

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 2023, Moody’s Investor Services and S&P Global Ratings agencies affirmed Olmsted County’s **credit rating of Aaa and AAA**, respectively and “stable,” the highest rating possible to attain.

In its report, S&P said, “Exceptional management, with notable long-term planning”. “Very strong economy, with a focus on affordable housing”.

In its report, Moody’s Investor Services said, “the county’s financial position is solid, characterized by the maintenance of strong operating reserves and ample liquidity”.

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

Development of a new strategic plan for Olmsted County

Throughout 2023, Olmsted County worked to define its organizational strategy and direction for the next four years. Employees, community partners, and other parties were involved and provided input during this process. The new strategic plan, that will guide the organization through 2027, will be shared with the public in April 2024 and will include the county's new mission, vision, and values statements; priorities; and goals.

Continued focus on housing and homelessness

Olmsted County is committed to helping people find safe and secure housing, including families struggling with homelessness. The presence of two dedicated social workers in our local schools is helping students and families experiencing housing challenges. By providing essential support, guidance, and resources, an environment is created that ensures students' well-being and enables them to focus on their education.

Olmsted County also announced in 2023 that a multi-unit building, owned by the Olmsted County Housing and Redevelopment Authority, would be transitioning to become a family shelter. Family Promise Rochester will operate the southeast Rochester shelter, while providing case management and other services to help families get back on their feet. The property purchase and renovation will cost approximately \$1.1 million and provide housing for 7 to 10 families with 16-17 bedrooms to house up to 47 people.

In July 2023, the Olmsted County Board of Commissioners reallocated \$5 million to the Growing Affordable Inclusive Neighborhoods (GAIN) program, with the objective to enhance affordable homeownership options in Olmsted County, increasing the supply of modest, starter, or senior homes in our community. The Olmsted County Housing and Redevelopment Authority will consider providing development incentives to public, private, and nonprofit projects that support the goals and objectives of the county Housing department's mission to provide residents with opportunities to obtain quality, affordable housing. GAIN will use a mix of revolving loans and grants to leverage capital for the purchase of land, predevelopment activities, and the construction of affordable homes.

Discussions began in 2023 regarding a potential purchase of the Residences of Old Town Hall property in Rochester, and in January 2024, the Olmsted County Housing and Redevelopment Authority approved this purchase. This 5-story building contains 61 residential single room occupancy units and office spaces that will provide housing and support services for residents in need in our community.

Public safety training facility

Construction of a 17,500-square-foot facility at the Regional Public Safety Training Center began in 2023 and is expected to be completed in fall 2024. This space will enhance our capabilities to ensure the highest quality training for all public safety disciplines. Key features will include indoor training classrooms and the ability to conduct multiple trainings simultaneously. It could also facilitate seamless coordination during emergency or disaster responses, offering a space for multiple county departments.

Public safety aid

In 2023, Olmsted County received a one-time disbursement of \$2.4 million in Public Safety Aid from the State of Minnesota. About \$1.4 million will be used to acquire and replace public safety equipment in 2024, with the balance of the funds not yet allocated for a specific purpose.

Opening of new nature center at Oxbow Park and Zollman Zoo

The new nature center at Oxbow Park and Zollman Zoo officially opened to the public in May 2023. At this new facility, park visitors have more space to enjoy exhibits and learn about the nature and wildlife of southeast Minnesota. The interactive nature center is designed to educate, enrich, and excite nature lovers of all ages!

Opioid settlement funds

Olmsted County unveiled short-term plans for spending opioid settlement funds that will be received from the State of Minnesota. These funds are the results of several national settlements with opioid manufacturers and distributors. Olmsted County has received \$1.0 million and is set to receive an additional \$6.3 million over the next 15 years. Olmsted County's short-term opioid abatement strategies will focus on naloxone distribution, harm reduction, connecting clients to recovery programs, and prevention. The county's diversity, equity, and community outreach team was also expanded to increase community outreach and education about substance use, with the City of Rochester agreeing to contribute \$640,000 over six years to help fund this expansion.

Groundwater protection and soil health initiative makes impacts on county landscape

Groundwater in Olmsted County is vulnerable to nitrate pollution due to the dissolution of soluble rocks, natural features of our Karst geology. Collaborative efforts are necessary among landowners and agricultural producers to implement solutions.

One solution led by the Olmsted Soil and Water Conservation District (OSWCD) is the groundwater protection and soil health initiative. The program assists farmers in playing a role in reducing nitrate leaching, increasing nitrogen retention, and limiting soil erosion.

The initiative encourages the use of cover crops, alternative crops, haying, or grazing to reduce nitrate pollution in groundwater. Farmers can use the cost-share program to implement new management practices that assist in protecting Olmsted County's groundwater and soil.

As an example, landowners must ensure their acres meet a minimum height of 12 inches as part of the cover crop program certification option. Research has proven that meeting this minimum program requirement can significantly reduce nitrate loss through the soil profile and into groundwater.

In 2023, 66 producers enrolled in the program. Since piloting the initiative in 2022, the OSWCD has impacted nearly 6,400 acres of private agricultural land in the county. As a result of this implementation of soil health best management practices, Olmsted County saw a direct program reduction of 310,000 pounds in nitrate nitrogen delivery to groundwater. This is equivalent to 13 semi-trailer loads of urea, a nitrogen waste product. To help this initiative come to fruition, the Olmsted County Board of Commissioners allotted \$5 million in reserves generated thanks to federal funding from the American Rescue Plan Act. In 2023, the OSWCD expended \$469,470 through the groundwater protection and soil health initiative.

With continued investment in this program, Olmsted County fosters the growth of local agriculture while preserving and enriching the environment. The Olmsted Soil and Water Conservation District will continue its groundwater protection and soil health initiative into 2024 with \$850,920 contracted as of March 2024 for the upcoming growing season.

Other information

Awards and acknowledgments

Olmsted County is proud to have earned the **Certificate of Achievement for Excellence** in Financial Reporting from the Government Finance Officers Association of the United States and Canada (GFOA) for 38 consecutive years, for the fiscal years ended December 31, 1985 through 2022. 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 Roman Catala, CPA
Chief Financial Officer



Nancy Thomas, CPA
Assistant Controller



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Olmsted County
Minnesota**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2022

Christopher P. Morill

Executive Director/CEO

OLMSTED COUNTY
LIST OF PRINCIPAL OFFICIALS
AS OF DECEMBER 31, 2023

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

(1) Chair of Board of Commissioners for 2023

(2) Chair of Board of Commissioners for 2024

Gregg Wright

Sheila Kiscaden

Olmsted County Board of Commissioners



County Attorney
Mark Ostrem



County Sheriff
Kevin Torgerson



Director of Human Resources
Julian Currie



Chief Financial Officer
Wilfredo Roman Catala



Administrator
Heidi Welsch



Deputy Administrator
Travis Gransee



Deputy Administrator
Pete Giesen



Division Administrator
James Johnson



Division Administrator
Kaye Bieniek



Director of Property Records and License
Mary Blair-Hoeft



Assistant to the Administrator
Lisa Morris Helmstetler



Director of Family Support and Assistance
Meridee Braun



Director of Community Corrections
Nikki Niles



Director of Parks
Karlin Ziegler



Director of Facilities and Building Operations
Mat Miller



Director of Information Technology
Matt Peabody



Director of Adult and Family Services
Amy Thompson



Director of Public Health
Denise Daniels



Director of Public Works, County Engineer
Ben Johnson



Director of Housing and Planning
Dave Dunn



Director of Policy, Analysis and Communications
Debra Ehret Miller



Director of Child and Family Services
Amy Rauchwarter



Soil Conservation Manager
Skip Langer



Director of Environmental Resources
Tony Hill



SECTION II FINANCIAL SECTION

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Independent Auditors' Report

To the Board of County Commissioners of
Olmsted County

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Olmsted County, Minnesota (the County), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise 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, each major fund and the aggregate remaining fund information of County as of December 31, 2023 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 20%, 20%, and 36%, respectively, of the assets, net position, and revenues of the business-type activities. Those statements were audited by other auditors, whose report has been furnished to us, and our opinions, insofar as it relates to the amounts included for the Olmsted County Housing and Redevelopment Authority are based solely on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*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.

Emphasis of Matter

As discussed in Note 1, County adopted the provisions of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, effective January 1, 2023. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

Baker Tilly Advisory Group, LP and Baker Tilly US, LLP, trading as Baker Tilly, are members of the global network of Baker Tilly International Ltd., the members of which are separate and independent legal entities. Baker Tilly US, LLP is a licensed CPA firm that provides assurance services to its clients. Baker Tilly Advisory Group, LP and its subsidiary entities provide tax and consulting services to their clients and are not licensed CPA firms.

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 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, 2024 on our consideration of 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 County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering County's internal control over financial reporting and compliance.

Baker Tilly US, LLP

Eau Claire, Wisconsin
June 11, 2024

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, 2023. 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 6-14 of this report.

Financial Highlights

At December 31, 2023, the county's government-wide assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$439.3 million (net position). Deferred outflows and inflows are defined on page 58 of this report in the notes to the financial statements.

Net position consists of:

- \$275.1 million, or 63% of total net position represents the county's net investment in capital assets.
- \$32.8 million, or 7% of total net position is restricted by specific statutory requirements or external commitments.
- \$131.4 million, or 30% 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 \$32.8 million. Governmental activities net position increased \$23.3 million and business-type activities increased \$9.5 million.

Olmsted County's capital assets increased \$22.5 million in 2023. The primary reason for the increase in capital assets is a \$11.7 million increase in infrastructure, a \$5.2 million increase in buildings, a \$4.9 million increase in construction in progress, a \$1.4 million increase in subscription software, a \$1.1 million increase in other improvements, a \$662 thousand increase in land offset by a \$1.3 million decrease in equipment and a \$1.0 million decrease in software.

Olmsted County's total debt outstanding increased \$5.5 million in 2023. The primary reason for the increase in outstanding debt is due to the issuance of bonds of \$18.7 million offset by bond payments of \$14.1 million and a \$1.2 million increase subscription payable due to the implementation of Government Accounting Standard Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements*.

At December 31, 2023, the county's governmental funds combined assets and deferred inflows of resources exceeded its liabilities and deferred outflow of resources by \$167.9 million (fund balance).

Governmental fund balance consists of:

- \$3.3 million, or 2% of total government fund balance is nonspendable.
- \$40.2 million, or 24% of total governmental fund balance is restricted for specific purposes.
- \$124.4 million, or 74% of total governmental fund balance is available for spending at the county's discretion (assigned and unassigned fund balance).

The governmental funds fund balance increased \$5.5 million. The General Fund, Health and Human Service Fund, Opioid Settlement Fund, Debt Service Fund, and Capital Projects Fund, fund balance increased \$1.8 million, \$3.0 million, \$216 thousand, \$602 thousand, and \$895 thousand, respectively, offset by a \$1.0 decrease in the Infrastructure Fund fund balance.

Olmsted County has received \$30.8 million in a Coronavirus State and Local Fiscal Recovery Funds. In 2023, Olmsted County used the remaining \$5.4 million of these funds, on providing government services to the extent of revenue loss due to the COVID-19 pandemic as calculated based on the year end December 31, 2022, Annual Comprehensive Financial Report.

Olmsted County was allocated \$7.3 million in Opioid Settlement Funds and received \$1.0 million of that amount from the National Opioid Settlement Fund in total, \$207 thousand in 2023. 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 40 and 41 of this report.

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

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

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

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

Fund Financial Statements

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

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

The fund statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Therefore, the *timing of cash flows* is taken into account when determining the amount of revenues and expenditures in the governmental fund financial statements, while it is disregarded in the government-wide statements where all *earned* revenues and all *incurred* expenses are recorded. This modified-accrual approach in the fund statements may be useful in evaluating a government's near-term financing requirements. The basic governmental funds financial statements are on pages 42 and 44 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 43, and the statement of revenues, expenditures, and changes in fund balance, on page 45.

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

For each fund, information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances. There are no other governmental funds.

Proprietary funds are used to account for services for which the county charges customers a fee directly related to the services provided. Olmsted County has two different types of proprietary funds. The basic proprietary funds financial statements are on pages 46-48 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 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 49 and 50 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 52 - 108 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also includes *required supplementary information*, which presents budgetary comparisons to financial results for each of the three governmental funds, the schedule of county's changes in post-employment benefits liability and related ratios, the schedule of the county's proportionate share of the Public Employee Retirement Association (PERA) net pension liability and the schedule of contributions to the PERA pension plan. Required supplementary information and notes to the required supplementary information can be found on pages 110-130 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 \$439.3 million as of December 31, 2023.

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		Change	Percent Change
	2022	2023	2022	2023	2022	2023		
Current and other assets	\$ 271,383	\$ 283,656	\$ 47,890	\$ 53,150	\$ 319,273	\$ 336,806	\$ 17,533	5%
Capital assets	311,188	333,896	98,370	98,116	409,558	432,012	22,454	5%
Total assets	\$ 582,571	\$ 617,552	\$ 146,260	\$ 151,266	\$ 728,831	\$ 768,818	\$ 39,987	5%
Total deferred outflows	\$ 52,696	\$ 37,129	\$ 1,924	\$ 1,187	\$ 54,620	\$ 38,316	\$ (16,304)	-30%
Current liabilities	\$ 28,514	\$ 23,163	\$ 2,239	\$ 2,722	\$ 30,753	\$ 25,885	\$ (4,868)	-16%
Noncurrent liabilities	271,417	232,550	66,684	60,217	338,101	292,767	(45,334)	-13%
Total liabilities	\$ 299,931	\$ 255,713	\$ 68,923	\$ 62,939	\$ 368,854	\$ 318,652	\$ (50,202)	-14%
Total deferred inflows	\$ 5,584	\$ 45,871	\$ 2,543	\$ 3,273	\$ 8,127	\$ 49,144	\$ 41,017	505%
Net Position:								
Net investment in capital assets	\$ 218,053	\$ 230,797	\$ 39,982	\$ 44,297	\$ 258,035	\$ 275,094	\$ 17,059	7%
Restricted	19,717	23,490	9,342	9,324	29,059	32,814	3,755	13%
Unrestricted	91,982	98,810	27,394	32,620	119,376	131,430	12,054	10%
Total net position	\$ 329,752	\$ 353,097	\$ 76,718	\$ 86,241	\$ 406,470	\$ 439,338	\$ 32,868	8%

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 net position increased in the current year by \$32.8 million, an increase of 8% from the 2023 net position.

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		Change	Percent Change
	2022	2023	2022	2023	2022	2023		
Revenues								
<u>Program revenues:</u>								
Charges for services	\$ 35,822	\$ 31,354	\$ 30,743	\$ 31,143	\$ 66,565	\$ 62,497	\$ (4,068)	-6%
Operating grants and contributions	55,370	59,540	8,388	9,501	63,758	69,041	5,283	8%
Capital grants and contributions	4,881	6,139	-	97	4,881	6,236	1,355	28%
<u>General revenues and special item:</u>								
Property taxes	112,715	119,236	3,916	4,541	116,631	123,777	7,146	6%
Sales taxes	18,265	18,557	-	-	18,265	18,557	292	2%
Wheelage taxes	1,408	1,426	-	-	1,408	1,426	18	1%
Unrestricted grants	26,154	13,517	-	-	26,154	13,517	(12,637)	-48%
Investment income	(4,183)	11,782	418	1,010	(3,765)	12,792	16,557	-440%
Other	249	303	-	-	249	303	54	22%
Total revenues	\$ 250,681	\$ 261,854	\$ 43,465	\$ 46,292	\$ 294,146	\$ 308,146	\$ 14,000	5%
Expenses								
General government	\$ 31,055	\$ 14,817	\$ -	\$ -	\$ 31,055	\$ 14,817	\$ (16,238)	-52%
Public safety	64,165	68,881	-	-	64,165	68,881	4,716	7%
Conservation of natural resources	1,445	1,943	-	-	1,445	1,943	498	34%
Highways and streets	29,752	30,728	-	-	29,752	30,728	976	3%
Health	13,212	15,272	-	-	13,212	15,272	2,060	16%
Human services	90,015	95,579	-	-	90,015	95,579	5,564	6%
Culture and recreation	6,879	7,309	-	-	6,879	7,309	430	6%
Interest on long-term debt	3,074	3,033	-	-	3,074	3,033	(41)	-1%
Waste management	-	-	22,987	23,434	22,987	23,434	447	2%
Sanitary sewer	-	-	151	134	151	134	(17)	-11%
Communications	-	-	193	-	193	-	(193)	-100%
HRA	-	-	12,870	14,161	12,870	14,161	1,291	10%
Other	120	80	-	-	120	80	(40)	-33%
Total expenses	\$ 239,717	\$ 237,642	\$ 36,201	\$ 37,729	\$ 275,918	\$ 275,371	\$ (547)	0%
Excess (Deficiency) of Revenues over Expenses	\$ 10,964	\$ 24,212	\$ 7,264	\$ 8,563	\$ 18,228	\$ 32,775	\$ 14,547	80%
Transfers	(1,409)	(867)	1,409	867	-	-	-	-
Extraordinary gain caused by fire	-	-	67	93	67	93	26	39%
Change in net position	\$ 9,555	\$ 23,345	\$ 8,740	\$ 9,523	\$ 18,295	\$ 32,868	14,573	80%
Net position - beginning	\$ 320,197	\$ 329,752	\$ 67,978	\$ 76,718	\$ 388,175	\$ 406,470	\$ 18,295	5%
Net position - ending	\$ 329,752	\$ 353,097	\$ 76,718	\$ 86,241	\$ 406,470	\$ 439,338	\$ 32,868	8%

Governmental Activities

Net position in governmental activities increased \$23.3 million (7%).

Program revenues are \$97.0 million and general revenues are \$164.8 million for total revenues of \$261.8 million. Program expenses total \$237.6 million. Net transfers with business-type activities are (\$867) thousand. This results in a \$23.3 million increase in net position.

Charges for services decreased \$4.5 million (12%). Significant changes from 2022 to 2023 include:

- General government charges for services decreased \$5.7 million primarily due to a \$5.0 million decrease in internal charges for finance, human resources, and information technology support due to this activity being moved from the General Fund to the Administrative Services Internal Service Fund.
- Public Safety charges for services increased \$969 thousand primarily due to increased charges to the Dodge Olmsted Community Corrections, increases in law enforcement contract charges, and increases in boarding of Dodge County detainees.
- Highway and streets charges for services increased \$689 thousand primarily due to an increase in the work for governments. A shared preservation project with the City of Byron makes up the majority of the increase.
- Various other smaller increases and decreases make up the remaining change.

Operating grants and contributions increased \$4.2 million (8%). Significant changes from 2022 to 2023 include:

- Public safety operating grants and contributions increased \$2.2 million primarily due to a one-time Public Safety Aid appropriation of \$2.4 million.
- Human service operating grants increased \$2.0 million primarily due to a one-time \$897 thousand Medical Assistance Eligibility Renewal grant and a one-time payment of \$753 thousand for errors found in the allocation process for the Social Service Time Study grant.

Capital grants and contributions increased \$1.3 million (26%). Significant changes from 2022 to 2023 include:

- Highway and streets capital grants increased \$1.9 million. Federal grant revenue increased by \$2.8 million due to \$4.8 million reimbursable expenses in 2023 vs only \$2.0 million in 2022 for the CSAH 4/44 road project plus an additional \$400 thousand state grant for a bridge project. This is net of \$1.3 million decrease in state local road improvement aid as less reimbursable expenses were incurred on the highway 14/CSAH 44 in 2023 versus 2022.
- Culture and Recreation capital grants decreased \$671 thousand primarily due to completion of the Oxbow Nature Center building in 2022 (\$597 thousand).
- Various other smaller increases and decreases make up the remaining change.

The **property tax** collections increased \$6.5 million (6%) which is at par with the tax levy increase of 5.9%.

Sales tax collections increased \$292 thousand (2%).

Unrestricted state aids and grants decreased \$12.6 million (48%) primarily due to a \$12.1 million decrease in Coronavirus State and Local Fiscal Recovery Funds expenses in 2023.

Investment income increased \$16.0 million (382%) primarily due to an increase in interest rates and an increase in the fair value of investments resulting in an unrealized gain.

General government expenses decreased \$16.2 million (52%). General government activities include property, records, licensing, planning, and other. Significant changes from 2022 to 2023 include:

- Board of commissioner, administration, policy, analysis, and communication, finance, human resource, and information technology operating activities were in the General Fund in 2022 and were transferred to the Administrative Services Internal Service Fund in 2023 resulting in a \$15.3 million decrease in expenses.
- In the government-wide statement of activities, internal service fund operating income or loss from internal activities is allocated to governmental activities expense to eliminate internal revenues and expenses. The allocation of internal service fund operations to general government expenses decreased \$1.3 million due to the internal service funds having a \$5.2 million operating loss in 2022 and \$2.4 million operating loss in 2023. See the proprietary fund section below for more details on internal service funds.
- Changes in pension related deferred outflow, liability, and deferred inflows expense decreased by \$1.2 million.
- Internal charges for board of commissioner, administration, policy, analysis, and communication, finance, human resources, and information technology support increased expenses by \$1.4 million due to these activities being moved to the Administrative Service Internal Service Fund.
- Various other smaller increases and decreases make up the remaining change.

Public safety expenses increased \$4.7 million (7%). Public Safety activities include law enforcement, adult detention center, community corrections, county attorney, coroner, district courts, and law library. Significant changes from 2022 to 2023 include:

- Board of commissioner, administration, policy, analysis, and communication, finance, human resource, and information technology operating activities were in the General Fund in 2022 and were transferred to the Administrative Services Internal Service Fund in 2023 resulting in a \$5.5 million increase in expenses.
- Personnel costs increased by \$2.1 million due to cost-of-living adjustments, performance-based increases, and increases in overtime.
- Expenses related to changes in pension related deferred outflow, liability, and deferred inflows decreased by \$1.9 million.
- In the government-wide statement of activities, internal service fund operating income or loss from internal activities is allocated to governmental activities expense to eliminate internal revenues and expenses. The allocation of internal service fund operations to public safety expenses decreased \$774 thousand due to the internal service funds having a \$5.2 million operating loss in 2022 and \$2.4 million operating loss in 2023. See the proprietary fund section below for more details on internal service funds.
- Various other smaller increases and decreases make up the remaining change.

Conservation of natural resources expenses increased \$430 thousand (6%). Conservation of natural resources activities include soil and water conservation and extension services. This increase is primarily due to costs associated with connecting the Zumbro Ridge Estates manufactured home park to the Rochester sewage treatment plant (\$383 thousand).

Highways and streets expenses increased \$976 thousand (3%). Highway and streets activities include surveying, maintenance, construction, and equipment maintenance and shops. Significant changes from 2022 to 2023 include:

- Personnel costs increased by \$370 thousand mainly due to cost-of-living adjustments and performance-based increases.
- Board of commissioner, administration, policy, analysis, and communication, finance, human resource, and information technology operating activities were in the General Fund in 2022 and were transferred to the Administrative Services Internal Service Fund in 2023 resulting in a \$470 thousand increase in expenses.
- Various other smaller increases and decreases make up the remaining change.

Health expenses increased \$2.1 million (16%). Health activities include general public health, emergency preparedness, disease prevention, health promotion, and environmental. Significant changes from 2022 to 2023 include:

- Board of commissioner, administration, policy, analysis, and communication, finance, human resource, and information technology operating activities were in the General Fund in 2022 and were transferred to the Administrative Services Internal Service Fund in 2023 resulting in a \$1.9 million increase in expenses.
- Personnel costs increased by \$666 thousand due to an increase of 4.5 full time equivalent, cost-of-living adjustments, and performance-based increases.
- Various other smaller increases and decreases make up the remaining change.

Human services expenses increased \$5.6 million (6%). Human services program activities include income maintenance, social services, support services, and veterans' services. Significant changes from 2022 to 2023 include:

- Personnel costs increased by \$4.0 million primarily due to an increase of 15 full-time equivalents, reclassification of some employees to higher wages, and cost- of-living and performance-based increases.
- Board of commissioner, administration, policy, analysis, and communication, finance, human resource, and information technology operating activities were in the General Fund in 2022 and were transferred to the Administrative Services Internal Service Fund in 2023 resulting in a \$2.3 million increase in expenses.
- Expenses related to changes in pension related deferred outflow, liability, and deferred inflows decreased by \$922 thousand.
- In the government-wide statement of activities, internal service fund operating income or loss from internal activities is allocated to governmental activities expense to eliminate internal revenues and expenses. The allocation of internal service fund operations to human service expenses decreased \$875 thousand due to the internal service funds having a \$5.2 million operating loss in 2022 and \$2.4 million operating loss in 2023. See the proprietary fund section below for more details on internal service funds.
- Various other smaller increases and decreases make up the remaining change.

Culture and recreation expenses increased \$430 thousand (6%) due to various small increases. Culture and recreation program activities include parks, historical society, diversity and youth programs, and library.

Interest on long-term debt increased \$41 thousand (1%) primarily due to an increase in bond debt.

Business-Type Activities

Net position in business-type activities increased \$9.5 million (12%).

Program revenues are \$40.7 million and general revenues are \$5.6 million for total revenues of \$46.3 million. Program expenses total \$37.7 million. Net transfers with governmental activities are \$867 thousand. This results in a \$9.5 million increase in net position.

Charges for services increased \$400 thousand (1%).

Operating grants and contributions increased \$1.1 million (13%) primarily due to an increase in Housing Choice Voucher fund in the Olmsted County HRA.

Capital grants and contributions increased \$97 thousand (100%).

The **property tax** collections increased \$626 thousand (16%) which is at par with the tax levy increase of 16%.

Investment income increased \$592 thousand (142%) primarily due to an increase in interest rates.

Waste Management expenses increased \$447 thousand (2%).

Sanitary Sewer expenses decreases \$17 thousand (11%).

Olmsted County HRA expenses increased \$1.3 million (10%) primarily due to a \$915 thousand increase in housing assistance payments. This increase is due to an increase in the number of units and an increase in contribution per unit. The remaining change is made of various other increased and decreases.

Extraordinary Gain increased \$26 thousand (39%).

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)**

	2022	2023	Change
Fund Balances:			
Nonspendable	\$ 3,473	\$ 3,305	\$ (168)
Restricted	36,713	40,243	3,530
Assigned	57,514	39,648	(17,866)
Unassigned	64,681	84,693	20,012
Total Fund Balances	<u>\$ 162,381</u>	<u>\$ 167,889</u>	<u>\$ 5,508</u>
Total Operating Revenues	\$ 257,750	\$ 267,193	\$ 9,443
Assigned and Unassigned Fund Balance as % of Operating Revenues	47%	47%	

The county’s total fund balance in the governmental funds as of December 31, 2023, is \$167.9 million, an increase of \$5.5 million (3%) from 2022.

Fund balance in the **General Fund** increased \$1.8 million (2%). Significant factors contributing to the increase in fund balance include:

- Investment income was more than anticipated by \$7.5 million due to an increase in interest rates and an increase in the fair value of investments resulting in an unrealized gain.
- Coronavirus State and Local Recovery Funds were used in place of property taxes to provide government services to the extent of revenue loss due to the COVID-19 pandemic in the amount of \$5.4 million.
- Decrease in compensated absence liability in the Self-Insurance Fund for employees that were transferred from the General Fund to the Administrative Services Internal Service Fund in the amount of \$2.5 million. Self-Insurance Fund internal charges to governmental funds maintains a cash balance for compensated absences equal to the compensated absence liability.
- Unspent one-time Public Safety Aid appropriation of \$2.4 million.
- Received more than anticipated Minnesota Community Corrections Act Subsidy of \$703 thousand.
- Transfer to the Administrative Services Internal Service Fund of \$11.6 million due to moving board of commissioner, administration, policy, analysis, and communications, finance, human resources, and information technology activities from the General Fund to the Administrative Services Internal Service Fund.

- Planned for a \$4.5 million decrease in fund balance available due to Coronavirus State and Local Recovery Funds for affordable housing (\$2.5 million), ground water protection (\$469 thousand), manufactured homes parks (\$383 thousand), social worker school liaison and stabilization program (\$346 thousand), attorney full-time equivalent (\$287 thousand), Pathways workforce development program (\$218 thousand), and various other smaller projects.
- Planned for a \$1.3 million decrease in fund balance for capital projects including government center roof replacement (\$450 thousand), Graham Park Exhibition Center (\$400 thousand), deferred maintenance (\$235 thousand), cold storage (\$140 thousand), and various other smaller projects.
- The remaining net change in fund balance is made of various smaller items.

Fund balance in the **Infrastructure Fund** decreased \$1.0 million (11%). Significant factors contributing to the increase include:

- Unspent local sales tax revenue of \$2.4 million will be used in 2024 to complete projects started in 2023.
- State and Federal reimbursements for 2022 costs of \$600 thousand recognized in 2023 due to the timing (availability) of the 2022 fourth quarter.
- County State Aid Highway (CSAH) 4 and 44 costs of \$3.6 million will be reimbursed with 2024 Highway State Aid allotments (2024 revenue).
- Various other state, federal, and municipal project costs of \$750 thousand will be reimbursed with 2024 Highway State Aid allotments (2024 revenue).
- The remaining net change in fund balance is made of various smaller items.

Fund balance in the **Health and Human Services Fund** increased \$3.0 million (29%). Significant factors contributing to the increase include:

- Received one-time social service time study revenue from the State of Minnesota due to an error in the cost allocation process used in previous years in the amount of \$729 thousand.
- State reimbursement for 2022 social service information system federal administration aid grant of \$673 thousand recognized in 2023 due to the timing (availability) of the 2022 fourth quarter.
- Unspent one-time Medical Assistance Eligibility Renewal Aid appropriation of \$644 thousand.
- More than anticipated care coordination services provided to clients with third party health insurance in the amount of \$571 thousand.
- More than anticipated mental health targeted case management charges due to more clients receiving these services and disability case management due to improvements in staff time reporting totaling \$521 thousand.
- Lower than anticipated costs for targeted case management services provided by third party contractors, day support and employability due to vendor capacity, and detox due to less clients needing services totaling \$951 thousand.
- Planned for \$680 thousand decrease in fund balance for personal computer replacement.
- State reimbursement for 2023 Minnesota Family Investment Program grant of \$537 thousand will be recognized in 2024 due to the timing (availability) of the 2023 fourth quarter.
- Higher than anticipated child placement costs of \$544 thousand due to the higher need for residential treatment and shelter placements and rate increases in many of these facilities.
- The remaining net change in fund balance is made of various smaller items.

Fund balance in the **American Rescue Plan Act Fund** did not change. This fund was closed as of December 31, 2023.

Fund balance in the **Opioid Settlement Fund** increased \$216 thousand (26%) primarily due to receiving additional opioid settlement fund of \$207 thousand.

Fund balance in the **Debt Service Fund** increased \$602 thousand (3%). Significant factors contributing to the increase include:

- Levied property tax revenue in the amount of \$1.3 million for the 2023 bond issuance with no related debt service requirements.
- Use of prior year property tax revenue for debt service payments in the amount of \$672 thousand.

- The remaining net change in fund balance is made of various smaller items.

Fund balance in the **Capital Projects Fund** increased \$895 thousand (23%). Significant factors contributing to the increase include:

- Less than anticipated highway equipment costs of \$330 thousand due to not receiving 2023 orders of \$1.0 million, offset by receiving 2022 orders of \$670 thousand.
- Less than anticipated Graham Park project cost of \$600 thousand.
- The remaining net change in fund balance is made of various smaller items.

At year-end 2023, the governmental funds have a **combined assigned and unassigned fund balance (“available”)** of \$124.3 million. This is 47% of the \$267.2 million revenues in those funds, which did not change from 2022. This balance provides a means to pay for the county’s operations until the first half of the following year’s tax levy is collected in May. It is also used to prevent a large increase in property taxes from one year to the next in the event of disasters and unforeseen funding changes by the state and federal governments.

The [Office of the Minnesota State Auditor](#) recommends local governments that rely significantly on property taxes maintain an unrestricted fund balance in the General Fund and special revenue funds of 35 to 50 percent of operating revenue. It is Olmsted County practice to maintain a combined governmental funds unrestricted fund balance around 42.5% of operating revenues.

Olmsted County has maintained bond ratings of Aaa and AAA from two national rating agencies, Moody’s and Standard & Poor’s (S&P), respectively. In September 2023, Moody’s affirmed the Aaa rating citing the county’s strong financial position, solid economic metrics, modest leverage and fixed costs, and stabilizing presence of the Mayo Clinic. In September 2023, S&P affirmed the AAA rating citing a very strong economy, budgetary flexibility, liquidity, management, debt and long-term liabilities and strong budget performance and institutional framework.

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

Table 4: Olmsted County Proprietary Fund – Net Position

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

	Enterprise Funds			Internal Service Funds		
	2022	2023	Change	2022	2023	Change
Net Position:						
Net Investment in Capital Assets	\$ 39,982	\$ 44,297	\$ 4,315	\$ 27,587	\$ 25,030	\$ (2,557)
Restricted	9,342	9,324	(18)	3,355	3,590	235
Unrestricted	27,394	32,620	5,226	21,696	25,590	3,894
Total Net Position	\$ 76,718	\$ 86,241	\$ 9,523	\$ 52,638	\$ 54,210	\$ 1,572

Enterprise fund total net position increased by \$9.5 million (12%) during the year.

The **Waste Management Fund** net position increased \$6.9 million (11%). This increase is a \$400 thousand increase from the prior year \$6.5 million increase in net position. The increase from prior year is primarily due to an increase in investment income of \$449 thousand due to an increase in interest rates.

The **Olmsted County Housing and Redevelopment Fund (HRA)** net position increased \$2.6 million (18%). This increase is primarily due to unspent current year tax levy.

The **Sanitary Sewer Fund** net position decreased \$4 thousand (0%).

Internal service fund total net position increased by \$1.6 million (3%) during the year.

The **Self-Insurance Fund** net position decreased \$1.0 million (7%). This decrease is a \$2.4 million increase from the prior year \$3.4 million decrease in net position. Changes in health insurance activities are primarily due to a 10% (\$2.4 million) health insurance premium increase, a decrease in health care costs of \$1.7 million, and an increase in prescription costs of \$972 thousand. Changes in liability insurance activity is primarily due to a \$1.2 million increase in the cost of claims. Changes in workers compensation insurance activity is primarily due to a \$738 thousand increase in claims settlements. The remaining change is made of various smaller items.

The **Administrative Services Fund** net position increased \$973 thousand (22%). This increase is a \$4.9 million increase from the prior year \$3.9 million decrease in net position. The \$4.9 increase is primarily due to the transitioning of board of commissioners, administration, policy, analysis, and communications, finance, human resources, and information technology activities from the general fund to the internal service fund.

The **Building Facilities Fund** net position increased \$1.6 million (5%). This increase is a \$4.4 million increase from the prior year \$2.9 million decrease in net position. The \$4.4 million increase is primarily due to a 3% rent increase (\$514 thousand) and a \$3.1 million increase in net transfers to/from other funds. The remaining change is made of various smaller items.

Fiduciary funds. The county maintains two fiduciary funds, a private-purpose trust fund and a custodial fund. The private-purpose trust fund accounts for representative payee funds. The custodial fund accounts for service bureau activities, revenues collected for the State of Minnesota, revenues collected for other individuals, organizations or governments, and taxes and penalties collected for school districts, towns, and cities. The private-purpose trust fund net position is \$330 thousand, and the custodial funds net position is \$5.4 million at year end.

General Fund Budgetary Highlights

Original budget compared to final budget

The final amended budgeted revenues are \$1.6 million less than original budgeted revenues. The charges for services budget decreased \$5.2 million primarily for finance, human resources, and information technology internal charges moved to the Administrative Services Internal Service Fund. Intergovernmental increased by \$3.5 million for a one-time appropriation Public Safety Aid (\$2.4 million) and various other smaller increases. The remaining change is made of various smaller items.

The final amended budgeted expenditures are \$15.9 million less than the original budgeted expenditures. The general government expenditure budget decreased \$25.1 million due to moving board of commissioner, administration, policy, analysis, and communications, finance, human resources, and information technology activity to the Administrative Services Internal Service Fund (\$26.7 million) offset by increases to internal charge budgets to other departments (\$1.6 million). The public safety expenditure budget increased \$7.8 million primarily due to increases to internal charge budgets of \$5.4 million and E911 appropriation of \$1.2 million. The culture and recreation expenditure budget increased \$567 thousand primarily due to increases to internal charge budgets of \$481 thousand. The remaining change is made of various smaller items.

Final budget compared to actual results

Table 5: Olmsted County General Fund – Final Budget and Actual Amounts
Olmsted County General Fund - Final Budget and Actual Amounts
(in thousands of dollars)

	Final Budget	Actual Amounts	Variance with Final Budget
Revenues:			
Taxes	\$ 68,862	\$ 68,905	\$ 43
Licenses and permits	1,239	1,293	54
Intergovernmental	14,020	14,093	73
Charges for services	15,456	15,069	(387)
Investment income	2,510	10,058	7,548
Other	1,943	4,106	2,163
Total Revenues	<u>\$ 104,030</u>	<u>\$ 113,524</u>	<u>\$ 9,494</u>
Expenditures			
General government	\$ 12,222	\$ 11,722	\$ 500
Public safety	68,490	66,378	2,112
Conservation of natural resources	1,972	1,940	32
Culture and recreation	5,912	5,749	163
Other	1,978	1,708	270
Total Expenditures	<u>\$ 90,574</u>	<u>\$ 87,497</u>	<u>\$ 3,077</u>

The actual revenues are \$9.5 million more than the final amended budgeted revenues. Actual investment income was more than the budgeted amount by \$7.5 million primarily due to the market value change not being budgeted (\$4.6 million) and interest rates being higher than anticipated (\$2.9 million). Other revenue was \$2.2 million more than the budgeted amount primarily due the return of cash held in the self-insurance fund for compensated absences due to moving board of commissioner, administration, policy, analysis, and communication, finance, human resources, and information technology staff to the Administrative Services Internal Service Fund.

The actual expenditures are \$3.1 million less than the final amended budgeted expenditures. Actual general government expenditures were \$500 thousand less than the final amended budget primarily due to staff positions being vacant. Actual public safety expenditures were \$2.1 million less than the final amended budget primarily due to not spending \$932 thousand of the available E911 appropriation, contributions to the Dodge Olmsted Community Corrections joint powers board being \$893 thousand less than anticipated, and various other smaller items offset by salaries and benefits in law enforcement being more than the final amended budget by \$627 thousand due to contract salary increases not being budgeted and other events that required staff to work overtime.

Capital Assets and Debt Administration

Capital Assets. At the end of 2023, the county had invested \$409.6 million in a range of capital assets. The majority of that amount is in infrastructure (which includes roads and bridges), buildings, and equipment.

Table 6: Olmsted County Capital Assets, Net of Depreciation

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

	Governmental activities		Business-type activities		Total		Change	%
	2022	2023	2022	2023	2022	2023		
Land	\$ 24,773	\$ 24,398	\$ 4,834	\$ 5,105	\$ 29,607	\$ 29,503	\$ (104)	0%
Infrastructure land	40,295	41,061	-	-	40,295	41,061	766	2%
Infrastructure	126,535	138,235	1,528	1,502	128,063	139,737	11,674	9%
Buildings	60,577	64,546	17,319	18,529	77,896	83,075	5,179	7%
Other improvements	4,150	5,026	2,279	2,518	6,429	7,544	1,115	17%
Equipment	8,618	9,139	71,233	69,461	79,851	78,600	(1,251)	-2%
Intangible right-to-use - lease equipment	1,154	963	-	-	1,154	963	(191)	0%
Software	3,908	2,859	-	-	3,908	2,859	(1,049)	-27%
Intangible right-to-use - subscription software	-	1,213	-	158	-	1,371	1,371	0%
Construction in progress	41,178	46,456	1,177	843	42,355	47,299	4,944	12%
Total	\$ 311,188	\$ 333,896	\$ 98,370	\$ 98,116	\$ 409,558	\$ 432,012	\$ 22,454	5%

Governmental activities net capital assets increased \$22.7 million. Major capital asset events during 2023 included:

- Land decreased by \$375 thousand due to the sale of a parcel.
- Infrastructure land increased by \$766 thousand due to the acquisition of right-of-way for current and future road projects.
- Infrastructure increased by \$11.7 million due an addition for two road projects totaling \$18.1 million offset by depreciation of \$6.4 million. A fully depreciated section of road was turned over to the City of Stewartville.
- Buildings increased by \$4.0 million. Projects totaling \$8.1 million were completed during 2023, including a Nature center at Oxbow Park, HVAC replacement, plaza space, and cold storage buildings at the fairgrounds, offset by depreciation of \$4.1 million. The county disposed of the old Nature Center at Oxbow Park and several smaller outbuildings at the fairgrounds.
- Other improvements increase by \$876 thousand. Additions of \$1.3 million include pergola at the fairgrounds, a boardwalk at Oxbow Park, and site improvements at Lake Zumbro Park and the Public Works Service Center, offset by depreciation of \$380 thousand. The county disposed of hardscaping at Oxbow Park.
- Equipment increased by \$521 thousand. Additions of \$2.5 million include public safety, parks, and motor pool vehicles, survey and grounds maintenance equipment, and audio/visual equipment for Oxbow Nature Center, Government Center, and several other campus buildings, offset by depreciation of \$1.9 million.
- Software decreased by \$1.0 million. There were no additions and depreciation of \$1.0 million.
- Intangible right-to-use lease – equipment decreased \$191 thousand. There were no additions or disposals. Amortization expense totaled \$191 thousand.
- Intangible right-to-use – subscription software is a new category in 2023 due to the implementation of Government Accounting Standard Board (GASB) Statement No, 96, *Subscription-Based Information Technology Arrangements*. Additions were \$1.7 million and amortization expense totaled \$484 thousand.
- Construction in progress increased \$5.3 million. Increases of \$33.0 million include road projects, a new amphitheater and playground equipment at Chesterwoods Park, Oxbow Park site improvements, and playground equipment at the fairgrounds. Decreases totaled \$27.7 million as projects were finished and placed into service.

Business-type activities, net capital assets decreased by \$254 thousand in 2023. Waste Management Fund additions of \$6.5 million included security gates and skid steer at the Recycling Center, forklift, pickup truck, ash discharger, boiler refractory, crane grapple, cooling tower, turbine generator overhaul, fire protection, control room expansion, roof replacement, and parking lot replacement at the Waste-to-Energy plant, and a loader, ranger, and access road at Kalmar Landfill. Housing and Redevelopment Authority (HRA) fund additions of \$2.2 million include two properties to be used for housing, roof replacement on two buildings, HVAC replacement, security and fire alarm system, a maintenance vehicle, and subscription software. Construction in progress decreased \$2.0 million as projects were completed and put into service. Depreciation was \$6.9 million.

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

Long-term Debt. As shown in the table below, Olmsted County had total debt outstanding of \$181.3 million at the end of 2023, a \$5.5 million increase from 2022. All outstanding bonds at year end are general obligation bonds which are backed by the full faith and credit of the county including the general obligation revenues bonds, although payable from pledged net revenues.

Table 7: Olmsted County Outstanding Debt
Olmsted County Outstanding Debt as of December 31
(in thousands of dollars)

	Governmental activities		Business-type activities		Total		Change	%
	2022	2023	2022	2023	2022	2023		
General obligation revenue bonds	\$ -	\$ -	\$ 44,525	\$ 39,630	\$ 44,525	\$ 39,630	\$ (4,895)	-11%
General obligation bonds	118,305	127,750	-	-	118,305	127,750	9,445	8%
Mortgages payable	-	-	490	479	490	479	(11)	-2%
Deferred repayment mortgages	-	-	3,225	3,225	3,225	3,225	-	0%
Deferred forgivable mortgages	-	-	8,329	8,329	8,329	8,329	-	0%
Lease payable	1,003	740	-	-	1,003	740	(263)	-26%
Subscription payable	-	1,104	-	82	-	1,187	1,187	100%
Total	<u>\$ 119,308</u>	<u>\$ 129,594</u>	<u>\$ 56,569</u>	<u>\$ 51,745</u>	<u>\$ 175,877</u>	<u>\$ 181,340</u>	<u>\$ 5,463</u>	<u>3%</u>

The county's total debt outstanding increased by \$5.5 million (3%) during the current year. Major debt events during 2023 included:

- Issuance of bonds totaling \$18.7 million.
- Bond payments of \$14.1 million.
- Implementation of Government Accounting Standard Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements*, increased subscription payable by \$1.2 million.

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

The amount of general obligation debt that the county may issue is limited by state statute and is calculated at 3% of total estimated market value of properties in the county. The current debt limit for the county for general obligation debt is \$737.8 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 2023 unemployment rate is 2.1%, a 0.0% change from 2022. The county's unemployment rate continues to be lower than the State of Minnesota and the national unemployment rate of 2.8% (0.1% increase from 2022) and 3.6% (0.0% change from 2022), respectively. Refer to Schedule 14 of this report.
- The 2023 \$24.6 billion taxable market value of property increased from \$21.0 billion in 2022 and includes \$404.0 million of new construction. The estimated 2024 taxable market value of \$26.8 billion includes \$395.8 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 2024 governmental funds budget on December 19, 2023, in the amount of \$310.0 million. This is a \$14.5 million (4.9%) increase from the 2023 budget. The Olmsted County 2024 levy was adopted at \$125.9 million, a \$6.2 million (5.2%) increase from 2023. The 2024 budget was balanced using \$6.1 million of reserves. The 2024 Olmsted County HRA levy was adopted at \$4.9 million, a \$300 thousand (6.5%) increase from 2023.
- The overall county tax rate is calculated by comparing the total tax levy to total market value. For 2024, the rate is \$4.13 per \$1,000 of market value, which is 12.6% lower than the 2023 rate of \$4.73 per \$1,000. This stable trend indicates the board has done a good job of managing resources, balancing the need for property tax increases with the need of investing in a growing community.
- [Destination Medical Center](#) (DMC) is a 20-year and over \$5 billion economic development plan for a premier destination medical center in Rochester, Minnesota. The DMC economic development plan consists of private development by Mayo Clinic and other developers. It also includes public funding from the City of Rochester, Olmsted County, and the State of Minnesota. The Minnesota legislature approved drawing down State of Minnesota funds for the Destination Medical Center (DMC) economic development initiative when Mayo Clinic met a \$200.0 million spending threshold. The Destination Medical Center Corporation (DMCC) Executive Committee announced in March 2017 that the initiative had exceeded the \$200.0 million private development investment threshold. The county's maximum local funding match is \$3.0 million per year. The County made a half-year payment to the City of Rochester in 2016, followed by five payments of \$3.0 million per year in 2017, 2018, 2019, 2022, and 2023. The county and city agreed that no payment was to take place in 2021. Olmsted County payments to the City of Rochester are funded with [sales tax](#) revenues.
- Waste generation volumes are affected by economic conditions. A weaker economy produces less waste to be managed. Olmsted County haulers have implemented single stream recycling which increases the amount of recycling per household and thereby reducing the amount of waste managed at county facilities. The county is also seeking more waste outside of Olmsted County to help fill the Waste-To-Energy facility available capacity and to generate additional revenues. The 2023 tonnage was budgeted at 117.0 thousand tons, 2.0 thousand tons more than 2022, as the county is seeking more waste outside of Olmsted County plus normal waste growth within the county. In 2023, 121.0 thousand tons of waste was received from both within and outside of Olmsted County, exceeding the budgeted amount by 4 thousand tons. In 2023, actual waste tonnage increased by approximately 6.1 thousand tons from 2022 mainly due to approximately 5.0 thousand tons more waste received from sources outside of Olmsted County plus an additional 1.1 thousand tons of waste received and generated within Olmsted County.
- The 2023-2027 Capital Improvement Plan totals \$418.5 million. Capital assets are funded by many types of revenue: intergovernmental (state and federal) at 19%, property taxes at 1%, [sales tax](#) and [wheelage tax](#) at 25%, bonded debt at 26%, and operating and other revenues funding 29%. Of the total 2023-2027 capital improvement program, 54% is for transportation construction, 19% for buildings and other

improvements, 7% for Graham Park, 12% for solid waste, and 8% is for other capital improvement. The plan includes \$107.8 million funding by bonded debt, the largest projects being \$30.8 million to for Olmsted County judicial space renovation, \$22.5 million for a solid waste material recovery facility, \$9.0 million for miscellaneous building repairs, \$7.6 million for Regional Public Safety Training Center/Public Works Service Center improvements, \$3.2 million for roof replacements, \$2.6 million for law enforcement squads, and \$2.0 million for building and system sustainability and/or efficiency.

- Olmsted County continues to stay on top of managing services related to employee health care costs. Unlike many other organizations, the county has a very limited obligation for other post-retirement benefits (OPEB). Retirees under age 65 who choose to remain on the county's plan are required to pay 100% of the premium. Therefore, the county's only obligation is for the "implicit" rate subsidy of health benefits for early retirees whose premiums are at the group rate even though older people, in general, have higher medical claims than their younger counterparts. The independent actuarial consultant that prepares Olmsted County's valuation reports calculated Olmsted County's OPEB liability at the end of 2023 at \$9.4 million. The county plans to fully fund its liability with Self-Insured Health Fund cash and investments designated for this purpose. For additional information, refer to Note 11 of this report.
- For more highlights, please read the Transmittal Letter in the Introductory Section starting page 6.

Requests for Additional Information

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



Basic Financial Statements

OLMSTED COUNTY
STATEMENT OF NET POSITION
DECEMBER 31, 2023

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash, cash equivalents, deposits and investments	\$ 192,282,480	\$ 32,392,679	\$ 224,675,159
Cash and cash equivalents on deposit:			
OPEB	9,427,011	-	9,427,011
Accounts receivable, net	1,438,901	2,433,218	3,872,119
Delinquent taxes receivable	1,288,331	101,543	1,389,874
Accrued interest	1,881,964	114,323	1,996,287
Internal balances	468,900	(468,900)	-
Notes, loans, and mortgages	90,790	20,859	111,649
Due from other governments	17,252,696	922,638	18,175,334
Lease receivable	516,425	160,790	677,215
Inventories	475,149	2,141,988	2,617,137
Prepaid items	2,764,975	853,960	3,618,935
Restricted assets:			
Cash and investments restricted for:			
Debt service	10,399,827	5,756,996	16,156,823
HRA	-	757,211	757,211
Construction	17,977,290	468,305	18,445,595
Dedicated long-term environmental care trust	-	5,617,108	5,617,108
Opioid settlement	1,012,572	-	1,012,572
Law library - held by trustee	251,341	-	251,341
Refinancing escrow - held by trustee	26,113,903	-	26,113,903
Other assets:			
Long-term loans	13,741	1,876,452	1,890,193
Capital assets not being depreciated:			
Land	65,458,830	5,105,520	70,564,350
Construction in progress	46,455,828	843,257	47,299,085
Capital assets, net of depreciation:			
Infrastructure	138,234,665	1,501,612	139,736,277
Buildings	64,546,257	18,529,344	83,075,601
Improvements other than buildings	5,026,106	2,517,700	7,543,806
Equipment	9,138,779	69,460,654	78,599,433
Intangible right-to-use lease equipment	963,399	-	963,399
Software	2,858,527	-	2,858,527
Intangible right-to-use subscription software	1,213,262	158,340	1,371,602
Total capital assets	<u>333,895,653</u>	<u>98,116,427</u>	<u>432,012,080</u>
Total Assets	<u>617,551,949</u>	<u>151,265,597</u>	<u>768,817,546</u>
DEFERRED OUTFLOWS OF RESOURCES			
OPEB	1,068,937	-	1,068,937
Pension	36,060,594	1,171,168	37,231,762
Deferred charge on bonds	-	16,237	16,237
Total Deferred Outflows of Resources	<u>37,129,531</u>	<u>1,187,405</u>	<u>38,316,936</u>
LIABILITIES			
Accounts payable	4,520,720	656,934	5,177,654
Salaries payable	4,661,814	269,559	4,931,373
Contracts payable	6,787,258	843,148	7,630,406
Accrued interest payable	1,494,333	531,459	2,025,792
Other accrued liabilities	79,634	13,385	93,019
Due to other governments	3,638,498	170,016	3,808,514
Unearned revenue	1,981,078	237,213	2,218,291
Long-term liabilities:			
Due within one year	19,533,045	7,099,703	26,632,748
Due in more than one year	213,016,576	53,117,748	266,134,324
Total Liabilities	<u>255,712,956</u>	<u>62,939,165</u>	<u>318,652,121</u>
DEFERRED INFLOWS OF RESOURCES			
OPEB	1,651,704	-	1,651,704
Pension	43,083,691	1,560,199	44,643,890
Taxes collected for subsequent year	169,652	-	169,652
Lease	499,110	153,625	652,735
Deferred gain on refunding	466,922	1,558,810	2,025,732
Total Deferred Inflows of Resources	<u>45,871,079</u>	<u>3,272,634</u>	<u>49,143,713</u>
NET POSITION			
Net investment in capital assets	230,796,908	44,296,952	275,093,860
Restricted for:			
General government	1,873,294	-	1,873,294
Highways and streets	7,637,197	-	7,637,197
Public safety	3,778,120	-	3,778,120
Culture and recreation	620,744	-	620,744
Human services	644,377	-	644,377
Health	1,052,572	-	1,052,572
Debt service	7,884,209	6,088,074	13,972,283
Landfill closure	-	3,235,856	3,235,856
Unrestricted	98,810,024	32,620,321	131,430,345
Total Net Position	<u>\$ 353,097,445</u>	<u>\$ 86,241,203</u>	<u>\$ 439,338,648</u>

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

OLMSTED COUNTY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities:							
General government	\$ 14,817,100	\$ 3,586,665	\$ 1,137,795	\$ -	\$ (10,092,640)		\$ (10,092,640)
Public safety	68,880,937	12,393,492	4,470,312	-	(52,017,133)		(52,017,133)
Conservation of natural resources	1,943,206	636,403	31,812	-	(1,274,991)		(1,274,991)
Economic development	80,000	-	-	-	(80,000)		(80,000)
Highways and streets	30,728,304	1,577,276	10,221,425	5,332,024	(13,597,579)		(13,597,579)
Health	15,271,774	2,169,459	4,713,592	-	(8,388,723)		(8,388,723)
Human services	95,578,543	9,779,941	38,786,552	-	(47,012,050)		(47,012,050)
Culture and recreation	7,308,968	1,211,063	178,632	807,267	(5,112,006)		(5,112,006)
Interest	3,033,260	-	-	-	(3,033,260)		(3,033,260)
Total governmental activities	<u>237,642,092</u>	<u>31,354,299</u>	<u>59,540,120</u>	<u>6,139,291</u>	<u>(140,608,382)</u>		<u>(140,608,382)</u>
Business-type activities:							
Waste Management Enterprise Fund	23,433,964	28,265,505	552,199	-		\$ 5,383,740	5,383,740
Communications Enterprise Fund	-	-	-	-		-	-
Olmsted County HRA	14,161,286	2,770,830	8,948,749	96,699		(2,345,008)	(2,345,008)
Sanitary Sewer Enterprise Fund	133,868	106,342	-	-		(27,526)	(27,526)
Total business-type activities:	<u>37,729,118</u>	<u>31,142,677</u>	<u>9,500,948</u>	<u>96,699</u>		<u>3,011,206</u>	<u>3,011,206</u>
Total	<u>\$ 275,371,210</u>	<u>\$ 62,496,976</u>	<u>\$ 69,041,068</u>	<u>\$ 6,235,990</u>	<u>(140,608,382)</u>	<u>3,011,206</u>	<u>(137,597,176)</u>
General Revenues							
Property taxes					119,236,096	4,541,597	123,777,693
Sales taxes					18,557,138	-	18,557,138
Wheelage taxes					1,426,037	-	1,426,037
Unrestricted state aids and grants					13,517,026	-	13,517,026
Payments in lieu of tax					144,060	-	144,060
Investment income					11,781,644	1,010,534	12,792,178
Miscellaneous					159,139	-	159,139
Transfers					(867,502)	867,502	-
Total General Revenues and Transfers					<u>163,953,638</u>	<u>6,419,633</u>	<u>170,373,271</u>
Extraordinary gain caused by storm damage					-	92,798	92,798
Change in Net Position					23,345,256	9,523,637	32,868,893
Net Position Beginning of Year					<u>329,752,189</u>	<u>76,717,566</u>	<u>406,469,755</u>
Net Position End of Year					<u>\$ 353,097,445</u>	<u>\$ 86,241,203</u>	<u>\$ 439,338,648</u>

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

OLMSTED COUNTY
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2023

	Special Revenue Funds							Total Governmental Funds
	General Fund	Infrastructure Fund	Health and Human Services Fund	American Rescue Plan Act Fund	Opioid Settlement Fund	Debt Service Fund	Capital Projects Fund	
ASSETS								
Cash, deposits and investments	\$ 113,067,904	\$ 9,384,337	\$ 11,652,148	\$ -	\$ 1,012,572	\$ 6,189,721	\$ 5,281,362	\$ 146,588,044
Cash and investments held by trustee	251,341	-	-	-	-	17,450,808	-	17,702,149
Accounts receivable, net	65,169	30,749	716,064	-	-	-	256,080	1,068,062
Delinquent taxes	742,531	68,378	436,046	-	-	34,292	7,084	1,288,331
Accrued interest	1,734,363	-	-	-	-	98,635	-	1,832,998
Advances/loans	90,790	-	-	-	-	-	-	90,790
Due from other funds	10,500	-	-	-	-	-	-	10,500
Advances to other funds	458,400	-	-	-	-	-	-	458,400
Due from other governments	1,990,727	6,125,376	8,548,605	-	40,000	-	529,648	17,234,356
Inventories	-	475,149	-	-	-	-	-	475,149
Prepaid items	2,328,243	43,260	30	-	-	-	-	2,371,533
Total Assets	<u>\$ 120,739,968</u>	<u>\$ 16,127,249</u>	<u>\$ 21,352,893</u>	<u>\$ -</u>	<u>\$ 1,052,572</u>	<u>\$ 23,773,456</u>	<u>\$ 6,074,174</u>	<u>\$ 189,120,312</u>
LIABILITIES								
Accounts payable	\$ 1,038,346	\$ 696,893	\$ 1,770,722	\$ -	\$ -	\$ -	\$ 2,279	\$ 3,508,240
Salaries payable	1,663,732	236,495	1,876,744	-	-	-	-	3,776,971
Contracts payable	-	2,348,655	-	-	-	-	624,672	2,973,327
Accrued liabilities	79,634	-	-	-	-	-	-	79,634
Due to other governments	584,109	1,465,281	1,528,859	-	-	-	-	3,578,249
Unearned revenue	557,549	477,537	699,467	-	-	-	-	1,734,553
Total Liabilities	<u>3,923,370</u>	<u>5,224,861</u>	<u>5,875,792</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>626,951</u>	<u>15,650,974</u>
DEFERRED INFLOWS OF RESOURCES								
Taxes collected for subsequent year	97,780	9,004	57,420	-	-	4,516	932	169,652
Unavailable revenue - taxes	648,404	59,711	380,771	-	-	29,945	6,187	1,125,018
Unavailable revenue - other	273,705	1,935,079	1,444,012	-	-	-	633,001	4,285,797
Total Deferred Inflows of Resources	<u>1,019,889</u>	<u>2,003,794</u>	<u>1,882,203</u>	<u>-</u>	<u>-</u>	<u>34,461</u>	<u>640,120</u>	<u>5,580,467</u>
FUND BALANCES								
Nonspendable	2,786,643	518,409	30	-	-	-	-	3,305,082
Restricted	6,272,158	6,990,319	644,377	-	1,052,572	22,450,445	2,833,416	40,243,287
Assigned	22,044,721	1,389,866	12,950,491	-	-	1,288,550	1,973,687	39,647,315
Unassigned	84,693,187	-	-	-	-	-	-	84,693,187
Total Fund Balances	<u>115,796,709</u>	<u>8,898,594</u>	<u>13,594,898</u>	<u>-</u>	<u>1,052,572</u>	<u>23,738,995</u>	<u>4,807,103</u>	<u>167,888,871</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 120,739,968</u>	<u>\$ 16,127,249</u>	<u>\$ 21,352,893</u>	<u>\$ -</u>	<u>\$ 1,052,572</u>	<u>\$ 23,773,456</u>	<u>\$ 6,074,174</u>	<u>\$ 189,120,312</u>

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

OLMSTED COUNTY
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2023

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

Fund balances - total governmental funds		\$	167,888,871
Capital assets used in governmental activities are not financial resources and, therefore are not reported in the funds.			
Governmental funds capital assets	467,375,912		
Accumulated depreciation on governmental funds capital assets	<u>(209,600,643)</u>		257,775,269
Deferred outflows of resources resulting from pension obligations are not reported in governmental funds			33,726,615
Revenue earned for receivables that are not currently available and reported as deferred inflows of resources in governmental funds			5,410,815
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.			54,209,521
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in governmental funds.			
General obligation bonds	(65,634,935)		
Debt issuance premiums	(2,741,349)		
Deferred gain on refunding	(192,326)		
Information technology subscription payable	(70,838)		
Net pension liability	(57,442,667)		
Accrued interest payable	<u>(778,282)</u>		(126,860,397)
Deferred inflows resulting from pension obligations and gains on refunding are not due in the current period and, therefore not reported in governmental funds.			<u>(39,053,249)</u>
Net Position of governmental activities		\$	<u><u>353,097,445</u></u>

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

OLMSTED COUNTY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023

	Special Revenue Funds							Total Governmental Funds
	General Fund	Infrastructure Fund	Health and Human Services Fund	American Rescue Plan Act Fund	Opioid Settlement Fund	Debt Service Fund	Capital Projects Fund	
Revenues:								
Property taxes	\$ 68,905,319	\$ 6,335,959	\$ 40,404,768	\$ -	\$ -	\$ 3,177,536	\$ 656,693	\$ 119,480,275
Sales taxes	-	18,557,138	-	-	-	-	-	18,557,138
Wheelage taxes	-	1,426,037	-	-	-	-	-	1,426,037
Licenses and permits	1,293,445	-	952,192	-	-	-	-	2,245,637
Intergovernmental revenue	14,092,792	17,205,431	44,886,882	5,352,087	40,000	-	96,647	81,673,839
Charges for services	15,069,023	1,304,735	10,952,376	-	-	-	-	27,326,134
Fines and forfeits	18,327	-	-	-	-	-	-	18,327
Gifts and contributions	201,377	-	-	-	-	-	951,739	1,153,116
Investment income	10,058,202	-	-	-	26,065	322,051	115,889	10,522,207
Other	3,885,180	383,358	297,136	-	207,318	-	16,969	4,789,961
Total Revenues	113,523,665	45,212,658	97,493,354	5,352,087	273,383	3,499,587	1,837,937	267,192,671
Expenditures:								
Current								
General government	11,721,990	-	-	-	-	-	-	11,721,990
Public safety	66,377,476	-	-	-	-	-	-	66,377,476
Conservation of natural resources	1,940,487	-	-	-	-	-	-	1,940,487
Economic development	80,000	-	-	-	-	-	-	80,000
Highways and streets	-	44,129,783	-	-	-	-	-	44,129,783
Health	-	-	14,744,434	-	17,442	-	-	14,761,876
Human services	-	-	93,099,634	-	-	-	-	93,099,634
Culture and recreation	5,749,406	-	-	-	-	-	-	5,749,406
Other	1,557,022	-	-	-	-	-	-	1,557,022
Capital Outlay								
Public safety	-	-	-	-	-	-	783,183	783,183
Culture and recreation	-	-	-	-	-	-	2,761,888	2,761,888
Highway and streets	-	-	-	-	-	-	744,858	744,858
Debt service								
Principal	68,877	-	-	-	-	4,393,216	-	4,462,093
Interest and fiscal charges	1,617	-	-	-	-	2,127,143	-	2,128,760
Total Expenditures	87,496,875	44,129,783	107,844,068	-	17,442	6,520,359	4,289,929	250,298,456
Excess (Deficiency) of Revenues Over Expenditures	26,026,790	1,082,875	(10,350,714)	5,352,087	255,941	(3,020,772)	(2,451,992)	16,894,215
Other Financing Sources (Uses)								
Transfers in	5,352,087	1,526,850	13,590,312	-	-	3,622,790	1,223,100	25,315,139
Transfers out	(29,608,620)	(3,622,790)	(212,263)	(5,352,087)	(40,285)	-	(503,107)	(39,339,152)
Issuance of debt	-	-	-	-	-	-	2,356,893	2,356,893
Premium on bonds	-	-	-	-	-	-	117,652	117,652
Sale of capital assets	10,050	-	-	-	-	-	152,848	162,898
Total Other Financing Sources (Uses)	(24,246,483)	(2,095,940)	13,378,049	(5,352,087)	(40,285)	3,622,790	3,347,386	(11,386,570)
Net change in fund balances	1,780,307	(1,013,065)	3,027,335	-	215,656	602,018	895,394	5,507,645
Fund Balances - Beginning	114,016,402	9,911,659	10,567,563	-	836,916	23,136,977	3,911,709	162,381,226
Fund Balances - Ending	\$ 115,796,709	\$ 8,898,594	\$ 13,594,898	\$ -	\$ 1,052,572	\$ 23,738,995	\$ 4,807,103	\$ 167,888,871

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

OLMSTED COUNTY
RECONCILIATION OF THE GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023

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

Net Change in fund balances - total governmental funds		\$ 5,507,645
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.		
		1,571,785
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.	4,289,929	
Some items reported as current expenditures in the fund financial statements are capitalized in the government-wide financial statements.	20,794,979	
Disposal of capital outlays reported as revenues in the funds	(10,081)	
Depreciation expense related to the capital outlays reported as expenditures in the funds	<u>(9,511,745)</u>	15,563,082
Bond proceeds provide current financial resources to governmental funds, while issuing debt increases long-term liabilities in the statement of Net Position. Repayment of bond principal is an expenditure in the governmental funds; however, the repayment reduces long-term liabilities in the statement of Net Position.		
Proceeds from the issuance of bonds reported as other financing sources	(2,356,893)	
Proceeds from premium on bonds reported as other financing sources	(117,652)	
Repayment of bond principal reported as expenditures	4,393,216	
Payment on information technology subscriptions reported as expenditure	<u>68,877</u>	1,987,548
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	54,077,628	
Change in deferred outflows	(15,537,904)	
Change in deferred inflows	(36,045,766)	
Change in bond premiums	227,516	
Change in accrued interest payable	<u>255,522</u>	2,976,996
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, 2022	(9,672,615)	
Revenues not reported in the governmental funds for the year ended December 31, 2023	<u>5,410,815</u>	<u>(4,261,800)</u>
Change in Net Position of governmental activities		<u>\$ 23,345,256</u>

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

OLMSTED COUNTY
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2023

	Business-type Activities Enterprise Funds				Governmental Activities	
	Major	Major	Nonmajor	Total	Internal Service Funds	
	Waste Management Enterprise Fund	Olmsted County HRA Enterprise Fund	Sanitary Sewer Enterprise Fund			
ASSETS						
Current Assets:						
Cash and cash equivalents	\$ 22,636,972	\$ 9,674,989	\$ 80,718	\$ 32,392,679	\$	60,110,232
Cash and cash equivalents on deposit:						
Restricted for debt service	5,518,589	238,407	-	5,756,996		4,210,106
HRA restricted cash	-	757,211	-	757,211		-
Restricted for construction	468,305	-	-	468,305		10,763,787
Designated for OPEB	-	-	-	-		9,427,011
Restricted investments held by trustee	-	-	-	-		8,663,095
Accounts receivable, net	2,207,575	210,747	14,896	2,433,218		370,839
Delinquent taxes	-	101,543	-	101,543		-
Notes, loans, and mortgages	-	20,859	-	20,859		-
Due from other governments	348,776	573,862	-	922,638		18,340
Lease receivable	10,192	-	-	10,192		196,954
Inventories	2,141,988	-	-	2,141,988		-
Prepaid items	713,112	140,837	11	853,960		393,442
Total Current Assets	<u>34,045,509</u>	<u>11,718,455</u>	<u>95,625</u>	<u>45,859,589</u>		<u>94,153,806</u>
Noncurrent Assets:						
Restricted Assets:						
Dedicated long-term environmental care trust	5,617,108	-	-	5,617,108		-
Other Assets:						
Accrued interest	-	114,323	-	114,323		48,966
Long-term loans	-	1,876,452	-	1,876,452		13,741
Lease receivable	150,598	-	-	150,598		319,471
Total Other Assets	<u>150,598</u>	<u>1,990,775</u>	<u>-</u>	<u>2,141,373</u>		<u>382,178</u>
Capital Assets, net:						
Land	1,725,708	3,379,812	-	5,105,520		10,819,531
Building and structures	5,701,624	12,827,720	-	18,529,344		36,548,208
Improvements other than buildings	2,285,283	232,417	-	2,517,700		1,575,199
Equipment	68,971,085	489,569	-	69,460,654		2,046,984
Software	-	-	-	-		1,933,597
Infrastructure	-	-	1,501,612	1,501,612		1,233,665
Intangible right-to-use lease equipment	-	-	-	-		963,399
Intangible right-to-use subscription software	-	158,340	-	158,340		1,129,433
Construction in progress	682,665	160,592	-	843,257		19,870,368
Total capital assets, net	<u>79,366,365</u>	<u>17,248,450</u>	<u>1,501,612</u>	<u>98,116,427</u>		<u>76,120,384</u>
Total Noncurrent Assets	<u>85,134,071</u>	<u>19,239,225</u>	<u>1,501,612</u>	<u>105,874,908</u>		<u>76,502,562</u>
Total Assets	<u>119,179,580</u>	<u>30,957,680</u>	<u>1,597,237</u>	<u>151,734,497</u>		<u>170,656,368</u>
DEFERRED OUTFLOWS OF RESOURCES						
OPEB	-	-	-	-		1,068,937
Pension	1,171,168	-	-	1,171,168		2,333,979
Deferred charges on bonds	-	16,237	-	16,237		-
Total Deferred Outflows of Resources	<u>1,171,168</u>	<u>16,237</u>	<u>-</u>	<u>1,187,405</u>		<u>3,402,916</u>
LIABILITIES						
Current Liabilities:						
Accounts payable and other current liabilities	295,281	360,829	824	656,934		1,012,480
Salaries payable	269,559	-	-	269,559		884,843
Contracts payable	843,148	-	-	843,148		3,813,931
Accrued interest payable	254,930	6,529	-	261,459		716,051
Due to other funds	-	-	10,500	10,500		-
Due to other governments	38,229	127,508	4,279	170,016		60,249
Unearned revenue	19,416	217,797	-	237,213		246,525
Compensated absences	580,410	-	-	580,410		10,345,102
Outstanding claims	-	-	-	-		1,079,966
Lease payable	-	-	-	-		268,368
Information technology subscription payable	-	82,441	-	82,441		553,771
Mortgages payable	-	11,852	-	11,852		-
Bonds payable	6,320,000	105,000	-	6,425,000		3,299,742
Total Current Liabilities	<u>8,620,973</u>	<u>911,956</u>	<u>15,603</u>	<u>9,548,532</u>		<u>22,281,028</u>
Noncurrent Liabilities:						
Accrued interest payable	-	270,000	-	270,000		-
Tenant escrow	-	13,385	-	13,385		-
Total OPEB liability	-	-	-	-		9,427,012
Net pension liability	4,190,958	-	-	4,190,958		11,514,706
Compensated absences	432,070	-	-	432,070		5,910,764
Outstanding claims	-	-	-	-		1,757,000
Advances from other funds	-	123,900	334,500	458,400		-
Lease payable	-	-	-	-		471,597
Information technology subscription payable	-	-	-	-		479,733
Accrued closure and postclosure payable	2,381,252	-	-	2,381,252		-
Mortgages payable	-	12,020,802	-	12,020,802		-
Bonds payable	33,865,804	226,862	-	34,092,666		61,552,071
Total Noncurrent Liabilities	<u>40,870,084</u>	<u>12,654,949</u>	<u>334,500</u>	<u>53,859,533</u>		<u>91,112,883</u>
Total Liabilities	<u>49,491,057</u>	<u>13,566,905</u>	<u>350,103</u>	<u>63,408,065</u>		<u>113,393,911</u>
DEFERRED INFLOWS OF RESOURCES						
OPEB	-	-	-	-		1,651,704
Pension	1,560,199	-	-	1,560,199		4,030,442
Lease	153,625	-	-	153,625		499,110
Deferred gain on refunding	1,558,810	-	-	1,558,810		274,596
Total Deferred Inflows of Resources	<u>3,272,634</u>	<u>-</u>	<u>-</u>	<u>3,272,634</u>		<u>6,455,852</u>
NET POSITION						
Net investment in capital assets	37,246,908	5,548,432	1,501,612	44,296,952		25,029,521
Restricted for:						
Debt service	5,263,659	824,415	-	6,088,074		3,589,886
Landfill closure	3,235,856	-	-	3,235,856		-
Unrestricted	21,840,634	11,034,165	(254,478)	32,620,321		25,590,114
Total Net Position	<u>\$ 67,587,057</u>	<u>\$ 17,407,012</u>	<u>\$ 1,247,134</u>	<u>\$ 86,241,203</u>		<u>\$ 54,209,521</u>

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

OLMSTED COUNTY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023

	Business-type Activities Enterprise Funds			Total Enterprise Funds	Governmental Activities
	Major Waste Management Enterprise Fund	Major Olmsted County HRA Enterprise Fund	Nonmajor Sanitary Sewer Enterprise Fund		Internal Service Funds
Operating Revenues:					
Charges for services	\$ 27,906,298	\$ 2,770,830	\$ 106,342	\$ 30,783,470	\$ 73,666,929
Intergovernmental operating grants	-	9,045,448	-	9,045,448	-
Other	228,405	-	-	228,405	1,171,507
Total Operating Revenues	28,134,703	11,816,278	106,342	40,057,323	74,838,436
Operating Expenses:					
Personnel services	8,351,463	1,780,265	-	10,131,728	29,093,735
Consultants and professional services	1,376,742	-	-	1,376,742	30,323,973
Repairs and maintenance	1,540,825	921,899	27,363	2,490,087	4,684,992
Other services and charges	3,287,480	2,626,357	11,804	5,925,641	5,761,503
Supplies	1,866,825	-	-	1,866,825	510,626
Utilities	535,310	256,986	53,168	845,464	1,798,485
Depreciation	6,304,700	638,346	26,441	6,969,487	5,035,941
Housing assistance payments	-	7,870,786	-	7,870,786	-
Landfill closure and postclosure expense	105,474	-	-	105,474	-
Total Operating Expenses	23,368,819	14,094,639	118,776	37,582,234	77,209,255
Operating Income (Loss)	4,765,884	(2,278,361)	(12,434)	2,475,089	(2,370,819)
Nonoperating Revenues (Expenses):					
Property taxes	-	4,541,597	-	4,541,597	-
Intergovernmental revenue	536,015	-	-	536,015	169,799
Gifts and contributions	16,184	-	-	16,184	-
Investment income	839,580	167,173	3,781	1,010,534	1,259,437
Gain (Loss) on disposal of capital assets	(57,516)	-	-	(57,516)	6,322
Lease revenue	64,373	-	-	64,373	294,780
Miscellaneous revenue	66,429	-	-	66,429	699,303
Miscellaneous expense	-	-	-	-	(10,193,634)
Interest expense	10,048	(66,647)	(15,092)	(71,691)	(1,317,000)
Bond issuance costs and fiscal charges	(17,677)	-	-	(17,677)	(132,914)
HUD recapture of residual receipts	-	-	-	-	-
Total Nonoperating Revenues (Expenses)	1,457,436	4,642,123	(11,311)	6,088,248	(9,213,907)
Income (Loss) Before Transfers and Extraordinary Item	6,223,320	2,363,762	(23,745)	8,563,337	(11,584,726)
Extraordinary gain caused by storm damage	-	92,798	-	92,798	-
Transfers					
Transfers in	684,413	162,957	20,132	867,502	13,254,150
Transfers out	-	-	-	-	(97,639)
Total Transfers	684,413	162,957	20,132	867,502	13,156,511
Change in net position	6,907,733	2,619,517	(3,613)	9,523,637	1,571,785
Net position - beginning	60,679,324	14,787,495	1,250,747	76,717,566	52,637,736
Net position - ending	\$ 67,587,057	\$ 17,407,012	\$ 1,247,134	\$ 86,241,203	\$ 54,209,521

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, 2023

	Business-type Activities Enterprise Funds				Governmental
	Major	Major	Nonmajor	Total	Activities
	Waste Management Enterprise Fund	Olmsted County HRA Enterprise Fund	Sanitary Sewer Enterprise Fund	Enterprise Funds	Internal Service Funds
Cash flows from operating activities:					
Receipts from customers and users	\$ 27,069,698	\$ 2,530,242	\$ 102,984	\$ 29,702,924	\$ 1,929,087
Receipts from transactions with other funds	820,836	-	-	820,836	71,615,431
Payments to suppliers	(9,390,262)	(11,571,354)	(85,957)	(21,047,573)	(39,132,929)
Payments to employees	(5,782,826)	(1,780,265)	-	(7,563,091)	(29,330,583)
Payments to other funds for services provided	(2,287,761)	-	(11,395)	(2,299,156)	(3,869,200)
Other receipts	228,405	8,562,284	-	8,790,689	1,171,507
Net cash flows from operating activities	10,658,090	(2,259,093)	5,632	8,404,629	2,383,313
Cash flows from noncapital financing activities:					
Property taxes	-	4,645,605	-	4,645,605	-
Payments on rehab loans	-	(158,634)	-	(158,634)	-
Non-operating lease receipts	61,048	-	-	61,048	292,097
Gifts and contributions	16,184	-	-	16,184	-
Transfers in	586,807	-	20,132	606,939	13,254,150
Intergovernmental grants received	536,015	-	-	536,015	169,799
Transfers out	-	-	-	-	(97,639)
Net cash flows from noncapital financing activities	1,200,054	4,486,971	20,132	5,707,157	13,618,407
Cash flows from capital and related financing activities:					
Acquisitions of capital assets	(4,032,305)	(2,122,804)	-	(6,155,109)	(9,737,747)
Proceeds from sale of capital assets	5,100	-	-	5,100	464,547
Capital lease payments	-	-	-	-	(262,775)
Bond proceeds	1,965,796	-	-	1,965,796	15,227,076
Payments on bond issue costs and fiscal charges	(17,677)	-	-	(17,677)	(132,914)
Principal paid	(6,625,000)	(111,193)	(10,100)	(6,746,293)	(3,021,784)
Transfer in	97,606	162,957	-	260,563	-
Extraordinary gain caused by storm damage	-	92,798	-	92,798	-
Interest paid	(650,739)	(52,454)	(15,092)	(718,285)	(1,707,908)
Net cash flows from capital and related financing activities	(9,257,219)	(2,030,696)	(25,192)	(11,313,107)	828,495
Cash flows from investing activities:					
Interest on investments	839,580	167,173	3,781	1,010,534	1,307,923
Withdrawals of restricted assets	-	-	-	-	121,935
Net cash flows from investing activities	839,580	167,173	3,781	1,010,534	1,429,858
Net increase (decrease) in cash and cash equivalents	3,440,505	364,355	4,353	3,809,213	18,260,073
Cash and cash equivalents - January 1	30,800,469	10,306,252	76,365	41,183,086	66,251,063
Cash and cash equivalents - December 31	\$ 34,240,974	\$ 10,670,607	\$ 80,718	\$ 44,992,299	\$ 84,511,136
Displayed on Proprietary Funds Statement of Net Position as:					
Cash and cash equivalents	\$ 22,636,972	\$ 9,674,989	\$ 80,718	\$ 32,392,679	\$ 60,110,232
Cash and cash equivalents on deposit:					
Restricted for debt service	5,518,589	238,407	-	5,756,996	4,210,106
HRA restricted cash	-	757,211	-	757,211	-
Restricted for construction	468,305	-	-	468,305	10,763,787
Designated for OPEB	-	-	-	-	9,427,011
Restricted - dedicated long-term environmental care trust	5,617,108	-	-	5,617,108	-
Total cash and cash equivalents	\$ 34,240,974	\$ 10,670,607	\$ 80,718	\$ 44,992,299	\$ 84,511,136
Reconciliation of operating income (loss) to net cash flows from operating activities:					
Operating income (loss)	\$ 4,765,884	\$ (2,278,361)	\$ (12,434)	\$ 2,475,089	\$ (2,370,819)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:					
Depreciation	6,304,700	638,346	26,441	6,969,487	5,035,941
Changes in pension amounts	224,269	-	-	224,269	272,491
Changes in OPEB amounts	-	-	-	-	1,042,211
Landfill closure and postclosure expense	105,474	-	-	105,474	-
(Increase) decrease in assets					
Accounts receivable	(375,966)	(104,685)	(3,358)	(484,009)	(66,358)
Due from other funds	-	-	-	-	-
Due from other governments	379,743	(483,164)	-	(103,421)	(5,301)
Lease receivable	-	-	-	-	-
Long-term loans receivable	-	(201,525)	-	(201,525)	-
Inventories	(461,302)	-	-	(461,302)	-
Prepaid items	(261,772)	(7,643)	-	(269,415)	(334,763)
Increase (decrease) in liabilities					
Accounts payable and other current liabilities	(82,750)	76,523	(481)	(6,708)	56,982
Salaries payable	15,845	-	-	15,845	638,014
Contracts payable	-	-	-	-	38,401
Due to other governments	22,744	35,794	(4,536)	54,002	(10,269)
Outstanding claims	-	-	-	-	327,099
Total OPEB liability	-	-	-	-	(842,892)
Deferred inflow - lease	-	-	-	-	-
Compensated absences	40,762	-	-	40,762	(1,346,672)
Unearned revenue	(19,541)	65,622	-	46,081	(50,752)
Total adjustments	5,892,206	19,268	18,066	5,929,540	4,754,132
Net cash flows from operating activities	\$ 10,658,090	\$ (2,259,093)	\$ 5,632	\$ 8,404,629	\$ 2,383,313
Non-cash transaction information:					
The interest expense includes amounts for amortization of bond discounts and premiums and deferred amounts	\$ 609,593	\$ (5,947)	\$ -	\$ 603,646	\$ 244,520
Contracts/accounts payable included in capital assets	(541,086)	-	-	(541,086)	(1,727,788)
Acquisition of capital assets by subscription payable	-	-	-	-	1,033,504

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

OLMSTED COUNTY
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2023

	Representative Payee Private- Purpose Trust Fund	Custodial Funds
ASSETS		
Cash, deposits, and investments	330,012	\$ 11,682,173
Taxes receivable for other governments	-	2,892,853
Special assessments receivable	-	616,492
Accounts receivable, net	-	258,842
Due from other governments	-	1,018,972
Prepaid items	-	20,712
Total Assets	330,012	16,490,044
LIABILITIES		
Accounts payable	-	4,070,844
Due to other governments	-	4,289,436
Unearned revenue	-	384,738
Total Liabilities	-	8,745,018
DEFERRED INFLOWS OF RESOURCES		
Advanced contributions	-	2,390,112
NET POSITION		
Restricted for:		
Individuals, organizations, and governments	\$ 330,012	\$ 5,354,914

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, 2023

	Representative Payee Private- Purpose Trust Fund	Custodial Funds
ADDITIONS		
Contributions:		
Individuals	\$ 2,296,546	\$ 401,109
Members	-	8,958,951
Others	-	1,023,390
Interest, dividends, other	1,329	150,867
Property tax collections for other governments	-	246,346,812
Other tax collections for other governments	-	6,937,891
Grant collections for other governments and organizations	-	7,522,404
Fee collections for other governments and organizations	-	1,997,750
Fines and forfeits collections for other governments and organizations	-	354,019
Miscellaneous	-	3,649,518
Total additions	2,297,875	277,342,711
DEDUCTIONS		
Beneficiary payments to individuals	2,270,852	112,605
Payments of property tax to other governments	-	244,675,880
Payments to state	-	9,690,713
Administrative expenses	109,471	659,030
Payments to other entities	-	21,802,824
Total deductions	2,380,323	276,941,052
Net increase (decrease) in fiduciary net position	(82,448)	401,659
Net Position - Beginning	412,460	4,953,255
Net Position - Ending	\$ 330,012	\$ 5,354,914

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



Notes to the Financial Statement

**OLMSTED COUNTY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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OLMSTED COUNTY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Financial Reporting Entity

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

Discretely Presented Component Unit

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

Blended Component Units

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

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

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. The Building Authority had no operations and no financial transactions in 2023.

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

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

OLMSTED COUNTY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

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

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

Government-Wide Financial Statements: The Statement of Net Position and the Statement of Activities display information about the primary government, Olmsted County, and excludes fiduciary activities. Using the accrual basis of accounting, revenues are recognized when they are earned, and their expenses are recognized when they are incurred. The effect of interfund activity has been eliminated from these statements; the exception being the interfund charges of our proprietary funds services so as not to distort the reporting of direct costs and program revenues.

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

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

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

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

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

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

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

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

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

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

The County reports the following major governmental funds:

- General Fund – Used to account for all financial resources except those accounted for in another fund.
- Infrastructure Special Revenue Fund – Used to account for revenues from the federal and state government, as well as property, sales, and wheelage tax revenues restricted, committed, or assigned for infrastructure, including highways and bridges construction and maintenance.
- Health and Human Services Special Revenue Fund – Used to account for revenues from the federal, state, and other oversight agencies, as well as property tax revenues restricted, committed, or assigned for income maintenance, social services, and public health.
- American Rescue Plan Act Special Revenue Fund – Used to account for revenues from the federal government for responding to the Coronavirus pandemic and its economic effects and to build a stronger, more equitable economy during the recovery. This fund closed as of December 31, 2023.
- Opioid Settlement Fund – Used to account for revenues from the National Opioid Settlement Fund for forward-looking strategies, programming, and services to abate the opioid epidemic.
- Debt Service Fund – Used to account for the servicing of general long-term debt not being financed by proprietary funds.
- Capital Project Fund – Used to account for the acquisition and construction of major capital assets not being financed by federal, state, sales tax, and wheelage tax revenues restricted for highways and bridges or by proprietary funds.

The County reports the following major enterprise funds:

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

The County reports the following nonmajor enterprise fund:

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

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Additionally, the County reports the following fund types:

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

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

On the proprietary funds' Statement of Net Position and proprietary funds' Statement of Revenues, Expenses, and Changes in Fund Net Position, the totals for enterprise funds are the same as those on the government-wide statements and, therefore, no reconciliation is required. The totals for internal service funds are included in the reconciliations described above.

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

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

Investments are stated at fair value at December 31, 2023, 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 \$8,166,807 for 2023, \$5,456,196 of which was not allocated to other funds. For 2023, a \$4,564,610 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.

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

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

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

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

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

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

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

See Note 5 for fund statement detail.

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

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

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

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

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

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

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

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

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

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

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

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

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

See Note 4 for governmental funds and proprietary funds capital assets.

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

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

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

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

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

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

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

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

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.

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 \$2,381,252 reported as landfill closure and post-closure care liability at December 31, 2023, represents the cumulative amount reported to date based on the use of 40 percent of the estimated capacity of the landfill. The County will recognize the remaining \$3,498,960 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 2023. 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, 2023, the County has investments of \$5,617,108 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.

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

Paid Time Off (PTO) accruals vary from 23 to 35 days per year based on length of service. Employees no longer accrue sick leave, but some employees have a sick leave bank. Fifty percent of the sick leave hours up to a maximum of 384 hours are vested. Some union contracts authorize compensatory time.

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

The liability of the governmental funds is accounted for in the Self-Insurance Compensated Absences internal service fund. The current portion of the liability is calculated by using a three-year average usage. The total liability reduced by the estimated current portion is the long-term amount. The related current year expenses are recognized in the governmental funds when earned. Proprietary fund accruals are accounted for within each fund, with the related fund expense recognized when earned.

Pension Plan. For purposes of measuring the net pension liability, deferred outflows/inflows of resources, and pension expense, information about the fiduciary net position of the Public Employees Retirement Association (PERA) and additions to/deductions from PERA's fiduciary net position have been determined on the same basis as they are reported by PERA except that PERA's fiscal year end is June 30. For this purpose, plan contributions are recognized as of employer payroll paid dates and benefit payments, and refunds are recognized when due and payable in accordance with the benefit terms. Plan investments are reported at fair value.

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

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

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

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

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

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

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

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Restricted net position is the amount of net position for which external restrictions have been imposed by creditors, grantors, contributors, or law or regulations of the governments and restrictions imposed by law through constitutional provisions or enabling legislation. The government-wide statement of net position reports \$23,490,513 of restricted net position, of which \$17,168,844 is restricted by enabling legislation.

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

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

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Capital Assets, net	\$ 333,895,653	\$ 98,116,427	\$ 432,012,080
Less: debt			
Total bonds payable	(127,750,000)	(39,630,000)	(167,380,000)
Total bond premiums	(5,478,097)	(887,666)	(6,365,763)
Total mortgages payable	-	(12,032,654)	(12,032,654)
Total contracts payable - capital related	(8,026,128)	(843,148)	(8,869,276)
Total lease payable - capital related	(739,965)	-	(739,965)
Total Subscription payable - capital related	(1,104,342)	(82,441)	(1,186,783)
Total deferred gain on refunding	(466,922)	(1,558,810)	(2,025,732)
Total deferred charge on refunding (net)	-	16,237	16,237
Add back: non-capital related debt			
Various mortgages in HRA Enterprise Fund	-	730,702	730,702
Unused 2022B Bond proceeds	2,803,856	-	2,803,856
Unused 2023A Bond proceeds	10,958,050	468,305	11,426,355
2022A Bonds Crossover refunding portion, not yet capital related	26,520,000	-	26,520,000
2022A Refunding Bond premiums - not yet capital related	184,803	-	184,803
Net investment in capital assets	\$ 230,796,908	\$ 44,296,952	\$ 275,093,860

Change in Accounting Principles. In May 2020, the Governmental Accounting Standards Board (GASB) issued statement No. 96, *Subscription-Based Information Technology Arrangements*. This statement establishes criteria for identifying, accounting, and reporting information technology subscriptions. This standard was implemented January 1, 2023.

OLMSTED COUNTY
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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	\$ 201,583,880
Cash and pooled investments - restricted	29,389,689
Cash and investments held by trustee - restricted	26,365,244
Petty cash and change funds	125,611
Business-type activities	
Cash and pooled investments	32,387,779
Cash and pooled investments - restricted	12,599,620
Petty cash and change funds	4,900
Statement of fiduciary net position	
Cash and pooled investments	11,954,785
Petty cash and change funds -custodial funds	57,400
	<u>\$ 314,468,908</u>
Deposits and Non-Negotiable Certificates of Deposit	\$ 6,784,571
Petty Cash	187,911
Investments	307,496,426
	<u>\$ 314,468,908</u>

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

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

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

Custodial credit risk for deposits is the risk that, in the event of a bank failure, the County's deposits may not be returned to it. County policy requires all deposits to be insured or collateralized in accordance with Minnesota Statutes Chapter 118A. At December 31, 2023, none of the County's deposits were subject to custodial credit risk.

OLMSTED COUNTY
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Investments

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

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

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

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

As of December 31, 2023, the County's bank balances subject to collateralization totaled \$9,860,535. 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, 2023, the County's deposits were not exposed to custodial credit risk, being fully covered through collateral agreements with designated depositories.

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. County policy requires all investments to be delivered to the institutions designated by the County for safekeeping. At December 31, 2023, none of the County's investments were subject to custodial credit risk.

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

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

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The following table presents the County's investment balances at December 31, 2023, and information relating to potential Custodial Credit Risk and Concentration Risk:

Instrument Type	Credit Risk		Concentration Risk	Carrying (Fair) Value
	Credit Rating	Rating Agency	Over 5 Percent of Portfolio	
U.S. Government and Gov't Agency Securities				
US Treasury Bonds & Notes			55.0%	\$ 133,760,628
Fannie Mae	Aaa	Moody's	8.1%	19,741,458
Federal Farm Loan Discount Note	P-1	Moody's	0.8%	1,982,433
Federal Farm Credit Bank	Aaa	Moody's	12.7%	30,838,013
Federal Home Loan Bank	Aaa	Moody's	14.9%	36,173,734
Freddie Mac	Aaa	Moody's	5.3%	12,794,669
Total U.S. Government Securities				235,290,935
Municipal Bonds				
Florida St Board of Education	Aaa	Moody's	1.2%	2,939,291
Maryland State			1.0%	2,436,710
Wisconsin St Gen Fund	Aa2	Moody's	1.0%	2,500,803
Total Municipal Bonds				7,876,804
Mutual Funds				
Allsprings Government Money Market	Aaa-mf	Moody's	NA	64,328,687
Total Investments				307,496,426
Deposits				6,784,571
Petty Cash				187,911
Total Cash, Investments, and Agreements				\$ 314,468,908

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

Investment or Deposit Type	Fair Value	Investment Maturities (in Years)		
		Less Than 2 Years	2-3 Years	3-5 Years
U. S. Government Securities				
Fannie Mae	\$ 19,741,458	\$ 17,208,768	\$ 2,532,690	-
Federal Farm Loan Discount Note	1,982,433	1,982,433	-	-
Federal Farm Credit Bank	30,838,013	3,990,416	13,641,418	13,206,179
Federal Home Loan Bank	36,173,734	25,177,033	3,343,629	7,653,072
Freddie Mac	12,794,669	9,794,328	-	3,000,341
US Treasury Bonds & Notes	133,760,628	100,685,257	12,112,031	20,963,340
Total U.S. Government Securities	<u>235,290,935</u>	<u>158,838,235</u>	<u>31,629,768</u>	<u>44,822,932</u>
Municipal Bonds				
Florida St Board of Education	2,939,291	2,939,291	-	-
Maryland State	2,436,710	2,436,710	-	-
Wisconsin State General Fund	2,500,803	-	-	2,500,803
Total Municipal Bonds	<u>7,876,804</u>	<u>5,376,001</u>	<u>-</u>	<u>2,500,803</u>
Total Investments	<u>\$ 243,167,739</u>	<u>\$ 164,214,236</u>	<u>\$ 31,629,768</u>	<u>\$ 47,323,735</u>
Reconciliation to Schedule of Deposits and Investments				
Amount from above	\$ 243,167,739			
Mutual Funds	64,328,687			
Total Investments	<u>\$ 307,496,426</u>			

OLMSTED COUNTY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

Cash, Deposits, and Investments

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

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

At December 31, 2023, Olmsted County had the following recurring fair value measurements.

	<u>December 31, 2023</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>
Investments by fair value			
Debt Securities			
U.S. Government and Gov't Agency Securities			
US Treasury Bonds & Notes	\$ 133,760,628	\$ -	\$ 133,760,628
Fannie Mae	19,741,458	-	19,741,458
Federal Farm Loan Discount Note	1,982,433		1,982,433
Federal Farm Credit Bank	30,838,013	-	30,838,013
Federal Home Loan Bank	36,173,734	-	36,173,734
Freddie Mac	12,794,669	-	12,794,669
Municipal Bonds	7,876,804	-	7,876,804
Allsprings Government Money Market	64,328,687	64,328,687	-
Total Investments included in the Fair Value Hierarchy	<u>\$ 307,496,426</u>	<u>\$ 64,328,687</u>	<u>\$ 243,167,739</u>
Cash and Cash Equivalents			
Deposits	6,784,571		
Petty Cash	187,911		
Total Cash and Cash Equivalents	<u>6,972,482</u>		
Total Cash , Cash Equivalents, and Investments	<u>\$ 314,468,908</u>		

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

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

OLMSTED COUNTY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

3. RECEIVABLES, UNEARNED AND UNAVAILABLE REVENUE

Receivables

Receivables as of December 31, 2023, including the applicable allowances for uncollectible accounts are as follows:

	Governmental Activities	Business-type Activities	Total
Receivables:			
Accounts Receivable, gross	\$ 2,661,936	\$ 2,433,218	\$ 5,095,154
Less:			
Allowance for doubtful accounts	(1,223,035)	-	(1,223,035)
Net total receivables	<u>\$ 1,438,901</u>	<u>\$ 2,433,218</u>	<u>\$ 3,872,119</u>

Net receivables for Governmental Activities are collectible within the year.

Unearned and Unavailable Revenue

On the fund financial statements, governmental funds report unearned and unavailable revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. These types of unavailable revenue are not reported on the government-wide financial statements, provided such revenues were earned. Governmental funds and government-wide financial statements postpone revenue recognition in connection with resources that have been received, but not yet earned.

At the end of the current fiscal year, the various components of unrecognized revenue, which are *unavailable* and *unearned* revenue reported in the governmental funds and business type activities, were as follows:

	Government-wide Statements - Unearned	Fund Statements	
		Unearned Revenue	Unavailable Revenue
Governmental Funds:			
Taxes	\$ 169,652	\$ 169,652	\$ 1,125,018
Sales Tax	-	-	100,000
Intergovernmental	1,244,707	1,244,707	3,243,638
Charges for services	343,559	343,559	553,468
Gifts and contributions	-	-	200,000
Other	146,287	146,287	188,691
Sub-total, governmental funds	<u>1,904,205</u>	<u>1,904,205</u>	<u>5,410,815</u>
Internal Service Funds:			
Charges for services	246,525	246,525	-
Other	499,110	499,110	-
Sub-total, internal service funds	<u>745,635</u>	<u>745,635</u>	<u>-</u>
Sub-total, governmental activities	<u>2,649,840</u>	<u>2,649,840</u>	<u>5,410,815</u>
Business-Type Activities			
Waste Management other	173,041	173,041	-
OCHRA other	217,797	217,797	-
Sub-total, business-type activities	<u>390,838</u>	<u>390,838</u>	<u>-</u>
Total	<u>\$ 3,040,678</u>	<u>\$ 3,040,678</u>	<u>\$ 5,410,815</u>

OLMSTED COUNTY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

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 \$13,317 in lease revenue and \$933 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 \$174,168 in lease revenue and \$3,418 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 \$2,110 in lease revenue and \$1,890 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 agreement with the County to lease .23 acres of land for 10 years. Per the agreement UCI Tower, LLC has the option to exercise 2 five-year optional terms. These optional terms were included in the contract value due to it being likely UCI Tower, LLC will exercise these optional terms. There are 2 additional five-year optional terms. Either party can opt out of these optional terms with 6-months' notice. Therefore, these additional optional terms are cancellable and are not included in the contract value. Under the terms of the lease, UCI Towers, LLC will make 166 monthly fixed payments of \$835-\$1,464 (increasing 3% every year). UCI Towers, LLC will make additional payments of \$835-\$1,464 (increasing 3% every year) for a 2nd subtenant and \$350-\$825 (increasing 3% every year) for each subtenant over 2. These payments are not fixed and therefore were not included in the contract value. Only fixed payments were made during 2023. During the fiscal year, the county recorded \$9,658 in lease revenue and \$2,727 in interest revenue for giving UCI Tower, LLC the right to use County owned land. The County used an incremental discount rate of 1.64%, based on the County's borrowing rate for the same time periods.

Lease Receivables are as follows:

	Contract Start Date	Discount Rates	Contract Value	Contract End Date	Balance
Governmental Activities					
Building space 678 square feet	1/1/2019	2.35%	138,846	12/31/2028	\$ 73,457
Building space 8,501 square feet	7/1/2020	0.73%	948,529	12/31/2025	371,176
Land 6 acres	8/21/2020	2.56%	81,965	8/20/2045	71,792
Total Governmental Activities					<u>\$ 516,425</u>
Business Activities					
Land .23 acres	11/1/2015	1.64%	226,016	10/31/2045	<u>\$ 160,789</u>

OLMSTED COUNTY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

4. CAPITAL ASSETS

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

Governmental Activities

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 24,773,243	\$ -	\$ (375,000)	\$ 24,398,243
Infrastructure land	40,294,899	765,688	-	41,060,587
Construction in progress	41,177,543	33,003,839	(27,725,554)	46,455,828
Total capital assets not being depreciated	<u>106,245,685</u>	<u>33,769,527</u>	<u>(28,100,554)</u>	<u>111,914,658</u>
Capital assets, being depreciated/amortized:				
Infrastructure	289,072,531	18,115,633	(177,249)	307,010,915
Building	135,572,012	8,063,350	(160,397)	143,474,965
Improvements other than building	9,245,757	1,264,253	(24,480)	10,485,530
Equipment	31,860,341	2,458,882	(722,305)	33,596,918
Intangible right-to-use lease - equipment	1,287,584	-	-	1,287,584
Software	12,428,007	-	(972,793)	11,455,214
Intangible right-to-use subscription software (1)	1,238,322	459,159	-	1,697,481
Total capital assets being depreciated/amortized	<u>480,704,554</u>	<u>30,361,277</u>	<u>(2,057,224)</u>	<u>509,008,607</u>
Less accumulated depreciation/amortization for:				
Infrastructure	(162,537,115)	(6,416,384)	177,249	(168,776,250)
Building	(74,995,498)	(4,092,273)	159,063	(78,928,708)
Improvements other than building	(5,095,634)	(379,523)	15,733	(5,459,424)
Equipment	(23,242,109)	(1,935,199)	719,169	(24,458,139)
Intangible right-to-use lease - equipment	(133,313)	(190,872)	-	(324,185)
Software	(8,520,265)	(1,049,215)	972,793	(8,596,687)
Intangible right-to-use subscription software	-	(484,219)	-	(484,219)
Total accumulated depreciation and amortization	<u>(274,523,934)</u>	<u>(14,547,685)</u>	<u>2,044,007</u>	<u>(287,027,612)</u>
Total capital assets, being depreciated and amortized, net	<u>206,180,620</u>	<u>15,813,592</u>	<u>(13,217)</u>	<u>221,980,995</u>
Governmental activities capital assets, net	<u>\$ 312,426,305</u>	<u>\$ 49,583,119</u>	<u>\$ (28,113,771)</u>	<u>\$ 333,895,653</u>

(1) Beginning balances established due to implementation of Government Accounting Standard Board (GASB), Statement No. 96, *Subscription-Based Information Technology Arrangements*

OLMSTED COUNTY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

Business-type Activities

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 4,833,571	\$ 271,949	\$ -	\$ 5,105,520
Construction in progress	1,176,733	1,685,122	(2,018,598)	843,257
Total capital assets not being depreciated	<u>6,010,304</u>	<u>1,957,071</u>	<u>(2,018,598)</u>	<u>5,948,777</u>
Capital assets, being depreciated:				
Infrastructure	1,984,227	-	-	1,984,227
Building	50,171,231	2,186,363	-	52,357,594
Improvements other than building	13,893,734	589,030	(99,148)	14,383,616
Equipment	151,735,089	3,818,884	(2,940,343)	152,613,630
Software	52,034	-	-	52,034
Intangible right-to-use subscription software (1)	240,952	-	-	240,952
Total capital assets being depreciated	<u>218,077,267</u>	<u>6,594,277</u>	<u>(3,039,491)</u>	<u>221,632,053</u>
Less accumulated depreciation for:				
Infrastructure	(456,174)	(26,441)	-	(482,615)
Building	(32,851,780)	(976,470)	-	(33,828,250)
Improvements other than building	(11,615,142)	(305,065)	54,291	(11,865,916)
Equipment	(80,501,595)	(5,578,899)	2,927,518	(83,152,976)
Software	(52,034)	-	-	(52,034)
Intangible right-to-use subscription software	-	(82,612)	-	(82,612)
Total accumulated depreciation	<u>(125,476,725)</u>	<u>(6,969,487)</u>	<u>2,981,809</u>	<u>(129,464,403)</u>
Total capital assets, being depreciated, net	<u>92,600,542</u>	<u>(375,210)</u>	<u>(57,682)</u>	<u>92,167,650</u>
Business-type activities capital assets, net	<u>\$ 98,610,846</u>	<u>\$ 1,581,861</u>	<u>\$ (2,076,280)</u>	<u>\$ 98,116,427</u>

(1) Beginning balances established due to implementation of Government Accounting Standard Board (GASB), Statement No. 96, *Subscription-Based Information Technology Arrangements*

OLMSTED COUNTY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

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

Governmental activities:

General government	\$ 1,367,231
Public safety	1,359,154
Conservation of natural resources	10,846
Highways and streets	8,113,787
Health	412,641
Human Services	2,347,034
Culture and recreation	936,992
Total depreciation expense - governmental activities	<u>\$ 14,547,685</u>

Business-type activities:

Waste Management	\$ 6,304,700
Olmsted County HRA	638,346
Sanitary Sewer	26,441
Total depreciation expense - business type activities	<u>\$ 6,969,487</u>

OLMSTED COUNTY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

Construction and Other Commitments

Olmsted County has active construction projects as of December 31, 2023. At the end of the year, commitments are as follows:

	Total Contract	Spent-to-date	Remaining Commitment	Funding Source
Governmental Funds:				
Infrastructure Fund				
P434 - TH14/CSAH 44 Consulting	\$ 937,525	\$ 596,081	\$ 341,444	State Bonds
P284 - CR 101 Reconstruction	7,588,261	7,391,901	196,360	Local Sales Tax, Grant
P401 - CR 102 Reconstruction	129,599	17,933	111,666	Local Sales Tax, Grant
P405 - CSAH 3	771,186	26,858	744,328	Local Sales Tax, Grant
P438 - Bridge 93513	1,030,356	822,422	207,934	Local Sales Tax, Grant
P452 - TH 63 and CR 112 Roundabout	528,735	205,254	323,481	Local Sales Tax, State Bonds
P456 - CSAH 21 & TH 63	496,205	0	496,205	Local Sales Tax
P460 - Bridge 89161	38,985	906	38,079	Local Sales Tax, State Bonds
P461 - CSAH 44 Reconstruction Consulting	364,030	0	364,030	Local Sales Tax
P440 - CSAH 5 & 25 Reconstruction	211,907	88,127	123,780	Local Sales Tax
P421 - CSAH 4/CSAH 44	19,715,103	18,651,011	1,064,092	Local Sales, Tax, State Aid, Grant
Public Works Service Center	9,513,909	1,671,262	7,842,647	Local Sales Tax
Bituminous/Concrete Preservation	10,220,443	8,506,219	1,714,224	Local Sales Tax, Wheelage Tax
Total Infrastructure Fund	51,546,244	37,977,974	13,568,270	
Capital Projects Fund				
Oxbow Nature Center	767,523	681,938	85,585	Debt, Donations, Grant
Byron and Eyota Shop Exterior Envelopes	37,550	0	37,550	Debt
Exhibition Center	143,500	16,098	127,402	Debt
Graham Arena Upgrades	198,613	0	198,613	Debt
Miscellaneous Equipment	760,207	0	760,207	Debt, Sale of Asset, Reserves
Grandstand Removal	75,700	0	75,700	Property Tax
Playground Equipment	62,850	0	62,850	Donations, Grant, Reserves
Chesterwoods Visitor Center	32,500	0	32,500	Reserves
Hydraulic Excavator	230,797	0	230,797	Debt, Sale of Assets
Jettervac	450,000	0	450,000	Debt, Sale of Assets
Chesterwoods Amphitheatre	521,694	38,111	483,583	Reserves
Law Enforcement Vehicles	361,165	0	361,165	Debt, Sale of Assets
Motor grader	514,780	0	514,780	Debt
DNR State Trail	27,958	0	27,958	Grant
Tandems	1,183,957	0	1,183,957	Debt, Sale of Assets
Total Capital Projects Fund	5,368,794	736,147	4,632,647	
Total Governmental Funds	56,915,038	38,714,121	18,200,917	
Internal Service Funds:				
Building Facilities				
Judicial Space Needs	4,486,265	4,351,500	134,765	Debt
Campus Unified Signage	265,600	210,614	54,986	Debt
Cyber Security	198,046	103,023	95,023	Debt
Conference Room Technology	224,453	54,406	170,047	Debt
Public Works Service Ctr/Public Safety Training Ctr Addition	13,888,635	2,618,239	11,270,396	Debt
2118 Building North Wing Remodel	3,292,933	2,051,386	1,241,547	Debt
Furniture Replacement	145,407	34,092	111,315	Levy
Vehicle Replacements	153,558	0	153,558	Debt
Law Enforcement Forensics Room	248,869	24,887	223,982	Reserves
Building Hardware & Equipment	41,577	12,833	28,744	Debt
Government Center Roof	3,361,754	3,194,306	167,448	Debt
2100 Building Generator	395,800	21,900	373,900	Debt
Justice Tower Master Planning	195,335	10,312	185,023	Debt
Total Internal Service Funds	26,898,232	12,687,498	14,210,734	
Enterprise Funds:				
Waste Management Fund				
Landfill Trommel	359,138	0	359,138	Revenues
Landfill Dozer	647,343	0	647,343	Debt
Materials Recovery Facility/Admin office space	1,732,559	0	1,732,559	Debt
OWEF Ash Boxes	56,024	0	56,024	Revenues
OWEF Baghouse Chain Conveyer	155,940	0	155,940	Revenues
OWEF Boiler Discharger	198,463	49,616	148,847	Debt
Total Enterprise Fund	3,149,467	49,616	3,099,851	
Total Commitments	\$ 86,962,737	\$ 51,451,235	\$ 35,511,502	

OLMSTED COUNTY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

5. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The following interfund receivables and payables are reported on the fund financial statements at December 31, 2023. The short-term and long-term portions of the loans due to the General Fund from the Sanitary Sewer Fund for the construction of the Chester Heights area sewer system and the Olmsted County HRA for The Francis building.

The Health and Human Service payable to the Olmsted County HRA are for housing expenses.

	<u>Due From Other Funds</u>	<u>Due to Other Funds</u>
Governmental Funds:		
General Fund	\$ 10,500	\$ -
Enterprise Funds:		
Sanitary Sewer	-	10,500
Total Due From and Due To Other Funds	<u>\$ 10,500</u>	<u>\$ 10,500</u>
	<u>Advances To Other Funds</u>	<u>Advances From Other Funds</u>
General Fund	\$ 458,400	\$ -
Enterprise Funds		
Sanitary Sewer	-	334,500
Olmsted County HRA	-	123,900
Total Enterprise Funds	-	458,400
Total Advances To and From Other Funds	<u>\$ 458,400</u>	<u>\$ 458,400</u>

Interfund transfers reported on the fund financial statements at December 31, 2023 were:

	Transfers in:							Transfers out
	Governmental Funds				Proprietary Funds			
	General	Infrastructure	Human Services	Debt Service	Capital Projects	Enterprise Funds	Internal Service Funds	
Governmental funds:								
General	\$ -	\$ 1,526,817	\$ 13,550,027	\$ -	\$ 1,223,100	\$ 606,939	\$ 12,701,737	\$ 29,608,620
Infrastructure	-	-	-	3,622,790	-	-	-	3,622,790
Health and Human Services	-	-	-	-	-	162,957	49,306	212,263
American Rescue Plan Act	5,352,087	-	-	-	-	-	-	5,352,087
Opioid Settlement	-	-	40,285	-	-	-	-	40,285
Capital Projects	-	-	-	-	-	-	503,107	503,107
Governmental funds transfers in	<u>5,352,087</u>	<u>1,526,817</u>	<u>13,590,312</u>	<u>3,622,790</u>	<u>1,223,100</u>	<u>769,896</u>	<u>13,254,150</u>	<u>39,339,152</u>
Proprietary funds:								
Enterprise funds	-	-	-	-	-	-	-	-
Internal Service funds	-	33	-	-	-	97,606	-	97,639
Proprietary funds transfers in	<u>-</u>	<u>33</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>97,606</u>	<u>-</u>	<u>97,639</u>
Total transfers in	<u>\$ 5,352,087</u>	<u>\$ 1,526,850</u>	<u>\$ 13,590,312</u>	<u>\$ 3,622,790</u>	<u>\$ 1,223,100</u>	<u>\$ 867,502</u>	<u>\$ 13,254,150</u>	<u>\$ 39,436,791</u>

OLMSTED COUNTY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

	Transfers in:							Transfers out
	Governmental Funds				Proprietary Funds			
	General	Infrastructure	Health and Human Services	Debt Service	Capital Projects	Enterprise Funds	Internal Service Funds	
Reasons for interfund transfers:								
General Fund Contribution to Infrastructure								
Fund for administrative services costs	\$ -	\$ 1,511,817	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,511,817
General Fund Contribution to Infrastructure								
Fund for federal tax credit consultant services	-	15,000	-	-	-	-	-	15,000
General Fund Contribution to Health and Human								
Services Fund for administrative service costs	-	-	10,703,572	-	-	-	-	10,703,572
General Fund Contribution to Health and Human								
Services Fund for social workers	-	-	346,455	-	-	-	-	346,455
General Fund Contribution to Health and Human								
Services Fund for affordable housing units	-	-	2,500,000	-	-	-	-	2,500,000
General Fund Contribution to Capital Projects								
Fund for parks	-	-	-	-	1,123,100	-	-	1,123,100
General Fund Contribution to Capital Projects								
Fund for equipment	-	-	-	-	100,000	-	-	100,000
General Fund Contribution to Waste Management								
Fund for administrative services costs	-	-	-	-	-	586,807	-	586,807
General Fund Contribution to Sanitary Sewer								
Fund for Chester Heights Sewer Program	-	-	-	-	-	20,132	-	20,132
General Fund Contribution to Internal Service								
Fund for administrative service costs	-	-	-	-	-	-	54,779	54,779
General Fund contributions to Internal Service								
Fund for new commissioners training	-	-	-	-	-	-	65,050	65,050
General Fund contributions to Internal Service								
Fund for information technology projects	-	-	-	-	-	-	368,877	368,877
General Fund Contributions to Internal Service								
Fund for board room microphones	-	-	-	-	-	-	38,895	38,895
General Fund Contribution to Internal Service								
Fund for compensated absences and pension	-	-	-	-	-	-	11,569,239	11,569,239
General Fund Contributions to Internal Service								
Fund for administrative services costs	-	-	-	-	-	-	107,397	107,397
General Fund contributions to Internal Service								
Fund for roof replacement project	-	-	-	-	-	-	32,500	32,500
General Fund Contributions to Internal Service								
Fund for Adult Detention Center remodel	-	-	-	-	-	-	450,000	450,000
General Fund Contribution to Internal Service								
Fund for federal tax credit consultant services	-	-	-	-	-	-	15,000	15,000
Infrastructure Fund Contribution to Debt								
Service Fund for debt service	-	-	-	3,622,790	-	-	-	3,622,790
Health and Human Service Fund Contribution								
to OCHRA Fund for local homeless prevention	-	-	-	-	-	162,957	-	162,957
Health and Human Services Fund Contribution to								
Internal Service Fund for position transfer	-	-	-	-	-	-	49,306	49,306
American Rescue Plan Act Special Contribution								
to General Fund for providing government								
services to the extent of revenue loss due to								
the pandemic and as calculated based on the								
year-ended 12/31/2022 Annual Comprehensive								
Financial Report	5,352,087	-	-	-	-	-	-	5,352,087
Opioid Settlement Fund Contribution to Health and								
Human Services Fund for diversity, equity,								
and community outreach	-	-	40,285	-	-	-	-	40,285
Capital Projects Fund Contribution to Internal								
Service Fund for equipment, furniture,								
and building improvement	-	-	-	-	-	-	475,000	475,000
Capital Projects Fund Contribution to Internal								
Service Fund for a motor pool car	-	-	-	-	-	-	28,107	28,107
Internal Service Fund Contribution to Infrastructure								
Fund for employee recognition	-	33	-	-	-	-	-	33
Internal Service Fund Contribution to Waste								
Management Fund for recycling center gates	-	-	-	-	-	70,606	-	70,606
Internal Service Fund Contribution to Waste								
Management Fund for network rewiring at								
Olmsted County Waste to Energy Facility (OWEF)	-	-	-	-	-	27,000	-	27,000
Total transfers in	\$ 5,352,087	\$ 1,526,850	\$ 13,590,312	\$ 3,622,790	\$ 1,223,100	\$ 867,502	\$13,254,150	\$39,436,791

OLMSTED COUNTY
NOTES TO FINANCIAL STATEMENTS
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6. LONG-TERM LIABILITIES

Bonds Payable

	General Obligation Revenue Bonds	General Obligation Bonds	Total
January 1, 2023			
Governmental activities	\$ -	\$ 118,305,000	\$ 118,305,000
Business-type activities	44,525,000	-	44,525,000
	<u>44,525,000</u>	<u>118,305,000</u>	<u>162,830,000</u>
Issued:			
Governmental activities	-	16,860,000	16,860,000
Business-type activities	1,830,000	-	1,830,000
Retired:			
Governmental activities	-	(7,415,000)	(7,415,000)
Business-type activities	(6,725,000)	-	(6,725,000)
December 31, 2023	<u>\$ 39,630,000</u>	<u>\$ 127,750,000</u>	<u>\$ 167,380,000</u>

Balance by fund type

Governmental activities:			
Governmental funds	\$ -	\$ 65,634,935	\$ 65,634,935
Internal Service	-	62,115,065	62,115,065
	<u>-</u>	<u>127,750,000</u>	<u>127,750,000</u>
Business-type activities:			
Enterprise funds	39,630,000	-	39,630,000
Total	<u>\$ 39,630,000</u>	<u>\$ 127,750,000</u>	<u>\$ 167,380,000</u>

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

Year ending	Principal	Interest	Total
2024	\$ 13,640,000	\$ 4,315,119	\$ 17,955,119
2025	40,805,000	3,659,191	44,464,191
2026	15,645,000	2,815,449	18,460,449
2027	15,750,000	2,468,695	18,218,695
2028	9,735,000	2,158,399	11,893,399
2029 to 2033	36,460,000	7,405,576	43,865,576
2034 to 2038	23,340,000	3,318,617	26,658,617
2039 to 2043	11,275,000	915,794	12,190,794
2044	730,000	15,056	745,056
Total	<u>\$ 167,380,000</u>	<u>\$ 27,071,896</u>	<u>\$ 194,451,896</u>

OLMSTED COUNTY
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General Obligation Revenue Bonds

General Obligation Governmental Housing Refunding Bonds, Series 2010A, were issued to refund general obligation housing bonds. Remaining annual installments of \$105,000 to \$115,000 are due annually on January 1. 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 \$860,000 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 \$340,000 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 \$215,000 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 \$4,800,000 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 \$105,000 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.

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	\$ 330,000
G.O. Crossover Refunding Bonds, 2016A	8/1/2016	1.50 - 5.00%	10,020,000	2/1/2029	5,855,000
G.O. Bonds 2020A - Construction Portion	11/17/2020	1.00 - 3.00%	8,080,000	2/1/2041	7,465,000
G.O. Bonds 2020A - Refunding Portion	11/17/2020	1.00 - 3.00%	2,260,000	2/1/2031	1,860,000
Taxable G.O. Crossover Refunding Bonds 2021A	4/7/2021	0.25 - 1.05%	24,145,000	2/1/2027	19,355,000
G.O. Bonds 2022B	3/16/2022	2.13 - 4.00%	2,935,000	2/1/2043	2,935,000
G.O. Bonds 2023A	10/18/2023	4.00 - 5.00%	1,830,000	2/1/2039	1,830,000
Total Business Type Activities					<u>\$ 39,630,000</u>

OLMSTED COUNTY
NOTES TO FINANCIAL STATEMENTS
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Annual debt service requirements to maturity for general obligation revenue bonds are as follows:

Year ending	Business-type Activities	
	Principal	Interest
2024	\$ 6,425,000	\$ 611,642
2025	6,680,000	547,785
2026	6,780,000	463,316
2027	6,760,000	367,154
2028	1,920,000	296,731
2029 to 2033	5,235,000	976,203
2034 to 2038	3,420,000	503,972
2039 to 2043	2,410,000	115,328
Total	<u>\$ 39,630,000</u>	<u>\$ 3,882,131</u>

General Obligation Bonds

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

The General Obligation Bonds, Series 2015A, were issued to provide financing for construction of facility, bridge and infrastructure improvements. Remaining annual installments of \$1,760,000 to \$1,835,000 are due annually thru February 1, 2025, at which time the proceeds held in escrow from the 2022A Taxable General Obligation Crossover Refunding Bonds will refund the remaining general obligation bond balance of the 2015A bonds totaling \$25,715,000 on February 1, 2025.

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

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

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

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 \$1,365,000 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. The proceeds were placed with an escrow agent to purchase U.S. Treasury Notes. The securities and earnings in the escrow account will provide sufficient funds to pay all interest that becomes due on the 2015A bonds to and including the crossover date, and to pay and redeem the outstanding maturities of the 2015A bonds on the crossover date of February 1, 2025. The refunded principal of the general obligation bond portion at the crossover date is \$25,715,000. The cumulative savings in debt service on the 2022A bonds is \$1,955,646 and will return a present value savings of \$1,620,470 over the life of the new bonds. Remaining annual installments of the bonds are \$2,135,000 to \$2,690,000 and are due annually beginning February 1, 2026.

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

OLMSTED COUNTY
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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.

The general obligation bonds outstanding are as follows:

	<u>Date Issued</u>	<u>Interest Rates</u>	<u>Original Issue</u>	<u>Final Maturity</u>	<u>Balance</u>
Governmental Activities					
G.O. Bonds, 2015A	8/1/2015	4.00%	39,150,000	2/1/2025	\$ 29,310,000
G.O. Crossover Refunding Bonds, 2016A	8/1/2016	1.50 - 5.00%	15,550,000	2/1/2031	10,080,000
G.O. Bonds, 2019A	11/12/2019	2.25 - 3.00%	19,175,000	2/1/2040	16,240,000
G.O. Bonds, 2020A	11/17/2020	1.00 - 3.00%	8,315,000	2/1/2041	7,250,000
Taxable G.O. Crossover Refunding Bonds 2021A	4/7/2021	0.25 - 1.05%	6,880,000	2/1/2027	5,520,000
Taxable G.O. Crossover Refunding Bonds 2022A	3/3/2022	2.00 - 3.00%	26,520,000	2/1/2036	26,520,000
G.O. Bonds, 2022B	3/16/2022	2.13 - 4.00%	15,970,000	2/1/2043	15,970,000
G.O. Bonds 2023A	10/18/2023	4.00 - 5.00%	16,860,000	2/1/2044	16,860,000
Total Governmental Activities					<u>\$ 127,750,000</u>

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

Year ending	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2024	\$ 7,215,000	\$ 3,703,477
2025	34,125,000	3,111,406
2026	8,865,000	2,352,133
2027	8,990,000	2,101,541
2028	7,815,000	1,861,668
2029 to 2033	31,225,000	6,429,373
2034 to 2038	19,920,000	2,814,645
2039 to 2043	8,865,000	800,466
2044	730,000	15,056
Total	<u>\$ 127,750,000</u>	<u>\$ 23,189,765</u>

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In-substance Defeasance

The Taxable General Obligation Tax Abatement Bonds, Series 2020B, were issued to provide financing for Graham Park and Graham Arena deferred maintenance projects. Funds on hand totaling \$2,073,019 were placed with an irrevocable trust with an escrow agent to purchase essentially risk-free U.S. Treasury Notes resulting in a defeasance of the 2020B Bonds, thus, are no longer recorded as outstanding on the County's financial statements. The securities and earnings in the escrow account will provide sufficient funds to pay all principal and interest that becomes due on the 2020B bonds to and including the call date and to pay and redeem the outstanding maturities of the 2020B bonds on the call date of February 1, 2028. The defeasance was done to save \$541,787 in future interest costs. As of December 31, 2023, the outstanding principal balance of the 2020B defeased bonds is \$2,075,000.

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
2024	\$ 120,000	\$ 42,532	\$ 162,532
2025	120,000	40,133	160,133
2026	120,000	37,732	157,732
2027	125,000	35,283	160,283
2028	1,590,000	17,016	1,607,016
Total	<u>\$ 2,075,000</u>	<u>\$ 172,696</u>	<u>\$ 2,247,696</u>

Mortgages Payable

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

The mortgages payable outstanding are as follows:

Business-type Activities	<u>Date Issued</u>	<u>Interest Rates</u>	<u>Original Issue</u>	<u>Final Maturity</u>	<u>Balance</u>	<u>Authority Program</u>
U.S. Department of Agriculture - Rural Development	3/22/2005	5.75%	\$ 197,498	3/1/2045	\$ 154,810	Rolling Heights
U.S. Department of Agriculture - Rural Development	3/22/2005	5.75%	412,502	3/1/2045	323,759	Rolling Heights
Total Mortgages Payable					<u>\$ 478,569</u>	

OLMSTED COUNTY
NOTES TO FINANCIAL STATEMENTS
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Deferred Repayment Mortgages

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

The deferred repayment mortgages outstanding are as follows:

Business-type Activities	<u>Date Issued</u>	<u>Interest Rates</u>	<u>Original Issue</u>	<u>Final Maturity</u>	<u>Balance</u>	<u>Authority Program</u>
First Homes Properties	5/16/2002	0.00%	\$ 585,000	5/16/2032	\$ 225,000	River's Edge
Greater Minnesota Housing Fund	5/15/2002	0.00%	221,450	5/16/2032	221,450	River's Edge
Minnesota Housing Finance Agency - Economic Development and Housing Challenge Program	5/16/2002	0.00%	635,000	5/16/2032	635,000	River's Edge
Minnesota Housing Finance Agency - Preservation Affordable Rental Investment Fund Program	3/22/2005	0.00%	200,000	3/22/2035	200,000	Rolling Heights
Minnesota Housing Finance Agency - HOME Rental Rehabilitation Program	8/25/2006	0.00%	196,000	3/22/2035	196,000	Rolling Heights
Minnesota Housing Finance Agency - Ending Long-Term Homelessness Initiative Fund Program	9/15/2006	0.00%	170,197	9/15/2026	170,197	The Francis
Greater Minnesota Housing Fund	9/15/2006	0.00%	255,000	5/15/2036	255,000	The Francis
Minnesota Housing Finance Agency - HOME Rental Rehabilitation Program	9/15/2006	0.00%	252,000	9/15/2026	252,000	The Francis
Minnesota Housing Finance Agency - Preservation Affordable Rental Investment Fund Program	5/3/1996	1.00%	770,799	5/3/2026	770,799	Bandel Hills
Minnesota Housing Finance Agency - HOME Targeted Program	5/3/1996	1.00%	229,201	5/3/2026	229,201	Bandel Hills
Minnesota Housing Finance Agency - Rental Rehabilitation Deferred Loan Pilot Program	7/29/2015	0.00%	35,000	7/29/2025	35,000	Rental Property
Minnesota Housing Finance Agency - Rental Rehabilitation Deferred Loan Pilot Program	8/26/2015	0.00%	35,000	8/26/2025	35,000	Rental Property
Total Deferred Repayment Mortgages Payable					<u>\$ 3,224,647</u>	

OLMSTED COUNTY
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Deferred Forgivable Mortgages

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

The deferred forgivable mortgages outstanding are as follows:

Business-type Activities	<u>Date Issued</u>	<u>Interest Rates</u>	<u>Original Issue</u>	<u>Final Maturity</u>	<u>Balance</u>	<u>Authority Program</u>
Minnesota Housing Finance Agency - Publicly Owned Permanent Supportive Housing Program	9/15/2006	0.00%	\$ 1,469,805	9/15/2026	\$ 1,469,805	The Francis
Minnesota Housing Finance Agency - Housing Trust Fund Long-Term Homelessness Initiative Fund Program	12/9/2010	0.00%	888,945	12/9/2040	888,945	Silver Creek Corner
Minnesota Housing Finance Agency - Publicly Owned Housing Program	12/9/2010	0.00%	4,703,305	12/10/2030	4,703,305	Silver Creek Corner Rental
Minnesota Housing Finance Agency - Publicly Owned Housing Program	6/27/2013	0.00%	52,000	6/27/2033	45,275	Property Public
Minnesota Housing Finance Agency - POHP Loan	11/7/2019	0.00%	1,170,459	12/9/2040	1,222,108	Housing
Total Deferred Forgivable Mortgages Payable					<u>\$ 8,329,438</u>	

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

Year ending	<u>Business-type Activities</u>			
	<u>Mortgage Payable</u>		<u>Deferred Repayment Mortgages</u>	<u>Deferred Mortgages Forgivable</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Principal</u>
2024	\$ 11,852	\$ 27,209	\$ -	\$ -
2025	12,554	26,509	70,000	-
2026	13,295	25,767	1,422,197	1,469,805
2027	14,079	24,982	-	-
2028	14,910	24,152	-	-
2029 to 2033	88,844	106,466	1,081,450	4,748,580
2034 to 2038	118,356	76,954	651,000	-
2039 to 2043	157,671	37,640	-	2,111,053
2044 to 2045	47,008	1,822	-	-
Total	<u>\$ 478,569</u>	<u>\$ 351,501</u>	<u>\$ 3,224,647</u>	<u>\$ 8,329,438</u>

Conduit Debt

The Olmsted County HRA has approved the issuance of Lease Revenue Refunding Bonds, Series 2021A to acquire, construct, repair, maintain, and/or operate buildings, equipment and/or other facilities necessary to provide mental health services for the citizens of Olmsted County. The Lease Revenue Refunding Bonds are secured by the lease to make debt service payments and the facility is pledged as collateral, and do not constitute indebtedness of the Olmsted County HRA. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. The amount of Lease Revenue Refunding Bonds outstanding at the end of the year is \$3,120,000.

Legal Debt Limit

The Olmsted County debt limit is \$737,825,490 based on the MN Statute 475.53 debt limit rate set at 3%. Net debt applicable to the debt limit is \$98,014,654. See Statistical Section Schedule 13.

OLMSTED COUNTY
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Lease Payable

The County entered into an agreement with Dell Financial Services to lease information technology equipment for 5 years. Under the terms of the lease, the County will make 5 annual payments of \$243,899. Upon maturity of the lease term, the County has the option of purchasing the equipment for \$1. The County will exercise this purchase option. On May 1, 2022, the County recognized a right to use asset and a lease payable of \$1,166,281 related to this agreement. During the fiscal year, the County recorded \$166,612 in amortization expense and \$17,658 in interest expense for the right to use the information technology equipment. The County used an incremental discount rate of 2.28%, based on the County's borrowing rate for the same time periods.

The County entered into an agreement with Vantage Financial, LLC to lease information technology equipment for 3 years. Under the terms of the lease, the County will make 3 annual payments of \$40,945. Upon maturity of the lease term, the County has the option of purchasing the equipment for \$1. The County will exercise this purchase option. On February 1, 2022, the County recognized a right to use asset and a lease payable of \$121,303 related to this agreement. During the fiscal year, the County recorded \$24,261 in amortization expense and \$85 in interest expense for the right to use the information technology equipment. The County used an incremental discount rate of 1.27%, based on the county's borrowing rate for the same time periods.

The Lease Payables outstanding are as follows:

	Contract Start Date	Discount Rates	Contract Value	Contract End Date	Balance
Governmental Activities					
Information Technology Equipment	5/1/2022	2.28%	1,166,281	4/30/2027	\$ 699,532
Information Technology Equipment	2/1/2022	1.27%	121,303	1/31/2025	40,433
Total Governmental Activities					<u>\$ 739,965</u>

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

Year ending	Governmental Activities	
	Principal	Interest
2024	\$ 268,368	\$ 16,476
2025	233,137	10,762
2026	238,459	5,442
2027	1	-
Total	<u>\$ 739,965</u>	<u>\$ 32,680</u>

Information Technology Subscription Payable

The County entered into an agreement for employee wellbeing subscription-based software. Under the terms of the subscription, the County will make annual fixed payments of \$54,878 for the minimum eligible lives of 1,440. During the fiscal year, the County made variable payments of \$9,328 for additional actual eligible lives in the system at the time of invoice and any eligible lives added during the year. On January 1, 2023, the County recognized a right to use asset and an information technology subscription payable of \$107,702 related to this agreement. During the fiscal year, the County recorded \$43,081 in amortization expense and \$1,372 in interest expense for the right to use the subscription-based software. The County used an incremental discount rate of 2.50%, based on the County's borrowing rate for the same time periods.

The County entered into an agreement for learning management subscription-based software. Under the terms of the subscription, the County will make semi-annual fixed payments of \$32,398. On January 1, 2023, the County recognized a right to use asset and an information technology subscription payable of \$187,315 related to this agreement. During the fiscal year, the County recorded \$57,635 in amortization expense and \$3,122 in interest expense for the right to use the subscription-based software. The County used an incremental discount rate of 2.50%, based on the County's borrowing rate for the same time periods.

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The County entered into an agreement for workload automation subscription-based software. Under the terms of the subscription, the County will make annual fixed payments of \$28,046. On April 5, 2023, the County recognized a right to use asset and an information technology subscription payable of \$82,142 related to this agreement. During the fiscal year, the County recorded \$20,536 in amortization expense and \$3,122 in interest expense for the right to use the subscription-based software. The County used an incremental discount rate of 2.45%, based on the County's borrowing rate for the same time periods.

The County entered into an agreement for document and records management subscription-based software. Under the terms of the subscription, the County will make annual fixed payments of \$58,080. On September 16, 2023, the County recognized a right to use asset and an information technology subscription payable of \$274,486 related to this agreement. During the fiscal year, the County recorded \$18,299 in amortization expense for the right to use the subscription-based software. The County used an incremental discount rate of 2.90%, based on the County's borrowing rate for the same time periods.

The County entered into an agreement for security information and event management subscription-based software. Under the terms of the subscription, the County will make annual fixed payments of \$35,900. On January 1, 2023, the County recognized a right to use asset and an information technology subscription payable of \$102,531 related to this agreement. During the fiscal year, the County recorded \$27,963 in amortization expense and \$2,563 in interest expense for the right to use the subscription-based software. The County used an incremental discount rate of 2.50%, based on the County's borrowing rate for the same time periods.

The County entered into an agreement for communication subscription-based software. Under the terms of the subscription, the County will make annual fixed payments of \$137,700 for the minimum 1,350 standard licenses and monthly fixed payments of \$4,480 for the minimum 28 contact center licenses. During the fiscal year, the county made variable payments of \$23,815 for additional standard and basic licenses. On January 1, 2023, the County recognized a right to use asset and an information technology subscription payable of \$585,490 related to this agreement. During the fiscal year, the County recorded \$156,131 in amortization expense and \$12,013 in interest expense for the right to use the subscription-based software. The County used an incremental discount rate of 2.50%, based on the County's borrowing rate for the same time periods.

The County entered into an agreement for backup and recovery subscription-based software. Under the terms of the subscription, the County will make annual fixed payments of \$110,626. On January 1, 2023, the County recognized a right to use asset and an information technology subscription payable of \$218,100 related to this agreement. During the fiscal year, the County recorded \$104,688 in amortization expense and \$454 in interest expense for the right to use the subscription-based software. The County used an incremental discount rate of 2.50%, based on the County's borrowing rate for the same time periods.

The County entered into an agreement for inspection, permitting, and application processing subscription-based software. Under the terms of the subscription, the County will make annual variable payments. On January 1, 2023, the County recognized a right to use asset and an information technology subscription payable of \$139,715 related to this agreement. During the fiscal year, the County recorded \$55,886 in amortization expense and \$1,617 in interest expense for the right to use the subscription-based software. The County used an incremental discount rate of 2.50%, based on the County's borrowing rate for the same time periods. The County's remaining annual payment of \$72,609 is due in June 2024.

The Olmsted County HRA entered into an agreement for new housing, voucher, and financial subscription-based software. Under the terms of the subscription, the Olmsted County HRA will make annual variable payments. On January 1, 2023, the Olmsted County HRA recognized a right to use asset and an information technology subscription payable of \$240,952 related to this agreement. During the fiscal year, the County recorded \$82,612 in amortization expense and \$10,603 in interest expense for the right to use the subscription-based software. The Olmsted County HRA used an incremental discount rate of 2.50%, based on the County's borrowing rate for the same time periods. The Olmsted County HRA's remaining annual payment of \$84,502 is due in November 2024.

OLMSTED COUNTY
NOTES TO FINANCIAL STATEMENTS
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The Information Technology Subscription Payables outstanding are as follows:

	<u>Contract Start Date</u>	<u>Discount Rates</u>	<u>Contract Value</u>	<u>Contract End Date</u>	<u>Balance</u>
Governmental Activities					
Employee Wellbeing	7/1/2022	2.50%	162,580	6/30/2025	\$ 54,196
Learning Management	4/1/2022	2.50%	248,257	3/31/2026	125,641
Workload Automation	4/5/2023	2.45%	82,142	4/4/2026	54,096
Document and Records Management	9/16/2023	2.90%	274,486	9/15/2028	216,406
Security Information and Event Management	1/1/2023	2.50%	102,531	8/1/2025	69,194
Communication	9/17/2021	2.50%	655,723	9/16/2026	406,043
Backup and Recovery	2/1/2022	2.50%	323,849	1/31/2025	107,928
Inspection, Permitting, and Application	6/19/2020	2.50%	325,722	6/19/2025	70,838
Total Governmental Activities					<u>\$ 1,104,342</u>
Business-type Activities					
Housing, Voucher, and Financial	11/10/2022	2.50%	240,952	11/10/2025	\$ 82,441
Total Business-type Activities					<u>\$ 82,441</u>

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

Year ending	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2024	\$ 624,609	\$ 26,810
2025	330,734	11,648
2026	92,556	3,604
2027	56,443	1,637
Total	<u>\$ 1,104,342</u>	<u>\$ 43,699</u>

Year ending	<u>Business-type Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2024	\$ 82,441	\$ 2,061
Total	<u>\$ 82,441</u>	<u>\$ 2,061</u>

OLMSTED COUNTY
NOTES TO FINANCIAL STATEMENTS
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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	\$118,305,000	\$ 16,860,000	\$ (7,415,000)	\$127,750,000	\$ 7,215,000	\$ 120,535,000
Premium on Bonds	5,019,454	841,620	(382,977)	5,478,097	-	5,478,097
Total Bonds Payable	123,324,454	17,701,620	(7,797,977)	133,228,097	7,215,000	126,013,097
Self-Insurance Claims						
Dental Insurance	31,500	1,362,220	(1,358,580)	35,140	35,140	-
Liability Insurance	675,142	2,031,499	(594,815)	2,111,826	44,826	2,067,000
Health Insurance	1,500,000	20,109,816	(20,609,816)	1,000,000	1,000,000	-
Worker's Compensation	303,225	1,111,112	(924,337)	490,000	-	490,000
Total Self-Insurance Claims	2,509,867	24,614,647	(23,487,548)	3,636,966	1,079,966	2,557,000
Total OPEB Liability	10,269,904	811,650	(1,654,542)	9,427,012	-	9,427,012
Net Pension Liability (1)	118,705,763	15,942,840	(65,691,230)	68,957,373	-	68,957,373
Compensated Absences (2)	15,604,002	13,020,985	(12,369,121)	16,255,866	10,345,102	5,910,764
Lease Payable	1,002,740	-	(262,775)	739,965	268,368	471,597
Subscription Payable (4)	1,238,322	459,159	(593,139)	1,104,342	624,609	479,733
Total Governmental Activities	<u>\$272,655,052</u>	<u>\$ 72,550,901</u>	<u>\$ (111,856,332)</u>	<u>\$233,349,621</u>	<u>\$ 19,533,045</u>	<u>\$ 213,816,576</u>
Business-type Activities:						
Bonds Payable						
GO Revenue Bonds	\$ 44,525,000	\$ 1,830,000	\$ (6,725,000)	\$ 39,630,000	\$ 6,425,000	\$ 33,205,000
Premium on Bonds	856,674	135,796	(104,804)	887,666	-	887,666
Total Bonds Payable	45,381,674	1,965,796	(6,829,804)	40,517,666	6,425,000	34,092,666
Mortgages Payable (3)	489,762	-	(11,193)	478,569	11,852	466,717
Deferred Repayment Mortgages (3)	3,224,647	-	-	3,224,647	-	3,224,647
Deferred Forgivable Mortgages (3)	8,329,438	-	-	8,329,438	-	8,329,438
Net Pension Liability (1)	5,988,912	651,862	(2,449,816)	4,190,958	-	4,190,958
Compensated Absences (2)	994,150	598,646	(580,316)	1,012,480	580,410	432,070
Subscription Payable (4)	197,696	-	(115,255)	82,441	82,441	-
Closure and Postclosure Care	2,275,778	105,474	-	2,381,252	-	2,381,252
Total Business-type Activities	<u>\$ 66,882,057</u>	<u>\$ 3,321,778</u>	<u>\$ (9,986,384)</u>	<u>\$ 60,217,451</u>	<u>\$ 7,099,703</u>	<u>\$ 53,117,748</u>

- (1) Pension benefits are funded from member and employer contributions by each fund and income from the investment of fund assets as administered by PERA.
- (2) Governmental Funds contribute to the compensated absences liability balance in the Self-Insurance Fund based on individual employee accruals and all are used to liquidate the liability.
- (3) Mortgages are direct borrowings. Direct borrowing terms are negotiated directly with the lender and are not offered for public sale. Default would occur if mortgage program guidelines are not met. If default occurs the mortgage must be paid within 30 days.
- (4) Beginning balance established due to implementation of Government Accounting Standard Board (GASB), Statement No. 96, *Subscription-Based Information Technology Arrangements*.

OLMSTED COUNTY
NOTES TO FINANCIAL STATEMENTS
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7. SEGMENT INFORMATION

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

Condensed Statement of Net Position

	<u>Rolling Heights</u>	<u>River's Edge</u>
Assets		
Current assets	\$ 271,674	\$ 980,254
Capital assets	610,529	2,358,701
Total assets	<u>882,203</u>	<u>3,338,955</u>
Deferred outflow of resources	<u>-</u>	<u>16,237</u>
Liabilities		
Current Liabilities	41,245	135,725
Current Liabilities payable from restricted assets	6,890	25,195
Noncurrent liabilities	862,716	1,308,313
Total liabilities	<u>910,851</u>	<u>1,469,233</u>
Net position		
Net investment in capital assets	(264,039)	961,625
Restricted	-	354,205
Unrestricted	235,391	570,129
Total net position	<u>\$ (28,648)</u>	<u>\$ 1,885,959</u>

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

	<u>Rolling Heights</u>	<u>River's Edge</u>
Charges for services	\$ 69,411	\$ 517,338
Operating grants	49,042	-
Depreciation expenses	(15,612)	(72,011)
Other operating expense	<u>(86,773)</u>	<u>(243,284)</u>
Operating income	16,068	202,043
Nonoperating revenues (expenses)		
Investment income	941	23,483
Interest expense	<u>(28,206)</u>	<u>(17,838)</u>
Changes in net position	(11,197)	207,688
Beginning net position	<u>(17,451)</u>	<u>1,678,271</u>
Ending net position	<u>\$ (28,648)</u>	<u>\$ 1,885,959</u>

Condensed Statement of Cash Flows

	<u>Rolling Heights</u>	<u>River's Edge</u>
Net cash flows from:		
Operating activities	\$ 30,586	\$ 258,883
Capital and related financing activities	(39,454)	(493,449)
Non-capital financial activities	13,633	-
Investing activities	<u>941</u>	<u>23,483</u>
Net increases (decreases)	5,706	(211,083)
Cash and cash equivalents	<u>264,379</u>	<u>1,178,742</u>
Ending cash and cash equivalents	<u>\$ 270,085</u>	<u>\$ 967,659</u>

OLMSTED COUNTY
NOTES TO FINANCIAL STATEMENTS
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8. FUND BALANCES

Minimum Fund Balance Policy:

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

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

Policy on Unassigned Fund Balance Process

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

Policy on Assigned Fund Balance Process

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

Assigned Fund Balance should fall under one of these categories:

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

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.

OLMSTED COUNTY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

Fund Balances

	General Fund	Infrastructure Fund	Health and Human Services Fund	American Rescue Plan Act Fund	Opioid Settlement Fund	Debt Service Fund	Capital Projects Fund	Total
Nonspendable:								
Non-current Advances to Other Funds	\$ 458,400	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 458,400
Inventories	-	475,149	-	-	-	-	-	475,149
Prepays	2,328,243	43,260	30	-	-	-	-	2,371,533
Total Nonspendable	2,786,643	518,409	30	-	-	-	-	3,305,082
Restricted for:								
Attorney Prosecution	48,716	-	-	-	-	-	-	48,716
Attorney Child Support Enforcement	12,207	-	-	-	-	-	-	12,207
Attorney Sexual Exploitation Education	4,571	-	-	-	-	-	-	4,571
Law Library	274,696	-	-	-	-	-	-	274,696
Sheriff Contingency	4,433	-	-	-	-	-	-	4,433
Sheriff DUI Enforcement, Training, & Education	26,435	-	-	-	-	-	-	26,435
Public Safety	2,395,350	-	-	-	-	-	-	2,395,350
E911	954,814	-	-	-	-	-	-	954,814
D.A.R.E. Drug Education	14,816	-	-	-	-	-	-	14,816
Adult Detention Center Commissary	42,082	-	-	-	-	-	-	42,082
Recording Process Enhancements	1,873,294	-	-	-	-	-	-	1,873,294
Parks	620,744	-	-	-	-	-	-	620,744
Debt Service	-	-	-	-	-	4,901,002	-	4,901,002
Refinancing Debt Service	-	-	-	-	-	17,549,443	-	17,549,443
Capital Projects	-	-	-	-	-	-	2,833,416	2,833,416
Opioid Abatement	-	-	-	-	1,052,572	-	-	1,052,572
Aggregate Remediation	-	69,079	-	-	-	-	-	69,079
Transit and Transportation	-	6,921,240	-	-	-	-	-	6,921,240
Medical Assistance Eligibility Renewals	-	-	644,377	-	-	-	-	644,377
Total Restricted	6,272,158	6,990,319	644,377	-	1,052,572	22,450,445	2,833,416	40,243,287
Assigned to:								
Sheriff Equipment	334,854	-	-	-	-	-	-	334,854
Consulting	34,142	-	-	-	-	-	-	34,142
Attorney Staffing	17,495	-	-	-	-	-	-	17,495
Health and Human Services Staffing	262,082	-	-	-	-	-	-	262,082
Highway equipment	-	-	-	-	-	-	21,693	21,693
Parks Equipment and Improvements	192,439	-	-	-	-	-	113,322	305,761
Graham Park Maintenance and Upgrades	196,380	-	-	-	-	-	1,838,672	2,035,052
Graham Park Exhibition Center	4,467,657	-	-	-	-	-	-	4,467,657
Elections Staffing and Equipment	1,300,000	-	-	-	-	-	-	1,300,000
Transportation Equipment	69,000	-	-	-	-	-	-	69,000
Affordable Housing Programs	9,990,000	-	-	-	-	-	-	9,990,000
Sheriff Grant Match	1,300	-	-	-	-	-	-	1,300
Sheriff Burn Towner Inspection	18,000	-	-	-	-	-	-	18,000
Corrections Staff Development	9,524	-	-	-	-	-	-	9,524
Coroner Fee Increase	23,000	-	-	-	-	-	-	23,000
Groundwater Protection Programs	4,443,557	-	-	-	-	-	-	4,443,557
ADC Staff Development and Equipment	50,800	-	-	-	-	-	-	50,800
Planning Software	28,710	-	-	-	-	-	-	28,710
Manufactured Home Parks	36,615	-	-	-	-	-	-	36,615
Chester Heights Sewer	455,444	-	-	-	-	-	-	455,444
Collaborative Intensive Bridging Services	113,722	-	-	-	-	-	-	113,722
Available for Infrastructure	-	1,389,866	-	-	-	-	-	1,389,866
Available for Debt Service Fund	-	-	-	-	-	1,288,550	-	1,288,550
Available for Human Services	-	-	12,950,491	-	-	-	-	12,950,491
Total Assigned	22,044,721	1,389,866	12,950,491	-	-	1,288,550	1,973,687	39,647,315
Unassigned	84,693,187	-	-	-	-	-	-	84,693,187
Total Fund Balance	\$ 115,796,709	\$ 8,898,594	\$ 13,594,898	\$ -	\$ 1,052,572	\$ 23,738,995	\$ 4,807,103	\$ 167,888,871

OLMSTED COUNTY
NOTES TO FINANCIAL STATEMENTS
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9. JOINTLY GOVERNED ORGANIZATIONS

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

- South East MN Violent Crime Enforcement Team (181,410 \$in-kind services)
- Southeastern Minnesota Emergency Medical Services (\$0)
- Southeastern Minnesota Regional Emergency Communication Board and State of Minnesota (\$0)
- Homeland Safety Emergency Managers Region 1 (\$0)
- State of Minnesota, Bureau of Criminal Apprehension and Sheriff's Office (\$0)
- Southeast Minnesota Workforce Development, Inc. (\$983,779)
- 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 (\$2,865)
- Southeastern Libraries Cooperating (\$0)
- Residential Survey in Dakota, Olmsted, St. Louis, and Washington Counties (\$0)
- MN Department of Pollution Control Household Hazardous Waste Paint Care Program (\$0)
- One Watershed, One Plan for the Root River Watershed (\$0)
- Bureau of Criminal Apprehension (\$0)
- Dodge & Olmsted Community Corrections (See additional information below.)
- WinLaC Partnership (Mississippi River Winona La Crescent Comprehensive Watershed Management) (\$0)

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

OLMSTED COUNTY
NOTES TO FINANCIAL STATEMENTS
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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 2023, county contributions were assessed in the following proportion:

Dodge County	10.741%
Olmsted County	<u>89.259%</u>
Total	100.000%

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

Olmsted County provided \$7,560,703 in funding during 2023. Olmsted County contributions decreased \$311,684 in 2023 as a result of an increase in CCA subsidy revenue as of July 1, 2023.

Olmsted County received a credit of \$262,226 from D&O Community Corrections in 2023 for its share of 2023 net revenue. The payback was a result of favorable spending for personal services and contracted services.

Separate financial information can be obtained from:

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

**OLMSTED COUNTY
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10. POST-EMPLOYMENT BENEFITS – PERA

Public Employees Retirement Association Plan

A. Plan Description

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

General Employees Retirement Plan

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

Public Employees Police and Fire Plan

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

Local Government Correctional Plan

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

B. Benefits Provided

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

General Employees Plan Benefits

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

Benefit increases are provided to benefit recipients each January. The postretirement increase is equal to 50 percent of the cost-of-living adjustment (COLA) announced by the SSA, with a minimum increase of at least 1 percent and a maximum of 1.5 percent. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase will receive the full increase. Recipients receiving the annuity or benefit for at least one month but less than a full year as of the June 30 before the effective date of the increase will receive a reduced prorated increase. In 2023, legislation repealed the statute delaying increases for members retiring before full retirement age.

OLMSTED COUNTY
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Police and Fire Plan Benefits

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

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

Correctional Plan Benefits

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

Benefit increases are provided to benefit recipients each January. The postretirement increase will be equal to 100 percent of the COLA announced by SSA, with a minimum increase of at least 1 percent and a maximum of 2.5 percent. If the plan's funding status declines to 85 percent or below for two consecutive years or 80 percent for one year, the maximum will be lowered from 2.5 percent to 1.5 percent. In 2023, legislation clarified that if the annual increase cap was reduced to 1 percent, there is a way to return to the 2.5 percent increase if certain criteria are met. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase will receive the full increase. Recipients receiving the annuity or benefit for at least one month but less than a full year as of the June 30 before the effective date of the increase will receive a reduced prorated increase.

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

C. Contributions

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

General Employees Fund Contributions

Coordinated Plan members were required to contribute 6.50 percent of their annual covered salary in fiscal year 2023 and Olmsted County was required to contribute 7.50 percent for Coordinated Plan members. Olmsted County's contributions to the General Employees Fund for the year ended December 31, 2023, were \$6,755,481. Olmsted County's contributions were equal to the required contributions as set by state statute.

OLMSTED COUNTY
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Police and Fire Fund Contributions

Police and Fire Plan members were required to contribute 11.80 percent of their annual covered salary in fiscal year 2023 and Olmsted County was required to contribute 17.70 percent for Police and Fire Plan members. Olmsted County's contributions to the Police and Fire Fund for the year ended December 31, 2023, were \$1,437,074. Olmsted County's contributions were equal to the required contributions as set by state statute.

Correctional Fund Contributions

Correctional Plan members were required to contribute 5.83 percent of their annual covered salary in fiscal year 2023 and Olmsted County was required to contribute 8.75 percent for Correctional Plan members. Olmsted County's contributions to the Correctional Fund for the year ended December 31, 2023, were \$608,198. Olmsted County's contributions were equal to the required contributions as set by state statute.

D. Pensions Costs

General Employees Fund Pension Costs

At December 31, 2023, Olmsted County reported a liability of \$61,589,054 for its proportionate share of the General Employees Fund's net pension liability. Olmsted County's net pension liability reflected a reduction due to the State of Minnesota's contribution of \$16 million. The State of Minnesota is considered a non-employer contributing entity and the state's contribution meets the definition of a special funding situation. The State of Minnesota's proportionate share of the net pension liability associated with Olmsted County totaled \$1,697,854.

The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. 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, 2022 through June 30, 2023, relative to the total employer contributions received from all of PERA's participating employers. Olmsted County's proportionate share was 1.1014 percent at the end of the measurement period and 1.1184 percent for the beginning of the period.

Olmsted County's proportionate share of the net pension liability	\$	61,589,054
State of Minnesota's proportionate share of the net pension liability associated with Olmsted County		1,697,854
Total	\$	63,286,908

For the year ended December 31, 2023, Olmsted County recognized pension expense of \$10,237,909 for its proportionate share of the General Employees Plan's pension expense. In addition, Olmsted County recognized an additional \$7,630 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.

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At December 31, 2023, Olmsted County reported its proportionate share of the General Employees Plan's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 2,030,105	\$ 450,627
Changes in actuarial assumptions	10,571,040	16,881,037
Net difference between projected and actual investment earnings	-	3,339,479
Change in proportion	1,248,554	2,107,309
Contributions paid to PERA subsequent to the measurement date	3,408,752	-
Total	\$ 17,258,451	\$ 22,778,452

The \$3,408,752 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, 2024. 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
2024	\$ 1,861,625
2025	(10,677,425)
2026	1,223,123
2027	(1,336,076)

Police and Fire Fund Pension Costs

At December 31, 2023, Olmsted County reported a liability of \$10,281,784 for its proportionate share of the Police and Fire Fund's net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. 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, 2022 through June 30, 2023, relative to the total employer contributions received from all of PERA's participating employers. Olmsted County's proportionate share was 0.5954 percent at the end of the measurement period and 0.6060 percent for the beginning of the period.

The State of Minnesota also contributed \$18 million to the Police and Fire Fund in the plan fiscal year ended June 30, 2023. 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 was paid on October 1, 2021. Thereafter, by October 1 of each year, the state will pay \$9 million to the Police and Fire Fund until full funding is reached or July 1, 2048, whichever is earlier. The \$9 million in supplemental state aid will continue until the fund is 90 percent funded, or until the State Patrol Plan (administered by the Minnesota State Retirement System) is 90 percent funded, whichever occurs later. The State of Minnesota proportionate share of the net pension liability associated with Olmsted County totaled \$414,169.

OLMSTED COUNTY
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County's proportionate share of the net pension liability	\$ 10,281,784
State of Minnesota's proportionate share of the net pension liability associated with the County	414,169
Total	\$ 10,695,953

The State of Minnesota is included as a non-employer contributing entity in the Police and Fire Retirement Plan Schedule of Employer Allocations and Schedule of Pension Amounts by Employer, Current Reporting Period Only (pension allocation schedules) for the \$9 million in direct state aid. Police and Fire Plan employers need to recognize their proportionate share of the State of Minnesota's pension expense (and grant revenue) under GASB 68 special funding situation accounting and financial reporting requirements. For the year ended December 31, 2023, Olmsted County recognized pension expense of \$3,046,659 for its proportionate share of the Police and Fire Plan's pension expense. Olmsted County recognized (\$24,945) 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.

The State of Minnesota is not included as a non-employer contributing entity in the Police and Fire Pension Plan pension allocation schedules for the \$9 million in supplemental state aid. Olmsted County recognized \$53,586 for the year ended December 31, 2023 as revenue and an offsetting reduction of net pension liability for its proportionate share of the State of Minnesota's on-behalf contributions to the Police and Fire Fund.

At December 31, 2023, Olmsted County reported its proportionate share of the Police and Fire Plan's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 2,863,901	\$ -
Changes in actuarial assumptions	12,225,270	14,457,455
Net difference between projected and actual investment earnings	-	580,887
Change in proportion	192,873	499,082
Contributions paid to PERA subsequent to the measurement date	730,363	-
Total	\$ 16,012,407	\$ 15,537,424

The \$730,363 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, 2024. 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
2024	\$ 481,928
2025	63,600
2026	2,567,776
2027	(740,829)
2028	(2,627,855)

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Correctional Fund Pension Costs

At December 31, 2023, Olmsted County reported a liability of \$1,277,493 for its proportionate share of the Correctional Plan's net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. 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, 2022 through June 30, 2023, relative to the total employer contributions received from all of PERA's participating employers. Olmsted County's proportionate share was 2.8260 percent at the end of the measurement period and 2.9321 percent for the beginning of the period.

For the year ended December 31, 2023, Olmsted County recognized pension expense of \$1,032,427 for its proportionate share of the Correctional Plan's pension expense.

At December 31, 2023, Olmsted County reported its proportionate share of the Correctional Plan's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 492,035	\$ 116,356
Changes in actuarial assumptions	3,154,996	5,828,088
Net difference between projected and actual investment earnings	-	144,358
Change in proportion	-	239,212
Contributions paid to PERA subsequent to the measurement date	313,873	-
Total	\$ 3,960,904	\$ 6,328,014

The \$313,873 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, 2024. 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
2024	\$ (6,783)
2025	(3,187,551)
2026	648,166
2027	(134,815)

The total pension expense for all plans recognized by Olmsted County for the year ended December 31, 2023 was \$14,299,680.

E. Long-Term Expected Return on Investment

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

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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%	

F. Actuarial Methods and Assumptions

The total pension liability in the June 30, 2023, actuarial valuation was determined using the individual entry-age normal actuarial cost method. The long-term rate of return on pension plan investments used in the determination of the total liability is 7.0 percent. The assumption is based on a review of inflation and investments return assumptions from a number of national investment consulting firms. The review provided a range of return investment return rates deemed to be reasonable by the actuary. An investment return of 7.0 percent was deemed to be within that range of reasonableness for financial reporting purposes.

Inflation is assumed to be 2.25 percent for the General Employees Plan, Police and Fire Plan, and Correctional Plan. Benefit increases after retirement are assumed to be 1.25 percent for the General Employee Plan, 1.0 percent for the Police and Fire Plan, and 2.0 percent for the Correctional Plan.

Salary growth assumptions in the General Employee Plan range in annual increments from 10.25 percent after one year of service to 3.0 percent after 27 years of service. In the Police and Fire Plan, salary growth assumptions range from 11.75 percent after one year of service to 3.0 percent after 24 years of service. In the Correctional Plan, salary growth assumptions range from 11.0 percent at age 20 to 3.0 percent at age 60.

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

Actuarial assumptions for the General Employees Plan are reviewed every four years. The most recent four-year experience study for the General Employees Plan was completed in 2022. The assumption changes were adopted by the Board and became effective with the July 1, 2023 actuarial valuation. The most recent four-year experience studies for the Police and Fire and the Correctional Plan were completed in 2020 were adopted by the Board and became effective with the July 1, 2021 actuarial valuation.

The following changes in actuarial assumptions and plan provisions occurred in 2023:

General Employees Fund

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

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

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

OLMSTED COUNTY
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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.

Police and Fire Fund

Changes in Actuarial Assumptions

The investment return assumption was changed from 6.5 percent to 7.00 percent.

The single discount rate changed from 5.4 percent to 7.0 percent.

Changes in Plan Provisions

Additional one-time direct state aid contributions of 19.4 million will be contributed to the Plan on October 1, 2023.

Vesting requirement to new hires after June 30, 2014, was changed from a graded 20-years vesting schedule to a graded 10-year vesting schedule, with 50 percent vesting after five years, increasing incrementally to 100 percent 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 relating to the member's occupation.

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

Correctional Fund

Changes in Actuarial Assumptions

The investment return rate was changed from 6.5 percent to 7.00 percent.

The single discount rate changed from 5.42 percent to 7.0 percent.

Changes in Plan Provisions

Additional one-time direct state aid contributions 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.

G. Discount Rate

The discount rate used to measure the total pension liability in 2023 was 7.0 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at rates set in Minnesota Statutes. Based on these assumptions, the fiduciary net positions of the General Employees, Police and Fire, and Correctional Plans were projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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H. Pension Liability Sensitivity

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

Sensitivity Analysis						
Net Pension Liability (Asset) at Different Discount Rates						
	General Employees Fund		Police and Fire Fund		Correctional Fund	
	Discount Rate	Net Pension Liability	Discount Rate	Net Pension Liability	Discount Rate	Net Pension Liability/(Asset)
1% Lower	6.00%	\$ 108,995,984	6.00%	\$ 20,400,285	6.00%	\$ 6,733,821
Current	7.00	61,589,054	7.00	10,281,784	7.00	1,277,493
1% Higher	8.00	22,627,955	8.00	1,632,503	8.00	(3,075,960)

I. Pension Plan Fiduciary Net Position

Detailed information about the pension plan’s fiduciary net position is available in a separately issued PERA financial report that includes financial statements and required supplementary information. That report may be obtained on the internet at www.mnpera.org.

J. Public Employee Defined Contribution Plan

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

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

Total contributions made by Olmsted County during fiscal year 2023 were:

	Employee	Employer
Contribution Amount	\$ 28,356	\$ 28,356
Percentage of covered payroll	5%	5%
Required rate	5%	5%

**OLMSTED COUNTY
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11. OTHER POST-EMPLOYMENT BENEFITS

A. Plan Description

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

B. Benefits Provided

Active employees, who retire from the County when eligible to receive a retirement benefit from the Public Employees Retirement Association (PERA) of Minnesota (or similar plan) and do not participate in any other health benefits program providing coverage similar to that herein described, will be eligible to continue coverage with respect to both them and their eligible dependent(s) under the County's health benefits program indefinitely. Retirees are required to pay 100% of the total group rate. Since the premium is a blended rate determined on the entire active and retiree population, the retirees, whose costs are statistically higher than the group average, are receiving an implicit rate "subsidy." No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

C. Employees Covered by Benefit Terms

All of the active employees who have access to health insurance and all retirees who have elected to continue coverage on the employer's medical plan after retirement are included. The actuarial assumptions used at December 31, 2023, included 1,247 active plan participants. As of December 31, 2023, there were 54 enrollees: 29 retirees and 25 COBRA enrollees, receiving health benefits from the County's health plan.

D. Total OPEB Liability

Olmsted County's total OPEB liability of \$9,427,012 was measured as of January 1, 2023, rolled forward to December 31, 2023, by an actuarial valuation as of January 1, 2022.

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

Inflation	2.50 percent
Salary Increases	rates are based on most recent four-year experience study
Medical Trend Rate	6.25 percent in 2023 decreasing to 5.00% over 5 years and then to 4.00% over the next 48 years

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

Mortality rates were based on the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Safety) with MP-2021 Generational Improvement Scale.

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

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E. Changes in the Total OPEB Liability

Balance at December 31, 2022	\$ 10,269,904
Changes for the year:	
Service cost	598,400
Interest cost	213,250
Assumption changes	(1,240,909)
Benefit payments	(413,633)
Net change	<u>(842,892)</u>
Balance at December 31, 2023	<u><u>\$ 9,427,012</u></u>

Assumption changes:

Discount rate was changed from 2.00% to 4.00%.

Inflation rate was changed from 2.00% to 2.50%.

F. Sensitivity of the Total OPEB Liability to Changes in the Discount Rate. The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (3.00%) or 1-percentage point higher (4.00%) than the current discount rate:

	<u>Total OPEB</u>
Selected 4.00% discount rate	\$ 9,427,012
1% decrease in discount rate	10,142,453
1% increase in discount rate	8,757,094

G. Sensitivity of the Total OPEB Liability to Changes in the Health Care Cost Trend Rates. The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using health care cost trend rates that are 1-percentage point lower (6.25% decreasing to 5.25%) or 1-percentage point higher (6.25% increasing to 7.25%) than the current health care cost trend rates:

	<u>Total OPEB</u>
Selected health care cost trend rate	\$ 9,427,012
1% decrease in health care cost trend rate	8,410,725
1% increase in health care cost trend rate	10,618,406

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

For the year ended December 31, 2023, Olmsted County recognized expense of \$668,934. At December 31, 2023, Olmsted County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred</u>	<u>Deferred</u>
	<u>Outflows of</u>	<u>Inflows of</u>
	<u>Resources</u>	<u>Resources</u>
Liability losses and gains	\$ 150,027	\$ 392,830
Changes in assumptions	449,295	1,258,874
Employer contributions subsequent to the measurement date	469,615	-
	<u><u>\$ 1,068,937</u></u>	<u><u>\$ 1,651,704</u></u>

OLMSTED COUNTY
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The \$469,615 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, 2024.

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

<u>Year Ended December 31</u>	<u>OPEB Expense Amount</u>
2024	\$ (142,716)
2025	(142,711)
2026	(105,008)
2027	(204,874)
2028	(279,802)
Thereafter	(177,271)

OLMSTED COUNTY
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12. CONTINGENCIES

Unvested Sick Leave

Unvested sick leave, \$2,348,561 on December 31, 2023, is available to employees in the event of illness-related absences and is not paid to them at termination.

Claims and Litigation

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

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

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

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

Capital Grants received from the Office of Environmental Assistance

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

Debt Service on Bond Issue

Olmsted County Housing and Redevelopment Authority (HRA) issued \$3,650,000 Lease Revenue Refunding Bonds, Series 2021A, on November 23, 2021, to current refund the remaining unpaid principal of Lease Revenue Bonds, Series 2013A. These bonds were issued to assist in refinancing the debt of Zumbro Valley Health Center, Inc. (ZVHC). ZVHC is a not-for-profit from which the County has purchased mental health services for our clients since 1966. The bond call date is April 1, 2031. The final debt service payment is due April 1, 2033.

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

If ZVHC does not make the lease payments, the County is obligated to appropriate no more than one year's debt service. The County can terminate the lease at the end of any year by not appropriating the funds. If the lease terminates, the facilities return to the HRA. The HRA is not obligated to pay the debt service, thus, the responsibility for the debt falls to the trustee to generate income on the facilities.

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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 \$2,836,966 was recorded for IBNR for all self-insurance activities reported at December 31, 2023. 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 has never collected on this provision of our coverage. Dental benefits are capped at \$1,500 per member per year, therefore there is no need for dental stop-loss coverage. The County employs a risk manager to minimize workers' compensation claims and carries reinsurance for any workers' compensation claim that exceeds \$500,000 for the life of the claim. In the future, should insurance carriers' rates for stop-loss coverage for general liability become economical, such coverage will be considered. The amount of settlements did not exceed insurance coverage in each of the past three years.

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

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

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

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

	Self Insurance Claims				Year ended December 31, 2023	Year ended December 31, 2022
	Dental	Liability	Health	Worker Compensation		
Unpaid claims, beginning of fiscal year	\$ 31,500	\$ 675,142	\$ 1,500,000	\$ 303,225	\$ 2,509,867	\$ 2,853,549
Incurred, claims, including IBNR	1,362,220	1,231,499	20,109,816	1,111,112	23,814,647	24,054,299
Claim payments	(1,358,580)	(594,815)	(20,609,816)	(924,337)	(23,487,548)	(24,397,981)
Unpaid claims, end of fiscal year	<u>\$ 35,140</u>	<u>\$ 1,311,826</u>	<u>\$ 1,000,000</u>	<u>\$ 490,000</u>	<u>\$ 2,836,966</u>	<u>\$ 2,509,867</u>

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14. TAX ABATEMENT AGREEMENT

The County levies and collects property taxes for all governmental units within the County. The City of Rochester provides tax abatements through Pay-As-You-Go (PAYG) Tax Increment Financing (TIF) District agreements under Minnesota Statutes Sections 469.174 through 469.179. The PAYG TIF Districts in the City pay a developer up to 95 percent of the previous six months tax increment collected in order to assist with funding development projects. As of December 31, 2023, the city had thirty-six such districts in which \$6,621,895 of tax revenue was paid out to developers under these agreements. The County's share of all governmental units' 2023 property tax collections is 32.5 percent. Thirty-two and a half percent of the amount paid to developers is \$2,125,116.

OLMSTED COUNTY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

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

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

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

Statement No. 101, *Compensated Absences*

Statement No. 102, Certain Risk Disclosures

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

OLMSTED COUNTY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

16. SUBSEQUENT EVENTS

Graham Park Regional Exhibition Center Grant

The 2023 Minnesota Legislature allocated \$8,000,000 in state funding to the county for cost associated with construction and equipping a Regional Exhibition Center at Graham Park. On February 6, 2024, the county board of commissioners approved signing a grant agreement with the Minnesota Department of Employment and Economic Development (DEED) for the Graham Park Regional Exhibition Center.

Purchase of Building

In a February 2024 closed session, the Olmsted County Housing and Rehabilitation Authority (HRA) board approved the purchase of the Residences of Old Town Hall (ROTH) land and property at 607 E. Center Street. Discussions to determine how this five-floor apartment style building will be used are ongoing. Final closing of the sale to the HRA is expected in August 2024.

Purchase of Land

In a February 2024 closed session, the Olmsted County Housing and Rehabilitation Authority (HRA) board approved the purchase of 10 parcels of land in Southeast Rochester for building affordable single-family homes.

Building Construction

Construction on Trailside Apartments (formerly Mayowood II) will likely begin the end of 2024. The property will be owned by an LLC and will be presented as a component unit of the Olmsted County Housing and Redevelopment Authority (HRA). This property will be funded by 4% tax credits and loans from Minnesota Housing, First Homes, and the HRA.

OLMSTED COUNTY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

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 \$6,335,815 over the next 15 years (2024-2038). 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 and \$207,317 in 2023 as part of the settlement.



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, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Property taxes	\$ 68,686,022	\$ 68,862,022	68,905,319	\$ 43,297
Licenses and permits	1,239,000	1,239,000	1,293,445	54,445
Intergovernmental revenue	10,517,596	14,019,686	14,092,792	73,106
Charges for services	20,702,679	15,455,500	15,069,023	(386,477)
Fines and forfeits	-	14,360	18,327	3,967
Gifts and contributions	150,500	150,500	201,377	50,877
Investment income	2,509,500	2,509,500	10,058,202	7,548,702
Other	1,836,315	1,779,607	3,885,180	2,105,573
Total Revenues	<u>105,641,612</u>	<u>104,030,175</u>	<u>113,523,665</u>	<u>9,493,490</u>
Expenditures:				
Current				
General government				
Board of commissioners	663,813	-	-	-
Administrator	1,576,897	-	-	-
Property records and licensing	6,537,532	7,517,762	7,490,016	27,746
Human resources	3,189,114	-	-	-
Finance	7,753,185	-	-	-
Information technology services	11,616,008	-	-	-
Planning, code enforcement	4,067,726	4,704,620	4,231,974	472,646
Policy analysis and communication	1,909,697	-	-	-
Total general government	<u>37,313,972</u>	<u>12,222,382</u>	<u>11,721,990</u>	<u>500,392</u>
Public safety				
Sheriff	17,185,154	21,324,131	20,542,876	781,255
Adult detention center	15,067,949	17,458,797	17,458,236	561
Community corrections	18,048,642	18,162,153	17,264,733	897,420
Coroner	490,100	534,163	534,163	-
District courts	2,460,466	2,535,466	2,510,369	25,097
Attorney	7,251,669	8,263,103	7,902,733	360,370
Law library	180,000	212,210	164,366	47,844
Total public safety	<u>60,683,980</u>	<u>68,490,023</u>	<u>66,377,476</u>	<u>2,112,547</u>
Conservation of natural resources				
Cooperative extension	206,427	222,122	194,637	27,485
Soil conservation	1,316,544	1,750,252	1,745,850	4,402
Total conservation of natural resources	<u>1,522,971</u>	<u>1,972,374</u>	<u>1,940,487</u>	<u>31,887</u>
Economic development				
	60,000	80,000	80,000	-
Culture and recreation				
Parks	3,660,807	4,227,815	4,078,457	149,358
Historical society	239,515	239,515	239,515	-
Diversity and youth programs	58,500	58,500	45,412	13,088
Library	1,386,022	1,386,022	1,386,022	-
Total culture and recreation	<u>5,344,844</u>	<u>5,911,852</u>	<u>5,749,406</u>	<u>162,446</u>
Other				
	1,499,454	1,827,266	1,557,022	270,244
Debt service				
Principal	-	68,877	68,877	-
Interest and fiscal charges	-	1,617	1,617	-
Total debt service	<u>-</u>	<u>70,494</u>	<u>70,494</u>	<u>-</u>
Total Expenditures	<u>106,425,221</u>	<u>90,574,391</u>	<u>87,496,875</u>	<u>3,077,516</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(783,609)</u>	<u>13,455,784</u>	<u>26,026,790</u>	<u>12,571,006</u>
Other Financing Sources (Uses):				
Transfers in	357,974	5,352,086	5,352,087	1
Transfers out	(2,798,332)	(29,574,547)	(29,608,620)	(34,073)
Sale of capital assets	-	-	10,050	10,050
Total Other Financing Sources (Uses)	<u>(2,440,358)</u>	<u>(24,222,461)</u>	<u>(24,246,483)</u>	<u>(24,022)</u>
Net changes in fund balances	(3,223,967)	(10,766,677)	1,780,307	12,546,984
Fund Balances - Beginning	<u>114,016,402</u>	<u>114,016,402</u>	<u>114,016,402</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 110,792,435</u>	<u>\$ 103,249,725</u>	<u>\$ 115,796,709</u>	<u>\$ 12,546,984</u>

OLMSTED COUNTY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
INFRASTRUCTURE FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Property taxes	\$ 6,341,393	\$ 6,341,393	\$ 6,335,959	\$ (5,434)
Sales taxes	18,200,000	19,500,000	18,557,138	(942,862)
Wheelage taxes	1,400,000	1,400,000	1,426,037	26,037
Intergovernmental revenue	18,662,762	22,079,832	17,205,431	(4,874,401)
Charges for services	757,900	1,551,400	1,304,735	(246,665)
Other	5,948,850	2,053,120	383,358	(1,669,762)
Total Revenues	<u>51,310,905</u>	<u>52,925,745</u>	<u>45,212,658</u>	<u>(7,713,087)</u>
Expenditures:				
Current				
Highways and streets				
Administration	679,519	777,437	777,437	-
Surveying	693,432	686,507	667,642	18,865
Maintenance	4,410,329	4,400,185	4,195,083	205,102
Construction	42,263,270	37,830,609	35,528,242	2,302,367
Equipment maintenance and shops	3,227,965	3,242,011	2,961,379	280,632
Total Expenditures	<u>51,274,515</u>	<u>46,936,749</u>	<u>44,129,783</u>	<u>2,806,966</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>36,390</u>	<u>5,988,996</u>	<u>1,082,875</u>	<u>(4,906,121)</u>
Other Financing Sources (Uses):				
Transfers in	152,543	1,679,393	1,526,850	(152,543)
Transfers out	(3,783,833)	(3,783,833)	(3,622,790)	161,043
Total Other Financing Sources (Uses)	<u>(3,631,290)</u>	<u>(2,104,440)</u>	<u>(2,095,940)</u>	<u>8,500</u>
Net changes in fund balances	(3,594,900)	3,884,556	(1,013,065)	(4,897,621)
Fund Balances - Beginning	9,911,659	9,911,659	9,911,659	-
Fund Balances - Ending	<u>\$ 6,316,759</u>	<u>\$ 13,796,215</u>	<u>\$ 8,898,594</u>	<u>\$ (4,897,621)</u>

OLMSTED COUNTY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
HEALTH AND HUMAN SERVICES FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Property taxes	\$ 40,438,818	\$ 40,438,818	\$ 40,404,768	\$ (34,050)
Licenses and permits	823,500	823,500	952,192	128,692
Intergovernmental revenue	42,624,105	45,737,974	44,886,882	(851,092)
Charges for services	9,790,049	9,790,049	10,952,376	1,162,327
Gifts and contributions	501	501	-	(501)
Other	161,146	259,643	297,136	37,493
Total Revenues	<u>93,838,119</u>	<u>97,050,485</u>	<u>97,493,354</u>	<u>442,869</u>
Expenditures:				
Current				
Health				
Health	<u>13,014,514</u>	<u>15,130,511</u>	<u>14,744,434</u>	<u>386,077</u>
Human services				
Income maintenance	15,540,039	18,766,622	18,283,711	482,911
Social services	65,036,352	76,258,701	74,215,343	2,043,358
Support services	412,012	-	-	-
Veterans services	560,767	629,834	600,580	29,254
Total human services	<u>81,549,170</u>	<u>95,655,157</u>	<u>93,099,634</u>	<u>2,555,523</u>
Total Expenditures	<u>94,563,684</u>	<u>110,785,668</u>	<u>107,844,068</u>	<u>2,941,600</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(725,565)</u>	<u>(13,735,183)</u>	<u>(10,350,714)</u>	<u>3,384,469</u>
Other Financing Sources (Uses):				
Transfers in	350,858	13,782,708	13,590,312	(192,396)
Transfers out	(235,745)	(635,051)	(212,263)	422,788
Total Other Financing Sources (Uses)	<u>115,113</u>	<u>13,147,657</u>	<u>13,378,049</u>	<u>230,392</u>
Net changes in fund balances	(610,452)	(587,526)	3,027,335	3,614,861
Fund Balances - Beginning	<u>10,567,563</u>	<u>10,567,563</u>	<u>10,567,563</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 9,957,111</u>	<u>\$ 9,980,037</u>	<u>\$ 13,594,898</u>	<u>\$ 3,614,861</u>

OLMSTED COUNTY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
AMERICAN RESCUE PLAN ACT FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental revenue	\$ -	\$ 5,352,086	\$ 5,352,087	\$ 1
Other Financing Sources (Uses):				
Transfers out	-	(5,352,086)	(5,352,087)	(1)
Net changes in fund balances	-	-	-	-
Fund Balances - Beginning	-	-	-	-
Fund Balances - Ending	\$ -	\$ -	\$ -	\$ -

OLMSTED COUNTY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
OPIOID SETTLEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental revenue	\$ -	\$ 40,000	\$ 40,000	\$ -
Investment income	-	-	26,065	26,065
Other	-	756,212	207,318	(548,894)
Total Revenues	<u>-</u>	<u>796,212</u>	<u>273,383</u>	<u>(522,829)</u>
Expenditures:				
Current				
Health	-	17,500	17,442	58
Total Expenditures	<u>-</u>	<u>17,500</u>	<u>17,442</u>	<u>58</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>778,712</u>	<u>255,941</u>	<u>(522,771)</u>
Other Financing Sources (Uses):				
Transfers out	-	(301,000)	(40,285)	260,715
Total Other Financing Sources (Uses)	<u>-</u>	<u>(301,000)</u>	<u>(40,285)</u>	<u>260,715</u>
Net changes in fund balances	-	477,712	215,656	(262,056)
Fund Balances - Beginning	<u>836,916</u>	<u>836,916</u>	<u>836,916</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 836,916</u>	<u>\$ 1,314,628</u>	<u>\$ 1,052,572</u>	<u>\$ (262,056)</u>

OLMSTED COUNTY
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED DECEMBER 31, 2023

<u>Year</u>	<u>Service Costs</u>	<u>Interest</u>	<u>Difference between Expected and Actual Experience</u>	<u>Change of Assumption</u>	<u>Benefit Payments</u>	<u>Net Change in Total OPEB Liability</u>	<u>Total OPEB Liability - Beginning</u>	<u>Total OPEB Liability - Ending</u>	<u>Covered Employee Payroll</u>	<u>Total OPEB Liability as a Percentage of Covered Employee Payroll</u>
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
PUBLIC EMPLOYEE GENERAL EMPLOYEES RETIREMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

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
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
2015	1.019	52,792,259	N/A	52,792,259	59,961,542	88.04	78.20

This schedule is intended to show information for ten years. An additional year will be displayed when it becomes available. The measurement date for each year is June 30.
N/A - Not Applicable

OLMSTED COUNTY
SCHEDULE OF CONTRIBUTIONS
PUBLIC EMPLOYEES GENERAL EMPLOYEES RETIREMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

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)
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
2015	4,601,312	4,601,312	-	61,350,806	7.50

This schedule is intended to show information for ten years. An additional year will be displayed when it becomes available. The County's year-end is December 31.

OLMSTED COUNTY
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
PERA PUBLIC EMPLOYEES POLICE AND FIRE FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

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
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
2015	0.578	6,567,433	N/A	6,567,433	5,305,805	123.78	86.60

This schedule is intended to show information for ten years. An additional year will be displayed when it becomes available. The measurement date for each year is June 30.

N/A - Not Applicable

OLMSTED COUNTY
SCHEDULE OF CONTRIBUTIONS
PERA PUBLIC EMPLOYEES POLICE AND FIRE FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

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)
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
2015	871,680	871,680	-	5,380,741	16.20

This schedule is intended to show information for ten years. An additional year will be displayed when it becomes available. The County's year-end is December 31.

OLMSTED COUNTY
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET)
PERA PUBLIC EMPLOYEES CORRECTIONAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

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
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
2015	2.990	462,254	5,363,086	8.62	96.90

This schedule is intended to show information for ten years. An additional year will be displayed when it becomes available. The measurement date for each year is June 30.

OLMSTED COUNTY
SCHEDULE OF CONTRIBUTIONS
PERA PUBLIC EMPLOYEES CORRECTIONAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

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)
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
2015	481,889	481,889	-	5,507,290	8.75

This schedule is intended to show information for ten years. An additional year will be displayed when it becomes available. The County's year-end is December 31.

OLMSTED COUNTY
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2023

Basis of Budgeting

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

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

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

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

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

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

OLMSTED COUNTY
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2023

Other Postemployment Benefits

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

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

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

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.

OLMSTED COUNTY
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2023

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.

OLMSTED COUNTY
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2023

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

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 changed 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.

OLMSTED COUNTY
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2023

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

Change in Plan Provisions

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

2018

Change in Actuarial Assumptions

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

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

Change in Plan Provisions

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

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

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

Contribution stabilizer provisions were repealed.

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

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

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

OLMSTED COUNTY
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2023

2017

Changes in Actuarial Assumptions

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

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

Changes in Plan Provisions

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

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

2016

Change in Actuarial Assumptions

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

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

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

Change in Plan Provisions

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

2015

Change in Actuarial Assumptions

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

Change in Plan Provisions

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

Public Employees Police and Fire Plan

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%.

OLMSTED COUNTY
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2023

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 MN-2020.

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

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

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

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

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

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

Change in Plan Provisions

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

OLMSTED COUNTY
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2023

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

Change in Plan Provisions

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

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

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

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

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

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

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

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

2017

Change in Actuarial Assumptions

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

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

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

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

OLMSTED COUNTY
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2023

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

2015

Change in Actuarial Assumptions

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

Change in Plan Provisions

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

Public Employees Correctional Plan

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%.

OLMSTED COUNTY
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2023

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 MN-2020.

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

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

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

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

Assumed rates of disability lowered.

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

Minor changes to form of payment assumptions were applied.

Change in Plan Provisions

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

OLMSTED COUNTY
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2023

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.

OLMSTED COUNTY
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2023

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.

2015

Change in Actuarial Assumptions

There have been no changes since the prior valuation.

Change in Plan Provisions

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



Supplementary Information

GOVERNMENTAL FUNDS

OLMSTED COUNTY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
DEBT SERVICE FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Property taxes	\$ 3,180,194	\$ 3,180,194	\$ 3,177,536	\$ (2,658)
Investment income	509,738	340,636	322,051	(18,585)
Total Revenues	<u>3,689,932</u>	<u>3,520,830</u>	<u>3,499,587</u>	<u>(21,243)</u>
Expenditures:				
Debt service				
Principal	8,888,567	4,393,217	4,393,216	1
Interest and fiscal charges	3,839,990	2,127,143	2,127,143	-
Total Expenditures	<u>12,728,557</u>	<u>6,520,360</u>	<u>6,520,359</u>	<u>1</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(9,038,625)</u>	<u>(2,999,530)</u>	<u>(3,020,772)</u>	<u>(21,242)</u>
Other Financing Sources:				
Transfers in	<u>8,202,160</u>	<u>3,622,790</u>	<u>3,622,790</u>	<u>-</u>
Net changes in fund balances	(836,465)	623,260	602,018	(21,242)
Fund Balances - Beginning	<u>23,136,977</u>	<u>23,136,977</u>	<u>23,136,977</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 22,300,512</u>	<u>\$ 23,760,237</u>	<u>\$ 23,738,995</u>	<u>\$ (21,242)</u>

OLMSTED COUNTY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CAPITAL PROJECTS FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Property taxes	\$ 833,000	\$ 657,000	\$ 656,693	\$ (307)
Intergovernmental revenue	940,000	165,973	96,647	(69,326)
Gifts and contributions	-	928,029	951,739	23,710
Investment income	-	-	115,889	115,889
Other	50,000	-	16,969	16,969
Total Revenues	<u>1,823,000</u>	<u>1,751,002</u>	<u>1,837,937</u>	<u>86,935</u>
Expenditures:				
Capital Outlay				
General government	17,926,931	-	-	-
Information Technology	816,500	-	-	-
Public safety	733,087	783,183	783,183	-
Culture and recreation	2,529,000	2,807,294	2,761,888	45,406
Highways and streets	1,468,099	840,341	744,858	95,483
Total Expenditures	<u>23,473,617</u>	<u>4,430,818</u>	<u>4,289,929</u>	<u>140,889</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(21,650,617)</u>	<u>(2,679,816)</u>	<u>(2,451,992)</u>	<u>227,824</u>
Other Financing Sources (Uses):				
Transfers in	2,393,000	1,181,600	1,223,100	41,500
Transfers out	-	(475,000)	(503,107)	(28,107)
Issuance of debt	18,466,117	2,356,899	2,356,893	(6)
Premium on bonds	-	117,652	117,652	-
Sale of capital assets	676,500	232,500	152,848	(79,652)
Total Other Financing Sources (Uses)	<u>21,535,617</u>	<u>3,413,651</u>	<u>3,347,386</u>	<u>(66,265)</u>
Net changes in fund balances	(115,000)	733,835	895,394	161,559
Fund Balances - Beginning	<u>3,911,709</u>	<u>3,911,709</u>	<u>3,911,709</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 3,796,709</u>	<u>\$ 4,645,544</u>	<u>\$ 4,807,103</u>	<u>\$ 161,559</u>

Internal Service Funds

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

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

The **Administrative Services Fund** accounts for various organizational operations such as the motor pool, purchasing, copy and mail services, computer services, human resources, 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, 2023

	Governmental Activities			Total
	Self Insurance	Administrative Services	Building Facilities	
ASSETS				
Current Assets:				
Cash and cash equivalents	\$ 30,681,662	\$ 17,804,740	\$ 11,623,830	\$ 60,110,232
Cash and cash equivalents on deposit:				
Restricted for debt service	-	-	4,210,106	4,210,106
Restricted for construction	-	-	10,763,787	10,763,787
Designated for OPEB liability	9,427,011	-	-	9,427,011
Restricted investments held by trustee	-	-	8,663,095	8,663,095
Accounts receivable, net	351,077	16,743	3,019	370,839
Due from other governments	-	-	18,340	18,340
Lease receivable	-	-	196,954	196,954
Prepaid items	1,119	191,011	201,312	393,442
Total Current Assets	40,460,869	18,012,494	35,680,443	94,153,806
Other Assets:				
Accrued interest	-	-	48,966	48,966
Long-term loans	-	-	13,741	13,741
Lease receivable	-	-	319,471	319,471
Total Other Assets	-	-	382,178	382,178
Capital assets, net:				
Land	-	-	10,819,531	10,819,531
Building and structures	-	-	36,548,208	36,548,208
Improvements other than buildings	-	-	1,575,199	1,575,199
Equipment	-	516,693	1,530,291	2,046,984
Software	-	1,933,597	-	1,933,597
Infrastructure	-	-	1,233,665	1,233,665
Intangible right-to-use lease equipment	-	963,399	-	963,399
Intangible right-to-use subscription software	64,621	1,064,812	-	1,129,433
Construction in progress	-	-	19,870,368	19,870,368
Total capital assets, net	64,621	4,478,501	71,577,262	76,120,384
Total Noncurrent Assets	64,621	4,478,501	71,959,440	76,502,562
Total Assets	40,525,490	22,490,995	107,639,883	170,656,368
DEFERRED OUTFLOWS OF RESOURCES				
OPEB	1,068,937	-	-	1,068,937
Pension	-	1,765,752	568,227	2,333,979
Total Deferred Outflows of Resources	1,068,937	1,765,752	568,227	3,402,916
LIABILITIES				
Current Liabilities:				
Accounts payable	561,725	254,872	195,883	1,012,480
Salaries payable	-	785,143	99,700	884,843
Contracts payable	-	-	3,813,931	3,813,931
Accrued interest payable	-	10,642	705,409	716,051
Due to other governments	12,946	11,962	35,341	60,249
Unearned revenue	130,365	-	116,160	246,525
Compensated absences	8,248,912	1,856,262	239,928	10,345,102
Outstanding claims	1,079,966	-	-	1,079,966
Lease payable	-	268,368	-	268,368
Information technology subscription payable	54,196	499,575	-	553,771
Bonds payable	-	-	3,299,742	3,299,742
Total Current Liabilities	10,088,110	3,686,824	8,506,094	22,281,028
Noncurrent Liabilities:				
Total OPEB liability	9,427,012	-	-	9,427,012
Net pension liability	-	9,693,521	1,821,185	11,514,706
Compensated absences	4,699,383	1,148,543	62,838	5,910,764
Outstanding claims	1,757,000	-	-	1,757,000
Lease payable	-	471,597	-	471,597
Information technology subscription payable	-	479,733	-	479,733
Bonds payable	-	-	61,552,071	61,552,071
Total Noncurrent Liabilities	15,883,395	11,793,394	63,436,094	91,112,883
Total Liabilities	25,971,505	15,480,218	71,942,188	113,393,911
DEFERRED INFLOWS OF RESOURCES				
OPEB	1,651,704	-	-	1,651,704
Pension	-	3,327,579	702,863	4,030,442
Lease	-	-	499,110	499,110
Deferred gain on refunding	-	-	274,596	274,596
Total Deferred Inflows of Resources	1,651,704	3,327,579	1,476,569	6,455,852
NET POSITION				
Net Investment in capital assets	10,425	2,759,228	22,259,868	25,029,521
Restricted for debt service	-	-	3,589,886	3,589,886
Unrestricted	13,960,793	2,689,722	8,939,599	25,590,114
Total Net Position	\$ 13,971,218	\$ 5,448,950	\$ 34,789,353	\$ 54,209,521

OLMSTED COUNTY
 COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
 INTERNAL SERVICE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2023

	Governmental Activities			Total
	Self Insurance	Administrative Services	Building Facilities	
Operating Revenues:				
Charges for services	\$ 31,161,762	\$ 30,329,533	\$ 12,175,634	\$ 73,666,929
Other	649,535	479,192	42,780	1,171,507
Total Operating Revenues	<u>31,811,297</u>	<u>30,808,725</u>	<u>12,218,414</u>	<u>74,838,436</u>
Operating Expenses:				
Personnel services	1,800,186	24,023,355	3,270,194	29,093,735
Consultants and professional services	29,551,337	768,555	4,081	30,323,973
Repairs and maintenance	-	3,328,552	1,356,440	4,684,992
Other services and charges	1,961,812	2,573,025	1,226,666	5,761,503
Supplies	164	272,104	238,358	510,626
Utilities	-	236,497	1,561,988	1,798,485
Depreciation	43,081	1,500,508	3,492,352	5,035,941
Total Operating Expenses	<u>33,356,580</u>	<u>32,702,596</u>	<u>11,150,079</u>	<u>77,209,255</u>
Operating Income (Loss)	<u>(1,545,283)</u>	<u>(1,893,871)</u>	1,068,335	<u>(2,370,819)</u>
Nonoperating Revenues (Expenses)				
Intergovernmental revenue	-	169,609	190	169,799
Investment income	490,874	154,568	613,995	1,259,437
Gain (loss) on disposal of capital assets	-	12,897	(6,575)	6,322
Lease revenue	-	-	294,780	294,780
Miscellaneous revenue	-	640,029	59,274	699,303
Miscellaneous expense	-	(10,193,634)	-	(10,193,634)
Interest expense	(1,372)	(35,895)	(1,279,733)	(1,317,000)
Bond issuance costs and fiscal charges	-	-	(132,914)	(132,914)
Total Nonoperating Revenues (Expenses)	<u>489,502</u>	<u>(9,252,426)</u>	<u>(450,983)</u>	<u>(9,213,907)</u>
Income Before Transfers	(1,055,781)	(11,146,297)	617,352	(11,584,726)
Transfers in	54,780	12,119,473	1,079,897	13,254,150
Transfers out	-	(33)	(97,606)	(97,639)
Total Transfers	<u>54,780</u>	<u>12,119,440</u>	<u>982,291</u>	<u>13,156,511</u>
Change in net position	(1,001,001)	973,143	1,599,643	1,571,785
Net position - Beginning	14,972,219	4,475,807	33,189,710	52,637,736
Net position - Ending	<u>\$ 13,971,218</u>	<u>\$ 5,448,950</u>	<u>\$ 34,789,353</u>	<u>\$ 54,209,521</u>

OLMSTED COUNTY
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023

	Governmental Activities			Total
	Self Insurance	Administrative Services	Building Facilities	
Cash flows from operating activities:				
Receipts from customers and users	\$ 769,202	\$ 1,096,643	\$ 63,242	\$ 1,929,087
Receipts from transactions with other funds	30,285,634	29,216,147	12,113,650	71,615,431
Payments to suppliers	(30,388,392)	(5,863,652)	(2,880,885)	(39,132,929)
Payments to employees	(3,401,053)	(22,772,159)	(3,157,371)	(29,330,583)
Payments to other funds for services provided	(786,409)	(1,365,090)	(1,717,701)	(3,869,200)
Other receipts	649,535	479,192	42,780	1,171,507
Net cash flows from operating activities	<u>(2,871,483)</u>	<u>791,081</u>	<u>4,463,715</u>	<u>2,383,313</u>
Cash flows from noncapital financing activities:				
Non-operating lease receipts	-	-	292,097	292,097
Transfers in	54,780	12,119,473	1,079,897	13,254,150
Intergovernmental grants received	-	169,609	190	169,799
Transfers out	-	(33)	(97,606)	(97,639)
Net cash flows from noncapital financing activities	<u>54,780</u>	<u>12,289,049</u>	<u>1,274,578</u>	<u>13,618,407</u>
Cash flows from capital and related financing activities:				
Acquisitions of capital assets	(53,506)	(724,098)	(8,960,143)	(9,737,747)
Proceeds from sale of capital assets	-	16,032	448,515	464,547
Capital Lease Payments	-	(262,775)	-	(262,775)
Bond proceeds	-	-	15,227,076	15,227,076
Payments on bond issue costs and fiscal charges	-	-	(132,914)	(132,914)
Principal paid	-	-	(3,021,784)	(3,021,784)
Interest paid	(1,372)	(40,221)	(1,666,315)	(1,707,908)
Net cash flows from capital and related financing activities	<u>(54,878)</u>	<u>(1,011,062)</u>	<u>1,894,435</u>	<u>828,495</u>
Cash flows from investing activities:				
Interest on investments	490,874	154,568	662,481	1,307,923
Withdrawals of restricted assets	-	-	121,935	121,935
Net cash flows from investing activities	<u>490,874</u>	<u>154,568</u>	<u>784,416</u>	<u>1,429,858</u>
Net increase (decrease) in cash and cash equivalents	(2,380,707)	12,223,636	8,417,144	18,260,073
Cash and cash equivalents - January 1	42,489,380	5,581,104	18,180,579	66,251,063
Cash and cash equivalents - December 31	<u>\$ 40,108,673</u>	<u>\$ 17,804,740</u>	<u>\$ 26,597,723</u>	<u>\$ 84,511,136</u>
Displayed on Proprietary Funds Statement of Net Position as:				
Cash and cash equivalents	\$ 30,681,662	\$ 17,804,740	\$ 11,623,830	\$ 60,110,232
Cash and cash equivalents on deposit:				
Restricted for debt service	-	-	4,210,106	4,210,106
Restricted for construction	-	-	10,763,787	10,763,787
Designated for OPEB	9,427,011	-	-	9,427,011
Total cash and cash equivalents	<u>\$ 40,108,673</u>	<u>\$ 17,804,740</u>	<u>\$ 26,597,723</u>	<u>\$ 84,511,136</u>
Reconciliation of operating income (loss) to net cash flows from operating activities:				
Operating income (loss)	\$ (1,545,283)	\$ (1,893,871)	\$ 1,068,335	\$ (2,370,819)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:				
Depreciation	43,081	1,500,508	3,492,352	5,035,941
Changes in pension amounts	-	185,862	86,629	272,491
Changes in OPEB amounts	1,042,211	-	-	1,042,211
(Increase) decrease in assets				
Accounts receivable	(61,077)	(16,743)	11,462	(66,358)
Due from other governments	-	-	(5,301)	(5,301)
Prepaid items	331	(189,461)	(145,633)	(334,763)
Increase (decrease) in Liabilities				
Accounts payable and other current liabilities	29,041	127,490	(99,549)	56,982
Salaries payable	-	630,093	7,921	638,014
Contracts payable	-	-	38,401	38,401
Due to other governments	(17,959)	11,962	(4,272)	(10,269)
Outstanding claims	327,099	-	-	327,099
Total OPEB liability	(842,892)	-	-	(842,892)
Compensated absences	(1,800,186)	435,241	18,273	(1,346,672)
Unearned revenue	(45,849)	-	(4,903)	(50,752)
Total adjustments	<u>(1,326,200)</u>	<u>2,684,952</u>	<u>3,395,380</u>	<u>4,754,132</u>
Net cash flows from operating activities	<u>\$ (2,871,483)</u>	<u>\$ 791,081</u>	<u>\$ 4,463,715</u>	<u>\$ 2,383,313</u>
Non-cash transaction information:				
The interest expense includes amounts for amortization of bond discounts and premiums and deferred amounts	\$ -	\$ -	\$ 244,520	\$ 244,520
Contracts/accounts payable included in capital assets	-	-	(1,727,788)	(1,727,788)
Acquisition of capital assets by subscription payable	54,196	979,308	-	1,033,504

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

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

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

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

OLMSTED COUNTY
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 CUSTODIAL FUNDS
 DECEMBER 31, 2023

	Service Bureau Activities	State Revenue	Individuals, Organizations, and Other Local Governments Revenue	Tax and Penalties	Total
ASSETS					
Cash, deposits, and investments	\$ 4,405,537	\$ 1,357,421	\$ 320,669	\$ 5,598,546	\$ 11,682,173
Taxes receivable for other governments	-	-	-	2,892,853	2,892,853
Special assessments receivable	616,492	-	-	-	616,492
Accounts receivable, net	250,730	3,209	4,903	-	258,842
Due from other governments	1,018,899	73	-	-	1,018,972
Prepaid items	20,712	-	-	-	20,712
Total Assets	<u>6,312,370</u>	<u>1,360,703</u>	<u>325,572</u>	<u>8,491,399</u>	<u>16,490,044</u>
LIABILITIES					
Accounts payable	477,314	1,822	34,629	3,557,079	4,070,844
Due to other governments	1,222,517	1,358,760	12,695	1,695,464	4,289,436
Unearned revenue	384,738	-	-	-	384,738
Total Liabilities	<u>2,084,569</u>	<u>1,360,582</u>	<u>47,324</u>	<u>5,252,543</u>	<u>8,745,018</u>
DEFERRED INFLOWS OF RESOURCES					
Advanced contributions	2,044,110	-	-	346,002	2,390,112
NET POSITION					
Restricted for:					
Individuals, organizations, and governments	<u>\$ 2,183,691</u>	<u>\$ 121</u>	<u>\$ 278,248</u>	<u>\$ 2,892,854</u>	<u>\$ 5,354,914</u>

OLMSTED COUNTY
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY FUND NET POSITION
 CUSTODIAL FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2023

	Service Bureau Activities	State Revenue	Individuals, Organizations, and Other Local Governments Revenue	Tax and Penalties	Total
ADDITIONS					
Contributions:					
Individuals	\$ -	\$ -	\$ 401,109	\$ -	\$ 401,109
Members	8,958,951	-	-	-	8,958,951
Others	1,023,390	-	-	-	1,023,390
Interest, dividends, other	150,867	-	-	-	150,867
Property tax collections for other governments	-	25,067,363	-	221,279,449	246,346,812
Other tax collections for other governments	-	6,937,891	-	-	6,937,891
Grant collections for other governments and organizations	7,522,404	-	-	-	7,522,404
Fee collections for other governments and organizations	945,519	928,760	123,471	-	1,997,750
Fines and forfeits collections for other governments and organizations	354,019	-	-	-	354,019
Miscellaneous	53,090	2,166,453	1,429,975	-	3,649,518
Total additions	<u>19,008,240</u>	<u>35,100,467</u>	<u>1,954,555</u>	<u>221,279,449</u>	<u>277,342,711</u>
DEDUCTIONS					
Beneficiary payments to individuals	-	-	112,605	-	112,605
Payments of property tax to other governments	-	25,067,363	-	219,608,517	244,675,880
Payments to state	-	9,690,713	-	-	9,690,713
Administrative expenses	659,030	-	-	-	659,030
Payments to other entities	18,075,866	342,416	1,748,419	1,636,123	21,802,824
Total deductions	<u>18,734,896</u>	<u>35,100,492</u>	<u>1,861,024</u>	<u>221,244,640</u>	<u>276,941,052</u>
Net increase (decrease) in fiduciary net position	273,344	(25)	93,531	34,809	401,659
Net Position - Beginning	1,910,347	146	184,717	2,858,045	4,953,255
Net Position - Ending	<u>\$ 2,183,691</u>	<u>\$ 121</u>	<u>\$ 278,248</u>	<u>\$ 2,892,854</u>	<u>\$ 5,354,914</u>

Capital Assets Used in the Operation of Governmental Funds

OLMSTED COUNTY
CAPITAL ASSETS USED IN THE OPERATIONS OF GOVERNMENTAL FUNDS
SCHEDULE BY FUNCTION AND ACTIVITY
FOR THE YEAR ENDED DECEMBER 31, 2023

	Land	Infrastructure Land	Infrastructure	Buildings	Improvements other than Buildings	Equipment and Vehicles	Software	Subscription Right-To-Use Software	Construction in Progress	Total
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,060,712	\$ 2,704,318	\$ 139,715	\$ -	\$ 3,904,745
Public safety	-	-	-	-	-	6,569,719	1,154,108	-	-	7,723,827
Conservation of natural resources	640,000	130,859	365,055	-	-	182,171	-	-	-	1,318,085
Highways and streets	9,421,489	40,929,728	305,369,303	19,457,916	1,078,101	12,281,061	33,691	-	25,145,145	413,716,434
Health	-	-	-	-	-	221,478	522,808	-	-	744,286
Human services	-	-	-	-	-	72,723	1,159,696	-	-	1,232,419
Culture and recreation	3,517,223	-	-	25,213,418	5,218,502	3,346,658	-	-	1,440,315	38,736,116
Total Capital Assets	13,578,712	41,060,587	305,734,358	44,671,334	6,296,603	23,734,522	5,574,621	139,715	26,585,460	467,375,912
Less Accumulated Depreciation	-	-	(168,733,358)	(16,673,285)	(2,845,696)	(16,642,727)	(4,649,691)	(55,886)	-	(209,600,643)
Capital Assets, net	<u>\$ 13,578,712</u>	<u>\$ 41,060,587</u>	<u>\$ 137,001,000</u>	<u>\$ 27,998,049</u>	<u>\$ 3,450,907</u>	<u>\$ 7,091,795</u>	<u>\$ 924,930</u>	<u>\$ 83,829</u>	<u>\$ 26,585,460</u>	<u>\$ 257,775,269</u>

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

OLMSTED COUNTY
SCHEDULE OF CHANGES IN CAPITAL ASSETS USED IN THE OPERATIONS OF GOVERNMENTAL FUNDS
ADDITIONS, DEDUCTIONS AND TRANSFERS BY FUNCTION
FOR THE YEAR ENDED DECEMBER 31, 2023

	Governmental Funds Capital Assets January 1	Additions	Deductions	Transfers	Governmental Funds Capital Assets December 31
General Government (1)	\$ 3,965,176	\$ -	\$ (60,431)	\$ -	\$ 3,904,745
Public Safety	7,230,520	684,319	(191,012)	-	7,723,827
Conservation of natural resources	1,284,595	33,490	-	-	1,318,085
Highways and Streets	392,051,437	41,011,893	(19,374,043)	27,147	413,716,434
Health	744,286	-	-	-	744,286
Human Services	1,232,419	-	-	-	1,232,419
Culture and Recreation	<u>36,864,344</u>	<u>10,446,245</u>	<u>(8,547,326)</u>	<u>(27,147)</u>	<u>38,736,116</u>
Total	<u>\$ 443,372,777</u>	<u>\$ 52,175,947</u>	<u>\$ (28,172,812)</u>	<u>\$ -</u>	<u>\$ 467,375,912</u>

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

(1) Beginning balances adjusted due to the implementation of Government Accounting Standard Board (GASB), Statement No. 96, Subscription-Based Information Technology Arrangements.

OLMSTED COUNTY
 CAPITAL ASSETS USED IN THE OPERATIONS OF GOVERNMENTAL FUNDS
 COMPARATIVE SCHEDULES BY SOURCE
 FOR THE YEAR ENDED DECEMBER 31, 2023

Governmental funds capital assets:	
Land	\$ 13,578,712
Infrastructure land	41,060,587
Infrastructure	305,734,358
Buildings	44,671,334
Improvements other than buildings	6,296,603
Equipment and vehicles	23,734,522
Software	5,574,621
Subscription Right-To-Use Software	139,715
Construction in progress	26,585,460
Total governmental funds capital assets	<u>\$ 467,375,912</u>
Investment in governmental funds capital assets by source:	
General government	\$ 3,904,745
Public safety	7,723,827
Conservation of natural resources	1,318,085
Highways and streets	413,716,434
Health	744,286
Human services	1,232,419
Culture and recreation	38,736,116
Total governmental funds capital assets	<u>\$ 467,375,912</u>

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

Schedule does not include assets held by the Proprietary Funds.

Schedules

OLMSTED COUNTY
SCHEDULE OF DEPOSITS AND INVESTMENTS
DECEMBER 31, 2023

Investments	Interest Rates (Percent)	December 31, 2023
Pooled Investments		
Municipal Bonds	.39 - 2.05	\$ 2,939,291
	3 - 3.99	\$ 4,937,513
Total Municipal Bonds		<u>\$ 7,876,804</u>
U.S. Government Securities	0 - 0.99	\$ 46,637,096
	1 - 1.99	\$ 28,234,017
	2 - 2.99	\$ 53,451,083
	3 - 3.99	\$ 42,734,975
	4 - 4.99	\$ 29,928,735
	5 - 5.99	\$ 5,190,785
	6 - 6.99	\$ 3,000,341
Total U.S. Government Securities		<u>\$ 209,177,032</u>
Mutual Funds	Variable	\$ 55,797,038
Investments Held at Trust		
U.S. Government Securities	0 - 0.99	\$ 26,113,903
Mutual Funds	Variable	\$ 8,531,649
Total Investments		<u>\$ 307,496,426</u>
Total Deposits and Petty Cash		<u>\$ 6,972,482</u>
Total Deposits and Investments		<u><u>\$ 314,468,908</u></u>

OLMSTED COUNTY
TAX CAPACITY, TAX RATES, LEVIES, AND PERCENTAGE OF COLLECTIONS
FOR FISCAL YEAR 2023

	2023	
	Net Tax Capacity	Tax Capacity Rate Percent
Tax Capacity:		
Real property	\$ 279,031,794	
Personal property	4,690,921	
Tax increment financing	(9,542,722)	
Net Tax Capacity (1)	\$ 274,179,993	
Taxes Levied for		
County Purposes:		
General	\$ 125,806,608	41.419
Library (2)	1,386,022	1.733
Total Levy for County Purposes (3)	\$ 127,192,630	43.152
Less:		
State paid Credits & Aids	7,713,203	
Net Levy for County Purposes	\$ 119,479,427	
Taxable Valuations -		
Light and Power:		
Transmission	\$ 44,936	
Distribution	256,848	
Total Taxable Valuation - Light and Power	\$ 301,784	
Light and Power Tax Levied (4)		
Tax Capacity Rate %		104.900
Market Value Rate %		0.1800
Transmission - County share (5)	\$ 25,605	
Distribution - County share (5)	146,226	
Total Light and Power Tax Levied	\$ 171,830	
Percentage of tax collections, for all purposes (6)	99.2%	

(1) Source: Payable year Abstract of Tax Lists and Certification of State Paid Property Tax Credits 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 12/31/2023

	General	Infrastructure	Health & Human Services	American Rescue Plan Act Fund	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	\$ 11,111	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,111	\$ -	\$ -	\$ -	\$ 11,111
Certified Program Aid	7,713,203	-	-	-	-	-	7,713,203	-	-	-	7,713,203
Disparity Aid	4,929	-	-	-	-	-	4,929	-	-	-	4,929
Local Homeless Prevention Aid	-	-	377,183	-	-	-	377,183	-	-	-	377,183
Local Performance Aid	-	-	-	-	-	-	-	-	-	23,528	23,528
Medical Assistance Eligibility Renewal	-	-	897,163	-	-	-	897,163	-	-	-	897,163
Market Value	387,499	-	-	-	-	-	387,499	-	14,596	-	402,095
PERA Aid	30,420	389	3,389	-	-	-	34,198	491	-	1,582	36,271
Police State Aid	838,485	-	-	-	-	-	838,485	-	-	-	838,485
Public Safety Aid	2,395,350	-	-	-	-	-	2,395,350	-	-	-	2,395,350
E911 Distribution	674,612	-	-	-	-	-	674,612	-	-	-	674,612
MPCA Score Reimbursement	-	-	-	-	-	-	-	482,560	-	-	482,560
Bridge Bonding - Town Bridge	-	29,518	-	-	-	-	29,518	-	-	-	29,518
Highway User Tax - State Aid	-	10,330,896	-	-	-	-	10,330,896	-	-	-	10,330,896
TOTAL APPROPRIATIONS AND SHARED REVENUE	12,055,609	10,360,803	1,277,735	-	-	-	23,694,147	483,051	14,596	25,110	24,216,904
REIMBURSEMENT FOR SERVICES	-	-	9,854,501	-	-	-	9,854,501	-	-	-	9,854,501
STATE GRANTS											
Corrections	-	-	94,996	-	-	-	94,996	-	-	-	94,996
Health	-	-	1,945,560	-	-	-	1,945,560	-	-	-	1,945,560
Housing Finance Agency	-	-	-	-	-	-	-	-	359,150	-	359,150
Human Services	3,578	-	11,797,563	-	-	-	11,801,141	-	885,775	-	12,686,916
Natural Resources	24,956	-	-	-	-	96,647	121,603	-	-	-	121,603
Peace Officer Standards and Training Board	80,816	-	-	-	-	-	80,816	-	-	-	80,816
Pollution Control	-	-	-	-	-	-	-	52,964	-	-	52,964
Public Safety	17,795	67,538	-	-	-	-	85,333	-	-	-	85,333
Secretary of State	31,119	-	-	-	-	-	31,119	-	-	-	31,119
Transportation	76,429	609,925	-	-	-	-	686,354	-	-	-	686,354
Trial Courts	139,338	-	-	-	-	-	139,338	-	-	-	139,338
Veterans Affairs	1,000	-	-	-	-	-	1,000	-	-	-	1,000
Water and Soil Resources	56,849	-	-	-	-	-	56,849	-	-	-	56,849
TOTAL STATE GRANTS	431,880	677,463	13,838,119	-	-	96,647	15,044,109	52,964	1,244,925	-	16,341,998
FEDERAL GRANTS											
US Department of Agriculture	80,153	-	2,833,235	-	-	-	2,913,388	-	49,042	-	2,962,430
US Department of Education	-	-	2,100	-	-	-	2,100	-	-	-	2,100
US Department of Health and Human Services	317,684	-	17,054,330	-	-	-	17,372,014	-	-	-	17,372,014
US Department of Homeland Security	77,203	-	-	-	-	-	77,203	-	-	-	77,203
US Department of Housing and Urban Development	-	-	17,752	-	-	-	17,752	-	7,736,885	-	7,754,637
US Department of Justice	212,979	-	-	-	-	-	212,979	-	-	-	212,979
US Department of the Treasury	-	-	-	5,352,087	-	-	5,352,087	-	-	-	5,352,087
US Department of Transportation	720,733	6,167,165	-	-	-	-	6,887,898	-	-	-	6,887,898
TOTAL FEDERAL GRANTS	1,408,752	6,167,165	19,907,417	5,352,087	-	-	32,835,421	-	7,785,927	-	40,621,348
LOCAL											
City of Rochester	30,676	-	9,110	-	40,000	-	79,786	-	-	-	79,786
Fillmore County	-	-	-	-	-	-	-	-	-	10,005	10,005
Freeborn County	-	-	-	-	-	-	-	-	-	14,381	14,381
Goodhue County	-	-	-	-	-	-	-	-	-	22,008	22,008
Houston County	-	-	-	-	-	-	-	-	-	8,834	8,834
Minnesota Prairie County Alliance	-	-	-	-	-	-	-	-	-	36,187	36,187
Mower County	-	-	-	-	-	-	-	-	-	19,027	19,027
Other Governmental	21,815	-	-	-	-	-	21,815	-	-	-	21,815
Wabasha County	-	-	-	-	-	-	-	-	-	10,271	10,271
Winona County	-	-	-	-	-	-	-	-	-	23,976	23,976
TOTAL LOCAL	52,491	-	9,110	-	40,000	-	101,601	-	-	144,689	246,290
PAYMENT IN LIEU OF TAXES	144,060	-	-	-	-	-	144,060	-	-	-	144,060
TOTAL INTERGOVERNMENTAL REVENUE	\$ 14,092,792	\$ 17,205,431	\$ 44,886,882	\$ 5,352,087	\$ 40,000	\$ 96,647	\$ 81,673,839	\$ 536,015	\$ 9,045,448	\$ 169,799	\$ 91,425,101

Olmsted County
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2023

Federal Grantor/ Program Title	Federal Assistance Listing Number (ALN)	Pass-Through Agency	Pass-Through Agency Grant Number	Expenditures	Passed Through to Subrecipients
U.S. Department of Agriculture					
WIC Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	MN Dept. of Health	232MN004W1003	\$ 454,688	\$ -
WIC Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	MN Dept. of Health	242MN004W1003	196,399	-
WIC Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	MN Dept. of Health	232MN014W5003	76,887	-
WIC Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	MN Dept. of Health	242MN014W5003	<u>176,168</u>	-
Total WIC Special Supplemental Nutrition Program for Women, Infants and Children				<u>904,142</u>	-
SNAP Cluster					
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	MN Dept. of Human Services	232MN101S2514	<u>1,996,568</u>	-
Total SNAP Cluster				<u>1,996,568</u>	-
WIC Farmers' Market Nutrition Program (FMNP)	10.572	MN Dept. of Agriculture	202322Y860442	<u>2,558</u>	-
Total U.S. Department of Agriculture				<u>2,903,268</u>	-
U. S. Department of Housing and Urban Development					
Continuum of Care Program	14.267	Institute for Community Alliances	MN0366L5K022106	<u>5,919</u>	-
Total U.S. Department of Housing and Urban Development				<u>5,919</u>	-
U.S. Department of Justice					
Crime Victim Assistance	16.575	MN Dept. of Public Safety	A-CVS-2022-OLMSTEAO-127	49,550	-
State Criminal Alien Assistance Program	16.606	N/A	N/A	155,758	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	City of Rochester	15PBJA-22-GG-02530-JAGX	4,746	-
Equitable Sharing Program	16.922	N/A	N/A	<u>2,925</u>	-
Total U.S. Department of Justice				<u>212,979</u>	-
U.S. Department of Transportation					
Highway Planning and Construction	20.205	MN Dept. of Transportation	00055	4,827,961	-
Highway Planning and Construction	20.205	MN Dept. of Transportation	RC21(127)	<u>591,867</u>	-
Total Highway Planning and Construction				<u>5,419,828</u>	-

See notes to schedule of expenditures of federal awards

Olmsted County
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2023

Federal Grantor/ Program Title	Federal Assistance Listing Number (ALN)	Pass-Through Agency	Pass-Through Agency Grant Number	Expenditures	Passed Through to Subrecipients
U.S. Department of Transportation (cont.)					
Highway Safety Cluster					
State and Community Highway Safety	20.600	MN Dept. of Public Safety	A-ENFRC22-2023-OLMSTESD-005	\$ 29,765	\$ 19,555
State and Community Highway Safety	20.600	MN Dept. of Public Safety	A-ENFRC24-2024-OLMSTESD-037	955	-
Total State and Community Highway Safety				<u>30,720</u>	<u>19,555</u>
National Priority Safety Programs	20.616	MN Dept. of Public Safety	A-ENFRC21-2022-OLMSTESD-008	7,883	2,190
Total Highway Safety Cluster				<u>38,603</u>	<u>21,745</u>
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	MN Dept. of Public Safety	A-ENFRC22-2023-OLMSTESD-005	18,616	10,594
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	MN Dept. of Public Safety	A-ENFRC24-2024-OLMSTESD-037	9,942	4,966
Total Minimum Penalties for Repeat Offenders for Driving While Intoxicated				<u>28,558</u>	<u>15,560</u>
Total U.S. Department of Transportation				<u>5,486,989</u>	<u>37,305</u>
U.S. Department of Treasury					
COVID-19, Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	N/A	5,352,087	-
Total U.S. Department of Treasury				<u>5,352,087</u>	<u>-</u>
U.S. Department of Education					
Special Education, Grants for Infants and Families	84.181	MN Dept. of Health	H181A220029	2,100	-
Total U.S. Department of Education				<u>2,100</u>	<u>-</u>
U.S. Department of Health and Human Services					
Public Health Emergency Preparedness	93.069	MN Dept. of Health	NU90TP922026	61,054	-
Environmental Public Health and Emergency Response	93.070	N/A	N/A	31,653	-
Immunization Cooperative Agreements	93.268	MN Dept. of Health	NH23IP922628	47,633	-
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	MN Dept. of Health	NU50CK000508	12,032	-
Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	93.354	MN Dept. of Health	NU90TP922188	103,972	-
Activities to Support State, Tribal, Local and Territorial (STLT)					
Health Department Response to Public Health or Healthcare Crises	93.391	MN Dept. of Health	NH75OT000032	31,042	-
MaryLee Allen Promoting Safe and Stable Families Program	93.556	MN Dept. of Human Services	2201MNFPSS	101,797	-
Temporary Assistance for Needy Families	93.558	MN Dept. of Health	2501MNTANF	112,201	-
Temporary Assistance for Needy Families	93.558	MN Dept. of Human Services	2301MNTANF	1,707,526	-
Total Temporary Assistance for Needy Families				<u>1,819,727</u>	<u>-</u>

See notes to schedule of expenditures of federal awards

Olmsted County
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2023

Federal Grantor/ Program Title	Federal Assistance Listing Number (ALN)	Pass-Through Agency	Pass-Through Agency Grant Number	Expenditures	Passed Through to Subrecipients
U.S. Department of Health and Human Services (cont.)					
Child Support Enforcement	93.563	MN Dept. of Human Services	2301MNCSES / 2301MNCST	\$ 2,284,371	\$ -
Child Support Enforcement	93.563	MN Dept. of Human Services	2301MNCSES	<u>704,503</u>	<u>-</u>
Total Child Support Enforcement				<u>2,988,874</u>	<u>-</u>
Refugee and Entrant Assistance State/Replacement Designee Administered Programs	93.566	MN Dept. of Human Services	2301MNRDMA	7,243	-
CCDF Cluster					
Child Care and Development Block Grant	93.575	MN Dept. of Human Services	2301MNCDF	<u>320,664</u>	<u>-</u>
Total CCDF Cluster				<u>320,664</u>	<u>-</u>
Community-Based Child Abuse Prevention Grants	93.590	MN Dept. of Human Services	2302MNBCAP	178,020	-
Stephanie Tubbs Jones Child Welfare Services Program	93.645	MN Dept. of Human Services	2301MNCWSS	19,543	-
Foster Care Title IV-E	93.658	MN Dept. of Human Services	2301MNFOST	2,229,236	-
Social Services Block Grant	93.667	MN Dept. of Human Services	2301MNSOSR	671,746	-
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	MN Dept. of Human Services	2301MNCILP	10,637	-
Children's Health Insurance Program	93.767	MN Dept. of Human Services	2305MN5021	8,069	-
Medicaid Cluster					
Medical Assistance Program	93.778	MN Dept. of Human Services	2205MN5ADM	7,463,782	-
Medical Assistance Program	93.778	MN Dept. of Human Services	2305MN5MAP	46,580	-
COVID-19, Medical Assistance Program	93.778	MN Dept. of Health	NH23IP922628	<u>55,503</u>	<u>-</u>
Total Medical Assistance Program and Medicaid Cluster				<u>7,565,865</u>	<u>-</u>
Maternal, Infant and Early Childhood Home Visiting Grant	93.872	MN Dept. of Health	X1043589	589,000	-
Block Grants for Prevention and Treatment of Substance Abuse	93.959	MN Dept. of Human Services	B08TI083504	46,009	-
Centers for Disease Control and Prevention Collaboration with Academia to Strengthen Public Health	93.967	MN Dept. of Health	NE11OE000048	32,919	-
Maternal and Child Health Services Block Grant to the States	93.994	MN Dept. of Health	BO447426	<u>131,704</u>	<u>-</u>
Total U.S. Department of Health and Human Services				<u>17,008,439</u>	<u>-</u>
Executive Office of the President					
High Intensity Drug Trafficking Areas Program	95.001	NA	NA	<u>60,000</u>	<u>2,591</u>
Total Executive Office of the President				<u>60,000</u>	<u>2,591</u>
Total federal programs				<u>\$ 31,031,781</u>	<u>\$ 39,896</u>

See notes to schedule of expenditures of federal awards

OLMSTED COUNTY
Notes to Schedule of Expenditures of Federal Awards
Year Ended December 31, 2023

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). The County's financial statements include the operations of the Olmsted County Housing and Redevelopment Authority (the HRA), a blended component unit of the County, which expended \$9,113,172 in federal awards during the year ended December 31, 2023. 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.

2. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal award activity of the County under programs of the federal government for the year ended December 31, 2023. 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 the County, it is not intended to and does not present the financial position, changes in net position or cash flows of the County.

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.

4. Indirect Cost Rate

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

OLMSTED COUNTY
Notes to Schedule of Expenditures of Federal Awards
Year Ended December 31, 2023

5. Reconciliation to Schedule of Intergovernmental Revenue

Federal grant revenue per Schedule of Intergovernmental Revenue	\$ 40,621,348
Grants received more than 45 days after year-end, unavailable revenue in 2023:	
High Intensity Drug Trafficking Areas Program	60,000
WIC Special Supplemental Nutrition Program for Women, Infants and Children	33,380
Temporary Assistance for Needy Families	564,514
Community-Based Child Abuse Prevention Grants	47,186
Fost Care Title IV-E	9,320
Medical Assistance Program	348,758
Highway Planning and Construction	640,270
Unavailable in 2022; recognized as revenue in 2023:	
WIC Special Supplemental Nutrition Program for Women, Infants and Children	(38,049)
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	(5,451)
Activities to Support State, Tribal, Local and Territorial (STLT) Health Department Response to Public Health or Healthcare Crises	(12,583)
Temporary Assistance for Needy Families	(117,218)
Community-Based Child Abuse Prevention Grants	(9,490)
Foster Care Title IV-E	(592,360)
John H. Chafee Foster Care Program for Successful Transition to Adulthood	(5,906)
Medical Assistance Program	(595,796)
Emergency Management Performance Grants	(77,203)
Continuum of Care Program	(11,833)
Highway Planning and Construction	(2,041,179)
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.	(9,113,172)
Olmsted County HRA reconciling items between the Schedule of Expenditures of Federal Awards and the Schedule of Intergovernmental Revenue	1,327,245
Total	\$ 31,031,781



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	156
Changes in Net Position	157
Fund Balance, Governmental Funds	159
Changes in Fund Balance, Governmental Funds.	160

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	161
Economic Market Value.....	162
Direct and Overlapping Property Tax Rates	163
Principal Property Taxpayers	165
Property Tax Levies and Collections	166

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	170
Ratios of Net General Bonded Debt Outstanding	171
Direct and Overlapping General Obligation Bonded Debt	172
Legal Debt Margin Information	173

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	174
Principal Employers	175

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	176
Operating Indicators by Function/Program	177
Capital Asset Statistics by Function/Program	179

SCHEDULE 1 (Unaudited)

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

	2014 (1)	2015	2016 (2)	2017 (3)	2018	2019	2020	2021	2022	2023
Governmental activities										
Net investment in capital assets	\$ 167,741	\$ 176,290	\$ 179,278	\$ 176,362	\$ 178,260	\$ 181,076	\$ 192,229	\$ 204,900	\$ 218,053	\$ 230,797
Restricted	19,464	15,067	11,162	11,579	13,210	15,913	15,867	17,320	19,717	23,490
Unrestricted	66,465	61,308	57,055	53,045	60,872	67,646	88,696	97,977	91,982	98,810
Total Governmental activities net position	\$ 253,670	\$ 252,665	\$ 247,495	\$ 240,986	\$ 252,342	\$ 264,635	\$ 296,792	\$ 320,197	\$ 329,752	\$ 353,097
Business-type activities										
Net investment in capital assets	\$ 37,838	\$ 33,966	\$ 32,080	\$ 31,812	\$ 33,397	\$ 34,929	\$ 37,236	\$ 37,420	\$ 39,981	\$ 44,297
Restricted	6,772	6,832	7,228	7,329	7,475	7,872	9,079	8,718	9,342	9,323
Unrestricted	132	5,251	8,266	11,692	15,328	15,941	18,375	21,839	27,394	32,620
Total Business-type activities net position	\$ 44,742	\$ 46,049	\$ 47,574	\$ 50,833	\$ 56,200	\$ 58,742	\$ 64,690	\$ 67,977	\$ 76,717	\$ 86,240
Primary government										
Net investment in capital assets	\$ 205,579	\$ 210,256	\$ 211,358	\$ 208,174	\$ 211,657	\$ 216,005	\$ 229,465	\$ 242,320	\$ 258,034	\$ 275,094
Restricted	26,236	21,899	18,390	18,908	20,685	23,785	24,946	26,038	29,059	32,813
Unrestricted	66,597	66,559	65,321	64,737	76,200	83,587	107,071	119,816	119,376	131,430
Total primary government net position	\$ 298,412	\$ 298,714	\$ 295,069	\$ 291,819	\$ 308,542	\$ 323,377	\$ 361,482	\$ 388,174	\$ 406,469	\$ 439,337

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

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

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

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

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

Data Source: Yearly Financial Statements

SCHEDULE 2 (Unaudited)

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Governmental activities:										
General Government	\$ 15,537	\$ 15,357	\$ 22,791	\$ 25,905	\$ 19,732	\$ 19,850	\$ 26,536	\$ 20,291	\$ 31,055	\$ 14,817
Public Safety	34,330	38,759	53,829	51,468	50,865	54,051	55,038	57,451	64,164	68,881
Highway and Streets	20,134	35,650	25,439	27,206	25,686	28,303	27,821	28,584	29,752	30,728
Health	11,933	13,210	13,786	13,578	13,810	13,535	13,689	13,560	13,212	15,272
Human Services	56,059	61,196	66,978	68,391	69,583	76,135	78,533	77,292	90,015	95,579
Culture and Recreation	4,525	4,519	5,370	7,216	4,801	5,464	5,894	5,942	6,879	7,309
Interest on long-term debt	2,387	2,554	3,292	2,716	2,482	2,517	2,494	2,374	3,074	3,033
Other	1,046	1,130	1,771	1,688	2,621	4,173	1,376	1,403	1,565	2,023
Total governmental activities expenses	145,951	172,375	193,256	198,168	189,580	204,028	211,381	206,897	239,716	237,642
Business-type activities:										
Waste Management	23,482	21,771	26,007	22,393	22,783	25,368	23,597	23,910	22,986	23,434
Sanitary Sewer	100	104	91	120	104	119	124	132	152	134
Communications	1,161	1,100	1,087	1,260	1,106	1,266	1,322	1,801	193	-
Olmsted County HRA	n/a	n/a	6,443	7,351	7,320	8,382	10,789	11,806	12,871	14,161
Total business-type activities expenses	24,743	22,975	33,628	31,124	31,313	35,135	35,832	37,649	36,202	37,729
Total primary government expenses	\$ 170,694	\$ 195,350	\$ 226,884	\$ 229,292	\$ 220,893	\$ 239,163	\$ 247,213	\$ 244,546	\$ 275,918	\$ 275,371
Program Revenues										
Governmental activities:										
Charges for services, Fines, Licenses and Permits										
General Government	\$ 4,677	\$ 4,325	\$ 6,258	\$ 5,831	\$ 6,031	\$ 5,754	\$ 5,371	\$ 4,888	\$ 9,351	\$ 3,587
Public Safety	2,604	3,080	9,543	9,668	10,018	10,469	10,659	11,391	11,424	12,394
Highway and Streets	1,646	2,551	3,389	964	995	1,500	1,170	1,326	888	1,577
Health	2,011	2,202	2,026	2,692	2,709	1,588	1,478	1,587	2,666	2,169
Human Services	5,246	4,636	6,258	6,690	6,602	8,715	8,718	8,804	9,707	9,780
Culture and Recreation	378	394	592	593	740	1,172	1,152	1,045	1,117	1,211
Other	121	117	205	200	192	132	572	599	669	636
Operating grants and contributions	49,339	46,174	42,533	45,133	48,401	55,195	55,051	55,866	55,370	59,540
Capital grants and contributions	2,972	5,479	10,373	6,436	215	173	4,540	4,367	4,881	6,139
Total governmental activities program revenue	68,994	68,958	81,177	78,207	75,903	84,698	88,711	89,873	96,073	97,033

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

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Business-type activities:										
Charges for services:										
Waste Management	22,339	22,199	22,617	23,763	25,650	25,519	25,326	26,881	28,083	28,266
Communication	1,201	1,194	1,205	1,260	1,262	1,281	1,251	983	-	-
Sanitary Sewer	89	93	90	91	92	94	98	103	106	106
Olmsted County HRA	n/a	n/a	1,356	1,673	2,233	2,219	2,498	2,611	2,555	2,771
Operating grants and contributions	668	698	5,538	5,616	4,997	5,685	8,579	6,468	8,388	9,501
Capital grants and contributions	-	-	-	-	-	-	-	-	-	97
Total business-type activities program revenues	24,297	24,184	30,806	32,403	34,234	34,798	37,752	37,046	39,132	40,741
Total primary government program revenue	\$ 93,291	\$ 93,142	\$ 111,983	\$ 110,610	\$ 110,137	\$ 119,496	\$ 126,463	\$ 126,919	\$ 135,205	\$ 137,774
Net (Expense)/Revenue (a)										
Governmental activities	\$ (76,957)	\$ (103,417)	\$ (112,079)	\$ (119,961)	\$ (113,677)	\$ (119,330)	\$ (122,670)	\$ (117,024)	\$ (143,643)	\$ (140,609)
Business-type activities	(446)	1,209	(2,822)	1,279	2,921	(337)	1,920	(604)	2,930	3,012
Total primary government net expense	\$ (77,403)	\$ (102,208)	\$ (114,901)	\$ (118,682)	\$ (110,756)	\$ (119,667)	\$ (120,750)	\$ (117,628)	\$ (140,713)	\$ (137,597)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes	\$ 82,763	\$ 86,336	\$ 90,003	\$ 91,961	\$ 98,149	\$ 102,517	\$ 106,792	\$ 106,960	\$ 112,714	\$ 119,236
Sales taxes	5,682	6,411	6,649	10,027	13,925	14,619	14,378	16,283	18,265	18,557
Wheelage taxes	1,230	1,333	1,328	1,333	1,402	1,412	1,398	1,450	1,408	1,426
Unrestricted grants	6,922	7,128	7,043	7,307	8,119	7,783	27,915	16,317	26,154	13,517
Investment income	1,464	726	1,378	1,397	3,027	5,161	3,985	(1,018)	(4,183)	11,782
Other	517	478	508	387	411	131	126	149	249	303
Transfers	-	-	-	-	-	-	233	288	(1,409)	(867)
Total governmental activities	98,578	102,412	106,909	112,412	125,033	131,623	154,827	140,429	153,198	163,954
Business-type activities										
Property Taxes	-	-	1,344	1,348	1,744	2,484	3,516	3,752	3,916	4,541
Investment income	187	100	147	260	349	411	295	223	418	1,010
Other	-	(2)	6	-	-	(16)	449	204	-	93
Transfers and special items	-	-	-	372	-	-	(233)	(288)	1,476	867
Total business-type activities	187	98	1,497	1,980	2,093	2,879	4,027	3,891	5,810	6,511
Total primary government	\$ 98,765	\$ 102,510	\$ 108,406	\$ 114,392	\$ 127,126	\$ 134,502	\$ 158,854	\$ 144,320	\$ 159,008	\$ 170,465
Changes in Net Position										
Governmental activities	\$ 21,621	\$ (1,005)	\$ (5,170)	\$ (7,549)	\$ 11,356	\$ 12,293	\$ 32,157	\$ 23,405	\$ 9,555	\$ 23,345
Business-Type activities	(259)	1,307	(1,325)	3,259	5,014	2,542	5,947	3,287	8,740	9,523
Total primary government	\$ 21,362	\$ 302	\$ (6,495)	\$ (4,290)	\$ 16,370	\$ 14,835	\$ 38,104	\$ 26,692	\$ 18,295	\$ 32,868

(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)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund	3									
Nonspendable	\$ 2,168,113	\$ 3,067,174	\$ 2,823,341	\$ 2,349,030	\$ 2,468,216	\$ 2,518,975	\$ 2,678,223	\$ 2,653,758	\$ 2,940,186	\$ 2,786,643
Restricted	791,629	723,378	671,530	709,686	609,003	496,222	1,871,176	2,997,897	3,495,613	6,272,158
Assigned	2,118,017	35,916,408	44,113,523	42,040,278	40,630,982	41,920,030	39,401,349	43,315,853	42,899,496	22,044,721
Unassigned	37,987,911	38,800,363	37,009,185	35,902,897	37,738,307	42,322,289	47,210,756	50,947,825	64,681,107	84,693,187
Total general fund	\$ 43,065,670	\$ 78,507,323	\$ 84,617,579	\$ 81,001,891	\$ 81,446,508	\$ 87,257,516	\$ 91,161,504	\$ 99,915,333	\$ 114,016,402	\$ 115,796,709
All Other Governmental Funds										
Nonspendable	\$ 458,874	\$ 480,663	\$ 326,851	\$ 424,118	\$ 703,773	\$ 799,919	\$ 735,998	\$ 785,261	\$ 532,895	\$ 518,439
Restricted	19,433,407	41,189,220	38,937,029	18,368,841	16,008,394	20,703,135	17,519,346	15,769,232	33,217,082	33,971,129
Assigned	44,680,200	2,695,448	3,867,076	4,961,830	11,216,254	16,677,241	11,066,106	11,368,292	14,614,847	17,602,594
Unassigned	(1,455,091)	(1,974,827)	-	-	-	-	-	(899,000)	-	-
Total all other governmental funds	\$ 63,117,390	\$ 42,390,504	\$ 43,130,956	\$ 23,754,789	\$ 27,928,421	\$ 38,180,295	\$ 29,321,450	\$ 27,023,785	\$ 48,364,824	\$ 52,092,162
Total governmental funds	\$ 106,183,060	\$ 120,897,827	\$ 127,748,535	\$ 104,756,680	\$ 109,374,929	\$ 125,437,811	\$ 120,482,954	\$ 126,939,118	\$ 162,381,226	\$ 167,888,871

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)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues:										
Property taxes	\$ 83,178	\$ 86,342	\$ 90,776	\$ 91,484	\$ 98,987	\$ 102,429	\$ 105,146	\$ 107,152	\$ 113,026	\$ 119,480
Sales taxes	5,682	6,411	6,649	10,027	13,925	14,575	14,259	16,342	18,269	18,557
Wheelage taxes	1,230	1,333	1,328	1,333	1,402	1,412	1,398	1,450	1,408	1,426
Licenses and permits	1,966	2,372	2,335	2,425	2,417	2,263	1,915	2,136	2,434	2,246
Intergovernmental	56,422	60,741	64,690	58,882	56,337	62,118	79,060	72,206	85,107	81,674
Charges for services	13,609	14,361	24,953	22,763	24,006	25,053	24,647	25,330	39,702	27,327
Fines and forfeits	18	19	20	23	24	24	19	14	14	18
Gifts and contributions	399	454	508	353	411	403	702	1,784	260	1,153
Investment income (loss)	1,243	571	1,014	842	2,184	4,377	3,389	(1,399)	(4,789)	10,522
Other	466	891	498	701	809	923	842	1,104	2,319	4,790
Total revenues	164,213	173,495	192,771	188,833	200,502	213,577	231,377	226,119	257,750	267,193
Expenditures:										
General government	14,890	13,194	14,245	14,192	15,520	14,003	15,036	14,111	36,410	11,722
Public safety	34,728	37,601	48,019	48,908	52,745	54,376	59,418	61,394	59,277	66,377
Conservation of natural resources	991	1,107	1,638	1,607	3,185	4,149	1,322	1,363	1,413	1,940
Economic development	51	56	58	58	58	47	60	60	120	80
Highways and streets	24,215	48,008	44,681	46,815	30,147	34,410	37,744	30,429	35,611	44,130
Health	12,122	12,699	12,829	13,291	13,583	12,341	14,168	13,740	12,274	14,762
Human services	56,659	59,937	63,790	67,423	69,162	74,383	80,403	77,756	86,999	93,100
Culture and recreation	4,654	3,938	4,688	6,730	5,125	8,064	10,488	5,018	5,293	5,749
Other	298	376	582	363	363	1,652	5,584	4,128	1,019	1,557
Capital Outlay										
Highway and streets	-	-	-	-	-	-	-	3,126	1,178	745
Public safety	-	-	-	-	-	-	-	-	-	783
Culture and recreation	-	-	-	-	-	-	-	4,048	5,114	2,762
Debt service										
Principal retirement	2,005	2,097	2,139	2,595	3,486	3,199	3,318	5,252	6,328	4,462
Interest and fiscal charges	1,546	1,466	2,277	2,225	1,940	1,900	1,904	1,840	1,804	2,129
Total expenditures	152,159	180,479	194,946	204,207	195,314	208,524	229,445	222,265	252,840	250,298
Excess (deficiency) of revenues over expenditures	12,054	(6,984)	(2,175)	(15,374)	5,188	5,053	1,932	3,854	4,910	16,895
Other Financing Sources (Uses):										
Transfers in	1,169	243	774	2,919	1,270	4,244	2,704	28,136	49,474	25,315
Transfers out	(1,504)	(793)	(3,981)	(3,230)	(1,922)	(3,133)	(14,064)	(28,532)	(38,027)	(39,339)
Insurance recoveries	-	-	-	-	-	67	115	-	-	-
Payment on refunding bonds	(3,435)	(6,176)	-	(7,381)	-	-	(4,210)	-	(2,805)	-
Bonds issued	-	26,160	11,225	-	-	9,334	8,116	2,834	21,244	2,357
Premium (discount) on bonds	-	2,256	896	-	-	365	330	-	375	117
Sale of capital assets	89	9	112	74	82	133	122	164	271	163
Total other financing sources (uses)	(3,681)	21,699	9,026	(7,618)	(570)	11,010	(6,887)	2,602	30,532	(11,387)
Net change in fund balances	\$ 8,373	\$ 14,715	\$ 6,851	\$ (22,992)	\$ 4,618	\$ 16,063	\$ (4,955)	\$ 6,456	\$ 35,442	\$ 5,508
Ratio of debt service to noncapital expenditures	2.54%	2.23%	2.64%	2.73%	3.00%	2.66%	2.54%	3.46%	3.51%	2.93%

Data Source: Yearly Financial Statements

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)
2013	2014	\$ 13,767,160,317	94.22	\$ 14,611,717,594.0	\$ 95,533,200.0	\$ 27,506,431.0	\$ 14,734,757,225.0
2014	2015	14,250,056,997	93.28	15,276,647,724	102,549,200	27,843,831	15,407,040,755
2015	2016	14,732,091,000	91.31	16,133,665,954	123,669,600	27,577,533	16,284,913,087
2016	2017	15,884,153,000	93.06	17,067,971,222	158,609,600	29,572,267	17,256,153,089
2017	2018	16,821,797,800	90.38	18,611,513,735	166,546,300	25,746,600	18,803,806,635
2018	2019	18,044,559,900	92.55	19,496,478,065	158,398,800	26,127,200	19,681,004,065
2019	2020	19,404,788,600	91.72	21,156,577,445	157,789,100	30,516,800	21,344,883,345
2020	2021	20,623,926,400	93.87	21,969,565,445	213,894,200	29,337,600	22,212,797,245
2021	2022	21,547,406,100	87.38	24,659,057,073	239,391,300	39,279,100	24,937,727,473
2022	2023	24,954,675,200	89.81	27,785,923,572	220,985,600	89,463,300	28,096,372,472

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 *	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Olmsted County										
Public Safety	\$16.4860	\$16.8040	\$16.3300	\$17.5670	\$17.7890	\$17.0670	\$15.3210	\$15.1250	\$12.0353	\$15.6850
General	9.3540	9.3890	8.0860	5.7270	6.3700	6.5680	7.0560	12.1150	12.9742	3.2339
Human Services	18.3740	18.3430	17.4970	18.6810	17.5550	15.7800	14.4050	13.1290	12.1174	15.4322
Infrastructure	7.1060	6.9090	6.3140	5.9750	5.0250	6.2670	4.3520	3.7960	3.2949	4.0042
Public Health	3.9440	4.0480	3.9000	4.5080	4.5190	4.0110	3.6210	2.5840	2.3160	3.0645
Emergency Management	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Library	2.2680	2.3030	2.2190	2.3790	2.3040	2.3240	2.2060	2.2590	1.9332	1.7324
Olmsted County Total	\$57.5320	\$57.7960	\$54.3460	\$54.8370	\$53.5620	\$52.0170	\$46.9610	\$49.0080	\$44.6710	\$43.1522
* Estimated market value based rate shown when applicable, all other rates shown are tax capacity based rates.										
Olmsted County Housing & Redevelopment Authority		\$0.8650	\$0.7930	\$0.9660	\$1.2860	\$1.6920	\$1.6870	\$1.6880	\$1.6930	\$1.6765
Townships:										
Cascade	\$20.3820	\$20.9550	\$21.8400	\$20.9690	\$20.3470	\$23.8880	\$22.3510	\$22.0180	\$19.8780	\$20.5391
Dover	11.8230	10.5110	10.1660	10.1640	9.9470	9.9220	9.8230	10.0340	8.3360	7.2568
Elmira	11.4930	11.4550	11.0420	11.4630	11.6810	11.4660	11.6100	11.8240	9.6390	8.1609
Eyota	14.5530	14.0840	13.7340	13.9910	13.6530	14.1640	14.2200	12.9410	11.7250	9.9592
Farmington	13.8650	12.5990	11.1180	11.2350	11.2870	11.4270	11.1470	11.0970	9.3560	7.7322
Haverhill (W1/2)	15.8940	13.5020	12.4290	14.2470	12.9740	12.6310	13.5130	12.0880	10.5730	9.5861
Haverhill (NE 1/4)	12.4440	10.9170	9.7830	11.7470	10.9100	10.5960	11.9800	10.4430	9.1940	9.4565
Haverhill (SE 1/4)	14.6650	12.4730	11.3320	13.7030	12.7710	12.3500	13.3540	11.9440	10.3170	11.6624
High Forest	8.1690	7.9740	7.6790	10.4300	10.1170	10.4410	13.4090	13.4010	11.7370	10.7738
Kalmar	15.7420	15.0660	15.9080	18.9710	18.0660	17.0100	13.3320	11.9280	5.1190	8.1966
Marion	11.7730	10.9990	10.9640	11.7290	11.9490	11.3070	12.9860	12.6880	11.1160	10.3346
New Haven	6.5270	6.1410	5.7390	6.1530	6.1910	5.9100	6.2380	7.6420	6.6110	5.7521
Orion	9.6900	9.3540	9.1100	9.3060	9.1150	9.1070	9.6430	9.2950	7.3120	6.7546
Oronoco	14.1750	16.7800	15.6150	16.0960	17.0560	17.9070	20.7620	18.5960	16.1210	14.0444
Pleasant Grove	16.2620	14.5350	12.7090	12.9330	12.6210	12.2930	12.6390	12.3360	10.5920	9.7656
Quincy	8.0290	8.4810	8.3680	8.6470	10.0510	9.2150	10.1220	9.3230	7.7200	6.1273
Rochester	17.8470	17.5280	18.8190	18.7540	16.6640	20.4290	19.8460	20.0660	19.3220	17.8414
Rock Dell	10.9700	10.6460	10.3290	10.5730	10.1030	9.8340	8.9400	8.4880	7.1350	6.0981
Salem	13.8900	13.3960	12.9900	14.0410	14.9280	16.2780	15.4380	15.5270	14.0880	12.0745
Viola	11.9630	11.8450	11.3880	11.8450	11.3530	11.0810	11.2300	10.9370	7.4370	7.4144

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

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

Unit of Government *	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
SCHEDULE 7 (Unaudited) (concluded)										
Cities:										
Byron	\$64.3910	\$67.8020	\$64.3750	\$66.0960	\$66.1660	\$69.6280	\$68.4460	\$67.4090	\$67.1020	\$60.6024
Chatfield	89.2720	92.0430	95.5670	98.5640	112.0700	105.6490	104.8470	101.6920	90.0850	86.5104
Dover	57.7380	64.2060	53.5180	55.8180	61.3970	56.3670	60.0100	56.9090	49.1090	42.6149
Eyota	57.9420	59.5380	51.7920	50.8860	57.8810	59.9510	57.6020	56.6960	49.9840	45.5431
Oronoco	44.7610	44.7720	40.5870	40.3830	40.9320	36.8920	37.2130	37.5740	37.4400	41.5928
Pine Island	73.5410	78.6180	79.4290	84.7410	81.3250	84.1160	84.9140	86.7310	81.3210	80.9720
Rochester	50.2170	51.3320	51.1090	52.1470	52.7230	51.8470	48.2420	49.6240	46.4060	47.8420
Rochester Rural Service	8.5380	8.7250	8.6890	8.8640	8.9650	8.8140	8.2020	8.4360	7.8890	8.1331
Rochester EMV Based							0.0140	0.0140	0.0120	0.0112
Stewartville	58.7710	61.1150	64.0830	65.7270	66.0390	66.9160	67.2290	70.2860	62.0430	61.9398
Stewartville EMV Based	0.0811	0.0798	0.0720	0.0663	0.0628	0.0600	0.0580	0.0510	0.0430	0.0391
School Districts:										
203 - Hayfield	\$12.2250	\$11.5100	\$13.5230	\$25.5150	\$22.6400	\$20.9370	\$20.1250	\$20.0940	\$12.3760	\$13.9330
203-EMV Based	0.1819	0.1617	0.2207	0.2207	0.2149	0.2040	0.2010	0.1950	0.1870	0.1916
204 - Kasson	46.4620	48.3230	43.6160	41.3860	39.3380	37.5260	39.7330	38.2000	31.6580	31.1190
204-EMV Based	0.1453	0.1444	0.1395	0.1382	0.1431	0.1350	0.1440	0.1530	0.1390	0.1469
227 - Chatfield	25.8670	25.8510	29.8630	29.3880	28.6730	27.1780	27.3150	25.9590	23.1890	19.3763
227-EMV Based	0.1391	0.2304	0.2194	0.2353	0.2332	0.2140	0.2280	0.2070	0.1950	0.1977
255 - Pine Island	41.1430	42.8340	38.4740	38.0070	34.1320	33.6440	32.8770	36.2180	29.7860	25.2670
255-EMV Based	0.1531	0.1572	0.1514	0.1563	0.1757	0.1490	0.1450	0.1860	0.1510	0.1350
531 - Byron	41.6420	40.9160	43.4810	41.1000	39.1520	37.3310	38.0500	48.3000	41.8950	38.6804
531-EMV Based	0.1046	0.1298	0.1308	0.1683	0.1643	0.1630	0.1720	0.1710	0.1560	0.1400
533 - Eyota	34.3540	36.1610	34.6310	32.5520	32.4250	32.6410	31.8350	28.8930	30.3420	26.0110
533-EMV Based	0.1641	0.2365	0.1717	0.1966	0.1916	0.1960	0.1780	0.1670	0.1720	0.1674
534 - Stewartville	29.7880	30.1570	25.5300	27.7600	23.5020	24.8020	25.2840	25.0840	20.0530	17.4665
534-EMV Based	0.1753	0.1845	0.1803	0.1789	0.1634	0.2250	0.2100	0.1980	0.1890	0.1887
535 - Rochester	21.1150	20.0230	17.8620	15.7580	15.6840	19.7720	20.3750	20.3870	18.1040	17.2061
535-EMV Based	0.1383	0.2147	0.2395	0.2248	0.2195	0.2060	0.1900	0.1770	0.1670	0.1667
858 - St. Charles	17.1330	22.0920	21.4690	18.6220	19.5510	29.5640	23.6340	24.1000	20.2020	19.6430
858-EMV Based	0.1328	0.1399	0.1418	0.1332	0.1339	0.1300	0.1420	0.1550	0.1340	0.1284
2805 - Zumbrota-Mazeppa	22.8050	23.2170	22.5360	21.3780	20.1360	36.5760	34.5980	33.4270	30.0180	26.0600
2805-EMV Based	0.2753	0.2748	0.2389	0.3487	0.3237	0.3010	0.3120	0.2990	0.2890	0.3054
2899 - PEM	12.5830	12.4450	12.4370	12.2780	18.4160	17.2540	16.8080	15.8190	14.3290	12.3710
2899-EMV Based	0.1218	0.1140	0.1444	0.1353	0.1468	0.1480	0.1540	0.1360	0.1430	0.1286

Data Source: Property Records and Licensing

SCHEDULE 8 (Unaudited)

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

2023				2014			
Taxpayer	Taxable Market Value	Net Tax Capacity	% of Total Net Tax Capacity	Taxpayer	Taxable Market Value	Net Tax Capacity	% of Total Net Tax Capacity
MAYO FOUNDATION	\$ 357,871,700	\$ 7,111,039	2.6	Mayo Properties	\$ 513,968,100	\$ 10,187,330	6.9
MAYO ASSOCIATION	218,823,400	4,369,891	1.6	IRET Properties	66,951,100	886,629	0.6
MAYO CLINIC	132,926,100	2,650,272	1.0	KAH 20 2nd Avenue LLC	61,475,700	1,227,264	0.8
KNICKERBOCKER BERKMAN LLC	120,856,300	1,591,532	0.6	IBM	60,290,200	1,184,558	0.8
MINNESOTA ENERGY RESOURCES	105,868,400	2,116,597	0.8	MEPC Apache Properties	58,275,800	1,163,266	0.8
MAYO CLINIC ROCHESTER	96,742,500	1,910,548	0.7	BGD5 Office	42,833,900	854,428	0.6
APACHE MALL LLC	47,456,900	948,388	0.3	Mainland LLC	24,392,300	482,596	0.3
IRET PROPERTIES	47,012,000	587,650	0.2	Target Corporation	22,888,300	456,266	0.3
IRET GRANDEVILLE LLC	46,698,800	583,735	0.2	Minnesota Energy Resources	21,600,200	431,978	0.3
TIMBERLAND XXI DELAWARE LLC	43,337,100	541,713	0.2	City of Rochester	19,203,900	379,902	0.3
All Others	23,376,589,800	253,955,635	91.8	All Others	11,917,795,300	129,634,711	88.3
Total	\$ 24,594,183,000	\$ 276,367,000	100.0	Total	\$ 12,809,674,800	\$ 146,888,928	100.0

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

TAX CAPACITY

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

Data Source: Property Records and Licensing

SCHEDULE 9 (Unaudited)

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

Fiscal / Payable Year	Total Tax Levied (1)	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years (2)	Total Collections to Date	
		Amount	% of Levy		Amount	% of Levy
2014	82,683,704	81,908,420	99.06	136,518	82,044,938	99.23
2015	85,408,583	84,330,959	98.74	567,118	84,898,077	99.40
2016	89,178,961	88,622,609	99.38	327,807	88,950,416	99.74
2017	91,460,537	90,596,247	99.06	428,722	91,024,969	99.52
2018	97,913,530	97,366,149	99.44	359,483	97,725,632	99.81
2019	102,596,254	101,818,170	99.24	746,950	102,565,120	99.97
2020	106,913,674	105,332,627	98.52	1,149,236	106,481,863	99.60
2021	106,921,767	106,078,734	99.21	804,163	106,882,897	99.96
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	-	118,351,190	99.38

(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)
2014	218,174,575	213,514,367	97.86	1,139,838	214,654,205	98.39
2015	231,117,698	229,389,940	99.25	1,316,251	230,706,191	99.82
2016	251,641,120	250,093,140	99.38	1,386,483	251,479,623	99.94
2017	265,815,861	263,341,227	99.07	1,104,838	264,446,065	99.48
2018	276,720,830	275,246,164	99.47	830,399	276,076,563	99.77
2019	290,149,153	287,987,490	99.25	1,948,609	289,936,099	99.93
2020	311,364,859	306,195,752	98.34	4,276,040	310,471,792	99.71
2021	320,021,119	317,359,209	99.17	2,075,247	319,434,456	99.82
2022	334,944,729	333,298,248	99.51	1,431,747	334,729,995	99.94
2023	367,438,308	365,170,485	99.38	-	365,170,485	99.38

(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
2014	97,413	87,094	89.41	10,318	97,412	100.00
2015	97,854	90,539	92.52	6,955	97,494	99.63
2016	92,904	88,035	94.76	4,313	92,348	99.40
2017	91,046	84,858	93.20	6,028	90,886	99.82
2018	193,078	183,684	95.13	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	7,111	184,873	99.11
2023	184,766	172,249	-	-	172,249	93.23

(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
2014	2,140,537	1,890,945	88.34	182,492	2,073,437	96.87
2015	2,182,513	2,066,667	94.69	70,038	2,136,705	97.90
2016	2,079,323	1,948,477	93.71	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	41,712	1,910,289	100.00
2020	2,366,031	2,245,786	94.92	95,531	2,341,317	98.96
2021	3,031,049	3,031,049	100.00	-	3,031,049	100.00
2022	2,899,200	2,853,484	98.42	29,866	2,883,350	99.45
2023	3,383,233	3,305,677	97.71	-	3,305,677	97.71

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

(2) Collections are net of refunds of overpayments.

Data Source: Property Records and Licensing

SCHEDULE 10 (Unaudited)

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

Fiscal Year	Governmental Activities				Business-Type Activities				Total Primary Government	Estimated Population	Per Capita	Tax Capacity (2)	% of Debt to Tax Capacity	% of Debt to Personal Income (3)
	General Obligation Revenue Bonds	General Obligation Bonds	Lease Payable	Information Technology Subscription Payable	General Obligation Revenue Bonds	Mortgages Payable (1)	Deferred Repayment & Forgivable Mortgages (1)							
2014	\$ 3,596	\$ 65,187	-	-	\$ 133,337	\$ -	\$ -	\$ 202,120	150,875	\$ 1,340	\$ 148,668	136%	3%	
2015	3,308	89,277	-	-	75,214	-	-	167,799	152,250	1,102	154,960	108%	2%	
2016	3,011	102,459	-	-	81,915	-	-	187,385	154,000	1,217	161,748	116%	2%	
2017	2,708	87,573	-	-	65,876	537	10,745	167,439	155,900	1,074	185,455	90%	2%	
2018	2,400	82,043	-	-	60,300	529	10,738	156,010	156,650	996	198,905	78%	2%	
2019	2,082	96,625	-	-	54,570	520	10,692	164,489	159,500	1,031	213,974	77%	2%	
2020	1,754	96,583	-	-	59,368	510	11,502	169,717	161,500	1,051	229,066	74%	2%	
2021	-	96,867	-	-	74,909	500	11,502	183,778	165,300	1,112	238,481	77%	2%	
2022	-	123,324	1,003	-	45,382	490	11,554	181,753	166,000	1,095	276,367	66%	2%	
2023	-	133,228	740	1,104	40,518	479	11,554	187,623	172,000	1,091	300,064	63%	n/a	

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

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

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

Data Source: Yearly Financial Statements

SCHEDULE 11 (Unaudited)

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

FISCAL YEAR	(1) GENERAL OBLIGATION BONDED DEBT	RESOURCES RESTRICTED TO REPAYING PRINCIPAL OF GO BONDED DEBT	NET GENERAL OBLIGATION BONDED DEBT	(2) ESTIMATED POPULATION	NET GENERAL OBLIGATION DEBT PER CAPITA	ACTUAL TAXABLE PROPERTY	% OF NET GENERAL OBLIGATION DEBT TO ACTUAL TAXABLE PROPERTY
2014	68,783	18,896	49,887	150,875	331	12,904,879	0.4
2015	92,585	3,430	89,155	152,250	586	13,393,761	0.7
2016	105,470	20,994	84,476	154,000	549	13,979,791	0.6
2017	90,281	11,587	78,694	155,900	505	15,189,827	0.5
2018	84,443	11,364	73,079	156,650	467	16,061,106	0.5
2019	98,707	11,561	87,146	159,500	546	17,305,553	0.5
2020	98,337	7,181	91,156	161,500	564	18,717,083	0.5
2021	96,867	14,642	82,225	165,300	497	20,018,736	0.4
2022	123,324	34,655	88,669	166,000	534	21,031,960	0.4
2023	133,228	33,998 (3)	99,230	172,000	577	24,594,183	0.4

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

(2) Data Source: State Demographer

(3) Restricted balances from Statement of Net Position

Restricted for Debt Service	\$ 7,884
Refinancing Escrow - held by trustee (a)	26,114
Total restricted for repaying principal	<u>\$ 33,998</u>

(a) - Refinancing escrow held by trustee is not part of Net Position, the cash held in escrow is restricted for debt repayment therefore included in the calculation, as principal on the related debt is included in General Obligation Bonded Debt.

SCHEDULE 12 (Unaudited)

**OLMSTED COUNTY
Direct and Overlapping General Obligation Bonded Debt
as of December 31, 2023
(dollars in thousands)**

GOVERNMENTAL UNIT	DEBT OUTSTANDING (1)	% OF TAX CAPACITY WITHIN OLMSTED COUNTY (2)	PORTION CHARGEABLE TO COUNTY (3)
DIRECT:			
Olmsted County	\$ 135,072	100.00%	\$ 135,072
OVERLAPPING:			
School District #227	27,080	46.03	12,464
School District #531	88,569	98.53	87,270
School District #533	32,293	100.00	32,293
School District #534	33,850	77.68	26,294
School District #535	309,130	99.76	308,394
School District #858	-	100.00	-
Total Overlapping	\$ 490,922		\$ 466,715
UNDERLYING:			
City of Rochester	\$ 69,245	100.00	\$ 69,245
City of Byron	3,836	100.00	3,836
City of Eyota	1,225	100.00	1,225
City of Oronoco	162	100.00	162
City of Dover	206	100.00	206
City of Stewartville	1,585	100.00	1,585
Cascade Township	240	100.00	240
Eyota Township	-	100.00	-
Oronoco Township	-	100.00	-
Salem Township	-	100.00	-
Olmsted County HRA	-	100.00	-
Total Underlying	\$ 76,499		\$ 76,499
TOTAL DEBT	\$ 702,493		\$ 678,286

Data Source: Olmsted County Auditors Report of Outstanding Indebtedness

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

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

SCHEDULE 13 (Unaudited)

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Total Taxable Market Value	\$ 12,904,879,000	\$ 13,393,761,000	\$ 13,979,791,000	\$ 15,189,827,000	\$ 16,061,106,000	\$ 17,305,553,000	\$ 18,717,083,000	\$ 20,018,736,000	\$ 21,031,960,000	\$ 24,594,183,000
Debt Limit	387,146,370	401,812,830	419,393,730	455,694,810	481,833,180	519,166,590	561,512,490	600,562,080	630,958,800	737,825,490
Debt applicable to limit:										
General obligation debt (1)	66,505,000	87,200,000	105,470,166	90,280,584	84,443,247	98,707,281	98,337,266	96,867,011	123,324,454	133,228,097
Less: Assets available for debt service	(19,952,753)	(4,830,019)	(22,874,124)	(13,076,407)	(12,673,160)	(12,695,196)	(8,383,142)	(15,525,353)	(36,001,488)	(35,213,443)
Total Net Debt Applicable to Limit	46,552,247	82,369,981	82,596,042	77,204,177	71,770,087	86,012,085	89,954,124	81,341,658	87,322,966	98,014,654
Legal debt margin	\$ 340,594,123	\$ 319,442,849	\$ 336,797,688	\$ 378,490,633	\$ 410,063,093	\$ 433,154,505	\$ 471,558,366	\$ 519,220,422	\$ 543,635,834	\$ 639,810,836
Total debt applicable to the limit as a percentage of debt limit	12.02%	20.50%	19.69%	16.94%	14.90%	16.57%	16.02%	13.54%	13.84%	13.28%

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

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

SCHEDULE 14 (Unaudited)

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

Year	Population (1)	Personal Income in thousands of dollars (2)	Per Capita Personal Income (3)	Unemployment Rates (4)		
				Olmsted County	State of Minnesota	United States
2014	150,875	7,438,165	49,070	3.5	4.3	6.2
2015	152,250	7,804,286	50,906	3.0	3.8	5.3
2016	154,000	8,116,470	52,149	3.0	3.9	4.9
2017	155,900	8,518,498	54,102	2.7	3.5	4.4
2018	156,650	9,032,231	56,674	2.4	3.0	3.9
2019	159,500	9,376,637	58,043	2.6	3.3	3.7
2020	161,500	9,999,759	61,338	5.5	6.3	8.1
2021	165,300	10,818,962	66,122	3.1	3.7	5.3
2022	166,000	11,078,990	67,547	2.1	2.7	3.6
2023	172,000	n/a	n/a	2.1	2.8	3.6

Data Sources:

- (1) State Demographer
- (2) Bureau of Economic Analysis as of November 2023 new estimated for 2022, revised estimates for 2014-2021
- (3) Bureau of Economic Analysis as of November 2023 new estimated for 2022, revised estimates for 2014-2021
- (4) Department of Employment and Economic Development

SCHEDULE 15 (Unaudited)

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

<u>Employer</u>	2023			2014		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>
MAYO MEDICAL CENTER	42,000	1	42.96%	35,000	1	46.29%
ROCHESTER PUBLIC SCHOOLS DIST #535	2,872	2	2.94%	2,460	2	3.25%
IBM*	2,791	3	2.85%	2,200	3	2.91%
OLMSTED COUNTY	1,371	4	1.40%	1,204	4	1.59%
OLMSTED MEDICAL CENTER	1,321	5	1.35%	1,200	5	1.59%
CITY OF ROCHESTER	1,166	6	1.19%	840	7	1.11%
BENCHMARK ELECTRONICS*	625	7	0.64%	873	6	1.15%
SPECTRUM	577	8	0.59%	0	**	0.00%
RCTC	492	9	0.46%	0	**	0.00%
FEDERAL MEDICAL CENTER	452	10	0.00%	0	**	0.00%
TOTAL	<u>53,667</u>		<u>54.38%</u>	<u>43,777</u>		<u>57.89%</u>

* Estimated employees - RAEDI

**Rank falls below 10

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

SCHEDULE 16 (Unaudited)

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

Function/program:	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Primary government:										
Governmental activities:										
General government	218	244	237	260	265	263	268	269	276	283
Public safety	280	283	285	285	293	300	303	331	339	336
Conservation of natural resources	6	5	9	11	11	7	7	7	7	8
Highways and streets	70	66	62	62	63	63	64	64	65	67
Health	113	111	112	111	110	78	82	82	81	85
Human services	343	329	347	378	391	436	443	417	426	434
Culture and recreation	18	18	19	19	19	21	21	20	21	22
Total governmental activities	<u>1,048</u>	<u>1,056</u>	<u>1,071</u>	<u>1,126</u>	<u>1,152</u>	<u>1,168</u>	<u>1,188</u>	<u>1,190</u>	<u>1,215</u>	<u>1,235</u>
Business-type activities										
Waste management	61	64	66	67	68	69	70	68	68	69
Communications	1	1	1	1	1	1	1	1	-	-
Olmsted County HRA	10	10	10	-	-	-	-	-	-	-
Total business-type activities	<u>72</u>	<u>75</u>	<u>77</u>	<u>68</u>	<u>69</u>	<u>70</u>	<u>71</u>	<u>69</u>	<u>68</u>	<u>69</u>
Total primary government	<u><u>1,120</u></u>	<u><u>1,131</u></u>	<u><u>1,148</u></u>	<u><u>1,194</u></u>	<u><u>1,221</u></u>	<u><u>1,238</u></u>	<u><u>1,259</u></u>	<u><u>1,259</u></u>	<u><u>1,283</u></u>	<u><u>1,304</u></u>

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	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Estimated Population	150,875	152,250	154,000	155,900	156,650	159,500	161,500	165,300	166,000	172,000
Public Safety										
Average Daily Detainee Population										
Adult Detention Center	112	152	161	143	135	108	86	76	91	109
Work Release Facility	26	29	27	44	16	21	10	8	8	9
Electronic Home Monitoring	39	38	35	50	33	***	***	***	***	***
Health										
Number of Client Contacts										
WIC	41,193	40,035	38,238	36,426	34,425	33,425	35,439	34,869	35,510	37,577
Newborn/Postpartum	698	680	778	856	844	561	165	659	744	610
Number of Licensed Business Assessments	973	1,073	1,010	1,049	1,179	1,195	357	563	1,046	1,366
Human Services										
Public Assistance Clients Enrolled at Year-End										
Health Care	24,449	24,631	24,755	25,381	25,044	24,365	29,745	31,646	35,018	34,733
Supplemental Nutrition Assistance Program	10,733	10,616	9,427	8,828	8,461	8,160	6,384	9,544	1,171	11,141
Cash Assistance	3,929	3,875	4,059	4,252	4,059	3,892	3,884	4,457	4,355	4,387
Number of Child Support Cases	5,714	5,665	5,497	5,460	5,421	5,342	5,090	4,819	4,625	4,468
Number of Social Services Client Intakes	10,363	10,175	10,248	10,711	11,227	10,973	10,184	11,150	12,592	13,935
Highways and Streets										
Street Resurfacing (miles)	4.80	54.47	8.40	6.90	5.80	16.66	17.88	22.29	5.96	9.68
Bridge Repairs	2	-	-	-	-	2	-	5	-	3
Waste Management										
Municipal Solid Waste										
Number of tons in total waste stream	212,037	237,317	183,230	167,290	165,248	165,074	163,868	172,046	178,554	161,777
Number of tons burned	100,322	103,863	109,228	114,248	117,247	116,498	113,446	111,612	118,129	120,019
Percentage recycled	59%	59%	49%	44%	43%	41%	41%	44%	42%	39%
Steam Produced in million pounds (MLBS).	696,560	754,742	802,191	824,124	851,202	851,861	867,212	848,646	877,255	887,692
Electricity Produced in kilowatt hours (KWH)	26,386,379	33,356,320	33,575,423	34,362,631	34,344,260	33,195,430	31,587,545	36,982,676	41,351,589	40,763,654

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

Sources: Various County Departments

**SCHEDULE 17 (Unaudited)
(concluded)**

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

Fiscal Year	New Residential		New Multiple	New Commercial / Industrial	All Others	Total	
	No.	Value	Value	Value	Value	No.	Value
2014	418	94,968,077	21,748,186	102,799,227	193,046,652	2,705	412,562,142
2015	411	97,417,046	142,500,263	56,799,858	211,258,433	2,636	507,975,600
2016	472	115,509,862	129,561,374	60,910,872	157,159,471	2,715	463,141,579
2017	541	130,781,191	84,791,339	167,075,157	162,882,610	2,993	545,530,297
2018	407	105,586,720	183,219,286	57,707,228	255,807,114	2,556	602,320,348
2019	317	86,841,337	63,273,537	67,920,807	288,014,783	2,544	506,050,464
2020	314	87,446,559	24,255,628	96,015,157	179,692,906	2,238	387,410,250
2021	369	112,243,628	47,184,489	78,341,461	210,208,966	2,430	447,978,544
2022	362	128,771,602	117,235,991	146,335,029	263,487,417	2,818	655,830,039
2023	286	106,533,264	87,553,594	68,476,327	307,775,669	2,954	570,338,854

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	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Government										
Government Center Building Square footage	289,700	289,700	304,700	304,700	304,700	304,700	330,140	330,140	330,140	330,140
Public Safety										
# of Rated Beds										
Adult Detention Center	188	202	202	202	202	202	202	202	202	202
Work Release Facility	90	90	90	90	90	90	90	90	90	90
Electronic Home Monitoring	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Government Center Annex Building Square Footage	96,322	96,322	96,322	96,322	96,322	96,322	69,728	69,728	69,728	69,728
Public Safety Training Center Restroom								900	900	900
Highways and Streets										
County State Aid Highways (CSAH)										
# of Miles-Hard Surfaced	314	314	313	305	304	307	314	309	307	310
# of Miles-Rock	-	-	1	1	1	1	1	1	1	-
County Roads (CR)										
# of Miles-Hard Surfaced	67	67	65	65	63	60	59	58	60	58
# of Miles-Rock	141	141	141	134	133	137	132	132	130	131
Total County Highway Miles	522	522	520	505	501	505	506	500	498	499
Bridges										
# greater than ten feet in length	342	342	342	219	219	219	216	216	216	216
Public Works Building's Square Footage	235,539	206,035	206,035	206,635	206,635	261,973	265,018	265,018	265,018	265,018
Health										
Health Department Building Square Footage	69,427	69,427	69,427	69,427	69,427	69,427	41,662	41,662	41,662	41,662
Human Services										
Human Services Building Square Footage	193,583	193,583	107,363	107,363	107,363	107,363	111,527	107,515	107,515	107,515
Culture and Recreation										
Park and Recreational Facilities										
Land Total Acreage (approximate)	2,216	2,216	2,216	2,216	2,216	2,218	2,247	2,247	2,247	2,247
Buildings Square Footage	242,116	251,016	251,016	251,016	251,016	298,735	283,832	283,382	283,832	312,221
Waste Management										
Landfill										
Estimated Capacity Percentage Used to Date	38%	39%	39%	42%	44%	44%	38%	40%	40%	40%
Waste-to-Energy										
Daily capacity available (in tons)	400	400	400	400	400	400	400	400	400	400
Building Square Footage	99,200	99,200	99,200	99,200	99,200	99,200	99,200	99,200	99,200	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	\$ 7,448,343	\$ 5,679,263	\$ 5,569,562	\$ 5,766,175	\$ 5,087,071	\$ 4,739,571	\$ 4,645,271	\$ 4,561,301	\$ 3,802,878	\$ 4,452,518

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