



(Lake Waconia Regional Park- Paradise Commons Building)



**CARVER
COUNTY**

CHASKA, MINNESOTA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR YEAR ENDED DECEMBER 31, 2023



(Connect Up Carver Rural Fiber Build Kick Off Event)

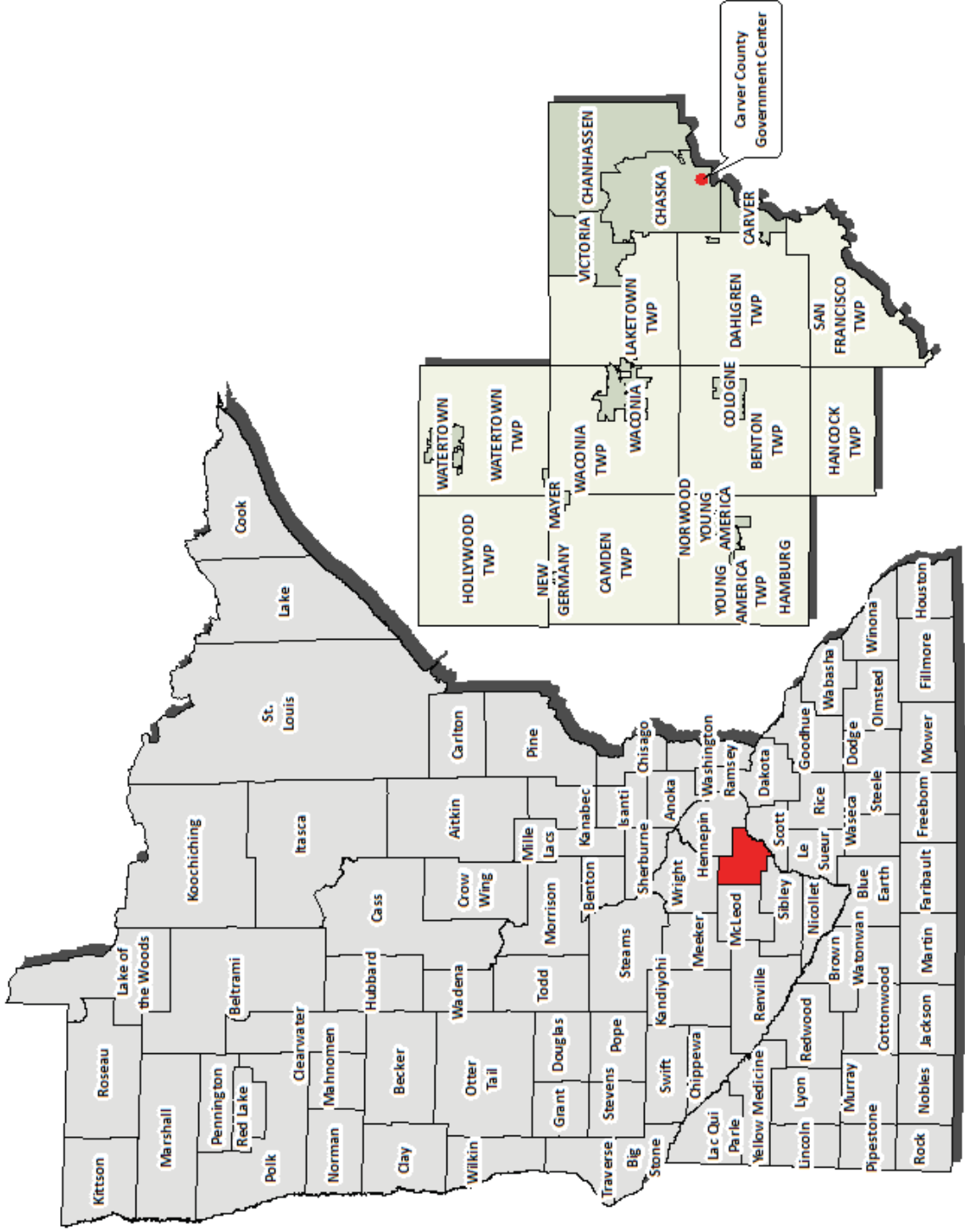


("evening with bugs" program- WMO partnered with MN Arboretum)

"Where the future embraces the past in keeping Carver County a great place to live, work, and play for a lifetime."

The Carver County Annual Comprehensive Financial Report (ACFR) is produced by the Finance Department of Carver County. This report is submitted for the fiscal year ended December, 31, 2023. The report has been prepared in conformity with generally accepted accounting principles (GAAP). It can be accessed on the Carver County website at www.co.carver.mn.gov or obtained from the Finance Department by calling 952-361-1511.

Carver County, Minnesota



ANNUAL COMPREHENSIVE FINANCIAL REPORT

**CARVER COUNTY
CHASKA, MINNESOTA**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

Prepared by the Finance Department

**CARVER COUNTY
CHASKA, MINNESOTA**

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**CARVER COUNTY
CHASKA, MINNESOTA**

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INTRODUCTORY SECTION



Property and Finance Division

Carver County Government Center
Administration Building
600 East Fourth Street
Chaska, MN 55318-1202
Phone: 952-361-1508 Fax: 952-361-1541

CARVER
COUNTY

DATE: June 28, 2024

TO: The Citizens of Carver County
The Board of County Commissioners

SUBJECT: *2023 ANNUAL COMPREHENSIVE FINANCIAL REPORT*

The Annual Comprehensive Financial Report (ACFR) of Carver County is submitted for the fiscal year ended December 31, 2023. The County's Finance Department prepared this report in conformity with generally accepted accounting principles (GAAP). Responsibility for both the accuracy and completeness of the presented data and the fairness of the presentation, including all disclosures, rests with the County. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and sets forth the financial position and results of operations and cash flows of the County, as measured by the financial activity of its various funds, and all disclosures necessary to enable maximum understanding of the County's financial affairs.

Generally accepted accounting principles (GAAP) require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it.

Profile of the Government

Carver County was organized in 1855 as a County in the State of Minnesota. It has an area of 357 square miles including 11 cities and 10 townships. The 2023 population, according to the Census Bureau was 111,057, located on the Minnesota River 26 miles southwest of the state capital, Saint Paul.

Carver County operates under an elected five-member County Board, each member representing a district of the County. The County Board is responsible, among other things, for passing ordinances, adopting the budget, and hiring the County's Administrator. The County Administrator is responsible for carrying out the policies and ordinances of the County Board, for overseeing day-to-day operations of the government, and for appointing the heads of the divisions and departments. The County Board is elected on a non-partisan basis. County Board members serve four-year staggered terms.

The County provides a full range of services including: public safety and law enforcement; courts and probation services; tax assessment and collection; vital statistics and public records; health and human services; highways, parks, public works and planning; environmental management; and recreation and cultural services.

Various potential component units were evaluated to determine whether they should be reported in the County's financial report. A component unit was considered to be part of the County's reporting entity when it was concluded that the County was financially accountable for the entity or the nature and significance of the relationship between the County and the entity was such that exclusion would cause the County's basic financial statements to be misleading or incomplete. Carver County has two blended component units: the Carver County Regional Rail Authority (Rail Authority) and the Carver County Water Management Organization (WMO). Both the Rail Authority and WMO were created pursuant to Minnesota Statutes. The Carver County Board of Commissioners comprises the Rail Authority's and WMO's five-member board. The Carver County Community Development Agency (CDA) is a discretely presented component unit. The CDA was established

in 1980 pursuant to special Minnesota legislation. Its five-member board is also appointed by the Carver County Board of Commissioners and is comprised of residents from the five districts in the County.

Local Economy

The information presented in financial statements is perhaps best understood when considered from the broader perspective of the specific environment within which the County operates. Carver County is one of the fastest growing counties in Minnesota during the last decade, and it is expected to keep growing. Forecasts project the County will experience one of the highest population growth rates in the Twin Cities Metro Region into 2040 when its population is expected to exceed 161,000. This forecast can be found online at <https://metro council.org/> where the report can be downloaded. By 2040, Chanhassen and Chaska will be “built out,” meaning there will be very little developable land left. Development will move further west, and the cities of Carver, Victoria and Waconia are expected to grow and look similar to the way Chaska and Chanhassen are today. Several factors are contributing to the County’s growth: Land availability – cities to the east, such as Eden Prairie and Bloomington in Hennepin County, are running out of developable land pushing growth to Carver County where land is available for development. Landscape – Carver County’s abundant lakes, wetlands, woods and open spaces are attractive features. Transportation – metro access has improved with Highway 212 and other road construction projects. Quality of life – Carver County is generally characterized as having a high quality of life, with “small town feel” and “rural setting” often cited.

The significant growth will increase the need for public investment in infrastructure. Many of these investments will need to occur prior to or along with residential or business development by the private sector. Other impacts include those investments made to the schools, parks, library system, law enforcement, court system and more. We will need more officers, judges, maintenance workers, social workers, County staff, and equipment to keep up with the demand for services.

The population of County seniors ages 65 and older will be the fastest growing age group between 2012 and 2040. In 2040, persons age 65 and older are forecasted to constitute about 20 percent of the total County population; up from 14.7 percent in 2022. The aging of the population will impact the level and type of services that will need to be provided by the County in the future.

For the 11th consecutive year (2013-2023), Carver County ranked first amongst all Minnesota counties in the annual County Health Rankings report released by the Robert Wood Johnson Foundation and University of Wisconsin. The County was ranked first in Minnesota for both health outcomes and health factors. The County regularly scores well on health behavior measures, such as low teen birth rates and access to exercise opportunities. Additionally, we rank first out of all Minnesota counties on social and economic factors, such as high school completion rates and low unemployment rates.

In 2022, based on Bureau of Economic Analysis, Carver County was ranked second in the State for per capita personal income of \$87,095 (most recent data available). This was 127 percent of the State average and 133 percent of the national average. Nationwide, Carver County ranks 116th for per capita personal income.

Carver County has maintained a credit rating of AAA from Standard and Poor’s (S&P) Rating Services since 2009, which is the best possible rating. The rating reflects the County’s consistently strong finances, good financial management, solid income and market value per capita, and location.

Long-Term Financial Planning

The County annually updates the Long-Term Financial Plan prepared by the Finance Department with inputs from all County divisions. This plan along with the 2024 Annual Budget fulfills the County Board’s direction to “connect financial strategies to the County’s short-term and long-term strategic goals and objectives.” The County has identified approximately \$301 million in capital projects and equipment that range from currently underway or essential to operations to those that are desirable but in need of further study. Road and Bridge projects totaling \$277 million make up the largest portion of these projects followed by Parks and Trails projects totaling \$2.4 million. The most significant cost driver for future operating budgets is the staffing costs needed to address the increasing service demands from a growing county. Specific financial strategies to address these challenges are included in the Annual Budget and Long-Term Financial Plan. The Long-Term Financial Plan for

2025 and Beyond is available for viewing from the Finance Department or on our website at <https://www.carvercountymn.gov/>.

Planning & Water Management, with the help of the CDA, elected officials, community groups, and citizens, developed a County Comprehensive Plan through the year 2040. The plan, which was approved on February 4, 2020 addresses the broad range of issues facing Carver County residents over the next 20 years. The elements of the plan consist of land use including economic development, historic preservation, and housing; transportation including roadways and transit; water resources; and parks, open space, and trails. A copy of the 2040 Comprehensive Plan can be viewed on the Carver County website at <https://www.carvercountymn.gov/>.

Major Initiatives

Connect Up Carver – The County approved the spend of \$9 million for the rural fiber project that puts in place fiber infrastructure to make high speed fiber internet available to upwards of 2000+ rural locations, has completed 300+ miles of fiber construction as of the year end. The funding for this project is split between Coronavirus Local Fiscal Recovery Funds (American Rescue Plan Act) and Carver County COVID19 Budget Stabilization funds. Carver County plans on reaching its goal of being the first County in the State with a population over 10,000 and the first Twin Cities Metro County to make available high-speed bandwidth for anyone within the county that desires it.

Behavioral Health services to the Jail – In 2023, the Carver County Crisis team increased mental health support to those in the Carver County Jail. The team has provided approximately 150 jail mental health assessments, which is a 308% increase over 2022.

Reducing Risk for Girls in the Justice System – In 2023, Carver County was awarded a federal grant through the Department of Justice for reducing risk for girls in the justice system. Carver County was one of the very few projects awarded nationwide. The award is for \$379,495 over three years to administer the program.

Lake Waconia Regional Park and Coney Island Development – Construction started on the Lake Waconia Regional Park Waterfront Service Center, officially called Paradise Commons, in the fall of 2022, and completed early 2024. This new facility provides two covered picnic pavilions, an indoor event room which seats 80, has an equipment rental room to facilitate rental of watercraft, games and other equipment. The building also has a small office area and additional restrooms. Enhanced lakeshore access to service the beach and picnic areas, trails was also part of the project. Development continued at Coney Island including a few slips for watercraft and an ADA accessible canoe/kayak docking/launching station to facilitate access on to the island. is also planned with providing additional docking space for watercraft.

Highway 41 Project in Downtown Chaska – This project included the reconstruction of Trunk Highway (TH) 41 from the Minnesota River bridge to Walnut Street and County State Aid Highway (CSAH) 61 from TH 41 to Yellow Brick Road. The construction work included new pavement, storm sewer, pedestrian and streetscaping improvements and city utility replacements. This 2-year project started construction in early 2023 and will be completed in the summer of 2024.

Highway 212 Project – Benton Township – This project includes the expansion of Trunk Highway (TH) 212 from the existing 2-lane highway to a 4-lane rural expressway between County State Aid Highway (CSAH) 34 in the City of Norwood Young America to CSAH 36 in the City of Cologne. Detailed design, environmental and land acquisition work began in 2022 and will be complete in June 2024 with bidding of the project. Construction is anticipated to start in July 2024 and will be completed in October 2026.

Innovation – Since 2012, Carver County has made an organizational commitment to Innovation. The county uses various methods to achieve continuous improvements in processes, eliminate waste, achieve efficiencies, save money, and improve performance across the entire County. Our Innovation Leadership Team advises the Innovation Program, which has the strong support of the Board and staff leadership.

Budgetary Controls

The annual budget serves as the foundation for Carver County Government financial planning and control. The County budgets are presented at a more detailed level than is required by law in Minnesota or for federal programs. The budgets are developed by divisions and departments on a line-item basis to cover citizens' needs, keeping in mind general guidelines set by the County's Board of Commissioners. The divisions and departments submit their budget requests to the County Administrator, who must balance the competing needs against available resources. The County Board makes final adjustments to the budgets, which are then adopted and available for use on January 1st of the year. Budgetary control has traditionally been maintained at the department level.

Division and department managers are held responsible for their budget performance. Compliance with budgets is essential for the County to maintain its sound financial condition.

Relevant Financial Policies

The County has adopted a comprehensive set of financial policies; this includes but is not limited to the following:

The Budget and Long-Term Financial Plan Policy provides a general set of guiding principles for developing the annual budget and the long-term financial plan, along with an overview of the process and schedule.

The Fund Balance Policy ensures that the County maintains adequate fund balances and reserves in order to provide a stable financial environment for the County's operations.

Independent Audit

Minnesota State Law requires an audit to be made of the books of account, financial records and transactions of the County. CliftonLarsonAllen, LLP, has issued an unmodified ("clean") opinion on the County's financial statements for the year ended December 31, 2023. The independent auditor's report is located at the front of the financial section of this report. CliftonLarsonAllen, LLP, will issue a management and compliance letter covering the review, made as a part of the audit of the County's system of internal control and compliance with applicable legal provisions. The management and compliance letter will not modify or affect, in any way, this report on the financial statements.

Single Audit

As a recipient of federal, state, and local financial assistance, the County is responsible for ensuring that adequate internal controls are in place to ensure compliance with applicable laws and regulations related to those programs. These internal controls are subject to periodic evaluation by management and the internal staff of the County.

Office of Management and Budget (OMB) Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) sets forth the audit requirements for state and local governments receiving federal assistance. It provides for a single independent audit of the financial operations, including the compliance with certain provisions of federal laws and regulations. The requirements have been established to ensure that audits are made on an organizational wide basis rather than a grant-by-grant basis. The grants for which these requirements applied are identified in the Schedule of Expenditures of Federal Awards (SEFA).

As a part of the government's single audit, tests are made to determine the adequacy of the internal controls, including that portion related to federal financial assistance programs, as well as to determine that the County has complied with applicable laws and regulations.

Internal Controls

In developing and evaluating the County's accounting system, consideration is given to the adequacy of the County's internal controls. Internal controls are designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against loss from unauthorized use or disposition and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of

reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived and the evaluation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. We believe the County's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions. The County's internal controls are supported by policies and procedures and are continually reviewed, evaluated, and modified to meet current needs. In 2024, the County Finance staff plans to again internally test the controls that are in place.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Carver County for its Annual Comprehensive Financial Report for the fiscal year ended December 31, 2022. This was the 27th consecutive year that the County has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized annual comprehensive financial report. This must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to meet the Certificate of Achievement program requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

The timely preparation of this report could not have been accomplished without the professional and dedicated hard work of the entire staff of the Finance Department. Also, cooperation was essential from many other departments and divisions within the County. We wish to express our appreciation to all members of the staff who assisted and contributed to the report's preparation. We also wish to thank the members of the County Board for their interest and support this past year in planning and conducting the financial operations of the County in a responsible and progressive manner.

Respectfully submitted,



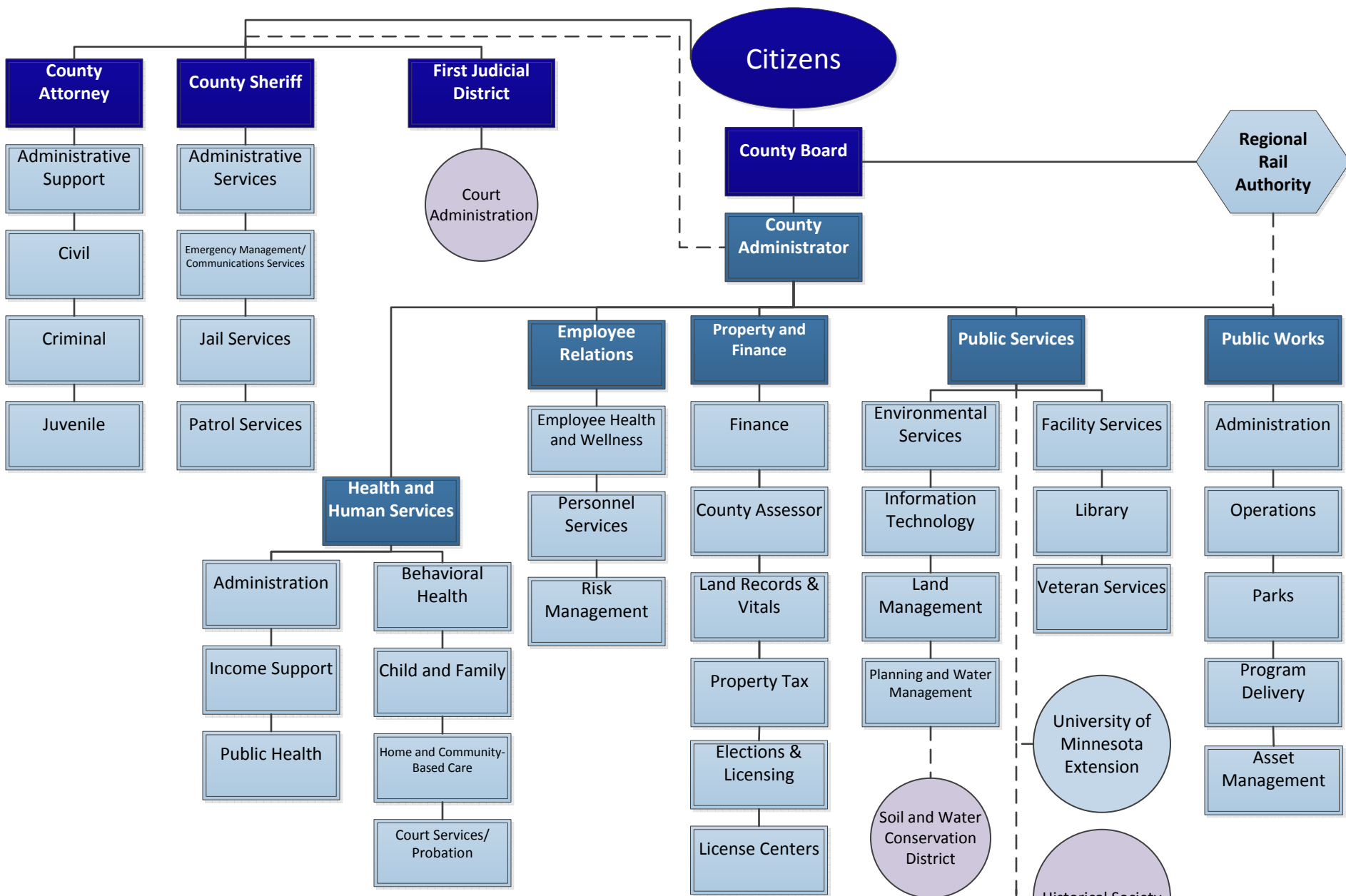
David Frischmon
Property and Finance Director

**CARVER COUNTY
CHASKA, MINNESOTA**

**LIST OF ELECTED AND APPOINTED OFFICIALS
DECEMBER 31, 2023**

Office	Name	Term of Office	
		From	To
Commissioners:			
1st District	Gayle Degler	January 2023	December 2024
2nd District	Tom Workman, Vice Chair	January 2023	December 2026
3rd District	Matt Udermann	January 2021	December 2024
4th District	Tim Lynch	January 2023	December 2026
5th District	John P. Fahey, Chair	January 2023	December 2026
Officers:			
Elected:			
Attorney	Mark Metz	January 2011	December 2026
Sheriff	Jason Kamerud	January 2019	December 2026
Appointed:			
Administrator	Dave Hemze	March 2003	Indefinite
Assessor	Ryan Johnson	October 2022	Indefinite
Medical Examiner	Quinn Strobl M.D.	January 2013	December 2023
Veterans Services Officer	Stephen Walker	July 2023	Indefinite
Division Directors:			
Employee Relations Director	Kerie Anderka	June 2013	Indefinite
Health and Human Services Director	Heather Goodwin	August 2022	Indefinite
Property and Finance Director	Dave Frischmon	April 2007	Indefinite
Public Services Director	Nick Koltavy	December 2006	Indefinite
Public Works Director	Lyndon Robjent	August 2009	Indefinite

Note: All Commissioners and all Officers are covered by the employee Blanket Bond.



Legend:

- Elected Officials:** Dark blue box
- Divisions:** Medium blue box
- Departments:** Light blue box
- Direct Report:** Solid line
- Indirect Report:** Dashed line
- Separate Agency/Non-County Employees:** Light purple circle
- Separate Agency with County Employee Positions:** Light blue circle
- Separate Tax Levy Authority/County Commissioners:** Light purple hexagon
- Separate Tax Levy Authority/Non-County Employees:** Light blue hexagon

University of Minnesota Extension

Historical Society

Community Development Agency
[<Return to Table of Contents>](#)



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Carver County
Minnesota**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2022

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

Board of County Commissioners
Carver County
Chaska, Minnesota

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Carver County, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise Carver County's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of Carver 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 Carver County Community Development Agency (CDA), which represents 100 percent of the assets and revenues of the discretely presented component unit as of December 31, 2023. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Carver County Community Development Agency, is 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. 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 Carver 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 – Change in Accounting Principle

As discussed in Note 1 to the financial statements, effective January 1, 2023, the County adopted a new accounting guidance for subscription-based information technology arrangements (SBITAs). The guidance requires subscribers to recognize a right-to-use subscription asset and corresponding subscription liability for all SBITAs with agreement terms greater than twelve months. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Carver 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 Carver 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 Carver 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 management's discussion and analysis, budgetary comparison schedules, other postemployment benefit liability and related ratios, schedule of proportionate share of net pension liability, and schedule of pension contributions 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 have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Carver County's basic financial statements. The combining and individual nonmajor fund financial statements, the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, schedule of intergovernmental revenue, and schedule of capital assets used in the operation of governmental funds are presented for purposes of additional analysis and are 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 GAAS by us and other auditors. In our opinion, 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 report. The other information comprises the introductory and statistical sections 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 28, 2024, on our consideration of Carver 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 Carver 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 Carver County's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Minneapolis, Minnesota
June 28, 2024

**CARVER COUNTY
CHASKA, MN**

**Management's Discussion and Analysis
DECEMBER 31, 2023
(Unaudited)**

The Financial Management of Carver County offers the readers of Carver County's financial statements this narrative overview and analysis of the financial activities of Carver County for the fiscal year ended December 31, 2023. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal and the notes to the financial statements.

Financial Highlights

- The assets and deferred outflows of resources of Carver County exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$437,236,730 (net position). Of this amount, \$53,532,426 (unrestricted net position), may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net position increased by \$17,967,769 for the year ended December 31, 2023, which is discussed further in the Government-wide Financial Analysis section.
- As of the close of the current fiscal year, Carver County governmental funds reported combined ending fund balances of \$106,394,593. Approximately, 79.6 percent of this amount, \$84,665,783, is available for spending at the government's discretion (committed, assigned and unassigned fund balance is the discretionary fund balance).
- At the end of the current fiscal year, committed, assigned and unassigned fund balance for the General Fund was \$31,121,135, or 40.9 percent of the total General Fund expenditures and transfers out.
- Carver County's total long-term debt decreased by \$3,752,963 (17.70 percent) during the current fiscal year. The key factors were the debt service payments, which reduced the outstanding debt.
- The County recognized a Net OPEB Asset of \$4,884,539 at 12/31/23. The County's plan is to have the OPEB obligation 95% to 100% funded through the County's irrevocable OPEB trust. The Net OPEB Asset at 12/31/23 is largely due to favorable interest rates and investment returns.
- The County received its Public Safety Aid of \$1,474,582 late 2023. As of 12/31/23, the funds are restricted and the County will be determining spend in 2024.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Carver County's basic financial statements. Carver County's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of Carver County's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of Carver County's assets, liabilities, and deferred outflows and inflows of resources, 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 Carver County is improving or deteriorating. Consideration of other nonfinancial factors need to be included in the analysis as well, such as, changes in the County's property tax base and the condition of the County's infrastructure, to assess the overall health of the County.

The statement of activities presents information showing how Carver County's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of Carver County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges. The governmental activities of Carver County include general government, public safety, highways and streets, human services, health, culture and recreation, conservation of natural resources and economic development.

The government-wide financial statements include not only Carver County itself (known as the primary government), but also a legally separate Carver County Community Development Agency for which Carver County is financially accountable. Financial information for the component unit is reported separately from the financial information presented for the primary government itself. The complete financial statements of the CDA can be obtained by writing to the Carver County Community Development Agency, 705 Walnut Street, Chaska, Minnesota 55318.

The government-wide financial statements can be found on pages 21-23 of this report.

**CARVER COUNTY
CHASKA, MN**

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Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Carver County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related requirements. All of the funds of Carver County can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial 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. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Carver County maintains ten individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, Road and Bridge Fund, Health and Human Services Fund, Debt Service Fund, Buildings Capital Improvement Fund, Road & Bridge Capital Improvement Fund, and Parks & Trails Capital Improvement Fund, all of which are considered major funds. The Rail Authority Fund, Water Management Organization Fund, and Ditch Fund are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

Carver County adopts an annual appropriated budget for its seven major governmental funds and its three nonmajor funds. A budgetary comparison statement has been provided for these funds to demonstrate compliance with their budgets.

The basic fund financial statements can be found on pages 24-32 of this report.

General Fund. The General Fund is used to account for all financial resources not accounted for in another fund.

Special Revenue Funds. Special Revenue governmental funds account for the proceeds of specific revenue sources that are restricted to expenditures for specified purposes. The Special Revenue Funds include:

- Road and Bridge
- Health and Human Services
- Rail Authority
- Water Management Organization
- Ditch

Debt Service Fund. The Debt Service Fund accounts for the payment of principal, interest and fiscal charges on long-term obligations of Carver County.

Capital Projects Funds. The Capital Projects Funds track major construction projects. The Capital Projects Funds include:

- Buildings Capital Improvement Fund (CIP)
- Road & Bridge Capital Improvement Fund (CIP)
- Parks & Trails Capital Improvement Fund (CIP)

Proprietary funds. Carver County uses only one type of proprietary fund. These internal service funds are an accounting device used to accumulate and allocate costs internally among Carver County's various functions. Carver County has two internal service funds, the Self Insurance Fund and Compensated Absences Fund. The Self Insurance Fund allocates costs of risk management to the various county departments. The Compensated Absences Fund accounts for the change in the PTO, vacation, and sick balances. This fund has no net position because the cash balance is offset by its liability.

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Fiduciary Funds. Fiduciary funds account for resources held for the benefit of parties outside the government. Carver County reports two fiduciary funds. The Other Postemployment Benefits Trust Fund is used to report contributions to an irrevocable trust fund and other post employment benefits (OPEB) activity. The Custodial funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because resources of those funds are not available to finance Carver County's operations. The County is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

The basic fiduciary fund financial statements can be found on pages 31-32 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 33-70 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information. The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the budgetary comparisons of the Capital Projects Funds in the supplementary section. Combining and individual fund statements and schedules can be found on pages 71-116 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Carver County, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$437,236,730 at the close of the most recent fiscal year.

Net Investment in Capital Assets, \$336,738,725 (e.g. land, buildings, machinery and equipment, infrastructure, improvements - other than buildings, and construction in progress, less any related debt used to acquire assets that is still outstanding) represents 77 percent of total net position. Carver County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Carver County's investments in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Approximately 10.7 percent of Carver County's net position or \$46,965,579 represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$53,532,426 or approximately 12.2 percent is unrestricted and may be used to meet the government's ongoing obligations to citizens and creditors.

Carver County's Net Position

	Governmental Activities	
	2023	2022
Current and other assets	\$ 169,250,963	\$ 162,055,333
Capital assets	356,833,129	344,883,620
Net OPEB Asset	4,884,539	2,777,982
Receivables - due in more than one year	4,696,480	5,309,174
Total Assets	535,665,111	515,026,109
Deferred Outflows of Resources	27,888,694	37,208,613
Long-term liabilities outstanding	65,134,086	99,255,744
Other liabilities	24,643,823	26,426,617
Total Liabilities	89,777,909	125,682,361
Deferred Inflows of Resources	36,539,166	7,283,400
Net Position:		
Net Investment in Capital Assets	336,738,725	324,792,609
Restricted	46,965,579	36,124,309
Unrestricted	53,532,426	58,352,043
Total Net Position	\$ 437,236,730	\$ 419,268,961

At the end of the current fiscal year, Carver County is able to report positive balances in all three components of net position. The same held true for the prior fiscal year.

**CARVER COUNTY
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Carver County's governmental activities net position increased by \$17,967,769 during the current fiscal year.

This increase is the combination of many surpluses and deficits but the primary changes include:

- An increase in capital assets that were largely or partially funded by non-County dollars, such as, road and bridge projects and parks and trails projects that completed or are in construction in progress at the end of 2023.
- Beginning October of 2017, a 0.5% transit sales and use tax and a \$20 vehicle excise tax was implemented generating \$10 million in 2023 to be used on transportation projects throughout the County. As of year-end \$21.0 million remains unspent, but allocated for planned road and bridge projects in 2024 and beyond.
- Capital grants and contributions decreased by \$9.8 million, largely offset by a decrease in highway and street costs.
- Investment income had a positive year-end mark to market adjustment of \$2,488,904 in 2023 plus favorable rates increased investment income.
- During 2023, Carver County spent down \$10.1M of the Coronavirus State and Local Fiscal Recover Funds (SLFRF), offset slightly by the creation of a \$3M CDA Housing Projects Fund.

Carver County's Changes in Net Position

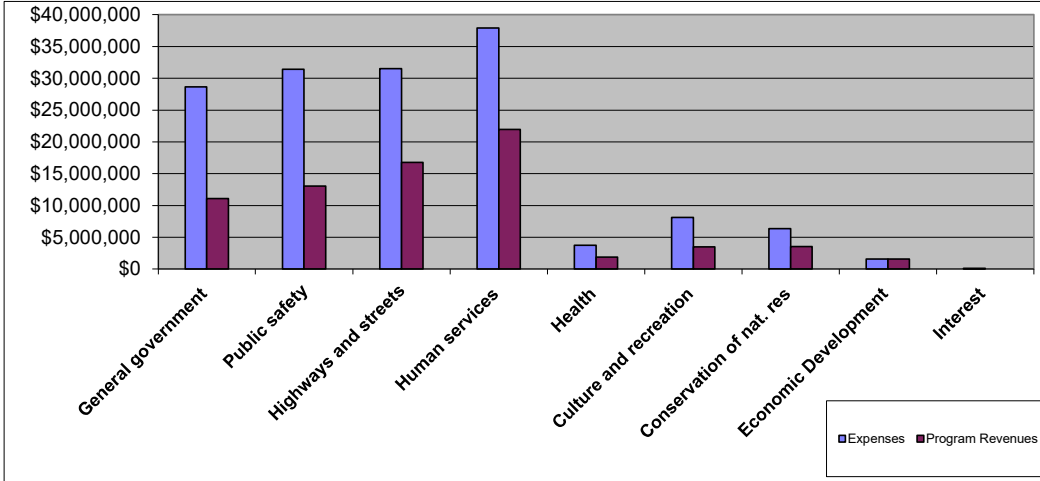
	Governmental Activities	
	2023	2022
Revenues:		
Program revenues:		
Fees, Charges, Fines and Other	\$ 18,035,782	\$ 17,292,671
Operating grants & contributions	48,215,296	38,601,701
Capital grants & contributions	7,147,966	16,904,999
General revenues:		
Property taxes	67,445,765	64,567,926
Wheelage tax	1,907,126	1,861,289
Transportation tax	10,695,515	12,460,041
Gravel tax	80,883	91,248
Grants & contributions not restricted to specific programs	4,399,381	4,624,308
Payment in lieu of taxes	107,055	223,177
Investment income	7,225,758	(5,021,141)
Miscellaneous	2,209,615	1,861,436
Total Revenues	167,470,142	153,467,655
Expenses:		
General government	28,656,268	21,830,906
Public safety	31,419,194	31,996,774
Highways and streets	31,523,216	38,895,938
Human services	37,890,371	36,162,247
Health	3,777,913	3,793,001
Culture and recreation	8,117,468	7,653,882
Conservation of natural resources	6,374,838	6,301,247
Economic development	1,608,192	500,000
Interest	134,913	166,297
Total Expenses	149,502,373	147,300,292
Increase in net position	17,967,769	6,167,363
Net Position 1/1	419,268,961	413,101,598
Net Position 12/31	\$ 437,236,730	\$ 419,268,961

The expenses stated for each function of government above are reflective after the allocation of indirect expense.

**CARVER COUNTY
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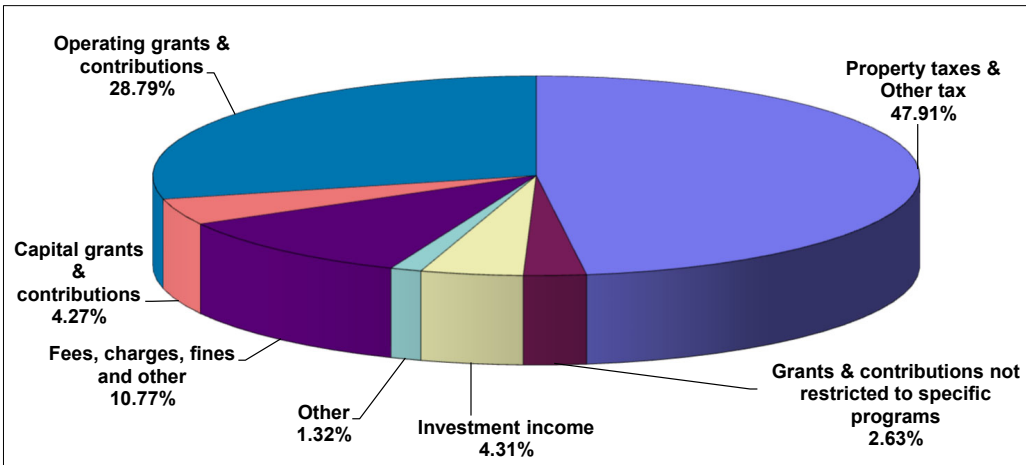
**Management's Discussion and Analysis
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2023 Expenses and Program Revenues - Governmental Activities



Expenses presented in this graph are reflective after the indirect expense allocation, see page 23 of this report.

2023 Revenues by Source - Governmental Activities



Financial Analysis of the Government's Funds

As noted earlier, Carver County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of Carver County governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing Carver County's financing requirements. In particular, unrestricted fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

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As of the end of the current fiscal year, Carver County's governmental funds reported combined ending fund balances of \$106,394,593 an increase of \$2,442,612 in comparison with the prior year. Most of the total amount, \$84,665,783 constitutes committed, assigned, or unassigned fund balance, which is available for spending at the government's discretion. The remainder of fund balance is not available for new spending because it has been restricted for specific purposes or is nonspendable.

The General Fund is the chief operating fund of Carver County. At the end of the current fiscal year committed, assigned and unassigned fund balance of the General Fund was \$31,121,135, while total fund balance reached \$39,365,912. As a measure of the General Fund's liquidity, it may be useful to compare committed, assigned and unassigned fund balance and the total fund balance to total fund expenditures and transfers out. Committed, assigned and unassigned fund balance represents 40.9 percent of total General Fund expenditures and transfers out, while total fund balance represents approximately 51.7 percent of that same amount. The fund balance of Carver County's General Fund increased by \$9,682,307 during the current fiscal year. This is largely attributed to the \$2.5M positive mark to market adjustment in 2023 along with the new \$3M commitment for CDA Housing projects that came from public safety salary and benefits being covered by SLFRF and the new \$1.4M in one-time public safety aid that came in late 2023 and hasn't been spent.

The Road and Bridge Fund had a total fund balance of \$6,564,836 at the end of the current fiscal year. The fund balance of the Road and Bridge Fund decreased by \$621,562 during the current year primarily due to projects and capital purchases that were funded prior to 2023, but completed during 2023.

The Health and Human Services Fund had a total fund balance of \$13,747,811 at the end of the current fiscal year. The fund balance of the Health and Human Services Fund increased by \$1,659,393 during the current fiscal year. This change is primarily due to additional funding that was received prior to year-end and is restricted until spent as well as funding provided in 2023 for projects that haven't completed prior to year-end.

The Ditch Fund had an overall negative fund balance of \$260,108 at the end of the current fiscal year. The fund balance of the Ditch Fund decreased by \$113,786 during the fiscal year, due to increased spending on ditch maintenance and a large redetermination that started in 2022.

The Rail Authority Fund had a fund balance of \$201,743 at the end of the current fiscal year. The fund balance of the Rail Authority Fund increased by \$36,053 during the current fiscal year due to less maintenance work being completed.

The Water Management Organization Fund had a fund balance of \$714,483 at the end of the current fiscal year. The fund balance of the Water Management Organization Fund increased by \$133,389 during the current fiscal year due to more project costs rolling into 2024.

The Debt Service Fund had a total fund balance of \$10,919,332 at the end of the current fiscal year which is available for payment of debt service. The fund balance of the Debt Service Fund decreased by \$2,310,541 during the current fiscal year. This is largely due to the redirection of debt service fund balance, \$2.5M, not needed for future debt payments to one-time projects, this was approved during the 2023 budget process.

The Buildings Capital Improvement Fund had a total fund balance of \$6,638,442 at the end of the current fiscal year. This fund balance is assigned for capital projects, the Public Works (PW) Northwest Satellite Facility Site Improvements, and the Year-End Savings (YES) account. The fund balance of the Buildings Capital Improvement Fund increased by \$1,708,803 during the current fiscal year. This increase is largely due to continuation of projects into 2024 and the increase to the YES account.

The Road and Bridge Capital Improvement Fund had a total fund balance of \$25,052,547 at the end of the current fiscal year. The fund balance is assigned to: transportation tax projects and the YES account. The fund balance of the Road and Bridge Capital Improvement Fund decreased by \$4,175,802 during the fiscal year. The key factors for the decrease is the spending down of accumulated transportation tax funds on various projects.

The Parks & Trails Capital Improvement Fund had a total fund balance of \$3,449,595 at the end of the current fiscal year. These funds are restricted to Coney Island improvements and assigned for: capital projects, park land acquisition, and the YES account. The fund balance for the Parks and Trails Capital Improvement Fund decreased by \$3,555,642 during the fiscal year. This change is largely attributed to the Lake Waconia Regional Park Paradise Commons construction and spend down of the restricted Coney Island funds.

General Fund Budgetary Highlights

The difference between the original budget expenditures and other financing uses and the final amended budget expenditures and other financing uses was an increase of \$14,972,246 during the fiscal year. The difference between the original budget revenues and other financing sources and the final amended budget revenues and other financing sources was an increase of \$18,604,570. The significant budget changes during the current fiscal year were:

**CARVER COUNTY
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- Increasing intergovernmental revenue by \$13,264,492, mainly for additional grants that were awarded in 2023 or carried forward from 2022 and were not a part of the 2023 adopted budget.
- Increasing transfers in by \$4,010,907, largely due to the allocation of debt service reserves to one-time projects approved by the Board, the vacancy savings allocation, and transfer of funds for working capital needs.
- Increasing and decreasing budgeted expenditures for: Vacancy Savings budget was allocated out to the respective departmental budgets based on anticipated vacancy savings.
- The \$1,118,865 increase in transfers out is mainly due to COVID-19 Budget Stabilization Funds used for labor contract settlements for retention payments, countywide STOC pool managed by Employee Relations allocated to Public Works and Health & Human Services for temporary staff needs, as well as, a transfer to the YES account.

The final amended budget expenditures and transfers out exceeded actual expenditures and other financing uses by \$1,481,538 during fiscal year. The actual revenues and other financing sources exceeded the final amended budget revenues and other financing sources by \$4,893,504. Significant variances during the current fiscal year included the following:

- Actual Information Technology, Human Resources, Library, and Parks expenditures were \$527,503, \$280,128, \$272,180, and \$224,076 respectively, less than final budgeted expenditures as a result of tighter restrictions on discretionary spending and vacancy savings.
- Investment Income was over the targeted budget by \$5,559,272. This is largely due the \$2,488,904 positive mark to market adjustment coupled with favorable interest rates.

Capital Asset and Debt Administration

Capital Assets. Carver County's investment in capital assets for its governmental activities as of December 31, 2023, is \$356,833,129 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings, improvements other than buildings, machinery and equipment, and infrastructure. The total increase in Carver County's investment in capital assets for the current year was approximately 2.60 percent. The increase in capital assets was mainly due to an increase of \$11,148,656 in buildings. The decrease in construction and progress is offset by the increase in infrastructure.

Major capital asset events during the current fiscal year included the following:

- Completed road project on TH5 / TH212 of \$7.9M contributed to the increase to infrastructure and decrease to construction in progress.
- Completion of the Lake Waconia Regional Park project that included the Paradise Commons building, \$12.7M.
- Depreciation and amortization expense for the year of \$10,807,363.

**Carver County's Capital Assets
(net of depreciation)**

	Governmental Activities	
	2023	2022
Land	\$ 31,733,308	\$ 31,733,308
Construction in Progress	148,528,121	153,459,274
Buildings	40,667,663	29,519,004
Improvements other than buildings	67,613	77,052
Machinery and Equipment	5,423,763	5,209,303
Infrastructure	128,195,742	124,859,994
Right-to-use leased asset	143,804	25,685 *
Subscription Based Information Technology Arrangement	2,073,115	2,809,188 *
Total	\$ 356,833,129	\$ 347,692,808

* These line items are the result of implementation of GASB Stmt's No. 87 and 96, see Note 1. on page 33 of this report. Any agreements that were outstanding prior to 1/1/2023 are shown here as part of the beginning balance. Additional information on Carver County's capital assets can be found in Note 3.D on page 46 of this report.

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Long-term Debt. At the end of the current fiscal year, Carver County had total bonded debt outstanding of \$14,701,493. This is a decrease of \$3,174,151 from the start of the year. Current and future County tax levies are used to finance all bonded debt, except for the 2022A Bonds, which are leveraging lease revenue.

Carver County's total debt decreased by \$3,752,963 during the current fiscal year; resulting from regularly scheduled payoffs, and other debt retirements. The decrease was offset by additional loans added through the Agricultural Best Management Loan Program, these loans will be paid from special assessments.

Carver County's Outstanding Debt

	Governmental Activities	
	2023	2022
General obligation bonds	\$ 7,167,493	\$ 9,307,644
General obligation notes payable	7,534,000	8,568,000
Lease liability	148,426	25,851
Subscriptions payable	1,812,909	2,555,342
Loans	795,738	754,692
Total	\$ 17,458,566	\$ 21,211,529

Carver County's bond credit rating increased from a rating of Aa2 in 2009 to an AAA rating because of the future economic outlook and sound fiscal management. The AAA bond credit rating was maintained through 2023 and into 2024.

State statutes limit the amount of general obligation debt a county can incur to no more than 3% of the assessed value of taxable property in the County. The current debt limitation for Carver County is \$612,231,111, which is significantly in excess of Carver County's outstanding general obligation debt.

Additional information on Carver County's long-term debt can be found in Note 3.G on pages 49-50 of this report.

Economic Factors and Next Year's Budgets and Rates

- The 2023 average unemployment rate for Carver County was 2.4%, which is a decrease from a rate of 2.1% a year ago. This compares favorably to the State's average unemployment rate of 2.8% and the national average of 3.6%.
- County General Fund expenditures for 2024 are budgeted to increase 9.70% from 2023.
- The 2024 budget responds to fiscal challenges related to the tails of historic inflationary increases and a highly competitive labor market while continuing the County's history of providing a stable level of service to its citizens.
- Economic benchmarks, including property market values and new construction, showed improved growth from 2023. The County's \$465,000 average value home in 2024 increased in value by 2.0% compared to 2023. The 2024 budget recommendations captured the new tax base created by this growth along a 4.5% county tax impact on the average-valued residential property.

Requests for Information

This financial report is designed to provide a general overview of Carver County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Department, 600 East Fourth Street, Government Center, Administration Building, Chaska, MN 55315-2183. Or visit our website at <https://www.carvercountymn.gov/>

Basic Financial Statements

**CARVER COUNTY
CHASKA, MINNESOTA**

**STATEMENT OF NET POSITION
DECEMBER 31, 2023**

	<u>Primary Government</u>	<u>Component Unit</u>
	<u>Governmental</u>	<u>Community</u>
	<u>Activities</u>	<u>Development</u>
		<u>Agency</u>
<u>Assets</u>		
Current assets		
Cash and Pooled Investments	\$ 129,455,298	\$ 10,424,284
Petty Cash and Change Funds	8,185	-
Departmental Cash	128,721	-
Undistributed Cash in Custodial Funds	47,520	-
Minnesota Foundation Endowment	61,932	-
Taxes Receivable		
Delinquent	264,063	-
Special Assessments Receivable		
Delinquent	6,016	-
Deferred	730,755	-
Accounts Receivable	2,547,002	102,009
Note Receivable - due within one year	561,310	44,112
Security Deposit Receivable	2,404	-
Lease Receivable	236,075	-
Accrued Interest Receivable	274,483	34,516
Due From Other Governments	32,608,731	1,539,564
Prepaid Supplies	747,360	-
Prepaid Items	1,571,108	239,989
Restricted Assets		
Cash and Pooled Investments	-	7,275,195
Total Current Assets	169,250,963	19,659,669
Noncurrent assets		
Capital Assets - Not being Depreciated	180,261,429	11,735,748
Capital Assets - Net of Depreciation and Amortization	176,571,700	39,289,491
Lease Receivable - due in more than one year	3,687,514	-
Net OPEB Asset	4,884,539	-
Notes, Loans & Mortgages Receivable - due in more than one year	1,008,966	390,255
Investment in Joint Venture	-	799,950
Total Noncurrent Assets	366,414,148	52,215,444
Total Assets	535,665,111	71,875,113
<u>Deferred Outflows of Resources</u>		
Deferred Charges on Refunding	-	335,073
Deferred Pension Resources	27,613,541	-
Deferred OPEB Resources	275,153	-
Total Deferred Outflows of Resources	27,888,694	335,073

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

**CARVER COUNTY
CHASKA, MINNESOTA**

**STATEMENT OF NET POSITION
DECEMBER 31, 2023
(Continued)**

	Primary Government	Component Unit
	Governmental Activities	Community Development Agency
<u>Liabilities</u>		
Current liabilities		
Accounts Payable	1,735,845	567,999
Accrued Interest Payable	87,690	320,811
Salaries Payable	2,789,572	94,862
Contracts Payable	8,967,244	-
Retainage Payable	1,019,032	-
Other current liabilities	-	365,658
Customer deposits	1,956,068	432,281
Due to other Governments	3,268,068	-
General Obligation Bonds Payable - due within one year (net of premium/ discount)	1,219,235	1,375,000
General Obligation Notes Payable - due within one year	1,044,000	4,338
Loans Payable - due within one year	138,194	61,462
Lease Payable - due within one year	32,849	-
Subscriptions Payable - due within one year	647,554	-
Compensated Absences - due within one year	145,725	144,918
Unearned Revenue	1,592,747	35,879
Total Current Liabilities	24,643,823	3,403,208
Noncurrent liabilities:		
General Obligation Bonds Payable - due in more than one year (net of premium/ discount)	5,948,258	23,320,267
General Obligation Notes Payable - due in more than one year	6,490,000	3,721,313
Loans Payable - due in more than one year	657,544	4,991,223
Lease Payable - due in more than one year	115,577	-
Subscriptions Payable - due in more than one year	1,165,355	-
Compensated Absences - due in more than one year	6,289,165	-
Net Pension Liability - due in more than one year	44,468,187	-
Total Noncurrent Liabilities	65,134,086	32,032,803
Total Liabilities	89,777,909	35,436,011
<u>Deferred Inflows of Resources</u>		
Deferred Pension Resources	30,737,684	-
Deferred OPEB Resources	1,969,480	-
Property Taxes Collected for Subsequent Period	47,520	-
Deferred Amounts Related to Leases	3,784,482	-
Total Deferred Inflows of Resources	36,539,166	-
<u>Net Position</u>		
Net Investment in Capital Assets	336,738,725	17,948,191
Restricted for:		
CDA	-	4,801,541
General Government	337,961	-
Public Safety	3,373,729	-
Conservation of Natural Resources	1,598,142	-
Culture and Recreation	1,261,631	-
Health & Human Services Unspent Grant Revenues	574,398	-
Gravel Pit Closure	278,518	-
Opioid Remediation Activities	2,393,290	-
OPEB	4,884,539	-
MNDOT Allotments	21,403,883	-
Ditch Maintenance	22,445	-
Debt Service	10,837,043	-
Unrestricted	53,532,426	14,024,443
Total Net Position	\$ 437,236,730	\$ 36,774,175

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

**CARVER COUNTY
CHASKA, MINNESOTA**

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Expenses	Indirect Expense Allocation	Program Revenues			Net (Expense)/Revenue and Change in Net Position	
			Fees, Charges, Fines and Other	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Governmental Activities	Component Unit Community Development Agency
Functions/Programs							
Primary Government							
Governmental activities:							
General government	\$ 37,048,920	\$ (8,392,652)	\$ 4,701,540	\$ 6,390,166	\$ -	\$ (17,564,562)	\$ -
Public safety	28,760,319	2,658,875	5,752,337	7,295,386	-	(18,371,471)	-
Highways and streets	30,621,508	901,708	2,731	11,893,235	4,868,422	(14,758,828)	-
Human services	34,469,598	3,420,773	4,834,895	17,107,204	-	(15,948,272)	-
Health	3,493,012	284,901	16,023	1,877,453	-	(1,884,437)	-
Culture and recreation	7,342,060	775,408	362,725	853,984	2,279,544	(4,621,215)	-
Conservation of natural resources	6,023,851	350,987	2,365,531	1,189,676	-	(2,819,631)	-
Economic development	1,608,192	-	-	1,608,192	-	-	-
Interest	134,913	-	-	-	-	(134,913)	-
Total primary government	\$ 149,502,373	\$ -	\$ 18,035,782	\$ 48,215,296	\$ 7,147,966	\$ (76,103,329)	\$ -
Component unit:							
Community Development Agency	\$ 13,959,393	\$ -	\$ 8,257,731	\$ 6,264,440	\$ -	\$ -	\$ 562,778
General revenues:							
Property Taxes						\$ 67,445,765	\$ -
Wheelage Tax						1,907,126	-
Transportation Tax						10,695,515	-
Gravel Tax						80,883	-
Grants and contributions not restricted to specific programs						4,399,381	-
Payment in lieu of taxes						107,055	-
Capital Contributions						-	9,070,211
Investment income						7,225,758	212,790
Miscellaneous						2,121,853	-
Gain on sale of capital assets						87,762	7,395
Total general revenues						94,071,098	9,290,396
Change in net position						17,967,769	9,853,174
Net position - beginning						419,268,961	26,921,001
Net position - ending						\$ 437,236,730	\$ 36,774,175

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

**CARVER COUNTY
CHASKA, MINNESOTA**

**BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2023**

<u>Assets</u>	Health & Human Services Special								Total Governmental Funds
	General	Road & Bridge Special Revenue Fund	Revenue Fund	Debt Service	Buildings CIP	Road & Bridge CIP	Parks & Trails CIP	Other Governmental Funds	
Cash and Pooled Investments	\$ 49,852,305	\$ 6,098,267	\$ 13,456,199	\$ 10,910,566	\$ 6,636,369	\$ 25,677,680	\$ 5,616,262	\$ 1,179,664	\$ 119,427,312
Petty Cash and Change Funds	7,335	100	750	-	-	-	-	-	8,185
Departmental Cash	128,721	-	-	-	-	-	-	-	128,721
Undistributed Cash in Custodial Funds	27,396	4,262	11,244	2,239	-	1,783	-	596	47,520
Minnesota Foundation Endowment	61,932	-	-	-	-	-	-	-	61,932
Taxes Receivable									
Delinquent	150,672	23,348	61,176	14,167	1	9,820	-	4,879	264,063
Special Assessments Receivable									
Delinquent	4,004	-	-	-	-	-	-	2,012	6,016
Unavailable	702,174	-	-	-	-	-	-	28,581	730,755
Accounts Receivable	1,981,185	23,075	468,388	-	-	-	16,810	57,544	2,547,002
Notes Receivable	-	-	-	-	-	1,570,276	-	-	1,570,276
Security Deposit Receivable	-	-	2,404	-	-	-	-	-	2,404
Lease Receivable	3,911,310	-	-	-	-	-	-	12,279	3,923,589
Accrued Interest Receivable	274,483	-	-	-	-	-	-	-	274,483
Due from other Funds	27,851	-	59,171	-	-	-	-	-	87,022
Due from other Governments	1,089,070	14,146	2,310,417	-	-	28,382,108	737,232	75,758	32,608,731
Advances to other Funds	400,000	-	-	-	-	926,301	-	-	1,326,301
Prepaid Supplies	-	747,360	-	-	-	-	-	-	747,360
Prepaid Items	1,371,471	55,756	80,340	-	4,841	618	-	-	1,513,026
Total Assets	59,989,909	6,966,314	16,450,089	10,926,972	6,641,211	56,568,586	6,370,304	1,361,313	165,274,698
Liabilities, Deferred Inflows of Resources, and Fund Balances									
Liabilities:									
Accounts Payable	873,989	64,214	657,383	-	-	30,191	37,811	22,452	1,686,040
Salaries Payable	1,670,482	199,461	919,629	-	-	-	-	-	2,789,572
Contracts Payable	5,775,400	35,342	85,817	-	2,201	2,152,549	840,017	75,918	8,967,244
Retainage Payable	582,225	-	-	-	-	74,920	361,887	-	1,019,032
Customer Deposits Payable	1,956,068	-	-	-	-	-	-	-	1,956,068
Due to other Funds	59,171	10,326	16,875	-	-	-	650	-	87,022
Due to other Governments	1,727,712	64,570	72,239	-	568	1,331,045	-	71,934	3,268,068
Advances from other Funds	-	-	-	-	-	-	926,301	400,000	1,326,301
Unearned Revenue	1,129,164	-	453,758	-	-	-	-	9,825	1,592,747
Total Liabilities	13,774,211	373,913	2,205,701	-	2,769	3,588,705	2,166,666	580,129	22,692,094
Deferred Inflows of Resources:									
Unavailable Revenue	3,046,094	23,303	485,333	5,401	-	26,355,275	754,043	116,284	30,785,733
Property Taxes Collected for Subsequent Period	27,396	4,262	11,244	2,239	-	1,783	-	596	47,520
Unavailable Revenue - Notes	-	-	-	-	-	1,570,276	-	-	1,570,276
Deferred Amounts Related to Leases	3,776,296	-	-	-	-	-	-	8,186	3,784,482
Total Deferred Inflows of Resources	6,849,786	27,565	496,577	7,640	-	27,927,334	754,043	125,066	36,188,011
Fund Balances:									
Non-spendable:									
Minnesota Foundation Endowment	61,932	-	-	-	-	-	-	-	61,932
Prepays	1,371,471	803,116	80,340	-	4,841	618	-	-	2,260,386
Advances	400,000	-	-	-	-	-	-	-	400,000
Restricted for:									
Coney Island Improvements	-	-	-	-	-	-	85,942	-	85,942
Charles Dalke Donation	928,047	-	-	-	-	-	-	-	928,047
Opioid Remediation Activities	612,224	-	-	-	-	-	-	-	612,224
Septic Loan Program	89,559	-	-	-	-	-	-	-	89,559
Gravel Pit Closure	-	278,518	-	-	-	-	-	-	278,518
Recorder's Information Technology	73,513	-	-	-	-	-	-	-	73,513
Recorder's Equipment	42,684	-	-	-	-	-	-	-	42,684
Gifts and Donations	486	-	-	-	-	-	-	-	486
Restitution	71,725	-	-	-	-	-	-	-	71,725
Attorney Forfeitures	152,771	-	-	-	-	-	-	-	152,771
Law Library	185,710	-	-	-	-	-	-	-	185,710
Conceal and Carry	422,864	-	-	-	-	-	-	-	422,864
General Government Grants	68,993	-	-	-	-	-	-	-	68,993
Health and Human Services Grants	-	-	574,398	-	-	-	-	-	574,398
Posse	9,664	-	-	-	-	-	-	-	9,664
Solid Waste Fees	883,658	-	-	-	-	-	-	-	883,658
Watershed Districts	-	-	-	-	-	-	-	714,483	714,483
Sheriff Forfeitures	36,087	-	-	-	-	-	-	-	36,087
TRIAD	804	-	-	-	-	-	-	-	804
Sheriff Reserves	12,184	-	-	-	-	-	-	-	12,184
E-911	1,293,046	-	-	-	-	-	-	-	1,293,046
Dive Team	49,582	-	-	-	-	-	-	-	49,582
Chaplain	25	-	-	-	-	-	-	-	25
Prostitution Assessments	3,166	-	-	-	-	-	-	-	3,166
Public Safety Aid	1,474,582	-	-	-	-	-	-	-	1,474,582
Debt Service	-	-	-	10,919,332	-	-	-	-	10,919,332
Ditch Maintenance	-	-	-	-	-	-	-	22,445	22,445
Committed to:									
COVID-19 Budget Stabilization Account	2,843,293	-	-	-	-	-	-	-	2,843,293
CDA Housing Projects	3,000,000	-	-	-	-	-	-	-	3,000,000
Assigned to (Note 3.1.):	5,812,208	5,483,202	13,093,073	-	6,633,601	25,051,929	3,363,653	201,743	59,639,409
Unassigned:	19,465,634	-	-	-	-	-	-	(282,553)	19,183,081
Total Fund Balances	39,365,912	6,564,836	13,747,811	10,919,332	6,638,442	25,052,547	3,449,595	656,118	106,394,593
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 59,989,909	\$ 6,966,314	\$ 16,450,089	\$ 10,926,972	\$ 6,641,211	\$ 56,568,586	\$ 6,370,304	\$ 1,361,313	\$ 165,274,698

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

**CARVER COUNTY
CHASKA, MINNESOTA**

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

Fund Balances - Total Governmental Funds		\$ 106,394,593
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>		
<p>Internal Service Funds are used by management to charge costs of insurance, and compensated absences. The assets and liabilities of the internal service funds are included in governmental activities in the statement of activities.</p>		3,601,373
<p>Capital assets used in governmental activities are not financial resources and, therefore, the underlying resources are not recognized currently in the governmental funds.</p>		356,833,129
<p>Contributions to the Pension and OPEB Trust in excess of the total Pension and OPEB liability recognized to date are not current financial resources and therefore are not reported at the fund level.</p>		
Net OPEB Asset		4,884,539
<p>Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the governmental funds.</p>		
General Obligation Bonds Payable	(7,167,493)	
Notes Payable	(7,534,000)	
Loans Payable	(795,738)	
Net Pension Liability	(44,468,187)	
Lease Payable	(148,426)	
Subscriptions Payable	(1,812,909)	
Accrued Interest Payable	(87,690)	(62,014,443)
<p>Deferred outflows of resources and deferred inflows of resources are created as a result of various differences related to OPEB and pensions that are not recognized in the governmental funds.</p>		
Deferred outflow of resources	27,888,694	
Deferred inflow or resources	(32,707,164)	(4,818,470)
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.</p>		32,356,009
Net Position of Governmental Activities		<u>\$ 437,236,730</u>

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

**CARVER COUNTY
CHASKA, MINNESOTA**

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

	General	Road & Bridge Special Revenue Fund	Health & Human Services Special Revenue Fund	Debt Service	Buildings CIP	Road & Bridge CIP	Parks & Trails CIP	Other Governmental Funds	Total Governmental Funds
Revenues:									
Taxes	\$ 39,094,101	\$ 6,013,565	\$ 15,652,156	\$ 3,235,696	\$ -	\$ 15,084,973	\$ -	\$ 1,085,179	\$ 80,165,670
Special Assessments	258,215	-	-	-	-	-	-	155,433	413,648
Licenses and Permits	1,492,864	-	-	-	-	-	-	53,511	1,546,375
Intergovernmental	20,241,532	4,077,892	19,402,231	12,550	763,179	7,017,786	3,238,233	25,120	54,778,523
Charges for Services	10,814,842	3,100	4,458,231	-	-	-	-	56,123	15,332,296
Fines and Forfeits	197,389	-	-	-	-	-	-	-	197,389
Gifts and Contributions	93,934	63,201	90,071	-	-	-	-	-	247,206
Investment Income	7,185,979	-	-	-	-	-	-	1,585	7,187,564
Miscellaneous	1,594,229	319,524	420,631	-	-	30	-	19,887	2,354,301
Total Revenues	80,973,085	10,477,282	40,023,320	3,248,246	763,179	22,102,789	3,238,233	1,396,838	162,222,972
Expenditures:									
Current:									
General Government	27,543,284	-	-	-	41,579	-	-	-	27,584,863
Public Safety	27,591,822	-	-	-	-	-	-	-	27,591,822
Highways and Streets	-	10,984,657	-	-	-	3,923,601	-	-	14,908,258
Human Services	-	-	34,054,767	-	-	-	-	-	34,054,767
Health	38,503	-	3,442,497	-	-	-	-	-	3,481,000
Culture and Recreation	6,676,935	-	-	-	-	-	-	9,332	6,686,267
Conservation of Natural Resources	4,762,438	-	-	-	60,000	-	-	1,140,513	5,962,951
Economic Development	1,608,192	-	-	-	-	-	-	-	1,608,192
Intergovernmental	-	217,733	-	-	-	-	-	-	217,733
Highways and Streets	-	217,733	-	-	-	-	-	-	217,733
Capital Outlay	5,842,667	-	-	-	128,520	21,205,972	6,840,282	-	34,017,441
Debt Service:									
Principal	885,097	52,430	13,126	2,969,000	7,330	-	-	-	3,926,983
Interest and Fiscal Charges	5,533	2,127	77	404,787	126	-	-	-	412,650
Total Expenditures	74,954,471	11,256,947	37,510,467	3,373,787	237,555	25,129,573	6,840,282	1,149,845	160,452,927
Excess (Deficiency) of Revenues over (under) Expenditures	6,018,614	(779,665)	2,512,853	(125,541)	525,624	(3,026,784)	(3,602,049)	246,993	1,770,045
Other Financing Sources (Uses):									
Transfers In	4,226,937	1,097,667	1,199,870	315,000	1,256,407	242,814	121,407	-	8,460,102
Transfers Out	(1,118,865)	(1,055,295)	(2,054,545)	(2,500,000)	(73,228)	(1,391,832)	(75,000)	(191,337)	(8,460,102)
Loans Issued	223,573	-	-	-	-	-	-	-	223,573
Leases	154,383	-	1,215	-	-	-	-	-	155,598
Subscription Based Information Technology Arrangement	170,709	105	-	-	-	-	-	-	170,814
Proceeds from Sale of Capital Assets	6,956	115,626	-	-	-	-	-	-	122,582
Total Other Financing Sources (Uses)	3,663,693	158,103	(853,460)	(2,185,000)	1,183,179	(1,149,018)	46,407	(191,337)	672,567
Net Change in Fund Balances	9,682,307	(621,562)	1,659,393	(2,310,541)	1,708,803	(4,175,802)	(3,555,642)	55,656	2,442,612
Fund Balance - January 1	29,683,605	7,186,398	12,088,418	13,229,873	4,929,639	29,228,349	7,005,237	600,462	103,951,981
Fund Balance - December 31	\$ 39,365,912	\$ 6,564,836	\$ 13,747,811	\$ 10,919,332	\$ 6,638,442	\$ 25,052,547	\$ 3,449,595	\$ 656,118	\$ 106,394,593

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

**CARVER COUNTY
CHASKA, MINNESOTA**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS
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	\$	2,442,612
Change in net position from the Internal Service Funds		217,814

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Expenditures for Capital Assets	\$ 19,982,504	
Current Year Depreciation and Amortization	<u>(10,807,363)</u>	
	<u>\$ 9,175,141</u>	9,175,141

Various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and retirements) decrease net position.

Capital Asset Activity	\$ 389,841	389,841
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The issuance of long term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of the governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The amounts below are the effects of these differences in the treatment of long-term debt and related items.

Proceeds from Loans	\$ (223,573)	
Principal Payments on Loans	182,527	
Principal Payments on Bonds & Notes	2,969,000	
Leases	(155,598)	
Principal Payments on Leases	33,023	
Subscriptions	(170,814)	
Principal Payments on Subscriptions Payable	742,433	
Net Adjustment to Interest Payable	80,052	
Amortization of Bond Premium	<u>205,151</u>	
	<u>\$ 3,662,201</u>	3,662,201

Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the governmental funds.

Net Adjustment to Unavailable Revenue	\$ 4,907,036	4,907,036
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The reduction of 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	\$ 33,809,022	
Change in Net Deferred Pension Outflows	(8,493,138)	
Change in Net Deferred Pension Inflows	(28,785,371)	
Change in Net OPEB	2,106,557	
Change in Net Deferred OPEB Outflows	(826,781)	
Change in Net Deferred OPEB Inflows	(637,165)	
Change in Inventory	-	
	<u>\$ (2,826,876)</u>	<u>(2,826,876)</u>

Changes in net position of governmental activities	\$	<u>17,967,769</u>
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Notes to the financial statements are an integral part of this statement.

**CARVER COUNTY
CHASKA, MINNESOTA**

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2023**

	Governmental Activities Internal Service Funds
<u>Assets</u>	
Current	
Cash and Pooled Investments	\$ 10,027,986
Prepaid Items	<u>58,082</u>
Total Current Assets	<u>10,086,068</u>
<u>Liabilities</u>	
Current	
Accounts Payable	49,805
Compensated Absences - due within one year	<u>145,725</u>
Total Current Liabilities	195,530
Non-Current	
Compensated Absences - due in more than one year	<u>6,289,165</u>
Total Liabilities	<u>6,484,695</u>
<u>Net Position</u>	
Unrestricted	<u>\$ 3,601,373</u>

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

**CARVER COUNTY
CHASKA, MINNESOTA**

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND
NET POSITION- PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Governmental Activities Internal Service Funds
Operating Revenues:	
Charges for Services	\$ 1,440,753
Insurance Refunds	300,136
Total Operating Revenues	1,740,889
Operating Expenses:	
Risk Management	1,140,152
Personnel Benefits	382,923
Total Operating Expenses	1,523,075
Operating Income (Loss)	217,814
Net Position - Beginning	3,383,559
Net Position - Ending	\$ 3,601,373

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

**CARVER COUNTY
CHASKA, MINNESOTA**

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>Governmental Activities Internal Service Funds</u>
Cash Flows from Operating Activities:	
Receipts from Internal Services Provided	\$ 1,498,005
Refunds from Insurance Provider	300,136
Disbursements for Internal Services Provided	<u>(1,298,538)</u>
Total Cash Flows from Operating Activities	499,603
Cash and Cash Equivalents at January 1	<u>9,528,383</u>
Cash and Cash Equivalents at December 31	<u><u>\$ 10,027,986</u></u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:	
Operating Income (Loss)	\$ 217,814
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:	
(Increase) Decrease in Accounts Receivable	57,252
(Increase) Decrease in Prepays	(51,079)
(Decrease) Increase in Accounts Payable	30,169
(Decrease) Increase in Compensated Absences Payable	<u>245,447</u>
Total Adjustments	<u>281,789</u>
Net cash provided by (used for) operating activities	<u><u>\$ 499,603</u></u>

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

**CARVER COUNTY
CHASKA, MINNESOTA**

**STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2023**

<u>Assets</u>	Other Postemployment Benefits	Trust Fund	Custodial Funds
Cash and Pooled Investments	\$	-	\$ 2,744,552
Investments:			
Mutual Funds		12,785,060	-
Accounts Receivable		-	2,489
Due from other Governments		-	46,839
Taxes receivable for other governments		-	1,827,071
Total Assets		12,785,060	4,620,951
<u>Liabilities</u>			
Due to other Governments		-	2,202,115
Cash Overdraft		-	1,768
Due to others		-	1,283
Total Liabilities		-	2,205,166
<u>Deferred Inflows of Resources</u>			
Taxes collected in Advance of Levy		-	90,677
Total Deferred Inflows of Resources		-	90,677
<u>Net Position</u>			
Restricted for:			
Postemployment Benefits		12,785,060	-
Individuals, Organizations, and Other Governments		-	2,325,108
Total Net Position		\$ 12,785,060	\$ 2,325,108

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

**CARVER COUNTY
CHASKA, MINNESOTA**

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023**

<u>Additions</u>	Other Postemployment Benefits Trust Fund	Custodial Funds
Contributions		
Individuals	\$ -	\$ 1,462,339
Investment earnings (loss)		
Net increase (decrease) in fair value of investments	2,304,736	-
Property tax collections for other governments	-	188,146,725
Intergovernmental revenue	-	10,040
Fines and forfeitures	-	64,922
Fees for service	-	517,665
License and fees collected for State	-	25,514,650
Miscellaneous	-	311,442
Total Additions	2,304,736	216,027,783
<u>Deductions</u>		
Beneficiary payments to individuals	669,661	283,676
Payments of property tax to other governments	-	188,114,549
Payments to State	-	18,944,504
Administrative expense	-	190
Payments to other entities	-	8,544,808
Total Deductions	669,661	215,887,727
Change in net position	1,635,075	140,056
Net Position- Beginning of Year	11,149,985	2,185,052
Net Position- Ending	\$ 12,785,060	\$ 2,325,108

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

Notes to Financial Statements

**CARVER COUNTY
CHASKA, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

Note 1 - Summary of Significant Accounting Policies

The financial reporting policies of the County conform to generally accepted accounting principles.

A. Financial Reporting Entity

Carver County was established March 3, 1855, and is an organized county having the powers, duties and privileges granted counties by Minn. Stat. ch. 373. The County is governed by a five-member board of commissioners elected from districts within the County. The Board is organized with a chair and vice-chair elected at the annual meeting in January of each year. The County Administrator, appointed by the Board, serves as the clerk of the Board of Commissioners but has no vote.

Individual Component Unit Disclosures

Blended Component Units

The Carver County Regional Rail Authority (CCRRA) is governed by a five-member board consisting of the County Commissioners with the power to levy taxes, issue bonds, and enter into contracts. The Authority was established for the preservation and improvement of local rail service. The Authority may purchase abandoned railroad lines within the County to preserve them for the long-range plans that may include light rail transportation or to improve the trail system. The CCRRA is included in the Carver County reporting entity as a Nonmajor Special Revenue Fund. Carver County has the ability to impose its will on the CCRRA. The CCRRA is presented as blended because the operational responsibility rests with the management of Carver County. Separate financial statements are not available.

The Carver County Water Management Organization (CCWMO) is governed by a five-member board consisting of the County Commissioners with the power to levy taxes and enter into contracts. The CCWMO was established to carry out the Water Management Plan in the County's watersheds. The CCWMO is included in the Carver County reporting entity as a Nonmajor Special Revenue Fund. Carver County has the ability to impose its will on the CCWMO. The CCWMO is presented as blended because the operational responsibility rests with the management of Carver County. Separate financial statements are not available.

Discretely Presented Component Unit

Carver County has determined that the Carver County Community Development Agency (CDA) meets the criteria to be presented as a component unit of Carver County. The CDA is included in the County's reporting entity because (1) the Board appoints a voting majority of the component unit's governing body and (2) the County can impose will upon the CDA by significantly influencing the program, projects, activities, or level of service performed by the CDA. It is reported in a separate column or row in the County's government-wide statements emphasizing that the CDA is legally separate from Carver County. The CDA operates as a local government unit for the purpose of providing housing and redevelopment services and economic development assistance to Carver County. Note 5 is the beginning of the Community Development Agency notes which are presented immediately following the primary government notes to the financial statements. The complete financial statements of the CDA can be obtained by writing to the Carver County Community Development Agency, 705 Walnut Street, Chaska, Minnesota 55318.

B. Government-wide and fund financial statements

The government-wide statements of net position and the statement of activities display information about the primary government (the County) and its component units. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities, with the exception of interfund services provided and used, which are not eliminated in the process of consolidation. These statements distinguish between the governmental and business-type activities of the County. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions.

The statement of activities presents a comparison between direct expenses and program revenues for the different activities of the County and for each function of the County's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

The fund financial statements provide information about the County's funds, including its proprietary funds. Separate statements for each fund category—governmental, proprietary, and fiduciary—are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Operating expenses, such as risk management and self insurance, results from a direct payment made during the current fiscal year for worker's compensation claims and health insurance deductible payments.

C. Measurement Focus, Basis of Accounting

The government-wide, proprietary fund, and fiduciary fund financial statements are presented on a consolidated basis and reported using the economic resources measurement focus and the full accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

**CARVER COUNTY
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Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The County considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Property taxes, sales taxes, franchise taxes, licenses, and interest are considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under leases are reported as other financing sources.

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

The County reports the following major governmental funds:

General Fund

The General Fund is the general operating fund of the County. It is used to account for all financial resources except those accounted for in another fund.

Road & Bridge Special Revenue Fund

The Road & Bridge Fund accounts for the maintenance and construction costs of streets and highways. Financing comes primarily from committed annual property tax levy, restricted and assigned intergovernmental revenue from local, state and federal governments, as well as assigned fees for services and other miscellaneous revenue.

Health & Human Services Special Revenue Fund

The Health & Human Services Fund accounts for all health and human services costs. Financing comes primarily from committed annual property tax levy, restricted and assigned intergovernmental revenue from the state and federal governments, as well as assigned fees for services and other miscellaneous revenue.

Debt Service Fund

The Debt Service Fund accounts for the resources accumulated and payments made for the principal and interest on long-term debt of the government.

Buildings Capital Improvement (CIP) Capital Projects Fund

The Buildings Capital Improvement Fund accounts for, and reports, financial resources that are restricted, committed or assigned to the acquisition or construction of major capital facilities or improvements.

Road & Bridge Capital Improvement (CIP) Capital Projects Fund

The Road & Bridge Capital Improvement Fund accounts for, and reports, financial resources that are restricted, committed or assigned to the acquisition or construction of road and bridge improvements.

Parks & Trails Capital Improvement (CIP) Capital Projects Fund

The Parks & Trails Capital Improvement Fund accounts for, and reports, financial resources that are restricted, committed or assigned to the acquisition or construction of parks and trails or improvements to existing parks and trails.

Additionally, the County reports the following fund types:

Special Revenue Funds

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted, committed or assigned to expenditure for specified purposes other than debt service or capital projects.

Internal Service Funds

Internal service funds account for general liability and malpractice, worker's compensation insurance coverages provided to other departments on a cost-reimbursement basis, employee compensated absences, retiree benefits, and other post employment benefits.

Other Postemployment Benefits Trust Fund

The Other Postemployment Benefits Trust Fund accounts for an irrevocable trust established for funding other postemployment benefits for eligible retired employees under a single employer defined benefit plan.

Custodial Funds

Custodial funds are used to account for assets held by the County as an agent for individuals, private organizations, other governments, or other funds. The Custodial funds account for monies held on behalf of school districts, special districts, and retirement boards that use the County as a depository; property taxes collected on behalf of other governments; and surety bonds and performance deposits. These include: Taxes and Penalties, Inmate Account, Recorder Clearing, Alarm Fees, Local Collaborative, Sheriff Forfeitures, and Other Custodial funds.

Under the terms of grant agreements, the County funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted resources available to finance the program. It is the County's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity

1. Deposits and Investments

The cash balances of substantially all funds are pooled and invested by the County for the purpose of increasing earnings through investment activities. Pooled and fund investments are reported at their fair value. A market approach is used to value all investments other than external investment pools, which are measured at the net asset value. Pursuant to Minn. Stat. Section 385.07, investment earnings on cash and pooled investments are credited to the General Fund. Other funds received

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investment earnings based on other state statutes, grant agreements, contracts, and bond covenants. In 2023 the County recorded a net increase in fair value of investments, \$2,488,904, as part of investment income. Interest earnings from cash and pooled investments for, 2023 were \$4,736,854. Total governmental fund investment earnings for 2023 were \$7,225,758, positive. Pooled investment earnings for 2023 in the General Fund were \$7,185,979, positive.

Carver County invests in an external investment pool, the Minnesota Association of Governments Investing for Counties (MAGIC) Fund, which is created under a joint powers agreement pursuant to Minn. Stat. § 471.59. Investments in the MAGIC portfolio pool are valued at amortized cost, per GASB 79, while investments in MAGIC Term Investments are valued at net asset value per share because, by design, they do not meet the required liquidity criteria of GASB 79.

Pursuant to Minn. Stat. Section 118A.09, the County qualifies to invest in long-term equities. The County must in the prior 18-month period have a AA or higher rating by a national bond rating agency to qualify for this investment authority. The law limits the equity investment to index mutual funds that are held for long-term capital plans or long-term obligations. The amount invested cannot exceed 15% of the sum of unassigned cash, cash equivalents, deposit, and investments. Equity investments are limited to mutual funds indexed to the S & P 500, Dow Jones U.S. Total Stock Market Index, or investments with the State Board of Investment (SBI). The County invests funds with the SBI. The fair value of the investment is the fair value per share of the underlying portfolio. During 2023, the County recognized \$236,940 in investment earnings that is reported in the General Fund.

Additionally, the County invests funds held for post-employment benefits with the State Board of Investment (SBI). The fair value of the investment is the fair value per share of the underlying portfolio. During 2023, the County recognized \$2,304,736 in investment earnings that is reported in the OPEB Trust Fund.

2. Cash and Cash Equivalents

The County considers cash and cash equivalents in proprietary funds to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. In addition, because the Treasury Pool is sufficiently liquid to permit withdrawal of cash at any time without prior notice or penalty, equity in the pool is also deemed to be a cash equivalent.

Investments with trust accounts are stated at fair value. Investment earnings on investments in trust accounts are credited to the funds in which they are held.

3. Receivables and Payables

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans". All other outstanding balances between funds are reported as "due to/from other funds".

Advances between funds, as reported in the fund financial statements, are offset by a fund balance non-spendable account in the General Fund to indicate that they are not in spendable form and advances in the Road & Bridge CIP Fund are assigned.

The County is responsible for the assessment, collection, and apportionment of property taxes for all jurisdictions including the schools and special districts within the County. Property taxes are levied January 1st on property values assessed as of the prior year. The tax levy is divided into two billings: first half is due May 15th and second half is due October 15th. No allowance for uncollectible taxes and special assessments have been provided because such amounts are not expected to be material. Taxes, which remain unpaid by property owners at December 31st, are considered delinquent. Special assessments receivable consist of delinquent special assessments and noncurrent special assessments.

4. Prepaid Items

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

5. Capital Assets

Capital assets, which include property, buildings, equipment, infrastructure (e.g., roads, bridges, culverts and similar items), and intangible assets are reported in the governmental activities column in the government-wide financial statements. The government defines capital assets as assets with an initial, individual cost equal to, or greater than, \$5,000 to more than \$50,000 depending on the asset type and category, and an estimated life equal to or greater than two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition price at the date of acquisition.

The costs of normal maintenance and repairs that do not add to the value of the asset or extend the useful life of the asset are not capitalized.

Property, building, and equipment of the primary government, as well as the blended component units, are depreciated using the straight-line method.

For the County, the estimated useful lives are:

<u>Assets</u>	<u>Years</u>
Buildings & Building Improvements	10-50
Improvements other than buildings	10-20
Infrastructure	30-75
Machinery & equipment	2-25
Leases & Subscriptions	>1

Right-to-use lease assets are initially measured at the present value of payments expected to be made during the lease term, adjusted for lease payments made at, or before, the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized in a systematic and rational manner over the lease term.

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SBITA assets are initially measured as the sum of the present value of payments expected to be made during the subscription term, payments associated with the SBITA contract made to the SBITA vendor at the commencement of the subscription term, when applicable, and capitalizable implementation costs, less any SBITA vendor incentives received from the SBITA vendor at the commencement of the SBITA term. SBITA assets are amortized in a systematic and rational manner over the subscription term.

6. Deferred outflows/inflows of resources

In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represent a consumption of net assets that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until then. These items, deferred OPEB outflows and deferred pension outflows, are discussed below in Note 1.D.8 and 1.D.9, respectively.

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represent an acquisition of net assets that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. The County has six such items that qualify for reporting in this category. The first item, unavailable revenue, arises only under the modified accrual basis of accounting. Unavailable revenue is reported in the governmental funds balance sheet. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. Another item, property taxes collected for subsequent periods, that qualifies for reporting in this category. This item is reported in both the governmental funds balance sheet, as well as, the statement of net position. This amount results from the pre-payment of property taxes for subsequent levy years. The third item, Unavailable Revenue - Notes, arises under both the modified and full accrual basis of accounting. This item is reported in the governmental funds balance sheet. This amount results from the long term receivable notes for subsequent year payments from other entities. The fourth and fifth items, deferred OPEB inflows and deferred pension inflows, are discussed below in Note 1.D.8 and 1.D.9, respectively. The sixth item relates to leases and is discussed below in Note 1.D.14.

7. Compensated Absences

The liability for compensated absences reported in the government-wide and proprietary fund statements consists of unpaid, accumulated annual vacation and sick leave balances. The liability has been calculated using the vesting method, in which leave amounts for both employees who currently are eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included. The current portion of this liability is based on an estimate of the cost of severances during the upcoming year. A liability for these amounts is reported in governmental funds only if they have matured, as a result of employee resignations and retirements.

Under the County's personnel policies and union contracts, County employees are granted vacation or paid time off (PTO) in varying amounts based on their length of service. Certain County employees are also granted compensatory time. Vacation accruals for full-time employees varies from 10-25 days per year based on years of service. Sick leave accrual is 12 days per year. Paid time off (PTO) accruals vary from 20-35 days per year.

8. Postemployment Benefits Other Than Pensions (OPEB)

For the purpose of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of Carver County OPEB benefits and additions to/deductions from the fiduciary net position have been determined on the same basis as they are reported by Carver County. For this purpose, Carver County recognized benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost. Actual payment of the net OPEB liability are made directly from the same governmental funds that incurred the salary expenditures.

9. 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. The net pension liability is liquidated primarily by the General Fund, Road & Bridge Special Revenue Fund, and the Health and Human Services Special Revenue Fund.

10. Long-term obligations

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

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

**CARVER COUNTY
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11. Net Position

Net position in the government-wide and proprietary fund financial statements is displayed in three components:

Net investment in capital assets - consists of capital assets, net of accumulated depreciation, reduced by outstanding debt attributed to the acquisition, construction, or improvement of the assets.

Restricted - consists of restricted assets for which external restrictions have been imposed by creditors, grantors, contributors, or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted - the net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that do not meet the definition of "restricted" or "net investment in capital assets".

The County applies restricted- net position prior to utilizing unrestricted- net position.

12. Classification of Fund Balance

Working Capital Policy -

The Board has determined that up to 30% of next year's operating budget needs to be available for working capital/ cashflow purposes until the first half tax collections are received. Working capital by major fund are as follows:

General Fund	\$ 19,465,634
Road & Bridge Fund	3,659,411
Health and Human Services Fund	11,677,773
	\$ 34,802,818

These amounts are included in the General Fund as unassigned fund balance and as assigned fund balance in the Road & Bridge and Health and Human Services Funds.

The working capital amount is established by formal action of the County Board and the cash cannot be used for any other purpose unless approved by the Board. Cash reserves in the Compensated Absences Fund can be transferred as a temporary interfund loan at a zero-interest rate to other funds to meet the need for working capital/ cashflow.

Fund balance is divided into five classifications based primarily on the extent to which the County is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

Nonspendable - the nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or 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.

Restricted - fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions or enabling legislation.

Committed - the committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (resolution) of the County Board. Those committed amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts.

COVID-19 Budget Stabilization Account - In 2020 the County, by a resolution of the Board of Commissioners adopted by a 5-0 vote, to create a COVID-19 Budget Stabilization Account (BSA) in the amount of \$8,602,489 for the purpose to create short-term budget flexibility when addressing budget challenges related to the COVID-19 public health emergency. Allowable spending has been defined in 3 categories:

- Increased needs and costs due to continued public health measures and demand for economic support.
- Revenue shortfalls: increase in delinquent property tax payments, lower sales tax from an economic downturn, service capacity limitations affecting revenue streams - License Centers, Encore, etc.
- State aid cuts and cost shifts.

At December 31, 2023, the balance in the COVID-19 Budget Stabilization account was \$2,843,293.

CDA Housing Projects - In 2023 the County, by a resolution of the Board of Commissioners adopted by a 4-1 vote, to create a CDA Housing Projects Account in the amount of \$3 million, for the purpose of CDA housing projects: Carver Place, Carver Oak Senior, and Trails Edge Senior.

Assigned - the assigned fund balance classification includes amounts that are internally imposed constraints established by the County Board. The County Board has adopted a fund balance policy, which delegates the authority to the County Administrator or his designee to assign amounts to be used 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. See note 3.H, for assigned fund balance detail.

Unassigned - the Unassigned General Fund Balance is appropriated by the Board up to 30% of next year's operating budget for the specific purpose of providing working capital until first half tax collections are received. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted or committed.

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The County applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

13. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make certain estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources; and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

14. Leases

The County determines if an arrangement is a lease at inception. Lessee leases are included in Right-to-use lease assets (lease assets) and lease liabilities in the statement of net position. Lessor leases are included in lease receivables and deferred inflow of resources in the statement of net position and fund financial statements.

Lease receivables represent the County's claim to receive lease payments over the lease term, as specified in the contract, in an exchange or exchange-like transaction. Lease receivables are recognized at commencement date based on the present value of expected lease payments over the lease term, reduced by any provision for estimated uncollectible amounts. Interest revenue is recognized ratably over the contract term.

Deferred inflows of resources related to leases are recognized at the commencement date based on the initial measurement of the lease receivable, plus any payments received from the lessee at or before the commencement of the lease term that relate to future periods, less any lease incentives paid to, or on behalf of, the lessee at or before the commencement of the lease term. The deferred inflows related to leases are recognized as lease revenue in a systematic and rational manner over the lease term.

Amounts to be received under residual value guarantees that are not fixed in substance are recognized as a receivable and an inflow of resources if (a) a guarantee payment is required and (b) the amount can be reasonably estimated. Amounts received for the exercise price of a purchase option or penalty for lease termination are recognized as a receivable and an inflow of resources when those options are exercised.

Lease assets represent the County's control of the right to use an underlying asset for the lease term, as specified in the contract, in an exchange or exchange-like transaction. Lease assets are recognized at the commencement date based on 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. Lease assets are amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

Lease liabilities represent the County's obligation to make lease payments arising from the lease. Lease liabilities are recognized at the commencement date based on the net present value of expected lease payments over the lease term, less any lease incentives. Interest expense is recognized ratably over the contract term.

The County has elected to recognize payments received for short-term leases with a lease term of 12 months or less as revenue as the payments are received. These leases are not included as lease receivables or deferred inflows on the statements of net position and fund financial statements.

The individual lease contracts do not provide information about the discount rate implicit in the lease. Therefore, the Entity has elected to use their incremental borrowing rate to calculate the present value of expected lease payments.

15. Subscription Based Information Technology Arrangements (SBITA)

The County determines if an arrangement is a SBITA at inception. SBITA's are included in Right-to-use subscription assets (SBITA assets) and SBITA liabilities in the statement of net position. SBITA assets represent the County's control of the right to use an underlying asset for the subscription term, as specified in the contract, in an exchange or exchange-like transaction. SBITA assets are recognized at the commencement date based on the initial measurement of the subscription liability, plus any payments made at, or before, the commencement of the subscription term and certain direct costs. SBITA assets are amortized in a systematic and rational manner over the shorter of the subscription term or the useful life of the underlying asset.

SBITA liabilities represent the County's obligation to make lease payments arising from the subscription. SBITA liabilities are recognized at the commencement date based on the net present value of expected subscription payments over the subscription term, less any subscription incentives. Interest expense is recognized ratably over the contract term.

The individual subscription contracts do not provide information about the discount rate implicit in the subscription. Therefore, the County has elected to use their incremental borrowing rate to calculate the present value of expected subscription payments.

E. Revenues

1. Revenues

In accordance with GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, revenues for nonexchange transactions are recognized based on the principal characteristics of the revenue. Exchange transactions are recognized as revenue when the exchange occurs. The modified accrual basis of accounting is used by all governmental fund types. Under this basis, revenue is not recognized in the financial statements unless it is available to finance current expenditures. The period of availability for nonexchange transactions is determined to be 6 months for purposes of deferring revenue to later periods on the fund level.

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2. Imposed Nonexchange Transactions

Imposed nonexchange transactions result from assessments by governments on non-governmental entities and individuals. Property taxes, fines and penalties, and property forfeitures are imposed nonexchange transactions. Revenues from property taxes are recognized in the period for which the taxes were levied, to the extent they are collected in the current period or soon enough thereafter to be used to pay liabilities of the current period. Property taxes receivable but not available are reported as a deferred inflow of resources and will be recognized as revenue in the fiscal year that they become available. Fines and penalties and property forfeitures are recognized in the period received.

3. Intergovernmental

Government-mandated nonexchange transactions occur when a government at one level provides resources to a government at another level and requires that government to use them for a specific purpose. The provider government establishes purpose restrictions and also may establish time requirements. Federal and State grants mandating the County perform particular programs are government-mandated nonexchange transactions. Revenues are recognized when eligibility and time requirements are met, usually when the corresponding expenditure is incurred.

Voluntary nonexchange transactions result from legislative or contractual agreements, such as grants, entitlements, appropriations, and donations. The provider may establish purpose restrictions or eligibility requirements. Revenues are recognized in the year to which they apply according to the statute or contract. Gifts and contributions from individuals are also considered voluntary nonexchange transactions and are generally recognized when received.

Tax credits paid by the State are included in intergovernmental revenues and are recognized as revenue in the fiscal year that they become available. Subject to the availability criterion, state-aid highway allotments for highway maintenance and construction are recognized as revenue in the year of allotment.

4. Exchange Transactions

Special assessments levied against benefiting properties are recognized under the modified accrual basis when available to finance current expenditures. Other revenues, such as licenses and permits, charges for services, and investment income are recognized as revenue when earned.

F. Adoption of New Accounting Standard

In May 2020, the GASB issued GASB Statement No. 96 *Subscription-Based Information Technology Arrangements*. This standard defines a subscription-based information technology arrangement (SBITA); establishes that a SBITA results in a right-to-use subscription asset (an intangible asset) and a corresponding subscription liability; provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and requires note disclosures regarding a SBITA.

The County adopted the requirements of the guidance effective January 1st, 2023 and has applied the provisions of this standard to the beginning of the period of adoption.

Note 2 - Stewardship, compliance, and accountability

A. Budgetary information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. Each appropriation lapses at the end of the fiscal year to the extent that it has not been expended.

The appropriated budget is prepared by fund, function, and department. The County's budgets may be amended or modified at any time by the County Board. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department level. Adjustments to the approved budget, requested by originating departments, can be approved by the Property and Finance Director after review for adequate transfer of existing budget or addition of new revenue sources. All other changes greater than \$5,000 require Board approval, and changes of \$5,000 or less require the Property and Finance Director's approval. The significant supplemental budgetary appropriations according to management were:

Buildings Capital Improvement Fund	\$	(518,502)
Road & Bridge Capital Improvement Fund		7,199,605
Parks & Trails Capital Improvement Fund		6,457,764
Rail Authority Fund		(47,428)
Water Management Organization Fund		(23,173)
Total		\$ 13,068,266

For the General Fund, Road & Bridge Fund, Health & Human Services Fund, see the notes to required supplementary information.

B. Tax Abatements

Cities within the County have entered into tax abatement agreements pursuant to Minnesota Statute 469. These agreements meet the criteria for disclosure under Governmental Accounting Standards Board (GASB) Statement No. 77, Tax Abatement Disclosures. Under this statute the cities annually abate taxes collected above the district's base tax capacity which is established during adoption of the tax increment financing (TIF) district. These agreements are established to foster economic development and redevelopment through the creation of jobs, provision of affordable housing, or other public services.

Under each agreement, the city and developer agree on an amount of development costs to be reimbursed to the developer by the city through tax revenues from the additional taxable value of the property generated by the development (tax increment). A "pay-as-you-go" note is established for this amount, on which the city makes payments for a fixed period of time with available tax increment revenue after deducting certain administrative costs. All known agreements, regardless of dollar amount, are displayed below individually, by city, within Carver County. Due to the abatement agreements entered into by cities within the County, the County's tax

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base decreased by approximately \$538,538 in 2023. This reduction of the County's tax base theoretically reduces County revenue if consistent tax rates are applied throughout the district. The theoretical decrease in tax base is recaptured from varying tax rates being applied throughout the district.

As of December 31, 2023, the following pay-as-you-go tax abatement agreements from cities within the County were in effect:

City of Cologne:

Name	Agreement Amount (P)	Paid during 2023 (P)	Outstanding at 12/31/23 (P)
TIF 2-1 Modern Design, LLC	\$ 73,400	\$ 20,415	\$ 30,284

City of Carver:

Name	Agreement Amount (P)	Paid during 2023 (P & I)	Outstanding at 12/31/23 (P & I)
TIF 1-9 Magnuson Holdings I, II, III, LLC	1,396,800	90,000	775,000
TIF 1-10 Carver ALF Partners, LLC	2,331,300	163,104	2,214,202
	<u>\$ 3,728,100</u>	<u>\$ 253,104</u>	<u>\$ 2,989,202</u>

City of Waconia:

Name	Agreement Amount (P)	Paid during 2023 (P & I)	Outstanding at 12/31/23 (P & I)
TIF #2 Auburn Meadows, LLC	\$ 1,175,840	\$ 142,265	\$ 397,889
TIF #3 Waconia Mill IV, LLC	397,000	-	-
TIF #4 Nordic Components, Inc.	149,999	-	-
TIF #5 MWF Properties, LLC	713,549	-	713,549
	<u>\$ 2,436,388</u>	<u>\$ 142,265</u>	<u>\$ 1,111,438</u>

City of Chaska:

Name	Agreement Amount (P)	Paid during 2023 (P & I)	Outstanding at 12/31/23 (P & I)
Chaska Place Apartments	\$ 922,221	\$ 202,790	\$ 731,809
Clover Field Sinclair, LLP	3,100,000	174,335	4,216,318
City Square, LLC	111,000	9,867	-
Chaska Heights Senior Living, LLC	2,874,667	208,902	2,555,273
Creek's Run Phase II, LLC	242,500	16,523	246,085
Oppidan, Incorporated (building 1)	994,000	52,809	941,191
Oppidan, Incorporated (building 2)	310,000	-	310,000
	<u>\$ 8,554,388</u>	<u>\$ 665,226</u>	<u>\$ 9,000,676</u>

City of Victoria:

Name	Agreement Amount (P)	Paid during 2023 (P & I)	Outstanding at 12/31/23 (P & I)
Victoria City Center LLC TIF 1-4 Downtown Redevelopment Project	\$ 400,000	\$ 25,107	\$ 400,000
Victoria Flats TIF 1-6	2,000,000	120,909	1,959,763
Bethesda Cornerstone Village TIF 1-7	1,280,000	104,121	1,223,451
	<u>\$ 3,680,000</u>	<u>\$ 250,137</u>	<u>\$ 3,583,214</u>

City of Norwood Young America:

Name	Agreement Amount (P)	Paid during 2023 (P & I)	Outstanding at 12/31/23 (P & I)
Peace Villa TIF #1-5	\$ 530,000	\$ 83,047	\$ 270,300

City of Watertown:

Name	Agreement Amount (P)	Paid during 2023 (P & I)	Outstanding at 12/31/23 (P & I)
TIF 2-6 Lakeview	\$ 125,000	\$ 9,281	\$ 100,354
TIF 2-7 Watertown Industrial Park	231,000	16,542	206,859
	<u>\$ 356,000</u>	<u>\$ 25,823</u>	<u>\$ 307,213</u>

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City of Chanhassen:

Name	Agreement Amount (P)	Paid during 2023 (P & I)	Outstanding at 12/31/23 (P & I)
Frontier Redevelopment TIF #11	\$ 1,300,000	\$ 242,497	\$ 492,390
Lake Place Senior Apts TIF #12	3,065,000	24,125	3,040,875
	<u>\$ 4,365,000</u>	<u>\$ 266,623</u>	<u>\$ 3,533,264</u>

(P) = Principal

(P & I) = Principal and interest

C. Deficit Fund Equity

Ditch Special Revenue Fund

The Ditch Special Revenue Fund had twelve individual systems with a deficit fund balance as of December 31, 2023. The fund as a whole had a negative fund balance of \$260,108. The individual ditch system deficits will be eliminated with future special assessment levies against the benefited properties. The following is a summary of the individual ditch systems:

6 ditches with positive fund balances	\$ 22,445
12 ditches with deficit fund balances	<u>(282,553)</u>
Total Fund Balance	<u>\$ (260,108)</u>

Note 3 - Detailed notes on all funds

A. Deposits and investments

1. *Deposits*

Minn. Stat. Ch. 118A authorizes the County to designate a depository for public funds. Minnesota statutes require that all County deposits be covered by insurance, surety bond, or collateral. The fair value of collateral pledged shall be at least ten percent more than the amount of the deposits. Deposits shall be collateralized as required by Minnesota statutes for any amount exceeding FDIC or other federal deposit coverage.

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. Minn. Stat. 118A.03 subd. 7, requires that securities pledged as collateral be held in safekeeping at a federal reserve bank or the trust department of a financial institution other than that furnishing the collateral.

At December 31, 2023 the carrying amount of the County's deposits was \$3,376,388. Bank balances were \$3,480,158, of which \$430,498 was covered by Federal depository insurance coverage, and the remaining \$3,354,625 was collateralized with securities held by the pledging financial institution's agent in the County's name.

2. *Investments*

The funds of the County shall be deposited or invested in accordance with Minn. Stat. Ch. 118A, any other applicable laws, and County investment policy. Four objectives are taken into consideration in the County's investment policy. It is the policy of the County when investing public monies to follow these objectives in the order of importance as listed: legality, safety, liquidity, and yield.

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

1. Securities which are direct obligations or are guaranteed or insured issues of the United States, its agencies, its instrumentalities, or organizations created by an act of Congress, except mortgage backed securities defined as "high risk" by Minnesota Statute Section 118A.04, subdivision 6;
2. Mutual funds through shares of registered investment companies provided the mutual fund receives certain ratings depending on its investments;
3. General obligations of the State of Minnesota and its municipalities; and in certain state agency and local obligations of Minnesota and other states provided such obligations have certain specified bond ratings by a national bond rating service;
4. Banker's acceptances of United States banks;
5. Commercial paper issued by United States corporations or their Canadian subsidiaries that is of the highest quality category by two nationally recognized rating agencies and matures in 270 days or less;
6. With certain restrictions, in repurchase agreements, securities lending agreements, joint powers investment trusts, and guaranteed investment contracts; and
7. Time deposits that are fully insured by the Federal Deposit Insurance Corporation.

Reverse Repurchase Agreements.

Minnesota Statutes, Section 118A.07 permits the County to enter into reverse repurchase agreements, that is, a sale of securities with a simultaneous agreement to repurchase the securities in the future at the same price plus a contract rate of interest. The percentage of the County investment portfolio and its use of reverse repurchase agreements are governed by Statute. Reverse repurchase agreements can provide the County with funds during periods of low cash without requiring the sale of longer-dated securities. By using these instruments, typically for a term of less than twelve months, the County is able to avoid the sale of securities prior to maturity and the potential risk of related capital losses. During 2023, the County chose to not invest in reverse repurchase agreements.

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Fair Value of Investment.

The 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 the County had the following recurring fair value measurements.

	Fair Value Measurements Using			
	12/31/2023	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level				
Debt Securities				
U.S. Treasury Securities	\$ 24,129,147	-	\$ 24,129,147	-
U.S. Agencies	44,747,375	-	44,747,375	-
Municipal/Public Bonds	24,495,495	-	24,495,495	-
Negotiable Certificates of Deposit	2,184,492	-	2,184,492	-
Total Debt Securities	95,556,509	-	95,556,509	-
Investments measured at amortized cost				
Cash with Broker	260,629			
MAGIC Portfolio	6,077,966			
Total Investments measured at amortized cost	6,338,595			
Investments measured at the net asset value (NAV)				
MAGIC Term	25,000,000			
State Board of Investments	15,022,000			
Total Investments measured at NAV	40,022,000			
Total Investments	\$ 141,917,104			

Note: Cash and Cash Equivalents are within the other investment footnotes that are not leveled per GASB 72 total to \$260,629 on December 31, 2023.

Debt and equity securities classified in Level 1 are valued using a market approach quoted in active markets for identical assets or liabilities.

Debt securities classified in Level 2 are valued using the following approaches:

- U.S. Agencies, Municipal/Public Bonds, Corporate Bonds, Asset-Backed Securities: a market approach by utilizing quoted prices for identical securities in markets that are not active;
- Negotiable Certificates of Deposit: a market approach using quoted prices for similar securities in markets that are not active;

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

The MAGIC term investment pool is valued at net asset value (NAV) as it does not meet the liquidity criteria to be valued at amortized cost. The County would face penalties if early redemptions were made from the term investment pool. There are no unfunded commitments related to this investment. The County reports its investment in the term investment pool at the NAV per share, the fair value established by the pool.

Shares of MAGIC Term Series are purchased to mature upon pre-determined maturity dates selected by the County at the time of purchase. Should the County need to redeem shares in a MAGIC Term Series prematurely they must provide notice at least 7 days prior to premature redemption date. The value of a premature redemption is equal to the original price for such share, plus dividends thereon, at the projected yield less such share's allocation of any losses incurred by the series, less a premature redemption penalty, if any.

The County also holds a total of \$15,022,000 with the State Board of Investment (SBI) in the Internal Equity Pool and Internal Fixed Pool, an external investment pool. The fair value of the investment is the fair value per share of the underlying portfolio. Pursuant to Minn. Stat. § 471.6175, the County may only redeem the OPEB Trust funds for the use of postemployment benefits. The County invests in this pool due to the increased investment authority, historically high rate of return on investments, and the reduction of the postemployment benefit liability recorded in its financial statements. In 2023, the County began investing under Minn. Stat. § 118A.09, these funds are separate from the OPEB Trust. The SBI annual report can be found online at mn.gov/SBI/ under publications.

Interest rate risk. Interest rate risk is the risk that changes in the market interest rates will adversely affect the fair value of an investment. To minimize the County's exposure to interest rate risk the County put a policy in place to manage it by: investing in both shorter-term and longer-term investments; evenly timing cash flows from maturities; and monitoring the expected mark-to-market adjustment if interest rates increase by 100-200 Basis Points.

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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, assumptions are based on an average life calculation that takes into account interest rates at year-end and the statistical probability of a full or early call.

At December 31, 2023, the County had the following investment maturities:

Investment Type	Value	Segmented Time Distribution (in Years)			
		Less than 1	1 - 5	6 - 10	More than 10
U.S. Agency Securities (a):					
Federal Agricultural Mtg Corp	\$ 1,883,320	\$ -	\$ 1,883,320	\$ -	\$ -
Federal Farm Credit Bank	13,453,263	2,940,631	10,512,632	-	-
Federal Home Loan Bank	17,843,344	-	17,843,344	-	-
Federal Home Loan Mtg Corp	7,598,512	3,459,415	4,107,764	31,333	-
Federal National Mtg Assn.	349	349	-	-	-
Government National Mtg Assn.	1,318	-	1,318	-	-
Interest Development Fin Corp	963,080	963,080	-	-	-
Small Business Administration	1,822,695	-	1,822,695	-	-
Tennessee Valley Authority	1,181,494	-	1,181,494	-	-
U.S. Treasury Securities	24,129,147	24,129,147	-	-	-
Municipal Bonds	24,495,495	8,295,700	15,980,753	219,042	-
Negotiable CD's	2,184,492	1,476,641	707,851	-	-
Investment Pool	31,077,966	31,077,966	-	-	-
State Board of Investments (SBI)	15,022,000	15,022,000	-	-	-
Cash with Broker	260,629	260,629	-	-	-
Total	\$ 141,917,104	\$ 87,625,558	\$ 54,041,171	\$ 250,375	\$ -

(a) This classification has some investments that are fixed income and have fixed expiration dates with no interim payments of interest. The majority of interest is paid every six months. Each individual fixed security has unique terms which may change the interest rate at set intervals (step-ups), or may be called before make monthly payments of principal and interest to the County. The monthly payments accelerate as the underlying mortgage instruments are paid in full, when the underlying properties are sold or the underlying mortgage is refinanced.

Credit risk. Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. It is the County's policy to invest only in securities that meet the ratings requirements set by State statute.

Concentration of 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. The County shall diversify its investments to avoid incurring unreasonable risks inherent in over-investing in specific instruments, individual financial institutions or maturities. Within these parameters, portfolio maturities shall be staggered to avoid undue concentration of assets in a specific maturity sector. In accordance with the County's investment policy, restrictions placed on the County's current investments are as follows:

Investment Securities	Maximum Portfolio Exposure	Exposure per Issuer	Additional Restrictions
(1) Obligations issued or guaranteed by an Agency of the United States	100%	Unlimited	None for Direct Obligations of U.S., Obligations issued or guaranteed by an Agency of U.S. - \$8 million per CUSIP
(2) Agency mortgage backed securities including collateralized mortgage obligations	25%	5% in any one mortgage pool or CMO	\$4 million per CUSIP
(3) Share of Regulated Investment Companies in #1	100%	20%	None
(4) Repos and Reverse Repos	30%	10%	90 days maturity or less
(5) General Obligation of any State of the US which is a general obligation of any state or local government with taxing powers	50%	2% (4% MN)	Rated "A" or better by at least one major rating agency
(5) Any security which is a revenue obligation of any state or local government with taxing powers	50%	2% (4% MN)	Rated "AA" or better by a national bond rating service
(6) Commercial Paper	50%	\$10 million for any one issuer	270 Days or less, highest rating by two rating agencies
(7) Index Mutual Funds managed by MN State Board of Investment (SBI)	118A.09	118A.09	Not to exceed total funds available in Compensated Internal Service Fund

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Following is a summary of the credit risk, par values and fair values of securities at December 31, 2023:

Carver County:	Credit Risk	Par	Value	% of total Portfolio
U.S. Agency Securities (a)(b)	N/R-AAA	\$ 43,082,961	\$ 44,747,375	31.53%
U.S. Treasury Securities	AAA	23,948,618	24,129,147	17.00%
Municipal Bonds (b)	BB-AAA	23,889,553	24,495,495	17.26%
Negotiable CD's	N/R	2,146,473	2,184,492	1.54%
Investment Pool	N/R	31,077,966	31,077,966	21.90%
State Board of Investments (SBI)	N/R	15,022,000	15,022,000	10.59%
Cash with Broker	N/R	260,629	260,629	0.18%
Total		\$ 139,428,200	\$ 141,917,104	100.00%

(a) Investments in any one issuer that represent 5% or more of the County's investments are as follows: FFCB-\$13,453,263 and FHLB-\$17,843,343.

(b) Standard & Poor's was used as the primary agency for the U.S. agency securities and municipal bond ratings, in the case that Standard & Poor's did not provide a rating, Moody's or Fitch was used. At December 31, 2023, the County had three bonds rated below an A. The County determined to hold onto these bonds and continue to closely monitor them. Below is the fair value of U.S. agency securities and municipal bonds by credit rating:

U.S. Agency Credit Rating		Municipal Bond Credit Rating	
AAA	\$ 38,860,837	AAA	\$ 5,250,108
N/R	5,886,538	AA3	\$ 511,695
	<u>\$ 44,747,375</u>	AA1	1,223,318
		AA+	4,432,259
		AA-	3,149,851
		A-	406,802
		AA2	389,000
		BB+	156,893
		AA	<u>\$ 24,495,495</u>
			<u>\$ 24,495,495</u>

Custodial credit risk - deposits. In the case of deposits, this is the risk that in the event of a bank failure, the County's deposits may not be returned to it. The County's policy is in accordance with Minnesota Statutes. Refer to note 3.A.1. for details regarding this risk.

Custodial credit risk - investments. For an investment, this is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. In accordance with the County's investment policy, all investment securities purchased by the County shall be held in third party safekeeping by an institution designated as primary agent. The primary agent shall issue a safekeeping receipt to the County listing the specific instrument, rate of maturity and other pertinent information. Portfolio investments shall not exceed 50% of the County's investment portfolio with anyone institution, to avoid concentration of assets.

Carver County contracts with an authorized third party institution for safekeeping. All County investment securities were properly safe kept, at December 31, 2023 and were not exposed to custodial credit risk.

Total Investments held by Investment Manager	\$ 129,132,044
Checking Account	3,067,806
Other Postemployment Benefit (OPEB) Trust Accounts	12,785,060
Minnesota Foundation Endowment	61,932
Departmental and Undistributed Cash	176,241
Petty Cash and Change Funds	8,185
Total Cash, Deposits and Investments	\$ 145,231,268

On the Government Fund Balance Sheet, the Proprietary Fund Statement of Net Position and the Statement of Fiduciary Net Position, cash, deposits and investments are:

Cash and Pooled Investments	\$ 132,199,850
Petty Cash and Change Funds	8,185
Departmental and Undistributed Cash	176,241
Investments- OPEB Trust Fund	12,785,060
Minnesota Foundation Endowment	61,932
Total Cash, Deposits and Investments	\$ 145,231,268

B. Receivables

There is currently no allowance for uncollectible receivables. The collection rate for taxes on average exceeds 98% and it has been determined that the other receivables will be collected.

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Receivables at December 31, 2023, are:

	Total Receivable	Amounts Not Scheduled for Collection in the Subsequent Year
Taxes	\$ 264,063	\$ -
Special assessments	736,771	730,755
Accounts receivable	2,547,002	-
Note receivable	1,570,276	1,008,966
Lease receivable	3,923,589	3,687,514
Accrued interest	274,483	-
Due from other governments	32,608,731	-
	<hr/>	<hr/>
Total accounts receivable for Governmental funds	\$ 41,924,915	\$ 5,427,235

Governmental funds report a deferred inflow of resources for revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer 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 unavailable revenue, property taxes collected for subsequent period, and unearned revenue reported in the governmental funds were as follows:

	Unavailable Revenue	Property Taxes Collected For Subsequent Period	Unearned Revenue
Delinquent property taxes receivable	\$ 100,577	\$ -	\$ -
Delinquent special assessments receivable	6,016	-	-
Special assessments not yet due	730,755	-	-
Interest receivable that does not provide current financial resources	167,297	-	-
Note receivable that does not provide current financial resources	1,570,276	-	-
Accounts receivable that do not provide current financial resources	1,945,413	-	-
Lease receivable that does not provide current financial resources	3,784,482	-	-
Grant receivables that do not provide current financial resources	27,835,675	-	-
Grant drawdowns prior to meeting all eligibility requirements	-	-	1,592,747
Property taxes collected for subsequent period	-	47,520	-
	<hr/>	<hr/>	<hr/>
Total unavailable and unearned revenue for governmental funds	\$ 36,140,491	\$ 47,520	\$ 1,592,747

Lease receivable

The County, acting as lessor, leases buildings and infrastructure under long-term, noncancelable lease agreements. The leases expire at various dates through 2046 and provide for renewal options ranging from 5 to 10 years. During the year ended December 31, 2023, the County recognized \$203,893 and \$56,367 in lease revenue and interest revenue, respectively, pursuant to these contracts. Leases carry interest rates ranging from 0.220% - 1.470%.

Total future minimum lease payments to be received under lease agreements are as follows:

	Governmental Activities		
	Principal	Interest	Total
2024	\$ 180,664	\$ 55,411	\$ 236,075
2025	161,085	53,087	214,172
2026	159,304	50,795	210,099
2027	160,486	48,460	208,946
2028	163,233	46,129	209,362
2029 - 2033	861,176	194,248	1,055,424
2034 - 2038	943,000	129,451	1,072,451
2039 - 2043	879,280	62,277	941,557
2044 - Thereafter	415,361	7,857	423,218
Total minimum lease payments	<hr/>	<hr/>	<hr/>
	\$ 3,923,589	\$ 647,715	\$ 4,571,304

C. Note Receivable

In 2021 the County entered into an agreement for a note receivable to be reimbursed for costs related to design, construction, maintenance, and operation of a section of the Trunk Highway Regional Trail between Minnewashta Parkway and Century Boulevard in Chanhassen (TH 5 Regional Trail). The activities related to TH 5 Regional Trail are conducted under the joint powers agreement between the County, Regents of the University of Minnesota, and City of Chanhassen. The term of the note is from 7/2/2019 to 6/30/2031, but due to an advanced payment by Regents of the University of Minnesota payments will conclude during 2030. The County shall receive annual payments in accordance with the below amortization schedule. Billing cycles for payments shall be from July 1st of each year to June 30th of the next year for Regents of the University of Minnesota while the City of Chanhassen will be a calendar year cycle. Total receivables related to the note are \$1,681,549 from the City of Chanhassen and \$1,281,548 from Regents of the University of Minnesota.

In 2021 the County also entered into a joint powers agreement with the City of Chanhassen for construction associated with a segment of Lyman Boulevard (CSAH 18). The term of this note is from 12/10/2019 through 12/31/2025. Payments on this note are combined in the amortization schedule with the TH 5 Regional Trail in the amount of \$2,191,108.05.

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Final payments for each agreement are subject to change. Remaining payments related to the above notes are summarized below:

Year Ended December 31	TH 5	TH 5	CSAH 18	Total
	Regional Trail City of Chanhassen	Regional Trail Regents of the University of Minnesota	City of Chanhassen	
2024	\$ 96,310	\$ 320,000	\$ 145,000	\$ 561,310
2025	96,310	160,000	111,108	367,418
2026	-	160,000	-	160,000
2027	-	160,000	-	160,000
2028	-	160,000	-	160,000
2029 - 2030	-	161,548	-	161,548
	<u>\$ 192,620</u>	<u>\$ 1,121,548</u>	<u>\$ 256,108</u>	<u>\$ 1,570,276</u>

D. Capital assets

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

Primary Government

	* Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Capital assets, not being depreciated:				
Land	\$ 31,733,308	\$ -	\$ -	\$ 31,733,308
Construction in progress	153,459,274	10,555,545	(15,486,698)	148,528,121
Total capital assets, not being depreciated	<u>185,192,582</u>	<u>10,555,545</u>	<u>(15,486,698)</u>	<u>180,261,429</u>
Capital assets, being depreciated:				
Buildings	63,993,377	12,708,767	(150,158)	76,551,986
Improvements other than buildings	2,216,574	-	-	2,216,574
Machinery and equipment	25,201,364	2,469,056	(2,413,051)	25,257,369
Infrastructure	227,210,567	9,583,277	(99,486)	236,694,358
Total capital assets being depreciated	<u>318,621,882</u>	<u>24,761,100</u>	<u>(2,662,695)</u>	<u>340,720,287</u>
Less accumulated depreciated for:				
Buildings	(34,474,373)	(1,560,108)	150,158	(35,884,323)
Improvements other than buildings	(2,139,522)	(9,439)	-	(2,148,961)
Machinery and equipment	(19,992,061)	(2,254,596)	2,413,051	(19,833,606)
Infrastructure	(102,350,573)	(6,212,709)	64,666	(108,498,616)
Total accumulated depreciation	<u>(158,956,529)</u>	<u>(10,036,852)</u>	<u>2,627,875</u>	<u>(166,365,506)</u>
Total capital assets, being depreciated, net	<u>159,665,353</u>	<u>14,724,248</u>	<u>(34,820)</u>	<u>174,354,781</u>
Right-to-use leased assets:				
Buildings	36,599	451	-	37,050
Infrastructure	21,242	152,106	-	173,348
Total right-to-use leased assets	<u>57,841</u>	<u>152,557</u>	<u>-</u>	<u>210,398</u>
Less accumulated amortization for:				
Buildings	(12,548)	(12,784)	-	(25,332)
Infrastructure	(19,608)	(21,654)	-	(41,262)
Total accumulated amortization	<u>(32,156)</u>	<u>(34,438)</u>	<u>-</u>	<u>(66,594)</u>
Total Right-to-Use Lease Assets, net	<u>25,685</u>	<u>118,119</u>	<u>-</u>	<u>143,804</u>
Subscription Based Information Technology Arrangement (SBITA) Assets	2,809,188	-	-	2,809,188
Less accumulated amortization for: SBITA Assets	-	(736,073)	-	(736,073)
Total SBITA Assets, net	<u>2,809,188</u>	<u>(736,073)</u>	<u>-</u>	<u>2,073,115</u>
Governmental activities capital assets, net	<u>\$ 347,692,808</u>	<u>\$ 24,661,839</u>	<u>\$ (15,521,518)</u>	<u>\$ 356,833,129</u>

* This line item is the result of the implementation of GASB Statements No. 96, see Note 1. Any agreements that were outstanding prior to our implementation date of 1/1/2023 are shown here as part of the beginning balance.

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

Governmental activities:		
General government	\$	2,960,462
Public safety		617,449
Highways and streets, including depreciation of general infrastructure assets		6,039,414
Health & Human services		164,744
Culture and recreation		949,549
Conservation of natural resources		75,745
Total depreciation/amortization expense - governmental activities	<u>\$</u>	<u>10,807,363</u>

E. Interfund receivables, payables, and transfers

The interfund balances within governmental funds are eliminated on the government-wide statements. Interfund receivables, payables, and advances reported on the fund financial statements at December 31 2023, are:

Governmental Funds	Interfund Receivables (Due from Other Funds)	Interfund Payables (Due to Other Funds)	Interfund Advances Receivables	Interfund Advances Payables
General Fund	\$ 27,851	\$ 59,171	\$ 400,000	\$ -
Health & Human Services Fund	59,171	16,875	-	-
Parks Fund	-	650	-	926,301
Road & Bridge Fund	-	10,326	926,301	-
Ditch Fund	-	-	-	400,000
	<u>\$ 87,022</u>	<u>\$ 87,022</u>	<u>\$ 1,326,301</u>	<u>\$ 1,326,301</u>

In the fund financial statements interfund receivables and payables totaled \$87,022. Receivables in the General Fund were for costs associated with supplies and trainings. These interfund receivables and payables are expected to be repaid within one year of December 31, 2023.

Parks & Trails CIP Fund advance from the R&B CIP Fund was for the TH5 Trail project and the County Ditch Fund advance from the General fund were for redetermination and buffer strip payments until special assessment come in. Both advances are not expected to be repaid within one year of December 31, 2023. The Advance between the R&B CIP Fund and Parks & Trails CIP Fund now has a defined repayment schedule, currently going out to 2036.

Interfund transfers:

Transfer Out:	Transfer In:				
	General Fund (1)(2)(3)(5)(7)(8)	Road and Bridge Fund (3)(5)(6)(7)(9) (10)(12)	Health and Human Services Fund (3)(5)(6)(7)	Debt Service (4)	Road & Bridge CIP (5)
General Fund	\$ -	\$ 158,367	\$ 474,870	\$ -	\$ 242,814
Road & Bridge Fund	1,055,295	-	-	-	-
Health & Human Services	2,054,545	-	-	-	-
Debt Service Fund	835,000	30,000	725,000	-	-
Buildings CIP Fund	73,228	-	-	-	-
Road & Bridge CIP Fund	17,532	909,300	-	315,000	-
Parks & Trails CIP Fund	-	-	-	-	-
Nonmajor Governmental Funds	191,337	-	-	-	-
Totals	<u>\$ 4,226,937</u>	<u>\$ 1,097,667</u>	<u>\$ 1,199,870</u>	<u>\$ 315,000</u>	<u>\$ 242,814</u>

Transfer Out:	Transfer In:		
	Buildings CIP Fund (3)(5)(11)	Parks & Trails CIP Fund (5)	Total
General Fund	\$ 121,407	\$ 121,407	\$ 1,118,865
Road & Bridge Fund	-	-	1,055,295
Health and Human Services	-	-	2,054,545
Debt Service Fund	910,000	-	2,500,000
Buildings CIP Fund	-	-	73,228
Road & Bridge CIP Fund	150,000	-	1,391,832
Parks & Trails CIP Fund	75,000	-	75,000
Nonmajor Governmental Funds	-	-	191,337
Totals	<u>\$ 1,256,407</u>	<u>\$ 121,407</u>	<u>\$ 8,460,102</u>

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Transfers were used for the following:

- (1) Transfer of funds for the Aquatic Invasive Species Program operated by the Planning & Water Management Department
- (2) Transfer of funds to cover CCRRA's portion of staffing costs
- (3) Transfer funds to allocate debt service reserves to one-time projects that were determined during the 2023 budget process
- (4) Transfer of Wheelage tax and lease revenue for debt service payments
- (5) Transfer of funds to meet 30% working capital needs, utilized Year-end Savings Account (YES)
- (6) Transfer of COVID19 Budget Stabilization Account (BSA) funds to respective operating funds related to contract settlements for retention payments. This also includes moving budget between funds for health insurance that is not related to BSA funds.
- (7) Transfer of salary budget for vacancy savings allocation and utilization of county-wide STOC pool
- (8) Transfer of project funds for IT, Library, and Facilities managed out of general fund operating budget.
- (9) Transfer of solid waste funds for vehicle purchased by Public Works. Vehicle is to be used by Environmental Services.
- (10) Transfer of CSAH and transportation tax for staffing and equipment purchases
- (11) Transfer of YES for the County's portion of court room technology upgrades
- (12) Transfer of funds to Public Works for additional personal protective equipment (PPE)

F. Liabilities

Construction commitments

The County has active construction projects as of December 31, 2023. These projects are primarily comprised of construction on roads and bridges. At year-end the government's major commitments with contractors are as follows:

<u>Project</u>	<u>Spent-to-Date</u>	<u>Remaining Commitment</u>
Road and Bridge Construction	\$ 66,589,112	\$ 1,579,692

Road and bridge construction projects are being financed by County taxes, bonds, and intergovernmental revenue from Local, State, and Federal Governments.

Subscription Based - Information Technology Arrangements (SBITAs)

The County has entered into subscription based-information technology arrangements (SBITAs) for training, communication, financial reporting, security, and advertising. The SBITA arrangements expire at various dates through 2027 and provide renewal options. Interest rates range from 2.310% - 3.774%.

The future subscription payments under SBITA agreements are as follows:

<u>Year Ending December 31</u>	<u>Governmental Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 647,554	\$ 46,801	\$ 694,355
2025	665,589	30,093	695,682
2026	451,506	12,932	464,438
2027	48,260	1,246	49,506
Total	<u>\$ 1,812,909</u>	<u>\$ 91,072</u>	<u>\$ 1,903,981</u>

Prior to implementing GASB Statement No. 96, the County had recorded \$253,846 as prepaid expenditures. Upon implementation of GASB Statement No. 96 these items now qualify as subscriptions and are therefore moved to capital outlay in the current year.

Lease liability

The County leases equipment as well as certain operating and office facilities for various terms under long-term, non-cancelable lease agreements. The leases expire at various dates through 2030 and provide for renewal options of up to 5 years. Leases hold interest rates from 0.218% - 1.977%.

Principal and interest requirements to maturity under lease agreements are as follows:

<u>Year Ending December 31</u>	<u>Governmental Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 32,849	\$ 299	\$ 33,148
2025	21,218	230	21,448
2026	21,908	183	22,091
2027	22,619	135	22,754
2028	23,352	86	23,438
2029 - 2033	26,480	33	26,513
Total	<u>\$ 148,426</u>	<u>\$ 966</u>	<u>\$ 149,392</u>

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Direct Borrowing Loans for Septic Program

The County has entered into a loan agreement for \$3,263,908 with the Minnesota Department of Agriculture to operate a loan fund for the purpose of funding the repair of failing septic systems. The loans will be paid from special assessments. The loan due to the Department of Agriculture will be paid back in semi-annual payments over 24 years beginning April 2009 with no interest. Loan payments for 2023 totaled \$117,681. The future minimum principal and interest payments are as follows:

Year Ended December 31		
2024	\$	138,194
2025		130,750
2026		113,418
2027		90,146
2028		80,272
2029 - 2033		227,134
2034 - Thereafter		15,824
Total	\$	795,738

G. Long-term debt

General Obligation Bonds:

Bonds payable at December 31, 2023, are composed of the following issues:

\$9,555,000 2014A G.O. Capital Improvement Bonds maturing annually on February 1 from 2015 to 2029, at a net interest rate of 2.2914 percent	\$	4,110,000
\$7,190,000 2016A G.O. Refunding Bonds maturing annually on February 1 from 2017 to 2024, at a net interest rate of 1.1427 percent		405,000
\$2,530,000 2022A G.O. Refunding Bonds maturing annually on June 20 from 2023 to 2046, at a net interest rate of 3.9198 percent		2,530,000
<i>Total Bonds Payable</i>		7,045,000
Premium on Bonds Issued		122,493
<i>Net Bonds Payable</i>	\$	7,167,493

General obligation bonds are pledged by the full faith and credit of the County. These bonds generally are issued as 15 to 20-year serial bond with increasing amounts of principal maturing each year. General obligation bonds currently outstanding are as follows:

Purpose	Interest Rates	Amount
Governmental activities - improvement	1.1427 - 3.9198%	\$ 7,045,000

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

Year Ending December 31	Principal	Interest	Total
2024	\$ 1,115,000	\$ 215,484	\$ 1,330,484
2025	730,000	186,121	916,121
2026	755,000	164,195	919,195
2027	775,000	141,425	916,425
2028	795,000	117,875	912,875
2029-2033	1,185,000	393,525	1,578,525
2034-2038	550,000	285,000	835,000
2039-2043	675,000	162,500	837,500
2044-Thereafter	465,000	28,300	493,300
Total	\$ 7,045,000	\$ 1,694,425	\$ 8,739,425

General Obligation Notes Payable

In October 2014, an \$18,000,000 General Obligation Capital Improvement Note was issued through the Minnesota Public Facilities Authority (MPFA). Payment for the G.O. Capital Improvement Note shall be disbursed to the MPFA, in installments, as eligible costs of the Southwest Reconnection Project are reimbursed. The interest rate on the G.O. Capital Improvement Note is 1.00%. As of December 31, 2023 the County has submitted \$15,835,245 in project costs for reimbursement, and has repaid \$8,301,245 on the G.O. Capital Improvement Note. In November of 2017, the G.O. Capital Improvement Note with MPFA was closed out; no further drawdowns on this note will occur.

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Purpose	Interest Rates	Amount
Governmental activities - improvement	1.0000%	\$ 7,534,000

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

Year Ending December 31	Principal	Interest	Total
2024	\$ 1,044,000	\$ 75,340	\$ 1,119,340
2025	1,055,000	64,900	1,119,900
2026	1,065,000	54,350	1,119,350
2027	1,076,000	43,700	1,119,700
2028	1,087,000	32,940	1,119,940
2029-2030	2,207,000	33,160	2,240,160
Total	\$ 7,534,000	\$ 304,390	\$ 7,838,390

Changes in long-term liabilities

Government Activities	* Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
General Obligation Bonds and Notes Payable					
General Obligation Bonds	\$ 8,980,000	\$ -	\$ (1,935,000)	\$ 7,045,000	\$ 1,115,000
Notes Payable	8,568,000	-	(1,034,000)	7,534,000	1,044,000
Plus Amounts:					
For Issuance Premiums	327,644	-	(205,151)	122,493	104,235
Total Bonds and Notes Payable	17,875,644	-	(3,174,151)	14,701,493	2,263,235
Direct Borrowing Loans Payable	754,692	223,573	(182,527)	795,738	138,194
Subscriptions Payable	2,384,528	170,814	(742,433)	1,812,909	647,554
Lease Liability	25,851	155,598	(33,023)	148,426	32,849
Compensated Absences	6,189,443	3,843,395	(3,597,948)	6,434,890	145,725
Government Activity					
Long-term Liabilities	\$ 27,230,158	\$ 4,393,380	\$ (7,730,082)	\$ 23,893,456	\$ 3,227,557

* This line item is the result of the implementation of GASB Statements No. 96, see Note 1. Any agreements that were outstanding prior to our implementation date of 1/1/2023 are shown here as part of the beginning balance.

The internal service fund predominantly serves the governmental funds. Accordingly, long-term liabilities for it are included as part of the above totals for governmental activities. Also, for the governmental activities, compensated absences are generally liquidated by the internal service fund, while pension liabilities are generally liquidated by the General Fund, Road and Bridge Fund, and Health and Human Services Fund. Bonded debt is paid from the Debt Service Fund.

Note Disclosures Related to Debt Assumptions

The County has outstanding general obligation notes payable from a direct placement related to governmental activities totaling \$18,000,000, outstanding balance of \$7,534,000 see the General Obligation Notes Payable section above. The County has pledged its full faith and credit as collateral for the note. This note contains a prepayment clause that allows the County to prepay the note in whole or part on any normally scheduled payment date upon 45 day prior written notice to the lender. This note also has a clause that allows the lender to terminate their obligation to disburse further amounts on the note if the County fails to supply documents for the lenders ongoing monitoring of County activities or physical inspection of the premises. The note does not have a default clause and will remain in effect until the outstanding balance, including annually accruing interest at 1%, is paid in full by, or on behalf of, the County.

County General Obligation Pledged for CDA 2011 and 2016 Bond Sales

The CDA's \$4,710,000 Refunding Bond Sale in 2016, \$1,920,000 Refunding Bond Sale in 2020, \$2,890,000 Refunding Bond Sale in 2021, \$4,000,000 Refunding Bond Sale, and \$1,400,000 Refunding Bond Sale are backed by the County's General Obligation to repay the bonds in the event the CDA fails to make the debt service payments. The bond indenture includes several provisions designed to protect the interest of the County's taxpayers in the unlikely event that the CDA would not be able to pay the debt service from the housing project's revenues.

H. Fund Balance

Per County Policy: assigned fund balance may be used to supplement "pay as you go" capital outlay, one-time operating expenditures, tentative management plans, or prepay existing County debt. At year-end divisions can request uncompleted professional service obligations and/or capital appropriations and unexpended grants be rolled over to the subsequent year by submitting a listing to the County Administrator for approval.

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Fund balances:

Assigned to:	Health & Human				
	General	Road & Bridge	Services	Buildings CIP	Road & Bridge CIP
Petty Cash	\$ 7,335	\$ 100	\$ 750	\$ -	\$ -
Software Projects	1,040,822	-	30,231	-	-
Capital Projects	485,946	-	-	4,548,542	-
Aquatic Invasive Species Program	16,467	-	-	-	-
Highway and Streets	-	4,688,179	-	-	-
Sheriff ARMER Purchase	100,000	-	-	-	-
Public Safety	503,401	-	-	-	-
Public Works Capital Equipment	-	794,923	-	-	-
Transportation Tax Projects	-	-	-	-	21,021,592
Sheriff Capital Equipment	790,267	-	-	-	-
Human Services	-	-	12,660,304	-	-
CarverLink	2,196,524	-	-	-	-
Culture and Recreation	154,065	-	-	-	-
Community Resource Center	-	-	401,788	-	-
Conservation of Natural Resources	28,255	-	-	-	-
Juvenile Placement	75,000	-	-	-	-
Park Land Acquisition	-	-	-	-	-
PW Northwest Satellite Facility Site Improvements	-	-	-	69,892	-
Building Permits	135,873	-	-	-	-
ISTS Loan Program	100,000	-	-	-	-
General Government	178,253	-	-	-	-
Year-End Savings Account	-	-	-	2,015,167	4,030,337
Total Assigned	\$ 5,812,208	\$ 5,483,202	\$ 13,093,073	\$ 6,633,601	\$ 25,051,929

Assigned to:	Nonmajor		
	Parks & Trails CIP	Special Revenue	Total
Petty Cash	\$ -	\$ -	\$ 8,185
Software Projects	-	-	1,071,053
Capital Projects	640,888	-	5,675,376
Aquatic Invasive Species Program	-	-	16,467
Highway and Streets	-	-	4,688,179
Sheriff ARMER Purchase	-	-	100,000
Public Safety	-	-	503,401
Public Works (PW) Capital Equipment	-	-	794,923
Transportation Tax Projects	-	-	21,021,592
Sheriff Capital Equipment	-	-	790,267
Human Services	-	-	12,660,304
CarverLink	-	-	2,196,524
Culture and Recreation	-	201,743	355,808
Community Resource Center	-	-	401,788
Conservation of Natural Resources	-	-	28,255
Juvenile Placement	-	-	75,000
Park Land Acquisition	707,598	-	707,598
PW Northwest Satellite Facility Site Improvements	-	-	69,892
Building Permits	-	-	135,873
ISTS Loan Program	-	-	100,000
General Government	-	-	178,253
Year-End Savings Account	2,015,167	-	8,060,671
Total Assigned	\$ 3,363,653	\$ 201,743	\$ 59,639,409

Note 4 - Other information

A. Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors or omissions; injuries to employees; or natural disasters. The County has entered into a joint powers agreement with other Minnesota counties to form the Minnesota Counties Intergovernmental Trust (MCIT) to protect against losses from workers' compensation and property and casualty. There were no significant reductions in coverage from the previous year.

The Workers' Compensation Division of MCIT is fully funded. Total contributions plus compounded earnings on these contributions will equal the amount needed to satisfy claim liabilities and other expenses. MCIT participates in the Workers' Compensation Reinsurance Association with coverage at \$500,000 per claim in 2021, \$500,000 in 2022 and \$500,000 in 2023. Should the MCIT Workers' Compensation Division liabilities exceed assets, MCIT may assess the County in a method and amount to be determined by MCIT.

The Property and Casualty Division of MCIT is fully funded and the County pays an annual premium/contribution to cover current and future losses. The MCIT carries reinsurance for its property and casualty exposures to protect against catastrophic losses. Should the MCIT Property and Casualty Division liabilities exceed assets; MCIT may assess the County.

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The County pays MCIT contributions from the County's Self Insurance Internal Service Fund. The Self Insurance fund is reimbursed from other County funds for their share.

The County, through its Self Insurance Fund retains some risk of loss through the self funding of automobile physical damage losses to vehicles. Automobile liability has a zero deductible with bodily injury and property damage limits of \$500,000 per claimant; \$1,500,000 per occurrence. In addition, the County carries Workers' Compensation with a per claim deductible of \$50,000 and an Aggregate Deductible of \$350,000 per year. General Liability has a \$2,500 per Occurrence /Wrongful Act Deductible. The General liability limits are \$500,000 per claimant; \$1,500,000 per occurrence. The County's management is not aware of any incurred but not reported claims.

B. Contingent Liabilities

The County, in connection with the normal conduct of its affairs, is involved in various claims, judgments, and litigation. The County Attorney estimates that the potential claims against the County not covered by insurance resulting from such litigation would not materially affect the financial statements of the County.

C. Grants

The County receives significant financial assistance from numerous Federal, State and local governmental agencies in the form of grants and entitlements. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements. The financial assistance received may be subject to an audit pursuant to Uniform Guidance or audits by the grantor agency.

D. Agricultural Best Management Loan Program

The County has entered into a loan agreement for \$3,263,908 with the Minnesota Department of Agriculture to operate a loan fund for the purpose of funding the repair of failing septic systems. The loans will be paid from special assessments. The loan due to the Department of Agriculture will be paid back in semi-annual payments over 24 years beginning April 2009 with no interest. The following information summarizes the activity of loans made to participants in the program.

	Prior Years	During 2023	Program To Date
Number of loans made	335	11	346
Number of loans repaid	278	5	283
Loan amounts past due	\$ 39	\$ 3,965	\$ 4,004
Loans outstanding - January 1	N/A	613,152	N/A
Loans made	3,989,678	223,573	4,213,251
Payments received	(3,376,526)	(130,547)	(3,507,073)
Loans outstanding - December 31	\$ 613,152	\$ 706,178	\$ 706,178

On the County's Financial Statements Loans Outstanding are:

Special Assessments Receivable Delinquent	\$ 4,004
Special Assessments Receivable Unavailable	702,174
Total Loans outstanding - December 31	\$ 706,178

E. Jointly-Governed Organizations

Minnesota Counties Computer Cooperative (MCCC)

Under Minnesota Joint Powers Law, Minn. Stat. § 471.59, Minnesota counties have created MCCC to jointly provide for the establishment, operation, and maintenance of data processing systems, facilities, and management information systems. During the year, Carver County expended \$350,771 to the MCCC.

Tri-City Tactical Team

The purpose of this agreement is to establish an organization to coordinate efforts to develop and provide response to critical incidents or high risk situations where there is a risk of criminal violence occurring within the jurisdictions of the members. The team is made up of the City of Prior Lake, the City of Savage, the City of Shakopee, Scott County, and Carver County.

F. Joint Ventures

Mental Health Crisis Program with McLeod County

Pursuant to Minn. Stat. 471.59, Carver County entered into a joint powers agreement with McLeod County. The purpose of this agreement is to receive funding, administer mental health crisis and other related services to eligible clients in McLeod and Carver counties. The County's duties include providing mental health crisis services pursuant to the joint powers agreement, act as the fiscal agent of the parties, and assume the responsibility for billing the client's insurance for services received. The County has no other financial obligations.

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Minnesota Anti-Heroin Task Force Program

Pursuant to Minn. Stat. 471.59, Carver County along with the Bureau of Criminal Apprehension (BCA) formed a joint powers agreement for 5 years pertaining to heroin and opioids. The purpose of this agreement is to reimburse, or provide overtime, to the County when investigations of illicit activities related to the distribution of heroin, or unlawful distribution of prescription opioids or any opioid-related overdose death occurs.

Carver County Integrated Services Council

The Carver County Collaborative was established February 1, 1997 pursuant to Minn. Stat. § 471.59 and 124D.23. The Collaborative includes the CAP Agency, Carver County Health and Human Services, Carver County Community Health Services, Carver County Court Services, Carver County Sheriff's Office, Central School District, Eastern Carver County School District, Waconia School District, and the Watertown-Mayer School District.

The purpose of the Collaborative is to plan and coordinate services to children and their families and encourage early identification and intervention for children and families expressing mental health, social service and health needs.

The Collaborative is composed of one administrative representative designated by the directors of each member organization.

Financing is provided by state and federal grants. Carver County, in an agent capacity, records the cash transactions of the Collaborative in its financial statements as a custodial fund.

Metropolitan Emergency Services Board

Pursuant to Minn. Stat. § 471.59, Carver County entered into a joint powers agreement with the Counties of Anoka, Chisago, Dakota, Hennepin, Isanti, Ramsey, Scott, Washington, and the City of Minneapolis. The purposes of the agreement are: (a) the implementation and administration of a regional 911 system, and (b) encouraging the development of new resources and the coordination of emergency medical services. Carver County paid annual dues of \$47,413 in 2023. Except for annual dues the County has no other financial obligations. Current financial statements are available at the 911 Board Office, 2099 University Avenue, Saint Paul, Minnesota 55104-3431.

Southwest Metro Drug Task Force

The Southwest Metro Drug Task Force was established in 2000 under the authority of the Joint Powers Act, pursuant to Minn. Stat. § 471.59, and includes Carver, McLeod and Scott Counties, and the Cities of Belle Plaine, Brownton, Chaska, Hutchinson, Lester Prairie, New Prague, Jordan, Prior Lake, Shakopee, South Lake Minnetonka, Carver, Chanhassen, Cologne, Hamburg, Mayer, Norwood Young America, Waconia and Watertown. The Drug Task Force's objectives are to detect, investigate, and apprehend controlled substance offenders in the three-county area.

Control of the Southwest Metro Drug Task Force is vested in the Southwest Metro Drug Task Force Executive Committee. The Executive Committee consists of one designated official from each of the three counties and eight of the cities. In the event of dissolution of the Drug Task Force, the remaining net position will be distributed among the agencies based on their level of participation. However, if only one agency terminates the agreement and the Drug Task Force continues, all equipment will remain with the Drug Task Force.

Financing is provided by grants, forfeiture money, and appropriations from members. Complete financial information can be obtained from the Southwest Metro Drug Force Commander, 600 East 4th Street, Chaska, Minnesota 55318.

Metropolitan Library Service Agency (MELSA)

Carver County entered into a joint powers agreement with the other six metropolitan area counties and the Cities of Saint Paul and Minneapolis to improve public library services within the various jurisdictions. The Board of Directors of MELSA consists of one member from each member entity. Financing is provided by gifts, grants, and other property of assistance from the federal government, the State of Minnesota, and other government and private sources. The MELSA agency handles the accounting function of the Board. Current financial statements are available from the MELSA office, 1619 Dayton Avenue, Suite 314, Saint Paul, Minnesota 55104-1849

SmartLink Transit

Pursuant to Minn. Stat. §471.59, Carver County entered into a joint powers agreement with Scott County. The objective of the agreement is to work together to provide transportation services to residents in Carver and Scott County by partnering to use existing resources and develop expanded transit services in order to increase the scope, availability, and quality of the two-county region's transit system.

Both entities are governed by their respective Boards. The Management Team, consisting of equal partners from both counties, is responsible for major operational and budgetary decisions, long-range planning and capital equipment purchases. Scott County is the fiscal agent, receiving funds on behalf of both counties for administration of the programs and services. Separate financial statements are not available.

Property Assessed Clean Energy (MinnPACE) Loan Program

The County has entered into an agreement with the Saint Paul Port Authority (Port Authority) to facilitate the implementation and administration of the MinnPACE loan program. Through this program, qualifying commercial building owners within the County can receive loans from the Port Authority for the purpose of financing energy efficiency and conservation building improvement projects. While the County is not liable for the repayment of the loans in any manner, it does have certain responsibilities under the agreement. By participating, the County has agreed to: (1) levy assessments against the related properties in accordance with the loan agreements between the Port Authority and property owners, (2) collect scheduled assessment payments, and (3) transfer all collections to the Port Authority. The County has met those responsibilities for the year under audit.

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G. Pension Plans

Defined Benefit Pension Plans

Plan Description

Carver 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.

All full-time and certain part-time employees of the 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.

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.

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.

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% for each of the first ten years of service and 1.7% for each additional year. Under Method 2, the accrual rate for Coordinated members is 1.7% 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% of the cost-of-living adjustment (COLA) announced by the SSA, with a minimum increase of at least 1% and a maximum of 1.5%. 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.

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% after five years up to 100% 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% after ten years up to 100% after twenty years of credited service. The annuity accrual rate is 3% 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 is fixed at 1%. Recipients that have been receiving the annuity or benefit for at least 36 months as of the June 30 before the effective date of the increase will receive the full increase. Recipients receiving the annuity or benefit for at least 25 months but less than 36 months as of the June 30 before the effective date of the increase will receive a reduced prorated increase.

Correctional Plan Benefits

Benefits for Correctional Plan members first hired after June 30, 2010, vest on a prorated basis from 50% after five years up to 100% after ten years of credited service. The annuity accrual rate is 1.9% 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% of the COLA announced by SSA, with a minimum increase of at least 1% and a maximum of 2.5%. If the plan's funding status declines to 85% or below for two consecutive years or 80% for one year, the maximum will be lowered from 2.5% to 1.5%. 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. Eligibility criteria and the payment amount is specified in statute. The one-time payment is non-compounding towards future benefits.

Contributions

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

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General employees fund contributions

Coordinated Plan members were required to contribute 6.50% of their annual covered salary in fiscal year 2023 and the County was required to contribute 7.50% for Coordinated Plan members. The County's contributions to the General Employees Fund for the year ended December 31, 2023 were \$3,680,757. The County's contributions were equal to the required contributions as set by state statute.

Police and Fire Fund Contributions

Police and Fire Plan members were required to contribute 11.80% of their annual covered salary in fiscal year 2023 and the County was required to contribute 17.70% for Police and Fire Plan members. The County's contributions to the Police and Fire Fund for the year ended December 31, 2023 were \$1,455,681. The County's contributions were equal to the required contributions as set by state statute.

Correctional Fund Contributions

Correctional Plan members were required to contribute 5.83% of their annual covered salary in fiscal year 2023 and the County was required to contribute 8.75% for Correctional Plan members. The County's contributions to the Correctional Fund for the year ended December 31, 2023 were \$290,302. The County's contributions were equal to the required contributions as set by state statute.

Pension Costs

General Employees Fund Pension Costs

At December 31, 2023, the County reported a liability of \$33,333,244 for its proportionate share of the General Employees Fund's net pension liability. The 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 the County totaled \$918,983.

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. The County's proportionate share of the net pension liability was based on the 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. The County's proportionate share was 0.5961% at the end of the measurement period and 0.6222% for the beginning of the period.

County's proportionate share of the net pension liability	\$	33,333,244
State of Minnesota's proportionate share of the net pension liability associated with the County		918,983
Total		\$ 34,252,227

For the year ended December 31, 2023, the County recognized pension expense of \$5,502,160 for its proportionate share of the General Employees Plan's pension expense. In addition, the county recognized an additional \$4,130 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of \$16 million to the General Employees Fund.

At December 31, 2023, the 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	\$ 1,094,677	\$ 229,628
Changes in actuarial assumptions	5,396,186	9,136,362
Net difference between projected and actual investment earnings	-	1,246,549
Changes in proportion	762,096	1,182,501
Contributions paid to PERA subsequent to the measurement date	1,856,242	-
Total	\$ 9,109,201	\$ 11,795,040

The \$1,856,242 reported as deferred outflows of resources related to pensions resulting from 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	\$ 961,744
2025	(5,164,800)
2026	384,087
2027	(723,112)

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Police and Fire Fund Pension Costs

At December 31, 2023, the County reported a liability of \$10,514,911 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. The County's proportionate share of the net pension liability was based on the 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. The County's proportionate share was 0.6089% at the end of the measurement period and 0.5538% for the beginning of the period.

The State of Minnesota contributed \$18 million to the Police and Fire Fund in the plan fiscal year ended June 30, 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, 2022. 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% funded, or until the State Patrol Plan (administered by the Minnesota State Retirement System) is 90% funded, whichever occurs later. The State of Minnesota's proportionate share of the net pension liability associated with the County totaled \$423,530.

County's proportionate share of the net pension liability	\$ 10,514,911
State of Minnesota's proportionate share of the net pension liability associated with the County	423,530
Total	\$ 10,938,441

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 June 30, 2023, the County recognized pension expense of \$2,986,284 for its proportionate share of the Police and Fire Plan's pension expense. The County recognized \$(25,509) as grant revenue for its proportionate share of the State of Minnesota's pension expense for the contribution of \$9 million to the Police and Fire Fund.

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. The County recognized \$54,801 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, the 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	\$ 2,899,314	\$ -
Changes in actuarial assumptions	12,201,703	14,784,090
Net difference between projected and actual investment earnings	-	504,767
Changes in proportion	793,098	593,854
Contributions paid to PERA subsequent to the measurement date	741,407	-
Total	\$ 16,635,522	\$ 15,882,711

The \$741,407 reported as deferred outflows of resources related to pensions resulting from the County's 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	\$ 396,839
2025	17,117
2026	2,617,100
2027	(547,858)
2028	(2,471,794)

Correctional Plan Pension Costs

At December 31, 2023, the County reported a liability of \$620,032 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. The County's proportionate share of the net pension liability was based on the 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. The County's proportionate share was 1.372% at the end of the measurement period and 1.474% for the beginning of the period.

For the year ended December 31, 2023 the county recognized pension expense of \$465,436 for its proportionate share of the Correctional Plan's pension expense.

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At December 31, 2023, the 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	\$ 238,807	\$ 54,445
Changes in actuarial assumptions	1,476,332	2,828,661
Net collective difference between projected and actual investment earnings	-	79,225
Changes in proportion	8,166	97,602
Contributions paid to PERA subsequent to the measurement date	145,513	-
Total	\$ 1,868,818	\$ 3,059,933

The \$145,513 reported as deferred outflows of resources related to pensions resulting from the County's 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	\$ (29,179)
2025	(1,512,295)
2026	270,277
2027	(65,431)

Total Pension Expense

The total pension expense for all plans recognized by the County for the year ended December 31, 2023 was \$8,987,302.

Long-Term Expected Return on Investment

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	33.50%	5.10%
International Equity	16.50%	5.30%
Fixed Income	25.00%	0.75%
Private Markets	25.00%	5.90%
Total	<u>100.00%</u>	

Actuarial Assumptions

The total pension liability in the June 30, 2023, actuarial valuation was determined using an 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 7.00%. This 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 7.00% was deemed to be within that range of reasonableness for financial reporting purposes.

Inflation is assumed to be 2.25% for the General Employees Plan, Police and Fire Plan, and the Correctional Plan. Benefit increases after retirement are assumed to be 1.25% for the General Employees Plan, 1.00% for the Police and Fire Plan, and 2 percent for the Correctional Plan.

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

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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 6.50% to 7.00%.

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

Changes 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 requirement for new hires after June 30, 2014, was changed from a graded 20-year vesting schedule to a graded 10-year vesting schedule, with 50% vesting after five years, increasing incrementally to 100% after 10 years.
- A one-time, non-compounding benefit increase of 3.00% 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% to 7.00%.
- The single discount rate changed from 5.42% to 7.00%.

Changes 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 2.50% 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 2.50%. The maximum increase is 1.50% and the Plan's funding ratio improves to 85% for two consecutive years on a market value of assets basis.

Discount Rate

The discount rate used to measure the total pension liability in 2023 was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at rates set in Minnesota Statutes. Based on these assumptions, the fiduciary net position of the General Employees, Police and Fire and Correctional Plans were projected to be available to make all projected future benefit payments of current plan members. 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.

Pension Liability Sensitivity

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

Description	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
County's proportionate share of the GERP net pension liability	\$ 58,969,187	\$ 33,333,244	\$ 12,246,708
County's proportionate share of the PEPFP net pension liability	20,862,838	10,514,911	2,007,531
County's proportionate share of the PECF net pension liability	3,268,262	620,032	(1,492,918)

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Pension Plan Fiduciary Net Position

Detailed information about each 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.

Defined Contribution Plan

Five Board Members of the County 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 5% of salary which is matched by the elected official's employer. For ambulance service personnel, employer contributions are determined by the employer, and for salaried employees contributions must be a fixed percentage of salary. Employer contributions for volunteer personnel may be a unit value for each call or period of alert duty. Employees who are paid for their services may elect to make member contributions in an amount not to exceed the employer share. 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 2% of employer contributions and twenty-five hundredths of one percent (0.25%) of the assets in each member's account annually.

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

Contribution Amount		Contribution Amount		Required Rate
Employee	Employer	Employee	Employer	
\$ 19,447	\$ 19,447	5%	5%	5%

H. Other Post-employment Benefits (OPEB)

Plan description

The County provides post-employment health care benefits (OPEB) for retired employees through a single employer defined benefit plan. The benefits, benefit levels, employee contributions and employer contributions are governed by the County and can be amended by the County through its personnel policy manual and union contracts within the guidelines of Minnesota Statute. Minnesota Statute requires eligibility to be available for pension-eligible retirees (i.e. retirement after age 55 with 3 years of service). The plan is accounted for as an irrevocable trust fund. The plan does not issue a separate report.

In 2018, Carver County established an OPEB irrevocable trust, pursuant to MN Statutes, Sec. 471.6175, to prefund a portion of the OPEB liability. The Public Employees Retirement Association (PERA) serves as the trust administrator for the irrevocable trust account.

Within the OPEB irrevocable trust, the investments were transferred to the Other Postemployment Benefits Trust Fund and reported in the Statement of Fiduciary Net Position. This financial statement is prepared using the accrual basis of accounting.

Summary of Plan Provisions

Following is a summary of the major plan provisions used to determine the plan's financial position:

Plan Sponsor	Carver County
Contract Group	AFSCME (All), Non-Bargaining, Elected Officials, Supervisors and Managers Association of Carver County (SMACC), and Teamsters Court Services
Effective Date	January 1, 2023
Coverage after age 65	No Implicit Rate subsidy is included for Medical after Medicare eligibility
Employees included	Actives, Retirees, and Beneficiaries
Service Considered	From Date of Hire
Access to Group Insurance	
Eligibility:	Implicit Rate Medical subsidy to Medicare eligibility is available to pension-eligible retirees (Age 55 or older with at least 5 years of service (3 years if hired prior to July 1, 2010)). Implicit Rate Dental subsidy is available to pension-eligible retirees. No Implicit Rate Life subsidy.
Medical Monthly Blended Premium	Pre-65 blended premium is \$951 for single and \$2,456 for EE+Spouse/Valued to Medicare eligibility
Dental Monthly Blended Premium	Blended premium is \$43 for single and \$88 for EE+Spouse/ Valued for lifetime

Subsidized Benefits

Medical Benefit	
Eligibility:	Hired before June 1, 2010: Retirement at or after age 60 with at least 20 consecutive years of full-time service. The County contributes a set amount (by Board review annually) until Medicare eligibility. Benefits may be deferred until age 60 if employee has 20 years of service at retirement. 2023 County contribution is up to \$936.24 per month toward the single medical premium.
Retiree Benefit:	

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Spouse Benefit:	Hired before June 1, 2010: County contributes a set amount (by Board review annually) until Medicare eligibility if dependent coverage is in force at the time of retirement. Benefits may be deferred until age 60 if employee has 20 years of service at retirement. 2023 County contribution is up to an additional \$605.19 monthly for the spouse medical premium for a total of \$1,541.43 toward the employee + spouse medical premium.
Dental Benefit	None
Life Insurance	None
Plan Sponsor	Carver County
Contract Group	Teamsters, LELS, MNPEA, and Sergeants
Effective Date	January 1, 2023
Coverage after age 65	No Implicit Rate subsidy is included for Medical after Medicare eligibility
Employees included	Actives, Retirees, and Beneficiaries
Service Considered	From Date of Hire
Access to Group Insurance Eligibility:	Implicit Rate Medical subsidy to Medicare eligibility is available to pension-eligible retirees [Age 50-55 or older with at least 5 years of service (3 years if hired prior to July 1, 2010)]. Implicit Rate Dental subsidy is available to pension-eligible retirees. No Implicit Rate Life subsidy.
Medical Monthly Blended Premium	Pre-65 blended premium is \$951 for single and \$2,456 for EE+Spouse
Dental Monthly Blended Premium	Blended premium is \$43 for single and \$88 for EE+Spouse

Subsidized Benefits

Medical Benefit	None
Dental Benefit	None
Life Insurance	None

Participants

At January 1, 2023, membership consisted of:

Active Participants	726
Retired Participants Receiving Benefits (Including LTD participants)	50
Spouses of Retired Participants' Receiving Benefits	10
Total	786
Participating Employers	1

Funding Policy and Contributions

The fair value of investments is determined by the Minnesota State Board of Investment (SBI).

Contributions to the plan are recognized when due and the County has made a commitment to provide the contributions. The County negotiates the contribution percentage between the County and employees through the union contracts and personnel policy. See the above summary of plan provisions for the County's contribution for retirees. For the fiscal year ending December 31, 2023, the County paid for retiree benefits through the OPEB Trust and the retirees contributed an estimated \$68,934 toward the cost of their healthcare coverage.

Net OPEB Asset

The County's last actuarial valuation was performed for the plan on January 1, 2023. The County's \$4,884,539 net OPEB Asset was measured as of December 31, 2023.

The components of the net OPEB liability of Carver County at December 31, 2023 were as follows:

Total OPEB Liability	\$ 7,900,521
Plan fiduciary net position	12,785,060
Net OPEB Liability (asset)	\$ (4,884,539)
Plan fiduciary net position as a percentage of the total OPEB liability	161.8%
Covered payroll	\$ 59,272,109
Net OPEB liability (asset) as a percentage of covered- employee payroll	-8.2%

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Actuarial Methods and Assumptions

The County's total OPEB liability of \$7,900,521 as of December 31, 2023, was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation, 1/1/23 valuation	2.50%
Salary Increases	Graded table that varies by service and contract group
Investment rate of return	6.60% (net of investment expenses)
Medical	6.50% in 2023 grading to 5.00% over 5 years and then 4.00% over the next 48 years
Dental	4.00%

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members up to that date. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with long-term perspective of the calculations.

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, 2023 valuation and December 31, 2023 measurement date were based on the Public Employees Retirement Association of Minnesota actuarial experience studies. The most recent four-year experience study for the General Employees Plan was completed in 2019. The most recent four-year experience study used for the Police and Fire Plan valuation was completed in 2020.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	70.00%	7.75%
Fixed Income	30.00%	3.90%
Total Portfolio	100.00%	6.60%

Investments

The OPEB investments are held in an irrevocable trust and invested by SBI in an OPEB Internal Equity Pool and Internal Fixed Income Pool. The County's investment policy delegates investment policy decisions to the Investment Manager, including asset allocation. The policy can only be amended by the County Board.

Rate of Return

For the year ended December 31, 2023, the annual money-weighted rate of return on investments, net of investment expense, was 20.7 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Discount Rate

The discount rate used to measure the total OPEB liability was 5.60 percent, this is the same as the January 1, 2022 valuation report of 6.60 percent. The projection of cash flows used to determine the discount rate assumed that the County contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

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Changes in the Net OPEB Asset

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (Asset) (a)-(b)
Balance at 12/31/22	\$ 8,372,003	\$ 11,149,985	\$ (2,777,982)
Changes for the year:			
Service cost	265,418	-	265,418
Interest	548,324	-	548,324
Assumption Changes	124,274	-	124,274
Projected Investment Return	-	735,899	(735,899)
Difference between expected and actual experience	(739,837)	1,568,837	(2,308,674)
Benefit payments	(669,661)	(669,661)	-
Net Change	(471,482)	1,635,075	(2,106,557)
Balance at 12/31/23	\$ 7,900,521	\$ 12,785,060	\$ (4,884,539)

Sensitivity of the Net OPEB asset to changes in the Discount Rates

The following presents the net OPEB asset of Carver County as well as what the County's net OPEB asset would be if it were calculated using a discount rate that is 1.0 percentage point lower or 1.0 percentage point higher than the current discount rates.

	1% Increase	Current Discount Rate	1% Decrease
Net OPEB Liability (Asset)	\$ (5,404,641)	\$ (4,884,539)	\$ (4,311,555)
Discount Rate	7.60%	6.60%	5.60%

Sensitivity of the Net OPEB asset to changes in the Healthcare Cost Trend Rates

The following presents the net OPEB asset of Carver County as well as what the County's net OPEB asset would be if it were calculated using healthcare cost trend rates that are 1.0 percentage point lower or 1.0 percentage point higher than the current healthcare cost trend rates.

	1% Increase	Current Trend Rate	1% Decrease
Net OPEB Liability (Asset)	\$ (4,240,218)	\$ (4,884,539)	\$ (5,451,893)
Medical Trend Rate	7.25% decreasing to 6.00% then 5.00%	6.25% decreasing to 5.00% then 4.00%	5.25% decreasing to 4.00% then 3.00%
Dental Trend Rate	5.00%	4.00%	3.00%

OPEB Plan Fiduciary Net Position

Detailed information about the OPEB plan's fiduciary net position is available on page 31 of this financial report.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2023 the County recognized OPEB revenue of \$642,610. At December 31, 2023, the County reported deferred inflows and outflows of resources related to OPEB from the following sources:

Source	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 164,688	\$ 1,116,221
Changes in actuarial assumptions	110,465	686,177
Net difference between projected and actual earnings on investments	-	167,082
Total	\$ 275,153	\$ 1,969,480

Amounts reported as deferred outflows of resources and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year	Amount
2024	\$ (415,817)
2025	(210,956)
2026	129,137
2027	(528,538)
2028	(251,319)
Thereafter	(416,834)

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I. Donor-restricted Endowment

The County has a donor restricted endowment that exists in the General Fund. The Minnesota Community Foundation endowment allows the County to spend the prior year investment earnings less administrative expenses on certain Library expenses. For 2023, the County had a net investment gain of \$1,866. The County reported the related net position as restricted in the Statement of Net Position. The Library Director is authorized to spend the amount available for spending through the County's regular claim approval process.

Carver County Community Development Agency Component Unit Notes

Note 5 - Summary of Significant Accounting Policies

A. Reporting Entity

The Carver County Community Development Agency (the CDA) Chaska, Minnesota was established April 3, 1980. The CDA is governed by a five-member Board of Commissioners (the Board) appointed by the Carver County (the County) Board of Commissioners from the five districts in the County. The CDA provides affordable housing for the citizens within the County. The CDA has considered all potential component units for which it is financially accountable, and other organizations for which the nature and significance of their relationship with the CDA are such that exclusion would cause the CDA's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board (GASB) has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body, and (1) the ability of the primary government to impose its will on that organization or (2) the potential for the organization to provide specific benefits to, or impose specific financial burdens on the primary government. The CDA has a discretely presented component unit as described below.

B. Discretely Presented Component Unit

The CDA is the general partner in CCCDA Trail's Edge South LP which is used to acquire, finance, own, construct, rehabilitate, maintain, improve, operate, lease and, if appropriate or desirable, sell or otherwise dispose of the Apartment Complex. It is financed, in part, with low-income housing tax credits. Contributions and distributions, if any, are recorded as direct adjustments to the investment in partnerships on the statement of net position. Any income or loss from the operation of the limited partnership is also recorded as a direct adjustment to the investment in partnerships based on the CDA's ownership percentage, which is .1%. As general partner and managing agent, the CDA possesses essentially all authority over the day-to-day operations.

The discretely presented component unit has a December 31st year-end. The discretely presented component unit financial statements included in the financial statements are for the fiscal year ended December 31, 2023. The complete financial statements can be obtained from the CDA's office at 705 North Walnut Street, Chaska, Minnesota 55318.

C. Measurement Focus, Basis of Accounting and Basis of Presentation

The CDA is considered a single enterprise fund for financial reporting purposes and its discretely presented component unit. The activities of the CDA are recorded under various programs established for the administration of the CDA's programs. For the most part, the effect has been removed from the statements of net position and the statement of activities. The CDA's basic financial statements have been prepared on the basis of the governmental proprietary fund concept which pertains to financial activities that operate in a manner similar to private business enterprises and are financed through tenant rentals and federal housing assistance programs. The CDA's basic financial statements are presented on the accrual basis of accounting. The CDA applies all applicable Government Accounting Standards Board (GASB) pronouncements.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place.

Non-exchange transactions, in which the CDA receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the year for which the tax is levied. Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the CDA must provide local resources to be used for a specific purpose, and expenditure requirements, in which the resources are provided to the CDA on a reimbursement basis.

Proprietary funds distinguish operating revenues and expenses from nonoperating revenue and expenses. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of proprietary funds are tenant rent and City contributions. Operating expenses for proprietary funds include the cost of housing assistance payments, utilities, sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

D. Assets, Deferred Outflows of Resources, Liabilities, and Net Position

1. Deposits and Investments

The CDA's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. The cash and temporary investments pool is considered to be cash and cash equivalents for purposes of the Statements of Cash Flows.

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The CDA may invest idle funds as authorized by Minnesota statutes, as follows:

1. Direct obligations or obligations guaranteed by the United States or its agencies.
2. Shares of investment companies registered under the Federal Investment Company Act of 1940 and received the highest credit rating, rated in one of the two highest rating categories by a statistical rating agency, and have a final maturity of thirteen months or less.
3. General obligations of the State or local government with taxing powers rated "A" or better; revenue obligations rated "AA" or better.
4. General obligations of the Minnesota Housing Finance Agency rated "A" or better.
5. Obligations of school district with an original maturity not exceeding 13 months and (i) rated in the highest category by a national bond rating service or (ii) enrolled in the credit enhancement program pursuant to statute section 126C.55.
6. Bankers' acceptances of United States banks eligible for purchase by the Federal Reserve System.
7. Commercial paper issued by United States banks corporations or their Canadian subsidiaries, of highest quality category by at least two nationally recognized rating agencies, and maturing in 270 days or less.
8. Repurchase or reverse repurchase agreements and securities lending agreements with financial institutions qualified as a "depository" by the government entity, with banks that are members of the Federal Reserve System with capitalization exceeding \$10,000,000, a primary reporting dealer in U.S. government securities to the Federal Reserve Bank of New York, or certain Minnesota securities broker-dealers.
9. Guaranteed investment contracts (GIC's) issued or guaranteed by a United States commercial bank, a domestic branch of a foreign bank, a United States insurance company, or its Canadian subsidiary, whose similar debt obligations were rated in one of the top two rating categories by a nationally recognized rating agency.

Broker money market funds operate in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the shares.

The CDA categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The CDA has the following recurring fair value measurements as of December 31, 2023:

- US Treasury securities are valued using quoted market prices (Level 1 inputs)
- Broker Certificates of Deposit are valued using a matrix pricing model (Level 2 inputs)

2. Property Taxes

The CDA Board annually adopts a levy and certifies it to the County for collection. The County is responsible for collecting all property taxes for the CDA. Real property taxes are paid by taxpayers of the County in two equal installments on May 15 and October 15. The County provides tax settlements to the CDA three times per year, in January, July and December.

Delinquent taxes receivable include the past six years' uncollected taxes.

3. Accounts Receivable

Accounts receivable include amounts billed for services provided before year end. All trade receivables are shown net of an allowance for uncollectible. Because the CDA has written off all accounts that are considered to be uncollectible, there is no allowance for uncollectible accounts at December 31, 2023.

4. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

5. Capital Assets

Capital assets, which include property, plant and equipment are reported in the government-wide financial statements. Capital assets are defined by the CDA as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

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Property, plant and equipment of the CDA are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings	30 to 40
Furniture, equipment and machinery	3 to 15
Leasehold improvements	15

6. Investment in Joint Venture

The initial equity interest in discretely presented component units is reported at cost. Contributions and distributions, if any, and the CDA's share of any income or loss from operations are recorded as direct adjustments to investment in joint venture on the statement of net position.

7. Unearned Revenue

The CDA reports unearned revenue on its statement of net position. Unearned revenue arises when resources are received by the CDA before it has legal claim to them, as when grant monies are received prior to the incurrence of qualifying expense. In subsequent periods, when revenue recognition criteria is met, or when the CDA has a legal claim to the resources, the liability for unearned revenue is removed from the statement of net position and revenue is recognized.

8. Compensated Absences

The CDA reports all earned but unpaid compensated absences as a current liability on the statement of net position. The CDA records an expense to reflect the change in compensated absences earned and used during the year.

9. Long-term Obligations

Long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts, are 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 reported as an expense of the period incurred.

10. Deferred outflows of resources

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

The CDA only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

11. Net Position

Net position represents the difference between assets and deferred outflows and liabilities. Net position is displayed in three components:

- a. Net investment in capital assets - Consists of capital assets, net of accumulated depreciation reduced by any outstanding debt attributable to acquire capital assets.
- b. Restricted net position - Consist of net position balances restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, laws or regulations of other governments.
- c. Unrestricted net position - All other net position balances that does not meet the definition of "restricted" or "net investment in capital assets"

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

Note 6 - Detailed Notes CDA

A. Deposits and Investments

Deposits

Custodial credit risk for deposits and investments is the risk that in the event of a bank failure, the CDA's deposits may not be returned or the CDA will not be able to recover collateral securities in the possession of an outside party. In accordance with Minnesota statutes and as authorized by the Board, the CDA maintains deposits at those depository banks which are members of the Federal Reserve System.

Minnesota statutes require that all CDA deposits be protected by insurance, surety bond or collateral. The market value of collateral pledged must equal 110 percent of the deposits not covered by insurance or bonds.

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Authorized collateral in lieu of a corporate surety bond includes:

- United States government Treasury bills, Treasury notes, Treasury bonds;
- Issues of United States government agencies and instrumentalities as quoted by a recognized industry quotation service available to the government entity;
- General obligation securities of any state or local government with taxing powers which is rated "A" or better by a national bond rating service, or revenue obligation securities of any state or local government with taxing powers which is rated "AA" or better by a national bond rating service;
- General obligation securities of a local government with taxing powers may be pledged as collateral against funds deposited by that same local government entity;
- Irrevocable standby letters of credit issued by Federal Home Loan Banks to a municipality accompanied by written evidence that the bank's public debt is rated "AA" or better by Moody's Investors Service, Inc., or Standard & Poor's Corporation; and
- Time deposits that are fully insured by any federal agency.

Minnesota statutes require that all collateral shall be placed in safekeeping in a restricted account at a 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. The selection should be approved by the government entity.

At December 31, 2023, the CDA's carrying amount of deposits was \$10,779,166 and the bank balance was \$11,227,473 all of which was covered by federal depository insurance and by collateral held by the CDA's agent in the CDA's name.

Investments

As of December 31, 2023, the CDA had the following investments:

Types of Investments	Credit Quality/ Rating (1)	Segmented Time Distribution (2)	Amount	Fair Value Measurement Using		
				Level 1	Level 2	Level 3
Non-pooled investments at fair value						
U.S. Treasuries	AAA	Less than 1 year	\$ 5,802,845	\$ 5,802,845	\$ -	-
Pooled investments at amortized costs						
Broker Money Market	N/A	N/A	506,338	-	-	-
			<u>\$ 6,309,183</u>	<u>\$ 5,802,845</u>	<u>\$ -</u>	<u>-</u>

(1) Ratings are provided by various credit rating agencies where applicable to indicate associated credit risk.

(2) Interest rate risk is disclosed using the segmented time distribution method.

N/A Indicates not applicable or available

A reconciliation of cash and temporary investments as shown on the statement of net position as of December 31, 2023 for the CDA and discretely presented component unit as follows:

Carrying amounts of deposits	\$ 10,779,166
Investments	6,309,183
Cash on hand	<u>1,119</u>
Total	<u>\$ 17,089,468</u>
Cash and pooled investments	
Cash-unrestricted	\$ 10,231,443
Cash-tenant security deposits	548,841
Investments-restricted	4,632,939
Investments-restricted for payment of current liability	<u>1,676,245</u>
Total	<u>\$ 17,089,468</u>

The investments are subject to the following risks:

Credit Risk - Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Ratings provided by various credit rating agencies where applicable indicate associated credit risk. Minnesota statutes limit the CDA's investments.

Custodial Credit Risk - 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 is in possession of an outside party. The CDA limits its exposure to custodial credit risk by purchasing insured or registered investments.

Interest Rate Risk - Using the segmented time distribution method, the interest rate risk of these investments varies as listed in the investment summaries.

Concentration of Credit Risk - The concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. In accordance with its investment policy, the CDA will diversify use of investment instruments to avoid incurring unreasonable risks inherent in over-investing in specific instruments, individual financial institutions or maturities. The money market mutual funds are exempt from consideration of concentration of credit risk.

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Discretely Presented Component Units

Trails Edge South LP had the following cash on hand as of December 31, 2023.

Cash - unrestricted	\$	192,841
Tenant security deposits		52,204
Tax and insurance escrow		19,693
Replacement reserve		2,252
Operating reserve		343,021
		\$ 610,011

B. Investment in Component Units

As explained in Note 1, the CDA is a limited partner in CCCDA Trail's Edge South LP. The initial equity interest is reported at cost. Contributions and distributions, if any, are recorded as direct adjustments to the investment in joint venture on the Statement of Net Position. Any income or loss from the operation of the limited partnership is also recorded as a direct adjustment to the investment in joint ventures based on the CDA's ownership percentage. This partnership was financed, in part, using Federal low-income housing tax credits which has restrictions on the operations of the project. For the year ended December 31, 2023, the CDA's investment in joint venture is as follows:

	Balance 12/31/2022	Increases	Decreases	Balance 12/31/2023
Trails Edge South LP	\$ 800,082	\$ -	\$ (132)	\$ 799,950

C. Capital Assets

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

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities				
Capital assets not being depreciated				
Land	\$ 8,358,047	\$ 308,366	\$ (35,700)	\$ 8,630,713
Construction in progress	665,518	2,165,911	(273,473)	2,557,956
Total capital assets not being depreciated	9,023,565	2,474,277	(309,173)	11,188,669
Capital assets being depreciated				
Land improvements	550,250	-	-	550,250
Buildings and building improvements	58,833,903	347,695	-	59,181,598
Leasehold improvements	21,702	-	-	21,702
Furniture, equipment and machinery				
Dwelling	1,594,700	113,907	(36,425)	1,672,182
Administration	382,468	339,830	(118,170)	604,128
Total capital assets being depreciated	61,383,023	801,432	(154,595)	62,029,860
Less accumulated depreciation for				
Land improvements	(323,412)	(31,951)	-	(355,363)
Buildings	(33,280,666)	(1,928,017)	-	(35,208,683)
Leasehold improvements	(2,412)	-	-	(2,412)
Furniture, equipment and machinery				
Dwelling	(1,458,817)	(70,641)	21,415	(1,508,043)
Administration	(332,881)	(29,041)	118,170	(243,752)
Total accumulated depreciation	(35,398,188)	(2,059,650)	139,585	(37,318,253)
Total capital assets being depreciated, net	25,984,835	(1,258,218)	(15,010)	24,711,607
Business-type activities capital assets, net	\$ 35,008,400	\$ 1,216,059	\$ (324,183)	\$ 35,900,276

Depreciation expense was charged to programs of the CDA as follows:

	Program		
	State/Local	\$	62,488
	Carver Homes		330,912
	Rental Properties		1,666,250
	Total	\$	2,059,650

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Discretely Presented Component Units

Activity for the Trails Edge for the year ended December 31, 2023 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated				
Land	\$ 547,079	\$ -	\$ -	\$ 547,079
Construction in progress	5,247	-	(5,247)	-
Total capital assets not being depreciated	<u>\$ 552,326</u>	<u>\$ -</u>	<u>\$ (5,247)</u>	<u>\$ 547,079</u>
Capital assets being depreciated				
Land improvements	515,109	-	-	515,109
Buildings and building improvements	13,806,612	-	(1,116)	13,805,496
Furniture, equipment and machinery				
Dwelling	1,082,650	5,247		1,087,897
Total capital assets being depreciated	<u>15,404,371</u>	<u>5,247</u>	<u>(1,116)</u>	<u>15,408,502</u>
Less accumulated depreciation for	<u>(118,050)</u>	<u>(712,568)</u>	<u>-</u>	<u>(830,618)</u>
Total capital assets being depreciated, net	<u>15,286,321</u>	<u>(707,321)</u>	<u>(1,116)</u>	<u>14,577,884</u>
Business-type activities capital assets, net	<u>\$ 15,838,647</u>	<u>\$ (707,321)</u>	<u>\$ (6,363)</u>	<u>\$ 15,124,963</u>

Construction Commitments

The CDA has active projects as of December 31, 2023. The projects include various street and road improvements and public facilities projects. At year end, the CDA's commitments with contractors are as follows:

Project	Spent-to-Date	Remaining Commitment
CDA		
Brickyard - Block Work	\$ 32,350	\$ 857,900
Centennial - Roof Replacement	200,913	9,053
Crossings - Roof Replacement	468,461	54,746
Hilltop - Unit Rehabs	726,578	77,220
Hilltop - Windows	33,700	1,852

D. Long-term Debt

General Obligation Bonds

The following bonds were issued to finance the construction of rental buildings and will be repaid from rental income:

Description	Authorized and Issued	Interest Rate	Issue Date	Maturity Date	Balance at Year End
Centennial Hill - Series 2014	\$ 2,110,000	2.00 - 2.50%	08/28/14	01/01/25	\$ 445,000
Centennial Hill - Series 2014T	2,370,000	3.30 - 4.00	08/28/14	01/01/34	2,370,000
Lake Grace - Series 2020A	1,920,000	1.10 - 1.35	05/20/20	07/01/28	1,220,000
Chaska Brickyard - Series 2020B	2,200,000	0.30 - 2.00	10/07/20	01/01/40	2,000,000
Chaska Brickyard - Series 2000	420,000	5.60 - 6.00	01/18/00	01/01/28	135,000
Bluff Creek - Series 2011B	785,000	1.25 - 3.50	12/01/11	02/01/29	330,000
Oak Grove - Series 2009B	1,605,000	3.00 - 3.88	11/05/09	02/01/24	165,000
Oak Grove - Series 2016	4,710,000	3.00 - 3.50	12/29/16	02/01/44	4,585,000
Waybury Apartments - Governmental Development Refunding, Series 2018A	6,110,000	2.00 - 3.60	02/28/18	02/01/48	5,400,000
Jonathon - Governmental Refunding Series 2021A	2,890,000	1.50 - 3.00	04/27/21	02/01/45	2,730,000
Waybury - Refunding Bond Series 2021C	1,400,000	1.70 - 2.00	04/27/21	02/01/45	1,340,000
Crossings at Town Center Refunding Bond Series 2021B	4,000,000	1.35 - 4.00	04/27/21	02/01/34	3,510,000
Total General Obligation Bonds					<u>\$ 24,230,000</u>

**CARVER COUNTY
CHASKA, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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

Year Ending December 31,	G.O. Bonds		
	Business-type Activities		
	Principal	Interest	Total
2024	\$ 1,375,000	\$ 678,532	\$ 2,053,532
2025	1,375,000	639,344	2,014,344
2026	1,405,000	601,584	2,006,584
2027	1,450,000	560,564	2,010,564
2028	1,490,000	517,098	2,007,098
2029 - 2033	6,380,000	1,997,692	8,377,692
2034 - 2038	4,375,000	1,244,690	5,619,690
2039 - 2043	3,875,000	715,074	4,590,074
2044 - 2048	2,505,000	188,490	2,693,490
Total	\$ 24,230,000	\$ 7,143,068	\$ 31,373,068

Notes Payable

The following notes were issued to fund project costs and will be repaid with revenue from the project.

Description	Authorized and Issued	Interest Rate	Issue Date	Maturity Date	Balance at Year End
Jonathan Acres Waybury Second mortgage Note payable	\$ 1,400,000	-	02/01/12	08/01/37	\$ 1,400,000
CCCCA Deferred Note Payable	127,300	-	12/01/14	12/01/44	127,300
Spruce Rehab, Note Payable	243,900	-	01/10/13	01/10/33	243,900
Deferred Note Payable	150,000	-	03/01/18	03/01/48	150,000
Deferred Note Payable	111,000	-	01/20/21	03/01/50	111,000
Deferred Note Payable	160,000	-	01/20/21	03/01/50	304,000
Lake Grace Building Loan Deferred Note Payable	1,000,000	-	09/30/03	07/01/28	984,558
USDA - Assumed Promissory Note - Hilltop 1	90,516	2.5	10/27/21	10/27/51	88,641
USDA - Assumed Promissory Note - Hilltop 2	97,678	2.5	10/28/21	10/28/51	95,653
USDA - Assumed Promissory Note - Mayer Elderly	225,327	2.5	10/29/21	10/29/51	220,599
Total Notes					\$ 3,725,651

Annual debt service requirements to maturity for notes payable are as follows:

Year Ending December 31,	Notes Payable		
	Business-type Activities		
	Principal	Interest	Total
2024	\$ 4,338	\$ 6,196	\$ 10,534
2025	4,447	6,086	10,533
2026	4,560	5,974	10,534
2027	4,675	5,859	10,534
2028	989,351	5,740	995,091
2029 - 2033	269,776	26,793	296,569
2034 - 2038	1,427,829	24,840	1,452,669
2039 - 2043	29,862	22,805	52,667
2044 - 2048	309,346	20,623	329,969
2049 - 2051	681,467	14,817	696,284
Total	\$ 3,725,651	\$ 139,733	\$ 3,865,384

**CARVER COUNTY
CHASKA, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

Changes in long-term liabilities

Long-term liability activity for the year ended December 31, 2023, was as follows:

	Balance 12/31/2022	Issued	Retired	Refunded	Balance 12/31/2023	Due Within One Year
G.O. Bonds	\$ 25,550,000	\$ -	\$ (1,320,000)	\$ -	\$ 24,230,000	\$ 1,375,000
Premium on bonds	507,328	-	(42,061)	-	465,267	-
Notes Payable	3,596,265	144,000	(14,614)	-	3,725,651	4,338
Total	\$ 29,653,593	\$ 144,000	\$ (1,376,675)	\$ -	\$ 28,420,918	\$ 1,379,338

Discretely Presented Component Units

Trails Edge South LP has a mortgage payable to Well Fargo Bank in the amount of \$5,149,002 as of December 31, 2023. Annual debt service requirements to maturity for the mortgage payable are as follows:

<u>December 31,</u>	<u>Principal</u>
2024	61,462
2025	64,345
2026	67,341
2027	70,477
2028	73,759
Thereafter	4,715,301
Total	<u>5,052,685</u>

Note 7 - Other Information

A. Risk Management

The CDA participates in the Minnesota Counties Insurance Trust public entity risk pool and is exposed to various risks of losses including general liability, property damage and employee bodily injury. The insurance coverage of this trust is considered to be adequate to cover unexpected claims against the CDA. The CDA retains the responsibility to cover any settlements exceeding the specific coverage. There was no reduction in coverage from the prior year and settlements have not exceeded insurance coverage in the past three years.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities, if any, include an amount for claims that have been incurred but not reported (IBNRs). The CDA's management is not aware of any incurred but not reported claims.

B. Restricted Investments

The bond indenture require the CDA to establish and maintain various trust funds related to construction of the projects, bond sinking and reserve funds, and operating reserve funds. Balances in the various funds are subject to increase or release based upon annual calculations.

Note 8 - Retirement Plan

All permanent full-time employees of the CDA are eligible to participate in the Housing-Renewal and Local Agency Restated Retirement Plan (the Plan). The Plan is a defined contribution plan administered by a trustee. Employees under this Plan receive a pension based on the amount deposited in the Plan by the employee and employer and the amount of investment income earned. Therefore, the Plan is fully funded at all times.

Participating employees vest in the CDA's future and past service contributions based on each full year of continuous employment. Total payroll for employees covered by the Plan for the year ended December 31, 2023 and 2022, was \$2,091,445 and \$2,062,173, respectively.

The CDA made contributions into the Plan of \$230,059 and \$226,839 for the years ended December 31, 2023 and 2022, respectively. Pension expense is equal to contribution made.

As of December 31, 2023, the Plan held no securities issued by the CDA or other related parties.

Note 9 - Joint Ventures

The CDA and the City of Norwood Young America (City) entered into a joint powers agreement for the purpose of the redevelopment of approximately 4.5 acres known as the Oak Grove Dairy property. To the extent deemed necessary by the CDA, the Agencies shall enter into additional written agreements from time to time relating to specific activities. It is the intent of the parties that any governmentally owned housing development project would be developed, owned and operated by the CDA. The CDA and the City initially paid one-half the preliminary property acquisition costs and one-half on any cost of carrying the property following the acquisition. On December 15, 2016 the Joint Powers Agreement was amended to reflect the conveyance of the CDA's undivided 50% interest in the Commercial Parcels for a sum of \$260,000 and a final contribution to the CDA's bond obligation of \$45,000. Specific amendment of the language in Clause i. of Section 2.b eliminates references to the City's annual contribution of \$48,500, the pledge of net sale proceeds of the Commercial Parcels to the payments of Housing Bonds, and any payment to the City of surplus revenues generated by the Housing Parcel. Except as modified by this Amendment, the Joint Powers Agreement shall continue in full force and subject to the terms thereof.

Required Supplementary Information

**CARVER COUNTY
CHASKA, MINNESOTA**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGETARY COMPARISON
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues:				
Taxes	\$ 39,583,570	\$ 39,583,570	\$ 39,094,101	\$ (489,469)
Special Assessments	153,900	258,177	258,215	38
Licenses and Permits	1,731,654	1,762,249	1,492,864	(269,385)
Intergovernmental	6,722,022	19,986,514	20,241,532	255,018
Charges for Services	11,180,325	11,449,383	10,814,842	(634,541)
Fines and Forfeits	239,686	218,343	197,389	(20,954)
Gifts and Contributions	17,735	73,892	93,934	20,042
Investments Income	1,567,661	1,626,707	7,185,979	5,559,272
Miscellaneous	844,986	1,452,794	1,594,229	141,435
Total Revenues	62,041,539	76,411,629	80,973,085	4,561,456
Expenditures:				
Current:				
General Government				
Commissioners	758,313	748,278	653,958	94,320
Courts	397,000	397,000	323,824	73,176
County Administration	427,312	435,763	418,280	17,483
Property Tax	906,651	918,066	914,261	3,805
Finance	1,469,516	1,490,534	1,437,439	53,095
License Centers	1,599,490	1,588,589	1,514,882	73,707
Election and Licensing	589,459	595,686	529,479	66,207
Property Assessment	1,615,788	1,520,230	1,396,908	123,322
Public Services Administration	679,412	611,469	515,209	96,260
Information Technology	7,661,528	7,787,667	7,260,164	527,503
Human Resources	2,420,615	2,284,082	2,003,954	280,128
Attorney	4,297,103	4,764,948	4,913,184	(148,236)
Land Records and Vitals	1,114,725	1,077,899	929,005	148,894
Buildings and Plant	3,399,983	3,418,260	3,306,278	111,982
Veterans Service Officer	520,034	473,089	416,858	56,231
Land Management	732,614	773,527	826,005	(52,478)
Vacancy Savings	(4,430,557)	-	-	-
Other	317,919	18,523	183,596	(165,073)
General Government	24,476,905	28,903,610	27,543,284	1,360,326
Public Safety				
Sheriff	24,226,575	24,482,093	24,352,764	129,329
Medical Examiner	263,793	263,793	263,793	-
Court Services	2,555,562	3,117,180	2,975,265	141,915
Public Safety	27,045,930	27,863,066	27,591,822	271,244

**CARVER COUNTY
CHASKA, MINNESOTA**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGETARY COMPARISON
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2023
(Continued)**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Health				
Community Health Services	30,000	38,503	38,503	-
Culture and Recreation				
Library	4,741,359	4,842,585	4,570,405	272,180
Parks	1,730,297	1,952,958	1,728,882	224,076
Historical Society	244,652	377,648	377,648	-
Culture and Recreation	6,716,308	7,173,191	6,676,935	496,256
Conservation of Natural Resources				
Minnesota Extension Services	325,383	325,383	319,002	6,381
Planning & Water Management	755,570	1,187,023	1,145,748	41,275
Environmental Services	2,689,610	2,935,750	2,901,166	34,584
Soil and Water Conservation District	348,605	348,605	348,605	-
Agricultural Society	47,917	47,917	47,917	-
Conservation of Natural Resources	4,167,085	4,844,678	4,762,438	82,240
Economic Development				
Community Development Agency	-	1,608,192	1,608,192	-
Capital Outlay	-	5,822,242	5,842,667	(20,425)
Debt Service:				
Principal	146,400	182,527	885,097	(702,570)
Interest and Fiscal Charges	-	-	5,533	(5,533)
Debt Service	146,400	182,527	890,630	(708,103)
Total Expenditures	62,582,628	76,436,009	74,954,471	1,481,538
Excess of Revenues over (under) Expenditures	(541,089)	(24,380)	6,018,614	6,042,994
Other Financing Sources (Uses):				
Transfers In	216,030	4,226,937	4,226,937	-
Transfers Out	-	(1,118,865)	(1,118,865)	-
Loans Issued	-	223,573	223,573	-
Leases	-	-	154,383	154,383
Subscription Based Information Technology Arrangement	-	-	170,709	170,709
Proceeds from Sale of Capital Assets	-	-	6,956	6,956
Total Other Financing Sources (Uses)	216,030	3,331,645	3,663,693	332,048
Net Change in Fund Balance	(325,059)	3,307,265	9,682,307	6,375,042
Fund Balance - January 1	29,683,605	29,683,605	29,683,605	-
Fund Balance - December 31	\$ 29,358,546	\$ 32,990,870	\$ 39,365,912	\$ 6,375,042

Notes to the required supplementary information are an integral part of this schedule.

**CARVER COUNTY
CHASKA, MINNESOTA**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGETARY COMPARISON
ROAD AND BRIDGE FUND
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 6,037,059	\$ 6,057,942	\$ 6,013,565	\$ (44,377)
Intergovernmental	3,864,160	4,069,185	4,077,892	8,707
Charges for Services	28,625	3,100	3,100	-
Gifts and Contributions	-	63,201	63,201	-
Miscellaneous	277,500	319,524	319,524	-
Total Revenues	10,207,344	10,512,952	10,477,282	(35,670)
Expenditures:				
Current:				
Highways and Streets				
Administration	803,735	963,570	859,052	104,518
Asset & Performance Management	578,705	668,612	458,142	210,470
Engineering	3,599,227	3,340,722	3,249,252	91,470
Maintenance	4,563,649	5,380,611	5,017,148	363,463
Highway	1,571,328	1,596,444	1,401,063	195,381
Highways and Streets	11,116,644	11,949,959	10,984,657	965,302
Intergovernmental:				
Highways and Streets	-	217,733	217,733	-
Debt Service:				
Principal	-	-	52,430	(52,430)
Interest and Fiscal Charges	-	-	2,127	(2,127)
Debt Service	-	-	54,557	(54,557)
Total Expenditures	11,116,644	12,167,692	11,256,947	910,745
Excess of Revenues over (under) Expenditures	(909,300)	(1,654,740)	(779,665)	875,075
Other Financing Sources (Uses):				
Transfers In	909,300	1,097,667	1,097,667	-
Transfers Out	-	(1,055,295)	(1,055,295)	-
Subscription Based Information Technology Arrangement	-	-	105	105
Proceeds from Sale of Capital Assets	-	115,626	115,626	-
Total Other Financing Sources (Uses)	909,300	157,998	158,103	105
Net Change in Fund Balance	-	(1,496,742)	(621,562)	875,180
Fund Balance - January 1	7,186,398	7,186,398	7,186,398	-
Fund Balance - December 31	\$ 7,186,398	\$ 5,689,656	\$ 6,564,836	\$ 875,180

Notes to the required supplementary information are an integral part of this schedule.

**CARVER COUNTY
CHASKA, MINNESOTA**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGETARY COMPARISON
HEALTH & HUMAN SERVICES FUND
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 15,637,100	\$ 15,637,100	\$ 15,652,156	\$ 15,056
Intergovernmental	15,492,201	20,351,575	19,402,231	(949,344)
Charges for Services	4,583,060	4,722,516	4,458,231	(264,285)
Gifts and Contributions	1,000	91,000	90,071	(929)
Miscellaneous	110,950	139,657	420,631	280,974
Total Revenues	35,824,311	40,941,848	40,023,320	(918,528)
Expenditures:				
Current:				
Human Services				
Social Services	27,679,937	31,077,315	28,668,572	2,408,743
Income Maintenance	5,261,428	5,471,540	5,386,195	85,345
Human Services	32,941,365	36,548,855	34,054,767	2,494,088
Health				
Community Health Services	2,882,946	3,489,113	3,442,497	46,616
Debt Service:				
Principal	-	-	13,126	(13,126)
Interest and Fiscal Charges	-	-	77	(77)
Debt Service	-	-	13,203	(13,203)
Total Expenditures	35,824,311	40,037,968	37,510,467	2,527,501
Excess of Revenues over (under) Expenditures	-	903,880	2,512,853	1,608,973
Other Financing Sources (Uses):				
Transfers In	-	1,199,870	1,199,870	-
Transfers Out	-	(2,054,545)	(2,054,545)	-
Leases	-	-	1,215	1,215
Total Other Financing Sources (Uses)	-	(854,675)	(853,460)	1,215
Net Change in Fund Balance	-	49,205	1,659,393	1,610,188
Fund Balance - January 1	12,088,418	12,088,418	12,088,418	-
Fund Balance - December 31	\$ 12,088,418	\$ 12,137,623	\$ 13,747,811	\$ 1,610,188

Notes to the required supplementary information are an integral part of this schedule.

**CARVER COUNTY
CHASKA, MINNESOTA**

**SCHEDULE OF CHANGES IN THE
COUNTY'S NET OPEB LIABILITY AND RELATED RATIOS
DECEMBER 31, 2023**

	2018	2019	2020	2021	2022	2023
Total OPEB Liability						
Service cost	\$ 314,002	\$ 309,819	\$ 308,044	\$ 318,362	\$ 292,002	\$ 265,418
Interest	444,861	463,857	525,872	557,638	502,515	548,324
Difference between expected and actual experience	-	370,547	-	(687,885)	-	(739,837)
Changes of assumptions	-	(41,588)	(128,146)	(443,550)	(386,752)	124,274
Benefit payments	(384,129)	(435,173)	(501,786)	(475,840)	(514,544)	(669,661)
Net Change in total OPEB Liability	374,734	667,462	203,984	(731,275)	(106,779)	(471,482)
Total OPEB Liability - beginning	7,963,877	8,338,611	9,006,073	9,210,057	8,478,782	8,372,003
Total OPEB Liability - ending	<u>\$ 8,338,611</u>	<u>\$ 9,006,073</u>	<u>\$ 9,210,057</u>	<u>\$ 8,478,782</u>	<u>\$ 8,372,003</u>	<u>\$ 7,900,521</u>
Plan fiduciary Net Position						
Contributions - employer	\$ 7,690,439	\$ 840,314	\$ 850,684	\$ 475,840	\$ -	\$ -
Net investment income (loss)	-	1,977,155	1,605,561	2,387,308	(2,362,611)	2,304,736
Benefit payments	(384,129)	(435,173)	(501,786)	(475,840)	(514,544)	(669,661)
Administrative expenses	-	(978)	(1,071)	(1,184)	-	-
Net change in plan fiduciary net position	7,306,310	2,381,318	1,953,388	2,386,124	(2,877,155)	1,635,075
Plan Fiduciary Net Position - beginning	-	7,306,310	9,687,628	11,641,016	14,027,140	11,149,985
Plan Fiduciary Net Position - ending	<u>\$ 7,306,310</u>	<u>\$ 9,687,628</u>	<u>\$ 11,641,016</u>	<u>\$ 14,027,140</u>	<u>\$ 11,149,985</u>	<u>\$ 12,785,060</u>
Net OPEB Liability (Asset)	\$ 1,032,301	\$ (681,555)	\$ (2,430,959)	\$ (5,548,358)	\$ (2,777,982)	\$ (4,884,539)
Plan fiduciary net position as a percentage of the total OPEB liability	87.62%	107.57%	126.39%	165.44%	133.18%	161.83%
Covered payroll	\$ 43,502,181	\$ 47,456,247	\$ 48,879,934	\$ 54,805,103	\$ 56,449,256	\$ 59,272,109
County's Net OPEB Liability (Asset) as a percentage of the covered payroll	2.37%	-1.44%	-4.97%	-10.12%	-4.92%	-8.24%

Carver County implemented GASB Statements No. 74 and No. 75 in fiscal year ending December 31, 2018.
This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Notes to the required supplementary information are an integral part of this schedule.

**CARVER COUNTY
CHASKA, MINNESOTA**

**SCHEDULE OF COUNTY CONTRIBUTIONS
DECEMBER 31, 2023**

	2018	2019	2020	2021	2022	2023
Actuarially determined contribution	N/A	\$ 405,141	\$ 348,898	\$ -	\$ -	-
Contribution in relation to the actuarially determined contribution	7,690,439	840,314	850,684	475,840	-	-
Contribution deficiency (excess)	<u>\$ 7,690,439</u>	<u>\$ (435,173)</u>	<u>\$ (501,786)</u>	<u>\$ (475,840)</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 43,502,181	\$ 47,456,247	\$ 48,879,934	\$ 54,805,103	\$ 56,449,256	\$ 59,272,109
Contributions as a percentage of covered payroll	17.68%	1.77%	1.74%	0.87%	0.00%	0.00%

Carver County implemented GASB Statements No. 74 and No. 75 in fiscal year ending December 31, 2018. This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

GASB has not defined an actuarially determined contribution and no statutory or contractual contribution has been set by the County.

Notes to the required supplementary information are an integral part of this schedule.

**CARVER COUNTY
CHASKA, MINNESOTA**

**SCHEDULE OF INVESTMENT RETURNS
DECEMBER 31, 2023**

<u>Year</u>	<u>Annual Money-Weighted Rate of Return, Net of Investment Expense</u>
2018	-4.3%
2019	27.0%
2020	16.6%
2021	20.5%
2022	-16.8%
2023	20.7%

Carver County implemented GASB Statements No. 74 and No. 75 in fiscal year ending December 31, 2018. This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Notes to the required supplementary information are an integral part of this schedule.

**CARVER COUNTY
CHASKA, MINNESOTA**

**Schedule of Proportionate Share of Net Pension Liability
PERA General Employees Retirement Plan
DECEMBER 31, 2023**

Measurement Date**	Employer's Proportion of the Net Pension Liability (Asset)	Employer's Proportionate Share of the Net Pension Liability (Asset) (a)	State's Proportionate Share of the Net Pension Liability Associated with Carver County (b)	Employer's and State's Proportionate Share of the Net Pension Liability (a+b)	Covered Payroll (c)	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll (a/c)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2023	0.5961%	\$ 33,333,244	\$ 918,983	\$ 34,252,227	\$ 49,071,926	67.93%	83.1%
2022	0.6222%	49,278,445	1,444,830	50,723,275	46,569,776	105.82%	76.7%
2021	0.6060%	25,878,915	790,281	26,669,196	43,624,705	59.32%	87.0%
2020	0.5855%	35,103,401	1,082,545	36,185,946	41,758,213	84.06%	79.1%
2019	0.5632%	31,138,067	967,791	32,105,858	40,770,857	76.37%	80.2%
2018	0.5690%	31,565,787	1,035,477	32,601,264	38,622,599	81.73%	79.5%
2017	0.5490%	35,047,798	440,729	35,488,527	35,369,950	99.09%	75.9%
2016	0.5191%	42,148,346	550,494	42,698,840	32,213,915	130.84%	68.9%
2015	0.5225%	27,078,662	N/A	27,078,662	30,704,863	88.19%	78.2%

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

** The measurement date for each year is June 30.

Notes to the required supplementary information are an integral part of this schedule.

**CARVER COUNTY
CHASKA, MINNESOTA**

**Schedule of Contributions
PERA General Employees Retirement Plan
DECEMBER 31, 2023**

Year Ending**	Statutorily Required Contribution (a)	Actual Contributions in Relation to the Statutorily Required Contributions (b)	Contribution (Deficiency) Excess (a-b)	Covered Payroll (c)	Actual Contributions as a Percentage of Covered Payroll (b/c)
2023	\$ 3,680,757	\$ 3,680,757	-	\$ 49,076,760	7.50%
2022	3,506,118	3,506,118	-	46,748,240	7.50%
2021	3,382,386	3,382,386	-	45,098,480	7.50%
2020	3,236,304	3,236,304	-	43,150,720	7.50%
2019	2,989,538	2,989,538	-	39,860,507	7.50%
2018	2,868,521	2,868,521	-	38,246,947	7.50%
2017	2,720,343	2,720,343	-	36,262,907	7.50%
2016	2,498,355	2,498,355	-	33,311,362	7.50%
2015	2,447,612	2,447,612	-	32,634,805	7.50%

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

** The County's year-end is December 31.

Notes to the required supplementary information are an integral part of this schedule.

**CARVER COUNTY
CHASKA, MINNESOTA**

**Schedule of Proportionate Share of Net Pension Liability
PERA Public Employees Police and Fire Plan
DECEMBER 31, 2023**

Measurement Date**	Employer's Proportion of the Net Pension Liability (Asset)	Employer's Proportionate Share of the Net Pension Liability (Asset) (a)	State's Proportionate Share of the Net Pension Liability Associated with Carver County (b)	Employer's and State's Proportionate Share of the Net Pension Liability (a+b)	Covered Payroll (c)	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll (a/c)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2023	0.609%	\$ 10,514,911	\$ 423,530	\$ 10,938,441	\$ 8,226,713	127.81%	86.5%
2022	0.554%	24,099,188	1,052,799	25,151,987	6,727,880	358.20%	70.5%
2021	0.546%	4,216,085	189,558	4,405,643	6,753,994	62.42%	93.7%
2020	0.579%	7,637,112	52,146	7,689,258	6,399,729	119.33%	87.2%
2019	0.635%	6,760,216	N/A	6,760,216	6,654,389	101.59%	89.3%
2018	0.622%	6,630,945	N/A	6,630,945	6,769,968	97.95%	88.8%
2017	0.636%	8,586,757	N/A	8,586,757	6,523,965	131.62%	85.4%
2016	0.629%	25,242,864	N/A	25,242,864	6,061,806	416.42%	63.9%
2015	0.639%	7,260,535	N/A	7,260,535	5,853,455	124.04%	86.6%

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

** The measurement date for each year is June 30.

Notes to the required supplementary information are an integral part of this schedule.

**CARVER COUNTY
CHASKA, MINNESOTA**

**Schedule of Contributions
PERA Public Employees Police and Fire Plan
DECEMBER 31, 2023**

Year Ending**	Statutorily Required Contribution (a)	Actual Contributions in Relation to the Statutorily Required Contributions (b)	Contribution (Deficiency) Excess (a-b)	Covered Payroll (c)	Actual Contributions as a Percentage of Covered Payroll (b/c)
2023	\$ 1,455,681	\$ 1,455,681	-	8,224,186	17.70%
2022	1,336,141	1,336,141	-	7,548,819	17.70%
2021	1,169,226	1,169,226	-	6,605,797	17.70%
2020	1,151,874	1,151,874	-	6,507,761	17.70%
2019	1,110,292	1,110,292	-	6,550,395	16.95%
2018	1,062,164	1,062,164	-	6,556,568	16.20%
2017	1,001,217	1,001,217	-	6,180,356	16.20%
2016	1,018,152	1,018,152	-	6,284,887	16.20%
2015	998,228	998,228	-	6,161,902	16.20%

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

** The County's year-end is December 31.

Notes to the required supplementary information are an integral part of this schedule.

**CARVER COUNTY
CHASKA, MINNESOTA**

**Schedule of Proportionate Share of Net Pension Liability
PERA Public Employees Correctional Plan
DECEMBER 31, 2023**

Measurement Date**	Employer's Proportion of the Net Pension Liability (Asset)	Employer's Proportionate Share of the Net Pension Liability (Asset) (a)	Covered Payroll (b)	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll (a/b)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2023	1.137%	\$ 620,032	\$ 3,317,741	18.69%	95.9%
2022	1.474%	4,899,576	3,238,157	151.31%	74.6%
2021	1.405%	(230,749)	3,100,913	-7.44%	101.6%
2020	1.432%	388,532	3,115,794	12.47%	96.7%
2019	1.466%	202,926	3,163,855	6.41%	98.2%
2018	1.534%	252,216	3,076,162	8.20%	97.6%
2017	1.490%	4,246,515	2,979,552	142.52%	67.9%
2016	1.470%	5,370,116	2,762,755	194.38%	58.2%
2015	1.500%	231,900	2,690,897	8.62%	96.9%

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

** The measurement date for each year is June 30.

Notes to the required supplementary information are an integral part of this schedule.

**CARVER COUNTY
CHASKA, MINNESOTA**

**Schedule of Contributions
PERA Public Employees Correctional Plan
DECEMBER 31, 2023**

Year Ending**	Statutorily Required Contribution (a)	Actual Contributions in Relation to the Statutorily Required Contributions (b)	Contribution (Deficiency) Excess (a-b)	Covered Payroll (c)	Actual Contributions as a Percentage of Covered Payroll (b/c)
2023	\$ 290,302	\$ 290,302	-	3,317,737	8.75%
2022	275,187	275,187	-	3,144,994	8.75%
2021	280,705	280,705	-	3,208,057	8.75%
2020	270,428	270,428	-	3,090,606	8.75%
2019	273,561	273,561	-	3,126,411	8.75%
2018	274,044	274,044	-	3,131,931	8.75%
2017	265,015	265,015	-	3,028,736	8.75%
2016	248,228	248,228	-	2,836,894	8.75%
2015	242,211	242,211	-	2,768,124	8.75%

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

** The County's year-end is December 31.

Notes to the required supplementary information are an integral part of this schedule.

**CARVER COUNTY
CHASKA, MINNESOTA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2023**

I. Stewardship, compliance, and accountability

A. *Budgetary information*

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. Each appropriation lapses at the end of the fiscal year to the extent that it has not been expended.

The appropriated budget is prepared by fund, function, and department. The County's budgets may be amended or modified at any time by the County Board. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department level. Adjustments to the approved budget, requested by originating departments, can be approved by the Property and Finance Director after review for adequate transfer of existing budget or addition of new revenue sources. All other changes greater than \$5,000 require board approval, and changes of \$5,000 or less require Property and Finance Director approval. The material supplemental budgetary appropriations changes were:

General Fund	\$ 13,853,381
Road & Bridge	1,051,048
Health & Human Services	4,213,657
	\$ 19,118,086

B. *Excess of expenditures over appropriations*

For the year ended December 31, 2023 Attorney exceeded appropriations in the General Fund by \$148,236 largely due to projections in salary and benefit lower than actual, this is adjusted with the 2024 budget. Land Management exceeded appropriations by \$52,478 largely due to increased inspection services costs. This is offset by increased building permit revenue. Other exceeded appropriations by \$165,073, majority of this relates to the unbudgeted refunds related to passthrough revenue and portion of GERS pension expense from special funding. Debt Service- principal and interest exceeded appropriations by \$708,103, this is due to a change in accounting principle from the recent implementation of GASB 87 and 96.

In the Road and Bridge Special Revenue Fund, Debt Service- principal and interest exceeded appropriations by \$54,557, this is due to a change in accounting principle from the recent implementation of GASB 87 and 96.

In the Health and Human Services Fund, Debt Service- principal and interest exceeded appropriations by \$13,203, this is due to a change in accounting principle from the recent implementation of GASB 87 and 96.

C. *Other Post-Employment Benefits Funding Status*

In 2018, Carver County implemented Governmental Accounting Standards Board (GASB), Statement No. 74, Financial Reporting for Post Employment Benefit Plans Other Than Pension Plans and Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. In 2018, the County established an irrevocable trust, pursuant to MN Statutes, ch. 471.6175 to prefund a portion of the liability of the plan. These funds are reported in the Other Postemployment Benefits Trust Fund and are included in the actuarial valuation. See Note 4.H in the notes to the financial statements for additional information regarding the County's other postemployment benefits.

Employer Contributions to Other Postemployment Benefits

There have been changes to assumptions. From the January 1, 2023 valuation report. Discount rate remained the same at 6.60%. Expected long-term investment return also remained the same at 6.60%.

There have been changes to assumptions. From the January 1, 2022 valuation report. Discount rate was changed from 5.90% to 6.60%. Expected long-term investment return was changed from 5.90% to 6.60%.

There have been changes to assumptions. From the January 1, 2021 valuation report. Discount rate was changed from 5.70% to 5.90%. Expected long-term investment return was changed from 5.70% to 5.90%.

**CARVER COUNTY
CHASKA, MINNESOTA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2023**

There have been changes to assumptions. From the January 1, 2019 valuation report. Discount rate was changed from 6.00% to 5.70%. Expected long-term investment return was changed from 6.00% to 5.70%.

There have been changes to assumptions. From the January 1, 2019 valuation report. Discount rate was changed from 5.80% to 6.00%. Expected long-term investment return was changed from 6.20% to 6.00%.

There have been changes to assumptions. From the January 1, 2019 valuation report. Discount rate was changed from 5.50% to 5.80%.

There have been changes to assumptions. From the January 1, 2017 valuation report. Discount rate was changed from 4.00% to 5.50%. The actuarial cost method was changed from projected unit credit to entry age.

Actuarially determined contribution rates are calculated as of the January 1, 2022 valuation date, measured at December 31, 2023.

Methods and assumptions used to determine contribution rates:

Actuarial cost method:	Entry Age, level percentage of pay
Actuarial Assets	Trustee value as of the measurement date
Amortization of Deferred Resource Flows	Average of expected remaining service on a closed basis for differences between expected and actual experience and assumption changes. Closed five-year period for differences between expected and actual asset returns.
Inflation	2.50%
Healthcare cost trend rates	6.50% in 2023 grading to 5.00% over 6 years and then to 4.00% over the next 48 years
Dental trend rates	4.00%
Investment rate of return	6.60% (net of investment expenses)
Mortality	Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables with MP-2021 Generational Improvement Scale

D. Defined Benefit Pension Plans Changes in Significant Plan Provisions, Actuarial Methods and Assumptions

The following changes were reflected in the valuation performed on behalf of the Public Employees Retirement Association for the year ended June 30:

General Employees Retirement Fund

2023

Changes in Actuarial Assumptions

- The investment return assumption and single discount rate were changed from 6.50% to 7.00%.

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.
- The benefit increase delay for early retirements on or after January 1, 2024, was eliminated.
- A one-time, non-compounding benefit increase of 2.50% minus the actual 2024 adjustment will be payable in a lump sum for calendar year 2024 by March 31, 2024.

2022

Changes in Actuarial Assumptions

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

**CARVER COUNTY
CHASKA, MINNESOTA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2023**

Changes in Plan Provisions

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

2021

Changes in Actuarial Assumptions

- The investment return and single discount rates were changed from 7.50% to 6.50%, for financial reporting purposes.
- The mortality improvement scale was changed from Scale MP-2019 to Scale MP-2020.

Changes in Plan Provisions

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

2020

Changes in Actuarial Assumptions

- The price inflation assumption was decreased from 2.50% to 2.25%.
- The payroll growth assumption was decreased from 3.25% to 3.00%.
- Assumed salary increase rates were changed as recommended in the June 30, 2019 experience study. The net effect is assumed rates that average 0.25% less than previous rates.
- Assumed rates of retirement were changed as recommended in the June 30, 2019 experience study. The changes result in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements.
- Assumed rates of termination were changed as recommended in the June 30, 2019 experience study. The new rates are based on service and are generally lower than the previous rates for years 2-5 and slightly higher thereafter.
- Assumed rates of disability were changed as recommended in the June 30, 2019 experience study. The change results in fewer predicted disability retirements for males and females.
- The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 General Mortality table, with adjustments. The base mortality table for disabled annuitants was changed from the RP-2014 disabled annuitant mortality table to the PUB-2010 General/Teacher disabled annuitant mortality table, with adjustments.
- The mortality improvement scale was changed from Scale MP-2018 to Scale MP-2019.
- The assumed spouse age difference was changed from two years older for females to one year older.
- The assumed number of married male new retirees electing the 100% Joint & Survivor option changed from 35% to 45%. The assumed number of married female new retirees electing the 100% Joint & Survivor option changed from 15% to 30%. The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.

Changes 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

Changes in Actuarial Assumptions

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

Changes 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

Changes in Actuarial Assumptions

- The mortality projection scale was changed from MP-2015 to MP-2017.
- The assumed benefit increase was changed from 1.00% per year through 2044 and 2.50% per year thereafter to 1.25 % per year.

**CARVER COUNTY
CHASKA, MINNESOTA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2023**

Changes 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% to 3.00%, beginning July 1, 2018.
- Deferred augmentation was changed to 0.00%, 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% per year with a provision to increase to 2.50% upon attainment of 90.00% funding ratio to 50.00% of the Social Security Cost of Living Adjustment, not less than 1.00% and not more than 1.50%, beginning January 1, 2019.
- For retirements on or after January 1, 2024, the first benefit increase is delayed until the retiree reaches normal retirement age; does not apply to Rule of 90 retirees, disability benefit recipients, or survivors.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

2017

Changes in Actuarial Assumptions

- The combined service annuity (CSA) loads were changed from 0.80% for active members and 60.00% for vested and non-vested deferred members. The revised CSA load are now 0.00% for active member liability, 15.00% for vested deferred member liability, and 3.00% for non-vested deferred member liability.
- The assumed postretirement benefit increase rate was changed for 1.00% per year for all years to 1.00% per year through 2044 and 2.50% 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

Changes in Actuarial Assumptions

- The assumed postretirement benefit increase rate was changed from 1.00% per year through 2035 and 2.50% per year thereafter to 1.00% per year for all years.
- The assumed investment return was changed from 7.90% to 7.50%. The single discount rate changed from 7.90% to 7.50%.
- 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% to 3.25% for payroll growth and 2.50% for inflation.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2015

Changes in Actuarial Assumptions

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

Changes 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.

**CARVER COUNTY
CHASKA, MINNESOTA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2023**

Public Employees Police and Fire Fund
2023

Changes in Actuarial Assumptions

- The investment return assumption was changed from 6.5% to 7.00%.
- The single discount rate changed from 5.40% to 7.00%.

Changes 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 requirement for new hires after June 30, 2014, was changed from a graded 20-year vesting schedule to a graded 10-year vesting schedule, with 50% vesting after five years, increasing incrementally to 100% after 10 years.
- A one-time, non-compounding benefit increase of 3.00% 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.

2022

Changes in Actuarial Assumptions

- The mortality improvement scale was changed from Scale MP-2020 to Scale MP-2021.
- The single discount rate changed from 6.50% to 5.40%.
- The benefit increase assumption was changed from 2.00% per annum to 2.00% per annum through December 31, 2054 and 1.5% per annum thereafter.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2021

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

Changes in Plan Provisions

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

2020

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- There have been no changes since the prior valuation.

**CARVER COUNTY
CHASKA, MINNESOTA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2023**

2019

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2018

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- Postretirement benefit increases were changed to 1.00% 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% funding, or July 1, 2048, if earlier.
- Member contributions were changed from 10.80% to 11.30% of pay, effective January 1, 2019 and 11.80% of pay, effective January 1, 2020.
- Employer contributions were changed from 16.20% to 16.95% of pay, effective January 1, 2019 and 17.70% of pay, effective January 1, 2020.
- Interest credited on member contributions decreased from 4.00% to 3.00%, beginning July 1, 2018.
- Deferred augmentation was changed to 0.00%, 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

Changes 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% lower than the previous rates.
- Assumed rates of retirement were changed, resulting in fewer retirements.
- The combined service annuity (CSA) load was 30.00% for vested and non-vested, deferred members. The CSA has been changed to 33.00% for vested members and 2.00% for non-vested members.
- The base mortality table for healthy annuitants was changed from the RP-2000 fully generational table to the RP-2014 fully generational table (with a base year of 2006), with male rates adjusted by a factor of 0.96. The mortality improvement scale was changed from Scale AA to Scale MP-2016. The base mortality table for disabled annuitants was changed from the RP-2000 disabled mortality table to the mortality tables assumed for healthy retirees.
- Assumed termination rates were decreased to 3.00% for the first three years of service. Rates beyond the select period of three years were adjusted, resulting in more expected terminations overall.
- Assumed%age of married female members was decreased from 65.00% to 60.00%.
- 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%age of female members electing joint and survivor annuities was increased.
- The assumed postretirement benefit increase rate was changed from 1.00% for all years to 1.00% per year through 2064 and 2.50% thereafter.
- The single discount rate was changed from 5.60% per annum to 7.50% per annum.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

**CARVER COUNTY
CHASKA, MINNESOTA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2023**

2016

Changes in Actuarial Assumptions

- The assumed postretirement benefit increase rate was changed from 1.00% per year through 2037 and 2.50% per year thereafter to 1.00% per year for all future years.
- The assumed investment return was changed from 7.90% to 7.50%.
- The single discount rate changed from 7.90% to 5.60%.
- The assumed future salary increases, payroll growth, and inflation were decreased by 0.25% to 3.25% for payroll growth and 2.50% for inflation.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2015

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

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

Public Employees Correctional Fund

2023

Changes in Actuarial Assumptions

- The investment return rate was changed from 6.5% to 7.00%.
- The single discount rate changed from 5.42% to 7.0%.

Changes 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% 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%. The maximum increase is 1.5% and the Plan's funding ratio improves to 85% for two consecutive years on a market value of assets basis.

2022

Changes in Actuarial Assumptions

- The mortality improvement scale was changed from Scale MP-2020 to Scale MP-2021.
- The single discount rate changed from 6.50% to 5.42%.
- The benefit increase assumption was changed from 2.00% per annum to 2.00% per annum through December 31, 2054 and 1.5% per annum thereafter.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

**CARVER COUNTY
CHASKA, MINNESOTA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2023**

2021

Changes 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 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% married for active members was lowered from 85% to 75%.
- Minor changes to form of payment assumptions were applied.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2020

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2019

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2018

Changes in Actuarial Assumptions

- The single discount rate was changed from 5.96% per annum to 7.50% per annum.
- The mortality projection scale was changed from MP-2016 to MP-2017.
- The assumed post-retirement benefit increase was changed from 2.50% per year to 2.00% per year.

Changes 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% to 3.00%, beginning July 1, 2018.
- Deferred augmentation was changed to 0.00%, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Postretirement benefit increases were changed from 2.50% per year with a provision to reduce to 1.00% if the funding status declines to a certain level, to 100% of the Social Security Cost of Living Adjustment, not less than 1.00% and not more than 2.50%, beginning January 1, 2019. If the funding status declines to 85.00% for two consecutive years or 80.00% for one year, the maximum increase will be lowered to 1.50%.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

**CARVER COUNTY
CHASKA, MINNESOTA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2023**

2017

Changes 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% for vested and non-vested, deferred members. The CSA has been changed to 35.00% for vested members and 1.00% for non-vested members.

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

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2016

Changes in Actuarial Assumptions

- The assumed investment return was changed from 7.90% to 7.50%. The single discount rate changed from 7.90% to 5.31%.
- The assumed future salary increases, payroll growth, and inflation were decreased by 0.25% to 3.25% for payroll growth and 2.5% for inflation.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2015

Changes in Actuarial Assumptions

- There have been no changes since the prior valuation.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

Supplementary Information

**CARVER COUNTY
CHASKA, MINNESOTA**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGETARY COMPARISON
DEBT SERVICE FUND
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues:				
Taxes	\$ 3,235,047	\$ 3,235,047	\$ 3,235,696	\$ 649
Intergovernmental	12,550	12,550	12,550	-
Total Revenues	3,247,597	3,247,597	3,248,246	649
Expenditures:				
Debt Service:				
Principal Retirement	2,969,000	2,969,000	2,969,000	-
Interest and Fiscal Charges	593,597	593,597	404,787	188,810
Total Expenditures	3,562,597	3,562,597	3,373,787	188,810
Excess of Revenues over (under) Expenditures	(315,000)	(315,000)	(125,541)	189,459
Other Financing Sources (Uses):				
Transfers In	315,000	315,000	315,000	-
Transfers Out	-	(2,500,000)	(2,500,000)	-
Total Other Financing Sources (Uses)	315,000	(2,185,000)	(2,185,000)	-
Net Change in Fund Balance	-	(2,500,000)	(2,310,541)	189,459
Fund Balance - January 1	13,229,873	13,229,873	13,229,873	-
Fund Balance - December 31	\$ 13,229,873	\$ 10,729,873	\$ 10,919,332	\$ 189,459

**CARVER COUNTY
CHASKA, MINNESOTA**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGETARY COMPARISON
BUILDINGS CAPITAL IMPROVEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 756,057	\$ 763,179	\$ 763,179	\$ -
Total Revenues	756,057	763,179	763,179	-
Expenditures:				
Current:				
General Government				
Information Services	13,699	44,507	37,051	7,456
Buildings and Plant	-	4,528	4,528	-
General Government	13,699	49,035	41,579	7,456
Conservation of Natural Resources				
Agricultural Society	60,000	60,000	60,000	-
Capital Outlay	682,358	128,520	128,520	-
Debt Service:				
Principal Retirement	-	-	7,330	(7,330)
Interest and Fiscal Charges	-	-	126	(126)
Debt Service	-	-	7,456	(7,456)
Total Expenditures	756,057	237,555	237,555	-
Excess of Revenues over (under) Expenditures	-	525,624	525,624	-
Other Financing Sources (Uses):				
Transfers In	-	1,256,407	1,256,407	-
Transfers Out	-	(73,228)	(73,228)	-
Total Other Financing Sources (Uses)	-	1,183,179	1,183,179	-
Net Change in Fund Balance	-	1,708,803	1,708,803	-
Fund Balance - January 1	4,929,639	4,929,639	4,929,639	-
Fund Balance - December 31	\$ 4,929,639	\$ 6,638,442	\$ 6,638,442	\$ -

**CARVER COUNTY
CHASKA, MINNESOTA**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGETARY COMPARISON
ROAD & BRIDGE CAPITAL IMPROVEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 11,803,524	\$ 15,084,973	\$ 15,084,973	\$ -
Intergovernmental	7,423,259	7,090,301	7,017,786	(72,515)
Miscellaneous	-	30	30	-
Total Revenues	19,226,783	22,175,304	22,102,789	(72,515)
Expenditures:				
Current:				
Highways and Streets				
Maintenance	2,546,162	3,923,601	3,923,601	-
Capital Outlay	15,456,321	21,278,487	21,205,972	72,515
Total Expenditures	18,002,483	25,202,088	25,129,573	72,515
Excess of Revenues over (under) Expenditures	1,224,300	(3,026,784)	(3,026,784)	-
Other Financing Sources (Uses):				
Transfers In	-	242,814	242,814	-
Transfers Out	(1,224,300)	(1,391,832)	(1,391,832)	-
Total Other Financing Sources (Uses)	(1,224,300)	(1,149,018)	(1,149,018)	-
Net Change in Fund Balance	-	(4,175,802)	(4,175,802)	-
Fund Balance - January 1	29,228,349	29,228,349	29,228,349	-
Fund Balance - December 31	\$ 29,228,349	\$ 25,052,547	\$ 25,052,547	\$ -

**CARVER COUNTY
CHASKA, MINNESOTA**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGETARY COMPARISON
PARKS & TRAILS CAPITAL IMPROVEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 382,518	\$ 3,238,233	\$ 3,238,233	\$ -
Expenditures:				
Capital Outlay	382,518	6,840,282	6,840,282	-
Excess of Revenues over (under) Expenditures	-	(3,602,049)	(3,602,049)	-
Other Financing Sources (Uses):				
Transfers In	-	121,407	121,407	-
Transfers Out	-	(75,000)	(75,000)	-
Total Other Financing Sources (Uses)	-	46,407	46,407	-
Net Change in Fund Balance	-	(3,555,642)	(3,555,642)	-
Fund Balance - January 1	7,005,237	7,005,237	7,005,237	-
Fund Balance - December 31	\$ 7,005,237	\$ 3,449,595	\$ 3,449,595	\$ -

**CARVER COUNTY
CHASKA, MINNESOTA**

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

The Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally or administratively restricted to expenditures for specified purposes.

Regional Rail Authority (CCRRA)- to account for the financial resources to be used for the preservation and improvement of local rail lines. The CCRRA is governed by a five-member board consisting of the County Commissioners.

Water Management Organization (CCWMO)- to account for the financial resources to be used for proper resource management and implementation of the Water Management Plan in the County's watersheds. The CCWMO is governed by a five-member board consisting of the Count Commissioners.

Ditch- to account for special assessments revenues levied against benefitted property to finance the cost of constructing and maintaining an agricultural drainage ditch system.

**CARVER COUNTY
CHASKA, MINNESOTA**

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2023**

<u>Assets</u>	Rail Authority Special Revenue Fund	Water Management Organization Special Revenue Fund	Ditch Special Revenue Fund	Total
Cash and Pooled Investments	\$ 197,163	\$ 755,111	\$ 227,390	\$ 1,179,664
Undistributed Cash in Custodial Funds	142	454	-	596
Taxes Receivable				
Delinquent	781	4,098	-	4,879
Special Assessments Receivable				
Delinquent	-	-	2,012	2,012
Unavailable	-	-	28,581	28,581
Accounts Receivable	-	44,368	13,176	57,544
Leases	12,279	-	-	12,279
Due from other Governments	-	26,567	49,191	75,758
Total Assets	210,365	830,598	320,350	1,361,313
<u>Liabilities, Deferred Inflows of Resources, and Fund Balances</u>				
Liabilities:				
Accounts Payable	-	10,492	11,960	22,452
Contracts Payable	-	71,489	4,429	75,918
Due to other Governments	-	825	71,109	71,934
Advance from Other Funds	-	-	400,000	400,000
Unearned Revenue	-	9,825	-	9,825
Total Liabilities	-	92,631	487,498	580,129
Deferred Inflows of Resources:				
Unavailable revenue	294	23,030	92,960	116,284
Property Taxes Collected for Subsequent Period	142	454	-	596
Leases	8,186	-	-	8,186
Total Deferred Inflows of Resources	8,622	23,484	92,960	125,066
Fund Balances:				
Restricted for:				
Watershed Districts	-	714,483	-	714,483
Ditch Maintenance	-	-	22,445	22,445
Assigned for:				
Culture and Recreation	201,743	-	-	201,743
Unassigned	-	-	(282,553)	(282,553)
Total Fund Balance	201,743	714,483	(260,108)	656,118
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 210,365	\$ 830,598	\$ 320,350	\$ 1,361,313

**CARVER COUNTY
CHASKA, MINNESOTA**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Rail Authority Special Revenue Fund	Water Management Organization Special Revenue Fund	Ditch Special Revenue Fund	Total
Revenues:				
Taxes	\$ 197,825	\$ 887,354	\$ -	\$ 1,085,179
Special Assessments	-	-	155,433	155,433
Licenses and Permits	-	53,511	-	53,511
Intergovernmental	352	24,768	-	25,120
Charges for Services	-	56,123	-	56,123
Investments Income	-	-	1,585	1,585
Miscellaneous	2,556	17,331	-	19,887
Total Revenues	200,733	1,039,087	157,018	1,396,838
Expenditures:				
Current:				
Culture and Recreation	9,332	-	-	9,332
Conservation of Natural Resources	-	869,709	270,804	1,140,513
Total Expenditures	9,332	869,709	270,804	1,149,845
Excess of Revenues over (under) Expenditures	191,401	169,378	(113,786)	246,993
Other Financing Sources (Uses):				
Transfers Out	(155,348)	(35,989)	-	(191,337)
Net Change in Fund Balances	36,053	133,389	(113,786)	55,656
Fund Balance - January 1	165,690	581,094	(146,322)	600,462
Fund Balance - December 31	\$ 201,743	\$ 714,483	\$ (260,108)	\$ 656,118

**CARVER COUNTY
CHASKA, MINNESOTA**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGETARY COMPARISON
NONMAJOR RAIL AUTHORITY FUND
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 199,000	\$ 197,825	\$ 197,825	\$ -
Intergovernmental	-	352	352	-
Miscellaneous	2,000	100	2,556	2,456
Total Revenues	201,000	198,277	200,733	2,456
Expenditures:				
Current:				
Culture and Recreation	56,760	9,332	9,332	-
Excess of Revenues over (under) Expenditures	144,240	188,945	191,401	2,456
Other Financing Sources (Uses):				
Transfers Out	(144,240)	(155,348)	(155,348)	-
Net Change in Fund Balance	-	33,597	36,053	2,456
Fund Balance - January 1	165,690	165,690	165,690	-
Fund Balance - December 31	\$ 165,690	\$ 199,287	\$ 201,743	\$ 2,456

**CARVER COUNTY
CHASKA, MINNESOTA**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGETARY COMPARISON
NONMAJOR WATER MANAGEMENT ORGANIZATION FUND
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 894,064	\$ 894,064	\$ 887,354	\$ (6,710)
Licenses and Permits	34,500	38,073	53,511	15,438
Intergovernmental	-	22,559	24,768	2,209
Charges for Services	25,000	68,198	56,123	(12,075)
Miscellaneous	-	16,193	17,331	1,138
Total Revenues	953,564	1,039,087	1,039,087	-
Expenditures:				
Current:				
Conservation of Natural Resources	892,882	869,709	869,709	-
Excess of Revenues over (under) Expenditures	60,682	169,378	169,378	-
Other Financing Sources (Uses):				
Transfers Out	(60,682)	(35,989)	(35,989)	-
Net Change in Fund Balance	-	133,389	133,389	-
Fund Balance - January 1	581,094	581,094	581,094	-
Fund Balance - December 31	\$ 581,094	\$ 714,483	\$ 714,483	\$ -

**CARVER COUNTY
CHASKA, MINNESOTA**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGETARY COMPARISON
NONMAJOR DITCH FUND
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues:				
Special Assessments	\$ 57,000	\$ 57,000	\$ 155,433	\$ 98,433
Investments Income	1,131	1,131	1,585	454
Total Revenues	58,131	58,131	157,018	98,887
Expenditures:				
Current:				
Conservation of Natural Resources	58,131	58,131	270,804	(212,673)
Excess of Revenues over (under) Expenditures	-	-	(113,786)	(113,786)
Fund Balance - January 1	(146,322)	(146,322)	(146,322)	-
Fund Balance - December 31	\$ (146,322)	\$ (146,322)	\$ (260,108)	\$ (113,786)

**CARVER COUNTY
CHASKA, MINNESOTA**

PROPRIETARY FUNDS

Internal Service Funds

The Internal Service Funds are an accounting device used to accumulate and allocate costs internally among the County's various functions.

Self-Insurance- to account for the County's risk management costs including the insuring of property, casualty, automobile and workers' compensation programs.

Compensated Absences- to account for the change in the PTO, vacation, and sick balances of employees.

**CARVER COUNTY
CHASKA, MINNESOTA**

**COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
DECEMBER 31, 2023**

<u>Assets</u>	Self Insurance	Compensated Absences	Total
Current			
Cash and Pooled Investments	\$ 3,593,096	\$ 6,434,890	\$ 10,027,986
Prepaid Items	58,082	-	58,082
Total Current Assets	3,651,178	6,434,890	10,086,068
 <u>Liabilities</u>			
Current			
Accounts Payable	49,805	-	49,805
Compensated Absences - due within one year	-	145,725	145,725
Total Current Liabilities	49,805	145,725	195,530
Noncurrent			
Compensated Absences - due in more than one year	-	6,289,165	6,289,165
Total Liabilities	49,805	6,434,890	6,484,695
 <u>Net Position</u>			
Unrestricted	\$ 3,601,373	\$ -	\$ 3,601,373

**CARVER COUNTY
CHASKA, MINNESOTA**

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

	Self Insurance	Compensated Absences	Total
Operating Revenues:			
Charges for Services	\$ 1,057,830	\$ 382,923	\$ 1,440,753
Insurance Refunds	300,136	-	300,136
Total Operating Revenues	<u>1,357,966</u>	<u>382,923</u>	<u>1,740,889</u>
Operating Expenses:			
Current:			
General Government			
Risk Management	1,140,152	-	1,140,152
Personnel Benefits	-	382,923	382,923
Total Operating Expenses	<u>1,140,152</u>	<u>382,923</u>	<u>1,523,075</u>
Operating Income (Loss)	217,814	-	217,814
Net Position - Beginning	<u>3,383,559</u>	-	<u>3,383,559</u>
Net Position - Ending	<u>\$ 3,601,373</u>	<u>\$ -</u>	<u>\$ 3,601,373</u>

**CARVER COUNTY
CHASKA, MINNESOTA**

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

	Self Insurance	Compensated Absences	Total
Cash Flows from Operating Activities			
Receipts from Internal Services Provided	\$ 1,115,082	\$ 382,923	\$ 1,498,005
Refunds from Insurance Provider	300,136	-	300,136
Disbursements for Internal Services Provided	(1,161,062)	(137,476)	(1,298,538)
Total Cash Flows from Operating Activities	254,156	245,447	499,603
Cash and Cash Equivalents at January 1	3,338,940	6,189,443	9,528,383
Cash and Cash Equivalents at December 31	\$ 3,593,096	\$ 6,434,890	\$ 10,027,986
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:			
Operating Income (Loss)	217,814	-	217,814
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
(Increase) Decrease in Accounts Receivable	57,252	-	57,252
(Increase) Decrease in Prepaids	(51,079)	-	(51,079)
(Decrease) Increase in Accounts Payable	30,169	-	30,169
(Decrease) Increase in Compensated Absences Payable	-	245,447	245,447
Total Adjustments	36,342	245,447	281,789
Net cash provided by operating activities	\$ 254,156	\$ 245,447	\$ 499,603

**CARVER COUNTY
CHASKA, MINNESOTA**

FIDUCIARY FUNDS

CUSTODIAL FUNDS

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

The Taxes and Penalties Fund accounts for the collection of property taxes and other amounts and their distribution to various taxing districts.

The Inmate Account accounts for the collection and payment of funds related to county inmates.

The Recorder Clearing Fund accounts for funds collected by the Land Records and Vitals Department for other governments.

The Alarm Fees Fund accounts for alarm ordinance fees collected and then distributed to the various cities.

The Local Collaborative Fund is to account for LTCS funds held on behalf of school districts within the County.

The Sheriff Forfeitures Fund is used to maintain compliance with State guidelines regarding the proper handling of seized property and currency. Funds are deposited and retained until authorized to disburse.

The Lower Minnesota Watershed District Fund accounts for the funds of Lower Minnesota Watershed District. The County holds the District's funds and provides accounting services for the District.

The Other Custodial Fund is used to account for the collection and payments of funds of various other entities.

**CARVER COUNTY
CHASKA, MINNESOTA**

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

	Taxes and Penalties	Inmate Account	Recorder Clearing	Alarm Fees	Local Collaborative	Sheriff Forfeitures	Other Custodial	Total Custodial Funds
<u>Assets</u>								
Cash and pooled investments	\$ 1,507,706	\$ -	\$ 48,058	\$ 6,353	\$ 242,068	\$ 19,660	\$ 920,707	\$ 2,744,552
Due from other governments	-	-	-	-	46,773	-	66	46,839
Accounts receivable	-	-	-	1,500	-	-	989	2,489
Taxes receivable for other governments	1,827,071	-	-	-	-	-	-	1,827,071
Total Assets	3,334,777	-	48,058	7,853	288,841	19,660	921,762	4,620,951
<u>Liabilities</u>								
Cash Overdraft	-	1,768	-	-	-	-	-	1,768
Due to other governments	1,417,029	-	23,568	4,650	-	-	756,868	2,202,115
Due to others	-	-	-	-	-	-	1,283	1,283
Total Liabilities	1,417,029	1,768	23,568	4,650	-	-	758,151	2,205,166
<u>Deferred Inflows of Resources</u>								
Taxes collected in advance of levy	90,677	-	-	-	-	-	-	90,677
Total Deferred Inflows of Resources	90,677	-	-	-	-	-	-	90,677
<u>Net Position</u>								
Restricted for Individuals, organizations, other governments	\$ 1,827,071	\$ (1,768)	\$ 24,490	\$ 3,203	\$ 288,841	\$ 19,660	\$ 163,611	\$ 2,325,108

**CARVER COUNTY
CHASKA, MINNESOTA**

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

	Taxes and Penalties	Inmate Account	Recorder Clearing	Alarm Fees	Local Collaborative	Sheriff Forfeitures	Other Custodial	Total Custodial Funds
<u>Additions</u>								
Contributions								
Individuals	\$ -	\$ 193,096	\$ -	\$ -	\$ -	\$ -	\$ 1,269,243	\$ 1,462,339
Investment earnings								
Property tax collections for other governments	188,146,725	-	-	-	-	-	-	188,146,725
Fines & forfeitures	-	-	-	9,850	-	190	-	10,040
Fees for service	-	-	-	-	-	-	64,922	64,922
Intergovernmental revenue	-	-	-	-	517,665	-	-	517,665
License and fees collected for State	-	-	31,920	-	-	-	25,482,730	25,514,650
Miscellaneous	311,442	-	-	-	-	-	-	311,442
Total Additions	188,458,167	193,096	31,920	9,850	517,665	190	26,816,895	216,027,783
<u>Deductions</u>								
Beneficiary Payments to Individuals	-	191,822	-	-	-	-	91,854	283,676
Payments of property tax to other governments	188,114,549	-	-	-	-	-	-	188,114,549
Payments to State	-	-	15,960	-	-	-	18,928,544	18,944,504
Administrative expense	-	-	-	-	-	190	-	190
Payments to other entities	311,214	-	7,073	11,875	431,758	-	7,782,888	8,544,808
Total Deductions	188,425,763	191,822	23,033	11,875	431,758	190	26,803,286	215,887,727
Change in net position	32,404	1,274	8,887	(2,025)	85,907	-	13,609	140,056
Fiduciary Net Position - Beginning of Year	1,794,667	(3,042)	15,603	5,228	202,934	19,660	150,002	2,185,052
Fiduciary Net Position - End of Year	\$ 1,827,071	\$ (1,768)	\$ 24,490	\$ 3,203	\$ 288,841	\$ 19,660	\$ 163,611	\$ 2,325,108

**CARVER COUNTY
CHASKA, MINNESOTA**

**SCHEDULE OF INTERGOVERNMENTAL REVENUE
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Special Revenue Funds									
	General Fund	Road and Bridge Fund	Human Services Fund	Nonmajor Funds	Total	Debt Service Fund	Buildings CIP Fund	Road & Bridge CIP Fund	Parks & Trails CIP Fund	Total All Funds
Appropriations and Shared Revenue										
State										
Ag Conservation Credit	\$ 8,650	\$ -	\$ -	\$ 237	\$ 237	\$ -	\$ -	\$ -	\$ -	\$ 8,887
Market Value Credit	153,654	23,902	63,061	-	86,963	12,550	-	10,001	-	263,168
Disparity Reduction Aid	2,137	-	-	-	-	-	-	-	-	2,137
Highway Users Tax	-	4,045,283	-	-	4,045,283	-	-	1,777,082	-	5,822,365
Local Homeless Prevention Aid	-	-	101,918	-	101,918	-	-	-	-	101,918
PERA Special Funding	160,237	8,707	36,034	-	44,741	-	-	-	-	204,978
Public Safety Aid	1,474,582	-	-	-	-	-	-	-	-	1,474,582
Police State Aid	708,720	-	-	-	-	-	-	-	-	708,720
Enhanced 911 Aid	503,054	-	-	-	-	-	-	-	-	503,054
Out-of-Home Placement Aid	-	-	12,107	-	12,107	-	-	-	-	12,107
County Program Aid	2,900,146	-	-	-	-	-	763,179	147,399	73,699	3,884,423
Local Performance Aid	15,419	-	-	-	-	-	-	-	-	15,419
County Aquatic ISP Aid	141,479	-	-	-	-	-	-	-	-	141,479
SCORE Grant	318,123	-	-	-	-	-	-	-	-	318,123
Total Appropriations and Shared Revenue	6,386,201	4,077,892	213,120	237	4,291,249	12,550	763,179	1,934,482	73,699	13,461,360
Reimbursement for Services										
State										
Minnesota Department of Human Services	-	-	4,760,657	-	4,760,657	-	-	-	-	4,760,657
Grants										
State										
Agriculture	3,750	-	-	-	-	-	-	-	-	3,750
Housing Finance Agency	-	-	1,381,243	-	1,381,243	-	-	-	-	1,381,243
Corrections	915,389	-	-	-	-	-	-	-	-	915,389
Employment and Economic Development	-	-	41,690	-	41,690	-	-	-	-	41,690
Health	-	-	834,818	-	834,818	-	-	-	-	834,818
Human Services	9,128	-	5,133,582	-	5,133,582	-	-	-	-	5,142,710
Jobs and Training	-	-	229,313	-	229,313	-	-	-	-	229,313
Natural Resources	71,616	-	-	-	-	-	-	-	-	71,616
Pollution Control	127,320	-	-	-	-	-	-	-	-	127,320
Public Safety	65,635	-	-	-	-	-	-	-	-	65,635
Secretary of State	35,796	-	-	-	-	-	-	-	-	35,796
Transportation	-	-	-	-	-	-	-	3,375,580	-	3,375,580
Trial Courts	89,119	-	-	-	-	-	-	-	-	89,119
Veterans Affairs	12,500	-	-	-	-	-	-	-	-	12,500
Peace Officers Standards & Training Board	83,939	-	-	-	-	-	-	-	-	83,939
Water & Soil Resources Board	330,087	-	-	-	-	-	-	-	-	330,087
Total State	1,744,279	-	7,620,646	-	7,620,646	-	-	3,375,580	-	12,740,505
Federal										
U.S. Department of Agriculture	154,743	-	619,840	-	619,840	-	-	-	-	774,583
U.S. Department of Interior Fish and Wildlife Service	2,905	-	-	-	-	-	-	-	-	2,905
U.S. Department of Justice	240,624	-	-	-	-	-	-	-	-	240,624
U.S. Department of Labor	-	-	229,010	-	229,010	-	-	-	-	229,010
U.S. Department of Transportation	19,150	-	-	-	-	-	-	762,275	-	781,425
U.S. Department of Treasury	10,108,192	-	-	-	-	-	-	-	-	10,108,192
U.S. Department of Homeland Security	134,860	-	-	-	-	-	-	-	-	134,860
U.S. Department of Education	-	-	457	-	457	-	-	-	-	457
U.S. Department of Health and Human Services	507,039	-	5,958,501	-	5,958,501	-	-	-	-	6,465,540
Total Federal	11,167,513	-	6,807,808	-	6,807,808	-	-	762,275	-	18,737,596
Local	838,808	-	-	22,559	22,559	-	-	945,449	3,164,534	4,971,350
Total Grants	13,750,600	-	14,428,454	22,559	14,451,013	-	-	5,083,304	3,164,534	36,449,451
Payments in Lieu of Taxes	104,731	-	-	2,324	2,324	-	-	-	-	107,055
Total Intergovernmental Revenue	\$ 20,241,532	\$ 4,077,892	\$ 19,402,215	\$ 25,120	\$ 23,505,243	\$ 12,550	\$ 763,179	\$ 7,017,786	\$ 3,164,534	\$ 54,779,523

**CARVER COUNTY
CHASKA, MINNESOTA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Federal Grantor Pass-Through Agency Program or Cluster Title	Federal Assistance Listing Number	Pass-through Grant Numbers	Expenditures	Passed Through to Subrecipients
U.S. Department of Agriculture				
Passed Through Minnesota Department of Agriculture				
WIC Farmers' Market Nutrition Program	10.572	Not provided	\$ 368	\$ -
Passed Through Minnesota Department of Human Services				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program Cluster				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (SNAP Cluster)	10.561	232MN101S2514	\$ 594,987	\$ -
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (SNAP Cluster)	10.561	232MN127Q7503	10,692	-
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (SNAP Cluster)	10.561	232MN101S2520	30	-
Total Assistance Listing #10.561			<u>605,709</u>	-
Passed Through Minnesota Department of Health				
WIC Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	232MN004W1003	168,506	-
Total U.S. Department of Agriculture			<u>\$ 774,583</u>	<u>\$ -</u>
U.S. Department of Interior Fish and Wildlife Service				
Passed Through Minnesota Department of Natural Resources				
Great Lakes Restoration	15.662	R29G2019AP00841	\$ 1,610	\$ -
U.S. Department of Justice				
Direct				
Drug Court Discretionary Grant Program	16.585	N/A- Direct	\$ 228,231	\$ -
Girls in the Juvenile Justice System	16.830	N/A- Direct	15,873	-
Passed Through Minnesota Department of Public Safety				
Crime Victim Assistance	16.575	P0760VOCAFFY21	36,980	-
Crime Victim Assistance	16.575	P0760VOCA22	18,978	-
Total Assistance Listing #16.575			<u>55,958</u>	-
Public Safety Partnership and Community Policing Grants	16.710	P0730AH2021	643	-
Total U.S. Department of Justice			<u>\$ 300,705</u>	<u>\$ -</u>
U.S. Department of Labor				
Passed Through Hennepin County				
WIOA Cluster				
WIOA Adult Program	17.258	2093100/3093100	\$ 146,990	\$ -
WIOA Youth Activities	17.259	2093600/3093600	40,169	-
WIOA Dislocated Worker Formula Grants	17.278	2098000/3098000	41,851	-
(Total Expenditures for WIOA Cluster \$229,010)			<u>229,010</u>	<u>\$ -</u>
Total U.S. Department of Labor				
U.S. Department of Transportation				
Passed Through Minnesota Department of Transportation				
Highway Planning and Construction Cluster	20.205	00010	\$ 1,041,320	\$ -
Passed Through Minnesota Department of Public Safety				
Highway Safety Cluster				
State and Community Highway Safety	20.600	F-ENFRC23-2023-CARVERSO	9,650	3,551
National Priority Safety Programs	20.616	F-ENFRC23-2023-CARVERSO	3,000	1,038
(Total Expenditures for Highway Safety Cluster \$12,650)			<u>12,650</u>	<u>4,589</u>
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	F-ENFRC23-2023-CARVERSO	6,500	1,496
Total U.S. Department of Transportation			<u>\$ 1,060,470</u>	<u>\$ 6,085</u>
U.S. Department of Treasury				
Direct				
Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A- Direct	\$ 10,108,192	\$ -
U.S. Department of Education				
Passed Through Minnesota Department of Health				
Special Education-Grants for Infants and Families	84.181	BO4MC32551	\$ 457	\$ -
U.S. Department of Health and Human Services				
Passed Through Minnesota Department of Health				
Public Health Emergency Preparedness	93.069	NU90TP922026	\$ 78,824	\$ -
Universal Newborn Hearing Screening	93.251	H61MC0035	1,100	-

**CARVER COUNTY
CHASKA, MINNESOTA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Federal Grantor Pass-Through Agency Program or Cluster Title	Federal Assistance Listing Number	Pass-through Grant Numbers	Expenditures	Passed Through to Subrecipients
Passed Through Minnesota Department of Health Continued COVID-19 Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	NU50CK000508	176,451	-
Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	93.354	NU90TP922188	32,629	-
Temporary Assistance for Needy Families Cluster (Total Temporary Assistance for Needy Families 93.558-\$417,930)	93.558	2501MNTANF	77,423	-
Centers for Disease Control and Prevention Collaboration with Academia to Strength Public Health	93.967	NE11OE000048	17,103	-
Maternal and Child Health Services Block Grant to the States	93.994	BO4MC32551	46,678	-
Passed Through Minnesota Department of Human Services Promoting Safe and Stable Families	93.556	2301MNFPS	5,640	-
Temporary Assistance for Needy Families Cluster	93.558	2301MNTANF	242,863	-
Temporary Assistance for Needy Families Cluster	93.558	2401MNTANF	97,644	-
Total Assistance Listing #93.558 (Total Temporary Assistance for Needy Families 93.558-\$417,930)			<u>\$ 340,507</u>	-
Child Support Enforcement	93.563	2301MNCSES	1,198,921	-
Refugee and Entrant Assistance-State Administered Programs Fund	93.566	2301MNRCA	2,129	-
	93.596	2301MNCDF	64,731	-
Community-Based Child Abuse Prevention Grants	93.590	2202MNBCAP	27,973	-
Stephanie Tubbs Jones Child Welfare Services Program	93.645	2301MNCWSS	8,944	-
Foster Care-Title IV-E	93.658	2301MNFOS	555,180	-
Social Services Block Grant	93.667	2301MNSOSR	308,194	-
Chafee Foster Care Independence Program	93.674	2301MNCILP	27,597	-
Children's Health Insurance Program	93.767	2305MN5021	2,532	-
Medical Assistance Program (Medicaid Cluster)	93.778	2305MN5ADM	3,121,600	-
Medical Assistance Program (Medicaid Cluster)	93.778	2305MN5MAP	10,586	-
Total Assistance Listing #93.778			<u>3,132,186</u>	-
Block Grant for Community Mental Health Services	93.958	B09SM083980	57,211	-
Block Grants for the Prevention and Treatment of Substance Abuse	93.959	B08TI084653	3,250	-
Total U.S. Department of Health and Human Services			<u>\$ 6,165,203</u>	-
U.S. Department of Homeland Security Passed Through Minnesota Department of Natural Resources Boating Safety Financial Assistance	97.012	R29CG70CBLA21	\$ 7,000	-
Passed Through Minnesota Department of Public Safety Emergency Management Performance Grants	97.042	EMC-2022-EP-00007	59,317	-
Homeland Security Grant Program	97.067	EMW-2022-SS-00100	73,764	-
Total U.S. Department of Homeland Security			<u>140,081</u>	-
Total Federal Expenditures			<u>\$ 18,780,311</u>	<u>\$ 6,085</u>

See notes to Schedule of Expenditures of Federal Awards

**CARVER COUNTY
CHASKA, MINNESOTA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2023**

I. Reporting Entity

The Schedule of Expenditures of Federal Awards presents the activities of federal award programs expended by Carver County. Carver County's financial statements include the operations of the Carver County Community Development Agency (the CDA) component unit, which expended \$1,543,696 in federal awards during the year ended December 31, 2023, which are not included in the Schedule of Expenditures of Federal Awards. The CDA has its own single audit. The County's reporting entity is defined in Note 1 to the financial statements.

II. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Carver 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 Carver County, it is not intended to and does not present the financial position, changes in net position, or cash flows of Carver County.

III. 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 Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Carver County has elected to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

IV. Reconciliation to Schedule of Intergovernmental Revenue

Federal grant revenue per Schedule of Intergovernmental Revenue		\$ 18,737,596
Grants received more than 60 days after year-end, unavailable in 2023		
Drug Court Discretionary Grant Program	Assistance Listing Number 16.585	52,728
Girls in the Juvenile Justice System	Assistance Listing Number 16.830	7,353
Highway Planning and Construction	Assistance Listing Number 20.205	279,045
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC) -- COVID	Assistance Listing Number 93.323	2,523
Promoting Safe and Stable Families	Assistance Listing Number 93.556	1,410
Temporary Assistance for Needy Families	Assistance Listing Number 93.558	31,970
Stephanie Tubbs Jones Child Welfare Services Program	Assistance Listing Number 93.645	1,404
Emergency Management Performance Grants	Assistance Listing Number 97.042	59,317
Unavailable in 2022, recognized as revenue in 2023		
Great Lakes Restoration	Assistance Listing Number 15.665	(1,295)
Immunization Cooperative Agreements	Assistance Listing Number 93.268	(325,515)
Stephanie Tubbs Jones Child Welfare Services Program	Assistance Listing Number 93.645	(3,420)
Chafee Foster Care Independence Program	Assistance Listing Number 93.674	(8,709)
Emergency Management Performance Grants	Assistance Listing Number 97.042	<u>(54,096)</u>
Expenditures Per Schedule of Expenditures of Federal Awards		<u>\$ 18,780,311</u>

**CARVER COUNTY
CHASKA, MINNESOTA**

**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY SOURCE
DECEMBER 31, 2023**

	2023
Governmental funds capital assets:	
Land	\$ 31,733,308
Improvements other than buildings	2,216,574
Buildings	76,551,986
Machinery and equipment	25,257,369
Infrastructure	236,694,358
Construction in progress	148,528,121
Total governmental funds capital assets	\$ 520,981,716
 Investments in governmental funds capital assets by source:	
General Fund	\$ 22,698,520
 Special Revenue Funds:	
Road and Bridge	5,254,366
Health and Human Services	2,699,249
Water Management Organization	81,062
Rail Authority	1,096,730
Total Special Revenue Funds	9,131,407
Capital Projects Funds	489,151,789
Total governmental funds capital assets	\$ 520,981,716

**CARVER COUNTY
CHASKA, MINNESOTA
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY FUNCTION AND ACTIVITY
DECEMBER 31, 2023**

Function and Activity	Land	Improvements Other than Buildings	Buildings	Machinery and Equipment	Infrastructure	Construction in Progress	Totals 2023
General Government							
Commissioners	\$ -	\$ -	\$ -	\$ 37,807	\$ -	\$ -	\$ 37,807
Administration	6,102,298	1,741,900	40,862,337	42,606	8,312,738	-	57,061,879
Auditor	-	-	4,749,598	-	-	-	4,749,598
Finance	-	-	-	492,952	-	-	492,952
Treasurer	-	-	-	287,866	-	-	287,866
Assessor	-	-	-	338,692	-	-	338,692
Information Services	-	-	-	2,684,311	1,294,915	-	3,979,226
Attorney	-	-	-	5,717	-	-	5,717
Recorder	-	-	-	31,577	-	-	31,577
Building Maintenance	-	70,533	-	985,455	-	-	1,055,988
Veterans Services	-	-	61,870	166,606	-	-	228,476
Planning and Zoning	-	-	-	50,748	-	-	50,748
Total General Government	6,102,298	1,812,433	45,673,805	5,124,337	9,607,653	-	68,320,526
Public Safety							
Sheriff	-	-	113,186	5,978,018	-	123,947	6,215,151
Court Services	-	-	153,850	19,866	-	-	173,716
Emergency Management	-	-	-	39,565	-	-	39,565
Total Public Safety	-	-	267,036	6,037,449	-	123,947	6,428,432
Highways and Streets							
Public Works	14,522,864	28,484	10,073,182	11,552,249	208,338,293	148,329,310	392,844,382
Human Services							
Health and Human Services	-	-	2,420,406	278,843	-	-	2,699,249
Health							
Community Health Services	-	-	2,528,604	59,825	-	-	2,588,429
Culture and Recreation							
Parks	10,001,007	289,092	14,025,438	1,265,855	18,720,081	74,864	44,376,337
Library	-	-	-	504,647	-	-	504,647
Regional Rail Authority	1,096,730	-	-	-	-	-	1,096,730
Total Culture and Recreation	11,097,737	289,092	14,025,438	1,770,502	18,720,081	74,864	45,977,714
Conservation of Natural Resources							
Environmental Services	-	65,959	1,563,515	374,416	-	-	2,003,890
Planning and Water	-	-	-	38,032	-	-	38,032
Water Management Organization	10,409	20,606	-	21,716	28,331	-	81,062
Total Conservation of Natural Resources	10,409	86,565	1,563,515	434,164	28,331	-	2,122,984
Total governmental funds capital assets	\$ 31,733,308	\$ 2,216,574	\$ 76,551,986	\$ 25,257,369	\$ 236,694,358	\$ 148,528,121	\$ 520,981,716

**CARVER COUNTY
CHASKA, MINNESOTA
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY
FOR THE YEAR ENDED DECEMBER 31, 2023**

Function and Activity	Governmental Funds Capital Assets January 1	Additions	Deductions	Transfers	Governmental Funds Capital Assets December 31
General Government					
Commissioners	\$ 37,807	\$ -	\$ -	\$ -	\$ 37,807
Administration	57,061,879	-	-	-	57,061,879
Auditor	4,958,941	7,654	(202,177)	(14,820)	4,749,598
Finance	492,952	-	-	-	492,952
Treasurer	273,046	-	-	14,820	287,866
Assessor	305,242	-	(65,998)	99,448	338,692
Information Services	5,326,079	213,372	(1,455,313)	(104,912)	3,979,226
Attorney	5,717	-	-	-	5,717
Recorder	31,577	-	-	-	31,577
Building Maintenance	1,050,899	58,369	(53,280)	-	1,055,988
Veterans Services	188,938	108,201	(68,663)	-	228,476
Planning and Zoning	28,373	-	-	22,375	50,748
Total General Government	69,761,450	387,596	(1,845,431)	16,911	68,320,526
Public Safety					
Sheriff	5,858,761	604,912	(204,934)	(43,588)	6,215,151
Court Services	173,716	-	-	-	173,716
Emergency Management	39,565	-	-	-	39,565
Total Public Safety	6,072,042	604,912	(204,934)	(43,588)	6,428,432
Highways and Streets					
Public Works	381,715,758	11,608,705	(603,997)	123,916	392,844,382
Human Services					
Human Services	2,665,320	52,426	(18,497)	-	2,699,249
Health					
Community Health Services	2,594,034	-	(5,605)	-	2,588,429
Culture and Recreation					
Parks	37,340,879	22,603,626	(15,470,929)	(97,239)	44,376,337
Library	498,848	5,799	-	-	504,647
Regional Rail Authority	1,096,730	-	-	-	1,096,730
Total Culture and Recreation	38,936,457	22,609,425	(15,470,929)	(97,239)	45,977,714
Conservation of Natural Resources					
Environmental Services	1,950,309	53,581	-	-	2,003,890
Planning and Water	38,032	-	-	-	38,032
Water Management Organization	81,062	-	-	-	81,062
Total Conservation of Natural Resources	2,069,403	53,581	-	-	2,122,984
Total Governmental Funds Capital Assets	\$ 503,814,464	\$ 35,316,645	\$ (18,149,393)	\$ -	\$ 520,981,716

STATISTICAL SECTION

**CARVER COUNTY
CHASKA, MINNESOTA**

STATISTICAL SECTION

This part of Carver County's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the County's overall financial health.

Contents:	<u>Page</u>
<u>FINANCIAL TRENDS</u>	
These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.	118-123
<u>REVENUE CAPACITY</u>	
These schedules contain information to help the reader assess the County's most significant revenue source, the property tax.	124-127
<u>DEBT CAPACITY</u>	
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.	128-131
<u>DEMOGRAPHIC AND ECONOMIC INFORMATION</u>	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.	132-133
<u>OPERATING INFORMATION</u>	
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.	134-139

**CARVER COUNTY
CHASKA, MINNESOTA**

**NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS**
(accrual basis of accounting)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental activities										
Net investment in capital assets	\$ 197,728,098	\$ 231,830,246	\$ 241,043,777	\$ 250,468,438	\$ 263,692,672	\$ 275,433,255	\$ 302,915,925	\$ 324,066,425	\$ 324,792,609	\$ 336,738,725
Restricted	37,103,158	20,748,412	29,155,238	28,886,109	31,189,679	36,574,081	34,071,475	27,649,288	36,124,309	46,965,579
Unrestricted	48,625,773	22,900,130	14,041,630	14,826,838	19,487,554	41,429,697	52,667,783	61,385,885	58,352,043	53,532,426
Total Primary government net position	\$ 283,457,029	\$ 275,478,788	\$ 284,240,645	\$ 294,181,385	\$ 314,369,905	\$ 353,437,033	\$ 389,655,183	\$ 413,101,598	\$ 419,268,961	\$ 437,236,730

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.

** The County implemented GASB Statement No. 68 and GASB Statement No. 71 in fiscal year 2015. Years prior to 2015 have not been restated.

Data Source: Yearly Financial Statements

**CARVER COUNTY
CHASKA, MINNESOTA**

CHANGES IN NET POSITION, LAST TEN FISCAL YEARS
(accrual basis of accounting)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Governmental activities:										
General government	\$ 19,925,750	\$ 15,267,539	\$ 15,543,460	\$ 17,755,764	\$ 18,858,145	\$ 17,502,195	\$ 20,397,035	\$ 19,416,842	\$ 21,830,906	\$ 28,656,268
Public safety	21,283,870	21,879,618	27,429,936	25,936,255	23,844,205	24,937,652	23,634,384	22,698,971	31,996,774	31,419,194
Highway & streets	13,752,617	13,683,801	14,206,084	20,778,791	34,833,267	24,500,556	38,577,704	55,631,990	38,895,938	31,523,216
Human services	21,611,714	23,600,282	27,281,389	28,809,030	29,839,951	32,376,629	33,282,496	33,548,478	36,162,247	37,890,371
Health	2,429,229	2,471,990	2,285,038	2,278,107	2,589,613	2,530,731	2,725,877	3,352,580	3,793,001	3,777,913
Culture and recreation	5,612,724	5,840,587	7,691,214	6,985,503	6,744,462	6,798,798	6,731,248	6,710,354	7,653,882	8,117,468
Conservation of natural resources	3,844,004	4,669,976	4,642,206	5,055,487	5,179,837	5,269,168	5,862,403	5,346,043	6,301,247	6,374,838
Economic development	-	-	-	-	-	-	1,456,916	4,736,749	500,000	1,608,192
Interest on long-term debt	715,714	738,137	990,752	765,371	462,460	403,734	313,172	216,928	166,297	134,913
Total primary government expenses	89,175,622	88,151,930	100,070,079	108,364,308	122,351,940	114,319,463	132,981,235	151,658,935	147,300,292	149,502,373
Program Revenues										
Governmental activities:										
Fees, Charges, Fines, and Other										
General government	3,113,220	3,716,560	3,877,261	4,171,182	4,183,272	4,329,428	4,364,784	4,892,236	4,657,954	4,701,540
Public safety	4,990,779	4,768,670	5,474,860	5,830,716	5,889,334	5,558,681	5,509,134	5,349,419	5,273,729	5,752,337
Human services	3,197,118	3,221,894	3,924,148	4,034,007	3,923,841	4,267,487	4,110,607	4,223,848	4,546,207	4,834,895
Culture and recreation	503,684	493,846	498,878	497,969	507,393	519,610	546,839	295,849	367,347	362,725
Conservation of natural resources	1,597,290	1,686,370	1,824,328	1,792,537	1,893,171	2,065,507	2,230,509	2,309,660	2,410,023	2,365,531
Other activities	122,390	30,330	35,980	48,611	100,974	60,419	37,696	62,866	37,411	18,754
Operating grants and contributions	21,275,095	28,898,485	29,465,961	37,889,184	32,180,741	44,813,511	46,687,336	64,845,628	38,601,701	48,215,296
Capital grants and contributions	42,448,305	9,324,391	5,655,606	2,516,483	22,636,317	15,077,617	26,322,183	14,217,750	16,904,999	7,147,966
Total primary government program revenues	77,247,881	52,140,546	50,757,022	56,780,689	71,315,043	76,692,260	89,809,088	96,197,256	72,799,371	73,399,044
Net (Expense) Revenue										
Governmental activities:										
Total primary government net expense	(11,927,741)	(36,011,384)	(49,313,057)	(51,583,619)	(51,036,897)	(37,627,203)	(43,172,147)	(55,461,679)	(74,500,921)	(76,103,329)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes	49,802,503	54,160,050	51,769,746	54,277,321	63,668,346	68,107,905	71,129,005	73,934,090	78,980,504	80,129,289
Unrestricted grants and contributions	3,621,280	3,723,619	3,461,341	3,461,103	3,857,528	3,790,901	4,115,442	4,253,225	4,624,308	4,399,381
Payment in lieu of taxes	206,050	172,997	166,705	188,352	198,899	203,751	232,346	211,580	223,177	107,055
Investment earnings	4,517,459	1,122,182	1,576,539	2,393,439	1,470,575	3,497,201	2,681,607	(595,953)	(5,021,141)	7,225,758
Miscellaneous	1,344,293	65,280	1,100,583	1,204,144	2,030,069	1,094,573	1,231,897	1,105,152	1,861,436	2,209,615
Total primary government	59,491,585	59,244,128	58,074,914	61,524,359	71,225,417	76,694,331	79,390,297	78,908,094	80,668,284	94,071,098
Change in Net Position										
Governmental activities:	\$ 47,563,844	\$ 23,232,744	\$ 8,761,857	\$ 9,940,740	\$ 20,188,520	\$ 39,067,128	\$ 36,218,150	\$ 23,446,415	\$ 6,167,363	\$ 17,967,769

Note: The County implemented GASB Statement No. 68 and GASB Statement No. 71 in fiscal year 2015. Years prior to 2015 have not been restated.

Date Source: Yearly Financial Statements

**CARVER COUNTY
CHASKA, MINNESOTA**

**GOVERNMENT-WIDE EXPENSES BY FUNCTION
ALL GOVERNMENTAL FUND TYPES
LAST TEN FISCAL YEARS**

Year	General Government	Public Safety	Highways and Streets	Human Services	Health	Culture and Recreation	Conservation of Natural Resources	Economic Development	Interest on Long-term Debt	Total
2014	\$ 25,108,762	\$ 19,454,418	\$ 13,223,549	\$ 19,738,198	\$ 2,206,845	\$ 5,087,898	\$ 3,640,238	\$ -	\$ 715,714	\$ 89,175,622
2015	20,945,709	19,928,239	13,126,863	21,487,159	2,262,363	4,876,417	4,787,043	-	738,137	88,151,930
2016	21,830,861	25,383,057	13,585,132	24,813,149	2,064,432	7,050,761	4,351,935	-	990,752	100,070,079
2017	24,133,362	23,895,811	20,133,499	26,273,147	2,058,583	6,337,896	4,766,639	-	765,371	108,364,308
2018	26,305,823	21,456,465	34,042,503	26,924,417	2,334,309	5,984,738	4,841,225	-	462,460	122,351,940
2019	24,723,359	22,628,681	23,721,723	29,559,791	2,287,548	6,063,997	4,930,628	-	403,734	114,319,461
2020	28,370,554	21,071,415	37,729,977	30,138,451	2,475,112	5,931,586	5,494,052	1,456,916.00	313,172	132,981,235
2021	27,406,339	20,206,721	54,783,606	30,326,963	3,099,783	5,913,355	4,968,491	4,736,749.00	216,928	151,658,935
2022	30,026,218	29,399,511	38,029,466	32,806,396	3,514,702	6,896,441	5,961,261	500,000	166,297	147,300,292
2023	37,048,920	28,760,319	30,621,508	34,469,598	3,493,012	7,342,060	6,023,851	1,608,192	134,913	149,502,373

* The government-wide expenses in this table reflect expenses prior to the indirect expense allocation of four internal departments: Administration, Finance, Information Services and Human Resources to the appropriate functions of government.

Data Source: Yearly Financial Statements

**CARVER COUNTY
CHASKA, MINNESOTA**

**GOVERNMENT-WIDE REVENUES
LAST TEN FISCAL YEARS**

PROGRAM REVENUES

GENERAL REVENUES

Fiscal Year	Fees, Charges, Fines and Other	Operating Grants and Contributions	Capital Grants and Contributions
2014	\$ 13,524,481	\$ 21,275,095	\$ 42,448,305
2015	13,917,670	28,898,485	9,324,391
2016	15,635,455	29,465,961	5,655,606
2017	16,375,022	37,889,184	2,516,483
2018	16,497,985	32,180,741	22,636,317
2019	16,801,132	44,813,511	15,077,617
2020	16,799,569	46,687,336	26,322,183
2021	17,133,878	64,845,628	14,217,750
2022	17,292,671	38,601,701	16,904,999
2023	18,035,782	48,215,296	7,147,966

Taxes	Payment in lieu of taxes	Grants and contributions not restricted to specific programs	Investment Income	Miscellaneous	Total
\$ 49,802,503	\$ 206,050	\$ 3,621,280	\$ 4,517,459	\$ 1,344,293	\$ 136,739,466
54,160,050	172,997	3,723,619	1,122,182	65,280	111,384,674
51,769,746	166,705	3,461,341	1,576,539	1,100,583	108,831,936
54,277,321	188,352	3,461,103	2,393,439	1,204,144	118,305,048
63,668,346	198,899	3,857,528	1,470,575	2,030,069	142,540,460
68,107,905	203,751	3,790,901	3,497,201	1,094,573	153,386,591
71,129,005	232,346	4,115,442	2,681,607	1,231,897	169,199,385
73,934,090	211,580	4,253,225	(595,953)	1,105,152	175,105,350
78,980,504	223,177	4,624,308	(5,021,141)	1,861,436	153,467,655
80,129,289	107,055	4,399,381	7,225,758	2,209,615	167,470,142

Data Source: Yearly Financial Statements

**CARVER COUNTY
CHASKA, MINNESOTA**

**FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS**

(modified accrual basis of accounting)

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
General Fund										
Nonspendable	\$ 3,651	\$ 113,857	\$ 443,622	\$ 635,952	\$ 531,210	\$ 860,974	\$ 794,819	\$ 1,065,954	\$ 2,122,174	\$ 1,833,403
Restricted	2,413,900	1,983,569	1,872,875	1,773,429	1,814,148	1,746,760	5,013,074	3,491,552	4,555,012	6,411,374
Committed	-	-	-	-	-	-	4,237,489	11,263,622	-	5,843,293
Assigned	2,296,747	2,943,302	2,537,949	3,142,612	3,090,901	3,728,980	6,905,953	4,200,270	6,611,817	5,812,208
Unassigned	17,729,149	17,873,769	17,975,791	18,435,515	19,191,470	19,799,953	20,074,970	20,571,916	16,394,602	19,465,634
Subtotal General fund	<u>\$ 22,443,447</u>	<u>\$ 22,914,497</u>	<u>\$ 22,830,237</u>	<u>\$ 23,987,508</u>	<u>\$ 24,627,729</u>	<u>\$ 26,136,667</u>	<u>\$ 37,026,305</u>	<u>\$ 40,593,314</u>	<u>\$ 29,683,605</u>	<u>\$ 39,365,912</u>
All Other Governmental Funds										
Nonspendable	\$ 440,925	\$ 420,507	\$ 753,579	\$ 723,362	\$ 515,483	\$ 623,866	\$ 1,025,701	\$ 839,607	\$ 847,234	\$ 888,915
Restricted	21,785,674	14,637,058	24,721,056	14,008,371	12,053,881	12,582,352	12,886,058	12,853,662	14,427,772	12,595,118
Assigned	31,216,231	28,045,056	36,089,408	32,637,460	33,543,605	46,524,770	52,913,906	46,345,019	59,176,666	53,827,201
Unassigned	(157,563)	(158,189)	(102,733)	(95,635)	(72,218)	(223,460)	-	(51,283)	(183,296)	(282,553)
Subtotal all other governmental funds	<u>\$ 53,285,267</u>	<u>\$ 42,944,432</u>	<u>\$ 61,461,310</u>	<u>\$ 47,273,558</u>	<u>\$ 46,040,751</u>	<u>\$ 59,507,528</u>	<u>\$ 66,825,665</u>	<u>\$ 59,987,005</u>	<u>\$ 74,268,376</u>	<u>\$ 67,028,681</u>

Data Source: Yearly Financial Statements

**CARVER COUNTY
CHASKA, MINNESOTA**

**CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS**

(modified accrual basis of accounting)

	Fiscal Year									
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Revenues										
Taxes	\$ 49,983,300	\$ 54,195,713	\$ 51,854,610	\$ 54,273,026	\$ 63,570,066	\$ 68,082,878	\$ 71,190,331	\$ 73,910,820	\$ 79,126,558	\$ 80,165,670
Special assessments	341,754	291,192	266,629	268,283	211,644	230,478	325,652	315,903	301,022	413,648
Licenses and permits	983,560	1,284,711	1,297,747	1,360,750	1,203,790	1,192,591	823,989	1,278,436	1,579,607	1,546,375
Intergovernmental	63,738,773	44,321,031	39,656,315	36,363,950	55,590,346	53,381,308	86,298,660	85,602,652	51,202,899	54,778,523
Charges for services	11,937,514	12,802,819	13,903,477	14,757,386	14,510,172	15,003,565	14,648,478	15,171,318	14,867,865	15,332,296
Fines and forfeits	242,376	214,048	255,563	239,068	243,898	240,484	232,428	216,725	254,862	197,389
Investment income	4,269,682	1,062,014	1,127,312	1,402,478	1,774,735	3,532,685	2,679,238	(607,966)	(5,002,492)	7,187,564
Other revenue	1,347,243	911,811	1,947,430	1,215,595	1,376,978	1,172,193	1,867,532	1,509,430	2,109,860	2,601,507
Total revenues	132,844,202	115,083,339	110,309,083	109,880,536	138,481,629	142,836,182	178,066,308	177,397,318	144,440,181	162,222,972
Expenditures										
Current										
General government	17,694,942	18,412,909	20,095,672	20,663,558	23,241,428	22,999,187	25,262,177	25,466,401	26,166,436	27,584,863
Public safety	19,528,952	20,301,344	21,093,525	21,281,800	22,819,086	22,671,870	23,001,438	23,419,037	24,859,913	27,591,822
Highways & streets	9,572,041	10,416,222	10,793,726	10,543,716	11,025,899	14,153,763	9,894,236	11,726,332	11,260,153	14,908,258
Human services	20,198,027	21,309,360	24,127,091	25,654,536	26,819,630	28,630,020	31,079,328	31,759,063	31,382,518	34,054,767
Health	2,252,817	2,271,435	1,976,590	2,026,456	2,363,853	2,300,704	2,606,415	3,267,891	3,413,692	3,481,000
Culture and recreation	5,027,012	6,166,266	5,408,151	5,595,877	5,686,896	5,738,112	5,725,734	5,977,697	6,394,849	6,686,267
Conservation of nat. resources	3,653,552	4,356,961	4,275,207	4,617,868	4,734,921	4,877,651	5,542,618	5,249,853	5,704,771	5,962,951
Economic development	-	-	-	-	-	-	1,456,916	4,736,749	500,000	1,608,192
Intergovernmental										
Highways & streets	165,748	175,449	181,991	186,766	211,260	209,379	219,739	202,043	302,086	217,733
Capital outlay	33,240,103	52,301,994	10,074,355	22,070,747	35,778,988	22,407,003	51,130,220	65,140,690	30,331,156	34,017,441
Debt Service										
Principal	8,477,967	3,195,164	3,898,252	3,947,897	6,137,111	3,789,090	3,867,323	3,537,937	3,092,153	3,926,983
Interest	812,715	790,794	947,638	1,002,608	784,584	652,435	558,925	456,681	442,496	412,650
Total expenditures	120,623,876	139,697,898	102,872,198	117,591,829	139,603,656	128,429,214	160,345,069	180,940,374	143,850,223	160,452,927
Excess of revenues over (under) expenditures	12,220,326	(24,614,559)	7,436,885	(7,711,293)	(1,122,027)	14,406,968	17,721,239	(3,543,056)	589,958	1,770,045
Other Financing Sources (Uses)										
General obligation bonds issued	9,555,000	-	7,190,000	-	-	-	-	-	2,530,000	-
Notes Payable Issued	-	13,439,062	2,228,135	168,048	-	-	-	-	-	-
Loans issued	81,429	51,776	54,922	116,722	216,842	113,349	268,790	89,521	206,755	223,573
Leases										155,598
Subscription Based Information Technology Arrangement										170,814
Proceeds from sale of capital assets	60,224	1,242,265	64,350	23,135	527,584	360,316	21,604	161,306	59,940	122,582
Payments to bond escrow agent	-	-	-	(5,610,000)	-	-	-	-	-	-
Premium/(Discount) on debt issued	441,317	-	1,165,325	-	-	-	-	-	24,897	-
Transfers in	9,066,284	4,408,492	4,942,070	8,442,344	6,813,388	5,643,137	6,406,807	9,959,789	17,668,250	8,460,102
Transfers out	(9,066,284)	(4,358,997)	(4,942,070)	(8,442,344)	(6,813,388)	(5,643,137)	(6,406,807)	(9,959,789)	(17,668,250)	(8,460,102)
Total other financing sources (uses)	10,137,970	14,782,598	10,702,732	(5,302,095)	744,426	473,665	290,394	250,827	2,821,592	672,567
Increase (decrease) in inventories	57,838	(37,824)	293,001	(17,093)	(214,985)	95,082	196,142	20,578	(39,888)	0
Net change in fund balances	\$ 22,416,134	\$ (9,869,785)	\$ 18,432,618	\$ (13,030,481)	\$ (592,586)	\$ 14,975,715	\$ 18,207,775	\$ (3,271,651)	\$ 3,371,662	\$ 2,442,612
Debt service as a percentage of noncapital expenditures	9.17%	3.19%	6.51%	7.80%	5.45%	4.03%	3.15%	2.65%	3.08%	3.10%

Data Source: Yearly Financial Statements

**CARVER COUNTY
CHASKA, MINNESOTA**

**NET TAX CAPACITY AND TAXABLE MARKET VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS**

Fiscal / Payable Year	Real Property		Personal Property		Total			% of Net Tax Capacity to
	Net Tax Capacity	Taxable Market Value	Net Tax Capacity	Taxable Market Value	Net Tax Capacity	Taxable Market Value	Total Direct Tax Rate	Total Taxable Market Value
2014	\$ 107,482,644	\$ 9,897,391,400	\$ 1,855,628	\$ 93,777,200	\$ 109,338,272	\$ 9,991,168,600	45.211	1.09%
2015	120,238,736	11,119,177,400	2,013,792	101,685,400	122,252,528	11,220,862,800	40.488	1.09%
2016	127,018,663	11,735,551,900	2,289,681	115,481,000	129,308,344	11,851,032,900	38.880	1.09%
2017	130,232,512	12,017,771,700	2,653,398	133,855,000	132,885,910	12,151,626,700	38.851	1.09%
2018	139,479,603	12,825,279,400	2,910,761	146,771,400	142,390,364	12,972,050,800	37.436	1.10%
2019	150,147,001	13,774,982,600	3,092,951	155,880,900	153,239,952	13,930,863,500	36.488	1.10%
2020	163,725,373	14,950,971,300	3,065,456	154,508,900	166,790,829	15,105,480,200	35.179	1.10%
2021	170,339,251	15,495,247,000	3,430,738	172,848,000	173,769,989	15,668,095,000	34.634	1.11%
2022	178,984,556	16,276,392,900	3,032,088	153,066,200	182,016,644	16,429,459,100	34.170	1.11%
2023	218,616,025	19,801,089,300	3,225,146	161,580,900	221,841,171	19,962,670,200	29.267	1.11%

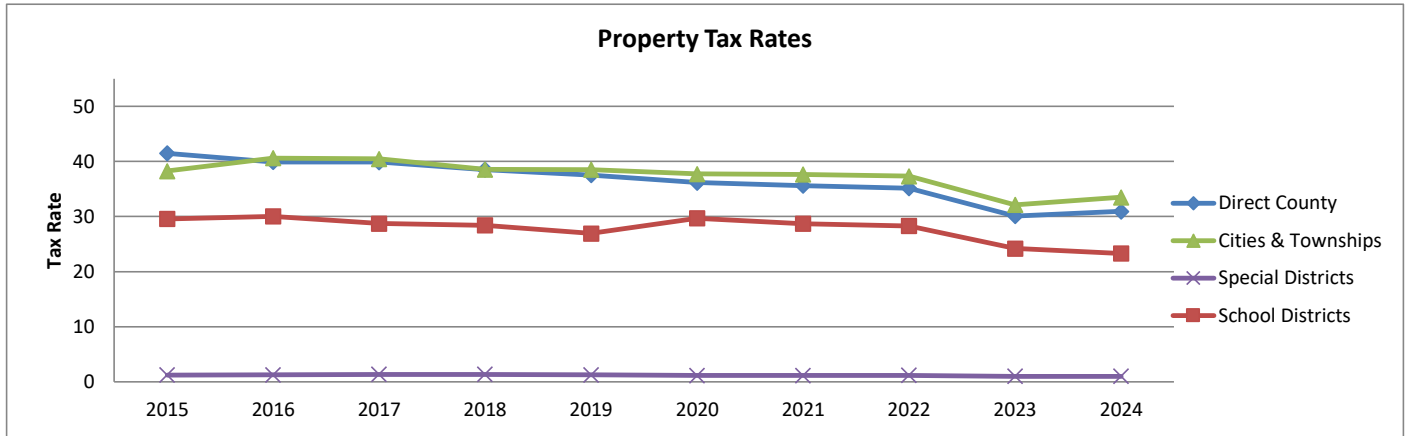
Valuations are determined as of January 1 of the year preceding the tax collection year.
 Amounts are shown for the year in which taxes are payable.
 Assessed value is prior to Fiscal Disparity and Tax Increment District Adjustments.

Data Source: Taxpayer Services Department

**CARVER COUNTY
CHASKA, MINNESOTA**

**DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS**

Tax Year	Carver County						Average Rates Within Each Classification		
	General	Bonds	Total Direct Tax Rate	* Carver County Water Management Organization	Carver County Regional Rail Authority	Total Direct Tax Rate Including Component Units	Cities/Townships	School Districts	* Special Districts
2015	36.238	4.250	40.488	0.891	0.097	41.476	38.246	29.565	1.232
2016	34.830	4.051	38.881	0.912	0.110	39.903	40.595	30.070	1.255
2017	35.434	3.417	38.851	0.919	0.105	39.875	40.475	28.729	1.362
2018	34.266	3.169	37.435	0.967	0.114	38.516	38.547	28.411	1.327
2019	33.543	2.946	36.489	0.927	0.104	37.520	38.520	26.922	1.243
2020	32.474	2.705	35.179	0.893	0.101	36.173	37.719	29.691	1.123
2021	32.032	2.601	34.633	0.875	0.099	35.607	37.641	28.705	1.128
2022	31.690	2.480	34.170	0.859	0.110	35.139	37.319	28.306	1.162
2023	27.820	1.448	29.267	0.731	0.088	30.087	32.115	24.208	0.988
2024	28.713	1.393	30.106	0.746	0.091	30.943	33.491	23.320	0.982



Note: For the City rate, the Urban tax Capacity Rate was used. For the Township rate, the Proper rate and the rate for Fire Districts was used.
 * In 2021 the County broke out the Carver County Water Management Organization from the Special Districts column and presented on its own for better clarity and presentation. This change was applied retroactively so prior year numbers are restated accordingly.

Data Source: Taxpayer Services Department

**CARVER COUNTY
CHASKA, MINNESOTA**

**PRINCIPAL PROPERTY TAX PAYERS
CURRENT AND NINE YEARS AGO**

2023			2014		
Taxpayer	Taxable Assessed Value	Percentage of Total County	Taxpayer	Taxable Assessed Value	Percentage of Total County
		Taxable Assessed Value			Taxable Assessed Value
CenterPoint Energy Minnegasco	\$ 94,552,700	0.47%	Northern States Power	\$ 36,119,100	0.36%
Northern States Power Co	55,344,300	0.28%	Target Corporation	33,077,000	0.33%
LTF Real Estate Company Inc	45,593,200	0.23%	CenterPoint Energy Minnegasco	32,707,000	0.33%
Northern Natural Gas Co	38,205,800	0.19%	United HealthCare Services Inc.	22,420,900	0.22%
Aurora Investments LLC	37,577,000	0.19%	Istar Minnesota LLC	19,513,300	0.20%
Istar Minnesota LLC	33,570,800	0.17%	Mills Properties Inc.	19,413,800	0.19%
Ridgeview Real Estate	31,972,400	0.16%	IRET Properties	18,625,200	0.19%
Target Corporation	31,500,600	0.16%	Aurora Investments LLC	17,026,000	0.17%
Lake Susan Apartment Homes LLC	31,206,400	0.16%	Rosemount Inc.	15,666,800	0.16%
Chaska Heights Senior Living Realty	25,794,100	0.13%	Hazeltine National Golf Club	15,666,800	0.16%
Total	\$ 425,317,300	2.14%	Total	\$ 230,235,900	2.31%

Data Source: Taxpayer Services Department

**CARVER COUNTY
CHASKA, MINNESOTA**

**PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

Fiscal Year	Certified Tax Levy	Abatements/ Adjustments (2)	Market Value Credit Adjustment	Adjusted Certified Tax Levy	Collection within the Fiscal Year of the Levy (2)		Collections in Subsequent Years	Total Collections to Date		Outstanding Delinquent	
					Amount (1)	% of Levy		Amount	% of Levy	Amount	% of Levy
2014	\$ 47,546,920	\$ (151,095)	\$ -	\$ 47,395,825	\$ 47,174,883	99.53%	\$ 318,537	\$ 47,393,105	99.99%	\$ 528	0.00%
2015	49,861,920	(161,162)	-	49,700,758	49,551,666	99.70%	145,960	49,697,177	99.99%	478	0.00%
2016	50,242,700	(274,800)	-	49,967,900	49,858,227	99.78%	106,336	49,964,236	99.99%	1,183	0.00%
2017	51,649,500	(273,092)	-	51,376,408	51,333,497	99.92%	38,873	51,371,533	99.99%	1,992	0.01%
2018	53,649,500	(208,985)	-	53,440,515	53,363,472	99.86%	73,005	53,434,940	99.99%	1,882	0.01%
2019	56,264,855	(143,292)	-	56,121,563	55,945,339	99.69%	172,434	56,114,879	99.99%	1,551	0.01%
2020	59,073,855	(150,633)	-	58,931,342	58,812,573	99.80%	106,368	58,920,234	99.98%	2,362	0.02%
2021	60,473,855	(9,463)	-	60,495,321	60,254,655	99.60%	194,801	60,466,022	99.95%	12,630	0.04%
2022	62,573,855	(8,803)	-	62,606,653	62,426,061	99.71%	109,474	62,426,061	99.71%	27,650	0.29%
2023	65,643,855	(55,957)	-	65,587,898	65,377,605	99.68%	-	65,377,605	99.68%	208,512	0.32%

(1) This amount includes fiscal disparities and any tax aid.

(2) These amounts include agricultural preserve and agricultural market value credits. This change was made during 2017.

Data Sources:

Taxpayer Services Department
Financial Services Division

CHASKA, MINNESOTA

RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Fiscal Year	General Obligation Bonds	General Obligation Notes Payable	Loans Payable	Leases	SBITA's	Total Debt	Total Debt Per Capita		Percentage of Personal Income	
							Total	Net	Total	Net
2014	\$ 28,146,667	\$ -	\$ 1,051,707	\$ -	\$ -	\$ 29,198,374	\$ 300.51	\$ 289.09	0.50%	0.50%
2015	25,117,349	13,439,062.00	878,319	-	-	39,434,730	399.15	300.51	0.63%	0.63%
2016	30,828,356	14,549,197.00	737,989	-	-	46,115,542	458.31	399.48	0.71%	0.71%
2017	22,325,218	13,588,245	690,814	-	-	36,604,277	355.87	459.95	0.53%	0.53%
2018	17,107,260	12,604,000	754,790	-	-	30,466,050	287.50	358.45	0.41%	0.41%
2019	14,268,196	11,610,000	703,049	-	-	26,581,245	248.01	294.21	0.35%	0.35%
2020	11,353,207	10,606,000	818,516	-	-	22,777,723	213.74	252.94	0.28%	0.28%
2021	8,809,578	9,592,000	729,100	-	-	19,130,678	175.83	213.74	0.21%	0.22%
2022	9,307,644	8,568,000	754,692	25,851	-	18,656,187	169.55	169.55	0.19%	0.19%
2023	7,167,493	7,534,000	795,738	148,426	1,812,909	17,458,566	157.20	157.20	Not Available	Not Available

Data Sources:

Yearly Financial Statements

See Schedule XV for Personal Income and Population Information

**CARVER COUNTY
CHASKA, MINNESOTA**

**RATIOS OF NET BONDED DEBT TO ASSESSED VALUE
AND NET BONDED DEBT PER CAPITA
LAST TEN FISCAL YEARS**

Fiscal Year	Total		General Obligation Bonds	General Obligation Notes Payable	Amounts Available in Funds	Net Bonded Debt	Bonded Debt Per Capita		Bonded Debt to Actual Taxable Market Value		Bonded Debt to Net Tax Capacity	
	Taxable Market Value	Net Tax Capacity					Total	Net	Total %	Net %	Total %	Net %
2014	\$ 9,991,168,600	\$ 109,338,272	\$ 28,146,667	\$ -	\$ 7,264,955	20,881,712	\$ 289.69	\$ 214.92	0.28%	0.21%	25.74%	19.10%
2015	11,220,862,800	122,252,528	25,117,349	13,439,062	9,041,305	29,515,106	390.25	298.74	0.34%	0.26%	31.54%	24.14%
2016	11,851,032,900	129,308,344	30,828,356	14,549,197	18,253,478	27,124,075	450.97	269.57	0.38%	0.23%	35.09%	20.98%
2017	12,151,626,700	132,885,910	22,325,218	13,588,245	10,280,383	25,633,080	349.16	249.21	0.30%	0.21%	27.03%	19.29%
2018	12,972,050,800	142,390,364	17,107,260	12,604,000	10,515,002	19,196,258	280.37	181.15	0.23%	0.15%	20.87%	13.48%
2019	13,930,863,500	153,239,952	14,268,196	11,610,000	11,117,053	14,761,143	241.45	137.72	0.19%	0.11%	16.89%	9.63%
2020	15,105,480,200	166,790,829	11,353,207	10,606,000	11,736,056	10,223,151	206.06	95.28	0.15%	0.07%	13.17%	6.13%
2021	15,668,095,000	173,769,989	8,809,578	9,592,000	11,576,671	6,824,907	169.12	62.69	0.12%	0.04%	10.59%	3.93%
2022	16,429,459,100	182,016,644	9,307,644	8,568,000	13,070,573	4,805,071	162.46	43.63	0.11%	0.03%	9.82%	2.64%
2023	19,962,670,200	221,841,171	7,167,493	7,534,000	10,837,043	3,864,450	132.38	34.80	0.07%	0.02%	6.63%	1.74%

Valuations are determined as of January 1 of the year preceding the tax collection year.
 Amounts are shown for the year in which taxes are payable.
 Assessed value is prior to Fiscal Disparity and Tax Increment District Adjustments.
 The GO Notes Payable is being paid back through general levy.

Data Sources:

Yearly Financial Statements
 See Schedule XV for Population Information

**CARVER COUNTY
CHASKA, MINNESOTA**

**COMPUTATION OF DIRECT, UNDERLYING AND OVERLAPPING DEBT
AS OF DECEMBER 31, 2023**

Government Unit	Debt Outstanding (1)	Applicable to Carver County	
		Percent	Amount
Direct:			
Government Unit			
General Obligation Bonds Payable (net of discount) \$	7,167,493	100.0%	\$ 7,167,493
General Obligation Notes Payable	7,534,000	100.0%	7,534,000
Leases Payable	148,426	100.0%	148,426
Subscriptions Payable	1,812,909	100.0%	1,812,909
Loans Payable	795,738	100.0%	795,738
Carver County	17,458,566	100.0%	17,458,566
Underlying:			
Carver City	33,665,000	100.0%	33,665,000
Chanhassen City	24,290,000	97.7%	23,731,330
Chaska City	89,511,000	100.0%	89,511,000
Cologne	19,706,000	100.0%	19,706,000
Hamburg City	1,954,088	100.0%	1,954,088
Mayer	7,165,200	100.0%	7,165,200
New Germany City	6,735,000	100.0%	6,735,000
Norwood Young America City	14,598,656	100.0%	14,598,656
Victoria City	22,025,000	100.0%	22,025,000
Waconia City	52,863,077	100.0%	52,863,077
Watertown City	24,217,000	100.0%	24,217,000
Total cities	296,730,021	99.8%	296,171,351
School District #108	52,334,917	96.3%	50,398,525
School District #110	98,090,000	82.0%	80,433,800
School District #111	47,932,663	75.7%	36,285,026
School District #112	135,594,000	100.0%	135,594,000
School District #276	182,240,000	18.6%	33,896,640
School District #424	13,580,000	0.2%	27,160
School District #716	13,510,000	9.1%	1,229,410
School District #2687	33,786,000	0.6%	202,716
School District #2859	20,915,000	0.1%	20,915
Total school districts	597,982,580	56.5%	338,088,192
Total Underlying debt	894,712,601	70.9%	634,259,543
Overlapping:			
Metro Council	1,694,829,000	3.6%	61,013,844
Total Overlapping debt	1,694,829,000	3.6%	61,013,844
Total direct, underlying and overlapping debt	\$ 2,607,000,167	27.3%	\$ 712,731,953

(1) Direct debt includes all of the debt instruments related to the governmental activities (i.e., general obligation bonds payable, and loans payable). Underlying and Overlapping debt only includes those taxing jurisdictions with general obligation debt outstanding. Does not include non-general obligation debt, self-supporting general obligation revenue debt, short-term general obligation debt, or general obligation tax/aid anticipation certificates of indebtedness.

(2) Currently, the State of MN is paying approximately 3.83% of the principal and interest on the Eastern Carver County School District's general obligation bonds. Assuming this percentage continues for the life of the bonds, the State's proportionate share of principal is \$6,534,172.

(3) Currently, the State of Minnesota is paying approximately 7.56% of the principal and interest on the Belle Plaine School District's general obligation bonds. Assuming this percentage continues for the life of the bonds, the State's proportionate share of principal is \$2,120,958.

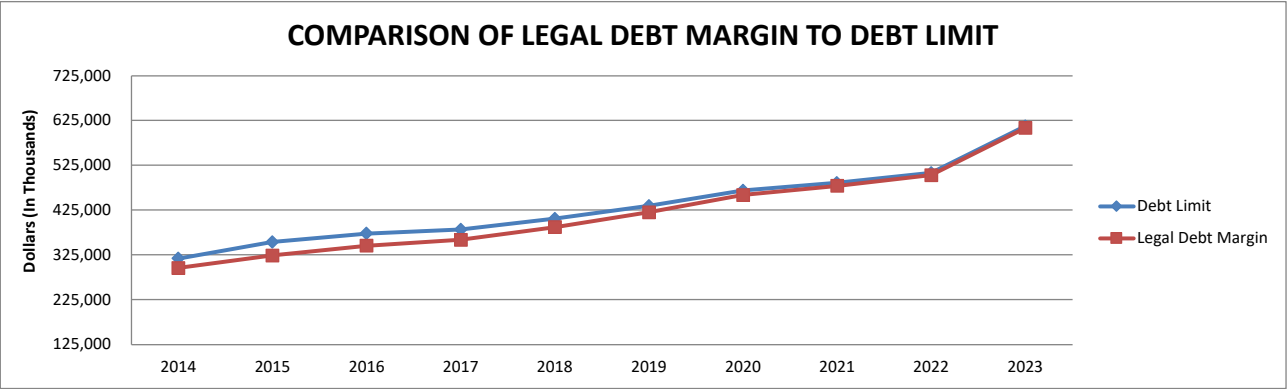
(4) The above includes all outstanding general obligation debt supported by taxes of the Metropolitan Council. The Council also has general obligation sewer revenue, wastewater revenue, and radio revenue bonds, and lease obligations outstanding all of which are supported entirely by revenues and have not been included in the Overlapping Debt or Debt Ratios sections.

Data Source: Provided by Taxpayer Services Department

**CARVER COUNTY
CHASKA, MINNESOTA**

**LEGAL DEBT MARGIN
LAST TEN FISCAL YEARS**

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Assessor's Estimated Market Value	\$ 10,567,048,000	\$ 11,782,984,500	\$ 12,421,561,200	\$ 12,722,707,200	\$ 13,530,431,200	\$ 14,483,418,000	\$ 15,634,055,900	\$ 16,191,072,500	\$ 16,929,129,100	\$ 20,407,703,700
Legal debt margin										
Debt limit (3% of Assessor's EMV)	317,011,440	353,489,535	372,646,836	381,681,216	405,912,936	434,502,540	469,021,677	485,732,175	507,873,873	612,231,111
Debt applicable to limit: (see schedule XII)										
General Obligation bonds & notes	28,146,667	38,556,411	45,377,553	35,913,463	29,711,260	25,878,196	21,959,207	18,401,578	17,875,644	14,701,493
Less: Amount reserved for repayment of general obligation debt	(7,264,955)	(9,041,305)	(18,253,478)	(12,710,587)	(10,771,390)	(11,332,701)	(11,917,326)	(11,715,539)	(13,229,873)	(10,837,043)
Total debt applicable to limit	20,881,712	29,515,106	27,124,075	23,202,876	18,939,870	14,545,495	10,041,881	6,686,039	4,645,771	3,864,450
Legal debt margin	\$ 296,129,728	\$ 323,974,429	\$ 345,522,761	\$ 358,478,340	\$ 386,973,066	\$ 419,957,045	\$ 458,979,796	\$ 479,046,136	\$ 503,228,102	\$ 608,366,661
Total debt applicable to the limit as a percentage of debt limit	6.59%	8.35%	7.28%	6.08%	4.67%	3.35%	2.14%	1.38%	0.91%	0.63%



Minn. Stat. Section 475.53, subd. 1 states that except as otherwise provided in Minn. Stat. Sections 474.74 to 475.51, no municipality except a school district or a city of the first class, shall incur or be subject to a net debt in excess of three percent of the estimated market value.

Data Source: Assessed values are provided by Taxpayer Services Division.

**CARVER COUNTY
CHASKA, MINNESOTA**

**DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

Year	Population (1)*	Personal Income (2)	Median Age (1)	Public School Enrollment K thru 12 (3)
2014	97,162	\$ 6,041,180,000	36.8**	16,115
2015	98,798	6,376,686,000	36.9	16,494
2016	100,621	6,539,351,000	37.4	17,954
2017	102,858	6,990,605,000	37.1	18,201
2018	105,970	7,383,477,000	37.2	18,368
2019	107,179	7,752,624,000	37.5	18,422
2020	107,297	8,126,250,000	38.1	18,812
2021	108,859	9,022,210,000	38.6	18,178
2022	110,120	9,583,434,000	38.2	18,178
2023	111,057	Not Available	Not Available	18,105

Average Labor Statistics

Year	Carver County		State		National	
	Per Capita Income (2)	Unemployment Rate (4)	Per Capita Income (2)	Unemployment Rate (4)	Per Capita Income (2)	Unemployment Rate (4)
2014	\$ 62,391	3.7%	\$ 49,365	4.3%	\$ 46,287	6.2%
2015	64,664	3.2%	51,362	3.8%	48,060	5.3%
2016	65,569	3.3%	51,990	3.9%	48,971	4.9%
2017	68,395	3.0%	53,832	3.5%	51,004	4.4%
2018	71,268	2.5%	56,205	3.0%	53,309	3.9%
2019	72,852	2.8%	57,874	3.3%	55,547	3.7%
2020	75,677	5.2%	61,278	6.3%	59,153	8.1%
2021	80,562	3.0%	66,846	3.7%	64,430	5.3%
2022	87,095	2.1%	68,840	2.7%	65,470	3.6%
2023	Not available	2.4%	Not Available	2.8%	Not Available	3.6%

Data Sources:

- 1.) United States Census Bureau <<http://www.census.gov>>
- 2.) Bureau of Economic Analysis <<http://www.bea.gov/>>
- 3.) Minnesota Department of Education <<https://education.state.mn.gov>>
- 4.) DEED: Local Area Unemployment Statistics <<http://www.deed.state.mn.gov/lmi/tools/laus>>

* United States Census Bureau (estimates), updated annually

**CARVER COUNTY
CHASKA, MINNESOTA**

**PRINCIPAL EMPLOYERS
CURRENT AND TEN YEARS AGO**

2023 (1)			2014		
Employer	Estimated No. of Employees	Percentage of Total County Employment	Employer	Estimated No. of Employees	Percentage of Total County Employment
I.S.D. No. 112 (Eastern Carver County)	2,056	3.47%	Ridgeview Medical Center	1,500	4.08%
Ridgeview Medical Center	1,500	2.54%	I.S.D. No. 112 (Eastern Carver County)	1,397	3.80%
Emerson Process Management	1,201	2.03%	Rosemount, Inc.	1,370	3.73%
Storm Aviation	1,001	1.69%	Life Time Fitness Inc. (fitness center and corporate headquarters)	1,160	3.16%
IWCO Direct.	1,000	1.69%	The Instant Web Company (IWCO Direct)	1,100	2.99%
I.S.D. No. 110 (Waconia)	900	1.52%	Entegris, Inc.	1,000	2.72%
Carver County	785	1.33%	Carver County	800	2.18%
Beckman Coulter, Inc.	780	1.32%	Beckman Coulter, Inc.	780	2.12%
Bernard Group	600	1.01%	Target - 3 locations	700	1.90%
General Mills	600	1.01%	Lake Region Mfg Inc	600	1.63%
Total	10,423	17.61%	Total	10,407	28.31%
Total County Employment (2)	59,171		Total County Employment (3)	36,756	

Note: Employment is within Carver County and not necessarily company wide for employers listed.

Data Sources:

- 1.) Ehlers Public Finance Advisors via Data Axel Reference Solutions and MN Dept of Employment and Economic Development
- 2.) Ehlers Public Finance Advisors via Minnesota Department of Employment and Economic Development <<http://www.deed.state.mn.gov/lmi/tools/laus.htm>>
- 3.) Minnesota Department of Employment and Economic Development <<http://www.deed.state.mn.gov/lmi/tools/laus.htm>>

**CARVER COUNTY
CHASKA, MINNESOTA**

**COUNTY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

<u>Function/program</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
General Government										
Administration	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Administration Services	3.20	4.70	4.20	4.20	4.00	4.00	5.00	5.00	5.00	5.00
Property Assessment	12.00	12.00	12.00	13.00	13.00	14.00	14.00	14.00	15.00	15.00
Attorney	31.20	31.20	31.20	31.50	32.20	33.35	33.35	32.65	32.65	33.10
License Centers	0.00	0.00	0.00	0.00	0.00	18.50	19.00	19.50	20.60	21.60
Election and Licensing	0.00	0.00	0.00	0.00	0.00	4.00	4.00	4.00	4.00	4.00
Property Tax	24.60	24.60	25.35	23.35	25.50	5.00	5.00	7.00	7.00	7.00
Commissioners	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Facilities Management	16.00	16.00	16.00	16.00	15.00	16.00	16.00	16.00	16.00	16.00
Finance	7.50	7.50	7.50	7.50	7.50	8.30	8.30	8.50	9.00	9.00
Employee Relations	9.00	9.00	10.00	10.00	11.20	11.20	11.20	11.20	12.20	12.20
Information Services	24.25	27.50	27.50	29.00	31.00	32.25	33.50	33.50	35.00	36.00
Property Records	6.00	7.00	7.00	8.00	8.00	8.00	8.00	9.60	10.00	10.00
Veterans Services	4.10	4.60	4.60	4.20	5.20	5.20	5.20	5.20	4.80	4.80
Land Management	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Public Safety										
Court Services	16.10	16.10	16.10	16.10	16.50	16.50	16.50	16.80	17.60	17.60
Sheriff	160.77	160.77	160.19	160.50	163.90	161.90	163.90	163.90	163.45	163.45
Highways & Streets										
Public works	48.00	47.00	47.77	51.77	55.00	57.00	58.00	57.90	60.40	61.40
Human Services										
Social Services	180.73	191.13	212.18	219.08	218.68	224.88	227.48	234.88	233.93	232.93
Health										
Public Health Services	21.50	19.00	19.00	19.00	19.00	19.00	17.60	18.40	19.40	19.40
Culture & Recreation										
Library	38.10	42.85	42.92	42.92	42.91	42.93	42.93	43.23	42.80	42.80
Parks	6.80	6.80	6.80	6.80	6.80	7.80	7.80	8.30	10.00	10.00
Conservation of Natural Resources										
University of MN Extension	1.50	1.50	1.50	1.50	1.50	1.50	1.50	0.90	0.90	0.90
Planning & Water Management	6.60	9.00	10.40	8.40	8.60	8.60	8.60	9.00	7.80	8.00
Environmental Services	11.15	11.40	11.90	12.40	12.40	13.40	13.40	13.50	15.00	15.00
Total	641.10	661.65	686.11	697.22	709.89	725.31	732.26	744.96	754.53	757.18

Note:
FTE counts exclude Short-Term OnCall (STOC)

Employees listed by FTE Equivalent
Data Source: Finance Department

**CARVER COUNTY
CHASKA, MINNESOTA**

**OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

<u>Function/program</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
<u>General Government</u>										
Administrative Services										
Square Feet of Building Space (1)	610,665	610,665	610,665	618,665	618,665	618,665	618,665	618,665	618,665	618,665
Employee Relations										
New Hires Processed	192	163	205	214	157	189	165	155	177	165
Terminations Processed	165	140	174	187	161	190	146	160	141	160
Collective Bargaining Agreements	11	11	11	11	11	11	10	10	10	10
Financial Services										
Cash Receipts Processed	5,854	5,811	6,278	5,950	5,862	5,778	4,889	5,127	13,056	11,949
Claims Paid	13,603	14,001	13,147	12,502	11,722	12,151	11,230	10,508	10,667	10,923
Contracts Maintained	482	616	601	548	516	585	499	520	598	637
Journal Entries	646	728	721	699	620	601	629	469	499	539
Budget Amendments Entered	127	141	179	162	164	161	131	129	157	187
Capital Assets Inventoried	62	80	60	56	110	72	83	49	63	52
Property Records and Taxpayer Services										
Deeds Recorded	3,447	3,857	3,864	5,051	4,030	3,522	4,250	5,530	3,986	3,386
Birth and Death Certificate Copies Issued	5,783	5,835	6,207	6,308	6,531	7,133	5,939	7,019	8,083	8,217
Marriage Licenses Processed	485	478	507	508	470	441	375	494	524	462
Passports Processed	4,869	6,520	6,972	6,858	6,229	5,948	2,375	5,390	8,362	9,661
Motor Vehicle Registrations	59,332	61,577	66,066	63,529	66,548	60,580	48,276	47,100	45,267	49,479
% of Voter Turnout (General Election)	65%	0%	91%	0%	81%	0%	95%	0%	74%	0%
Real Estate Documents Processed (2)	17,828	16,419	11,452	9,948	8,814	7,848	6,158	5,720	4,578	3,490
Electronic Documents Received (2)	-	4,735	10,163	10,825	10,209	12,812	24,135	25,329	15,099	11,322
Real Property Parcels	43,173	42,759	41,517	41,800	42,136	42,869	45,115	45,989	47,050	47,598
Personal Property Parcels	-	-	188	185	185	185	187	175	183	183
Number of New Homes Constructed	573	508	641	627	622	572	716	849	800	700
Properties Appraised	9,144	8,871	8,428	8,363	11,596	8,856	14,979	12,993	12,742	12,747

**CARVER COUNTY
CHASKA, MINNESOTA**

**OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(Continued)**

<u>Function/program</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
<u>Public Safety</u>										
Sheriff's Office										
Calls for Service Received:	53,068	53,081	55,221	53,687	51,970	56,362	48,473	48,041	51,330	53,901
Chaska Calls	11,298	10,864	11,289	11,568	11,724	11,463	9,775	9,053	13,144	14,716
County Calls	41,770	42,217	43,932	42,119	40,246	38,974	38,698	38,988	38,186	39,185
Part I Crimes	865	928	246	-	-	-	-	-	-	-
Part II Crimes	1,645	1,789	655	-	-	-	-	-	-	-
Group A Crimes	-	-	1,047	1,650	1,492	1,475	1,773	1,728	1,351	1,300
Group B Crimes	-	-	306	554	512	539	458	425	415	475
Misc. Non-Criminal Incidents	39,260	39,500	41,674	15,459	15,846	15,604	15,826	15,542	13,050	16,133
Fire Calls	730	769	720	760	745	1,182	802	840	828	830
Medical Calls	2,549	2,531	2,786	2,942	3,194	4,514	3,092	3,618	3,153	4,147
Drug Cases	267	260	241	672	275	239	240	202	238	238
Crashes	1,424	1,463	1,429	1,454	1,344	1,438	880	771	2,087	1,102
Fatal Crashes	9	4	1	3	5	4	5	2	4	4
Personal Injury Crashes	160	190	180	164	166	141	139	88	137	150
Property Damage Crashes	1,255	1,269	1,248	1,287	1,173	1,295	736	681	973	948
Alarm calls	1,312	1,297	1,232	1,290	1,225	1,282	1,103	1,170	1,227	1,056
Citations Issued	4,530	5,180	8,298	5,492	3,067	2,842	3,620	2,650	3,455	3,533
Total Arrests	590	590	964	1,203	1,258	1,184	1,048	896	1,109	985
Drug Arrests	100	89	224	288	259	274	168	209	132	97
Civil Papers Served	1,183	1,259	1,334	1,530	1,250	1,174	1,370	1,415	1,655	1,351
Warrants	948	893	892	1,088	907	947	779	878	880	844
Number of Prisoners Transported	574	472	568	526	650	607	436	463	445	564
Prisoners Transported (Miles)	57,906	40,133	53,693	53,165	60,253	54,020	31,841	38,343	34,264	46,747
Inmates Booked:	1,856	1,831	2,023	2,223	1,968	1,944	1,344	1,209	1,317	1,313
Total Carver County Inmates Booked	1,511	1,507	1,529	1,614	1,560	1,638	1,143	1,113	1,232	1,292
Males Booked	1,166	1,168	1,216	1,193	1,174	1,220	868	847	934	970
Females Booked	345	339	313	421	386	418	274	266	298	322
Boarded Inmates from Other Jurisdictions	345	324	494	609	408	306	201	96	85	21
Average Daily Inmate Population	76	63	83	89	78	70	34	31	33	41
Prisoners Days Stayed	27,775	23,005	30,529	32,493	28,551	25,482	12,599	11,365	12,060	12,064
Jail Medical Unit- Inmate Interaction	1,948	1,795	1,970	4,283	4,649	4,123	2,626	1,877	2,717	5,220
Total Juveniles Booked:	284	272	245	242	199	247	158	168	134	171
Carver County Juveniles Booked	113	128	109	89	71	76	50	74	75	75
Male Juveniles Booked	75	78	74	62	55	58	36	49	49	49
Female Juveniles Booked	38	50	35	27	16	18	14	25	26	23
Boarded Juveniles from Other Jurisdictions	171	144	136	153	128	171	108	94	59	96
Average Daily Juvenile Population	3	3	3	3	2	3	2	2	2	2
Juvenile Resident Days Stayed	1,142	1,226	1,123	1,125	902	1,169	730	805	752	584

**CARVER COUNTY
CHASKA, MINNESOTA**

**OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(Continued)**

<u>Function/program</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
<u>Court Services</u>										
Number of Probation Supervision Clients/Offenders	1,136	1,102	1,071	1,122	1,283	1,269	962	1,059	1,178	1,255
Number of Probation Supervision Cases	1,167	1,208	1,206	1,434	1,386	1,350	1,056	1,172	1,302	1,387
Number of Offender Risk Assessments Completed	855	677	680	766	825	1,104	912	838	989	914
Number of Offender Drug/Alcohol Tests Completed	4,479	3,638	3,861	3,384	3,124	3,472	1,712	1,817	1,745	2,107
Number of Offender Probation Violations Filed	273	251	238	263	229	295	169	233	241	161
<u>Highways & Streets</u>										
<u>Road & Bridge</u>										
Resurfacing (miles)	9.9	9.4	8.5	8.7	19.0	17.8	12.1	14.2	7.0	18.9
Vehicle/Equipment Units Serviced	360	361.0	256.0	319.0	308.0	312.0	323.0	319.0	315.0	304.0
<u>Human Services</u>										
<u>Health and Human Services</u>										
Financial Assistance End of Year Caseload	6,165	6,674	7,792	7,744	7,238	6,407	7,984	9,341	8,955	9,650
Child Support Annual Disbursements	\$ 8,627,101	\$ 8,644,514	\$ 8,481,691	\$ 8,330,537	\$ 8,300,791	\$ 8,504,491	\$8,044,691	\$7,237,750	\$7,024,412	\$5,422,394
Open Child and Family Workgroups	335	730	730	770	1,032	991	837	812	825	828
Developmentally Disabled Clients	334	341	352	377	355	408	420	401	448	487
Crisis Program Clients Served	9,098	8,738	5,762	6,991	6,195	6,162	7,209	7,692	8,431	8,273
Detox Visits	163	166	167	146	115	74	92	77	61	181
Child Support End of Year Caseload	1,816	1,779	1,838	1,821	1,792	1,740	1,767	1,736	1,700	1,673
Children in Out-Of Home Placement	59	91	161	83	115	173	166	155	124	118
Child Care Assistance End of Year Caseload	128	131	141	143	138	169	113	146	187	193
Licensed Family Day Care Homes	155	144	139	128	118	114	104	102	101	93
Encore Adult Day Services Participants	48	54	58	54	53	62	43	25	40	15
DD Screening	212	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
MnChoices Assessments	N/A	451	585	1,133	1,103	1,191	1,191	1,262	1,394	1,393
Workforce Resource Center Average Daily Client Usage	69	58	52	51	38	47	5	4	16	8
Workforce Services Enrolled Clients	640	584	600	617	556	368	283	482	532	573
SmartLink Transit Passenger Trips	190,023	154,143	161,088	159,292	165,309	117,119	11,170	32,880	40,938	41,739
<u>Health</u>										
<u>Public Health</u>										
Information & Resources Calls	594	420	363	501	527	419	247	236	807	603
Children 0-3 Enrolled in Follow Along Program	1,241	1,170	846	946	566	531	523	616	662	287
MRC Volunteers Registered	120	120	112	113	97	114	20	34	164	188

**CARVER COUNTY
CHASKA, MINNESOTA**

**OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(Continued)**

<u>Function/program</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
<u>Culture & Recreation</u>										
Library										
Library Visits	551,358	535,064	525,656	505,807	482,482	533,596	121,465	182,719	277,409	296,165
Library Circulation	1,059,994	1,064,549	1,018,472	993,786	997,988	1,084,590	679,654	925,539	1,062,652	1,321,289
Number of Materials	255,474	279,462	273,183	267,642	367,427	235,381	234,281	229,646	232,568	238,750
Queries for Information	56,186	57,954	59,954	48,672	74,709	89,648	25,475	40,534	40,869	42,432
Public Service Hours	13,303	14,994	15,348	15,185	17,542	17,542	7,165	13,981	13,248	13,108
Attendance of Library Hosted Programs	29,042	34,650	35,028	32,145	35,084	39,949	29,179	32,872	48,730	60,393
Park										
Park & Trail User Visits (annual use)	675,120	686,240	583,000	710,000	750,000	791,300	Not Available	Not Available	Not Available	Not Available
Historical Society										
Attendance of Programs hosted in Schools	4,373	4,038	3,675	4,018	5,597	4,409	1,534	2,015	2,227	1,974
Attendance of Programs hosted in Museum	1,592	1,193	1,035	787	456	1,758	140	496	231	1,499
Attendance of Programs hosted in Library	648	1,067	1,035	643	1,842	2,410	397	822	1,035	957
Attendance of Programs - other	4,869	2,995	3,367	3,746	2,816	2,759	651	2,722	3,253	4,086
<u>Conservation of Natural Resources</u>										
Land & Water Services										
Environmental Center Visits	27,423	33,641	35,000	40,146	34,659	28,424	24,482	29,659	33,155	35,511
Appliances Recycled (in units)	2,952	3,111	3,811	3,975	3,855	4,036	4,431	4,112	4,456	4,843
Tons of Tires Recycled	37	30	44	39	39	37	38	31	27	25
Tons of Electronics Recycled	292	292	350	308	254	219	211	198	166	171
Tons of Household Hazardous Waste Recycled	215	228	380	332	262	251	276	311	296	304
Building Permits Issued	557	635	615	652	565	668	639	873	789	698
New & Replacement On-site Sewer Systems	95	107	70	100	156	78	99	91	84	89
Hazardous Waste Generators Licensed/Re-licensed	300	304	340	307	298	298	294	296	293	290
Planning Commission/Board of Adjustment Actions	42	60	58	55	26	45	54	54	42	43
Minor Subdivisions	31	43	22	69	57	59	39	47	36	61
Zoning Permits Issued	167	120	159	263	292	216	183	111	148	100
Wetland Conservation Act Contacts	266	137	223	244	231	239	261	262	255	275
Number of Water Projects Approved	65	109	49	56	69	58	59	81	115	115
Number of Feedlot Inspections	71	49	17	19	20	22	18	47	48	57

Note: (1) Square feet of Building Space does not include leased space. (2) Electronic documents started being received in 2015, and began being broken out from total real estate documents processed in 2016. (3) due to COVID-19 a lot of the 2020 numbers related to services are significantly different than prior year averages.

Data Sources:

Various County Departments

**CARVER COUNTY
CHASKA, MINNESOTA**

**CAPITAL ASSET AND INFRASTRUCTURE STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

<u>Function/program</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
General Government										
Government Center	1	1	1	1	1	1	1	1	1	1
Public Safety										
Justice Center	1	1	1	1	1	1	1	1	1	1
Patrol Units	40	40	42	42	69	70	70	73	75	75
Emergency management vehicles	1	2	2	2	2	2	2	2	2	2
Highways & Streets										
Mileage:										
County State Aid Highway (CSAH)	229	223	230	233	233	229	232	232	232	229
County Road	55	50	44	44	44	50	44	44	44	42
Bridges (total)	24	24	24	25	25	25	25	25	24	24
Traffic signals	30	27	27	29	29	29	29	29	29	29
Culverts	32	32	32	35	35	35	35	35	46	46
Culture and Recreation										
Parks acreage	899	894	894	894	894	894	894	894	928	928
County parks	1	1	1	1	1	1	1	1	1	1
Regional parks & trails	6	6	6	6	6	6	6	7	7	7
Playground structures	4	4	4	4	4	3	3	3	3	3
Buildings/shelters	21	21	21	21	20	18	18	18	18	18
Fairgrounds	1	1	1	1	1	1	1	1	1	1
Libraries	5	6	6	6	6	6	6	6	6	6
Conservation of Natural Resources										
Environmental Resource Facility	1	1	1	1	1	1	1	1	1	1

Note: Starting in 2009, Carver County and Scott County partnered together to create Smartlink Transit. Human Services no longer maintains the transportation buses.

Data Sources:

Various County Divisions