



(Lake Waconia Regional Park - Paradise Commons Building)

Carver County, Minnesota Popular Annual Financial Report

For the Fiscal Year Ended December 31, 2023
Prepared by the Carver County Finance Department



(CSAH 41 Bridge Project)



(Evening with Bugs program - WMO and MN Arboretum Partnership)



**CARVER
COUNTY**

CHASKA, MINNESOTA

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

TABLE OF CONTENTS

<u>Introduction</u>	<u>Page</u>
Residents Encouraged to Review County Finances.....	1
Quick Facts on Carver County.....	1
Carver County Leadership (Board of Commissioners and elected officials).....	1
 Government Structure	
Divisions, Directors, and Services Provided.....	2
County Organizational Flow Chart.....	3
 Financial Section	
Budget Comparison.....	4
How Tax Dollars Are Used.....	4
Budget Impact on Average Value Home.....	5
Yearly Revenue and Expenditure Actuals.....	5
Statement of Net Position Highlights.....	6
Statement of Activities Highlights.....	7
 Carver County Year in Review	
Community Updates.....	8-9
 Conclusion	
About the Popular Annual Financial Report (PAFR).....	10
County Contact Information.....	10



(Government Center lit in honor of the 4th of July)

Residents encouraged to review County finances

This publication is an attempt to explain County finances and show how tax dollars are put to use. Most of the financial information in this report is taken from the County's 2023 Annual Comprehensive Financial Report (ACFR), which provides more detailed and complete financial information. The annual ACFR is prepared in conformance with Generally Accepted Accounting Principles (GAAP) and is audited by independent auditors. It received an unmodified or "clean" opinion. The ACFR includes information on the Carver County Community Development Agency (CDA), a discretely presented component unit. This document does not include information on the CDA or agency funds. The Government Finance Officers Association (GFOA) has awarded Certificates of Achievement for Excellence in Financial Reporting to County ACFR's each year since 1996. This report is referred to as a Popular Annual Financial Report (PAFR) by the GFOA since it is designed to give the populace a more general, less technical, summary of county government and its financial condition. In addition to information from the ACFR, it includes condensed information from other County publications. Because this report is a summary, it does not conform to GAAP and reporting requirements for government entities and should not be used

as a substitute for the ACFR. This is the 14th year Carver County has produced this type of report. The County received an Award for Outstanding Achievement in Popular Annual Financial Reporting for the last 11 years, and is submitting this report for GFOA review. We encourage taxpayers to use these reports as a starting point for understanding Carver County finances and operations. Included in this report is an overview of the organizational structure, demographics, financial statements, and highlights of projects in 2023. The PAFR is produced for use primarily as an online resource. This publication, the ACFR, and other financial reports can be viewed on the County website at <https://www.carvercountymn.gov/departments/property-finance/finance/popular-annual-financial-report>. If you have questions, or would like a printed copy of this report or the ACFR sent to you, please call me at 952-361-1506 or e-mail dfrischmon@carvercountymn.gov



David Frischmon



Pictured above on the left, from left to right, are the Carver County Commissioners: Tom Workman-Chair, John P. Fahey, Matt Udermann, Tim Lynch, and Gayle Degler-Vice Chair. Pictured on the top right is Carver County Sheriff, Jason Kamerud. Pictured on the bottom right is Carver County Attorney, Mark Metz.

Carver County leaders committed to transparency in government

Carver County is governed by the Carver County Board of Commissioners who represent the five districts in the county. The Board and the County's two other elected officials, the County Sheriff and the County Attorney, are committed to making information on County finances and programs available to the public. More information on Carver County is available on its website, www.co.carver.mn.us.

Quick Facts on Carver County	
County Established	1855
Land Area (square miles)	357
2023 Population Estimate	111,057
County Population Rank (of 87)	11th
Percent of Population over 65, 2022 est	14.7
Percent of Population under 18, 2022 est	24.3
2040 Population Estimate	161,440
Households, 2022 est	40,373
Persons Per Household, 2022 est	2.70
Median Age, 2022 est	38.9
Median Household Income, 2022 est	\$ 116,158
Median Housing Value, 2022 est	\$ 410,400
Per Capita Personal Income, 2022 est	\$ 87,095
Percent Living in Poverty, 2022 est	4.8%
Total Labor Force, 2022 projection	86,852
Unemployment Rate, 2023	2.4%
Major Employers Estimated No. Employees	
I.S.D. No. 112 (Eastern Carver County)	2,056
Ridgeview Medical Center	1,500
Emerson Process Management	1,201
Storm Aviation	1,001
IWCO Direct.	1,000
References:	
- census.gov (QuickFacts)	
- bea.gov (BEARFACTS)	
- mn.gov/deed (Regional Labor Market Information)	
- metrocouncil.org	
- Ehlers, Inc	

County divisions, departments support a full range of services

Health and Human Services



Heather Goodwin is the director of the Health and Human Services Division. This division provides a wide variety of social services and public health services and supports to children and families, vulnerable adults, and individuals who are disabled, mentally ill, or medically compromised. The staff provides assessments and assists with applications for state and federal programs, makes referrals for community resources, and provides direct services related to local programs.

Public Services



Nick Koktavy is the director of the Public Services Division. This division provides library, environment, land management, planning, water management, technology, and veteran services for the County. Internally, it provides administrative, communications, facility, planning, and technological support for the County's operations. This division maintains a working relationship with the Historical Society, the Soil and Water Conservation District, and the Community Development Agency, which is a separate tax levy authority.

Public Works Division



Lyndon Robjent is the director of the Public Works Division. This division administers all functions associated with the County highway and County parks systems. This division also maintains a functional working relationship with the Carver County Regional Rail Authority, a separate tax levy authority that oversees designated rail transportation corridors in the County.

Employee Relations



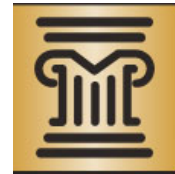
Kerie Anderka is the director of the Employee Relations Division. This division provides a full range of personnel services including personnel administration, staffing classification and compensation, staff benefits, labor relations, training and development, risk management and safety, and employee health and wellness.

Property and Financial Services



Dave Frischmon is the director of the Property and Finance Division. This division is responsible for all phases of County budget planning, preparation and monitoring, and long-term financial planning, and it is responsible for a wide range of services related to taxation, land records, property assessment, elections, ditches and the operation of two license/service centers. This division performs accounting and payroll services, financial management, capital improvement planning, debt financing, fixed asset inventory, independent audit assistance, grant reporting contract management, and cash and investment management.

First Judicial Court



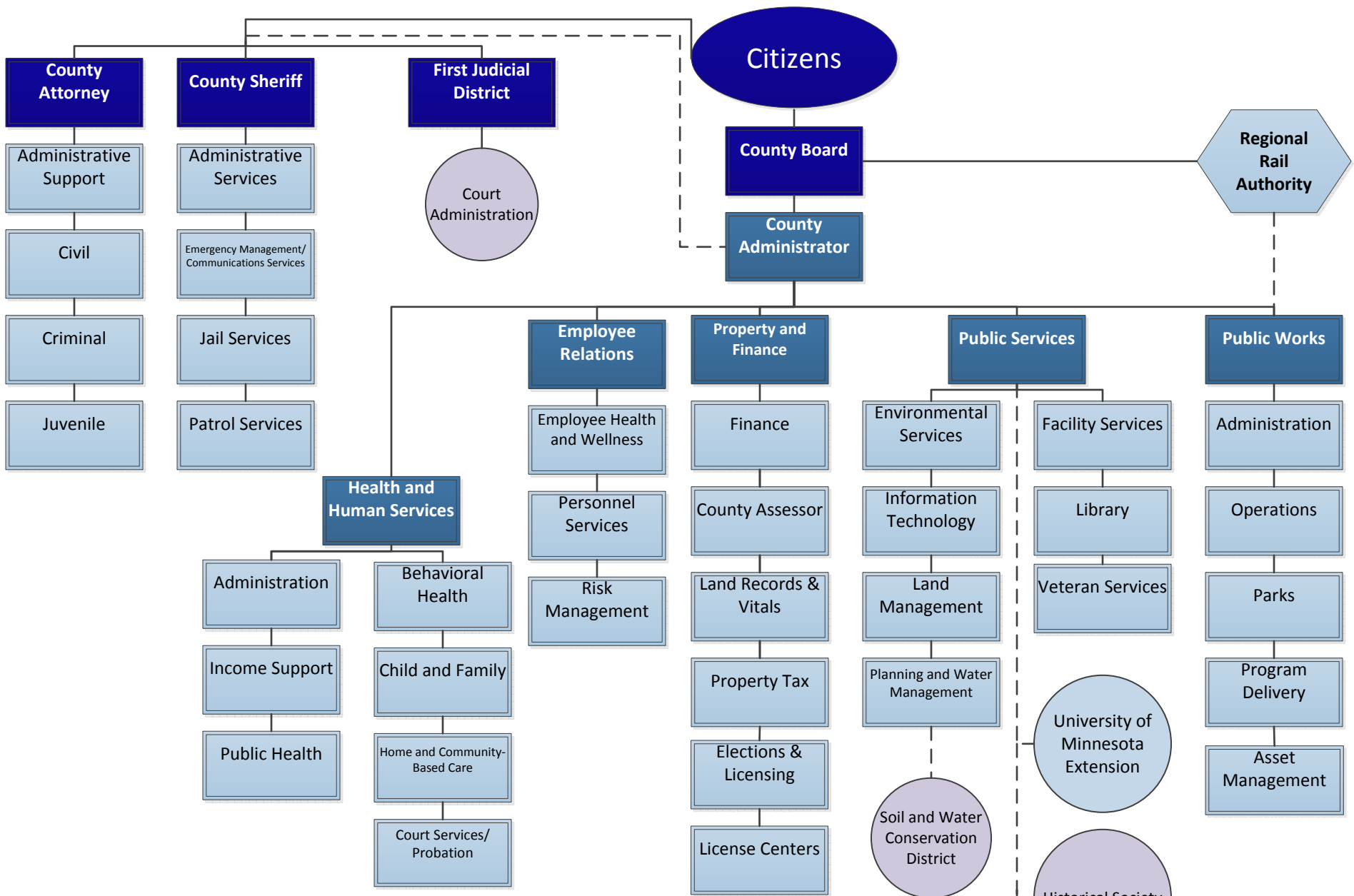
Judges Janet L. Barke Cain, Martin S. S. Fallon, Eric J. Braaten, and Michael D. Wentzell have been elected to serve as judges for the First Judicial Court. The District Court processes filings for civil, criminal, traffic, family, probate and juvenile matters. Court Administrator Mary Dalbec oversees Court Administration under the First Judicial Court. Eric Johnson serves as the director of Court Services (Probation), a community-based corrections agency that serves under the authority of Minnesota Statute 244 and the First Judicial District.

County Administrator



David Hemze is the head of County responsible for the management of County affairs. His division implements the directives, resolutions, ordinances, and policies of the County board.





Legend:

- Elected Officials:** Dark blue rectangle
- Divisions:** Medium blue rectangle
- Departments:** Light blue rectangle
- 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

Improving, but Continually Challenging Economic Times...

With the improving, but continually challenging economic times being experienced both globally and locally in Carver County; the 2023 budget responds to those challenges by making smart financial decisions. That ultimately results in a continued stable level of service for citizens. Financial planning policies and practices for Carver County are designed to maintain the County's commitment to a balanced budget: Every dollar budgeted to be spent during the fiscal year must be paired with an offsetting dollar of funding.

The 2023 Budget approved by the Board of Commissioners in December of 2022 called for total expenditures of \$135,788,087 balanced by an equal amount of revenue plus capital reserves. The **3 Year Budget Comparison** table compares the revenue and expenditure amounts for 2023, 2022 and 2021. The 2023 budget is a decrease of approximately \$7 million from the 2022 Budget. The most significant change from last year took place in Street and Highway Construction expenses for road and bridge projects.

How tax dollars are used:

In 2023, owners of an average-valued home (a home valued at \$450,000) paid \$1,312 a year, or approximately \$109 a month, in County taxes.

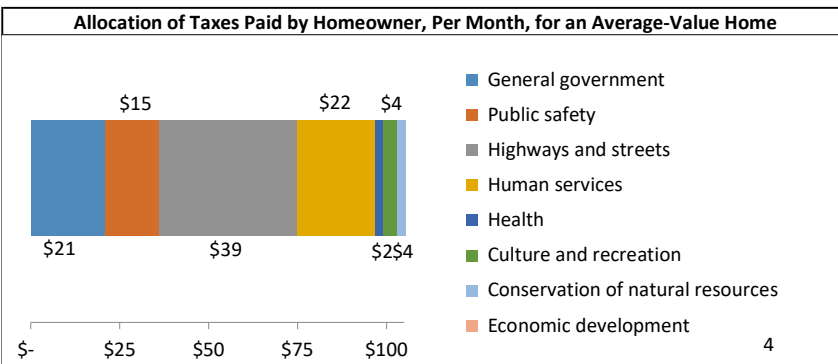
The **Allocation of Taxes Paid by Homeowner, Per Month, for an Average-Value Home** chart indicates the breakdown of how those taxes were allocated in 2023. The largest allocations are for Human Services, General Government, and Highway and Street functions.

Sampling of Your Tax Dollars at Work:

- Maintain 279 miles of roads, 60 bridge structures, 928 acres of public park areas
- Public Safety: patrol, jail, 9-1-1 center, courts & probation
- Human Services: Behavioral Health, Employment Services, Elderly/Disabled Transportation, Child Protection
- 6 city and 4 express libraries

3 Year Budget Comparison (2023, 2022 & 2021)

Revenue	2023 Budget	2022 Budget	2021 Budget
Tax Levy:			
County	\$ 65,582,355	\$ 62,524,355	\$ 60,424,355
Carver County Water Management Organization	953,564	895,758	869,328
Carver County Rail Authority	201,000	201,000	175,000
Special Assessments and Other Taxes & Penalties	11,126,513	12,306,235	16,005,430
Licenses and Permits	1,766,154	1,635,656	1,441,810
Intergovernmental	34,500,549	43,680,291	79,382,540
Charges for Services	15,812,010	15,614,692	15,057,505
Fines and Forfeits	239,486	223,286	218,286
Interest on Investments	1,568,792	1,568,792	1,537,447
Miscellaneous	3,712,605	3,597,731	3,454,247
Total Revenues	\$ 135,463,028	\$ 142,247,796	\$ 178,565,948
Expenses			
General Government	\$ 27,984,392	\$ 26,494,246	\$ 25,342,921
Public Safety	25,534,763	22,692,761	22,431,024
Highway and Streets (excluding construction)	9,996,019	9,029,261	8,583,034
Human Services	31,656,774	31,466,392	29,294,468
Health	2,799,352	2,623,899	2,292,365
Culture and Recreation	6,359,992	6,282,047	5,814,602
Conservation of Natural Resources	4,841,919	4,860,713	4,553,868
Street and Highway Construction	18,002,483	29,072,617	70,573,211
Capital Outlay (includes buildings)	2,616,212	2,455,275	2,282,254
Debt Service- Principal	3,115,400	4,256,365	4,256,365
Interest and Fiscal Charges	593,597	775,835	775,835
Transfers Out	2,287,184	2,238,385	2,366,001
Total Expenses	\$ 135,788,087	\$ 142,247,796	\$ 178,565,948
Capital Reserves Used	325,059	-	-

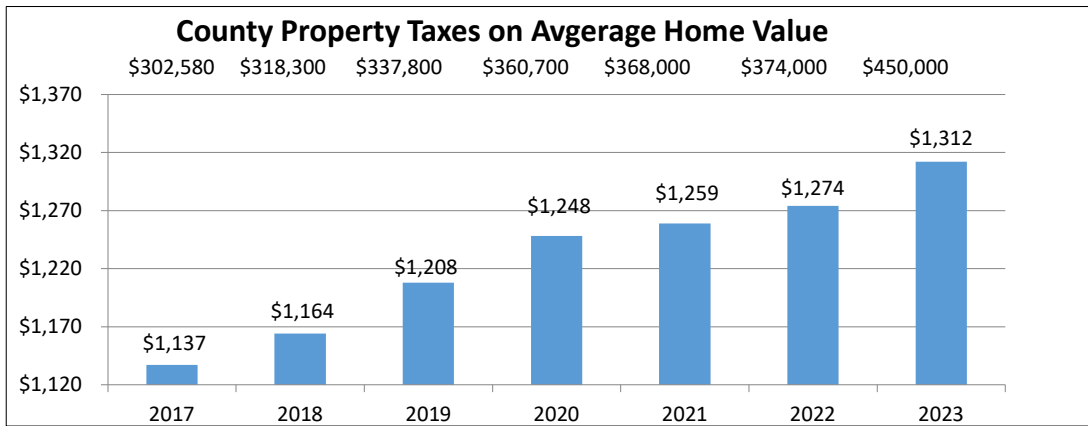


(Tails for Reading - Watertown Library)

Budget reflects strategy to reduce tax impact on homeowners

The 2023 property tax levy of \$66,537,919 set by the County Board is an increase of \$3,115,806 (4.91%) from the 2022 levy. The levy increase captured the new construction tax base, as well as an inflationary increase.

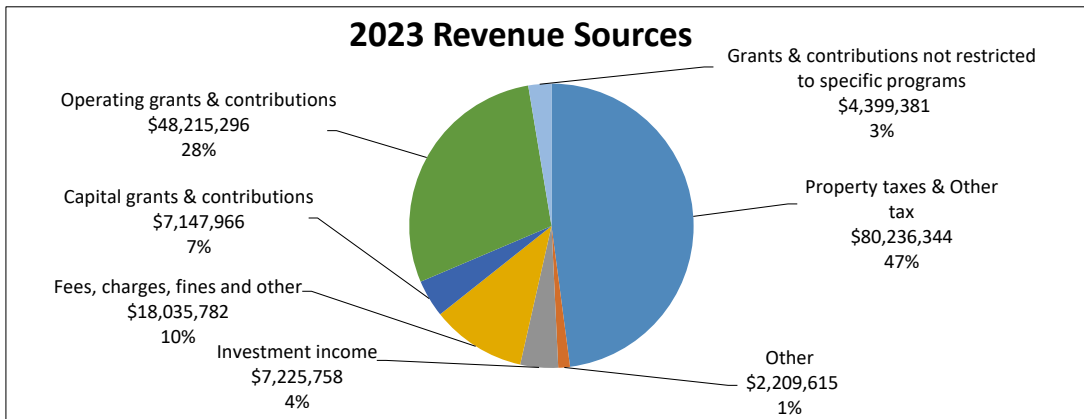
The 2023 Adopted Budget reinforced the Board's ongoing strategy to minimize the tax impact on the average-value home. The County Property Taxes on Average Home Value chart shows how the County's portion of the property tax bill on an average-value home has remained minimal since 2016. It also shows how the average-home value has increased since 2016 to a value of \$450,000.



2023 Actual Revenue Sources: The Certified Property Tax Levy is the primary funding source for the County budget, and the source of revenue over which the County has the most control.

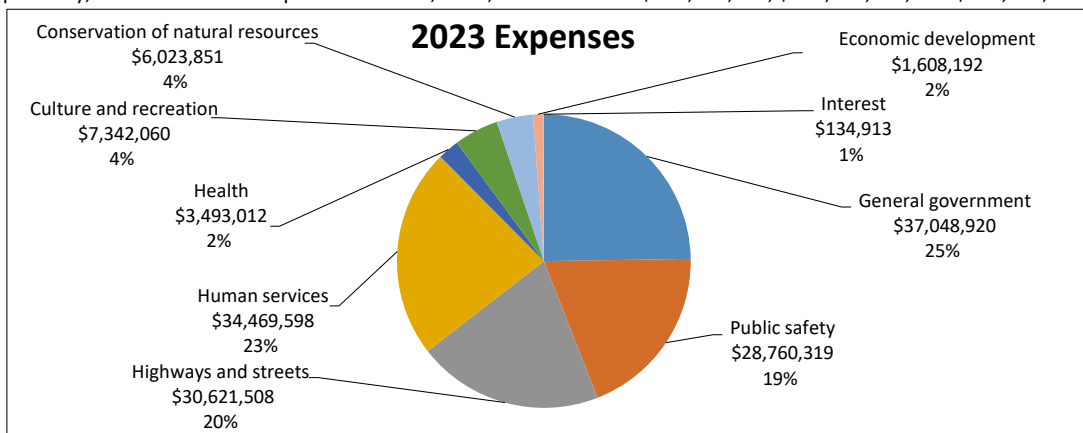
The preliminary levy for the following year is set by the County Board in September, and the levy is adopted in December. Once established, the property tax levy cannot be increased during the year. The County's annual budget includes the amount of property taxes levied for the year and estimated penalty fees.

In 2023, a combination of property taxes and special assessments comprised 48% of all revenue sources, as shown in the 2023 Revenue Sources chart. Total revenues for 2023, 2022, and 2021 were \$167,470,142, \$153,467,655, and \$175,105,350 respectively.



2023 Actual Expenses: The County classifies expenses by function for General Government, Public Safety, Highways and Streets, Human Services, Health, Culture and Recreation, Conservation of Natural Resources, Economic Development, and Interest.

As the 2023 Expenses chart indicates, Highways and streets, Human services, and General government had the largest percentage of expenses in 2023, comprising 20%, 23%, and 25%, respectively, of the total. Total expenses for 2023, 2022, and 2021 were \$149,502,373, \$147,300,292, and \$151,658,935 respectively.



Statements reflect County's net position, financial activity, total debt

The County's Statement of Net Position offers a summary of what the County owns (assets) and owes (liabilities) to provide a snapshot of the financial health of the County in any given year. As in past years, the assets of Carver County have exceeded its liabilities at the close of the most recent fiscal year. The following is a summary of the County's Statement of Net Position. It can be found in much more detail in the 2023 Annual Comprehensive Financial Report (ACFR).

2023		2022		2021	
Assets	\$ 535,665,111	Assets	\$ 515,026,109	Assets	\$ 494,726,360
Deferred Outflows of Resources*	27,888,694	Deferred Outflows of Resources*	37,208,613	Deferred Outflows of Resources*	28,869,942
Liabilities	(89,777,909)	Liabilities	(125,682,361)	Liabilities	(69,254,863)
Deferred Inflows of Resources*	<u>(36,539,166)</u>	Deferred Inflows of Resources*	<u>(7,283,400)</u>	Deferred Inflows of Resources*	<u>(41,239,841)</u>
Net Position	<u>\$ 437,236,730</u>	Net Position	<u>\$ 419,268,961</u>	Net Position	<u>\$ 413,101,598</u>

The largest portion of the County's net position (77% or \$336,738,725 in 2023) reflects the County's net investment in capital assets (i.e. infrastructure, land, buildings, machinery, equipment, leases, and subscriptions) less any related debt used to acquire those assets that is still outstanding. Approximately 10.7% of Carver County's net position (\$46,965,579) represents resources that are subject to external restrictions on how they may be used. These restrictions are imposed by grantors, contributors, laws, and governmental regulations and restrictions. Approximately 12.2% of the remaining balance of net position (\$53,532,426 unrestricted) may be used to meet the government's ongoing obligations to citizens and creditors. The increase in net position from the prior year is mainly attributed to the increase in capital assets and increased program revenues. The County's Statement of Activities reflects all of the financial activity for the County during the fiscal year. It presents information to show how the County's net position changed during the year as a result of the financial activity (i.e. revenues and expenditures). This is a summarized version of the more detailed Statement of Activity found in the County's 2023 ACFR.

2023		2022		2021	
Net Position, beginning of year	\$ 419,268,961	Net Position, beginning of year	\$ 413,101,598	Net Position, beginning of year	\$ 389,655,183
Revenues	167,470,142	Revenues	153,467,655	Revenues	175,105,350
Expenditures	<u>(149,502,373)</u>	Expenditures	<u>(147,300,292)</u>	Expenditures	<u>(151,658,935)</u>
Net Position, end of year	437,236,730	Net Position, end of year	419,268,961	Net Position, end of year	413,101,598
Change in Net Position	<u>\$ 17,967,769</u>	Change in Net Position	<u>\$ 6,167,363</u>	Change in Net Position	<u>\$ 23,446,415</u>

County revenues increased in 2023 mainly from an increase in operating grants and contributions for highways and streets. The County's total net position increased by \$17,967,769 from the end of Fiscal Year 2022 to the end of Fiscal Year 2023. This increase was primarily the result of an increase in taxes. The continued increase in overall net position year after year is a good indicator that the County is continuing to improve financially.

2023		2022		2021	
General Obligation Bonds	\$ 7,167,493	General Obligation Bonds	\$ 9,307,644	General Obligation Bonds	\$ 8,809,578
General Obligation Notes Payable	7,534,000	General Obligation Notes Payable	8,568,000	General Obligation Notes Payable	9,592,000
Subscriptions	1,812,909	Subscriptions	-	Subscriptions	-
Leases	148,426	Leases	25,851	Leases	-
Loans	<u>795,738</u>	Loans	<u>754,692</u>	Loans	<u>729,100</u>
Total	<u>\$ 17,458,566</u>	Total	<u>\$ 18,656,187</u>	Total	<u>\$ 19,130,678</u>

As this summary of outstanding debt illustrates, the County's total debt decreased by \$1,197,621 during the 2023 fiscal year, which is about a 6.42% change from the prior year. The General Obligation (GO) Bond category and General Obligation Notes Payable decrease relates to regularly scheduled note payments. The leases and subscriptions are agreements now presented within the ACFR under GASB Statements No. 87 and 96. The 2023 ACFR offers more detailed information on outstanding debt.

*Deferred outflows/inflows of resources represent a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditure), or an inflow or resources (revenue), until that time.

Statements reflect County's net position, financial activity, total debt (continued)

Comparative Revenue Sources

2023		2022		2021	
Property taxes & other tax	\$80,129,289	Property taxes & other tax	\$78,980,504	Property taxes & other tax	\$73,934,090
Operating grants & contributions	48,215,296	Operating grants & contributions	38,601,701	Operating grants & contributions	64,845,628
Fees, charges, fines, and other	18,035,782	Fees, charges, fines, and other	17,292,671	Fees, charges, fines, and other	17,133,878
Capital grants & contributions	7,147,966	Capital grants & contributions	16,904,999	Capital grants & contributions	14,217,750
Grants & contributions not restricted to a specific program	4,399,381	Grants & contributions not restricted to a specific program	4,624,308	Grants & contributions not restricted to a specific program	4,253,225
Payment in lieu of taxes	107,055	Payment in lieu of taxes	223,177	Payment in lieu of taxes	211,580
Investment income	7,225,758	Investment income	(5,021,141)	Investment income	(595,953)
Other	2,209,615	Other	1,861,436	Other	1,105,152
Total	<u>\$ 167,470,142</u>	Total	<u>\$ 153,467,655</u>	Total	<u>\$ 175,105,350</u>

County revenues and expenses increased by \$14,002,487 and \$2,202,081 respectively, during the year. The overall increase to revenue can mostly be attributed to increases in operating grants and contributions. Favorable rates increased investment income substantially in 2023 as well. Expenses within the County increased mainly due to the spend down of Coronavirus State and Local Recover Funds.

Comparative Expense Functions (Includes Indirect Expense Allocation)

2023		2022		2021	
General government	\$28,656,268	General government	\$21,830,906	General government	\$19,416,842
Public Safety	31,419,194	Public Safety	31,996,774	Public Safety	22,698,971
Highways and streets	31,523,216	Highways and streets	38,895,938	Highways and streets	55,631,990
Human services	37,890,371	Human services	36,162,247	Human services	33,548,478
Health	3,777,913	Health	3,793,001	Health	3,352,580
Culture and recreation	8,117,468	Culture and recreation	7,653,882	Culture and recreation	6,710,354
Conservation of natural resources	6,374,838	Conservation of natural resources	6,301,247	Conservation of natural resources	5,346,043
Economic development	1,608,192	Economic development	500,000	Economic development	4,736,749
Interest	134,913	Interest	166,297	Interest	216,928
Total	<u>\$ 149,502,373</u>	Total	<u>\$ 147,300,292</u>	Total	<u>\$ 151,658,935</u>



(CSAH 41 Bridge Project)

Community Updates

Financial Health

The financial health of the County received high rankings in 2023. The County's "AAA" bond rating was affirmed by Standard & Poor's (S&P) Global Ratings – good news for taxpayers in terms of getting the best interest rates for County construction projects and overall costs of borrowing.

Road and Bridge Projects

The County began a few projects in 2023. Highway 41 Project in Downtown Chaska - Included TH 41 from MN River Bridge to Walnut Street and CSAH 61 from TH 41 to Yellow Brick Road. The 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 summer of 2024.

The County is also working on various other construction projects in various stages.

Parks Projects

The County finished the new Lake Waconia Regional Park Waterfront Service Center that will include event space, concessions, restrooms as well as a beach path and new launch.

Library Operations

Planning continues for construction of a new Library in the City of Chaska, scheduled for 2024. The county has set aside \$532,358 in 2023 for partial funding of the shelves and books.

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.

Environmental Services Thrives

Normal operations for the County include hosted special waste collection events and throughout the year collected 171 tons of electronics and 304 tons of hazardous household waste. The Carver County Environmental Services Department operates a variety of programs at the facility. Due to continued County growth, planning is underway in 2023 for the future of the Environmental Center and how to continue to grow programs.



(Waconia Library Storytime)

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 year end.



8 (Connect Up Carver Rural Fiber Build Kick Off Event)

Elections Department Excellence

MN counties perform a post - election audit of election results returned by the optical scan ballot counters used in state general elections. The review is a hand count of the ballots for each eligible election in the precinct compared with the results from the voting system used in the precinct. The percentage of Accuracy for 2022 was 100%. The Elections & Licensing Department also held an innovation event with facilities and IT staff to plan and schedule the 2024 election cycle while processing a record number of passport applications in 2023.

Veteran Services

The most significant highlight of 2023 was bringing in a new Veteran Service Officer. Since this hire, the office has started an active Campaign to seek out our veteran population that is unaware of our location or services. With a fully staffed office, the County was able to increase interactions by nearly 25% in 2023 to 4,784 interactions. The Veteran Transportation Program is an important resource for Carver County veterans. The VS team was able to assist 591 riders. This is an increase from the 564 riders in 2022.



Government Finance Officers Association

Award for Outstanding Achievement in Popular Annual Financial Reporting

Presented to

**Carver County
Minnesota**

For its Annual Financial Report
For the Fiscal Year Ended

December 31, 2022

Christopher P. Morill

Executive Director/CEO



(K9's Ringo & Gus posing as part of the K9 Midwest Grant Program)

Sheriff and Court Services (Probation)

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. Carver County was also awarded a federal grant through the Department of Justice for reducing risk for girls in the justice system. The award is for \$379,495 over three years to administer the program.

GFOA Award given for Popular Annual Financial Report

The Government Finance Officers Association of the United States and Canada (GFOA) has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to Carver County for its Popular Annual Financial Report for the fiscal year ended December 31, 2022. The December 31, 2023 report has been submitted for review. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports.

In order to receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a government unit must publish a Popular Annual Financial Report in which the contents conform to program standards of creativity, presentation, understandability, and reader appeal. An Award for Outstanding Achievement in Popular Annual Financial Reporting is valid for a period of one year only. Financial Services staff believe the current report continues to conform to the Popular Annual Financial Reporting requirements and is submitting it to GFOA for review.

About the Popular Annual Financial Report (PAFR)

This type of community report is referred to as a Popular Annual Financial Report (PAFR) since it is designed to give the populace a general, less technical summary of county government and its financial condition. This report was produced in June 2024 for the fiscal year ended December 31, 2023.

This PAFR was produced by Carver County using in-house resources. A limited number of copies have been printed on recycled paper and are available at the Carver County Government Center.

Taxpayers are encouraged to view the online edition of this report by visiting the Financial Services Department on the Carver County website www.carvercountymn.gov

Carver County is an equal opportunity employer. Our staff welcomes your questions and comments. Please call the Finance Department at 952-361-1506 if you would like more information or have questions.



(Patrons enjoying The Bazillions event at the Victoria Library)

Carver County Financial Documents On The Web

<https://www.carvercountymn.gov/departments/property-finance/finance>