

# **Annual Comprehensive Financial Report**



For the year ended  
December 31, 2021

**Washington County Community  
Development Agency**

a component unit of  
Washington County, Minnesota

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**WASHINGTON COUNTY  
COMMUNITY DEVELOPMENT  
AGENCY**  
A component unit of  
Washington County, Minnesota

**ANNUAL COMPREHENSIVE FINANCIAL REPORT**

**For the Year Ended  
December 31, 2021**

**Prepared by:  
Finance Department**

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## **I. INTRODUCTORY SECTION**

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**WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY**

**PRINCIPAL OFFICIALS**

December 31, 2021

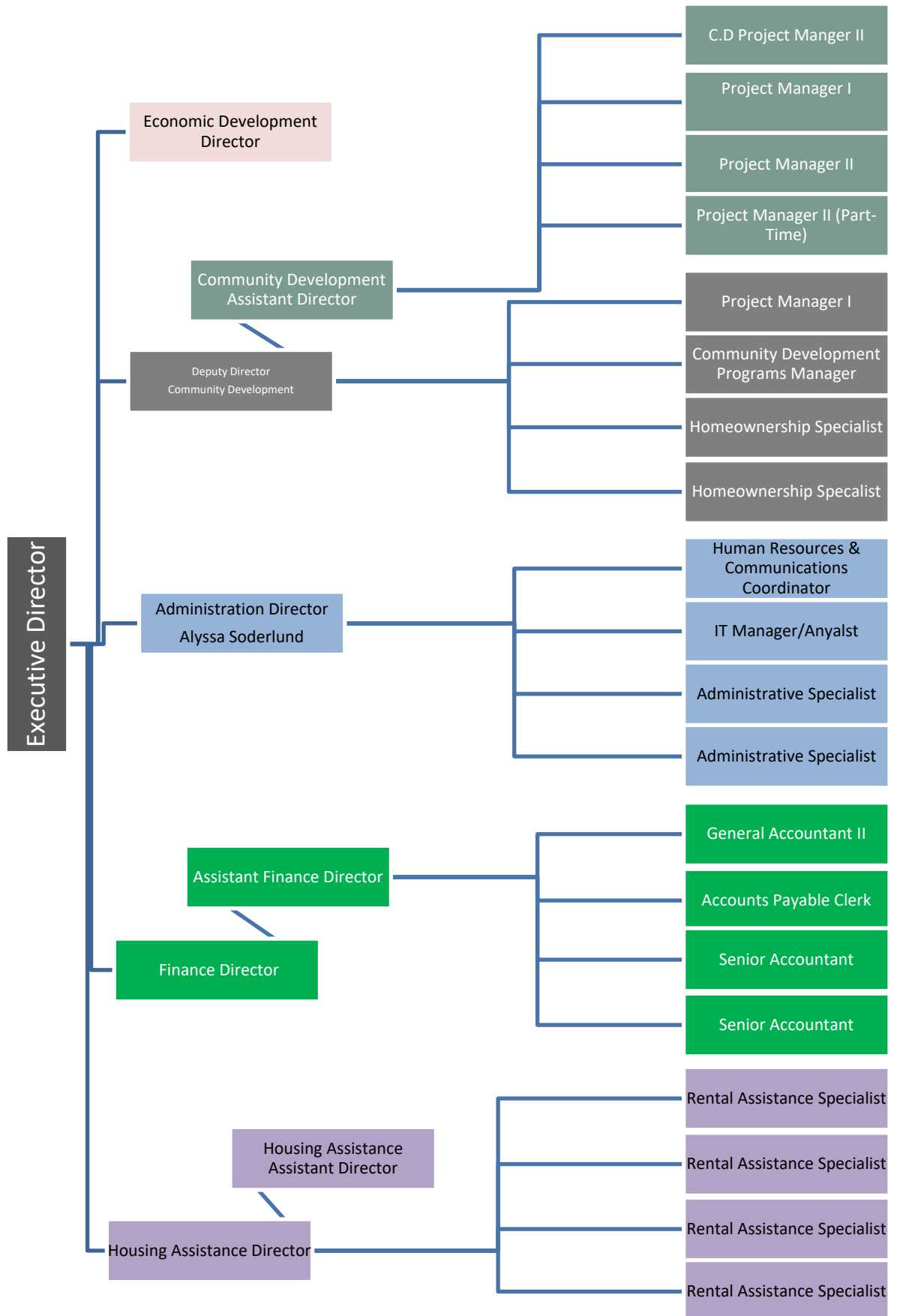
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**BOARD OF COMMISSIONERS**

| <u>District</u>              | <u>Board Member</u> | <u>Term Expires</u> |
|------------------------------|---------------------|---------------------|
| District 1                   | John Belisle        | December 31, 2023   |
| District 2                   | Roger Green         | December 31, 2023   |
| District 3                   | Margaret Larsen     | December 31, 2022   |
| District 4                   | Daniel Dingle       | December 31, 2021   |
| District 5                   | Temmy Olasimbo      | December 31, 2022   |
| Resident At-Large            | Steve Ryan          | December 31, 2022   |
| County Commissioner At-Large | Fran Miron          | No Term             |

**Executive Director**  
Melissa Taphorn

# Washington County CDA Organization Chart



May 10, 2022

Honorable Chair and Commissioners  
Washington County Community Development Agency  
7645 Currell Boulevard  
Woodbury, Minnesota 55125

The Annual Comprehensive Financial Report (Annual Report) for the Washington County Community Development Agency (CDA) is hereby submitted for the fiscal year ended December 31, 2021. This report is consistent with legal State and Federal reporting requirements. In addition to meeting legal requirements, this report is intended to present a comprehensive summary of significant financial data to meet the needs of citizens, taxpayers, employees, financial institutions, intergovernmental agencies, creditors, partners and the CDA Board of Commissioners.

This report consists of management's representations concerning the finances of the CDA. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of the CDA has established a comprehensive internal control framework that is designated both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the CDA's financial statements in accordance with accounting principles generally accepted in the United States of America. Because the cost of internal controls should not outweigh their benefits, the CDA's comprehensive framework of internal controls has been designed to provide reasonable assurance rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The CDA's financial statements have been audited by Redpath and Company, LTD., a licensed certified public accounting firm. The goal of the independent audit was to provide reasonable assurance that the financial statements of the CDA for the fiscal year ended December 31, 2021, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based on the audit, that there was a reasonable basis for rendering an unmodified opinion that the CDA's financial statements for the year ended December 31, 2021, are fairly presented in conformity with Generally Accepted Accounting Principles (GAAP). The independent auditor's report is presented as the first component of the financial section of this report.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it.

The independent audit of the financial statements of the CDA was part of a broader, federally mandated "Single Audit" performed in conformity with the provisions of the Single Audit Act, and requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards, and the auditor's reports on internal control and compliance with applicable laws and regulations, are available at the end of the Annual Report.

## **Profile of the Government**

The CDA was established as the Washington County Housing and Redevelopment Authority (HRA) in 1981 pursuant to special Minnesota legislation. The CDA is a special-purpose unit of local government with the express purpose of promoting community and economic development and providing affordable, safe, and decent housing for residents of Washington County, Minnesota. Located east of Minneapolis and St. Paul, the County currently has an area of 423 square miles and includes 7 full and fractional townships, and 26 incorporated municipalities. The 2020 population of the County was 267,568. It is one of seven counties comprising the Twin Cities metropolitan area.

The CDA operates under a seven-member Board of Commissioners, which are appointed by the Washington County Board of Commissioners. Five of the seven Commissioners represent a district that matches the boundaries of the County Commissioner districts. One Commissioner is an "At-Large" position and the remaining Commissioner is a "Public Assistance Commissioner" (or sometimes referred to as a Resident Commissioner), a position which fulfills requirements of the U.S. Department of Housing and Urban Development (HUD). Once appointed, the CDA's Board of Commissioners exercises all oversight responsibilities including but not limited to matters of personnel, management, finance, and budget. The Board also is responsible for the hiring of the CDA's Executive Director. The Executive Director is responsible to oversee the planning, direction and implementation of all programs and policies of the CDA.

The CDA is considered a discretely presented component unit of Washington County, Minnesota, as the Washington County Board of Commissioners appoints the CDA's Board of Commissioners and Washington County has a potential obligation relating to certain housing development bonds issued by the CDA. Most bonds carry a general obligation pledge of the County, which enables the CDA to obtain lower borrowing costs for the purpose of financing affordable senior and family housing within the County. The bonds are also secured by the pooled rent receipts of the properties, certain other revenues

and funds held with the bond trustee, and the CDA's Special Benefit Levy, which collectively are considered sufficient to meet all current and future CDA debt service obligations.

Various potential component units were evaluated to determine whether they should be reported in the CDA's financial report. A component unit was considered part of the CDA's reporting entity when it was concluded that the CDA was financially accountable for the entity or the nature and significance of the relationship between the CDA and the entity was such that exclusion would cause the CDA's financial statements to be misleading or incomplete. The CDA has six blended component units, including, Briar Pond, LLC, The Groves Managing Member, LLC, WCHRA Piccadilly Square, LLC, WCCDA Glen, LLC, and WCCDA Family Housing, LLC. In each instance the CDA is the sole member of the LLC and the CDA's Board of Commissioners is also the Board of Governors for each respective LLC. The CDA is also the general partner and managing member of in three limited partnerships that were created to construct and operate family and senior housing developments. These partnerships are presented as discretely presented component units. Separate financial statements for these discretely presented component units can be obtained by contacting the Finance Director of the Washington County Community Development Agency, 7645 Currell Boulevard, Woodbury, Minnesota 55125.

### **Budgetary Controls**

The objective of budgetary controls maintained by the CDA is to ensure compliance with the budgets approved by the Board of Commissioners. Activities of the general fund, special revenue funds, and the enterprise funds are included in the CDA's annual budgeting process. The annual budgets are prepared based on these funds. These annual budgets are proposed by the Executive Director and submitted to the Board of Commissioners for approval. The budgets can be amended during the year. The Executive Director is authorized to make certain amendments within or between departments and programs. All other amendments require approval from the CDA's Board of Commissioners. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the fund level.

### **Factors Affecting Financial Condition**

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the CDA operates. Unlike some housing agencies, the CDA is not solely dependent on any one source of revenue. The CDA enjoys a balance of resources that include the revenues from its housing portfolio, the Special Benefit Levy, and the funds it receives from the federal and state government for various housing programs and activities. The CDA has structured its operations to provide the necessary precautions to buffer against a changing economic and government finance environment. The CDA is also undertaking the necessary steps to accomplish its major initiatives to facilitate additional affordable housing and community development projects in the County.

Enterprise Fund. As of December 31, 2021, the CDA owns and operates 377 units of senior housing and 637 units of family housing. The Enterprise Fund is the engine by which the CDA operates. About 30% of the CDA's annual revenue came from the CDA's property portfolio in 2021.

While most housing authorities around the country receive most of their funds from the federal government, this is not the case with the CDA. The CDA was able to finance the creation of its affordable senior and family housing portfolio by obtaining lower interest rates on tax exempt governmental housing bonds with the County's general obligation pledge as a credit enhancement tool. The CDA has also made good use of other state and regional resources to keep initial development costs down, which also helped to reduce monthly rents. About 67% of the CDA's property portfolio is financed with tax-exempt bonds; 25% are financed with federal grant funds or loans; and 8% are fully owned by the CDA.

It is critical that the CDA maintain the properties in good condition and manage the properties with good customer service and sound operating principles. The CDA annually adopts a capital improvement plan and updates a five-year plan. In 2021, the CDA completed nearly \$1.4 million in capital improvement projects.

The CDA also receives income from a Special Benefit Tax Levy that represents about 17% of the CDA's total revenue. In 2021, the amount collected totaled \$5,414,761. The Special Benefit Levy is appropriated annually by the County Commissioners of Washington County, after submission of the CDA's annual budget to the County. The CDA uses this Special Benefit Levy to ensure debt service coverage on its bond debt as well as to fund capital improvements, to fund development and redevelopment projects where the CDA has partnered with local communities and to provide operating support to the CDA's housing portfolio. The Special Benefit Levy also helps to fund the general administration activities of the CDA.

The CDA Board of Commissioners is mindful of the impact of increasing property taxes on taxpayers, especially on those with fixed and low incomes. The CDA Board will set its Special Benefit Levy commensurate with the growth of the County in addition to the needs for the upcoming budget year. The resulting amount may be less than the amount defined in State Statute; however, because the Special Benefit Levy is used to assist several CDA properties, and because the CDA is a component unit of the County, the CDA is confident that the Special Benefit Levy will continue to be allocated in adequate amounts to fund the CDA's operations.

Occupancy Rates. Occupancy rates were 98.4% on December 31, 2021.

Long-Term Financial Planning. Many of the projects the CDA develops require some form of debt financing. Recognizing this, the CDA has adopted a debt management policy. The policy provides written guidelines, allowances, and restrictions that guide the debt issuance practices at the CDA. The policy eliminates issuance of long-term debt for operating purposes. It also places financial limitations on the total annual debt service the CDA can carry in any given year.



**Reserves.** The CDA continues to fund established reserves for operations and capital improvements according to established policies. The CDA has a minimum fund balance in the General fund of \$2,648,466 and also maintains a balance of \$5,595,908 in long term capital reserves.

**Federal and State Funding.** The federal and state funding that the CDA receives represents approximately 46% of all CDA funds during the fiscal year ended December 31, 2021. This funding primarily relates to ongoing tenant rental assistance programs funded through the U.S. Department of Housing and Urban Development and the Minnesota Housing Finance Agency.

## **Major Initiatives**

**Coronavirus Pandemic Relief.** The CDA received federal and state funds to respond to the Coronavirus pandemic and its subsequent impact on homeowners and businesses. The CDA received funding directly from HUD through the Community Development Block Grant (CDBG-CV) program. These funds were combined with CDBG-CV funds from the City of Woodbury to assist homeowners at risk of foreclosure catch up on mortgage and other housing costs. Further, the CDA was contracted to assist Washington County and Minnesota Housing Finance Agency with small business relief grants and homeowner stabilization grants. The Minnesota Department of Employment and Economic Development allocated small business relief funds to individual counties. Washington County allocated \$5 million to the CDA to distribute the grants to individual businesses. The CDA assisted 430 businesses to recover their losses as a result of the pandemic.

**Emergency Housing.** In 2021, the Washington County Board considered options for providing emergency housing for unsheltered Washington County residents at a workshop. Following the workshop, the County Board formally requested the CDA's assistance with identifying potential sites suitable for emergency housing. The CDA solicited proposals and entered into contracts for commercial real estate broker and architectural services. The emergency housing initiative will continue into 2022.

**Changes to Tenant-Based Rental Assistance.** The CDA was awarded the designation as a Moving to Work (MTW) agency under the cohort of program efficiencies in 2021. With tenant, staff, and community input, the plan was developed as part of the Annual PHA Plan and approved by HUD. The MTW Plan includes: increase in maximum family share of rent at move-in to 50%, self-certification of assets less than \$50,000 and not include any income from those assets in the tenant rent calculation, the CDA will perform rent reasonable determinations on all HCV units owned by the CDA, the CDA will conduct Housing Quality Standard inspections on units owned by the CDA, and the CDA will allow self-certifications by landlords of no life-threatening conditions in the unit at move-in, physical inspections will happen withing 60 days.

## **Awards and Acknowledgements**

The Government Finance Officers Association of United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the CDA for its comprehensive annual financial report for the fiscal year ended December 31, 2020. This was the eighteenth consecutive year that the CDA has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement for Excellence in Financial Reporting is valid for a period of one year only. However, we believe that our current Annual Report continues to meet the Certificate of Achievement for Excellence in Financial Reporting Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

In addition, since 2004 the CDA has received a "High Performer" rating from the U.S. Department of Housing and Urban Development (HUD) under the Section 8 Management Assessment Program (SEMAP) for its administration of the Section 8 Voucher Program.

The CDA was nationally recognized for its development of The Glen at Valley Creek. The CDA was recognized with NAHRO's (National Association of Housing and Redevelopment Officials) 2021 Award of Merit and as a NAHRO Award of Excellence nominee for Affordable Housing Development. The award recognizes housing agencies for their efforts to create and sustain affordable housing.

The preparation of this report would not have been possible without the skill, effort, and dedication of the entire staff of the Finance Department. We wish to thank all government departments for their assistance in providing the data necessary to prepare this report. Credit also is due to the Board of Commissioners for their unfailing support for maintaining the highest standards of professionalism in the management of the CDA's finances.

Respectfully submitted,

WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY



Melissa Taphorn  
Executive Director



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Washington County Community Development Agency  
Minnesota**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

December 31, 2020

*Christopher P. Morill*

Executive Director/CEO

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## **II. FINANCIAL SECTION**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners  
Washington County Community Development Agency  
(a component unit of Washington County)  
Woodbury, Minnesota

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the financial statements of the governmental activities, the business-type activities, and each major fund of Washington County Community Development Agency, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise Washington County Community Development Agency's basic financial statements as listed in the table of contents.

In our opinion, based on our report and the report of the other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, and each major fund of Washington County Community Development Agency, as of December 31, 2021, 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 Groves Apartments, LLC; Piccadilly Square of Mahtomedi, LLC; Glen at Valley Creek, LLC (discretely presented component units), which represent 24 percent, 17 percent, and 8 percent, respectively, of the assets, net position, and revenues of the Washington County Community Development Agency and its discretely presented component units. 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 Groves Apartments, LLC; Piccadilly Square of Mahtomedi, LLC; Glen at Valley Creek, LLC, is based solely on the report of the other auditors. The financial statements of The Groves Apartments, LLC; Piccadilly Square of Mahtomedi, LLC; Glen at Valley Creek, LLC were not audited in accordance with *Government Auditing Standards*

### ***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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Washington County Community Development Agency 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.

### ***Report on Summarized Comparative Information***

We have previously audited Washington County Community Development Agency's 2020 financial statements, and we expressed unmodified audit opinions on the respective financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, and each major fund in our report dated May 5, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020 is consistent, in all material respects, with the audited financial statements from which it has been derived.

### ***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 Washington County Community Development Agency'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.



### ***Auditor's 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 auditor's 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 *Governmental 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 Washington County Community Development Agency'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 Washington County Community Development Agency'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 and the budgetary comparison schedules, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Washington County Community Development Agency's basic financial statements. The combining financial schedules and 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*, 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 auditing standards generally accepted in the United States of America. In our opinion, the combining financial schedules and the schedule of expenditures of federal awards are 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 auditor's 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 May 10, 2022 on our consideration of Washington County Community Development Agency'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 Washington County Community Development Agency'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 Washington County Community Development Agency's internal control over financial reporting and compliance.



REDPATH AND COMPANY, LTD.  
St. Paul, Minnesota

May 10, 2022

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**Washington County Community Development Agency  
Management's Discussion and Analysis  
Year Ended December 31, 2021**

The Washington County Community Development Agency (CDA), a component unit of Washington County, Minnesota, is empowered under state statute to initiate a broad array of housing and community development programs to address the varying needs of the jurisdictions within the County. To that end, the CDA has established housing programs that serve over 4,000 households in the County including rental assistance programs, home ownership and foreclosure prevention counseling programs and sixteen housing developments containing 958 rental units of safe, decent and affordable housing. The CDA also acts as an ongoing resource for information about housing and community development issues including housing market data, housing needs, and various government programs related to housing, community development and economic development.

As management of the CDA, we offer readers of the CDA's financial statements this narrative overview and analysis of the financial activities of the CDA for the fiscal year ended December 31, 2021. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

### **Financial Highlights**

- The assets and deferred outflows of resources of the CDA exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$63,332,503 (net position). This net position is comprised of the following components:
  - \$15,171,876 (net investment in capital assets) represents the CDA's investment in land, structures and equipment, less any capital related debt and is not available for future spending.
  - \$14,632,224 (restricted) is restricted as to use by grant agreements, contracts, and laws and regulations, and can only be used for specific purposes.
  - \$33,528,403 (unrestricted) may be used to meet the CDA's ongoing obligations to citizens and creditors.
- The CDA's net position increased by \$5,799,923. This increase is due, in part, by the practice of using revenues generated by governmental activities such as grants, taxes and tax increment to invest in long-term assets which increases net position rather than making fiscal period expenses. In addition, tax levy revenues were used in business-type activities to reduce long-term debt.
- At the close of the current fiscal year, the CDA's governmental funds reported combined fund balances of \$25,907,828, an increase of \$2,297,637 in comparison with the prior year. Of this fund balance, \$112,872 was in nonspendable form, \$83,477 was restricted by grant agreements, contracts and laws and regulations, \$18,931,858 was committed for specific purposes, was considered assigned and the remaining \$6,779,621 was considered unassigned.

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- At the end of the current fiscal year, committed and unassigned fund balance of the general fund was \$15,816,339.
- Notes, loans and mortgages payable and bond retirements for the year were \$529,349 and \$2,185,000 respectively.

**Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the CDA's basic financial statements. The CDA's basic financial statements are comprised of 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 intended to furnish additional detail to support the basic financial statements themselves.

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

The statement of net position presents information on all of the CDA's assets and liabilities, and deferred inflows/outflows 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 the CDA is improving or deteriorating.

The statement of activities presents information showing how the CDA'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. amortization of deferred gain/loss on refunding).

Both of the government-wide financial statements distinguish functions of the CDA 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 (business-type activities). The governmental activities of the CDA include General Government, Housing Assistance, Community Development, Economic Development, Home Ownership Counseling and Tax Increment Financing. The business-type activities of the CDA include Public Housing, Senior Housing, Family Housing, Briar Pond, LLC and Management Member Partnership operations.

The government-wide financial statements include not only the CDA itself (known as the primary government), but also legally separate entities including, Briar Pond, LLC, WCCDA Family Housing, LLC, The Groves Managing Member, LLC, WCHRA Piccadilly Square, LLC and WCCDA Glen, LLC. Although legally separate, the entities function for

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all practical purposes as departments of the CDA, and therefore have been included as an integral part of the primary government.

In addition, the government-wide financial statements include three legally separate entities which the CDA is financially accountable. Financial information for The Groves Apartments, LLC, Piccadilly Square of Mahtomedi, LLC and Glen at Valley Creek, LLC are reported separately from the financial information presented for the primary government itself, and issues separate financial statements.

The government-wide financial statements can be found on statements 1 and 2 of this report.

**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. The CDA, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the CDA can be divided into two categories: governmental funds and proprietary 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 financial 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 CDA's near term financial decisions. Both the governmental fund balance sheet and governmental fund statement of revenues, expenditures and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The CDA maintains six individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balance for the General Fund, Housing Assistance Fund, Community Development Fund, Economic Development Fund, Home Ownership Counseling Fund, and Tax Increment Fund, which are considered to be major funds.

The Housing Assistance Fund, Community Development Fund, Home Ownership Counseling Fund, and Tax Increment Fund are a combination of sub-funds. Individual sub-fund data for these major governmental funds is provided in the form of combining schedules in the combining schedules section of this report.

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The CDA adopts an annual appropriated budget for its General and Special Revenue Funds.

Budgetary comparison schedules have been provided for those funds to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on statements 3 through 5 of this report.

**Proprietary funds.** The CDA maintains one type of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The CDA uses enterprise funds to account for its Public Housing Fund, Senior Housing Fund, Family Housing Fund, Briar Pond, LLC and Management Member Partnership operations.

The CDA adopts an annual appropriated budget for its proprietary funds.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Public Housing Fund, Senior Housing Fund, Family Housing Fund, Briar Pond, LLC and Management Member Partnership operations, all of which are considered to be major funds of the CDA.

The Public Housing Fund, Senior Housing Fund, Family Housing Fund, and Managing Member Partnership are a combination of sub-funds. Individual sub-fund data for these major proprietary funds is provided in the form of combining schedules in the combining schedules section of this report.

The basic proprietary fund financial statements can be found on statements 6 through 8 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 following statement 8 of this report.

**Other information.** The CDA adopts an annual budget for all governmental funds. As required by generally accepted accounting principles, this report presents budgetary comparison schedules for all major governmental funds that adopt an annual budget. The required supplementary information and the notes thereon can be found on statements 9 through 14 of this report.



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The combining schedules referred to earlier in connection with sub-funds of the major governmental and proprietary funds are presented immediately following the required supplementary information on budgetary comparisons. Combining schedules can be found on statements 15 through 32 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 the CDA, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$63,332,503 at the close of the most recent fiscal year which represents an increase of \$5,799,923 over the prior year. This increase indicates that the CDA's financial position improved during the current fiscal year.

Investment in capital assets (e.g. land, buildings and structures, and furniture and fixtures), less any related outstanding debt that was used to acquire those assets represents 24 percent of the CDA's net position. The CDA primarily utilizes these capital assets to provide affordable housing opportunities to eligible citizens. Accordingly, these assets are not available for future spending. Although the CDA's investment in capital assets is reported net of related debt, it should be noted that the resources to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**Net position  
December 31**

|                                   | Governmental Activities |              | Business-Type Activities |              | Totals       |              |
|-----------------------------------|-------------------------|--------------|--------------------------|--------------|--------------|--------------|
|                                   | 2021                    | 2020         | 2021                     | 2020         | 2021         | 2020         |
| Current and other assets          | 31,624,586              | \$29,001,543 | 32,128,157               | \$30,916,155 | \$63,752,743 | \$59,917,698 |
| Capital assets                    | 2,291,275               | 2,189,736    | 42,951,195               | 43,674,401   | 45,242,470   | 45,864,137   |
| Total assets                      | 33,915,861              | 31,191,279   | 75,079,352               | 74,590,556   | 108,995,213  | 105,781,835  |
| Deferred outflows of resources    | -                       | -            | 425,293                  | 474,766      | 425,293      | 474,766      |
| Long-term liabilities outstanding | 2,435,374               | 2,733,203    | 38,155,092               | 40,581,908   | 40,590,466   | 43,315,111   |
| Other liabilities                 | 993,524                 | 835,771      | 4,504,013                | 4,573,139    | 5,497,537    | 5,408,910    |
| Total liabilities                 | 3,428,898               | 3,568,974    | 42,659,105               | 45,155,047   | 46,088,003   | 48,724,021   |
| Deferred inflows of resources     | -                       | -            | -                        | -            | -            | -            |
| Net position:                     |                         |              |                          |              |              |              |
| Net investment in capital assets  | 1,592,573               | 1,363,380    | 13,579,303               | 12,354,792   | 15,171,876   | 13,718,172   |
| Restricted                        | 4,038,651               | 3,960,218    | 10,593,573               | 10,257,489   | 14,632,224   | 14,217,707   |
| Unrestricted                      | 24,855,739              | 22,298,707   | 8,672,664                | 7,297,994    | 33,528,403   | 29,596,701   |
| Total net position                | \$30,486,963            | \$27,622,305 | \$32,845,540             | \$29,910,275 | \$63,332,503 | \$57,532,580 |

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The CDA's restricted net position (23.1 percent) represents resources that are subject to external restrictions on how they may be utilized. In the case of the CDA, these restrictions are primarily related to grant programs funded by the U.S. Department of Housing and Urban Development (HUD), state laws and regulations which restrict the use of tax levy and tax increment revenues and bond indentures. The remaining category of the CDA's net position (52.9 percent) is unrestricted and may be used to meet the government's ongoing obligations to its citizens and creditors.

At the end of the fiscal year, the CDA was able to report positive balances in all three categories of net position for the government as a whole and in both governmental and business-type activities. This was true when compared to prior year for the government as a whole and for its governmental and business type activities individually.

As noted previously, the CDA's total net position increased \$5,799,923 during the current fiscal year. This increase is comprised of the following changes within the three categories of the CDA's net position:

- Net investment in capital assets increased by \$1,453,704. Of this amount, \$229,193 represents an increase in related governmental activities and \$1,224,511 represents an increase related to business-type activities. This increase was primarily due to the use of tax revenue to invest in long-term assets rather than making fiscal period expenses. Investment in capital assets totaled \$1,368,556 in 2021.
- Restricted net position increased by \$414,517. Of this amount, \$78,433 represents an increase in related governmental activities and \$336,084 represents an increase related to business-type activities. The increase was primarily due to the accumulation of restricted cash that will be used in the future to reduce long-term debt.
- Unrestricted net position increased by \$3,931,702. Of this amount, \$2,557,032 represents an increase in related governmental activities and \$1,374,670 represents an increase related to business-type activities. This increase was primarily due to strong operating results including, the use of one-time revenues and grants, taxes and tax increment to invest in long-term assets or reduce debt rather than making fiscal period expenses. Included in the increase is \$2,714,000 of long-term debt that was retired using current year operating income and tax revenues.

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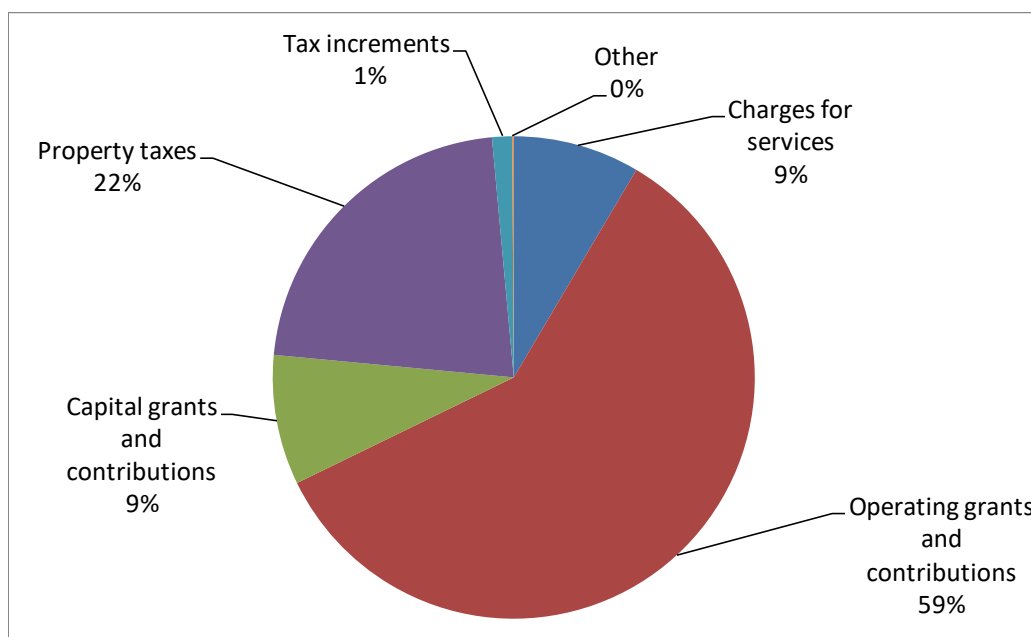
**Changes in Net position  
Years Ended December 31**

|   | Governmental Activities  |                          | Business-Type Activities   |                            | Totals                     |                            |
|---|--------------------------|--------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
|   | 2021                     | 2020                     | 2021                       | 2020                       | 2021                       | 2020                       |
| Revenues:                                 |                          |                          |                            |                            |                            |                            |
| Program revenues:                         |                          |                          |                            |                            |                            |                            |
| Charges for services                      | \$1,576,115              | \$1,534,472              | \$9,517,718                | \$8,778,931                | \$11,093,833               | \$10,313,403               |
| Operating grants and contributions        | 11,004,238               | 12,154,102               | 1,450,286                  | 1,577,712                  | 12,454,524                 | 13,731,814                 |
| Capital grants and contributions          | 1,616,567                | 981,326                  | 203,396                    | 168,585                    | 1,819,963                  | 1,149,911                  |
| General revenues:                         |                          |                          |                            |                            |                            |                            |
| Property taxes                            | 4,093,591                | 4,068,674                | 1,321,170                  | 1,360,954                  | 5,414,761                  | 5,429,628                  |
| Tax increments                            | 249,053                  | 235,897                  | -                          | -                          | 249,053                    | 235,897                    |
| Other                                     | 18,937                   | 286,110                  | 319,431                    | 385,279                    | 338,368                    | 671,389                    |
| Total revenues                            | <u>18,558,501</u>        | <u>19,260,581</u>        | <u>12,812,001</u>          | <u>12,271,461</u>          | <u>31,370,502</u>          | <u>31,532,042</u>          |
| Expenses:                                 |                          |                          |                            |                            |                            |                            |
| General government                        | 1,669,595                | 1,866,055                | -                          | -                          | 1,669,595                  | 1,866,055                  |
| Housing assistance                        | 6,272,027                | 5,252,125                | -                          | -                          | 6,272,027                  | 5,252,125                  |
| Community development                     | 2,193,956                | 1,626,523                | -                          | -                          | 2,193,956                  | 1,626,523                  |
| Economic development                      | 5,628,588                | 6,584,893                | -                          | -                          | 5,628,588                  | 6,584,893                  |
| Home ownership counseling                 | 141,412                  | 1,340,627                | -                          | -                          | 141,412                    | 1,340,627                  |
| Tax increment financing                   | 5,984                    | 14,950                   | -                          | -                          | 5,984                      | 14,950                     |
| Interest on debt                          | 104,166                  | 113,419                  | -                          | -                          | 104,166                    | 113,419                    |
| Housing                                   | -                        | -                        | 9,554,851                  | 9,629,516                  | 9,554,851                  | 9,629,516                  |
| Total expenses                            | <u>16,015,728</u>        | <u>16,798,592</u>        | <u>9,554,851</u>           | <u>9,629,516</u>           | <u>25,570,579</u>          | <u>26,428,108</u>          |
| Increase in net position before transfers | 2,542,773                | 2,461,989                | 3,257,150                  | 2,641,945                  | 5,799,923                  | 5,103,934                  |
| Transfers                                 | <u>321,885</u>           | <u>872,320</u>           | <u>(321,885)</u>           | <u>(872,320)</u>           | <u>-</u>                   | <u>-</u>                   |
| Increase (decrease) in net position       | 2,864,658                | 3,334,309                | 2,935,265                  | 1,769,625                  | 5,799,923                  | 5,103,934                  |
| Net position - beginning                  | 27,622,305               | 24,287,996               | 29,910,275                 | 28,140,650                 | 57,532,580                 | 52,428,646                 |
| Net position - ending                     | <u><u>30,486,963</u></u> | <u><u>27,622,305</u></u> | <u><u>\$32,845,540</u></u> | <u><u>\$29,910,275</u></u> | <u><u>\$63,332,503</u></u> | <u><u>\$57,532,580</u></u> |

**Governmental Activities.** For the most part, it is difficult to correlate the revenues and expenses reported in governmental activities on a year to year basis as charges for services and operating grants and contributions can be irregular or non-recurring revenue sources. The CDA also pools revenues to acquire capital assets or provide financing for development. Accordingly, revenues that are received in one fiscal year are often carried forward and then utilized in subsequent fiscal years depending on the development activities being undertaken or planned.

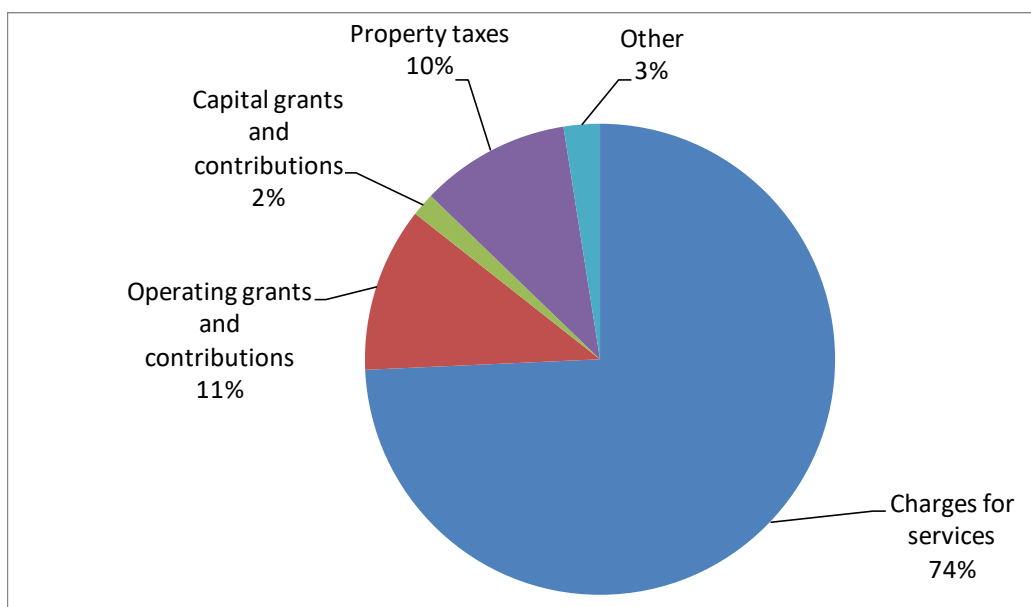
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**Revenues by Source – Governmental Activities**



**Business-Type Activities.** The increase in net position of business-type activities accounted for \$2,935,265 or 50.6 percent of the total growth of the CDA's net position. High occupancy rates and a reduction in debt service payments, due to prior years refunding, had the biggest impact on the increase in net position.

**Revenues by Source – Business-Type Activities**



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**Financial Analysis of the Government's Funds**

**Governmental funds.** The focus of the CDA's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the CDA's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the CDA itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the CDA's Board of Commissioners.

Governmental fund balance is reported in five separate categories: nonspendable, restricted, committed, assigned and unassigned. Nonspendable fund balance includes amounts that cannot be spent for legal or practical reasons. Examples include prepaid items and long-term receivables. Restricted fund balance includes amounts restricted to specific purposes by external parties such as amounts restricted by grantors. Committed fund balance includes amounts that may be set aside by the CDA's Board of Commissioners for a specific purpose prior to the end of the fiscal year. Assigned fund balance includes amounts that have been set aside for a specific purpose. Unassigned fund balance includes all remaining amounts.

As of December 31, 2021, the CDA's governmental funds reported combined fund balances of \$25,907,828 an increase of \$2,297,637 in comparison with the prior year. Of this fund balance \$112,872 was in nonspendable fund balances comprised of prepaid items, non-current advances to other funds and long-term notes receivable. Another \$83,477 is restricted by grant agreements, contracts and laws and regulations. Of the remaining fund balance, \$18,931,858 is committed for specific purposes, and \$6,779,621 is unassigned.

The CDA's General Fund is used to account for all financial resources except those that are required to be accounted for in another fund. As of December 31, 2021, the General Fund had a fund balance of \$15,885,724 which represents approximately 61 percent of all governmental fund balances. Of this amount, \$69,385 relates to prepaid items and is nonspendable, \$5,595,908 has been committed by the CDA's Board of Commissioners, and \$10,220,431 is unassigned.

The CDA has established two reserve funds to preserve adequate financial flexibility for the CDA. First, a minimum unassigned fund balance has been established which as of December 31, 2021 totals \$2,648,466. This represents three months of the next fiscal year's budgeted operating expenses for the proprietary funds plus 50% of the next fiscal year's budgeted General Fund expenditures. In addition, the CDA has a Long-Term Capital Reserve Fund of \$5,595,908 committed to fund future capital improvements at the properties.

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During the fiscal year ended December 31, 2021, the General Fund's fund balance increased by \$946,801. This increase was primarily due to levy received that was used to increase the long-term capital reserve by \$481,734, and the net transfers between the general fund and the properties. On an annual basis, the properties transfer excess revenues over expenditures to the General fund for future operations. In addition, every year, \$1.1 million is levied into the general fund and transferred to the properties for capital improvements at the properties. The net transfers between these two activities for the year was \$431,902.

The Housing Assistance Fund accounts for the receipt and expenditure of restricted grant proceeds under the U.S. Department of Housing and Urban Development (HUD) Section 8 Choice Voucher program, along with other miscellaneous state programs with similar missions. The activity in this fund are mostly expenditure driven, therefore revenues are generally recognized when qualifying grant expenditures are made. The year end fund balance of the Housing Assistance Fund decreased \$23,675 from prior year to \$96,564 of which \$13,087 is nonspendable, and \$83,477 is restricted.

The Community Development Fund primarily accounts for activities related to future CDA constructed housing developments or other housing programs which will assist private developers or municipalities create new affordable housing developments. As of December 31, 2021, the fund balance for the Community Development Fund was \$12,758,464. The Community Development Fund had an increase in fund balance of \$1,183,458 during the fiscal year ended December 31, 2021. The increase is primarily related to receiving property tax revenue that will be used for a committed project in a future year.

The Economic Development Fund accounts for expenses related to the Economic Development Department activities and expenses that promote economic development in Washington County, Minnesota. As of December 31, 2021, the fund balance for the Economic Development Fund was \$597,608. The Economic Development fund had an increase in fund balance of \$131,275 during the fiscal year ended December 31, 2021.

The Home Ownership Counseling Fund accounts for the receipt and expenditure of restricted grant proceeds from HUD and the State of Minnesota for foreclosure and home ownership counseling. As of December 31, 2021, the fund balance for the Home Ownership Counseling Fund was \$5,539.

The year-end Tax Increment Fund deficit was \$3,436,071 a decreased deficit of \$60,001 from prior year. Future TIF revenues received will be used to reduce the fund deficit.

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**Proprietary funds.** The CDA's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the Public Housing Fund at the end of the year amounted to \$406,635 and total net position decreased by \$46,228.

Unrestricted net position of the Senior Housing Fund at the end of the year was \$242,027 and total net position increased by \$1,377,706. The increase was primarily due to strong operating results including, the use of one-time revenues, grants and taxes to reduce long-term debt rather than making fiscal period expenses. Included in the balance is \$845,000 of long-term debt retired using current year operating revenues and reserve balances.

Unrestricted net position of the Family Housing Fund at the end of the year was \$25,189 and total net position increased by \$898,506. The increase was primarily due to strong operating results including, the use of one-time revenues, grants and taxes to reduce long-term debt rather than making fiscal period expenses. Included in the balance is \$1,127,000 of long-term debt retired using current year operating revenues and reserve balances.

Unrestricted net position of Briar Pond, LLC at the end of the year amounted to \$2,336,817 and total net position increased by \$714,903. The increase was primarily due to strong operating results used to reduce long-term debt rather than making fiscal period expenses. Included in the balance is \$267,000 of long-term debt retired using current year operating revenues.

Unrestricted net position of Managing Member Partnership fund at the end of the year amounted to \$5,661,996 and total net position decreased by \$9,622.

**General Fund Budgetary Highlights**

There were no significant differences between the original and final amended budget for the year ended December 31, 2021. The final amended budget for the fiscal year anticipated a net decrease in fund balance of \$104,804. The actual net change in fund balance was an increase of \$946,801 for a positive variance of \$1,051,605. The variance is primarily attributed to the following factors:

- Expenditures were under budget by \$175,727. This was primarily attributable to lower than expected operating costs, specifically, legal and consulting fees.
- Net transfers were over budget by \$906,308 due to the properties transferring operating income and excess issuer reserve cash balances to the general fund, net of property tax levy transferred to the properties to reimburse them for capital improvements.

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**Capital Asset and Debt Administration**

**Capital assets.** The CDA's investment in capital assets for its governmental and business-type activities as of December 31, 2021 amounts to \$45,242,470 (net of accumulated depreciation). This investment in capital assets includes land, buildings and structures, furniture and fixtures, and construction in progress. The CDA's total investment in capital assets during the current fiscal year was \$1,368,000.

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

- Exterior drainage work at Woodland Park totaling \$113,000.
- Mechanical repairs at Oakhill Cottages totaling \$142,000.
- Attic sprinklers at Trailside totaling \$118,000
- Townhome remodeling at Raymie Johnson totaling \$315,000.
- Parking lot rehab at Brick Pond totaling \$110,000.

|                          | Governmental Activities |                    | Business-Type Activities |                     | Totals              |                     |
|--------------------------|-------------------------|--------------------|--------------------------|---------------------|---------------------|---------------------|
|                          | 2021                    | 2020               | 2021                     | 2020                | 2021                | 2020                |
| Land                     | \$424,186               | \$424,186          | \$4,559,053              | \$4,559,053         | \$4,983,239         | \$4,983,239         |
| Buildings and structures | 1,648,485               | 1,661,128          | 38,350,704               | 39,056,004          | 39,999,189          | 40,717,132          |
| Furniture and fixtures   | 218,604                 | 104,422            | -                        | -                   | 218,604             | 104,422             |
| Construction in progress | -                       | -                  | 41,438                   | 59,344              | 41,438              | 59,344              |
|                          | <u>\$2,291,275</u>      | <u>\$2,189,736</u> | <u>\$42,951,195</u>      | <u>\$43,674,401</u> | <u>\$45,242,470</u> | <u>\$45,864,137</u> |

The amount of outstanding construction commitments at December 31, 2021, was \$340,942. Additional information on the CDA's capital assets can be found in Note 6.

**Long-term debt.** At the end of the current fiscal year, the CDA had total debt outstanding of \$42,709,432. Of this amount, \$28,630,000 is debt backed by the full faith and credit of Washington County, Minnesota. At December 31, 2021, the County had an Aaa bond rating from Moody's Investor Services and AAA from Standard & Poor's. These bonds are also secured by the pooled gross rent receipts and other operating revenues of the properties and by pledged tax levy and tax increment revenues.



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**Outstanding Debt (notes, loans mortgages and bonds payable)  
December 31**

|                            | Governmental Activities |                    | Business-Type Activities |                     | Totals              |                     |
|----------------------------|-------------------------|--------------------|--------------------------|---------------------|---------------------|---------------------|
|                            | 2021                    | 2020               | 2021                     | 2020                | 2021                | 2020                |
| Notes, loans and mortgages | \$2,582,654             | \$2,870,890        | \$10,511,778             | \$10,752,891        | \$13,094,432        | \$13,623,781        |
| Bonds payable              | -                       | -                  | 29,615,000               | 31,800,000          | 29,615,000          | 31,800,000          |
|                            | <u>\$2,582,654</u>      | <u>\$2,870,890</u> | <u>\$40,126,778</u>      | <u>\$42,552,891</u> | <u>\$42,709,432</u> | <u>\$45,423,781</u> |

The CDA's total debt decreased by \$2,714,349 (5.9 percent) during the current fiscal year. The reason for the decrease was due to regularly scheduled principal reductions on the existing outstanding debt.

Additional information on the CDA's long-term debt can be found in Note 9 of this report.

**Economic Factors and Next Year's Budgets.** Federal appropriation levels will continue to have an impact on the CDA's economic position. The CDA received \$5,395,236 in federal funding for the fiscal year ending December 31, 2021. Funding for the CDA's federal programs is affected by the Congressional legislation and the federal budget deficits. If federal funding is cut, it may be necessary to reduce costs and/or services.

**Requests for information.** This financial report is designed to provide a general overview of the CDA'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 Director of the Washington County Community Development Agency, 7645 Currell Boulevard, Woodbury, Minnesota 55125.

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## **BASIC FINANCIAL STATEMENTS**

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WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY

STATEMENT OF NET POSITION

December 31, 2021

With Comparative Totals for December 31, 2020

Statement 1

|   | Primary Government      |                          |                     |                     | Discretely Presented Component Units |
|---|-------------------------|--------------------------|---------------------|---------------------|--------------------------------------|
|   | Governmental Activities | Business-Type Activities | Total               |                     | 2021                                 |
|   |                         |                          | 2021                | 2020                |                                      |
| Assets:   |                         |                          |                     |                     |                                      |
| Cash, cash equivalents and investments            | \$21,054,599            | \$5,808,625              | \$26,863,224        | \$22,259,457        | \$588,470                            |
| Accounts receivable - net                         | 12,715                  | 158,461                  | 171,176             | 113,204             | 35,739                               |
| Interest receivable                               | 166,455                 | 15,392                   | 181,847             | 160,285             | -                                    |
| Interest receivable due from component unit       | 261,542                 | 11,738                   | 273,280             | 182,283             | -                                    |
| Property taxes receivable                         | 84,795                  | -                        | 84,795              | 96,129              | -                                    |
| Internal balances                                 | 500,042                 | (500,042)                | -                   | -                   | -                                    |
| Due from other governmental units                 | 338,400                 | 22,861                   | 361,261             | 435,667             | -                                    |
| Prepaid items                                     | 112,872                 | 437,007                  | 549,879             | 477,436             | 52,601                               |
| Property held for resale                          | 161,400                 | -                        | 161,400             | 161,400             | -                                    |
| Notes and mortgages receivable:                   |                         |                          |                     |                     |                                      |
| Current   | -                       | 463,716                  | 463,716             | 486,054             | -                                    |
| Long-term   | 6,517,057               | 1,392,543                | 7,909,600           | 7,811,644           | -                                    |
| Due from component unit:                          |                         |                          |                     |                     |                                      |
| Current   | -                       | 210,443                  | 210,443             | 1,248,902           | -                                    |
| Long-term   | 2,381,422               | 10,816,391               | 13,197,813          | 13,437,377          | -                                    |
| Investment in limited partnerships                | -                       | 1,857,559                | 1,857,559           | 1,857,613           | -                                    |
| Restricted cash and investments                   | 33,287                  | 11,433,463               | 11,466,750          | 11,190,247          | 1,056,895                            |
| Capital assets (net of accumulated depreciation): |                         |                          |                     |                     |                                      |
| Land  | 424,186                 | 4,559,053                | 4,983,239           | 4,983,239           | 2,770,501                            |
| Construction in progress                          | -                       | 41,438                   | 41,438              | 59,344              | 63,823                               |
| Building and structures                           | 1,648,485               | 38,350,704               | 39,999,189          | 40,717,132          | 29,545,985                           |
| Furniture and equipment                           | 218,604                 | -                        | 218,604             | 104,422             | 295,098                              |
| Other assets                                      | -                       | -                        | -                   | -                   | 94,462                               |
| Total assets                                      | <u>33,915,861</u>       | <u>75,079,352</u>        | <u>108,995,213</u>  | <u>105,781,835</u>  | <u>34,503,574</u>                    |
| Deferred outflows of resources:                   |                         |                          |                     |                     |                                      |
| Unamortized loss on refunding                     | -                       | 425,293                  | 425,293             | 474,766             | -                                    |
| Total deferred outflows of resources              | <u>0</u>                | <u>425,293</u>           | <u>425,293</u>      | <u>474,766</u>      | <u>0</u>                             |
| Liabilities:                                      |                         |                          |                     |                     |                                      |
| Accounts, wages and benefits payable              | 418,644                 | 412,111                  | 830,755             | 723,410             | 84,497                               |
| Accrued interest payable                          | 31,172                  | 503,546                  | 534,718             | 576,568             | 439,970                              |
| Security deposits/FSS escrow                      | 32,665                  | 405,213                  | 437,878             | 489,633             | 83,456                               |
| Contracts payable                                 | 1,350                   | 2,610                    | 3,960               | -                   | -                                    |
| Due to other governmental units                   | 72,165                  | 489,110                  | 561,275             | 527,945             | 92,054                               |
| Unearned revenue                                  | 119,210                 | 180,437                  | 299,647             | 173,258             | 17,537                               |
| Accrued developer fee                             | -                       | -                        | -                   | -                   | -                                    |
| Compensated absences payable:                     |                         |                          |                     |                     |                                      |
| Due within one year                               | 17,104                  | -                        | 17,104              | 16,728              | -                                    |
| Due in more than one year                         | 153,934                 | -                        | 153,934             | 150,549             | -                                    |
| Unearned gain on sale of property:                |                         |                          |                     |                     |                                      |
| Due within one year                               | -                       | 61,251                   | 61,251              | 60,131              | -                                    |
| Due in more than one year                         | -                       | 65,638                   | 65,638              | 126,888             | -                                    |
| Due to primary government:                        |                         |                          |                     |                     |                                      |
| Due within one year                               | 68,517                  | -                        | 68,517              | 65,216              | 210,443                              |
| Due in more than one year                         | 1,214,264               | -                        | 1,214,264           | 1,282,781           | 13,061,406                           |
| Notes, mortgages, and bonds payable:              |                         |                          |                     |                     |                                      |
| Due within one year                               | 232,697                 | 2,449,735                | 2,682,432           | 2,649,133           | 90,521                               |
| Due in more than one year                         | 1,067,176               | 38,089,454               | 39,156,630          | 41,881,781          | 7,124,347                            |
| Total liabilities                                 | <u>3,428,898</u>        | <u>42,659,105</u>        | <u>46,088,003</u>   | <u>48,724,021</u>   | <u>21,204,231</u>                    |
| Deferred inflows of resources:                    |                         |                          |                     |                     |                                      |
| Unamortized gain on refunding                     | -                       | -                        | -                   | -                   | -                                    |
| Total deferred inflows of resources               | <u>0</u>                | <u>0</u>                 | <u>0</u>            | <u>0</u>            | <u>0</u>                             |
| Net position:                                     |                         |                          |                     |                     |                                      |
| Net investment in capital assets                  | 1,592,573               | 13,579,303               | 15,171,876          | 13,718,172          | 13,725,016                           |
| Restricted for:                                   |                         |                          |                     |                     |                                      |
| Bond indenture purposes                           | -                       | 10,593,573               | 10,593,573          | 10,257,489          | 1,056,895                            |
| Grant funded housing purposes                     | 4,038,651               | -                        | 4,038,651           | 3,960,218           | -                                    |
| Unrestricted                                      | 24,855,739              | 8,672,664                | 33,528,403          | 29,596,701          | (1,482,568)                          |
| Total net position                                | <u>\$30,486,963</u>     | <u>\$32,845,540</u>      | <u>\$63,332,503</u> | <u>\$57,532,580</u> | <u>\$13,299,343</u>                  |

The accompanying notes are an integral part of these financial statements.

# WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY

## STATEMENT OF ACTIVITIES

For The Year Ended December 31, 2021

With Comparative Totals For The Year Ended December 31, 2020

| Functions/Programs:                  | Program Revenues    |                         |  |  |
|--------------------------------------|---------------------|-------------------------|--|--|
|                                      | Expenses            | Charges For<br>Services | Operating<br>Grants and<br>Contributions | Capital<br>Grants and<br>Contributions |
| Governmental activities:             |                     |                         |  |  |
| General government                   | \$1,669,595         | \$718,992               | \$ -                                     | \$ -                                   |
| Housing assistance                   | 6,272,027           | 450,291                 | 5,720,563                                | -                                      |
| Community development                | 2,193,956           | 406,152                 | 20,200                                   | 1,616,567                              |
| Economic development                 | 5,628,588           | -                       | 5,185,473                                | -                                      |
| Home ownership counseling            | 141,412             | 680                     | 78,002                                   | -                                      |
| Tax increment financing              | 5,984               | -                       | -  | -                                      |
| Interest on debt                     | 104,166             | -                       | -  | -                                      |
| Total governmental activities        | <u>16,015,728</u>   | <u>1,576,115</u>        | <u>11,004,238</u>                        | <u>1,616,567</u>                       |
| Business-type activities:            |                     |                         |  |  |
| Housing                              | <u>9,554,851</u>    | <u>9,517,718</u>        | <u>1,450,286</u>                         | <u>203,396</u>                         |
| Total primary government             | <u>\$25,570,579</u> | <u>\$11,093,833</u>     | <u>\$12,454,524</u>                      | <u>\$1,819,963</u>                     |
| Discretely Presented Component Units | <u>\$2,799,561</u>  | <u>\$2,251,018</u>      | <u>\$0</u>                               | <u>\$521,130</u>                       |
| General revenues:                    |                     |                         |  |  |
| General property taxes               |                     |                         |  |  |
| Tax increments                       |                     |                         |  |  |
| Unrestricted investment earnings     |                     |                         |  |  |
| Gain on disposal of capital assets   |                     |                         |  |  |
| Transfers                            |                     |                         |  |  |
| Total general revenues and transfers |                     |                         |  |  |
| Change in net position               |                     |                         |  |  |
| Net position - January 1             |                     |                         |  |  |
| Net position - December 31           |                     |                         |  |  |

The accompanying notes are an integral part of these financial statements.

| Net (Expense) Revenue and Changes in Net Position |                             |              |              |   |
|---|-----------------------------|--------------|--------------|---|
| Governmental<br>Activities                        | Primary Government          |              | Total        | Discretely Presented<br>Component Units<br>2021 |
|   | Business-Type<br>Activities | 2021         | 2020         |   |
| (\$950,603)                                       | \$ -                        | (\$950,603)  | (\$825,563)  | \$ -  |
| (101,173)   | -                           | (101,173)    | (34,849)     | -   |
| (151,037)   | -                           | (151,037)    | (510,040)    | -   |
| (443,115)   | -                           | (443,115)    | (560,932)    | -   |
| (62,730)  | -                           | (62,730)     | (68,939)     | -   |
| (5,984)   | -                           | (5,984)      | (14,950)     | -   |
| (104,166)   | -                           | (104,166)    | (113,419)    | -   |
| (1,818,808)                                       | 0                           | (1,818,808)  | (2,128,692)  | 0   |
| -   | 1,616,549                   | 1,616,549    | 895,712      | -   |
| (1,818,808)                                       | 1,616,549                   | (202,259)    | (1,232,980)  | 0   |
|   |                             |              |              | (27,413)  |
| 4,093,591   | 1,321,170                   | 5,414,761    | 5,429,628    | -   |
| 249,053   | -                           | 249,053      | 235,897      | -   |
| 18,937  | 259,300                     | 278,237      | 612,611      | 4,490   |
| -   | 60,131                      | 60,131       | 58,778       | -   |
| 321,885   | (321,885)                   | -            | -            | -   |
| 4,683,466   | 1,318,716                   | 6,002,182    | 6,336,914    | 4,490   |
| 2,864,658   | 2,935,265                   | 5,799,923    | 5,103,934    | (22,923)  |
| 27,622,305  | 29,910,275                  | 57,532,580   | 52,428,646   | 13,322,266                                      |
| \$30,486,963                                      | \$32,845,540                | \$63,332,503 | \$57,532,580 | \$13,299,343                                    |

The accompanying notes are an integral part of these financial statements.

**WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY**

**BALANCE SHEET**

**GOVERNMENTAL FUNDS**

December 31, 2021

With Comparative Totals For December 31, 2020

|   | General Fund        | Housing Assistance Fund | Community Development Fund |
|---|---------------------|-------------------------|----------------------------|
| Assets  |                     |                         |                            |
| Current assets:   |                     |                         |                            |
| Cash, cash equivalents and investments                            | \$15,752,976        | \$236,380               | \$4,345,447                |
| Restricted cash   | 622                 | 32,665                  | -                          |
| Accounts receivable - net   | 1,715               | -                       | 11,000                     |
| Interest receivable   | -                   | -                       | 166,455                    |
| Interest receivable due from component unit                       | -                   | -                       | 261,542                    |
| Property taxes receivable   | 84,795              | -                       | -                          |
| Due from other funds  | 91,097              | -                       | -                          |
| Due from other governmental units                                 | -                   | 81,247                  | 212,172                    |
| Prepaid items   | 69,385              | 13,087                  | -                          |
| Advances to other funds   | -                   | -                       | 4,004,977                  |
| Property held for resale  | -                   | -                       | 18,421                     |
| Note receivable   | -                   | -                       | 6,517,057                  |
| Note receivable from component unit                               | -                   | -                       | 2,381,422                  |
| Total assets  | <u>\$16,000,590</u> | <u>\$363,379</u>        | <u>\$17,918,493</u>        |
| Liabilities, Deferred Inflows of Resources and Fund Balance       |                     |                         |                            |
| Liabilities:  |                     |                         |                            |
| Accounts payable  | \$44,867            | \$32,292                | \$215,736                  |
| Security deposits/FSS escrow                                      | -                   | 32,665                  | -                          |
| Due to other funds  | -                   | 41,447                  | 8,340                      |
| Due to other governmental units                                   | -                   | 32,165                  | 40,000                     |
| Contracts payable   | -                   | -                       | 1,350                      |
| Accrued wages and benefits payable                                | 24,132              | 10,317                  | 9,444                      |
| Advances from other funds   | -                   | -                       | -                          |
| Unearned revenue - grants   | -                   | 117,929                 | 1,281                      |
| Total liabilities   | <u>68,999</u>       | <u>266,815</u>          | <u>276,151</u>             |
| Deferred inflows of resources:                                    |                     |                         |                            |
| Unavailable revenue   | <u>45,867</u>       | <u>-</u>                | <u>4,883,878</u>           |
| Total deferred inflows of resources                               | <u>45,867</u>       | <u>0</u>                | <u>4,883,878</u>           |
| Fund balance:   |                     |                         |                            |
| Nonspendable  | 69,385              | 13,087                  | -                          |
| Restricted  | -                   | 83,477                  | -                          |
| Committed   | 5,595,908           | -                       | 12,763,203                 |
| Unassigned  | <u>10,220,431</u>   | <u>-</u>                | <u>(4,739)</u>             |
| Total fund balance  | <u>15,885,724</u>   | <u>96,564</u>           | <u>12,758,464</u>          |
| Total liabilities, deferred inflows of resources and fund balance | <u>\$16,000,590</u> | <u>\$363,379</u>        | <u>\$17,918,493</u>        |

Fund balance reported above

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

Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the funds.

Other long-term assets are not available to pay for current-period expenditures, and therefore, are reported as unavailable revenue in the funds.

Long-term liabilities, including bonds payable, are not due and payable in the current period, and therefore, are not reported in the funds.

Net position of governmental activities

The accompanying notes are an integral part of these financial statements.



Statement 3

| Economic<br>Development Fund | Home Ownership<br>Counseling Fund | Tax Increment Fund | Intra-Activity<br>Eliminations | Total Governmental Funds |                     |
|------------------------------|-----------------------------------|--------------------|--------------------------------|--------------------------|---------------------|
|                              |                                   |                    |                                | 2021                     | 2020                |
| \$644,964                    | \$5,926                           | \$68,906           | \$ -                           | \$21,054,599             | \$18,412,639        |
| -                            | -                                 | -                  | -                              | 33,287                   | 85,522              |
| -                            | -                                 | -                  | -                              | 12,715                   | 2,700               |
| -                            | -                                 | -                  | -                              | 166,455                  | 151,438             |
| -                            | -                                 | -                  | -                              | 261,542                  | 174,054             |
| -                            | -                                 | -                  | -                              | 84,795                   | 96,129              |
| -                            | -                                 | -                  | (91,055)                       | 42                       | 42,302              |
| -                            | 44,981                            | -                  | -                              | 338,400                  | 327,284             |
| 30,400                       | -                                 | -                  | -                              | 112,872                  | 85,090              |
| -                            | -                                 | -                  | (3,504,977)                    | 500,000                  | 500,000             |
| -                            | -                                 | 142,979            | -                              | 161,400                  | 161,400             |
| -                            | -                                 | -                  | -                              | 6,517,057                | 5,985,885           |
| -                            | -                                 | -                  | -                              | 2,381,422                | 2,978,565           |
| <u>\$675,364</u>             | <u>\$50,907</u>                   | <u>\$211,885</u>   | <u>(\$3,596,032)</u>           | <u>\$31,624,586</u>      | <u>\$29,003,008</u> |
|                              |                                   |                    |                                |                          |                     |
| \$75,000                     | \$1,284                           | \$ -               | \$ -                           | \$369,179                | \$150,618           |
| -                            | -                                 | -                  | -                              | 32,665                   | 84,900              |
| -                            | 41,268                            | -                  | (91,055)                       | -                        | 1,465               |
| -                            | -                                 | -                  | -                              | 72,165                   | 67,652              |
| -                            | -                                 | -                  | -                              | 1,350                    | -                   |
| 2,756                        | 2,816                             | -                  | -                              | 49,465                   | 36,770              |
| -                            | -                                 | 3,504,977          | (3,504,977)                    | -                        | -                   |
| -                            | -                                 | -                  | -                              | 119,210                  | 157,876             |
| <u>77,756</u>                | <u>45,368</u>                     | <u>3,504,977</u>   | <u>(3,596,032)</u>             | <u>644,034</u>           | <u>499,281</u>      |
|                              |                                   |                    |                                |                          |                     |
| -                            | -                                 | 142,979            | -                              | 5,072,724                | 4,893,536           |
| <u>0</u>                     | <u>0</u>                          | <u>142,979</u>     | <u>0</u>                       | <u>5,072,724</u>         | <u>4,893,536</u>    |
|                              |                                   |                    |                                |                          |                     |
| 30,400                       | -                                 | -                  | -                              | 112,872                  | 85,090              |
| -                            | -                                 | -                  | -                              | 83,477                   | 109,297             |
| 567,208                      | 5,539                             | -                  | -                              | 18,931,858               | 17,208,239          |
| -                            | -                                 | (3,436,071)        | -                              | 6,779,621                | 6,207,565           |
| <u>597,608</u>               | <u>5,539</u>                      | <u>(3,436,071)</u> | <u>0</u>                       | <u>25,907,828</u>        | <u>23,610,191</u>   |
|                              |                                   |                    |                                |                          |                     |
| <u>\$675,364</u>             | <u>\$50,907</u>                   | <u>\$211,885</u>   | <u>(\$3,596,032)</u>           | <u>\$31,624,586</u>      | <u>\$29,003,008</u> |
|                              |                                   |                    |                                | \$25,907,828             | \$23,610,191        |
|                              |                                   |                    |                                | 2,291,275                | 2,189,736           |
|                              |                                   |                    |                                | 5,072,724                | 4,893,536           |
|                              |                                   |                    |                                | (2,784,864)              | (3,071,158)         |
|                              |                                   |                    |                                | <u>\$30,486,963</u>      | <u>\$27,622,305</u> |

The accompanying notes are an integral part of these financial statements.

**WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE**  
**GOVERNMENTAL FUNDS**  
For The Year Ended December 31, 2021  
With Comparative Totals For The Year Ended December 31, 2020

|                                      | General Fund | Housing<br>Assistance Fund | Community<br>Development Fund |
|--------------------------------------|--------------|----------------------------|-------------------------------|
| Revenues:                            |              |                            |                               |
| General property taxes               | \$1,798,437  | \$77,400                   | \$1,560,015                   |
| Intergovernmental                    | -            | 5,720,562                  | 1,636,767                     |
| Tax increments                       | -            | -                          | -                             |
| Charges for services:                |              |                            |                               |
| Administrative fees                  | 685,964      | 444,454                    | 139,291                       |
| Investment income                    | (76,529)     | 99                         | 44,451                        |
| Other                                | 33,028       | 5,837                      | 185,689                       |
| Total revenues                       | 2,440,900    | 6,248,352                  | 3,566,213                     |
| Expenditures:                        |              |                            |                               |
| Current:                             |              |                            |                               |
| General government                   | 1,582,233    | -                          | -                             |
| Housing assistance                   | -            | 6,272,027                  | -                             |
| Community development                | -            | -                          | 2,193,956                     |
| Economic development                 | -            | -                          | -                             |
| Home ownership counseling            | -            | -                          | -                             |
| Tax increment financing              | -            | -                          | -                             |
| Capital outlay:                      |              |                            |                               |
| General government                   | 185,140      | -                          | -                             |
| Debt service:                        |              |                            |                               |
| Principal                            | 127,655      | -                          | 95,365                        |
| Interest and other                   | 22,973       | -                          | 16,417                        |
| Total expenditures                   | 1,918,001    | 6,272,027                  | 2,305,738                     |
| Revenues over (under) expenditures   | 522,899      | (23,675)                   | 1,260,475                     |
| Other financing sources (uses):      |              |                            |                               |
| Transfers from other funds           | 1,154,717    | -                          | -                             |
| Transfers to other funds             | (730,815)    | -                          | (77,017)                      |
| Total other financing sources (uses) | 423,902      | 0                          | (77,017)                      |
| Net change in fund balance           | 946,801      | (23,675)                   | 1,183,458                     |
| Fund balance (deficit) - January 1   | 14,938,923   | 120,239                    | 11,575,006                    |
| Fund balance (deficit) - December 31 | \$15,885,724 | \$96,564                   | \$12,758,464                  |

The accompanying notes are an integral part of these financial statements.

| Economic<br>Development Fund | Home Ownership<br>Counseling Fund | Tax Increment Fund | Intra-Activity<br>Eliminations | Total Governmental Funds |              |
|------------------------------|-----------------------------------|--------------------|--------------------------------|--------------------------|--------------|
|                              |                                   |                    |                                | 2021                     | 2020         |
| \$574,762                    | \$87,500                          | \$ -               | \$ -                           | \$4,098,114              | \$4,062,905  |
| 5,185,473                    | 78,003                            | -                  | -                              | 12,620,805               | 13,135,428   |
| -                            | -                                 | 249,053            | -                              | 249,053                  | 235,897      |
| -                            | 680                               | -                  | -                              | 1,270,389                | 1,209,439    |
| (372)                        | 6                                 | 7                  | (51,264)                       | (83,602)                 | 190,203      |
| -                            | -                                 | -                  | -                              | 224,554                  | 195,217      |
| 5,759,863                    | 166,189                           | 249,060            | (51,264)                       | 18,379,313               | 19,029,089   |
| -                            | -                                 | -                  | -                              | 1,582,233                | 1,440,640    |
| -                            | -                                 | -                  | -                              | 6,272,027                | 5,252,125    |
| -                            | -                                 | -                  | -                              | 2,193,956                | 1,626,523    |
| 5,628,588                    | -                                 | -                  | -                              | 5,628,588                | 6,584,893    |
| -                            | 141,412                           | -                  | -                              | 141,412                  | 1,340,627    |
| -                            | -                                 | 5,984              | -                              | 5,984                    | 14,950       |
| -                            | -                                 | -                  | -                              | 185,140                  | -            |
| -                            | -                                 | 65,216             | -                              | 288,236                  | 316,525      |
| -                            | -                                 | 117,859            | (51,264)                       | 105,985                  | 116,041      |
| 5,628,588                    | 141,412                           | 189,059            | (51,264)                       | 16,403,561               | 16,692,324   |
| 131,275                      | 24,777                            | 60,001             | 0                              | 1,975,752                | 2,336,765    |
| -                            | -                                 | -                  | (102,017)                      | 1,052,700                | 1,081,000    |
| -                            | (25,000)                          | -                  | 102,017                        | (730,815)                | (208,680)    |
| 0                            | (25,000)                          | 0                  | 0                              | 321,885                  | 872,320      |
| 131,275                      | (223)                             | 60,001             | 0                              | 2,297,637                | 3,209,085    |
| 466,333                      | 5,762                             | (3,496,072)        | -                              | 23,610,191               | 20,401,106   |
| \$597,608                    | \$5,539                           | (\$3,436,071)      | \$0                            | \$25,907,828             | \$23,610,191 |

The accompanying notes are an integral part of these financial statements.

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**WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY****RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES OF  
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**

For The Year Ended December 31, 2021

With Comparative Amounts For The Year Ended December 31, 2020

**Statement 5**

|   | <u>2021</u>               | <u>2020</u>               |
|---|---------------------------|---------------------------|
| Amounts reported for governmental activities in the statement of activities (Statement 2) are different because:  |                           |                           |
| Net changes in fund balances - total governmental funds (Statement 4)   | \$2,297,637               | \$3,209,085               |
| 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.  |                           |                           |
| - Capital outlays   | 185,140                   | -                         |
| - Current year depreciation   | (83,601)                  | (68,443)                  |
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.  |                           |                           |
| - Property taxes  | (4,523)                   | 5,769                     |
| - Interest accrued on long-term receivable  | 102,539                   | 95,907                    |
| - Issuance of new long-term receivable  | 81,172                    | 129,816                   |
| - Change in valuation of property held for resale   | -                         | (321,833)                 |
| The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of the governmental funds. These amounts are the net effect of these differences in the treatment of long-term debt and related items. |                           |                           |
| - Principal payment on long-term debt   | 288,236                   | 316,525                   |
| 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.   |                           |                           |
| - Other expenses  | <u>(1,942)</u>            | <u>(32,517)</u>           |
| Change in net position of governmental activities (Statement 2)   | <u><u>\$2,864,658</u></u> | <u><u>\$3,334,309</u></u> |

The accompanying notes are an integral part of these financial statements.

WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY

STATEMENT OF NET POSITION

PROPRIETARY FUNDS

December 31, 2021

With Comparative Totals For December 31, 2020

Statement 6

Page 1 of 2

|   | Public Housing<br>Fund | Senior Housing<br>Fund | Family Housing<br>Fund | Briar Pond LLC | Managing<br>Member<br>Partnership | Total Proprietary Funds |              |
|---|------------------------|------------------------|------------------------|----------------|-----------------------------------|-------------------------|--------------|
|   |                        |                        |                        |                |                                   | 2021                    | 2020         |
| Assets:                                       |                        |                        |                        |                |                                   |                         |              |
| Current assets:                               |                        |                        |                        |                |                                   |                         |              |
| Cash and cash equivalents                     | \$531,268              | \$1,006,565            | \$737,860              | \$2,270,928    | \$1,262,004                       | \$5,808,625             | \$3,846,818  |
| Restricted cash and investments               | 10,778                 | 4,521,895              | 4,578,578              | 1,415,017      | 907,195                           | 11,433,463              | 11,104,725   |
| Accounts receivable - tenants                 | 5,450                  | 35,334                 | 114,448                | 36,968         | -                                 | 192,200                 | 144,631      |
| Accounts receivable - other                   | -                      | -                      | -                      | -              | -                                 | -                       | 6            |
| Allowance for doubtful accounts               | (588)                  | (3,932)                | (24,755)               | (4,464)        | -                                 | (33,739)                | (34,133)     |
| Due from other funds                          | -                      | -                      | -                      | -              | -                                 | -                       | 1,465        |
| Due from other governmental units             | 9,493                  | 6,213                  | 4,605                  | 2,550          | -                                 | 22,861                  | 108,383      |
| Due from component unit                       | -                      | -                      | -                      | -              | 210,443                           | 210,443                 | 651,759      |
| Interest receivable                           | -                      | -                      | -                      | -              | 15,392                            | 15,392                  | 8,847        |
| Interest receivable - due from component unit | -                      | -                      | -                      | -              | 11,738                            | 11,738                  | 8,229        |
| Prepaid items                                 | 13,288                 | 173,423                | 130,858                | 119,438        | -                                 | 437,007                 | 392,346      |
| Capital lease receivable                      | -                      | -                      | 463,716                | -              | -                                 | 463,716                 | 455,554      |
| Total current assets                          | 569,689                | 5,739,498              | 6,005,310              | 3,840,437      | 2,406,772                         | 18,561,706              | 16,688,630   |
| Noncurrent assets:                            |                        |                        |                        |                |                                   |                         |              |
| Other assets:                                 |                        |                        |                        |                |                                   |                         |              |
| Capital lease receivable - long term          | -                      | -                      | 1,392,543              | -              | -                                 | 1,392,543               | 1,856,259    |
| Due from component unit - long term           | -                      | -                      | -                      | -              | 10,816,391                        | 10,816,391              | 11,055,955   |
| Investment in limited partnerships            | -                      | -                      | -                      | -              | 1,857,559                         | 1,857,559               | 1,857,613    |
| Total other assets                            | 0                      | 0                      | 1,392,543              | 0              | 12,673,950                        | 14,066,493              | 14,769,827   |
| Capital assets:                               |                        |                        |                        |                |                                   |                         |              |
| Land  | 315,000                | 1,970,768              | 1,825,417              | 447,868        | -                                 | 4,559,053               | 4,559,053    |
| Projects in process                           | 9,450                  | -                      | 31,988                 | -              | -                                 | 41,438                  | 59,344       |
| Buildings and structures                      | 2,939,777              | 30,963,627             | 26,326,114             | 13,184,505     | -                                 | 73,414,023              | 72,644,294   |
| Furniture and equipment                       | -                      | 251,120                | 125,916                | 138,666        | -                                 | 515,702                 | 515,702      |
| Total capital assets                          | 3,264,227              | 33,185,515             | 28,309,435             | 13,771,039     | 0                                 | 78,530,216              | 77,778,393   |
| Less: Accumulated depreciation                | (480,556)              | (13,472,083)           | (13,165,466)           | (8,460,916)    | -                                 | (35,579,021)            | (34,103,992) |
| Net capital assets                            | 2,783,671              | 19,713,432             | 15,143,969             | 5,310,123      | 0                                 | 42,951,195              | 43,674,401   |
| Total noncurrent assets                       | 2,783,671              | 19,713,432             | 16,536,512             | 5,310,123      | 12,673,950                        | 57,017,688              | 58,444,228   |
| Total assets                                  | 3,353,360              | 25,452,930             | 22,541,822             | 9,150,560      | 15,080,722                        | 75,579,394              | 75,132,858   |
| Deferred outflows of resources:               |                        |                        |                        |                |                                   |                         |              |
| Unamortized loss on refunding                 | -                      | 140,135                | 69,113                 | 216,045        | -                                 | 425,293                 | 474,766      |
| Total deferred outflows of resources          | 0                      | 140,135                | 69,113                 | 216,045        | 0                                 | 425,293                 | 474,766      |

The accompanying notes are an integral part of these financial statements.

WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY

STATEMENT OF NET POSITION

PROPRIETARY FUNDS

December 31, 2021

With Comparative Totals For December 31, 2020

Statement 6

Page 2 of 2

|  | Public Housing<br>Fund | Senior Housing<br>Fund | Family Housing<br>Fund | Briar Pond LLC | Managing<br>Member<br>Partnership | Total Proprietary Funds |              |
|--|------------------------|------------------------|------------------------|----------------|-----------------------------------|-------------------------|--------------|
|  |                        |                        |                        |                |                                   | 2021                    | 2020         |
| Liabilities:   |                        |                        |                        |                |                                   |                         |              |
| Current liabilities:                                     |                        |                        |                        |                |                                   |                         |              |
| Accounts payable   | \$10,456               | \$207,049              | \$135,742              | \$56,864       | \$2,000                           | \$412,111               | \$536,022    |
| Due to other funds                                       | -                      | -                      | 42                     | -              | -                                 | 42                      | 42,302       |
| Due to other governmental units                          | 5,724                  | 182,227                | 192,937                | 108,222        | -                                 | 489,110                 | 460,293      |
| Unearned revenue - rent                                  | 126,601                | 18,442                 | 23,146                 | 12,248         | -                                 | 180,437                 | 15,382       |
| Unearned gain on sale of property                        | -                      | -                      | 61,251                 | -              | -                                 | 61,251                  | 60,131       |
| Advances from other funds                                | -                      | 500,000                | -                      | -              | -                                 | 500,000                 | 500,000      |
| Current liabilities payable from restricted assets:      |                        |                        |                        |                |                                   |                         |              |
| Accrued interest payable                                 | 45                     | 244,405                | 127,631                | 19,491         | 111,974                           | 503,546                 | 543,577      |
| Security deposits  | 10,270                 | 186,426                | 111,623                | 96,894         | -                                 | 405,213                 | 404,733      |
| Contracts payable  | -                      | 2,610                  | -                      | -              | -                                 | 2,610                   | -            |
| Current portion of long-term debt                        | 444                    | 814,860                | 1,173,076              | 281,355        | 180,000                           | 2,449,735               | 2,426,113    |
| Total current liabilities payable from restricted assets | 10,759                 | 1,248,301              | 1,412,330              | 397,740        | 291,974                           | 3,361,104               | 3,374,423    |
| Total current liabilities                                | 153,540                | 2,156,019              | 1,825,448              | 575,074        | 293,974                           | 5,004,055               | 4,988,553    |
| Noncurrent liabilities:                                  |                        |                        |                        |                |                                   |                         |              |
| Unearned gain on sale of property                        | -                      | -                      | 65,638                 | -              | -                                 | 65,638                  | 126,888      |
| Long-term debt   | 3,095                  | 10,762,612             | 9,784,113              | 183,825        | 7,098,764                         | 27,832,409              | 30,070,129   |
| Notes and mortgages payable                              | 660,291                | -                      | 197,010                | 8,280,951      | 1,118,793                         | 10,257,045              | 10,511,779   |
| Total noncurrent liabilities                             | 663,386                | 10,762,612             | 10,046,761             | 8,464,776      | 8,217,557                         | 38,155,092              | 40,768,927   |
| Total liabilities  | 816,926                | 12,918,631             | 11,872,209             | 9,039,850      | 8,511,531                         | 43,159,147              | 45,697,349   |
| Deferred inflows of resources:                           |                        |                        |                        |                |                                   |                         |              |
| Unamortized gain on refunding                            | -                      | -                      | -                      | -              | -                                 | -                       | -            |
| Total deferred inflows of resources                      | 0                      | 0                      | 0                      | 0              | 0                                 | 0                       | 0            |
| Net position:  |                        |                        |                        |                |                                   |                         |              |
| Net investment in capital assets                         | 2,129,291              | 8,273,485              | 6,396,490              | (3,219,963)    | -                                 | 13,579,303              | 12,354,792   |
| Restricted for bond indenture purposes                   | 508                    | 4,158,922              | 4,317,047              | 1,209,901      | 907,195                           | 10,593,573              | 10,257,489   |
| Unrestricted   | 406,635                | 242,027                | 25,189                 | 2,336,817      | 5,661,996                         | 8,672,664               | 7,297,994    |
| Total net position                                       | \$2,536,434            | \$12,674,434           | \$10,738,726           | \$326,755      | \$6,569,191                       | \$32,845,540            | \$29,910,275 |

The accompanying notes are an integral part of these financial statements.

WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY  
STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS  
For The Year Ended December 31, 2021  
With Comparative Totals For The Year Ended December 31, 2020

Statement 7

|   | Public Housing<br>Fund | Senior Housing<br>Fund | Family Housing<br>Fund | Briar Pond LLC | Managing<br>Member<br>Partnership | Total Proprietary Funds |              |
|---|------------------------|------------------------|------------------------|----------------|-----------------------------------|-------------------------|--------------|
|   |                        |                        |                        |                |                                   | 2021                    | 2020         |
| Operating revenues:                               |                        |                        |                        |                |                                   |                         |              |
| Rental income                                     | \$164,830              | \$3,082,842            | \$3,637,494            | \$2,391,495    | \$ -                              | \$9,276,661             | \$8,614,060  |
| Service income                                    | 3,023                  | 18,155                 | 3,643                  | -              | -                                 | 24,821                  | 26,282       |
| HUD rent subsidies                                | 139,450                | 1,222,055              | -                      | 24,576         | -                                 | 1,386,081               | 1,135,048    |
| Other   | 7,296                  | 36,625                 | 51,348                 | 120,967        | -                                 | 216,236                 | 138,589      |
| Total operating revenues                          | 314,599                | 4,359,677              | 3,692,485              | 2,537,038      | 0                                 | 10,903,799              | 9,913,979    |
| Operating expenses:                               |                        |                        |                        |                |                                   |                         |              |
| Marketing   | -                      | 8,341                  | 11,532                 | 8,349          | -                                 | 28,222                  | 29,379       |
| Management fee                                    | 48,657                 | 467,699                | 401,303                | 247,698        | -                                 | 1,165,357               | 1,133,420    |
| Legal   | 5,129                  | 10,713                 | 12,349                 | 4,420          | -                                 | 32,611                  | 89,936       |
| Administrative                                    | 12,020                 | 77,729                 | 28,138                 | 17,262         | -                                 | 135,149                 | 138,542      |
| Operating   | 3,400                  | 51,144                 | 174,484                | 25,575         | -                                 | 254,603                 | 244,112      |
| Maintenance                                       | 98,561                 | 1,005,616              | 865,951                | 429,432        | -                                 | 2,399,560               | 2,587,954    |
| Utilities   | 62,640                 | 337,653                | 355,923                | 231,363        | -                                 | 987,579                 | 862,478      |
| Insurance   | 13,193                 | 180,123                | 138,081                | 81,544         | -                                 | 412,941                 | 401,315      |
| Property taxes                                    | 5,844                  | 183,430                | 197,012                | 108,810        | -                                 | 495,096                 | 568,696      |
| Depreciation                                      | 98,050                 | 767,665                | 711,492                | 329,417        | -                                 | 1,906,624               | 1,885,722    |
| Total operating expenses                          | 347,494                | 3,090,113              | 2,896,265              | 1,483,870      | 0                                 | 7,817,742               | 7,941,554    |
| Operating income (loss)                           | (32,895)               | 1,269,564              | 796,220                | 1,053,168      | 0                                 | 3,086,057               | 1,972,425    |
| Nonoperating revenues (expenses):                 |                        |                        |                        |                |                                   |                         |              |
| Investment income                                 | 91                     | 367                    | 51,265                 | 876            | 206,701                           | 259,300                 | 326,501      |
| Intergovernmental                                 | 103                    | 180,544                | 71,322                 | 6,182          | -                                 | 258,151                 | 442,664      |
| Gain (loss) on asset disposition                  | -                      | -                      | 60,131                 | -              | -                                 | 60,131                  | 58,778       |
| Financial expense                                 | (57)                   | (18,194)               | (9,654)                | (141,744)      | (1,999)                           | (171,648)               | (71,159)     |
| Amortization of bond premium                      | -                      | 15,061                 | 37,916                 | -              | 8,695                             | 61,672                  | 61,673       |
| Amortization of deferred gain (loss) on refunding | -                      | (23,428)               | (17,374)               | (8,671)        | -                                 | (49,473)                | (13,688)     |
| Interest expense                                  | (109)                  | (512,913)              | (337,236)              | (221,046)      | (269,029)                         | (1,340,333)             | (1,529,154)  |
| Property tax revenue                              | 452                    | 604,543                | 448,067                | 27,098         | 241,010                           | 1,321,170               | 1,360,954    |
| Contribution to component unit                    | -                      | -                      | -                      | -              | (195,000)                         | (195,000)               | (97,500)     |
| Other   | (23,263)               | (16,660)               | (1,444)                | (960)          | -                                 | (42,327)                | (38,134)     |
| Total nonoperating<br>revenues (expenses)         | (22,783)               | 229,320                | 302,993                | (338,265)      | (9,622)                           | 161,643                 | 500,935      |
| Income (loss) before contributions and transfers  | (55,678)               | 1,498,884              | 1,099,213              | 714,903        | (9,622)                           | 3,247,700               | 2,473,360    |
| Capital contributions                             | 9,450                  | -                      | -                      | -              | -                                 | 9,450                   | 168,585      |
| Transfers:  |                        |                        |                        |                |                                   |                         |              |
| Transfers from other funds                        | -                      | 473,522                | 257,293                | -              | -                                 | 730,815                 | 4,016,270    |
| Transfers to other funds                          | -                      | (594,700)              | (458,000)              | -              | -                                 | (1,052,700)             | (4,888,590)  |
| Total transfers                                   | 0                      | (121,178)              | (200,707)              | 0              | 0                                 | (321,885)               | (872,320)    |
| Change in net position                            | (46,228)               | 1,377,706              | 898,506                | 714,903        | (9,622)                           | 2,935,265               | 1,769,625    |
| Net position - January 1                          | 2,582,662              | 11,296,728             | 9,840,220              | (388,148)      | 6,578,813                         | 29,910,275              | 28,140,650   |
| Net position - December 31                        | \$2,536,434            | \$12,674,434           | \$10,738,726           | \$326,755      | \$6,569,191                       | \$32,845,540            | \$29,910,275 |

The accompanying notes are an integral part of these financial statements.



WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

For The Year Ended December 31, 2021

With Comparative Totals For The Year Ended December 31, 2020

Statement 8

|  | Public Housing<br>Fund | Senior Housing<br>Fund | Family Housing<br>Fund | Briar Pond<br>LLC | Managing<br>Member<br>Partnership | Total Proprietary Funds |              |
|--|------------------------|------------------------|------------------------|-------------------|-----------------------------------|-------------------------|--------------|
|  |                        |                        |                        |                   |                                   | 2021                    | 2020         |
| Cash flows from operating activities:  |                        |                        |                        |                   |                                   |                         |              |
| Receipts from customers and users  | \$431,650              | \$4,236,624            | \$3,643,553            | \$2,414,151       | \$6                               | \$10,725,984            | \$9,946,160  |
| Payment to suppliers for goods and services  | (272,080)              | (2,362,831)            | (2,234,004)            | (1,183,958)       | 1,997                             | (6,050,876)             | (5,807,417)  |
| Miscellaneous income   | 7,296                  | 36,625                 | 51,348                 | 120,967           | -                                 | 216,236                 | 138,189      |
| Miscellaneous (loss)   | (23,263)               | (16,660)               | (1,444)                | (960)             | -                                 | (42,327)                | (38,134)     |
| Net cash flows from operating activities   | 143,603                | 1,893,758              | 1,459,453              | 1,350,200         | 2,003                             | 4,849,017               | 4,238,798    |
| Cash flows from noncapital financing activities:   |                        |                        |                        |                   |                                   |                         |              |
| Transfers in   | -                      | -                      | -                      | -                 | -                                 | -                       | 6,500        |
| Transfers out  | (17,128)               | (594,700)              | (458,000)              | -                 | -                                 | (1,069,828)             | (1,105,618)  |
| Due from other funds   | -                      | -                      | 1,465                  | -                 | -                                 | 1,465                   | (1,465)      |
| Due to other funds   | (42,299)               | -                      | 42                     | -                 | -                                 | (42,257)                | 42,299       |
| Net cash flows from noncapital financing activities  | (59,427)               | (594,700)              | (456,493)              | 0                 | 0                                 | (1,110,620)             | (1,058,284)  |
| Cash flows from capital and related financing activities:                                      |                        |                        |                        |                   |                                   |                         |              |
| Property taxes   | 452                    | 604,543                | 448,067                | 27,098            | 241,010                           | 1,321,170               | 1,360,954    |
| Transfers in   | 17,128                 | 473,522                | 257,293                | -                 | -                                 | 747,943                 | 225,501      |
| Capital contribution   | 9,450                  | -                      | -                      | -                 | -                                 | 9,450                   | 168,585      |
| Federal recovery zone credits and CDBG   | 103                    | 262,837                | 71,775                 | 6,433             | -                                 | 341,148                 | 365,374      |
| Fiscal agent costs and other debt related fees   | (57)                   | (10,586)               | (9,655)                | (141,745)         | (1,999)                           | (164,042)               | (65,729)     |
| Purchase of capital assets   | (16,330)               | (866,039)              | (265,743)              | (32,695)          | -                                 | (1,180,807)             | (797,628)    |
| Interest paid on long-term debt  | (114)                  | (524,078)              | (353,512)              | (232,172)         | (270,487)                         | (1,380,363)             | (1,557,988)  |
| Principal payments on long-term debt   | (445)                  | (845,029)              | (1,126,780)            | (267,512)         | (175,001)                         | (2,414,767)             | (2,447,363)  |
| Net cash flows from capital and related financing activities                                   | 10,187                 | (904,830)              | (978,555)              | (640,593)         | (206,477)                         | (2,720,268)             | (2,748,294)  |
| Cash flows from investing activities:  |                        |                        |                        |                   |                                   |                         |              |
| Principal receipts on capital lease receivable   | -                      | -                      | 455,554                | -                 | -                                 | 455,554                 | 441,624      |
| Issuance of loans receivable   | -                      | -                      | -                      | -                 | 485,880                           | 485,880                 | 334,980      |
| Investment income  | 91                     | 82,049                 | 51,265                 | 876               | 196,701                           | 330,982                 | 236,259      |
| Net cash flows from investing activities   | 91                     | 82,049                 | 506,819                | 876               | 682,581                           | 1,272,416               | 1,012,863    |
| Net increase (decrease) in cash and cash equivalents   | 94,454                 | 476,277                | 531,224                | 710,483           | 478,107                           | 2,290,545               | 1,445,083    |
| Cash and cash equivalents - January 1  | 447,592                | 5,052,183              | 4,785,214              | 2,975,462         | 1,691,092                         | 14,951,543              | 13,506,460   |
| Cash and cash equivalents - December 31  | \$542,046              | \$5,528,460            | \$5,316,438            | \$3,685,945       | \$2,169,199                       | \$17,242,088            | \$14,951,543 |
| Reconciliation of operating income (loss) to net cash provided (used) by operating activities: |                        |                        |                        |                   |                                   |                         |              |
| Operating income (loss)  | (\$32,895)             | \$1,269,564            | \$796,220              | \$1,053,168       | \$ -                              | \$3,086,057             | \$1,972,425  |
| Adjustments to reconcile operating income (loss) to net cash flows from operating activities:  |                        |                        |                        |                   |                                   |                         |              |
| Depreciation   | 98,050                 | 767,665                | 711,492                | 329,417           | -                                 | 1,906,624               | 1,885,722    |
| Miscellaneous income (loss)  | (23,263)               | (16,660)               | (1,444)                | (960)             | -                                 | (42,327)                | (38,134)     |
| Changes in assets and liabilities:   |                        |                        |                        |                   |                                   |                         |              |
| Decrease (increase) in receivables   | (4,509)                | (102,013)              | (10,068)               | (13,055)          | 6                                 | (129,639)               | 195,208      |
| Decrease (increase) prepaid items  | (941)                  | (20,549)               | (11,287)               | (11,884)          | -                                 | (44,661)                | 15,237       |
| Decrease (increase) due from other governments   | 2,525                  | -                      | -                      | -                 | -                                 | 2,525                   | 13,029       |
| Increase (decrease) accounts payable   | (21,165)               | (22,870)               | (62,599)               | (19,277)          | 2,000                             | (123,911)               | 216,137      |
| Increase (decrease) security deposits payable  | (250)                  | (38)                   | (760)                  | 1,528             | -                                 | 480                     | (49,966)     |
| Increase (decrease) due to other governments   | (530)                  | 3,036                  | 24,655                 | 1,656             | (3)                               | 28,814                  | 17,041       |
| Increase (decrease) unearned revenue   | 126,581                | 15,623                 | 13,244                 | 9,607             | -                                 | 165,055                 | 12,099       |
| Total adjustments  | 176,498                | 624,194                | 663,233                | 297,032           | 2,003                             | 1,762,960               | 2,266,373    |
| Net cash provided (used) by operating activities   | \$143,603              | \$1,893,758            | \$1,459,453            | \$1,350,200       | \$2,003                           | \$4,849,017             | \$4,238,798  |
| Noncash investing, capital and financing activities:   |                        |                        |                        |                   |                                   |                         |              |
| Transfers of non-cash assets   | \$0                    | \$0                    | \$0                    | \$0               | \$0                               | \$0                     | \$0          |
| Prepayment penalty and mortgage premium  | \$0                    | \$0                    | \$0                    | \$87,601          | \$0                               | \$87,601                | \$0          |

The accompanying notes are an integral part of these financial statements.

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**Note 1     SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. DESCRIPTION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all the activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, and other non-exchange transactions, are reported separately from *business-type activities*, which rely, to a significant extent, on fees and charges to external customers for support.

**B. REPORTING ENTITY**

The Washington County Community Development Agency (CDA) is a local governmental unit created in 1981 by a special act of Minnesota State Legislature, pursuant to the Laws of Minnesota for 1974, Chapter 475. Originally named the Washington County Housing and Redevelopment Authority (HRA), the CDA had all the powers of a housing and redevelopment authority. In 2016, the Minnesota Legislature enacted House File No. 2956, amending Laws of Minnesota for 1974, Chapter 475, to allow the HRA to assume certain economic development authority powers. After June 28, 2016, the HRA became known as a CDA. The CDA operates for the purpose of providing housing, redevelopment and economic development services to the Washington County (the County), Minnesota area. The governing body of the CDA consists of a seven member Board of Commissioners (Board) appointed by the county commissioners to serve three-year terms.

Several of the CDA's bond issues have been backed by the full faith and credit of the County. This general obligation pledge has allowed the CDA to obtain lower borrowing costs for the purpose of financing the construction of housing facilities within the County. As such, the CDA is considered a discretely presented component unit of the County and is included in the County's basic financial statements.

Blended component units. The CDA has established several legally separate entities that are required to be included in the financial reporting entity as blended component units. In each instance, the CDA is the sole member of the LLC and the CDA's Board of Commissioners is also the Board of Governors of the LLC and a financial benefit or burden relationship exists. In accordance with generally accepted accounting principles, WCCDA Family Housing, LLC, Briar Pond, LLC, The Groves Managing Member, LLC, WCHRA Piccadilly Square, LLC and WCCDA Glen, LLC, have been included in the financial reporting entity as blended component units of the CDA. Briar Pond, LLC does separately issue financial statements. A copy can be obtained from the Finance Director of the Washington County Community Development Agency, 7645 Currell Boulevard, Woodbury, MN 55125, and is reported as an enterprise fund in the CDA's financial statements. WCCDA Family Housing, LLC, The Groves Managing Member, LLC, WCHRA Piccadilly Square, LLC and WCCDA Glen, LLC, do not separately issue financial statements and are reported as enterprise funds in the CDA's financial statements.

Discretely presented component units. The CDA is the general partner and managing member of The Groves Apartments, LLC, Piccadilly Square of Mahtomedi, LLC and Glen at Valley Creek, LLC, low income housing tax credit limited partnerships. The limited partnerships were formed to construct and operate or rehabilitate and operate family and senior housing property in Washington County. The projects are financed, in part, with low income housing tax credits which place certain restrictions on rental rates and require tenants to qualify for occupancy based on income levels. The CDA's ownership percentage in the limited partnerships is .01%, respectively. As general partner, the CDA controls the day-to-day operations of the partnerships. The limited partners have limited rights regarding the operations of the partnerships. See Note 16 for additional information on the discretely presented component units. Separate financial statements for the limited partnership can be obtained by contacting

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the Finance Director of the Washington County Community Development Agency, 7645 Currell Boulevard, Woodbury, MN 55125.

**C. BASIS OF PRESENTATION – GOVERNMENT-WIDE FINANCIAL STATEMENTS**

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds, while the business-type activities column incorporates data from the government's enterprise funds. Separate financial statements are provided for governmental funds and proprietary funds. The primary government is reported separately from the discretely presented component units for which the primary government is financially accountable.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are transactions that would be treated as revenues, expenditures or expenses if they involved external organizations, such as buying goods and services or payments in lieu of taxes, are similarly treated when they involve other funds of the CDA. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

**D. BASIS OF PRESENTATION – FUND FINANCIAL STATEMENTS**

The fund financial statements provide information about the government's funds, including its blended component units. Separate statements for each fund category – governmental and proprietary – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. There are no remaining governmental and enterprise funds to be aggregated and reported as nonmajor funds.

The CDA reports the following major governmental funds:

The *General Fund* accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *Housing Assistance Fund* is used to account for the administration of 539 units of rental assistance through the U.S. Department of Housing and Urban Development (HUD) Housing Choice Voucher program and several smaller federal and state funded programs.

The *Community Development Fund* is used to account for related expenses to the CDA for land purchases, constructed housing developments, assisting developers with new affordable housing developments, various housing programs of the CDA, or other expenses related to assisting cities with affordable housing developments. Revenues for this program are derived from state and federal grants, special financing programs available to the CDA and property taxes.

The *Economic Development Fund* is used to account for expenses related to the Economic Development Department activities and expenses that promote economic development in Washington County, Minnesota. Grants, contributions and property taxes fund this program.

The *Home Ownership Counseling Fund* is used to account for related expenses to provide counseling to consumers on seeking, financing, maintaining, renting, or owning a home. The program also assists homeowners in need of foreclosure assistance. Federal and state grants fund this program.

The *Tax Increment Fund* accounts for the eligible expenses under state law for tax increment financing districts. It currently includes the Redrock TIF District and the Whispering Oaks TIF

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District, which is a redevelopment district. Whispering Oaks is the name of the once CDA-owned manufactured home park. The City of Oakdale approved a redevelopment plan in 2006 for the property for a mixed housing type, mixed income development known as Red Oak Preserve.

The *Home Ownership Counseling Fund and Tax Increment Fund*, are presented as major funds for public purpose interest.

The CDA reports the following major proprietary funds:

*Public Housing Fund* – was established to account for the operation of 96 units of rental housing within Washington County through the HUD funded Low-Rent Housing Program and Capital Fund Program. These units are owned and operated by the CDA but are subject to HUD’s program rules and regulations. HUD provides subsidies for the operation, maintenance and improvement of these units.

*Senior Housing Fund* – was established to account for the resources accumulated and payments made for the acquisition, construction, improvement and operation of 401 units of bond-financed senior housing intended for seniors 55 years of age or older within the County.

*Family Housing Fund* – was established to account for the resources accumulated and payments made for the acquisition, construction, improvement and operation of 265 units of bond-financed, or other, family housing within the County.

*Briar Pond, LLC* – was established to account for operations of Briar Pond LLC, a blended component unit, which is comprised of four buildings and a total of 196 units. Unit styles are available in 1 bedroom and 2 bedroom apartments and 2 bedroom and 3 bedroom townhomes.

*Managing Member Partnership* – was established to account for the Agency’s investment in and any transactions related to performing the duties of general partner and managing member of The Groves Apartments, LLC, Piccadilly Square of Mahtomedi, LLC and Glen at Valley Creek, LLC.

During the course of operations, the government has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between funds included in governmental activities (i.e. the governmental funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e. the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

## E. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the CDA considers all revenues, except reimbursement grants, to be available if they are collected within 60 days of the end of the current fiscal period. Reimbursement grants are considered available if they are collected within one year of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, intergovernmental revenues, charges for services and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the CDA.

## F. BUDGETARY INFORMATION

### 1. Budgetary basis of accounting

Budget requests are submitted by the CDA's Finance Director to the Board. The budget is adopted at a public meeting by the Board after sending certification of tax levies to the County Auditor. The budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America. Annual appropriated budgets are legally adopted for all funds.

Budgeted expenditure appropriations lapse at year end. The Executive Director and Finance Director are authorized to transfer appropriations within any fund budget. Interdepartmental or interfund appropriations and deletions are authorized by the Board with fund contingency reserves or additional revenues. The legal level of budgetary control is at the fund level. Monitoring of budgets is maintained at the expenditure category level (i.e., personal services; materials and supplies; contractual services; and capital outlay) within each program. All amounts over budget have been approved by the Board through the disbursement process.

Encumbrances represent outstanding purchase orders and unfulfilled commitments that are issued to outside vendors and budgeted in the current year but do not include amounts that are set up as liabilities, amounts for personal services to be performed by CDA employees and purchase orders applicable to the subsequent year's budget. Encumbrances lapse at year end.

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As of December 31, 2021, no outstanding encumbrances existed.

The Housing Assistance Special Revenue Fund total expenditures exceeded budget by \$19,427. This was funded by available fund balance.

**G. ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND NET POSITION/FUND BALANCE**

**1. Cash and cash equivalents**

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.

**2. Investments**

The CDA's investment policy requires compliance with State statutes which allow investments in obligations guaranteed by the U.S. Treasury or its agencies, mutual funds, general obligations of state and local governments, bankers' acceptances, commercial paper, repurchase agreements, and the Minnesota Association of Governments Investing for Counties. Investments are stated at fair value, except for investments in external investment pools that meet Governmental Accounting Standards Board (GASB) Statement No. 79 requirements, which are stated at amortized cost. Investment income is accrued at the balance sheet date.

**3. 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. Prepaid items are reported using the consumption method and recorded as expenditures/expenses at the time of consumption.

**4. Restricted assets**

Certain proceeds of the CDA's enterprise fund bond issues, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants. For the purpose of the statement of cash flows, the proprietary funds treat restricted cash and cash equivalents the same as investments.

**5. Capital assets**

Capital assets, which include property, plant and equipment are reported in the applicable governmental or business-type activities columns 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 (amount not rounded) 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 is depreciated using the straight-line method over the following estimated useful lives:

| Assets                         |            |
|--------------------------------|------------|
| Buildings and structures       | 40 years   |
| Buildings and structures – HUD | 30 years   |
| Furniture and equipment        | 3–15 years |
| Data processing                | 7 years    |

**6. Tenant receivables**

Tenant receivables in excess of 60 days comprise the tenant receivable allowance. The amount at December 31, 2021 was \$33,739.

**7. Receivables and payables**

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. Short-term interfund loans are classified as “due to/from other funds.” All short-term interfund receivables and payables at December 31, 2021 are planned to be eliminated in 2022. Long-term interfund loans are classified as “advances to/from other funds.” Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

Advances to other funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable, available financial resources.

Property taxes are reported net of estimated uncollectible accounts. (See Note 1.H.2). Uncollectible amounts are not material for other receivables and have not been reported.

**8. 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, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the term of the bonds.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued 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.

**9. Deferred outflows/inflows 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*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The CDA has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the proprietary fund balance sheet and the government-wide statement of net position. A deferred charge on refunding results from the difference in 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.



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In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The CDA has one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental fund balance sheet. The governmental funds report unavailable revenues from the following sources: property taxes and notes receivable. In addition, in both the government-wide governmental activities statement of net position and the governmental funds balance sheet, the CDA reports a deferred inflow for grants received in advance of meeting time requirements. The CDA has one item that is considered a deferred inflow of resources, which arises only under the full accrual basis of accounting. In the proprietary funds, gains that arose from the refunding of debt are considered a deferred inflow of resources and are amortized over the life of the bond. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

**10. Classification of net position**

Net position in the government-wide and proprietary fund financial statements are classified in the following categories:

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

Restricted net position – the amount of net position for which external restrictions have been imposed by creditors, grantors, contributors, or laws or regulations or other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

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

**11. Net position flow assumption**

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g. restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the CDA's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

**12. Fund balance flow assumption**

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the CDA's policy to consider restricted fund balance to be depleted before using any other components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

### 13. Fund balance classifications

In the fund financial statements, governmental funds report fund balance in classifications that disclose constraints for which amounts in those funds can be spent. These classifications are as follows:

*Nonspendable* - consists of amounts that are not in spendable form, such as prepaid items.

*Restricted* - consists of amounts related to externally imposed constraints established by creditors, grantors or contributors; or constraints imposed by state statutory provisions.

*Committed* - consists of internally imposed constraints. These constraints are established by Resolution of the Board.

*Assigned* - consists of internally imposed constraints. These constraints reflect the specific purpose for which it is the Board's intended use. These constraints are established by the Executive Director, who has been delegated through the Board's approved fund balance policy.

*Unassigned* - is the residual classification for the general fund and also reflects negative residual amounts in other funds.

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

When committed, assigned or unassigned resources are available for use, it is the Board's policy to use resources in the following order; 1) committed 2) assigned and 3) unassigned.

## H. REVENUES AND EXPENDITURES/EXPENSES

### 1. Program revenues

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

### 2. Property taxes

The Board annually adopts a tax levy request and submits it to the County in December for final certification (levy/assessment date) of each year for collection in the following year. The County is responsible for billing and collecting all property taxes for itself, the CDA, the local School District and other taxing authorities. Such taxes become a lien on January 1 and are recorded as receivables by the CDA at that date. Real property taxes are payable (by property owners) on May 15 and October 15 of each calendar year. Personal property taxes are payable by taxpayers on February 28 and June 30 of each year. These taxes are collected by the County and remitted to the CDA on or before July 7 and December 2 of the same year. Delinquent collections for November and December are received the following January. The CDA has no ability to enforce payment of property taxes by property owners. The County possesses this authority.

#### Government-Wide Financial Statements

The CDA recognizes property tax revenue in the period for which the taxes were levied. Uncollectible property taxes are not material and have not been reported.

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Governmental Fund Financial Statements

The CDA recognizes property tax revenue when it becomes both measurable and available to finance expenditures of the current period. In practice, current and delinquent taxes and State credits received by the CDA in July, December and January are recognized as revenue for the current year. Taxes collected by the County by December 31 (remitted to the CDA the following January) and taxes and credits not received at year end are classified as delinquent and due from County taxes receivable. The portion of delinquent taxes not collected by the CDA in January is fully offset by deferred inflow of resources because they are not available to finance current expenditures.

**3. Compensated absences**

It is the CDA's policy to permit employees to accumulate earned but unused Paid Time Off (PTO) benefits. All PTO pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. The CDA converted to the PTO system, combining the former vacation and sick leave benefits, in 2005. As part of that conversion, employees with sick leave balances as of December 31, 2005 were permitted to convert time accrued to an Extended Sick Leave Bank (ESLB). New hires after this date do not have this benefit. In accordance with the provisions of GASB Statement No. 16, *Accounting for Compensated Absences*, no liability is recorded for nonvesting accumulating rights to receive ESLB benefits.

**4. Proprietary funds operating and nonoperating revenues and expenses**

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. 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 revenue of the enterprise funds are tenant rents. Operating expenses for enterprise funds include the cost of maintenance services, utilities and insurance costs, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**I. INTERFUND TRANSACTIONS**

Interfund services provided and used are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. Interfund loans are reported as an interfund loan receivable or payable which offsets the movement of cash between funds. All other interfund transactions are reported as transfers.

**J. USE OF ESTIMATES**

The preparation of financial statements in accordance with generally accepted accounting principles (GAAP) requires management to make estimates that affect the amounts reported within financial statements during the reporting period. Actual results could differ from such estimates.

**K. COMPARATIVE TOTALS**

Certain basic financial statements include prior-year summarized comparative information in total but not at the level of detail required for a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the CDA's financial statements for the year ended December 31, 2020, from which the summarized information was derived.

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**L. RECLASSIFICATION**

Certain prior year numbers have been reclassified to conform to current year presentation.

**M. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

**1. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND BALANCE SHEET AND THE GOVERNMENT-WIDE STATEMENT OF NET POSITION.**

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that “long-term liabilities, including bonds payable, are not due and payable in the current period and therefore, are not reported in the funds.” The details of this (\$2,784,864) difference are as follows:

|  | <u>2021</u>                 |
|--|-----------------------------|
| Due to primary government  | (\$1,282,781)               |
| Accrued interest payable   | (31,172)                    |
| Other long term payables   | (1,299,873)                 |
| Compensated absences   | <u>(171,038)</u>            |
| Net adjustment to reduce fund balance - total governmental funds to arrive at net position - governmental activities | <u><u>(\$2,784,864)</u></u> |

**2. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES AND THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES.**

The governmental fund statement of revenues, expenditures and changes in fund balances includes a reconciliation between *net changes in fund balances – total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that “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.” The details of this \$101,539 difference are as follows:

|  | <u>2021</u>             |
|--|-------------------------|
| Capital outlay   | \$185,140               |
| Depreciation expense   | <u>(83,601)</u>         |
| Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities | <u><u>\$101,539</u></u> |

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Another element of that reconciliation states that “revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.” The detail of this \$179,188 difference is as follows:

|   | <u>2021</u>             |
|---|-------------------------|
| Unavailable revenue - general property taxes:   |                         |
| At beginning of year  | (\$50,391)              |
| At end of year  | 45,867                  |
| Unavailable revenue - property held for resale:   |                         |
| At beginning of year  | (161,400)               |
| At end of year  | 161,400                 |
| Unavailable revenue - note receivable:  |                         |
| At beginning of year  | (4,681,745)             |
| At end of year  | <u>4,865,457</u>        |
| Net adjustments to increase net changes in fund balances -<br>total governmental funds to arrive at changes in net position<br>of governmental activities | <u><u>\$179,188</u></u> |

Another element of that reconciliation states that “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.” The detail of this (\$1,942) difference is as follows:

|  | <u>2021</u>             |
|--|-------------------------|
| Interest expense   | \$1,819                 |
| Compensated absences   | <u>(3,761)</u>          |
| Net adjustment to decrease net changes in fund balances -<br>total governmental funds to arrive at changes in net position<br>of governmental activities | <u><u>(\$1,942)</u></u> |

**N. DEFICIT FUND EQUITY**

At December 31, 2021, the Tax Increment Fund, a major governmental fund, has a fund deficit of \$3,436,071. The reason for the deficit is advances that were received from the Community Development Fund in order to fund the Whispering Oaks and Redrock TIF projects. It is expected that future TIF revenues will reduce the fund deficit.

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**Note 2 DEPOSITS AND INVESTMENTS**

For purpose of the statement of cash flows for the enterprise funds, the CDA considers unrestricted cash and highly liquid instruments purchased with a maturity of three months or less to be cash equivalents.

The CDA invests in an external investment pool, the Minnesota Association of Governments Investing for Counties (MAGIC) Fund, which is created under joint powers agreement pursuant to Minnesota Statute 471.59 and regulated by Minnesota State Statutes. The MAGIC fund is not registered with the Securities and Exchange Commission. The pool is managed to maintain a portfolio weighted average maturity of no greater than 60 days and seeks to maintain a constant net asset value (NAV) per share of \$1. The pool measures their investments in accordance with Government Accounting Standards Board Statement No. 79, at amortized cost. The MAGIC fund has no redemption requirements and no maximum transaction amounts. A copy of the funds statement is available at [www.magicfund.org](http://www.magicfund.org).

**A. DEPOSITS**

Minnesota Statutes require that all deposits with financial institutions must be collateralized in an amount equal to 110% of deposits in excess of FDIC insurance. Deposits include checking, savings and certificates of deposits.

The December 31, 2021 carrying amount of the CDA's deposits with financial institutions was \$1,616,413 all of which is covered by FDIC insurance or pledged collateral.

**B. INVESTMENTS**

The CDA's investment policy requires compliance with State statutes which allow investments in obligation guaranteed by the U.S. Treasury or its agencies, mutual funds, general obligations of state and local governments, bankers' acceptances, commercial paper, repurchase agreements, and the Minnesota Association of Governments Investing for Counties.

As of December 31, 2021 the CDA had the following investments and maturities:

|                            | Rating | Fair Value                 | Investment Maturities (in Years) |                    |            |
|----------------------------|--------|----------------------------|----------------------------------|--------------------|------------|
|                            |        |                            | Less than 1                      | 1-5                | Over 5     |
| Mutual fund                | AAAm   | \$10,119,478               | \$10,119,478                     | \$ -               | \$ -       |
| External investment pools  | NR     | 16,316,443                 | 16,316,443                       | -                  | -          |
| Certificate of deposit     | NR     | 2,449,850                  | 753,711                          | 1,696,139          | -          |
| Brokered MB's              | AAA    | 3,855,214                  | 1,639,266                        | 2,215,948          | -          |
| Brokered MB's              | AA+    | 758,985                    | -                                | 758,985            | -          |
| Brokered MB's              | AA     | 2,222,180                  | 557,875                          | 1,664,305          | -          |
| Brokered MB's              | AA-    | 991,411                    |                                  | 991,411            | -          |
| Total investments          |        | <u>\$36,713,561</u>        | <u>\$29,386,773</u>              | <u>\$7,326,788</u> | <u>\$0</u> |
| Deposits                   | NR     | <u>1,616,413</u>           |                                  |                    |            |
| Total cash and investments |        | <u><u>\$38,329,974</u></u> |                                  |                    |            |

NR - Not Rated

These amounts are presented on the statement of net position as follows:

|                                 |                            |
|---------------------------------|----------------------------|
| Cash and investments            | \$26,863,224               |
| Restricted cash and investments | <u>11,466,750</u>          |
| Total cash and investments      | <u><u>\$38,329,974</u></u> |

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**C. FAIR VALUE**

The CDA's investments that are not recorded at amortized cost are recorded at fair value as of December 31, 2021. GASB Statement No. 72, Fair Value Measurement and Application, defines fair value as the price that would be received to sell an asset between market participants at the measurement date. This statement established a hierarchy of valuation inputs based on the extent to which the inputs are observable in the market place.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measure. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The hierarchy has three levels. Level 1 investments are valued using inputs that are based on quoted prices in active markets for identical assets. Level 2 investments are valued using inputs that are based on quoted prices for similar assets or inputs that are observable, either directly or indirectly. Level 3 investments are valued using inputs that are unobservable.

The CDA has the following recurring fair value measurements as of December 31, 2021:

| Investment Type                       | 12/31/2021   | Fair Value Measurement Using |              |         |
|---------------------------------------|--------------|------------------------------|--------------|---------|
|                                       |              | Level 1                      | Level 2      | Level 3 |
| Investments at fair value:            |              |                              |              |         |
| Brokered CD's                         | \$2,449,851  | \$ -                         | \$2,449,851  | \$ -    |
| Brokered MB's                         | 3,855,214    | -                            | 3,855,214    | -       |
| Brokered MB's                         | 758,985      | -                            | 758,985      | -       |
| Brokered MB's                         | 2,222,179    | -                            | 2,222,179    | -       |
| Brokered MB's                         | 991,411      | -                            | 991,411      | -       |
| Total/Subtotal                        | 10,277,640   | \$0                          | \$10,277,640 | \$0     |
| Investments not categorized:          |              |                              |              |         |
| Mutual fund                           | 10,119,478   |                              |              |         |
| External investment pool - Magic fund | 16,316,443   |                              |              |         |
| Total                                 | \$36,713,561 |                              |              |         |

**D. DEPOSIT AND INVESTMENT RISKS**

Custodial credit risk – For investments in securities, custodial credit risk is the risk that in the event of failure of the counterparty to a transaction, the CDA will not be able to recover the value of its investment securities that are in the possession of an outside party. Investments in investment pools and money markets are not evidenced by securities that exist in physical or book entry form, and therefore are not subject to custodial credit risk disclosures.

Interest rate risk – Interest rate risk is the risk that changes in interest rates of debt investments could adversely affect the fair value of an investment. The CDA does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk – Credit risk is the risk that an issuer or other counterparty to an investment will be unable to fulfill its obligation to the holder of the investment. State law limits investments to those listed in Note 2.B. The CDA does not have a formal investment policy that further limits the ratings of their investments.

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Concentration of credit risk – Concentration of credit risk is the risk of loss that may be attributed to the magnitude of a government’s investment in a single issuer. The CDA places no limit on the amount the CDA may invest in any one issuer. Investments in a single issuer exceeding 5% of the CDA’s overall cash and investment portfolio are as follows:

|                                       |       |
|---------------------------------------|-------|
| First American Government Obligations | 28.6% |
|---------------------------------------|-------|

**Note 3 RECEIVABLES**

The Community Development Fund has receivable balances of \$8,898,479 which are not expected to be collected within one year of December 31, 2021. These receivables relate to several deferred loans made to finance privately-owned affordable housing projects. A majority of the funding for the loans come from federal programs.

The Managing Member Partnership Fund has receivable balances of \$11,026,834 of which, \$10,816,391 is not expected to be collected within one year of December 31, 2021. These receivables are the developer fees and the seller note receivable from The Groves Apartments, LLC, the developer fees, loan receivables and mortgage receivable from Piccadilly Square of Mahtomedi, LLC, and the developer fees, loan receivables, and mortgage receivable from The Glen at Valley Creek, LLC.

**Note 4 INVESTMENTS IN LIMITED PARTNERSHIPS**

As explained in Note 1.B., the CDA is the general partner and managing member of The Groves Apartments, LLC, Piccadilly Square of Mahtomedi, LLC, and Glen at Valley Creek, LLC, low income housing tax credit limited partnerships. The limited partnerships were formed to construct and operate or rehabilitate and operate family and senior housing property in Washington County and were financed, in part, with low-income housing tax credits which place certain restrictions on rental rates and require tenants to qualify for occupancy based on income levels. Contributions and distributions, if any, are recorded as direct adjustments to the investment in limited partnerships on the statement of net position. Any income or loss from the operation of this limited partnership is also recorded as a direct adjustment to the investment in limited partnerships based on the CDA’s ownership percentage, which is .01%.

Additional information on the limited partnerships is provided as follows:

|                                     | Year<br>Built | Units | Beginning<br>Balance | Additions | Reductions | Allocation of<br>Gains/(Loss) | Ending<br>Balance |
|-------------------------------------|---------------|-------|----------------------|-----------|------------|-------------------------------|-------------------|
| The Groves Apartments, LLC          | 2014          | 67    | \$500,544            | \$ -      | \$ -       | (\$6)                         | \$500,538         |
| Piccadilly Square of Mahtomedi, LLC | 2015-2016     | 79    | 1,344,061            | -         | -          | (11)                          | 1,344,050         |
| Glen at Valley Creek, LLC           | 2018          | 42    | 13,008               | -         | -          | (37)                          | 12,971            |

As General Partner, the CDA has an obligation to provide funds for any development and operating deficits that may occur for The Groves Apartments, LLC, Piccadilly Square of Mahtomedi, LLC and Glen at Valley Creek, LLC, up to \$294,456, \$549,000, and \$356,000 respectively. This obligation will lapse three years after the lease-up of the property. A guaranty of housing tax credits and development fees is also provided.

As described in Note 9D the CDA has entered into an operating subsidy agreement with the Glen at Valley Creek, LLC.



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**Note 5 UNAVAILABLE REVENUE**

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. At the end of the current fiscal year, the various components of unavailable revenue reported in the governmental funds were as follows:

|                            | <u>Property<br/>Taxes</u> | <u>Notes<br/>Receivable</u> | <u>Accrued<br/>Interest</u> | <u>Land held<br/>for resale</u> |
|----------------------------|---------------------------|-----------------------------|-----------------------------|---------------------------------|
| Major Funds:               |                           |                             |                             |                                 |
| General Fund               | \$45,867                  | \$ -                        | \$ -                        | \$ -                            |
| Community Development Fund | -                         | 4,437,459                   | 427,998                     | 18,421                          |
| Tax Increment Fund         | -                         | -                           | -                           | 142,979                         |
|                            | <u>-</u>                  | <u>-</u>                    | <u>-</u>                    | <u>-</u>                        |
| Total                      | <u>\$45,867</u>           | <u>\$4,437,459</u>          | <u>\$427,998</u>            | <u>\$161,400</u>                |

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**Note 6 CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2021 was as follows:

|   | Beginning<br>Balance | Increase  | Decrease      | Ending<br>Balance |
|---|----------------------|-----------|---------------|-------------------|
| Governmental activities:                      |                      |           |               |                   |
| Capital assets, not being depreciated:        |                      |           |               |                   |
| Land  | \$424,186            | \$ -      | \$ -          | \$424,186         |
| Capital assets, being depreciated:            |                      |           |               |                   |
| Buildings and structures                      | 2,064,478            | 39,256    | -             | 2,103,734         |
| Furniture and equipment                       | 220,322              | 145,884   | -             | 366,206           |
| Total capital assets, being depreciated       | 2,284,800            | 185,140   | 0             | 2,469,940         |
| Less accumulated depreciation for:            |                      |           |               |                   |
| Buildings and structures                      | 403,350              | 51,899    | -             | 455,249           |
| Furniture and equipment                       | 115,900              | 31,702    | -             | 147,602           |
| Total accumulated depreciation                | 519,250              | 83,601    | 0             | 602,851           |
| Total capital assets being depreciated - net  | 1,765,550            | 101,539   | -             | 1,867,089         |
| Governmental activities capital assets - net  | \$2,189,736          | \$101,539 | \$0           | \$2,291,275       |
| Business-type activities:                     |                      |           |               |                   |
| Capital assets, not being depreciated:        |                      |           |               |                   |
| Land  | \$4,559,053          | \$ -      | \$ -          | \$4,559,053       |
| Construction in progress                      | 59,344               | 1,183,417 | (1,201,323)   | 41,438            |
| Total capital assets, not being depreciated   | 4,618,397            | 1,183,417 | (1,201,323)   | 4,600,491         |
| Capital assets, being depreciated:            |                      |           |               |                   |
| Buildings and structures                      | 72,644,294           | 1,201,324 | (431,594)     | 73,414,024        |
| Furniture and equipment                       | 515,702              | -         | -             | 515,702           |
| Total capital assets, being depreciated       | 73,159,996           | 1,201,324 | (431,594)     | 73,929,726        |
| Less accumulated depreciation for:            |                      |           |               |                   |
| Buildings and structures                      | 33,588,290           | 1,906,624 | (431,594)     | 35,063,320        |
| Furniture and equipment                       | 515,702              | -         | -             | 515,702           |
| Total accumulated depreciation                | 34,103,992           | 1,906,624 | (431,594)     | 35,579,022        |
| Total capital assets being depreciated - net  | 39,056,004           | (705,300) | 0             | 38,350,704        |
| Business-type activities capital assets - net | \$43,674,401         | \$478,117 | (\$1,201,323) | \$42,951,195      |

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

|   |                    |
|---|--------------------|
| Governmental activities:                              |                    |
| General government                                    | \$83,601           |
| Total depreciation expense - governmental activities  | <u>\$83,601</u>    |
| Business-type activities:                             |                    |
| Housing   | \$1,906,624        |
| Total depreciation expense - business-type activities | <u>\$1,906,624</u> |

**Note 7 INTERFUND RECEIVABLES, PAYABLES, LOANS AND TRANSFERS**

The composition of interfund balances as of December 31, 2021, is as follows:

Due to/from other funds:

| <u>Receivable Fund</u> | <u>Payable Fund</u>       | <u>Amount</u>   |
|------------------------|---------------------------|-----------------|
| General                | Community Development     | \$8,340         |
| General                | Housing Assistance Fund   | 41,447          |
| General                | Home Ownership Counseling | 41,268          |
| General                | Family Housing Fund       | 42              |
| Total                  |                           | <u>\$91,097</u> |

The above balances are representative of lending/borrowing arrangements to cover deficit cash balances and interfund receivables/payables due to routine activity at the end of the fiscal year. The above balances are expected to be eliminated within one year of December 31, 2021.

Advances to/from other funds:

| <u>Receivable Fund</u> | <u>Payable Fund</u> | <u>Amount</u>      |
|------------------------|---------------------|--------------------|
| Community Development  | Tax Increment       | \$3,504,977        |
| Community Development  | Senior Housing      | 500,000            |
| Total                  |                     | <u>\$4,004,977</u> |

The above balances are for preliminary funding of development costs prior to reimbursement. The funds will be repaid as tax increment receipts and developer contributions are received. These advances are not expected to be eliminated within one year of December 31, 2021.

Interfund transfers:

Interfund transfers allow the CDA to allocate financial resources. The CDA's special benefit property taxes are required to be deposited in a Special Tax Fund held by a Deposit Agent (currently the CDA's bond trustee). Portions of the special benefit property tax levy are pledged to debt service, operating expenses and reserves for certain properties, and are transferred from the Special Tax Fund to the appropriate trust accounts for the applicable properties. The balance of the special benefit property taxes in the Special Tax Fund, and amounts,

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if any, remaining after the various trust account requirements for the applicable properties have been met, are released by the bond trustee and transferred to the General Fund.

In the year ended December 31, 2021, the CDA made the following one-time transfers:

|                | Transfers out    |                   |                          |                   |                   |                    |
|----------------|------------------|-------------------|--------------------------|-------------------|-------------------|--------------------|
|                | General<br>Fund  | Home<br>Ownership | Community<br>Development | Senior<br>Housing | Family<br>Housing | Total              |
| Transfers in:  |                  |                   |                          |                   |                   |                    |
| General Fund   | \$ -             | \$25,000          | \$77,017                 | \$594,700         | \$458,000         | \$1,154,717        |
| Senior Housing | 473,522          | -                 | -                        | -                 | -                 | 473,522            |
| Family Housing | 257,293          | -                 | -                        | -                 | -                 | 257,293            |
| Total          | <u>\$730,815</u> | <u>\$25,000</u>   | <u>\$77,017</u>          | <u>\$594,700</u>  | <u>\$458,000</u>  | <u>\$1,885,532</u> |

- A transfer of \$730,815 from the General Fund to various proprietary funds to fund current and future capital expenditures.
- A transfer of \$25,000 of Home Ownership levy funds to the General Fund.
- A transfer of \$77,017 of Community Development funds to the General Fund.
- A transfer of undesignated cash balances of \$594,700 from the Senior Housing Fund and \$458,000 from the Family Housing Fund to the General Fund for future use.

**Note 8 LEASES**

**A. CAPITAL LEASE RECEIVABLE - LANDFALL**

The CDA disposed of its Landfall capital assets in exchange for a capital lease receivable. In conjunction with Landfall debt refunding in 2010, the terms of the lease were updated to these reflected here. The lease bears an effective interest rate of 3.45% and has monthly principal and interest payments of \$36,000 through January 1, 2024. Future minimum lease payments receivable for each of the years ending December 31 are as follows:

| Year   | Amount                  |
|--|-------------------------|
| 2022   | \$432,000               |
| 2023   | 432,000                 |
| 2024   | 22,034                  |
| 2025   | -                       |
| 2026   | -                       |
| Total minimum lease payments                   | 886,034                 |
| Amounts representing interest                  | <u>(11,442)</u>         |
| Present value of net<br>minimum lease payments | <u><u>\$874,592</u></u> |

**WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY**  
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**B. CAPITAL LEASE RECEIVABLE – WASHINGTON CONSERVATION DISTRICT**

The CDA entered into a lease with Washington Conservation District. Under terms of the lease, monthly payments are equal to (i) one-sixth of the amount of interest due on the Series 2013 bonds on the next succeeding interest payment date, plus (ii) one-twelfth of the amount of principal due on the Series 2013 Bonds on the next principal payment date. Future minimum lease payments receivable for each of the years ending December 31, are as follows:

| <u>Year</u>                                    | <u>Amount</u>           |
|--|-------------------------|
| 2022   | \$73,791                |
| 2023   | 77,364                  |
| 2024   | 76,227                  |
| 2025   | 75,384                  |
| 2026   | 78,696                  |
| 2027   | 77,704                  |
| 2028   | 81,192                  |
| 2029   | 84,100                  |
| 2030   | 82,567                  |
| 2031   | 85,590                  |
| 2032   | 87,883                  |
| 2033   | 85,835                  |
| 2034   | 88,195                  |
| 2035   | 90,350                  |
| 2036   | 92,133                  |
| 2037   | <u>85,800</u>           |
| Total minimum lease payments                   | 1,322,811               |
| Amounts representing interest                  | <u>(341,144)</u>        |
| Present value of net<br>minimum lease payments | <u><u>\$981,667</u></u> |

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**Note 9 LONG-TERM DEBT**

**A. CHANGES IN LONG-TERM DEBT**

The following is a summary of changes in long-term debt for the year ended December 31, 2021:

|                                | Balance<br>12/31/20 | Additions        | Reductions           | Balance<br>12/31/2021 | Due Within<br>One Year |
|--------------------------------|---------------------|------------------|----------------------|-----------------------|------------------------|
| Governmental activities:       |                     |                  |                      |                       |                        |
| Compensated absences           | \$167,277           | \$194,473        | (\$190,712)          | \$171,038             | \$17,104               |
| Direct borrowings:             |                     |                  |                      |                       |                        |
| Notes payable                  | 2,870,890           | -                | (288,236)            | 2,582,654             | 301,214                |
| Total                          | <u>\$3,038,167</u>  | <u>\$194,473</u> | <u>(\$478,948)</u>   | <u>\$2,753,692</u>    | <u>\$318,318</u>       |
| Business-type activities:      |                     |                  |                      |                       |                        |
| Direct borrowings:             |                     |                  |                      |                       |                        |
| Notes payable                  | \$1,976,094         | \$ -             | \$ -                 | \$1,976,094           | \$ -                   |
| Mortgage payable               | 8,776,797           | -                | (241,113)            | 8,535,684             | 254,735                |
| Bonds payable                  | 31,800,000          | -                | (2,185,000)          | 29,615,000            | 2,195,000              |
| Bond issuance premium/discount | 455,129             | -                | (42,718)             | 412,411               | -                      |
| Total                          | <u>\$43,008,020</u> | <u>\$0</u>       | <u>(\$2,468,831)</u> | <u>\$40,539,189</u>   | <u>\$2,449,735</u>     |

Compensated absences are generally liquidated by the General Fund. It is not practicable to determine the specific year for payment of long-term accrued compensated absences.

The notes, mortgages and bonds issued contain various covenants and escrow requirements. As of December 31, 2021, the CDA was in compliance with all such covenants and reserve requirements.

**B. NOTES AND MORTGAGE PAYABLE**

Details of the notes and mortgages payable, excluding compensated absences are as follows:

|   | Interest<br>Rate | Maturity   | Amount             |
|---|------------------|------------|--------------------|
| <b>Governmental Activities:</b>   |                  |            |                    |
| \$543,500 Community Development Fund (LAAND Initiative), mortgage note payable to the Metropolitan Council. This non-interest bearing note is dated April 29, 2010 and it provided funds used to buy land for future development. The note is secured by the property and is payable upon the earlier of the sale of the property held for resale or December 31, 2047. | 0.000%           | 12/31/2047 | \$500,000          |
| \$1,587,577 Community Development Fund (Tax Increment), Tax Increment Revenue note payable to Washington County, issued November 18, 2009. Principal and interest payable in semiannual installments ranging from \$9,088 to \$65,905.  | 5.000%           | 1/15/2035  | 1,282,780          |
| \$1,192,500 Community Development Fund (Red Oak Preserve-Oakdale), note payable to the City of Oakdale. The City of Oakdale issued \$2,385,000 G.O. Improvement Bonds, Series 2007A. The CDA is responsible for 50% of the debt service after City special assessments are applied, and a portion related to tax increment. Principal and interest payable annually.    | 4.371%           | 2/1/2023   | 101,172            |
| \$1,300,000 General Fund, note payable to a bank. On December 1, 2016, the CDA entered into a mortgage agreement, secured by office building. Principal and interest payable in monthly installments of \$12,552. All unpaid principal is due on December 5, 2026, the maturity date.   | 2.950%           | 12/5/2026  | 698,702            |
| Total notes payable   |                  |            | <u>\$2,582,654</u> |

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| <b>Business-type Activities:</b>   | <b>Interest<br/>Rate</b> | <b>Maturity</b> | <b>Amount</b>              |
|--|--------------------------|-----------------|----------------------------|
| \$271,000 Public Housing Fund (Whispering Pines), POHP note payable to MHFA. MHFA provided funds in the form of an interest free, deferred loan for a term of twenty years. There is no amortization requirement on the loan. In the event of a default, the CDA may be required to pay the full amount of the loan balance. If the CDA continues to own and operate the property, the loan will be forgiven on December 15, 2036.                             | 0.000%                   | 12/15/2036      | \$ 271,000                 |
| \$197,010 Public Housing Fund (Transitional Housing), mortgage note payable to MHFA. MHFA provided funds in the form of an interest free, deferred loan for a term of thirty years. There is no amortization requirement on the loan. Failure to comply with loan covenants may constitute an event requiring repayment of the loan. All unpaid principal is due on June 28, 2040, the maturity date.  | 0.000%                   | 6/28/2040       | 197,010                    |
| \$389,291 Family Housing Fund (Whispering Pines), Preservation Affordable Rental Investment Fund (PARIF) mortgage note payable to MHFA. MHFA provided funds in the form of an interest free, deferred loan for a term of thirty years. There is no amortization requirement on the loan. In the event of default, mortgagee may declare immediately due and payable all unmatured indebtedness. All unpaid principal is due on May 2, 2042, the maturity date. | 0.000%                   | 5/2/2042        | 389,291                    |
| \$500,000 Managing Member Fund, Affordable Housing Program (AHP) note payable to FHLB. FHLB provided funds in the form of an interest free loan that may be forgiven if all requirements are met upon the completion of the Piccadilly Square project. The requirements must be met before September 1, 2031 for the loan to be forgiven, otherwise it must be repaid. In event of default, the loan balance may be demanded in full.                          | 0.000%                   | 11/13/2031      | 500,000                    |
| \$500,000 Managing Member Fund, Affordable Housing Program (AHP) note payable to FHLB. FHLB provided funds in the form of an interest free loan that may be forgiven if all requirements are met upon the completion of the Glen at Valley Creek project. The requirements must be met before September 1, 2031 for the loan to be forgiven, otherwise it must be repaid.  | 0.000%                   | 9/1/2031        | 500,000                    |
| \$118,793 Managing Member Fund, CDBG funds note payable to the City of Woodbury provided funds in the form of an interest free loan that may be forgiven if all requirements are met upon the completion of the Glen at Valley Creek project. The requirements must be met before December 31, 2049 for the loan to be forgiven, otherwise it must be repaid. In event of default, principle of loan may be demanded by maker.                                 | 0.000%                   | 12/31/2049      | 118,793                    |
| Total notes payable  |                          |                 | 1,976,094                  |
| \$10,300,000 Briar Pond Fund, U.S. Department of Housing and Urban Development (HUD) mortgage payable under Section 223(f) of the Housing Act. Principal and interest payable in monthly installments of \$44,307 through 2/1/2021 and \$37,786 thereafter. Also see footnote 18   | 2.36% - 3.78%            | 11/1/2046       | 8,535,684                  |
| Total notes and mortgage payable   |                          |                 | <u><u>\$10,511,778</u></u> |

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The annual debt service requirements to maturity for notes and mortgage payable are as follows:

| Year      | Governmental Activities |                  | Business-type Activities |                    |
|-----------|-------------------------|------------------|--------------------------|--------------------|
|           | Principal               | Interest         | Principal                | Interest           |
| 2022      | \$301,214               | \$96,707         | \$254,734                | \$198,699          |
| 2023      | \$207,500               | \$74,938         | \$260,811                | \$192,621          |
| 2024      | 215,219                 | 67,219           | 267,033                  | 186,399            |
| 2025      | 223,315                 | 59,123           | 273,404                  | 180,029            |
| 2026      | 231,700                 | 50,738           | 279,926                  | 173,506            |
| 2027-2031 | 485,247                 | 173,804          | 2,003,049                | 764,113            |
| 2032-2036 | 418,459                 | 42,878           | 1,962,101                | 576,062            |
| 2037-2041 | -                       | -                | 2,099,691                | 364,481            |
| 2042-2046 | -                       | -                | 2,492,237                | 126,430            |
| 2047-2051 | 500,000                 | -                | 618,792                  | -                  |
| Total     | <u>\$2,582,654</u>      | <u>\$565,407</u> | <u>\$10,511,778</u>      | <u>\$2,762,340</u> |

**C. REVENUE BONDS**

The CDA issues long-term debt to finance the acquisition and construction of housing developments. These bonds are secured by and payable from the gross rent receipts and other operating revenues related to the operation of housing developments financed by these bonds. In some cases, a portion of the CDA's tax levy may also be allocated for payment of these bonds. Bonds currently outstanding are as follows:

| Property                              | Description of Note   | Maturity Date | Interest Rates % | Original Amount            | Balance 12/31/2021  |
|---------------------------------------|---|---------------|------------------|----------------------------|---------------------|
| Landfall                              | G.O. Housing Revenue Refunding Bonds, Series 2010C                    | 2/1/2025      | 2.00 - 3.30      | \$4,545,000                | \$1,345,000         |
| Trailside                             | Government Taxable Housing Revenue Bonds, Series 2010B                | 1/1/2040      | 2.10 - 6.10      | 7,770,000                  | 6,560,000           |
| 2012A Pooled <sup>(1)</sup>           | G.O. Housing Revenue Refunding Bonds, Series 2012A                    | 2/1/2031      | 2.00 - 3.13      | 12,355,000                 | 5,080,000           |
| 2012B Pooled - QECCB <sup>(2)</sup>   | G.O. Taxable Qualified Energy Conservation Revenue Bonds Series 2012B | 2/1/2029      | 0.60 - 3.40      | 2,375,000                  | 1,115,000           |
| 2012C Pooled <sup>(3)</sup>           | G.O. Housing Revenue Refunding Bonds, Series 2012C                    | 2/1/2031      | 2.00 - 4.00      | 12,105,000                 | 7,465,000           |
| 2013 Washington Conservation District | Governmental Facility Lease Revenue Bonds, Series 2013                | 12/1/2037     | 1.25 - 4.00      | 1,260,000                  | 985,000             |
| Piccadilly Square                     | G.O. Multi-Family Housing Revenue Bonds, Series 2015A                 | 2/1/2046      | 2.00 - 4.00      | 10,955,000                 | 7,065,000           |
| Total bonds                           |   |               |                  | <u>\$51,365,000</u>        | 29,615,000          |
|                                       |   |               |                  | Less: unamortized discount | (179,911)           |
|                                       |   |               |                  | Plus: unamortized premium  | 592,322             |
|                                       |   |               |                  | Total bonds, net           | <u>\$30,027,411</u> |

<sup>(1)</sup> Ann Bodlovick, Muller Manor, Park Place I, John Jergens Estates, Cobble Hill, Oakhill Cottages, Raymie Johnson Estates.

<sup>(2)</sup> Woodland Park, Ann Bodlovick, Briar Pond, Whispering Pines, Muller Manor, Cobble Hill, Pioneer Elderly, Raymie Johnson Estates.

<sup>(3)</sup> Woodland Park, Brick Pond.



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The annual debt service requirements to maturity for business-type activities revenue bonds are as follows:

| Year      | Principal           | Interest            | Total               |
|-----------|---------------------|---------------------|---------------------|
| 2022      | \$2,195,000         | \$1,085,499         | \$3,280,499         |
| 2023      | 2,160,000           | 1,017,686           | 3,177,686           |
| 2024      | 2,475,000           | 948,014             | 3,423,014           |
| 2025      | 2,315,000           | 874,740             | 3,189,740           |
| 2026      | 1,820,000           | 808,219             | 2,628,219           |
| 2027-2031 | 9,540,000           | 3,043,028           | 12,583,028          |
| 2032-2036 | 3,560,000           | 1,756,538           | 5,316,538           |
| 2037-2041 | 3,550,000           | 801,510             | 4,351,510           |
| 2042-2046 | 2,000,000           | 206,000             | 2,206,000           |
| Total     | <u>\$29,615,000</u> | <u>\$10,541,232</u> | <u>\$40,156,232</u> |

**D. REVENUE PLEDGED**

The CDA and Washington County (the County) entered into an agreement dated July 24, 2007 relating to the refinancing of a bank loan. Pursuant to Section 3.2 of the agreement, the County issued the \$1,587,577 Tax Increment Revenue Note and the \$612,423 loan. The proceeds of which were used to retire the bank loan. The CDA has pledged future tax increment revenues from TIF District 2.1 for the repayment of the loan. TIF collections in 2021 totaled \$189,916.

The CDA has allocated property tax revenues and a portion of future tax increment revenues, if any, from TIF District 2.1 to repay the \$1,192,500 payable to the City of Oakdale. Tax increment revenues were projected to provide \$114,002 over the life of the loan for debt service. The total principal and interest remaining on the payable to the City of Oakdale is \$115,484. For the current year, principal and interest paid totaled \$95,365 and \$16,417 and property tax revenues and tax increment revenues were \$82,560 and \$0, respectively.

The 2010B Government Housing Revenue Bonds are special obligations of the CDA, payable solely from project revenues and tax rebates. As additional security, the County has provided a general obligation pledge. In exchange for the County's pledge, the CDA and County entered into a Custodial Agreement, dated July 1, 2010. The Custodial Agreement requires the establishment of debt service and reserve accounts, held in trust, funded by project revenues of the Trailside Senior Living facility and which are to be used for principal and interest payments on the 2010 Bonds and establishing and maintaining required reserve accounts. Property tax revenues may also be allocated to the project in order to supplement operations and ensure compliance with debt service coverage requirements. Principal and interest remaining to be paid on the bonds is \$10,500,006. For the current year, principal and interest paid, total gross operating revenues, tax rebate revenues, property tax revenues and account balances held in trust were \$629,472, \$662,405, \$158,695, \$397,500 and \$1,838,596, respectively.

The 2010C Government Housing Revenue Refunding Bonds are general obligations of the CDA, payable solely from project revenues. As additional security, the County has provided a general obligation pledge. In exchange for the County's pledge, the CDA and County entered into a Custodial Agreement, dated November 1, 1997, amended August 1, 2010. The Custodial Agreement requires the establishment of debt service and reserve accounts, held in trust, funded by lease payments from the Landfall Village Housing and Redevelopment Authority and which are to be used for principal and interest payments on the 2010C Bonds and establishing and maintaining required reserve accounts.

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interest payments on the 2010C Bonds and establishing and maintaining required reserve accounts. Principal and interest remaining to be paid on the bond is \$1,429,593. For the current year, principal and interest paid, total lease payments received and account balances held in trust were \$377,265, \$432,000, and \$1,018,237, respectively.

The 2012A Government Housing Revenue Refunding Bonds are general obligations of the CDA, payable solely from project revenues. As additional security, the County has provided a general obligation pledge. In exchange for the County's pledge, the CDA and County entered into a Custodial Agreement, dated March 1, 2012. The Custodial Agreement requires the establishment of debt service and reserve accounts, held in trust, funded by all project revenues of Oakhill Cottages, Muller Manor, Park Place I, Ann Bodlovick, John Jergens Estates, Cobble Hill, and Raymie Johnson Estates facilities and which are to be used for principal and interest payments on the 2012A Bonds and establishing and maintaining required reserve accounts. Property tax revenues may also be allocated to a project in order to supplement operations and ensure compliance with debt service coverage requirements. Principal and interest remaining to be paid on the bond is \$5,768,135. For the current year, principal and interest paid, total gross operating revenues, property tax revenues and account balances held in trust were \$723,156, \$3,856,217, \$191,322 and \$2,863,380, respectively.

The 2012B Taxable Qualified Energy Conservation Revenue Bonds are special obligations of the CDA, payable from allocated property tax revenues and tax rebates. As additional security, the County has provided a general obligation pledge. The Agency includes in its annual budget, which is submitted to the County, property tax revenues in an amount sufficient to pay principal and interest on the 2012B Bonds. Property tax revenues are deposited in trust until time of payment. Principal and interest remaining to be paid on the bond is 1,257,225. For the current year, principal and interest paid, tax rebate revenues, property tax revenues and account balances held in trust were \$175,810, \$32,511, \$142,508 and \$157,643, respectively.

The 2012C Government Housing Revenue Bonds are general obligations of the CDA, payable solely from project revenues. As additional security, the County has provided a general obligation pledge. In exchange for the County's pledge, the CDA and County entered into a Custodial Agreement, dated October 1, 2012. The Custodial Agreement requires the establishment of debt service and reserve accounts, held in trust, funded by all project revenues of Woodland Park and Brick Pond facilities and which are to be used for principal and interest payments on the 2012C Bonds and establishing and maintaining required reserve accounts. Property tax revenues may also be allocated to a project in order to supplement operations and ensure compliance with debt service coverage requirements. Principal and interest remaining to be paid on the bond is \$8,619,675. For the current year, principal and interest paid, total gross operating revenues, property tax revenues and account balances held in trust were \$914,350, \$2,482,568, \$333,363 and \$3,168,158, respectively.

The 2013 Governmental Facility Lease Revenue Bonds are limited obligations of the CDA. The bonds are secured by rent payments, additional rent, and if any, rents derived from the building after the termination of the lease. Rent payments are deposited into trust until time of payment. Principal and interest remaining to be paid on the bonds is \$1,328,933. For the current year, principal and interest paid, total lease payments received, and account balances held in trust were \$74,458, \$74,374 and \$7,791 respectively.

The 2015A Multifamily Housing Revenue Bonds are general obligations of the CDA, payable solely from project revenues and surplus cash. As additional security, the County has provided a general obligation pledge. In exchange for the County's pledge, the CDA and County entered into a Reserve Agreement, dated August 1, 2015. The Reserve agreement requires the establishment of a debt service reserve account, held in an account as determined by the CDA. The reserve shall be maintained as long as the bonds are outstanding. In addition, the bond indenture requires the establishment of a debt service account, held in trust, funded by loan payments from the Piccadilly Square of Mahtomedi, LLC and

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which are to be used for principal and interest payments on the 2015A bonds. Property tax revenues may also be allocated to the project in order to supplement operations and ensure compliance with debt service coverage requirements. Principal and interest remaining to be paid on the bond is \$11,071,681. For the current year, principal and interest paid, total lease payments received, property tax revenues and account balances held in reserve were \$445,488, \$344,223, \$46,010 and \$581,360 respectively.

The CDA has entered into an operating subsidy agreement with the Glen at Valley Creek, a discretely presented component unit. Beginning July 31, 2021, the CDA will allocate property tax revenues to the Glen at Valley Creek. The subsidy payments will be in the amount of \$97,500 each January 31 and July 31 and will continue through July 31, 2042. The amount pledged over the life of the agreement totals \$4,345,000. The Glen at Valley Creek will use the subsidy payments to pay operating expenses, including debt service on its Series 2018A Bonds. Principal and interest remaining on the Glen at Valley Creeks Series 2018A bonds is \$7,836,880. For the current year, property tax used for subsidy payments was \$195,000.

**Note 10 EMPLOYEE RETIREMENT PLANS**

The CDA and its full-time employees do not participate in social security. The CDA does provide a defined contribution pension plan to substantially all of its employees. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings.

Employees are required to contribute 6.2% of annual base salary to the plan. The CDA contributes 11% of annual base salary. Plan provisions and contribution requirements are established and may be amended by the CDA's Board of Commissioners. For the year ended December 31, 2021, employee contributions totaled \$296,068 and the CDA recognized pension expense of \$223,218. Employees are immediately vested in all contributions and earnings.

The CDA's Personnel Policies and Procedures manual and the Labor Agreement with AFSCME Union Local 517 requires participation in the Minnesota State Retirement System Health Care Savings Plan program. The Health Care Savings Plan is an employer-sponsored program that allows employees to save money, tax-free, to use upon termination of employment to pay for eligible health care expenses. The collective bargaining agreement requires each employee to contribute \$20 per month to their individual account. Non-bargaining unit employees are mandated to contribute to the program based on the amount of sick leave accrued at the end of the previous fiscal year.

**Note 11 MUNICIPAL SERVICE CHARGE AGREEMENTS**

Under Minnesota Statutes, the CDA is required to make payments in lieu of taxes (P.I.L.O.T.) on the rental properties accounted for in enterprise funds equal to 5% of net sheltered rents. These expenses are included in the CDA annual operating budget and financial statements as operating expenses. In addition, the CDA executed an agreement with the City of St. Paul Park to pay the amount of property taxes which would be charged if the property were not tax exempt. This amount is deferred until the time of sale of the property and is not to exceed 50 percent of the net proceeds from the sale of the property. As the payment of these deferred charges is contingent upon a future event (i.e., the sale of the property) and the availability, if any, of net proceeds sufficient to repay the deferred charges, deferred amounts are not recorded in the accompanying financial statements. As of December 31, 2021, approximately \$195,658 has been deferred under this agreement pertaining to the properties of Park Place I and Park Place II.

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**Note 12 RISK MANAGEMENT**

The CDA is exposed to various risks of loss related to torts, thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The CDA purchases commercial insurance for all risks of loss. There were no significant reductions in insurance from the previous year. Settled claims have not exceeded this commercial coverage for the last three years.

**Note 13 COMMITMENTS AND CONTINGENCIES**

**A. ARBITRAGE REBATE LIABILITY**

The Tax Reform Act of 1986 requires governmental entities to pay to the federal government income earned on the proceeds from the issuance of debt in excess of interest costs, pending the expenditure of the borrowed funds. This rebate of interest income (known as arbitrage) applies to governmental debt issued after August 31, 1986.

Management does not expect to incur significant arbitrage rebate liability on any outstanding debt.

**B. PROGRAM COMPLIANCE**

Federal program activities are subject to financial and compliance regulation. To the extent that any expenditures are disallowed or other compliance features are not met, a liability to the respective grantor agency could result.

**C. LEGAL CLAIMS**

The CDA is subject to certain legal claims in the normal course of business. Management does not expect the ultimate resolution of these claims will have a material impact on the CDA's financial condition or results of operations.

**D. FEDERAL AND STATE FUNDS**

Amounts received or receivable from federal and state agencies are subject to agency audit and adjustment. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of funds which may be disallowed by the agencies cannot be determined at this time although the CDA expects such amounts, if any, to be immaterial.

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**E. COMMITTED CONTRACTS**

The CDA has entered into several contracts for various improvements at the rental properties. Construction commitments at December 31, 2021 were composed of the following:

| <u>Property</u>                       | <u>Contract<br/>Authorized</u> | <u>Expended<br/>as of<br/>12/31/2021</u> | <u>Remaining<br/>Contract<br/>Commitment</u> |
|---------------------------------------|--------------------------------|--|--|
| Muller Manor-Lighting and Mechanicals | \$57,207                       | \$ -                                     | \$57,207                                     |
| CDA-Office Improvements               | 35,730                         | -  | 35,730                                       |
| Woodland Park - interior rehab        | 41,988                         | 31,988                                   | 10,000                                       |
| Oakhill Cottages - mechanical         | 142,410                        | 128,230                                  | 14,180                                       |
| Whispering Pines-Interior Rehab       | 213,743                        | 9,450                                    | 204,293                                      |
| Briar Pond - exterior lighting        | 11,082                         | -  | 11,082                                       |
| WCCDA Family Housing                  | 8,450                          | -  | 8,450  |

**F. NET DEBT SERVICE COMMITMENT**

During 2007, the City of Oakdale, Minnesota issued its \$2,385,000 G.O. Improvement Bonds, Series 2007A relating to the Red Oak Preserve Project. In conjunction with this bond issue, the CDA and the City of Oakdale, Minnesota entered into a financing agreement dated June 12, 2007. Pursuant to Section 3.4(1) of the agreement, the CDA is responsible for 50% of the debt service less special assessments received by the City. This amount is reported as long-term debt of the CDA. Section 3.4(4) of the agreement states that when the bonds are paid in full, the City shall calculate the City's net debt service over the term of the bonds. If the net debt service is a sum greater than \$600,000, the CDA shall pay the City the amount of net debt service in excess of \$600,000. The amount of net debt service in excess of \$600,000, if any, is not determinable and therefore is not reflected in these financial statements.

**G. TAX INCREMENT DISTRICTS**

The CDA's tax increment districts are subject to review by the State of Minnesota Office of the State Auditor (OSA). Any disallowed claims or misuse of tax increments could become a liability of the applicable fund. Management has indicated that they are not aware of any instances of noncompliance which would have a material effect on the financial statements.

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**Note 14 FUND BALANCE CLASSIFICATIONS**

**A. CLASSIFICATIONS**

At December 31, 2021, a summary of the governmental fund balance classifications are as follows:

|                           | General Fund | Housing Assistance Fund | Community Development Fund | Economic Development Fund | Home Ownership Counseling Fund | Tax Increment Fund | Total        |
|---------------------------|--------------|-------------------------|----------------------------|---------------------------|--------------------------------|--------------------|--------------|
| Nonspendable:             |              |                         |                            |                           |                                |                    |              |
| Prepaid items             | \$69,385     | \$13,087                | \$ -                       | \$30,400                  | \$ -                           | \$ -               | \$112,872    |
| Total Nonspendable        | 69,385       | 13,087                  | 0                          | 30,400                    | 0                              | 0                  | 112,872      |
| Restricted for:           |              |                         |                            |                           |                                |                    |              |
| Grant program             | -            | 83,477                  | -                          | -                         | -                              | -                  | 83,477       |
| Total restricted          | 0            | 83,477                  | 0                          | 0                         | 0                              | 0                  | 83,477       |
| Committed to:             |              |                         |                            |                           |                                |                    |              |
| Development activities    | -            | -                       | 12,763,203                 | 567,208                   | -                              | -                  | 13,330,411   |
| Home ownership            | -            | -                       | -                          | -                         | 5,539                          | -                  | 5,539        |
| Long term capital reserve | 5,595,908    | -                       | -                          | -                         | -                              | -                  | 5,595,908    |
| Total committed           | 5,595,908    | 0                       | 12,763,203                 | 567,208                   | 5,539                          | 0                  | 18,931,858   |
| Assigned for:             |              |                         |                            |                           |                                |                    |              |
| Project financing         | -            | -                       | -                          | -                         | -                              | -                  | -            |
| Total assigned            | 0            | 0                       | 0                          | 0                         | 0                              | 0                  | 0            |
| Unassigned                | 10,220,431   | -                       | (4,739)                    | -                         | -                              | (3,436,071)        | 6,779,621    |
| Total                     | \$15,885,724 | \$96,564                | \$12,758,464               | \$597,608                 | \$5,539                        | (\$3,436,071)      | \$25,907,828 |

**B. MINIMUM UNASSIGNED FUND BALANCE**

The CDA has formally adopted a policy regarding the minimum unassigned fund balance for the General Fund. The General Fund is the only fund that should report a positive unassigned fund balance as the remaining balance after all other amounts have been classified. The aggregate unassigned fund balance must have a minimum balance of 50% of the next fiscal year's budgeted General Fund expenditures plus three months of the next fiscal year's budgeted operating expenses of the CDA properties.

At December 31, 2021, the unassigned fund balance of the General Fund was \$10,220,431 compared to its targeted unassigned fund balance of \$2,648,466 on the above policy.

**Note 15 CONDUIT DEBT OBLIGATIONS**

From time to time, the CDA has issued Revenue Bonds to provide financial assistance to private-sector and other governmental entities for the acquisition and construction of industrial, commercial and housing facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. The CDA is not obligated, in any manner, for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of December 31, 2021, there were three series of Revenue Bonds outstanding, the aggregate principal amount payable is \$18,767,561.

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**Note 16 DISCRETELY PRESENTED COMPONENT UNITS**

**A. THE GROVES APARTMENTS, LLC**

**1. Property and Equipment**

Property and equipment consisted of the following:

|                           | 2021                | Depreciation<br>lives - years |
|---------------------------|---------------------|-------------------------------|
| Land                      | \$954,967           | -                             |
| Land improvements         | 322,235             | 15                            |
| Buildings                 | 2,896,312           | 40                            |
| Building improvements     | 5,606,712           | 40                            |
| Furnishings and equipment | 189,789             | 5                             |
| Construction in progress  | 63,823              |                               |
|                           | <u>\$10,033,838</u> |                               |

**2. Debt**

Debt consists of the following:

|                                 | 2021               |
|---------------------------------|--------------------|
| U.S. Bank loan                  | \$1,237,355        |
| Family Housing Fund loan        | 175,000            |
| WCCDA seller loan               | 786,137            |
| WCCDA GROW Program loan         | 75,000             |
|                                 | <u>2,273,492</u>   |
| Less unamortized financing fees | <u>(28,451)</u>    |
|                                 | <u>\$2,245,041</u> |

**US Bank loan** – Loan payable to U.S. Bank National Association dated June 16, 2014, in the amount of \$1,370,000 with interest at 5.64%. Monthly principal and interest payments of \$7,967 are due through June 16, 2030 (the maturity date). Secured by a first mortgage on the Project.

**Family Housing Fund loan** – Loan payable to the Family Housing Fund in the amount of \$175,000 dated June 16, 2014, without interest. Principal is due on June 16, 2030. Secured by a second mortgage on the Project. The mortgage was assumed upon purchase of the property.

**WCCDA seller loan** – Loan payable to WCCDA in the amount of \$1,150,000 dated June 16, 2014, with interest at 3.14% compounded annually. Principal and interest are payable in annual installments beginning April 15, 2015, solely from net cash flow in the priority set forth in the Operating Agreement. Remaining principal and interest are due on December 31, 2044. Secured by a third mortgage on the Project. Principal and interest payments for 2021 were \$0 and \$29,271 respectively.

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**WCCDA GROW program loan** – Loan payable to WCCDA in the amount of \$75,000 dated June 16, 2014, without interest. Principal is due on December 31, 2044. Secured by a fourth mortgage on the Project.

Maturities of long-term debt are as follows:

|                                      |                           |
|--------------------------------------|---------------------------|
| 2022                                 | \$25,521                  |
| 2023                                 | 27,020                    |
| 2024                                 | 28,413                    |
| 2025                                 | 30,274                    |
| 2026                                 | 32,051                    |
| Thereafter                           | 1,344,077                 |
| Seller loan - payable from cash flow | <u>786,136</u>            |
|                                      | <u><u>\$2,273,492</u></u> |

The mortgage agreements require that the debt be repaid if the Project is sold, refinanced, not used as low income housing, in violation of laws, or in default.

The following restrictions, among others, exist under the terms of various debt and related agreements:

- Tenants must meet income limitations to qualify for occupancy in the Project.
- Lease terms must not be more than one year.
- Various escrows and reserves are required as previously described.
- A debt service coverage ratio of 1.15 to 1.00 must be maintained.

### **3. Related Party Transactions**

**Asset Management Fee** – The Groves Apartments, LLC (the Company) has agreed to pay the Investor Member an asset management fee for an annual review of the operations of the Company and compliance review. The fee is in the amount of \$5,000 per calendar year, commencing in 2014 and prorated for the first year. The fee increases by 10% on each fifth anniversary. The asset management fee is to be paid from cash flow as defined in the Operating Agreement and will accrue if not paid. Asset management fees of \$5,500 were charged to expense in 2021 and 2020. Accrued asset management fees were \$5,500 as of December 31, 2021 and 2020, respectively.

**Company Management Fee** – The Company has agreed to pay the Managing Member a company management fee for its supervisory services. The fee is in the amount of the lesser of (1) 10% of gross collected rents, or (2) \$25,000 payable solely from 25% of cash flow after certain other payments as defined in the Operating Agreement. No fee was due in 2021 or 2019.

WCCDA has made loans to the Company (see Note 16.A.2.). Interest expense on the seller loan was \$24,617 and \$27,891 in 2021 and 2020, respectively. Accrued interest on the seller loans was \$944 and \$5,598 at December 31, 2021 and 2020, respectively.

U.S. Bank National Association, an affiliate of USBCDC, has made two loans to the Company (see Note 16.A.2.). Interest expense on these loans was \$71,191 and \$73,330 in 2021 and 2020, respectively. Accrued interest was \$6,397 and \$6,719 as of December 31, 2021 and 2020, respectively.

WCCDA was the allocating agency for the housing tax credits.



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The Managing Member must repurchase the Investor Member's interest upon demand under certain specified circumstances.

The Project is adjacent to a building owned by the Managing Member. The properties share administrative and maintenance employees and certain expenses.

The Operating Agreement provides for various obligations of the Managing Member including its obligation to provide funds for any reduction in tax credits. Advances under these guarantees are unsecured, without interest and are repayable from cash flow.

**B. PICCADILLY SQUARE OF MAHTOMEDI, LLC**

**1. Property and Equipment**

Property and equipment consisted of the following:

|                           | 2021                | Depreciation<br>lives - years |
|---------------------------|---------------------|-------------------------------|
| Land                      | \$1,277,387         |                               |
| Land improvements         | 495,024             | 15                            |
| Buildings                 | 13,749,070          | 40                            |
| Furnishings and equipment | 304,413             | 5                             |
|                           | <u>\$15,825,894</u> |                               |

**2. Debt**

Debt consists of the following:

|                                    |                    |
|------------------------------------|--------------------|
| Long-term debt:                    |                    |
| Series 2015A bond loan - permanent | \$6,785,090        |
| WCCDA GROW loan                    | 835,700            |
| WCCDA AHP loan                     | 500,000            |
| WCCDA CDBG loan                    | 352,709            |
| WCCDA HOME loan                    | 198,013            |
|                                    | <u>8,671,512</u>   |
| Less unamortized finance fees      | <u>(136,407)</u>   |
|                                    | <u>\$8,535,105</u> |

**Series 2015A bond loan** – WCCDA issued Multifamily Housing Revenue Bonds Series 2015A (the Bonds) and loaned the proceeds from the sale of the Bonds to the Company. Various bond funds may be required under specified circumstances, as defined in the indenture of trust. In connection with the Bonds, the Company has a loan payable to US Bank, the bond Trustee, in the original amount of \$7,745,000 with interest at 2%. The Company will make monthly payments on the 24<sup>th</sup> day of each month in the amount of \$28,685 through February 1, 2047 (the maturity date). Secured by a mortgage on the Project. The permanent loan may not be prepaid in whole or in part prior to February 1, 2026.

**WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY**  
**NOTES TO FINANCIAL STATEMENTS**  
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**WCCDA GROW loan** – Loan payable to WCCDA in the amount of \$835,700, dated October 6, 2015, without interest. Principal is payable annually on April 15 from cash flow as defined in the Operating Agreement. Remaining principal is due on December 31, 2048. Secured by the Project.

**WCCDA AHP loan** – Loan payable to WCCDA in the amount of \$500,000, dated October 6, 2015, without interest. Principal is due on December 31, 2047. Secured by the Project.

**WCCDA CDBG loan** – Loan payable to WCCDA in the amount of \$352,709, dated October 6, 2015, without interest. Principal is payable annually on April 15 from cash flow as defined in the Operating Agreement. Remaining principal is due on December 31, 2048. Secured by the Project.

**WCCDA HOME loan** – Loan payable to WCCDA in the amount of \$198,013, dated October 6, 2015, without interest. Principal is payable annually on April 15 from cash flow as defined by the Operating Agreement. Remaining principal is due on December 31, 2048. Secured by the Project.

Maturities of the permanent loans, when fully funded, are as follows:

|            |                           |
|------------|---------------------------|
| 2022       | \$210,443                 |
| 2023       | 214,691                   |
| 2024       | 219,024                   |
| 2025       | 223,445                   |
| 2026       | 227,955                   |
| Thereafter | <u>7,575,954</u>          |
|            | <u><u>\$8,671,512</u></u> |

Bond documents and mortgage agreements require that the debt be repaid if the Project is sold or transferred without the lender's approval; no longer used as low income housing; in violation of any federal, state or local law, statute or ordinance; or if the Company is in default or declares bankruptcy, unless the lender permits the debt to remain outstanding.

The following restrictions, among others, exist under the terms of various debt and related regulatory agreements:

- Tenants must meet income limitations to qualify for occupancy in the Project.
- Lease terms must be not more than one year.
- Various reserves are required as previously described.

### 3. Related Party Transactions

**Developer Fee** – The Company has entered into a Development Services Agreement with WCCDA (the Developer). The Developer is to receive a fee in the amount of \$1,850,000 for the development services relating to the Project. At December 31, 2021 and 2020, the entire developer fee has been earned and \$697,876 and \$780,258 remains to be paid, respectively.

The deferred portion bears interest at 5%, and is payable from available cash flow, as defined in the Operating Agreement. The entire fee must be paid in full by December 31, 2030. If the Company has not paid all amounts due by that time, the Managing Member will be required to make an additional capital contribution in the amount of the outstanding balance plus any accrued interest. Developer fee interest expense was \$37,196 in 2021 and \$42,897 in 2020. Accrued developer fee interest was \$15,392 and \$8,847 at December 31, 2021 and 2020.

**Investor Services Fee** – The Company has agreed to pay an affiliate of the Investor Member an annual investor services fee in the amount of \$5,000, beginning July 1, 2017, increasing 3% annually. The investor services fee is to be paid from cash flow, as defined in the operating Agreement, and will accrue if not paid. Investor services fees of \$5,628 and \$5,464 were paid and charged to expense in 2021 and 2020.

WCCDA has made interest free loans to the Company (see Note 16.B.3.).

WCCDA is the allocating agency for the tax credits.

The Operating Agreement provides for various obligations of the Managing Member, including their obligation to provide funds for construction completion, operating deficits, deferred development fee payments and guaranty of housing tax credits. After the Project has achieved stabilized occupancy, as defined in the Operating Agreement, the Managing Member's obligation under the operating deficit guaranty is limited to \$549,000. The obligation will terminate when each of the following has occurred:

- For at least two consecutive years, which cannot begin earlier than three years after stabilized occupancy has been achieved, the Project has operated at debt service coverage of operating revenue exceeding project expenses by 110% of the aggregate amount of principal and interest payment due.
- The balance in the operating reserve is at least \$200,000.

Any such advances are unsecured, without interest are repayable from cash flow, as defined in the Operating Agreement. WCCDA has guaranteed the Managing Member's obligations.

The Managing Member must repurchase the Investor Member's interest upon demand under certain specified circumstances.

**WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY**  
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**C. GLEN AT VALLEY CREEK, LLC**

**1. Property and Equipment**

Property and equipment consisted of the following:

|                           | 2021                | Depreciation<br>lives - years |
|---------------------------|---------------------|-------------------------------|
| Land                      | \$538,147           | -                             |
| Land improvements         | 513,865             | 15                            |
| Buildings                 | 10,201,767          | 40                            |
| Furnishings and equipment | 520,503             | 5                             |
|                           | <u>\$11,774,282</u> |                               |

**2. Bond and Construction Loans**

Bond and construction loans consist of the following:

|                    | 2021               | 2020               |
|--------------------|--------------------|--------------------|
| Bond loans:        |                    |                    |
| Series 2018A Bonds | \$4,910,000        | \$4,970,000        |
| Series 2018B Note  | -                  | 597,143            |
|                    | 4,910,000          | 5,567,143          |
| WCCDA bridge loan  | -                  | 123,231            |
|                    | <u>\$4,910,000</u> | <u>\$5,690,374</u> |

**Series 2018A Bonds loan** - The loan was funded by Series 2018A Bonds dated July 31, 2021 in the amount of in the amount of \$5,000,000 with interest and stated maturities as follows:

| Stated<br>Maturity | Aggregate<br>Principal<br>Amount | Interest<br>Rate |
|--------------------|----------------------------------|------------------|
| August 1, 2023     | \$220,000                        | 3.500%           |
| August 1, 2028     | 370,000                          | 4.000%           |
| August 1, 2033     | 450,000                          | 4.375%           |
| August 1, 2036     | 3,960,000                        | 4.500%           |
|                    | <u>\$5,000,000</u>               |                  |

The bonds are subject to mandatory redemption beginning August 1, 2021 and continuing each February 1 and August 1 thereafter. The Company has agreed to make payments on the loan sufficient to pay the bonds. Interest only is payable monthly. Beginning August 20, 2021, the Company will make monthly payments to the bond fund held by the bond Trustee of 1/6 of the next bond interest payment and 1/12 of the next bond principal payment. The Trustee will use the bond fund to make the semi-annual payments on the Series 2018A Bonds. The bonds are secured

**WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY**  
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by a first mortgage, assignment of rents and assignment of operating subsidy. The Series 2018A Bonds loan agreement requires that the Company maintain a debt service coverage ratio of 120%.

**Series 2018B Note** - Series 2018B note loan payable to WCCDA through assignment from DCCDA, dated July 31, 2018 in the amount of \$2,000,000, with interest at 2%. The Company repaid the remaining balance on this loan in February 2021 from proceeds of the Investor Member capital contribution and the WCCDA bridge loan.

**WCCDA bridge loan** - Construction loan payable to WCCDA, dated July 31, 2018 in the amount of \$500,000 without interest. The company repaid from the proceeds of the MN Housing loan in June of 2021.

The bond documents require various funds which are held by U.S. Bank National Association (the Trustee), including the following:

**Construction fund** - The construction fund is to be used to pay costs to construct the Project and bond issuance costs.

**Bond fund** - The Trustee will deposit the monthly principal and interest payments made by the Company on the Series 2018A Bonds loan to the bond fund. In addition, operating subsidy payments made by WCCDA will be deposited to the bond fund. Money in the bond fund will be used to pay principal and interest on the bonds when due.

**Bond reserve fund** – Money in the bond reserve fund will be used to pay principal and interest on the bonds if amounts in the bond fund are insufficient to make such payments.

**Administrative fund** – The Company will make semi-annual deposits on each January 20 and July 20 to pay the administrative fee to DCCDA in the amount of one eighth of 1% of the principal amount of the outstanding bonds.

**Replacement reserve fund** – The Series 2018A Bonds loan agreement requires that a replacement reserve fund be funded. Beginning January 2021, monthly deposits of \$1,050 (\$300 per unit per year) are due, increasing 3% annually. The replacement reserve will be used to pay for improvements that are capital expenditures.

**Tax and insurance escrow fund** – The Series 2018A loan agreement requires a tax and insurance escrow. Monthly deposits will be made to the tax and insurance escrow fund for payment of real estate taxes and property insurance. The Company is exempt from real and personal property taxes. Alternatively, the Company will make payments in lieu of taxes (PILOT) to the tax and insurance escrow fund.

In addition, a construction escrow is held by the title company and various escrows are held by the City of Woodbury which will be used to pay costs to construct the Project.

**WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY**  
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The Series 2018A bond funds are held by the bond Trustee. At December 31, 2021 the bond funds are invested as follows:

|  | Certificates of<br>deposits | Money Market     | Total            |
|--|-----------------------------|------------------|------------------|
| Bond fund revenue                                    | \$ -                        | \$2              | \$2              |
| Bond fund debt service                               | -                           | 146,724          | 146,724          |
| Bond reserve fund, maturing<br>August 9, 2023, 3.14% | 141,000                     | 2,427            | 143,427          |
| Administrative fund                                  | -                           | 376              | 376              |
| Real estate tax and insurance escrow                 | -                           | 29,547           | 29,547           |
| Replacement reserve                                  | -                           | 33,666           | 33,666           |
|  | <u>\$141,000</u>            | <u>\$212,742</u> | <u>\$353,742</u> |

The Company classifies the certificates of deposit as held to maturity and carries them in the financial statements at cost plus accrued interest receivable. Such securities are redeemable at any time. A penalty will be assessed if it causes the bank to break its deposits or other funding arrangements due to early redemption. The penalty will be based upon current market rates to replace the withdrawn funds. A penalty or premium will be due on early redemption.

Additional funds may be required under specified circumstances as defined in the indenture of trust for the Series 2018A Bonds.

Maturities of the 2018A Bonds are as follows:

|            |                           |
|------------|---------------------------|
| 2022       | \$65,000                  |
| 2023       | 65,000                    |
| 2024       | 70,000                    |
| 2025       | 70,000                    |
| 2026       | 75,000                    |
| Thereafter | <u>4,565,000</u>          |
|            | <u><u>\$4,910,000</u></u> |

WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2021

### 3. Bond and Construction Loans

Long-term debt consists of the following:

|                    | 2021               | 2020               |
|--------------------|--------------------|--------------------|
| WCCDA GROW loan    | \$920,000          | \$920,000          |
| MN Housing loan    | 500,000            | -                  |
| WCCDA sponsor loan | 137,106            | -                  |
| WCCDA AHP loan     | 500,000            | 500,000            |
| SCC loan           | 500,000            | 500,000            |
| WCCDA LHIA loan    | 400,000            | 400,000            |
| WCCDA seller loan  | 382,176            | 382,176            |
| City HOME loan     | 167,721            | 167,721            |
|                    | <u>\$3,507,003</u> | <u>\$2,869,897</u> |

**WCCDA GROW loan** - Loan payable to WCCDA in the amount of \$920,000, dated July 31, 2018, with interest compounding at 8%. Principal and interest are payable annually from cash flow as defined in the Operating Agreement. Remaining principal and interest are due on December 31, 2049. Secured by a second mortgage on the Project.

**MN Housing loan** - Loan payable to MN Housing in the amount of \$500,000 dated June 30, 2018, without interest, under MN Housing's Senior Rental Housing Pilot program. The loan will be for a term of 30 years and will be secured by a third mortgage on the Project.

**WCCDA sponsor loan** - Loan payable to WCCDA in the amount of \$137,106 dated July 31, 2018, with interest compounding at 8%. Principal and interest are payable annually from cash flow as defined in the Operating Agreement. Remaining principal and interest are due on December 31, 2049. Will be secured by a fourth mortgage on the Project.

**WCCDA AHP loan** - Loan payable to WCCDA in the amount of \$500,000, dated July 31, 2018, without interest. Principal is due on December 31, 2049. Secured by a fifth mortgage on the Project.

**SCC loan** - Loan payable to Senior Care Communities, Inc. in the amount of \$500,000, dated July 31, 2018, with interest compounding at 3.06%. Principal and interest are due on December 31, 2049. Secured by a sixth mortgage on the Project.

**WCCDA LHIA loan** - Loan payable to WCCDA in the amount of \$400,000, dated July 31, 2018, without interest. Principal is due on December 31, 2049. Secured by a seventh mortgage on the Project.

**WCCDA seller loan** - Loan payable to WCCDA in the amount of \$382,176, dated July 31, 2018, without interest. Principal is payable annually from cash flow as defined in the Operating Agreement. Remaining principal is due on December 31, 2049. Secured by an eighth mortgage on the Project.

**City HOME loan** - Loan payable to the City of Woodbury in the amount of \$167,721, dated July 31, 2018, without interest. Principal is due on December 31, 2049. Secured by a ninth mortgage on the Project.

**WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2021

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All long-term debt matures in 2049.

Bond documents and mortgage agreements require that the debt be repaid if the Project is sold or transferred without the lender's approval; no longer used as low income housing; in violation of any federal, state or local law, statute or ordinance; or if the Company is in default or declares bankruptcy, unless the lender permits the debt to remain outstanding.

The following restrictions, among others, exist under the terms of various debt and related regulatory agreements:

- Tenants must meet income limitations to qualify for occupancy in the Project.
- Lease terms must be not more than one year.
- At least one member of the household must be age 62 or older

**Capital Contributions and Subscription Receivable**

The Investor Member has agreed to make capital contributions to the Company in the aggregate amount of \$3,139,374. At December 31, 2021, the sixth capital contributions remains to be paid (expected 2023). The capital contributions will be made once certain conditions have been met. For a detailed description of the conditions, see the Operating Agreement.

The Managing Member has made a capital contribution to the Company of \$13,052.

**Related Party Transactions**

**Developer Fee** - The Company has entered into a Development Services Agreement with WCCDA (the Developer). The Developer is to be paid \$1,600,000 for development services relating to the Project. At December 31, 2021 and 2020, the entire fee has been earned and \$838,450 and \$1,244,544 remains to be paid.

The deferred portion is \$838,450 The deferred portion will be payable from available cash flow as defined in the Operating Agreement. The entire fee must be paid in full by the last day of the housing tax credit compliance period (December 31, 2033). If the Company has not paid all amounts due by that time, the Managing Member will be required to make an additional capital contribution in the amount of the outstanding balance.

**Investor Services Fee** - The Company has agreed to pay Wincopin Circle LLLP, an affiliate of the Investor Member, an annual investor services fee in the amount of \$5,000, beginning July 1, 2019 increasing 3% annually. The investor services fee is to be paid from cash flow, as defined in the Operating Agreement, and will accrue if not paid. Investor services fees of \$5,300 and \$5,150 were charged to expense in 2021 and 2020.

WCCDA has made loans to the Company. Interest expense on two of these loans was \$95,761 and \$81,038 in 2021 and 2020. Accrued interest was \$269,782 and \$174,021 as of December 31, 2021 and 2020.



**WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY**  
**NOTES TO FINANCIAL STATEMENTS**  
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The Operating Agreement provides for various obligations of the Managing Member including its obligation to provide funds for construction completion, operating deficits, deferred development fee payment and a guaranty of housing tax credits. After the later of 1) the date the Project has achieved stabilized occupancy, as defined in the Operating Agreement, or 2) repayment of construction loans and conversion of all loans to permanent status, the Managing Member's obligation under the operating deficit guaranty is limited to \$356,000. The obligation will terminate when the following have occurred simultaneously:

- Project has operated at a debt service coverage ratio of 1.18 to 1.0 for at least two consecutive years, of which two consecutive years cannot begin earlier than three years after stabilized occupancy has been achieved.
- The HAP contract is in effect.
- The balance in the operating reserve equals or exceeds \$177,780.

In addition, if the HAP is reduced or eliminated at any time, and the balance in the operating reserve is unavailable or insufficient to fund an operating deficit attributable to the loss or reduction of the HAP, the Managing Member must make an operating deficit contribution up to the lesser of the amount of the loss or reduction of the HAP and the amount of the operating deficit. The Managing Member's obligation to fund operating deficits related to the loss or reduction of HAP is limited to \$100,000 and will not reduce or otherwise be applied against the \$356,000.

Such advances are unsecured, without interest and are repayable from cash flow, as defined in the Operating Agreement.

The Managing Member must repurchase the Investor Member's interest upon demand under certain specified circumstances.

WCCDA has guaranteed all performance obligations of the Managing Member.

**Note 17 RECENTLY ISSUED ACCOUNTING STANDARDS**

The Governmental Accounting Standards Board (GASB) recently approved the following statements which were not implemented for these financial statements:

**Statement No. 87 *Leases*.** The provisions of this Statement are effective for reporting periods beginning after June 15, 2021.

**Statement No. 92 *Omnibus 2020*.** The provisions of this Statement are effective for reporting periods beginning after June 15, 2021.

**Statement No. 94 *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*.** The provisions of this Statement are effective for reporting periods beginning after June 15, 2022.

**Statement No. 96 *Subscription-Based Information Technology Arrangements*.** The provisions of this Statement are effective for fiscal years beginning after June 15, 2022.

The effect these standards may have on future financial statements is not determinable at this time, but it is expected that Statement No. 87 may have a material impact.

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## **REQUIRED SUPPLEMENTARY INFORMATION**

**WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**  
For The Year Ended December 31, 2021

**Statement 9**

|                                      | Budgeted Amounts |             | 2021 Actual<br>Amounts | Variance with<br>Final Budget -<br>Positive<br>(Negative) |
|--------------------------------------|------------------|-------------|------------------------|---|
|                                      | Original         | Final       |                        |   |
| Revenues:                            |                  |             |                        |   |
| General property taxes               | \$1,799,130      | \$1,799,130 | \$1,798,437            | (\$693)   |
| Intergovernmental revenue            | -                | -           | -                      | -   |
| Administrative fees:                 |                  |             |                        |   |
| Other                                | 628,300          | 628,300     | 685,964                | 57,664  |
| Investment income                    | 36,900           | 36,900      | (76,529)               | (113,429)   |
| Other                                | 7,000            | 7,000       | 33,028                 | 26,028  |
| Total revenues                       | 2,471,330        | 2,471,330   | 2,440,900              | (30,430)  |
| Expenditures:                        |                  |             |                        |   |
| Current:                             |                  |             |                        |   |
| Administrative salaries and benefits | 1,009,400        | 1,084,400   | 1,086,418              | (2,018)   |
| Administrative travel and per diems  | 20,600           | 20,600      | 11,481                 | 9,119   |
| Administrative legal                 | 52,000           | 52,000      | 22,331                 | 29,669  |
| Administrative sundry                | 107,900          | 107,900     | 92,106                 | 15,794  |
| Accounting and auditing              | 63,000           | 63,000      | 63,500                 | (500)   |
| General insurance                    | 43,400           | 43,400      | 43,803                 | (403)   |
| Professional services                | 283,600          | 283,600     | 167,851                | 115,749   |
| Other utilities and maintenance      | 64,900           | 64,900      | 57,596                 | 7,304   |
| Equipment leases                     | 30,000           | 30,000      | 27,513                 | 2,487   |
| Financing fee                        | 6,500            | 6,500       | 8,338                  | (1,838)   |
| Other                                | 1,600            | 1,600       | 1,296                  | 304   |
| Capital outlay:                      |                  |             |                        |   |
| General government                   | 86,280           | 185,200     | 185,140                | 60  |
| Debt service:                        |                  |             |                        |   |
| Principal                            | 127,655          | 127,655     | 127,655                | -   |
| Interest                             | 22,973           | 22,973      | 22,973                 | -   |
| Total expenditures                   | 1,919,808        | 2,093,728   | 1,918,001              | 175,727   |
| Revenues over (under) expenditures   | 551,522          | 377,602     | 522,899                | 145,297   |
| Other financing sources (uses):      |                  |             |                        |   |
| Transfers from other funds           | 809,278          | 809,278     | 1,154,717              | 345,439   |
| Transfers to other funds             | (1,476,884)      | (1,291,684) | (730,815)              | 560,869   |
| Total other financing sources (uses) | (667,606)        | (482,406)   | 423,902                | 906,308   |
| Net change in fund balance           | (\$116,084)      | (\$104,804) | 946,801                | \$1,051,605   |
| Fund balance - January 1             |                  |             | 14,938,923             |   |
| Fund balance - December 31           |                  |             | \$15,885,724           |   |

See accompanying notes to the required supplementary information.

**WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE - HOUSING ASSISTANCE FUND**  
For The Year Ended December 31, 2021

**Statement 10**

|                                      | Budgeted Amounts |           | 2021 Actual | Variance with  |
|--------------------------------------|------------------|-----------|-------------|----------------|
|                                      | Original         | Final     | Amounts     | Final Budget - |
|                                      |                  |           |             | Positive       |
|                                      |                  |           |             | (Negative)     |
| Revenues:                            |                  |           |             |                |
| General property taxes               | \$77,400         | \$77,400  | \$77,400    | \$ -           |
| Intergovernmental                    | 4,382,100        | 5,686,600 | 5,720,562   | 33,962         |
| Charges for services:                |                  |           |             |                |
| Administrative fees                  | 483,300          | 483,300   | 444,454     | (38,846)       |
| Investment income                    | 3,600            | 3,600     | 99          | (3,501)        |
| Other                                | 1,700            | 1,700     | 5,837       | 4,137          |
| Total revenues                       | 4,948,100        | 6,252,600 | 6,248,352   | (4,248)        |
| Expenditures:                        |                  |           |             |                |
| Administrative salaries and benefits | 608,700          | 608,700   | 621,431     | (12,731)       |
| Administrative legal                 | 5,600            | 5,600     | 7,020       | (1,420)        |
| Administrative sundry                | 43,700           | 125,700   | 131,135     | (5,435)        |
| Professional services                | 45,400           | 45,400    | 68,097      | (22,697)       |
| Housing assistance payments          | 4,237,800        | 5,460,300 | 5,438,542   | 21,758         |
| Other                                | 6,900            | 6,900     | 5,802       | 1,098          |
| Total expenditures                   | 4,948,100        | 6,252,600 | 6,272,027   | (19,427)       |
| Revenues over (under) expenditures   | 0                | 0         | (23,675)    | (23,675)       |
| Other financing sources (uses):      |                  |           |             |                |
| Transfers from other funds           | -                | -         | -           | -              |
| Transfers to other funds             | -                | -         | -           | -              |
| Total other financing sources (uses) | 0                | 0         | 0           | 0              |
| Net change in fund balance           | \$0              | \$0       | (23,675)    | (\$23,675)     |
| Fund balance - January 1             |                  |           | 120,239     |                |
| Fund balance - December 31           |                  |           | \$96,564    |                |

See accompanying notes to the required supplementary information.

**WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE - COMMUNITY DEVELOPMENT FUND**  
For The Year Ended December 31, 2021

**Statement 11**

|                                      | Budgeted Amounts |                  | 2021 Actual<br>Amounts | Variance with<br>Final Budget -<br>Positive<br>(Negative) |
|--------------------------------------|------------------|------------------|------------------------|---|
|                                      | Original         | Final            |                        |   |
| Revenues:                            |                  |                  |                        |   |
| General property taxes               | \$1,560,015      | \$1,560,015      | \$1,560,015            | \$ -  |
| Intergovernmental                    | 1,035,900        | 1,125,900        | 1,636,767              | 510,867   |
| Charges for services:                |                  |                  |                        |   |
| Administrative fees                  | 93,300           | 93,300           | 139,291                | 45,991  |
| Investment income                    | 110,665          | 110,665          | 44,451                 | (66,214)  |
| Other                                | 113,100          | 113,100          | 185,689                | 72,589  |
| Total revenues                       | <u>2,912,980</u> | <u>3,002,980</u> | <u>3,566,213</u>       | <u>563,233</u>  |
| Expenditures:                        |                  |                  |                        |   |
| Community Development:               |                  |                  |                        |   |
| Administrative salaries and benefits | 685,400          | 660,400          | 542,173                | 118,227   |
| Administrative travel and per diems  | 7,900            | 7,900            | 1,631                  | 6,269   |
| Administrative legal                 | 81,100           | 81,100           | 46,670                 | 34,430  |
| Administrative sundry                | 39,800           | 39,800           | 21,000                 | 18,800  |
| Professional services                | 42,500           | 42,500           | 6,496                  | 36,004  |
| Project costs                        | 1,468,200        | 1,558,200        | 1,575,986              | (17,786)  |
| Other                                | 423,555          | 423,555          | -                      | 423,555   |
| Debt Service:                        |                  |                  |                        |   |
| Principal                            | 95,365           | 95,365           | 95,365                 | -   |
| Interest                             | 16,417           | 16,417           | 16,417                 | -   |
| Total expenditures                   | <u>2,860,237</u> | <u>2,925,237</u> | <u>2,305,738</u>       | <u>619,499</u>  |
| Revenues over (under) expenditures   | <u>52,743</u>    | <u>77,743</u>    | <u>1,260,475</u>       | <u>1,182,732</u>  |
| Other financing sources (uses):      |                  |                  |                        |   |
| Transfers from other funds           | 29,224           | 29,224           | -                      | (29,224)  |
| Transfers to other funds             | -                | -                | (77,017)               | (77,017)  |
| Total other financing sources (uses) | <u>29,224</u>    | <u>29,224</u>    | <u>(77,017)</u>        | <u>(106,241)</u>  |
| Net change in fund balance           | <u>\$81,967</u>  | <u>\$106,967</u> | 1,183,458              | <u>\$1,076,491</u>  |
| Fund balance - January 1             |                  |                  | <u>11,575,006</u>      |   |
| Fund balance - December 31           |                  |                  | <u>\$12,758,464</u>    |   |

See accompanying notes to the required supplementary information.

**WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE - ECONOMIC DEVELOPMENT FUND**  
For The Year Ended December 31, 2021

**Statement 12**

|                                      | Budgeted Amounts  |                   | 2021 Actual      | Variance with    |
|--------------------------------------|-------------------|-------------------|------------------|------------------|
|                                      | Original          | Final             | Amounts          | Final Budget -   |
|                                      |                   |                   |                  | Positive         |
|                                      |                   |                   |                  | (Negative)       |
| Revenues:                            |                   |                   |                  |                  |
| General property taxes               | \$574,762         | \$574,762         | \$574,762        | \$ -             |
| Intergovernmental                    | -                 | 5,200,500         | 5,185,473        | (15,027)         |
| Investment income                    | 2,200             | 2,200             | (372)            | (2,572)          |
| Other                                | -                 | -                 | -                | -                |
| Total revenues                       | <u>576,962</u>    | <u>5,777,462</u>  | <u>5,759,863</u> | <u>(17,599)</u>  |
| Expenditures:                        |                   |                   |                  |                  |
| Economic Development:                |                   |                   |                  |                  |
| Administrative salaries and benefits | 201,600           | 176,600           | 146,504          | 30,096           |
| Administrative legal                 | 7,100             | 7,100             | -                | 7,100            |
| Administrative sundry                | 10,500            | 10,500            | 66,080           | (55,580)         |
| Professional services                | 255,600           | 397,100           | 330,008          | 67,092           |
| Project costs                        | -                 | 5,059,000         | 5,059,000        | -                |
| Other                                | 152,400           | 152,400           | 26,996           | 125,404          |
| Total expenditures                   | <u>627,200</u>    | <u>5,802,700</u>  | <u>5,628,588</u> | <u>174,112</u>   |
| Net change in fund balance           | <u>(\$50,238)</u> | <u>(\$25,238)</u> | 131,275          | <u>\$156,513</u> |
| Fund balance - January 1             |                   |                   | <u>466,333</u>   |                  |
| Fund balance - December 31           |                   |                   | <u>\$597,608</u> |                  |

See accompanying notes to the required supplementary information.

**WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY**

**REQUIRED SUPPLEMENTARY INFORMATION**

**Statement 13**

**BUDGETARY COMPARISON SCHEDULE - HOME OWNERSHIP COUNSELING FUND**

For The Year Ended December 31, 2021

|                                      | Budgeted Amounts |                   | 2021 Actual<br>Amounts | Variance with<br>Final Budget -<br>Positive<br>(Negative) |
|--------------------------------------|------------------|-------------------|------------------------|---|
|                                      | Original         | Final             |                        |   |
| Revenues:                            |                  |                   |                        |   |
| General property taxes               | \$87,500         | \$87,500          | \$87,500               | \$ -  |
| Intergovernmental                    | 101,900          | 101,900           | 78,003                 | (23,897)  |
| Charges for services:                |                  |                   |                        |   |
| Administrative fees                  | 3,200            | 3,200             | 680                    | (2,520)   |
| Investment income                    | -                | -                 | 6                      | 6   |
| Total revenues                       | <u>192,600</u>   | <u>192,600</u>    | <u>166,189</u>         | <u>(26,411)</u>   |
| Expenditures:                        |                  |                   |                        |   |
| Home ownership counseling:           |                  |                   |                        |   |
| Administrative salaries and benefits | 184,000          | 209,000           | 130,877                | 78,123  |
| Administrative travel and per diems  | -                | -                 | -                      | -   |
| Administrative sundry                | 8,500            | 8,500             | 9,349                  | (849)   |
| Professional services                | 100              | 100               | 1,186                  | (1,086)   |
| Project costs                        | -                | -                 | -                      | -   |
| Total expenditures                   | <u>192,600</u>   | <u>217,600</u>    | <u>141,412</u>         | <u>76,188</u>   |
| Revenues over (under) expenditures   | <u>0</u>         | <u>(25,000)</u>   | <u>24,777</u>          | <u>49,777</u>   |
| Other financing sources:             |                  |                   |                        |   |
| Transfers from other funds           | -                | -                 | -                      | -   |
| Transfers to other funds             | -                | -                 | (25,000)               | (25,000)  |
| Total other financing sources        | <u>0</u>         | <u>0</u>          | <u>(25,000)</u>        | <u>(25,000)</u>   |
| Net change in fund balance           | <u>\$0</u>       | <u>(\$25,000)</u> | (223)                  | <u>\$24,777</u>   |
| Fund balance - January 1             |                  |                   | <u>5,762</u>           |   |
| Fund balance - December 31           |                  |                   | <u>\$5,539</u>         |   |

See accompanying notes to the required supplementary information.



**WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE - TAX INCREMENT FUND**  
For The Year Ended December 31, 2021

**Statement 14**

|                                      | Budgeted Amounts |                 | 2021 Actual          | Variance with<br>Final Budget -<br>Positive<br>(Negative) |
|--------------------------------------|------------------|-----------------|----------------------|---|
|                                      | Original         | Final           | Amounts              |   |
| Revenues:                            |                  |                 |                      |   |
| Tax increments                       | \$245,000        | \$245,000       | \$249,053            | \$4,053   |
| Investment income                    | -                | -               | 7                    | 7   |
| Total revenues                       | <u>245,000</u>   | <u>245,000</u>  | <u>249,060</u>       | <u>4,060</u>  |
| Expenditures:                        |                  |                 |                      |   |
| Administrative legal                 | -                | -               | -                    | -   |
| Administrative sundry                | 1,900            | 1,900           | 3,984                | (2,084)   |
| Professional services                | 1,400            | 1,400           | 2,000                | (600)   |
| Debt service:                        |                  |                 |                      |   |
| Principal                            | 65,216           | 65,216          | 65,216               | -   |
| Interest                             | 147,260          | 147,260         | 117,859              | 29,401  |
| Total expenditures                   | <u>215,776</u>   | <u>215,776</u>  | <u>189,059</u>       | <u>26,717</u>   |
| Revenues over (under) expenditures   | <u>29,224</u>    | <u>29,224</u>   | <u>60,001</u>        | <u>30,777</u>   |
| Other financing sources (uses):      |                  |                 |                      |   |
| Transfers to other funds             | (29,224)         | (29,224)        | -                    | 29,224  |
| Total other financing sources (uses) | <u>(29,224)</u>  | <u>(29,224)</u> | <u>0</u>             | <u>29,224</u>   |
| Net change in fund balance           | <u>\$0</u>       | <u>\$0</u>      | 60,001               | <u>\$60,001</u>   |
| Fund balance - January 1             |                  |                 | (3,496,072)          |   |
| Fund balance - December 31           |                  |                 | <u>(\$3,436,071)</u> |   |

See accompanying notes to the required supplementary information.

**WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULES**  
**NOTE TO RSI**  
December 31, 2021

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**Note A    BUDGETS**

The General, Housing Assistance, Community Development, Economic Development, Home Ownership Counseling, and Tax Increment Fund's budgets are legally adopted on a basis consistent with accounting principles generally accepted in the United States of America. The legal level of budgetary control is at the fund level for all funds.

## **COMBINING SCHEDULES**

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## HOUSING ASSISTANCE FUND

The Housing Assistance Fund is used to account for the administration of 520 units of rental assistance through the HUD-funded Housing Choice Voucher program and several smaller federal and state funded programs. The Washington County Community Development Agency maintains the following Housing Assistance Fund:

208 - Housing Assistance Support – to account for expenses related to housing assistance program activities that are supported by revenues from property taxes.

209 - Bridges Regional Treatment Center (RTC) – to account for the Bridges RTC program which provides assistance to people with serious mental illness. The program is funded by Minnesota Housing and Minnesota Department of Human Services Adult Mental Health Division.

210 - Section 8 Portability – to account for the transactions associated with those households that “port” into Washington County with a Section 8 Housing Choice Voucher. Revenues are from the Housing Authorities that own that voucher and whom participate in HUD’s Housing Choice Vouchers Program.

211 - Mainstream Vouchers – to account for the Mainstream Voucher program which provides assistance to non-elderly persons with disabilities. The program is funded by HUD’s Housing Choice Voucher Program.

212 - Section 8 Housing Choice Vouchers – to account for the Section 8 Housing Choice Voucher and Family Self Sufficiency programs. Revenues are from HUD’s Housing Choice Voucher Program.

213 - Bridges I – to account for the Bridges program which provides assistance specifically to individuals with mental health issues. This program is funded by MHFA.

214 - Tenant Protection – to account for the Tenant Protection Voucher program which protects families from a variety of hardships. The program is funded by HUD’s Housing Choice Voucher Program.

215 - Bridges II – to account for the Bridges II program which provides assistance specifically to individuals with mental health issues. This program is funded by Washington County.

218 - Shelter Plus Care – to account for the federal funded program that provides rental assistance to homeless adults with mental or chemical health disabilities.

263 - Resident Opportunities and Self Sufficiency Program Grant (FSS - Public Housing) – to account for the federal grant to assist Public Housing residents in gaining stability and self-sufficiency.

268 - Raymie Service Coordinator - to account for the federal funded program that provides service coordination at Raymie Johnson senior property.

WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY  
COMBINING BALANCE SHEET -  
HOUSING ASSISTANCE FUND  
December 31, 2021

|  | 208 - Housing<br>Assistance Support | 209 - Bridges RTC | 210 - Section 8<br>Portability | 211 - Mainstream<br>Vouchers | 212 - Section 8<br>Housing Choice<br>Vouchers | 213 - Bridges I | 214 - Tenant<br>Protection |
|--|-------------------------------------|-------------------|--------------------------------|------------------------------|---|-----------------|----------------------------|
| Assets   |                                     |                   |                                |                              |   |                 |                            |
| Cash, cash equivalents and investments                               | \$ -                                | \$ -              | \$31,523                       | \$ -                         | \$95,608                                      | \$ -            | \$6,547                    |
| Restricted cash  | -                                   | -                 | -                              | -                            | 7,042   | -               | 25,623                     |
| Due from other governmental units                                    | -                                   | -                 | 38,087                         | 8,404                        | -   | 19,787          | 3,120                      |
| Due from other funds   | 31,775                              | -                 | -                              | -                            | -   | -               | -                          |
| Prepaid items  | -                                   | -                 | 8,391                          | 367                          | 1,724   | 459             | 935                        |
| Total assets   | <u>\$31,775</u>                     | <u>\$0</u>        | <u>\$78,001</u>                | <u>\$8,771</u>               | <u>\$104,374</u>                              | <u>\$20,246</u> | <u>\$36,225</u>            |
| Liabilities, Deferred Inflows of Resources and Fund Balance          |                                     |                   |                                |                              |   |                 |                            |
| Liabilities:   |                                     |                   |                                |                              |   |                 |                            |
| Accounts payable   | \$ -                                | \$ -              | \$5,247                        | \$2,558                      | \$7,114                                       | \$37            | \$9,882                    |
| Security deposits payable  | -                                   | -                 | -                              | -                            | 7,042   | -               | 25,623                     |
| Due to other funds   | 41,447                              | -                 | -                              | 5,656                        | -   | 19,153          | -                          |
| Due to other governmental units                                      | -                                   | -                 | 32,165                         | -                            | -   | -               | -                          |
| Accrued wages and benefits payable                                   | 1,356                               | -                 | 3,039                          | 557                          | 3,225   | 1,056           | 420                        |
| Unearned revenue - grants  | -                                   | -                 | 16,951                         | -                            | -   | -               | 300                        |
| Total liabilities  | <u>42,803</u>                       | <u>0</u>          | <u>57,402</u>                  | <u>8,771</u>                 | <u>17,381</u>                                 | <u>20,246</u>   | <u>36,225</u>              |
| Fund balance:  |                                     |                   |                                |                              |   |                 |                            |
| Nonspendable   | -                                   | -                 | 8,391                          | 367                          | 1,724   | 459             | 935                        |
| Restricted   | (11,028)                            | -                 | 12,208                         | (367)                        | 85,269  | (459)           | (935)                      |
| Total fund balance   | <u>(11,028)</u>                     | <u>0</u>          | <u>20,599</u>                  | <u>0</u>                     | <u>86,993</u>                                 | <u>0</u>        | <u>0</u>                   |
| Total liabilities, deferred inflows<br>of resources and fund balance | <u>\$31,775</u>                     | <u>\$0</u>        | <u>\$78,001</u>                | <u>\$8,771</u>               | <u>\$104,374</u>                              | <u>\$20,246</u> | <u>\$36,225</u>            |

| 215 - Bridges II | 216 - Veterans<br>Affairs Supportive<br>Housing | 218 - Shelter Plus<br>Care | 219 - Family<br>Unification Program | 263 - FSS - Public<br>Housing | 268 - Raymie Service<br>Coordinator | Intra-Activity<br>Eliminations | Total Housing<br>Assistance Fund |
|------------------|---|----------------------------|-------------------------------------|-------------------------------|-------------------------------------|--------------------------------|----------------------------------|
| \$100,602        | \$2,100   | \$ -                       | \$ -                                | \$ -                          | \$ -                                | \$ -                           | \$236,380                        |
| -                | -   | -                          | -                                   | -                             | -                                   | -                              | 32,665                           |
| -                | -   | -                          | 1,486                               | -                             | 10,363                              | -                              | 81,247                           |
| -                | -   | -                          | -                                   | -                             | -                                   | (31,775)                       | -                                |
| 138              | 202   | 413                        | 458                                 | -                             | -                                   | -                              | 13,087                           |
| <u>\$100,740</u> | <u>\$2,302</u>                                  | <u>\$413</u>               | <u>\$1,944</u>                      | <u>\$0</u>                    | <u>\$10,363</u>                     | <u>(\$31,775)</u>              | <u>\$363,379</u>                 |
| \$16             | \$2,302   | \$28                       | \$499                               | \$ -                          | \$4,609                             | \$ -                           | \$32,292                         |
| -                | -   | -                          | -                                   | -                             | -                                   | -                              | 32,665                           |
| -                | -   | 4                          | 1,231                               | -                             | 5,731                               | (31,775)                       | 41,447                           |
| -                | -   | -                          | -                                   | -                             | -                                   | -                              | 32,165                           |
| 46               | -   | 381                        | 214                                 | -                             | 23                                  | -                              | 10,317                           |
| 100,678          | -   | -                          | -                                   | -                             | -                                   | -                              | 117,929                          |
| <u>100,740</u>   | <u>2,302</u>                                    | <u>413</u>                 | <u>1,944</u>                        | <u>0</u>                      | <u>10,363</u>                       | <u>(31,775)</u>                | <u>266,815</u>                   |
| 138              | 202   | 413                        | 458                                 | -                             | -                                   | -                              | 13,087                           |
| (138)            | (202)   | (413)                      | (458)                               | -                             | -                                   | -                              | 83,477                           |
| <u>0</u>         | <u>0</u>  | <u>0</u>                   | <u>0</u>                            | <u>0</u>                      | <u>0</u>                            | <u>0</u>                       | <u>96,564</u>                    |
| <u>\$100,740</u> | <u>\$2,302</u>                                  | <u>\$413</u>               | <u>\$1,944</u>                      | <u>\$0</u>                    | <u>\$10,363</u>                     | <u>(\$31,775)</u>              | <u>\$363,379</u>                 |

WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY  
 COMBINING SCHEDULE OF REVENUES,  
 EXPENDITURES AND CHANGES IN FUND BALANCE -  
 HOUSING ASSISTANCE FUND  
 For The Year Ended December 31, 2021

|                                      | 208 - Housing<br>Assistance<br>Support | 209 - Bridges<br>RTC | 210 - Section 8<br>Portability | 211 - Mainstream<br>Vouchers | 212 - Section 8<br>Housing Choice<br>Vouchers | 213 - Bridges I   |
|--------------------------------------|--|----------------------|--------------------------------|------------------------------|---|-------------------|
| Revenues:                            |  |                      |                                |                              |   |                   |
| General property taxes               | \$77,400                               | \$ -                 | \$ -                           | \$ -                         | \$ -  | \$ -              |
| Intergovernmental                    | -                                      | 3,814                | 3,160,074                      | 207,459                      | 867,433                                       | 237,971           |
| Charges for services:                |  |                      |                                |                              |   |                   |
| Administrative fees                  | -                                      | 360                  | 226,059                        | 20,813                       | 137,429                                       | 18,360            |
| Investment income                    | 4                                      | -                    | 39                             | 5                            | 32  | -                 |
| Other                                | -                                      | -                    | 30                             | -                            | 5,807   | -                 |
| Total revenues                       | <u>77,404</u>                          | <u>4,174</u>         | <u>3,386,202</u>               | <u>228,277</u>               | <u>1,010,701</u>                              | <u>256,331</u>    |
| Expenditures:                        |  |                      |                                |                              |   |                   |
| Current:                             |  |                      |                                |                              |   |                   |
| Administrative salaries and benefits | 18,285                                 | 545                  | 253,645                        | 13,464                       | 171,284                                       | 48,653            |
| Administrative legal                 | -                                      | -                    | 7,020                          | -                            | -   | -                 |
| Administrative sundry                | 183                                    | 35                   | 84,013                         | 4,300                        | 19,856  | 3,749             |
| Professional services                | 99                                     | -                    | 4,718                          | 1,065                        | 3,332   | 250               |
| Housing assistance payments          | -                                      | 3,814                | 3,106,182                      | 219,607                      | 750,345                                       | 237,971           |
| Other                                | -                                      | -                    | 2,454                          | -                            | 3,126   | -                 |
| Total expenditures                   | <u>18,567</u>                          | <u>4,394</u>         | <u>3,458,032</u>               | <u>238,436</u>               | <u>947,943</u>                                | <u>290,623</u>    |
| Revenues over (under) expenditures   | <u>58,837</u>                          | <u>(220)</u>         | <u>(71,830)</u>                | <u>(10,159)</u>              | <u>62,758</u>                                 | <u>(34,292)</u>   |
| Other financing sources (uses):      |  |                      |                                |                              |   |                   |
| Transfers from other funds           | -                                      | 220                  | -                              | 10,159                       | -   | 34,292            |
| Transfers to other funds             | (73,440)                               | -                    | -                              | -                            | -   | -                 |
| Total other financing sources (uses) | <u>(73,440)</u>                        | <u>220</u>           | <u>0</u>                       | <u>10,159</u>                | <u>0</u>                                      | <u>34,292</u>     |
| Net change in fund balance           | (14,603)                               | -                    | (71,830)                       | -                            | 62,758  | -                 |
| Fund balance - January 1             | <u>3,575</u>                           | <u>-</u>             | <u>92,429</u>                  | <u>-</u>                     | <u>24,235</u>                                 | <u>-</u>          |
| Fund balance - December 31           | <u><u>(\$11,028)</u></u>               | <u><u>\$0</u></u>    | <u><u>\$20,599</u></u>         | <u><u>\$0</u></u>            | <u><u>\$86,993</u></u>                        | <u><u>\$0</u></u> |



| 214 - Tenant<br>Protection | 215 - Bridges II | 216 - Veterans<br>Affairs<br>Supportive<br>Housing | 218 - Shelter<br>Plus Care | 219 - Family<br>Unification<br>Program | 263 - FSS -<br>Public Housing | 268 - Raymie<br>Service<br>Coordinator | Intra-Activity<br>Eliminations | Total Housing<br>Assistance Fund |
|----------------------------|------------------|--|----------------------------|--|-------------------------------|--|--------------------------------|----------------------------------|
| \$ -                       | \$ -             | \$ -   | \$ -                       | \$ -                                   | \$ -                          | \$ -                                   | \$ -                           | \$77,400                         |
| 469,281                    | 71,772           | 64,763   | 226,357                    | 302,102                                | 48,711                        | 60,825                                 | -                              | 5,720,562                        |
| 20,224                     | 6,950            | 6,949  |                            | 7,310                                  |                               |  |                                | 444,454                          |
| -                          | 19               | -  | -                          | -                                      | -                             | -                                      | -                              | 99                               |
| -                          | -                | -  | -                          | -                                      | -                             | -                                      | -                              | 5,837                            |
| 489,505                    | 78,741           | 71,712   | 226,357                    | 309,412                                | 48,711                        | 60,825                                 | 0                              | 6,248,352                        |
| 6,728                      | 7,306            | 1,905  | 33,173                     | 3,527                                  | 57,380                        | 5,536                                  | -                              | 621,431                          |
| -                          | -                | -  | -                          | -                                      | -                             | -                                      | -                              | 7,020                            |
| 7,088                      | 1,898            | 2,770  | 3,164                      | 2,957                                  | 158                           | 964                                    | -                              | 131,135                          |
| 2,582                      | -                | -  | 1,726                      | -                                      | -                             | 54,325                                 | -                              | 68,097                           |
| 473,107                    | 71,772           | 67,037   | 205,779                    | 302,928                                | -                             | -                                      | -                              | 5,438,542                        |
| -                          | -                | -  | 222                        | -                                      | -                             | -                                      | -                              | 5,802                            |
| 489,505                    | 80,976           | 71,712   | 244,064                    | 309,412                                | 57,538                        | 60,825                                 | 0                              | 6,272,027                        |
| -                          | (2,235)          | -  | (17,707)                   | -                                      | (8,827)                       | -                                      | -                              | (23,675)                         |
| -                          | 2,235            | -  | 17,707                     | -                                      | 8,827                         | -                                      | (73,440)                       | -                                |
| -                          | -                | -  | -                          | -                                      | -                             | -                                      | 73,440                         | -                                |
| 0                          | 2,235            | 0  | 17,707                     | 0                                      | 8,827                         | 0                                      | 0                              | 0                                |
| -                          | -                | -  | -                          | -                                      | -                             | -                                      | -                              | (23,675)                         |
| -                          | -                | -  | -                          | -                                      | -                             | -                                      | -                              | 120,239                          |
| \$0                        | \$0              | \$0  | \$0                        | \$0                                    | \$0                           | \$0                                    | \$0                            | \$96,564                         |

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## COMMUNITY DEVELOPMENT FUND

The Community Development Fund is used to account for related expenses to the CDA for land purchases, constructed housing developments, assisting developers with new affordable housing developments, various housing programs of the CDA, or other expenses related to assisting cities with affordable housing developments. Revenues for this program are derived from state and federal grants, special financing programs available to the CDA and property taxes. The WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY maintains the following Community Development Fund:

201 - MN Housing Rehab/Emergency Fund - to account for the MN Housing Rehab and Emergency Loan program

230 - Multi Family Projects-LIHTC - to account for the Low Income Housing Tax Credit Program and for conduit bond projects.

231 and 232 - TCAP Kilkenny/Granada - (Tax Credit Assistance Program) accounts for funds allocated by the United States Department of Housing and Urban Development (HUD) under Title XII of the American Recovery and Reinvestment Act of 2009 (ARRA). TCAP funds were allocated by HUD to Minnesota Housing, who in turn allocated \$1,243,913 of TCAP funds to the CDA as a suballocator of housing tax credits for allocation of TCAP funds to eligible projects in Washington County.

243 - Red Oak Preserve - Oakdale - to account for the non-TIF activity of the Red Oak Preserve Development. Expenses include payments to the City of Oakdale for public improvements (the City issued a special assessment bond) and to the developer for reimbursement of expenses for site improvements as regulated by the Contract for Private Redevelopment dated June 2007. Revenues are from property taxes and interest income on loans.

255 - Red Rock Crossing - to account for pre-development expenses for potential project expenses in the City of Newport.

256 - Age Friendly Housing Initiative - to account for the pre-development expenses for potential project expenses in Washington County, Minnesota.

270 - Development Fund - to account for related expenses to the CDA constructed housing developments, assisting developers with new affordable housing developments, various housing programs of the CDA, or other expenses related to assisting cities with affordable housing developments. Revenues are from property taxes and interest income on loans.

271 - GAP Financing Fund - to account for funds loaned or granted to developers to finance the capital costs for the construction of affordable housing and municipal development, referred to as the GROW Fund (Gap Financing for Redevelopment and Rental and Owner Occupied Housing Opportunities in Washington County).

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274 - Forest Lake - Trailside Senior Living TIF - to account for expenditures related to the Housing Tax Increment Financing District, which includes TrailSide Senior Living, a 70 unit affordable senior housing development in Forest Lake.

277 - LAAND Initiative - Metropolitan Council funded loans which provide 0% interest loans to jurisdictions to acquire property for future affordable housing development (either affordable rental or affordable home ownership).

280 - HOME - to account for federal funds provided for land acquisition, site improvement, and other eligible activities.

407 - Community Development Block Grant - to account for the receipt and disbursement of funds related to the U.S. Department of Housing and Urban Development funded Community Development Block Grant program.

WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY  
 COMBINING BALANCE SHEET -  
 COMMUNITY DEVELOPMENT FUND  
 December 31, 2021

|  | 201 - MN<br>Housing Rehab<br>and Emergency<br>Loans | 230 - Multi<br>Family Projects -<br>LIHTC | 231 - TCAP<br>Kilkenny | 232 - TCAP<br>Granada | 243 - Red Oak<br>Preserve -<br>Oakdale | 255 - Red Rock<br>Crossing |
|--|---|---|------------------------|-----------------------|--|----------------------------|
| Assets   |   |   |                        |                       |  |                            |
| Cash, cash equivalents and investments                               | \$5,412   | \$548,024                                 | \$ -                   | \$ -                  | \$30,603                               | \$433,954                  |
| Accounts receivable - net  | -   | -   | -                      | -                     | -                                      | -                          |
| Interest receivable  | -   | -   | -                      | -                     | -                                      | -                          |
| Interest receivable from discretely presented component unit         | -   | -   | -                      | -                     | -                                      | -                          |
| Due from other governmental units                                    | -   | -   | -                      | -                     | -                                      | -                          |
| Advances to other funds  | -   | -   | -                      | -                     | -                                      | 679,577                    |
| Property held for resale   | -   | -   | -                      | -                     | -                                      | 18,421                     |
| Note receivable  | -   | 6,400                                     | 521,101                | 722,812               | -                                      | -                          |
| Note receivable from discretely presented component unit             | -   | -   | -                      | -                     | -                                      | -                          |
| Total assets   | <u>\$5,412</u>                                      | <u>\$554,424</u>                          | <u>\$521,101</u>       | <u>\$722,812</u>      | <u>\$30,603</u>                        | <u>\$1,131,952</u>         |
| Liabilities, Deferred Inflows of<br>Resources and Fund Balance       |   |   |                        |                       |  |                            |
| Liabilities:   |   |   |                        |                       |  |                            |
| Accounts payable   | \$364   | \$6,677                                   | \$ -                   | \$ -                  | \$ -                                   | \$674                      |
| Due to other funds   | -   | -   | -                      | -                     | -                                      | -                          |
| Due to other governmental units                                      | -   | -   | -                      | -                     | -                                      | -                          |
| Contracts payable  | 1,350   | -   | -                      | -                     | -                                      | -                          |
| Accrued wages and benefits payable                                   | -   | 1,576                                     | -                      | -                     | -                                      | 221                        |
| Unearned revenue - grants  | -   | 1,281                                     | -                      | -                     | -                                      | -                          |
| Total liabilities  | <u>1,714</u>  | <u>9,534</u>                              | <u>0</u>               | <u>0</u>              | <u>0</u>                               | <u>895</u>                 |
| Deferred inflows of resources:                                       |   |   |                        |                       |  |                            |
| Unavailable revenue  | -   | 6,400                                     | 521,101                | 722,812               | -                                      | 18,421                     |
| Total deferred inflows of resources                                  | <u>0</u>  | <u>6,400</u>                              | <u>521,101</u>         | <u>722,812</u>        | <u>0</u>                               | <u>18,421</u>              |
| Fund balance:  |   |   |                        |                       |  |                            |
| Committed  | 3,698   | 538,490                                   | -                      | -                     | 30,603                                 | 1,112,636                  |
| Unassigned   | -   | -   | -                      | -                     | -                                      | -                          |
| Total fund balance   | <u>3,698</u>  | <u>538,490</u>                            | <u>0</u>               | <u>0</u>              | <u>30,603</u>                          | <u>1,112,636</u>           |
| Total liabilities, deferred inflows<br>of resources and fund balance | <u>\$5,412</u>                                      | <u>\$554,424</u>                          | <u>\$521,101</u>       | <u>\$722,812</u>      | <u>\$30,603</u>                        | <u>\$1,131,952</u>         |

| 256 - Age<br>Friendly<br>Housing<br>Initiative | 270 -<br>Development<br>Fund | 271 - GAP<br>Financing Fund | 274 - Forest Lake<br>Trailside Senior<br>Living TIF | 277 - LAAND<br>Initiative | 280 - HOME         | 407 - CDBG         | 408-CDBG<br>Woodbury | Total Community<br>Development<br>Fund |
|--|------------------------------|-----------------------------|---|---------------------------|--------------------|--------------------|----------------------|--|
| \$1,060,235                                    | \$740,341                    | \$1,486,952                 | \$ -  | \$39,926                  | \$ -               | \$ -               | \$ -                 | \$4,345,447                            |
| -  | 11,000                       | -                           | -   | -                         | -                  | -                  | -                    | 11,000                                 |
| -  | -                            | 166,455                     | -   | -                         | -                  | -                  | -                    | 166,455                                |
| -  | -                            | 261,542                     | -   | -                         | -                  | -                  | -                    | 261,542                                |
| -  | -                            | -                           | -   | -                         | 7,268              | 204,730            | 174                  | 212,172                                |
| -  | 2,825,400                    | 500,000                     | -   | -                         | -                  | -                  | -                    | 4,004,977                              |
| -  | -                            | -                           | -   | -                         | -                  | -                  | -                    | 18,421                                 |
| -  | -                            | 2,630,320                   | -   | 500,000                   | 799,196            | 1,337,228          | -                    | 6,517,057                              |
| -  | -                            | 1,830,700                   | -   | -                         | 198,013            | 352,709            | -                    | 2,381,422                              |
| <u>\$1,060,235</u>                             | <u>\$3,576,741</u>           | <u>\$6,875,969</u>          | <u>\$0</u>  | <u>\$539,926</u>          | <u>\$1,004,477</u> | <u>\$1,894,667</u> | <u>\$174</u>         | <u>\$17,918,493</u>                    |
|  |                              |                             |   |                           |                    |                    |                      |  |
| \$ -   | \$2,071                      | \$ -                        | \$ -  | \$ -                      | \$4,000            | \$201,950          | \$ -                 | \$215,736                              |
| -  | -                            | -                           | 4,665   | -                         | 2,858              | 731                | 86                   | 8,340                                  |
| -  | -                            | -                           | -   | 40,000                    | -                  | -                  | -                    | 40,000                                 |
| -  | -                            | -                           | -   | -                         | -                  | -                  | -                    | 1,350                                  |
| 437  | 4,663                        | -                           | -   | -                         | 410                | 2,049              | 88                   | 9,444                                  |
| -  | -                            | -                           | -   | -                         | -                  | -                  | -                    | 1,281                                  |
| <u>437</u>                                     | <u>6,734</u>                 | <u>0</u>                    | <u>4,665</u>  | <u>40,000</u>             | <u>7,268</u>       | <u>204,730</u>     | <u>174</u>           | <u>276,151</u>                         |
|  |                              |                             |   |                           |                    |                    |                      |  |
| -  | -                            | 427,998                     | -   | 500,000                   | 997,209            | 1,689,937          | -                    | 4,883,878                              |
| <u>0</u>                                       | <u>0</u>                     | <u>427,998</u>              | <u>0</u>  | <u>500,000</u>            | <u>997,209</u>     | <u>1,689,937</u>   | <u>0</u>             | <u>4,883,878</u>                       |
|  |                              |                             |   |                           |                    |                    |                      |  |
| 1,059,798                                      | 3,570,007                    | 6,447,971                   | -   | -                         | -                  | -                  | -                    | 12,763,203                             |
| -  | -                            | -                           | (4,665)   | (74)                      | -                  | -                  | -                    | (4,739)                                |
| <u>1,059,798</u>                               | <u>3,570,007</u>             | <u>6,447,971</u>            | <u>(4,665)</u>                                      | <u>(74)</u>               | <u>0</u>           | <u>0</u>           | <u>0</u>             | <u>12,758,464</u>                      |
|  |                              |                             |   |                           |                    |                    |                      |  |
| <u>\$1,060,235</u>                             | <u>\$3,576,741</u>           | <u>\$6,875,969</u>          | <u>\$0</u>  | <u>\$539,926</u>          | <u>\$1,004,477</u> | <u>\$1,894,667</u> | <u>\$174</u>         | <u>\$17,918,493</u>                    |

**WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY**  
**COMBINING SCHEDULE OF REVENUES,**  
**EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**COMMUNITY DEVELOPMENT FUND**  
For The Year Ended December 31, 2021

|                                      | 201 - MN<br>Housing<br>Rehab and<br>Emergency<br>Loans | 230 - Multi<br>Family<br>Projects -<br>LIHTC | 232 - TCAP<br>Granada | 243 - Red Oak<br>Preserve -<br>Oakdale | 255 - Red<br>Rock Crossing | 256 - Age<br>Friendly<br>Housing<br>Initiative |
|--------------------------------------|--|--|-----------------------|--|----------------------------|--|
| Revenues:                            |  |  |                       |  |                            |  |
| General property taxes               | \$ -   | \$ -   | \$ -                  | \$82,560                               | \$ -                       | \$484,755                                      |
| Intergovernmental                    | 9,200  | 75,175                                       | -                     | -                                      | -                          | -  |
| Charges for services:                |  |  |                       |  |                            |  |
| Administrative fees                  | 1,200  | 25,500                                       | 3,000                 | -                                      | -                          | -  |
| Investment income                    | -  | (497)  | -                     | 11                                     | 24,672                     | (1,405)  |
| Other                                | -  | 181,664                                      | -                     | -                                      | -                          | -  |
| Total revenues                       | <u>10,400</u>  | <u>281,842</u>                               | <u>3,000</u>          | <u>82,571</u>                          | <u>24,672</u>              | <u>483,350</u>                                 |
| Expenditures:                        |  |  |                       |  |                            |  |
| Current:                             |  |  |                       |  |                            |  |
| Administrative salaries and benefits | 677  | 56,419                                       | -                     | -                                      | 1,173                      | 2,536  |
| Administrative travel and per diems  | -  | -  | -                     | -                                      | -                          | -  |
| Administrative legal                 | 980  | 39,672                                       | -                     | -                                      | 672                        | -  |
| Administrative sundry                | (12)   | 2,008  | -                     | -                                      | 2,650                      | -  |
| Professional services                | -  | -  | 3,000                 | -                                      | -                          | -  |
| Project costs                        | 9,200  | 75,175                                       | -                     | -                                      | -                          | -  |
| Debt service:                        |  |  |                       |  |                            |  |
| Principal                            | -  | -  | -                     | 95,365                                 | -                          | -  |
| Interest and other                   | -  | -  | -                     | 16,417                                 | -                          | -  |
| Total expenditures                   | <u>10,845</u>  | <u>173,274</u>                               | <u>3,000</u>          | <u>111,782</u>                         | <u>4,495</u>               | <u>2,536</u>                                   |
| Revenues over (under) expenditures   | (445)  | 108,568                                      | -                     | (29,211)                               | 20,177                     | 480,814  |
| Other financing sources (uses):      |  |  |                       |  |                            |  |
| Transfers to other funds             | -  | (21,981)                                     | -                     | -                                      | -                          | -  |
| Total other financing sources (uses) | <u>0</u>   | <u>(21,981)</u>                              | <u>0</u>              | <u>0</u>                               | <u>0</u>                   | <u>-</u>                                       |
| Net change in fund balance           | (445)  | 86,587                                       | -                     | (29,211)                               | 20,177                     | 480,814  |
| Fund balance (deficit) - January 1   | <u>4,143</u>   | <u>451,903</u>                               | <u>-</u>              | <u>59,814</u>                          | <u>1,092,459</u>           | <u>578,984</u>                                 |
| Fund balance (deficit) - December 31 | <u>\$3,698</u>   | <u>\$538,490</u>                             | <u>\$0</u>            | <u>\$30,603</u>                        | <u>\$1,112,636</u>         | <u>\$1,059,798</u>                             |



| 270 -<br>Development<br>Fund | 271 - GAP<br>Financing Fund | 274 - Forest<br>Lake Trailside<br>Senior Living<br>TIF | 277 - LAAND<br>Initiative | 280 - HOME     | 407 - CDBG       | 408 - CDBG<br>Woodbury | Total Community<br>Development Fund |
|------------------------------|-----------------------------|--|---------------------------|----------------|------------------|------------------------|-------------------------------------|
| \$492,700                    | \$500,000                   | \$ -   | \$ -                      | \$ -           | \$ -             | \$ -                   | \$1,560,015                         |
| 11,000                       | -                           | -  | -                         | 110,199        | 1,377,572        | 53,621                 | 1,636,767                           |
| -                            | 1,500                       | -  | -                         | 23,777         | 84,314           | -                      | 139,291                             |
| 24,982                       | (3,213)                     | -  | (99)                      | -              | -                | -                      | 44,451                              |
| 4,025                        | -                           | -  | -                         | -              | -                | -                      | 185,689                             |
| <u>532,707</u>               | <u>498,287</u>              | <u>0</u>   | <u>(99)</u>               | <u>133,976</u> | <u>1,461,886</u> | <u>53,621</u>          | <u>3,566,213</u>                    |
| 322,854                      | -                           | -  | -                         | 22,974         | 130,507          | 5,033                  | 542,173                             |
| 794                          | -                           | -  | -                         | 800            | 37               | -                      | 1,631                               |
| 5,346                        | -                           | -  | -                         | -              | -                | -                      | 46,670                              |
| 9,879                        | -                           | -  | -                         | 3              | 6,472            | -                      | 21,000                              |
| 450                          | -                           | -  | -                         | -              | 3,046            | -                      | 6,496                               |
| 11,000                       | -                           | -  | -                         | 110,199        | 1,321,824        | 48,588                 | 1,575,986                           |
| -                            | -                           | -  | -                         | -              | -                | -                      | 95,365                              |
| -                            | -                           | -  | -                         | -              | -                | -                      | 16,417                              |
| <u>350,323</u>               | <u>0</u>                    | <u>0</u>   | <u>0</u>                  | <u>133,976</u> | <u>1,461,886</u> | <u>53,621</u>          | <u>2,305,738</u>                    |
| 182,384                      | 498,287                     | -  | (99)                      | -              | -                | -                      | 1,260,475                           |
| (55,036)                     | -                           | -  | -                         | -              | -                | -                      | (77,017)                            |
| <u>(55,036)</u>              | <u>0</u>                    | <u>0</u>   | <u>0</u>                  | <u>0</u>       | <u>0</u>         | <u>0</u>               | <u>(77,017)</u>                     |
| 127,348                      | 498,287                     | -  | (99)                      | -              | -                | -                      | 1,183,458                           |
| 3,442,659                    | 5,949,684                   | (4,665)  | 25                        | -              | -                | -                      | 11,575,006                          |
| <u>\$3,570,007</u>           | <u>\$6,447,971</u>          | <u>(\$4,665)</u>                                       | <u>(\$74)</u>             | <u>\$0</u>     | <u>\$0</u>       | <u>\$0</u>             | <u>\$12,758,464</u>                 |

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## ECONOMIC DEVELOPMENT FUND

300 - Economic Development – to account for expenses related to activities and expenses that promote economic development in Washington County, Minnesota. Grants, contributions, and property taxes fund this program.

301 - Small Business Relief – to account for the activities of the Small Business Relief fund. The program’s purpose is to provided assistance to small businesses experiencing economic hardship due to the Public Health Emergency caused by the COVID-19 Pandemic. The program is funded by the federal Coronavirus Aid, Relief, and Economic Security Act (CARES Act).

WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY  
 COMBINING BALANCE SHEET -  
 ECONOMIC DEVELOPMENT FUND  
 December 31, 2021

Statement 19

|  | 300 - Economic<br>Development | 302 - Small Business<br>Relief Fund - State | Total Economic<br>Development Fund |
|--|-------------------------------|---|------------------------------------|
| Assets   |                               |   |                                    |
| Cash, cash equivalents and investments                               | \$644,964                     | \$ -  | \$644,964                          |
| Prepaid items  | 30,400                        | -   | 30,400                             |
| Total assets   | <u>\$675,364</u>              | <u>\$0</u>                                  | <u>\$675,364</u>                   |
| Liabilities, Deferred Inflows of Resources and Fund Balance          |                               |   |                                    |
| Liabilities:   |                               |   |                                    |
| Accrued wages and benefits payable                                   | \$2,756                       | \$ -  | \$2,756                            |
| Accounts Payable   | 75,000                        | -   | 75,000                             |
| Total liabilities  | <u>77,756</u>                 | <u>0</u>                                    | <u>77,756</u>                      |
| Fund balance:  |                               |   |                                    |
| Committed  | 597,608                       | -   | 597,608                            |
| Total fund balance   | <u>597,608</u>                | <u>0</u>                                    | <u>597,608</u>                     |
| Total liabilities, deferred inflows<br>of resources and fund balance | <u>\$675,364</u>              | <u>\$0</u>                                  | <u>\$675,364</u>                   |

WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY

COMBINING SCHEDULE OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCE -  
ECONOMIC DEVELOPMENT FUND  
For The Year Ended December 31, 2021

Statement 20

|                                      | 300 - Economic<br>Development | 302 - Small Business<br>Relief Fund - State | Intra-Activity<br>Eliminations | Total Economic<br>Development Fund |
|--------------------------------------|-------------------------------|---|--------------------------------|------------------------------------|
| Revenues:                            |                               |   |                                |                                    |
| General property tax                 | \$574,762                     | \$0   | \$0                            | \$574,762                          |
| Intergovernmental                    | -                             | 5,185,473                                   | -                              | 5,185,473                          |
| Investment income                    | (372)                         | -   | -                              | (372)                              |
| Other                                | -                             | -   | -                              | -                                  |
| Total revenues                       | 574,390                       | 5,185,473                                   | 0                              | 5,759,863                          |
| Expenditures:                        |                               |   |                                |                                    |
| Current:                             |                               |   |                                |                                    |
| Administrative salaries and benefits | 146,504                       | -   | -                              | 146,504                            |
| Administrative legal                 | -                             | -   | -                              | -                                  |
| Administrative sundry                | 66,080                        | -   | -                              | 66,080                             |
| Professional services                | 188,535                       | 141,473                                     | -                              | 330,008                            |
| Project costs                        | -                             | 5,059,000                                   | -                              | 5,059,000                          |
| Other                                | 26,996                        | -   | -                              | 26,996                             |
| Total expenditures                   | 428,115                       | 5,200,473                                   | 0                              | 5,628,588                          |
| Revenues over (under) expenditures   | 146,275                       | (15,000)                                    | -                              | 131,275                            |
| Other financing sources (uses):      |                               |   |                                |                                    |
| Transfers from other funds           | -                             | 15,000                                      | (15,000)                       | -                                  |
| Transfers to other funds             | (15,000)                      | -   | 15,000                         | -                                  |
| Total other financing sources (uses) | (15,000)                      | 15,000                                      | 0                              | 0                                  |
| Net change in fund balance           | 131,275                       | -   | -                              | 131,275                            |
| Fund balance - January 1             | 466,333                       | -   | -                              | 466,333                            |
| Fund balance - December 31           | \$597,608                     | \$0   | \$0                            | \$597,608                          |

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## HOME OWNERSHIP COUNSELING FUND

The Home Ownership Counseling Fund is used to account for related expenses to provide counseling to consumers on seeking, financing, maintaining, renting, or owning a home. The program also assists homeowners in need of foreclosure assistance. Federal and state grants fund this program. The WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY Maintains the following Home Ownership Counseling Fund:

202 - MN Housing Down Payment Assistance – to account for grant funds and expenditures related to the MN Housing Down Payment Assistance program.

273 - HECAT Homebuyer Education - to account for State grant funds and expenditures related to the implementation of homebuyer education and pre-purchase counseling activities.

294 - HUD-Comprehensive Counseling - to account for expenditures to provide foreclosure and pre-purchase housing counseling services and administration related to the Comprehensive Counseling program, a federally funded program through the U.S. Department of Housing and Urban Development.

276 - Foreclosure Counseling and Grant - to account for expenditures to provide foreclosure counseling prevention services to homeowners. The sources of funding for this program are grants from the St. Paul and Bigelow Foundations and fee for service agreements with Fannie Mae and Wells Fargo.

417 - Homeowner Stabilization Fund – to account for the activities of the Homeowner Stabilization Fund. The program’s purpose is to provide assistance to homeowners at risk of mortgage default and/or foreclosure as a result of the economic hardship due to the Public Health Emergency caused by the COVID-19 Pandemic. The program is funded by the federal Coronavirus Aid, Relief, and Economic Security Act (CARES Act).

**WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY**  
**COMBINING BALANCE SHEET -**  
**HOME OWNERSHIP COUNSELING FUND**  
December 31, 2021

|  | 202 - MN<br>Housing Down<br>Payment<br>Assistance | 273 - HECAT<br>Homebuyer<br>Education |
|--|---|---------------------------------------|
| Assets   |   |                                       |
| Cash, cash equivalents and investments                               | \$878   | \$ -                                  |
| Due from other governmental units                                    | -   | 2,746                                 |
| Total assets   | <u>\$878</u>                                      | <u>\$2,746</u>                        |
| Liabilities, Deferred Inflows of Resources and Fund Balance          |   |                                       |
| Liabilities:   |   |                                       |
| Accounts payable   | \$ -  | \$1,284                               |
| Due to other funds   | -   | 269                                   |
| Accrued wages and benefits payable                                   | -   | 1,193                                 |
| Total liabilities  | <u>0</u>  | <u>2,746</u>                          |
| Fund balance:  |   |                                       |
| Committed  | <u>878</u>  | <u>-</u>                              |
| Total fund balance   | <u>878</u>  | <u>0</u>                              |
| Total liabilities, deferred inflows<br>of resources and fund balance | <u>\$878</u>                                      | <u>\$2,746</u>                        |



Statement 21

| 294 - HUD<br>Comprehensive<br>Counseling | 276 - Foreclosure<br>Counseling and Grant | Total Home Ownership<br>Counseling Fund |
|--|---|---|
| \$ -                                     | \$5,048                                   | \$5,926                                 |
| 42,235                                   | -   | 44,981                                  |
| <u>\$42,235</u>                          | <u>\$5,048</u>                            | <u>\$50,907</u>                         |
|  |   |   |
| \$ -                                     | \$ -                                      | \$1,284                                 |
| 40,999                                   | -   | 41,268                                  |
| 1,236                                    | 387                                       | 2,816                                   |
| <u>42,235</u>                            | <u>387</u>                                | <u>45,368</u>                           |
|  |   |   |
| -  | 4,661                                     | 5,539                                   |
| <u>0</u>                                 | <u>4,661</u>                              | <u>5,539</u>                            |
|  |   |   |
| <u>\$42,235</u>                          | <u>\$5,048</u>                            | <u>\$50,907</u>                         |

**WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY**  
**COMBINING SCHEDULE OF REVENUES,**  
**EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**HOME OWNERSHIP COUNSELING FUND**  
For The Year Ended December 31, 2021

|                                      | 202 - MN Housing Down<br>Payment Assistance | 273 - HECAT Homebuyer<br>Education |
|--------------------------------------|---|------------------------------------|
| Revenues:                            |   |                                    |
| General property tax                 | \$ -  | \$ -                               |
| Intergovernmental                    | -   | 46,325                             |
| Charges for services:                |   |                                    |
| Administrative fees                  | -   | 680                                |
| Investment income                    | -   | -                                  |
| Total revenues                       | <u>0</u>                                    | <u>47,005</u>                      |
| Expenditures:                        |   |                                    |
| Current:                             |   |                                    |
| Administrative salaries and benefits | -   | 39,909                             |
| Administrative sundry                | -   | 6,370                              |
| Professional services                | -   | 726                                |
| Total expenditures                   | <u>0</u>                                    | <u>47,005</u>                      |
| Revenues over (under) expenditures   | -   | -                                  |
| Other financing sources (uses):      |   |                                    |
| Transfers from other funds           | -   | -                                  |
| Transfers to other funds             | -   | -                                  |
| Total other financing sources (uses) | <u>0</u>                                    | <u>0</u>                           |
| Net change in fund balance           | -   | -                                  |
| Fund balance - January 1             | <u>878</u>                                  | <u>-</u>                           |
| Fund balance - December 31           | <u><u>\$878</u></u>                         | <u><u>\$0</u></u>                  |

| 294 - HUD<br>Comprehensive<br>Counseling | 276 - Foreclosure<br>Counseling and Grant | Intra-Activity<br>Eliminations | Total Home Ownership<br>Counseling Fund |
|--|---|--------------------------------|---|
| \$ -                                     | \$87,500                                  | \$0                            | \$87,500                                |
| 31,678                                   | -   | -                              | 78,003                                  |
| -  | -   | -                              | 680                                     |
| -  | 6   | -                              | 6                                       |
| 31,678                                   | 87,506                                    | 0                              | 166,189                                 |
| 64,340                                   | 26,628                                    | -                              | 130,877                                 |
| 1,831                                    | 1,148                                     | -                              | 9,349                                   |
| -  | 460                                       | -                              | 1,186                                   |
| 66,171                                   | 28,236                                    | 0                              | 141,412                                 |
| (34,493)                                 | 59,270                                    | -                              | 24,777                                  |
| 34,493                                   | -   | (34,493)                       | -                                       |
| -  | (59,493)                                  | 34,493                         | (25,000)                                |
| 34,493                                   | (59,493)                                  | 0                              | (25,000)                                |
| -  | (223)                                     | -                              | (223)                                   |
| -  | 4,884                                     | -                              | 5,762                                   |
| \$0                                      | \$4,661                                   | \$0                            | \$5,539                                 |

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## TAX INCREMENT FUND

242 - Whispering Oaks TIF – accounts for the eligible expenditures related to the Whispering Oaks TIF District, which is a redevelopment district in the City of Oakdale.

412 - Red Rock TIF - to account for expenditures related to the Red Rock Tax Increment Financing District, which includes pre-development expenses for potential eligible project expenses in the City of Newport.

WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY  
 COMBINING BALANCE SHEET -  
 TAX INCREMENT FUND  
 December 31, 2021

Statement 23

|  | 242 - Whispering<br>Oaks TIF | 412 - Redrock - TIF | Total Tax<br>Increment Fund |
|--|------------------------------|---------------------|-----------------------------|
| Assets   |                              |                     |                             |
| Cash, cash equivalents and investments                               | \$65,906                     | \$3,000             | \$68,906                    |
| Property held for resale   | -                            | 142,979             | 142,979                     |
| Total assets   | <u>\$65,906</u>              | <u>\$145,979</u>    | <u>\$211,885</u>            |
| Liabilities, Deferred Inflows of Resources and Fund Balance          |                              |                     |                             |
| Liabilities:   |                              |                     |                             |
| Advances from other funds  | \$2,825,400                  | \$679,577           | \$3,504,977                 |
| Total liabilities  | <u>2,825,400</u>             | <u>679,577</u>      | <u>3,504,977</u>            |
| Deferred inflows of resources:                                       |                              |                     |                             |
| Unavailable revenue  | -                            | 142,979             | 142,979                     |
| Total deferred inflows of resources                                  | <u>0</u>                     | <u>142,979</u>      | <u>142,979</u>              |
| Fund balance:  |                              |                     |                             |
| Unassigned   | (2,759,494)                  | (676,577)           | (3,436,071)                 |
| Total fund balance   | <u>(2,759,494)</u>           | <u>(676,577)</u>    | <u>(3,436,071)</u>          |
| Total liabilities, deferred inflows<br>of resources and fund balance | <u>\$65,906</u>              | <u>\$145,979</u>    | <u>\$211,885</u>            |

**WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY**

COMBINING SCHEDULE OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCE -  
TAX INCREMENT FUND  
For The Year Ended December 31, 2021

**Statement 24**

|                            | 242 - Whispering<br>Oaks TIF | 412 - Redrock - TIF       | Total Tax<br>Increment Fund |
|----------------------------|------------------------------|---------------------------|-----------------------------|
| Revenues:                  |                              |                           |                             |
| Tax increments             | \$189,916                    | \$59,137                  | \$249,053                   |
| Investment income          | 7                            | -                         | 7                           |
| Total revenues             | <u>189,923</u>               | <u>59,137</u>             | <u>249,060</u>              |
| Expenditures:              |                              |                           |                             |
| Current:                   |                              |                           |                             |
| Administrative legal       |                              | -                         | -                           |
| Administrative sundry      | 2,997                        | 987                       | 3,984                       |
| Professional services      | 1,000                        | 1,000                     | 2,000                       |
| Debt service:              |                              |                           |                             |
| Principal                  | 65,216                       | -                         | 65,216                      |
| Interest                   | 92,260                       | 25,599                    | 117,859                     |
| Total expenditures         | <u>161,473</u>               | <u>27,586</u>             | <u>189,059</u>              |
| Net change in fund balance | 28,450                       | 31,551                    | 60,001                      |
| Fund balance - January 1   | <u>(2,787,944)</u>           | <u>(708,128)</u>          | <u>(3,496,072)</u>          |
| Fund balance - December 31 | <u><u>(\$2,759,494)</u></u>  | <u><u>(\$676,577)</u></u> | <u><u>(\$3,436,071)</u></u> |

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## PUBLIC HOUSING FUND

The Public Housing Fund is used to account for the operation of 96 units of rental housing within Washington County through the HUD funded Low-Rent Housing Program and Capital Fund Program. These units are owned and operated by the CDA but are subject to HUD's program rules and regulations. HUD provides subsidies for the operation, maintenance and improvement of these units. The WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY maintains the following Public Housing Fund:

635 - HUD - Scattered Site - to account for the operation of the CDA's Metropolitan Housing Opportunity Program (MHOP) which consists of 56 scattered site units throughout Washington County and they consist of single family homes, townhomes and duplexes.

636 - Whispering Pines - to account for the operations of a 40 unit four-story public housing building. Residents must meet income and eligibility criteria and preference is given to applicants 62 or older and disabled households.

**WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY**  
**COMBINING SCHEDULE OF NET POSITION -**  
**PUBLIC HOUSING FUND**  
December 31, 2021

**Statement 25**

|   | 635 - HUD<br>Scattered Site | 636 - Whispering<br>Pines | Total Public<br>Housing Fund |
|---|-----------------------------|---------------------------|------------------------------|
| <b>Assets:</b>  |                             |                           |                              |
| <b>Current assets:</b>  |                             |                           |                              |
| Cash and cash equivalents                                       | \$125,492                   | \$405,776                 | \$531,268                    |
| Restricted cash and investments                                 | -                           | 10,778                    | 10,778                       |
| Accounts receivable - tenants                                   | -                           | 5,450                     | 5,450                        |
| Allowance for doubtful accounts                                 | -                           | (588)                     | (588)                        |
| Due from other governmental units                               | -                           | 9,493                     | 9,493                        |
| Prepaid items   | -                           | 13,288                    | 13,288                       |
| <b>Total current assets</b>                                     | <b>125,492</b>              | <b>444,197</b>            | <b>569,689</b>               |
| <b>Capital assets:</b>  |                             |                           |                              |
| Land  | -                           | 315,000                   | 315,000                      |
| Projects in process   | -                           | 9,450                     | 9,450                        |
| Buildings and structures  | -                           | 2,939,777                 | 2,939,777                    |
| <b>Total capital assets</b>                                     | <b>0</b>                    | <b>3,264,227</b>          | <b>3,264,227</b>             |
| Less: Accumulated depreciation                                  | -                           | (480,556)                 | (480,556)                    |
| <b>Net capital assets</b>                                       | <b>0</b>                    | <b>2,783,671</b>          | <b>2,783,671</b>             |
| <b>Total noncurrent assets</b>                                  | <b>0</b>                    | <b>2,783,671</b>          | <b>2,783,671</b>             |
| <b>Total assets</b>   | <b>\$125,492</b>            | <b>\$3,227,868</b>        | <b>\$3,353,360</b>           |
| <b>Liabilities:</b>   |                             |                           |                              |
| <b>Current liabilities:</b>                                     |                             |                           |                              |
| Accounts payable  | \$262                       | \$10,194                  | \$10,456                     |
| Due to other governmental units                                 | -                           | 5,724                     | 5,724                        |
| Unearned revenue - rent   | 125,230                     | 1,371                     | 126,601                      |
| <b>Current liabilities payable from restricted assets:</b>      |                             |                           |                              |
| Accrued interest payable  | -                           | 45                        | 45                           |
| Security deposits/FSS escrow                                    | -                           | 10,270                    | 10,270                       |
| Current portion of long-term debt                               | -                           | 444                       | 444                          |
| <b>Total current liabilities payable from restricted assets</b> | <b>-</b>                    | <b>10,759</b>             | <b>10,759</b>                |
| <b>Total current liabilities</b>                                | <b>125,492</b>              | <b>28,048</b>             | <b>153,540</b>               |
| <b>Noncurrent liabilities:</b>                                  |                             |                           |                              |
| Long-term debt  | -                           | 3,095                     | 3,095                        |
| Notes and mortgages payable                                     | -                           | 660,291                   | 660,291                      |
| <b>Total noncurrent liabilities</b>                             | <b>0</b>                    | <b>663,386</b>            | <b>663,386</b>               |
| <b>Total liabilities</b>  | <b>125,492</b>              | <b>691,434</b>            | <b>816,926</b>               |
| <b>Net position:</b>  |                             |                           |                              |
| Net investment in capital assets                                | -                           | 2,129,291                 | 2,129,291                    |
| Restricted for bond indenture purposes                          | -                           | 508                       | 508                          |
| Unrestricted  | -                           | 406,635                   | 406,635                      |
| <b>Total net position</b>                                       | <b>\$0</b>                  | <b>\$2,536,434</b>        | <b>\$2,536,434</b>           |

WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY  
 COMBINING SCHEDULE OF REVENUES, EXPENSES AND  
 CHANGES IN FUND NET POSITION -  
 PUBLIC HOUSING FUND  
 For The Year Ended December 31, 2021

Statement 26

|  | 635 - HUD<br>Scattered Site | 636 - Whispering<br>Pines | Intra-Activity<br>Eliminations | Total Public<br>Housing Fund |
|--|-----------------------------|---------------------------|--------------------------------|------------------------------|
| Operating revenues:                              |                             |                           |                                |                              |
| Rental income                                    | \$ -                        | \$164,830                 | \$ -                           | \$164,830                    |
| Service income                                   | -                           | 3,023                     | -                              | 3,023                        |
| HUD rent subsidies                               | 58,582                      | 80,868                    | -                              | 139,450                      |
| Other  | -                           | 7,296                     | -                              | 7,296                        |
| Total operating revenues                         | 58,582                      | 256,017                   | 0                              | 314,599                      |
| Operating expenses:                              |                             |                           |                                |                              |
| Marketing  | -                           | -                         | -                              | -                            |
| Management fee                                   | -                           | 48,657                    | -                              | 48,657                       |
| Legal  | -                           | 5,129                     | -                              | 5,129                        |
| Administrative                                   | 3,000                       | 9,020                     | -                              | 12,020                       |
| Operating  | -                           | 3,400                     | -                              | 3,400                        |
| Maintenance                                      | 17,729                      | 80,832                    | -                              | 98,561                       |
| Utilities  | -                           | 62,640                    | -                              | 62,640                       |
| Insurance  | -                           | 13,193                    | -                              | 13,193                       |
| Property taxes                                   | -                           | 5,844                     | -                              | 5,844                        |
| Depreciation                                     | -                           | 98,050                    | -                              | 98,050                       |
| Total operating expenses                         | 20,729                      | 326,765                   | -                              | 347,494                      |
| Operating income (loss)                          | 37,853                      | (70,748)                  | 0                              | (32,895)                     |
| Nonoperating revenues (expenses):                |                             |                           |                                |                              |
| Investment income                                | 2                           | 89                        | -                              | 91                           |
| Intergovernmental                                | -                           | 103                       | -                              | 103                          |
| Financial expense                                | -                           | (57)                      | -                              | (57)                         |
| Interest expense                                 | -                           | (109)                     | -                              | (109)                        |
| Property tax revenue                             | -                           | 452                       | -                              | 452                          |
| Other  | (23,059)                    | (204)                     | -                              | (23,263)                     |
| Total nonoperating<br>revenues (expenses)        | (23,057)                    | 274                       | 0                              | (22,783)                     |
| Income (loss) before contributions and transfers | 14,796                      | (70,474)                  | -                              | (55,678)                     |
| Capital contributions                            | -                           | 9,450                     | -                              | 9,450                        |
| Transfers from other funds                       | -                           | 17,128                    | (17,128)                       | -                            |
| Transfers to other funds                         | (17,128)                    | -                         | 17,128                         | -                            |
| Change in net position                           | (2,332)                     | (43,896)                  | 0                              | (46,228)                     |
| Net position - January 1                         | 2,332                       | 2,580,330                 | -                              | 2,582,662                    |
| Net position - December 31                       | \$0                         | \$2,536,434               | \$0                            | \$2,536,434                  |

**WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY**  
**COMBINING SCHEDULE OF CASH FLOWS -**  
**PUBLIC HOUSING FUND**  
For The Year Ended December 31, 2021

**Statement 27**

|   | 635 - HUD Scattered<br>Site | 636 - Whispering Pines | Total Public Housing<br>Fund |
|---|-----------------------------|------------------------|------------------------------|
| Cash flows from operating activities:   |                             |                        |                              |
| Receipts from customers and users   | \$195,783                   | \$235,867              | \$431,650                    |
| Payment to suppliers for goods and services   | (26,638)                    | (245,442)              | (272,080)                    |
| Miscellaneous income  | -                           | 7,296                  | 7,296                        |
| Miscellaneous (loss)  | (23,059)                    | (204)                  | (23,263)                     |
| Net cash flows from operating activities  | 146,086                     | (2,483)                | 143,603                      |
| Cash flows from noncapital financing activities:  |                             |                        |                              |
| Transfers out   | (17,128)                    | -                      | (17,128)                     |
| Due to other funds  | (42,299)                    | -                      | (42,299)                     |
| Net cash flows from noncapital financing activities   | (59,427)                    | 0                      | (59,427)                     |
| Cash flows from capital and related<br>financing activities:                                      |                             |                        |                              |
| Property taxes  | -                           | 452                    | 452                          |
| Transfers in  | -                           | 17,128                 | 17,128                       |
| Capital contribution  | -                           | 9,450                  | 9,450                        |
| Federal recovery zone credits   | -                           | 103                    | 103                          |
| Fiscal agent costs and other debt related fees  | -                           | (57)                   | (57)                         |
| Purchase of capital assets  | -                           | (16,330)               | (16,330)                     |
| Interest paid on long-term debt   | -                           | (114)                  | (114)                        |
| Principal payments on long-term debt  | -                           | (445)                  | (445)                        |
| Net cash flows from capital and related financing activities                                      | 0                           | 10,187                 | 10,187                       |
| Cash flows from investing activities:   |                             |                        |                              |
| Investment income   | 2                           | 89                     | 91                           |
| Net increase (decrease) in cash and cash equivalents  | 86,661                      | 7,793                  | 94,454                       |
| Cash and cash equivalents - January 1   | 38,831                      | 408,761                | 447,592                      |
| Cash and cash equivalents - December 31   | \$125,492                   | \$416,554              | \$542,046                    |
| Reconciliation of operating income (loss) to net cash<br>provided (used) by operating activities: |                             |                        |                              |
| Operating income (loss)   | \$37,853                    | (\$70,748)             | (\$32,895)                   |
| Adjustments to reconcile operating income (loss)<br>to net cash flows from operating activities:  |                             |                        |                              |
| Depreciation  | -                           | 98,050                 | 98,050                       |
| Miscellaneous income (loss)   | (23,059)                    | (204)                  | (23,263)                     |
| Changes in assets and liabilities:  |                             |                        |                              |
| Decrease (increase) in receivables  | -                           | (4,509)                | (4,509)                      |
| Decrease (increase) prepaid items   | -                           | (941)                  | (941)                        |
| Decrease (increase) due from other governments  | 11,971                      | (9,446)                | 2,525                        |
| Increase (decrease) accounts payable  | (5,909)                     | (15,256)               | (21,165)                     |
| Increase (decrease) security deposits payable   | -                           | (250)                  | (250)                        |
| Increase (decrease) due to other governments  | -                           | (530)                  | (530)                        |
| Increase (decrease) unearned revenue  | 125,230                     | 1,351                  | 126,581                      |
| Total adjustments   | 108,233                     | 68,265                 | 176,498                      |
| Net cash provided by operating activities   | \$146,086                   | (\$2,483)              | \$143,603                    |
| Noncash investing, capital and financing activities:  |                             |                        |                              |
| Transfers of non-cash assets to WCCDA Family Housing LLC  | \$ -                        | \$ -                   | \$ -                         |

## SENIOR HOUSING FUND

The Senior Housing Fund is used to account for the resources accumulated and payments made for the acquisition, construction, improvement and operation of 401 units of bond-financed senior housing intended for seniors 55 years of age or older within the County. The WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY maintains the following Senior Housing Fund:

609 - Ann Bodlovick - to account for the operation of a 3 story building with 50 apartments. There are one and two bedroom styles with six different floor plans.

614 - Cobble Hill - to account for the operation of a 3 story building with 45 apartments. The unit types include both one and two bedroom units.

612 - John Jergens Estates - to account for the operation of six one story buildings totaling 30 units. The units are cottage style apartments, each with its own entrance. There are five units in each building.

602 - Muller Manor - to account for operation of a one story manor style building with 28 units.

601 - Oakhill Cottages - to account for operation of three one story buildings with 40 units. The units are cottage style apartments, each with its own entrance.

613 - Pioneer Elderly - to account for operation of a portion of a 1926 school building, renovated and redesigned for seniors 55 years of age and older. The community has a total of 17 1-bedroom unit and a single 2-bedroom unit.

610 - Trailside - to account for operations of a three story building with 70 units.

617 - Raymie Johnson Estates - to account for operation of 120 apartment and townhome units. This project based section 8 subsidized community has 96 apartments in the 5 story high-rise building, which include one and two bedroom units, available to those 62 and older and/or to people with disabilities. There are also 24 two and three bedroom town homes that are available for families.

**WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY**  
**COMBINING SCHEDULE OF NET POSITION -**  
**SENIOR HOUSING FUND**  
December 31, 2021

|   | 609 - Ann<br>Bodlovick | 614 - Cobble<br>Hill | 612 - John<br>Jergens Estates |
|---|------------------------|----------------------|-------------------------------|
| Assets:                                 |                        |                      |                               |
| Current assets:                         |                        |                      |                               |
| Cash and cash equivalents               | \$52,971               | \$44,765             | \$37,331                      |
| Restricted cash and investments         | 424,364                | 425,830              | 243,123                       |
| Accounts receivable - tenants           | 5,818                  | 3,445                | 1,757                         |
| Allowance for doubtful accounts         | -                      | -                    | -                             |
| Due from other governmental units       | 97                     | 147                  | -                             |
| Prepaid items                           | 20,529                 | 22,570               | 11,916                        |
| Total current assets                    | <u>503,779</u>         | <u>496,757</u>       | <u>294,127</u>                |
| Capital assets:                         |                        |                      |                               |
| Land                                    | 62,732                 | 122,090              | 115,000                       |
| Buildings and structures                | 3,310,900              | 2,857,822            | 2,701,096                     |
| Furniture and Equipment                 | 20,101                 | 15,654               | -                             |
| Total capital assets                    | <u>3,393,733</u>       | <u>2,995,566</u>     | <u>2,816,096</u>              |
| Less: Accumulated depreciation          | <u>(1,934,877)</u>     | <u>(1,371,518)</u>   | <u>(1,386,565)</u>            |
| Net capital assets                      | <u>1,458,856</u>       | <u>1,624,048</u>     | <u>1,429,531</u>              |
| Total noncurrent assets                 | <u>1,458,856</u>       | <u>1,624,048</u>     | <u>1,429,531</u>              |
| Total assets                            | <u>1,962,635</u>       | <u>2,120,805</u>     | <u>1,723,658</u>              |
| Deferred outflows of resources:         |                        |                      |                               |
| Unamortized loss on refunding           | <u>25,330</u>          | <u>43,612</u>        | <u>22,555</u>                 |
| Total deferred outflows<br>of resources | <u>25,330</u>          | <u>43,612</u>        | <u>22,555</u>                 |

| 602 - Muller<br>Manor | 601 - Oakhill<br>Cottages | 613 - Pioneer<br>Elderly | 610 - Trailside | 617 - Raymie<br>Johnson Estates | Total Senior<br>Housing Fund |
|-----------------------|---------------------------|--------------------------|-----------------|---------------------------------|------------------------------|
| \$34,448              | \$56,103                  | \$26,143                 | \$67,266        | \$687,538                       | \$1,006,565                  |
| 253,364               | 345,655                   | 8,102                    | 1,838,122       | 983,335                         | 4,521,895                    |
| 32                    | 2,551                     | 673                      | 3,486           | 17,572                          | 35,334                       |
| -                     | -                         | -                        | -               | (3,932)                         | (3,932)                      |
| 44                    | -                         | 32                       | -               | 5,893                           | 6,213                        |
| 9,390                 | 13,780                    | 6,181                    | 35,531          | 53,526                          | 173,423                      |
| 297,278               | 418,089                   | 41,131                   | 1,944,405       | 1,743,932                       | 5,739,498                    |
| 110,946               | 115,000                   | 50,000                   | 885,000         | 510,000                         | 1,970,768                    |
| 1,956,049             | 3,617,536                 | 1,158,906                | 8,364,018       | 6,997,300                       | 30,963,627                   |
| 15,460                | 11,870                    | 10,173                   | 124,048         | 53,814                          | 251,120                      |
| 2,082,455             | 3,744,406                 | 1,219,079                | 9,373,066       | 7,561,114                       | 33,185,515                   |
| (1,182,446)           | (1,458,374)               | (624,926)                | (2,037,905)     | (3,475,472)                     | (13,472,083)                 |
| 900,009               | 2,286,032                 | 594,153                  | 7,335,161       | 4,085,642                       | 19,713,432                   |
| 900,009               | 2,286,032                 | 594,153                  | 7,335,161       | 4,085,642                       | 19,713,432                   |
| 1,197,287             | 2,704,121                 | 635,284                  | 9,279,566       | 5,829,574                       | 25,452,930                   |
| 23,663                | 21,254                    | -                        | -               | 3,721                           | 140,135                      |
| 23,663                | 21,254                    | 0                        | 0               | 3,721                           | 140,135                      |

**WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY**  
**COMBINING SCHEDULE OF NET POSITION -**  
**SENIOR HOUSING FUND**  
December 31, 2021

|   | 609 - Ann<br>Bodlovick | 614 - Cobble<br>Hill | 612 - John<br>Jergens Estates |
|---|------------------------|----------------------|-------------------------------|
| Liabilities:  |                        |                      |                               |
| Current liabilities:  |                        |                      |                               |
| Accounts payable  | \$21,134               | \$8,824              | \$14,255                      |
| Due to other governmental units                             | 21,551                 | 20,397               | 12,280                        |
| Unearned revenue - rent                                     | 2,425                  | 1,314                | 3                             |
| Advances from other funds                                   | -                      | -                    | -                             |
| Current liabilities payable from restricted assets:         |                        |                      |                               |
| Accrued interest payable                                    | 13,084                 | 15,096               | 7,763                         |
| Security deposits payable                                   | 26,199                 | 23,946               | 16,002                        |
| Contracts payable   | -                      | -                    | -                             |
| Current portion of long-term debt                           | 116,009                | 121,537              | 60,000                        |
| Total current liabilities payable<br>from restricted assets | 155,292                | 160,579              | 83,765                        |
| Total current liabilities                                   | 200,402                | 191,114              | 110,303                       |
| Noncurrent liabilities:                                     |                        |                      |                               |
| Long-term debt  | 1,040,851              | 1,193,008            | 616,223                       |
| Total noncurrent liabilities                                | 1,040,851              | 1,193,008            | 616,223                       |
| Total liabilities   | 1,241,253              | 1,384,122            | 726,526                       |
| Net position:   |                        |                      |                               |
| Net investment in capital assets                            | 327,326                | 353,115              | 775,863                       |
| Restricted for bond indenture purposes                      | 376,614                | 381,487              | 214,841                       |
| Unrestricted  | 42,772                 | 45,693               | 28,983                        |
| Total net position  | \$746,712              | \$780,295            | \$1,019,687                   |



| 602 - Muller<br>Manor | 601 - Oakhill<br>Cottages | 613 - Pioneer<br>Elderly | 610 - Trailside | 617 - Raymie<br>Johnson Estates | Total Senior<br>Housing Fund |
|-----------------------|---------------------------|--------------------------|-----------------|---------------------------------|------------------------------|
| \$10,249              | \$39,181                  | \$5,965                  | \$22,767        | \$84,674                        | \$207,049                    |
| 10,171                | 17,936                    | 5,680                    | 29,281          | 64,931                          | 182,227                      |
| 36                    | 36                        | 11                       | 9               | 14,608                          | 18,442                       |
| -                     | -                         | -                        | 500,000         | -                               | 500,000                      |
| 8,156                 | 1,844                     | 34                       | 186,986         | 11,442                          | 244,405                      |
| 15,196                | 20,937                    | 7,714                    | 37,105          | 39,327                          | 186,426                      |
| -                     | -                         | -                        | -               | 2,610                           | 2,610                        |
| 65,460                | 35,000                    | 337                      | 260,000         | 156,517                         | 814,860                      |
| 88,812                | 57,781                    | 8,085                    | 484,091         | 209,896                         | 1,248,301                    |
| 109,268               | 114,934                   | 19,741                   | 1,036,148       | 374,109                         | 2,156,019                    |
| 644,555               | 159,867                   | 2,343                    | 6,227,395       | 878,370                         | 10,762,612                   |
| 644,555               | 159,867                   | 2,343                    | 6,227,395       | 878,370                         | 10,762,612                   |
| 753,823               | 274,801                   | 22,084                   | 7,263,543       | 1,252,479                       | 12,918,631                   |
| 213,657               | 2,112,419                 | 591,473                  | 847,766         | 3,051,866                       | 8,273,485                    |
| 227,997               | 306,782                   | 388                      | 1,771,736       | 879,077                         | 4,158,922                    |
| 25,473                | 31,373                    | 21,339                   | (603,479)       | 649,873                         | 242,027                      |
| \$467,127             | \$2,450,574               | \$613,200                | \$2,016,023     | \$4,580,816                     | \$12,674,434                 |

**WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY**  
**COMBINING SCHEDULE OF REVENUES, EXPENSES AND**  
**CHANGES IN FUND NET POSITION -**  
**SENIOR HOUSING FUND**  
For The Year Ended December 31, 2021

|   | 609 - Ann<br>Bodlovick | 614 - Cobble<br>Hill | 612 - John<br>Jergens Estates |
|---|------------------------|----------------------|-------------------------------|
| Operating revenues:                               |                        |                      |                               |
| Rental income                                     | \$494,066              | \$451,186            | \$299,437                     |
| Service income                                    | 6,987                  | 4,264                | -                             |
| HUD rent subsidies                                | 8,089                  | -                    | 2,999                         |
| Other   | 13,298                 | 759                  | 306                           |
| Total operating revenues                          | 522,440                | 456,209              | 302,742                       |
| Operating expenses:                               |                        |                      |                               |
| Marketing   | 910                    | -                    | 1,052                         |
| Management fee                                    | 57,989                 | 52,975               | 34,609                        |
| Legal   | 668                    | -                    | 4,006                         |
| Administrative                                    | 29,868                 | 4,907                | 1,954                         |
| Operating   | 11,888                 | 9,422                | 3,583                         |
| Maintenance                                       | 132,470                | 80,377               | 71,256                        |
| Utilities   | 44,486                 | 31,758               | 41,400                        |
| Insurance   | 19,877                 | 21,970               | 13,271                        |
| Property taxes                                    | 21,701                 | 20,532               | 12,370                        |
| Depreciation                                      | 82,823                 | 71,521               | 66,977                        |
| Total operating expenses                          | 402,680                | 293,462              | 250,478                       |
| Operating income (loss)                           | 119,760                | 162,747              | 52,264                        |
| Nonoperating revenues (expenses):                 |                        |                      |                               |
| Investment income                                 | 35                     | 30                   | 23                            |
| Intergovernmental                                 | 234                    | 7,144                | -                             |
| Financial expense                                 | (1,751)                | (1,878)              | (966)                         |
| Amortization of bond premium                      | 1,658                  | 1,585                | 829                           |
| Amortization of deferred gain (loss) on refunding | (3,320)                | (4,441)              | (2,297)                       |
| Interest expense                                  | (31,611)               | (36,450)             | (18,744)                      |
| Property tax revenue                              | 12,500                 | 25,400               | 20,300                        |
| Other   | (293)                  | (227)                | (181)                         |
| Total nonoperating<br>revenues (expenses)         | (22,548)               | (8,837)              | (1,036)                       |
| Income (loss) before transfers                    | 97,212                 | 153,910              | 51,228                        |
| Transfers:  |                        |                      |                               |
| Transfers from other funds                        | 12,495                 | 10,404               | 79,820                        |
| Transfers to other funds                          | (42,000)               | (85,000)             | (47,000)                      |
| Total transfers                                   | (29,505)               | (74,596)             | 32,820                        |
| Change in net position                            | 67,707                 | 79,314               | 84,048                        |
| Net position - January 1                          | 679,005                | 700,981              | 935,639                       |
| Net position - December 31                        | \$746,712              | \$780,295            | \$1,019,687                   |

| 602 - Muller<br>Manor | 601 - Oakhill<br>Cottages | 613 - Pioneer<br>Elderly | 610 - Trailside | 617 - Raymie<br>Johnson Estates | Total Senior<br>Housing Fund |
|-----------------------|---------------------------|--------------------------|-----------------|---------------------------------|------------------------------|
| \$241,351             | \$382,867                 | \$142,880                | \$648,395       | \$422,660                       | \$3,082,842                  |
| -                     | -                         | -                        | -               | 6,904                           | 18,155                       |
| 3,605                 | 4,858                     | 2,060                    | 12,047          | 1,188,397                       | 1,222,055                    |
| 85                    | 18,543                    | 300                      | 1,963           | 1,371                           | 36,625                       |
| 245,041               | 406,268                   | 145,240                  | 662,405         | 1,619,332                       | 4,359,677                    |
| 1,920                 | 2,788                     | 848                      | -               | 823                             | 8,341                        |
| 30,700                | 45,489                    | 19,496                   | 80,470          | 145,971                         | 467,699                      |
| -                     | 286                       | 936                      | 648             | 4,169                           | 10,713                       |
| 3,794                 | 3,064                     | 4,326                    | 11,916          | 17,900                          | 77,729                       |
| 6,286                 | 4,608                     | 3,093                    | 3,242           | 9,022                           | 51,144                       |
| 59,514                | 114,674                   | 42,459                   | 164,077         | 340,789                         | 1,005,616                    |
| 29,526                | 8,168                     | 29,283                   | 74,623          | 78,409                          | 337,653                      |
| 10,341                | 15,042                    | 6,882                    | 34,456          | 58,284                          | 180,123                      |
| 10,255                | 18,056                    | 5,734                    | 29,491          | 65,291                          | 183,430                      |
| 47,324                | 89,267                    | 27,890                   | 209,100         | 172,763                         | 767,665                      |
| 199,660               | 301,442                   | 140,947                  | 608,023         | 893,421                         | 3,090,113                    |
| 45,381                | 104,826                   | 4,293                    | 54,382          | 725,911                         | 1,269,564                    |
| 24                    | 28                        | 15                       | 88              | 124                             | 367                          |
| 107                   | -                         | 78                       | 158,695         | 14,286                          | 180,544                      |
| (1,018)               | (1,252)                   | (28)                     | (6,259)         | (5,042)                         | (18,194)                     |
| 873                   | 2,662                     | -                        | -               | 7,454                           | 15,061                       |
| (2,409)               | (9,754)                   | -                        | -               | (1,207)                         | (23,428)                     |
| (19,688)              | (4,519)                   | (83)                     | (373,973)       | (27,845)                        | (512,913)                    |
| 50,300                | 35,500                    | 343                      | 397,500         | 62,700                          | 604,543                      |
| (210)                 | (218)                     | (112)                    | (346)           | (15,073)                        | (16,660)                     |
| 27,979                | 22,447                    | 213                      | 175,705         | 35,397                          | 229,320                      |
| 73,360                | 127,273                   | 4,506                    | 230,087         | 761,308                         | 1,498,884                    |
| 63,212                | 142,410                   | 47,215                   | 117,966         | -                               | 473,522                      |
| (48,000)              | (192,000)                 | (38,000)                 | (80,000)        | (62,700)                        | (594,700)                    |
| 15,212                | (49,590)                  | 9,215                    | 37,966          | (62,700)                        | (121,178)                    |
| 88,572                | 77,683                    | 13,721                   | 268,053         | 698,608                         | 1,377,706                    |
| 378,555               | 2,372,891                 | 599,479                  | 1,747,970       | 3,882,208                       | 11,296,728                   |
| \$467,127             | \$2,450,574               | \$613,200                | \$2,016,023     | \$4,580,816                     | \$12,674,434                 |

**WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY**

**COMBINING SCHEDULE OF CASH FLOWS -**

**SENIOR HOUSING FUND**

For The Year Ended December 31, 2021

|  | 609 - Ann<br>Bodlovick | 614 - Cobble<br>Hill | 612 - John<br>Jergens Estates |
|--|------------------------|----------------------|-------------------------------|
| Cash flows from operating activities:  |                        |                      |                               |
| Receipts from customers and users  | \$504,989              | \$454,496            | \$300,749                     |
| Payment to suppliers for goods and services  | (333,135)              | (235,764)            | (188,425)                     |
| Miscellaneous income   | 13,298                 | 759                  | 306                           |
| Miscellaneous (loss)   | (293)                  | (227)                | (181)                         |
| Net cash flows from operating activities   | 184,859                | 219,264              | 112,449                       |
| Cash flows from noncapital financing activities:   |                        |                      |                               |
| Transfers out  | (42,000)               | (85,000)             | (47,000)                      |
| Net cash flows from noncapital financing activities  | (42,000)               | (85,000)             | (47,000)                      |
| Cash flows from capital and related financing activities:                                      |                        |                      |                               |
| Property taxes   | 12,500                 | 25,400               | 20,300                        |
| Transfers in   | 12,495                 | 10,404               | 79,820                        |
| Federal recovery zone credits and CDBG   | 243                    | 7,159                | -                             |
| Fiscal agent costs and other debt related fees   | (93)                   | (293)                | (137)                         |
| Purchase of capital assets   | (12,497)               | (10,403)             | (79,820)                      |
| Interest paid on long-term debt  | (32,653)               | (37,543)             | (19,307)                      |
| Principal payments on long-term debt   | (111,431)              | (116,789)            | (60,135)                      |
| Net cash flows from capital and related financing activities                                   | (131,436)              | (122,065)            | (59,279)                      |
| Cash flows from investing activities:  |                        |                      |                               |
| Investment income  | 35                     | 30                   | 23                            |
| Net increase (decrease) in cash and cash equivalents   | 11,458                 | 12,229               | 6,193                         |
| Cash and cash equivalents - January 1  | 465,877                | 458,366              | 274,261                       |
| Cash and cash equivalents - December 31  | \$477,335              | \$470,595            | \$280,454                     |
| Reconciliation of operating income (loss) to net cash provided (used) by operating activities: |                        |                      |                               |
| Operating income (loss)  | \$119,760              | \$162,747            | \$52,264                      |
| Adjustments to reconcile operating income (loss) to net cash flows from operating activities:  |                        |                      |                               |
| Depreciation   | 82,823                 | 71,521               | 66,977                        |
| Miscellaneous income (loss)  | (293)                  | (227)                | (181)                         |
| Changes in assets and liabilities:   |                        |                      |                               |
| Decrease (increase) in receivables   | (5,739)                | (2,683)              | (1,757)                       |
| Decrease (increase) prepaid items  | (3,729)                | (4,257)              | (641)                         |
| Increase (decrease) accounts payable   | (10,021)               | (9,894)              | (4,452)                       |
| Increase (decrease) security deposits payable  | (177)                  | 1,103                | 67                            |
| Increase (decrease) due to other governments   | 472                    | 328                  | 169                           |
| Increase (decrease) unearned revenue   | 1,763                  | 626                  | 3                             |
| Total adjustments  | 65,099                 | 56,517               | 60,185                        |
| Net cash provided by operating activities  | \$184,859              | \$219,264            | \$112,449                     |

| 602 - Muller<br>Manor | 601 - Oakhill<br>Cottages | 613 - Pioneer<br>Elderly | 610 - Trailside | 617 - Raymie<br>Johnson Estates | Total Senior Housing<br>Fund |
|-----------------------|---------------------------|--------------------------|-----------------|---------------------------------|------------------------------|
| \$245,064             | \$385,185                 | \$144,535                | \$575,226       | \$1,626,380                     | \$4,236,624                  |
| (157,370)             | (192,971)                 | (114,688)                | (424,350)       | (716,128)                       | (2,362,831)                  |
| 85                    | 18,543                    | 300                      | 1,963           | 1,371                           | 36,625                       |
| (210)                 | (218)                     | (112)                    | (346)           | (15,073)                        | (16,660)                     |
| 87,569                | 210,539                   | 30,035                   | 152,493         | 896,550                         | 1,893,758                    |
| (48,000)              | (192,000)                 | (38,000)                 | (80,000)        | (62,700)                        | (594,700)                    |
| (48,000)              | (192,000)                 | (38,000)                 | (80,000)        | (62,700)                        | (594,700)                    |
| 50,300                | 35,500                    | 343                      | 397,500         | 62,700                          | 604,543                      |
| 63,212                | 142,410                   | 47,215                   | 117,966         | -                               | 473,522                      |
| 111                   | -                         | 81                       | 240,377         | 14,866                          | 262,837                      |
| (145)                 | 1,411                     | (28)                     | (6,259)         | (5,042)                         | (10,586)                     |
| (63,212)              | (157,830)                 | (47,215)                 | (117,966)       | (377,096)                       | (866,039)                    |
| (20,255)              | (4,988)                   | (87)                     | (379,473)       | (29,772)                        | (524,078)                    |
| (60,609)              | (51,578)                  | (337)                    | (246,179)       | (197,971)                       | (845,029)                    |
| (30,598)              | (35,075)                  | (28)                     | 5,966           | (532,315)                       | (904,830)                    |
| 24                    | 28                        | 15                       | 81,770          | 124                             | 82,049                       |
| 8,995                 | (16,508)                  | (7,978)                  | 160,229         | 301,659                         | 476,277                      |
| 278,817               | 418,266                   | 42,223                   | 1,745,159       | 1,369,214                       | 5,052,183                    |
| \$287,812             | \$401,758                 | \$34,245                 | \$1,905,388     | \$1,670,873                     | \$5,528,460                  |
| \$45,381              | \$104,826                 | \$4,293                  | \$54,382        | \$725,911                       | \$1,269,564                  |
| 47,324                | 89,267                    | 27,890                   | 209,100         | 172,763                         | 767,665                      |
| (210)                 | (218)                     | (112)                    | (346)           | (15,073)                        | (16,660)                     |
| (27)                  | (2,551)                   | 40                       | (85,168)        | (4,128)                         | (102,013)                    |
| (516)                 | (891)                     | (367)                    | (6,843)         | (3,305)                         | (20,549)                     |
| (4,214)               | 19,822                    | (1,461)                  | (18,041)        | 5,391                           | (22,870)                     |
| 99                    | (24)                      | (452)                    | (57)            | (597)                           | (38)                         |
| (304)                 | 273                       | 197                      | (543)           | 2,444                           | 3,036                        |
| 36                    | 35                        | 7                        | 9               | 13,144                          | 15,623                       |
| 42,188                | 105,713                   | 25,742                   | 98,111          | 170,639                         | 624,194                      |
| \$87,569              | \$210,539                 | \$30,035                 | \$152,493       | \$896,550                       | \$1,893,758                  |

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## FAMILY HOUSING FUND

The Family Housing Fund is used to account for the resources accumulated and payments made for the acquisition, construction, improvement and operation of 333 units of bond-financed, or other, family housing within the County. The WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY maintains the following Family Housing Fund:

604 - Woodland Park - to account for operations of a six building, 180 unit community. There are 64 townhome style units and 116 apartments. The units are available in 1 bedroom, 2 bedroom and 3 bedroom styles.

607 - Park Place I - to account for operations of a six building, 36 unit community that includes both 1 bedroom and 2 bedroom styles.

616 - Transitional Housing - to account for operations of three townhomes owned by the CDA through the state “transitional housing program”. The units are available to households with members that have a serious and persistent mental illness.

618 - Washington Conservation District - to account for operations related to the Washington Conservation District capital lease receivable held by the CDA.

619 - Landfall - to account for operations related to the Landfall capital lease receivable held by the CDA.

620 - Park Place II - to account for operations of a 6 unit building that includes both 1 bedroom and 2 bedroom styles.

626 - Brick Pond - to account for operations of a 30 unit three-story building. The units are available in 1 bedroom and 2 bedroom units. There is also another building with 10 attached efficiency townhomes.

627 – WCCDA Family Housing – to account for the operations of 56 single family, townhome, and duplex units throughout Washington County.

WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY  
COMBINING SCHEDULE OF NET POSITION -  
FAMILY HOUSING FUND  
December 31, 2021

|   | 604 - Woodland<br>Park | 607 - Park Place I | 616 -<br>Transitional<br>Housing |
|---|------------------------|--------------------|----------------------------------|
| Assets:                                 |                        |                    |                                  |
| Current assets:                         |                        |                    |                                  |
| Cash and cash equivalents               | \$167,483              | \$43,879           | \$42,980                         |
| Restricted cash and investments         | 3,037,566              | 254,934            | 42,250                           |
| Accounts receivable - tenants           | 51,702                 | 13,214             | 156                              |
| Allowance for doubtful accounts         | (14,129)               | (3,690)            | -                                |
| Due from other governmental units       | 4,605                  | -                  | -                                |
| Prepaid items                           | 74,202                 | 11,441             | 1,389                            |
| Capital lease receivable                | -                      | -                  | -                                |
| Total current assets                    | 3,321,429              | 319,778            | 86,775                           |
| Noncurrent assets:                      |                        |                    |                                  |
| Other assets:                           |                        |                    |                                  |
| Capital lease receivable - long term    | -                      | -                  | -                                |
| Total other assets                      | 0                      | 0                  | 0                                |
| Capital assets:                         |                        |                    |                                  |
| Land                                    | 422,638                | 72,000             | 31,775                           |
| Projects in process                     | 31,988                 | -                  | -                                |
| Buildings and structures                | 14,935,698             | 1,904,414          | 451,848                          |
| Furniture and Equipment                 | 114,943                | -                  | -                                |
| Total capital assets                    | 15,505,267             | 1,976,414          | 483,623                          |
| Less: Accumulated depreciation          | (7,250,316)            | (725,163)          | (188,845)                        |
| Net capital assets                      | 8,254,951              | 1,251,251          | 294,778                          |
| Total noncurrent assets                 | 8,254,951              | 1,251,251          | 294,778                          |
| Total assets                            | 11,576,380             | 1,571,029          | 381,553                          |
| Deferred outflows of resources:         |                        |                    |                                  |
| Unamortized loss on refunding           | 25,661                 | 17,785             | -                                |
| Total deferred outflows<br>of resources | 25,661                 | 17,785             | 0                                |



| 618 -<br>Washington<br>Conservation<br>District | 619 - Landfall | 620 - Park Place<br>II | 626 - Brick Pond | 627 - WCCDA<br>Family Housing,<br>LLC | Total Family<br>Housing Fund |
|---|----------------|------------------------|------------------|---------------------------------------|------------------------------|
| \$ -  | \$11,087       | \$16,883               | \$44,701         | \$410,847                             | \$737,860                    |
| 7,790   | 1,018,237      | 1,886                  | 180,571          | 35,344                                | 4,578,578                    |
| -   | -              | 1,101                  | 10,128           | 38,147                                | 114,448                      |
| -   | -              | -                      | (3,106)          | (3,830)                               | (24,755)                     |
| -   | -              | -                      | -                | -                                     | 4,605                        |
| -   | -              | 1,908                  | 18,407           | 23,511                                | 130,858                      |
| 40,417  | 423,299        | -                      | -                | -                                     | 463,716                      |
| 48,207  | 1,452,623      | 21,778                 | 250,701          | 504,019                               | 6,005,310                    |
| 941,250   | 451,293        | -                      | -                | -                                     | 1,392,543                    |
| 941,250   | 451,293        | 0                      | 0                | 0                                     | 1,392,543                    |
| -   | -              | 12,000                 | 360,000          | 927,004                               | 1,825,417                    |
| -   | -              | -                      | -                | -                                     | 31,988                       |
| -   | -              | 277,473                | 1,713,920        | 7,042,761                             | 26,326,114                   |
| -   | -              | -                      | 10,973           | -                                     | 125,916                      |
| 0   | 0              | 289,473                | 2,084,893        | 7,969,765                             | 28,309,435                   |
| -   | -              | (79,946)               | (511,186)        | (4,410,010)                           | (13,165,466)                 |
| 0   | 0              | 209,527                | 1,573,707        | 3,559,755                             | 15,143,969                   |
| 941,250   | 451,293        | 209,527                | 1,573,707        | 3,559,755                             | 16,536,512                   |
| 989,457   | 1,903,916      | 231,305                | 1,824,408        | 4,063,774                             | 22,541,822                   |
| -   | 25,197         | -                      | 470              | -                                     | 69,113                       |
| 0   | 25,197         | 0                      | 470              | 0                                     | 69,113                       |

WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY  
COMBINING SCHEDULE OF NET POSITION -  
FAMILY HOUSING FUND  
December 31, 2021

|   | 604 - Woodland<br>Park | 607 - Park Place I | 616 -<br>Transitional<br>Housing |
|---|------------------------|--------------------|----------------------------------|
| Liabilities:  |                        |                    |                                  |
| Current liabilities:                                |                        |                    |                                  |
| Accounts payable                                    | \$72,402               | \$12,737           | \$940                            |
| Due to other governmental units                     | 92,717                 | 12,896             | 711                              |
| Due to other funds                                  | -                      | -                  | -                                |
| Unearned revenue - rent                             | 12,823                 | 425                | -                                |
| Unearned gain on sale of property                   | -                      | -                  | -                                |
| Current liabilities payable from restricted assets: |                        |                    |                                  |
| Accrued interest payable                            | 98,196                 | 6,099              | -                                |
| Security deposits payable                           | 64,636                 | 11,561             | 411                              |
| Current portion of long-term debt                   | 678,076                | 45,000             | -                                |
| Total current liabilities payable                   |                        |                    |                                  |
| from restricted assets                              | 840,908                | 62,660             | 411                              |
| Total current liabilities                           | 1,018,850              | 88,718             | 2,062                            |
| Noncurrent liabilities:                             |                        |                    |                                  |
| Unearned gain on sale of property                   | -                      | -                  | -                                |
| Long-term debt                                      | 7,196,280              | 485,966            | -                                |
| Notes and mortgages payable                         | -                      | -                  | 197,010                          |
| Total noncurrent liabilities                        | 7,196,280              | 485,966            | 197,010                          |
| Total liabilities                                   | 8,215,130              | 574,684            | 199,072                          |
| Net position:                                       |                        |                    |                                  |
| Net investment in capital assets                    | 438,244                | 738,070            | 97,768                           |
| Restricted for bond indenture purposes              | 2,880,213              | 230,477            | 41,839                           |
| Unrestricted  | 68,454                 | 45,583             | 42,874                           |
| Total net position                                  | \$3,386,911            | \$1,014,130        | \$182,481                        |

| 618 -<br>Washington<br>Conservation<br>District | 619 - Landfall | 620 - Park Place<br>II | 626 - Brick Pond | 627 - WCCDA<br>Family Housing,<br>LLC | Total Family<br>Housing Fund |
|---|----------------|------------------------|------------------|---------------------------------------|------------------------------|
| \$ -  | \$ -           | \$2,476                | \$23,645         | \$23,542                              | \$135,742                    |
| -   | -              | 2,199                  | 44,295           | 40,119                                | 192,937                      |
| 42  | -              | -                      | -                | -                                     | 42                           |
| -   | -              | 13                     | 1,811            | 8,074                                 | 23,146                       |
| -   | 61,251         | -                      | -                | -                                     | 61,251                       |
| 2,788   | 17,631         | -                      | 2,917            | -                                     | 127,631                      |
| -   | -              | 1,886                  | 10,443           | 22,686                                | 111,623                      |
| 40,000  | 340,000        | -                      | 70,000           | -                                     | 1,173,076                    |
| 42,788  | 357,631        | 1,886                  | 83,360           | 22,686                                | 1,412,330                    |
| 42,830  | 418,882        | 6,574                  | 153,111          | 94,421                                | 1,825,448                    |
| -   | 65,638         | -                      | -                | -                                     | 65,638                       |
| 945,000   | 1,005,816      | -                      | 151,051          | -                                     | 9,784,113                    |
| -   | -              | -                      | -                | -                                     | 197,010                      |
| 945,000   | 1,071,454      | 0                      | 151,051          | 0                                     | 10,046,761                   |
| 987,830   | 1,490,336      | 6,574                  | 304,162          | 94,421                                | 11,872,209                   |
| -   | -              | 209,527                | 1,353,126        | 3,559,755                             | 6,396,490                    |
| 7,790   | 1,018,237      | -                      | 125,833          | 12,658                                | 4,317,047                    |
| (6,163)   | (579,460)      | 15,204                 | 41,757           | 396,940                               | 25,189                       |
| \$1,627   | \$438,777      | \$224,731              | \$1,520,716      | \$3,969,353                           | \$10,738,726                 |

**WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY**  
**COMBINING SCHEDULE OF REVENUES, EXPENSES AND**  
**CHANGES IN FUND NET POSITION -**  
**FAMILY HOUSING FUND**  
For The Year Ended December 31, 2021

|   | 604 - Woodland Park | 607 - Park Place I | 616 -<br>Transitional<br>Housing |
|---|---------------------|--------------------|----------------------------------|
| Operating revenues:                               |                     |                    |                                  |
| Rental income                                     | \$2,066,685         | \$302,766          | \$17,580                         |
| Service income                                    | -                   | -                  | -                                |
| Other   | 22,161              | 1,419              | 1,988                            |
| Total operating revenues                          | 2,088,846           | 304,185            | 19,568                           |
| Operating expenses:                               |                     |                    |                                  |
| Marketing   | 5,204               | 1,243              | -                                |
| Management fee                                    | 236,202             | 39,867             | 3,649                            |
| Legal   | 4,727               | 125                | -                                |
| Administrative                                    | 16,809              | 2,616              | 78                               |
| Operating   | 25,270              | 4,965              | 4,515                            |
| Maintenance                                       | 502,756             | 62,006             | 7,020                            |
| Utilities   | 245,049             | 49,087             | 3,524                            |
| Insurance   | 76,263              | 12,536             | 1,566                            |
| Property taxes                                    | 95,229              | 13,004             | 711                              |
| Depreciation                                      | 370,773             | 47,611             | 11,296                           |
| Total operating expenses                          | 1,578,282           | 233,060            | 32,359                           |
| Operating income (loss)                           | 510,564             | 71,125             | (12,791)                         |
| Nonoperating revenues (expenses):                 |                     |                    |                                  |
| Investment income                                 | 177                 | 39                 | 23                               |
| Intergovernmental                                 | 47,868              | 5,084              | -                                |
| Gain (loss) on asset disposition                  | -                   | -                  | -                                |
| Financial expense                                 | (8,136)             | (769)              | -                                |
| Amortization of bond premium                      | 31,234              | 652                | -                                |
| Amortization of deferred gain (loss) on refunding | (2,825)             | (1,811)            | -                                |
| Interest expense                                  | (237,783)           | (14,722)           | -                                |
| Property tax revenue                              | 365,000             | 50,300             | 15,467                           |
| Other   | (647)               | (111)              | (3)                              |
| Total nonoperating<br>revenues (expenses)         | 194,888             | 38,662             | 15,487                           |
| Income (loss) before transfers and contributions  | 705,452             | 109,787            | 2,696                            |
| Transfers:  |                     |                    |                                  |
| Transfers from other funds                        | 130,603             | -                  | -                                |
| Transfers to other funds                          | (308,000)           | (99,000)           | -                                |
| Total transfers                                   | (177,397)           | (99,000)           | 0                                |
| Change in net position                            | 528,055             | 10,787             | 2,696                            |
| Net position - January 1                          | 2,858,856           | 1,003,343          | 179,785                          |
| Net position - December 31                        | \$3,386,911         | \$1,014,130        | \$182,481                        |

| 618 -<br>Washington<br>Conservation<br>District | 619 - Landfall | 620 - Park Place<br>II | 626 - Brick Pond | 627 - WCCDA<br>Family Housing,<br>LLC | Total Family<br>Housing Fund |
|---|----------------|------------------------|------------------|---------------------------------------|------------------------------|
| \$ -  | \$ -           | \$51,326               | \$386,055        | \$813,082                             | \$3,637,494                  |
| -   | -              | -                      | 3,643            | -                                     | 3,643                        |
| -   | 7,500          | 762                    | 4,024            | 13,494                                | 51,348                       |
| 0   | 7,500          | 52,088                 | 393,722          | 826,576                               | 3,692,485                    |
| -   | -              | -                      | 5,039            | 46                                    | 11,532                       |
| -   | -              | 6,968                  | 46,497           | 68,120                                | 401,303                      |
| -   | -              | -                      | 12               | 7,485                                 | 12,349                       |
| -   | -              | 469                    | 5,793            | 2,373                                 | 28,138                       |
| -   | -              | 447                    | 6,273            | 133,014                               | 174,484                      |
| 43  | -              | 9,614                  | 118,296          | 166,216                               | 865,951                      |
| -   | -              | 7,804                  | 43,286           | 7,173                                 | 355,923                      |
| -   | -              | 2,090                  | 20,322           | 25,304                                | 138,081                      |
| -   | -              | 2,217                  | 44,415           | 41,436                                | 197,012                      |
| -   | -              | 6,937                  | 40,234           | 234,641                               | 711,492                      |
| 43  | 0              | 36,546                 | 330,167          | 685,808                               | 2,896,265                    |
| (43)  | 7,500          | 15,542                 | 63,555           | 140,768                               | 796,220                      |
| 34,376  | 16,500         | 5                      | 32               | 113                                   | 51,265                       |
| -   | -              | 919                    | 6,019            | 11,432                                | 71,322                       |
| -   | 60,131         | -                      | -                | -                                     | 60,131                       |
| -   | -              | (8)                    | (671)            | (70)                                  | (9,654)                      |
| -   | 265            | -                      | 5,765            | -                                     | 37,916                       |
| -   | (8,172)        | -                      | (4,566)          | -                                     | (17,374)                     |
| (34,374)  | (43,140)       | -                      | (7,217)          | -                                     | (337,236)                    |
| -   | -              | -                      | 17,300           | -                                     | 448,067                      |
| -   | -              | (295)                  | (145)            | (243)                                 | (1,444)                      |
| 2   | 25,584         | 621                    | 16,517           | 11,232                                | 302,993                      |
| (41)  | 33,084         | 16,163                 | 80,072           | 152,000                               | 1,099,213                    |
| -   | -              | -                      | 126,690          | -                                     | 257,293                      |
| -   | -              | (31,000)               | (20,000)         | -                                     | (458,000)                    |
| 0   | 0              | (31,000)               | 106,690          | 0                                     | (200,707)                    |
| (41)  | 33,084         | (14,837)               | 186,762          | 152,000                               | 898,506                      |
| 1,668   | 405,693        | 239,568                | 1,333,954        | 3,817,353                             | 9,840,220                    |
| \$1,627   | \$438,777      | \$224,731              | \$1,520,716      | \$3,969,353                           | \$10,738,726                 |

WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY  
COMBINING SCHEDULE OF CASH FLOWS -  
FAMILY HOUSING FUND  
For The Year Ended December 31, 2021

|   | 604 - Woodland<br>Park | 607 - Park Place I | 616 - Transitional<br>Housing |
|---|------------------------|--------------------|-------------------------------|
| Cash flows from operating activities:   |                        |                    |                               |
| Receipts from customers and users   | \$2,062,650            | \$298,558          | \$15,962                      |
| Payment to suppliers for goods and services   | (1,257,136)            | (189,685)          | (20,611)                      |
| Miscellaneous income  | 22,161                 | 1,419              | 1,988                         |
| Miscellaneous (loss)  | (647)                  | (111)              | (3)                           |
| Net cash flows from operating activities  | 827,028                | 110,181            | (2,664)                       |
| Cash flows from noncapital financing activities:  |                        |                    |                               |
| Transfers out   | (308,000)              | (99,000)           | -                             |
| Due from other funds  | -                      | -                  | 1,465                         |
| Due to other funds  | -                      | -                  | -                             |
| Net cash flows from noncapital financing activities   | (308,000)              | (99,000)           | 1,465                         |
| Cash flows from capital and related<br>financing activities:                                      |                        |                    |                               |
| Property taxes  | 365,000                | 50,300             | 15,467                        |
| Transfers in  | 130,603                | -                  | -                             |
| Federal recovery zone credits and CDBG  | 48,321                 | 5,084              | -                             |
| Fiscal agent costs and other debt related fees  | (8,136)                | (769)              | -                             |
| Purchase of capital assets  | (130,603)              | -                  | -                             |
| Interest paid on long-term debt   | (248,347)              | (15,144)           | -                             |
| Principal payments on long-term debt  | (647,787)              | (44,454)           | -                             |
| Net cash flows from capital and related financing activities                                      | (490,949)              | (4,983)            | 15,467                        |
| Cash flows from investing activities:   |                        |                    |                               |
| Principal receipts on capital lease receivable  | -                      | -                  | -                             |
| Investment income   | 177                    | 39                 | 23                            |
| Net cash flows from investing activities  | 177                    | 39                 | 23                            |
| Net increase (decrease) in cash and cash equivalents  | 28,256                 | 6,237              | 14,291                        |
| Cash and cash equivalents - January 1   | 3,176,793              | 292,576            | 70,939                        |
| Cash and cash equivalents - December 31   | \$3,205,049            | \$298,813          | \$85,230                      |
| Reconciliation of operating income (loss) to net cash<br>provided (used) by operating activities: |                        |                    |                               |
| Operating income (loss)   | \$510,564              | \$71,125           | (\$12,791)                    |
| Adjustments to reconcile operating income (loss)<br>to net cash flows from operating activities:  |                        |                    |                               |
| Depreciation  | 370,773                | 47,611             | 11,296                        |
| Miscellaneous income (loss)   | (647)                  | (111)              | (3)                           |
| Changes in assets and liabilities:  |                        |                    |                               |
| Decrease (increase) in receivables  | (11,185)               | (3,605)            | (156)                         |
| Decrease (increase) in prepaid items  | (8,629)                | (652)              | (98)                          |
| Increase (decrease) accounts payable  | (41,544)               | (3,266)            | 537                           |
| Increase (decrease) security deposits payable   | (177)                  | (275)              | 3                             |
| Increase (decrease) due to other governments  | 546                    | (318)              | 13                            |
| Increase (decrease) unearned revenue  | 7,327                  | (328)              | (1,465)                       |
| Total adjustments   | 316,464                | 39,056             | 10,127                        |
| Net cash provided by operating activities   | \$827,028              | \$110,181          | (\$2,664)                     |
| Noncash investing, capital and financing activities:  |                        |                    |                               |
| Transfers of non-cash assets from the Public Housing Fund   | \$0                    | \$0                | \$0                           |

| 618 - Washington<br>Conservation District | 619 - Landfall | 620 - Park Place II | 626 - Brick Pond | 627 - WCCDA Family<br>Housing, LLC | Total Family Housing<br>Fund |
|---|----------------|---------------------|------------------|------------------------------------|------------------------------|
| \$ -                                      | \$ -           | \$51,146            | \$387,324        | \$827,913                          | \$3,643,553                  |
| (43)                                      | -              | (30,166)            | (288,237)        | (448,126)                          | (2,234,004)                  |
| -   | 7,500          | 762                 | 4,024            | 13,494                             | 51,348                       |
| -   | -              | (295)               | (145)            | (243)                              | (1,444)                      |
| (43)                                      | 7,500          | 21,447              | 102,966          | 393,038                            | 1,459,453                    |
| -   | -              | (31,000)            | (20,000)         | -                                  | (458,000)                    |
| -   | -              | -                   | -                | -                                  | 1,465                        |
| 42  | -              | -                   | -                | -                                  | 42                           |
| 42  | 0              | (31,000)            | (20,000)         | 0                                  | (456,493)                    |
| -   | -              | -                   | 17,300           | -                                  | 448,067                      |
| -   | -              | -                   | 126,690          | -                                  | 257,293                      |
| -   | -              | 919                 | 6,019            | 11,432                             | 71,775                       |
| -   | -              | (9)                 | (671)            | (70)                               | (9,655)                      |
| -   | -              | -                   | (126,690)        | (8,450)                            | (265,743)                    |
| (34,457)                                  | (47,264)       | -                   | (8,300)          | -                                  | (353,512)                    |
| (40,000)                                  | (330,000)      | -                   | (64,539)         | -                                  | (1,126,780)                  |
| (74,457)                                  | (377,264)      | 910                 | (50,191)         | 2,912                              | (978,555)                    |
| 40,000                                    | 415,554        | -                   | -                | -                                  | 455,554                      |
| 34,376                                    | 16,500         | 5                   | 32               | 113                                | 51,265                       |
| 74,376                                    | 432,054        | 5                   | 32               | 113                                | 506,819                      |
| (82)                                      | 62,290         | (8,638)             | 32,807           | 396,063                            | 531,224                      |
| 7,872                                     | 967,034        | 27,407              | 192,465          | 50,128                             | 4,785,214                    |
| \$7,790                                   | \$1,029,324    | \$18,769            | \$225,272        | \$446,191                          | \$5,316,438                  |
| (43)                                      | \$7,500        | \$15,542            | \$63,555         | \$140,768                          | \$796,220                    |
| -   | -              | 6,937               | 40,234           | 234,641                            | 711,492                      |
| -   | -              | (295)               | (145)            | (243)                              | (1,444)                      |
| -   | -              | (203)               | (3,922)          | 9,003                              | (10,068)                     |
| -   | -              | (104)               | (1,164)          | (640)                              | (11,287)                     |
| -   | -              | (434)               | 4,590            | (22,482)                           | (62,599)                     |
| -   | -              | 10                  | (120)            | (201)                              | (760)                        |
| -   | -              | (19)                | (1,730)          | 26,163                             | 24,655                       |
| -   | -              | 13                  | 1,668            | 6,029                              | 13,244                       |
| 0   | 0              | 5,905               | 39,411           | 252,270                            | 663,233                      |
| (43)                                      | \$7,500        | \$21,447            | \$102,966        | \$393,038                          | \$1,459,453                  |
| \$0                                       | \$0            | \$0                 | \$0              | \$0                                | \$0                          |

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## MANAGING MEMBER PARTNERSHIP

The Managing Member Partnership was established to account for the Agency's investment in and any transactions related to performing the duties of general partner and managing member of the Groves Apartment, LLC and Piccadilly Square of Mahtomedi, LLC, low income housing tax credit limited partnerships. To manage this activity, the Washington County Community Development Agency maintains the following Managing Member Partnership Fund:

850 - The Groves Apartments Managing Member, LLC - to account for the investment in and any transactions related to performing the duties of general partner and managing member of The Groves Apartments, LLC. The Groves Apartments, LLC is a low income housing tax credit limited partnership created to own, develop, rehabilitate, lease, manage and operate an apartment complex consisting of 67 units in 17 buildings located in Cottage Grove, Minnesota.

851 - WCCDA Piccadilly Square, LLC - to account for the investment in and any transactions related to performing the duties of general partner and managing member of Piccadilly Square of Mahtomedi, LLC. Piccadilly Square of Mahtomedi, LLC is a low income housing tax credit limited partnership created to own, develop, construct, lease, manage and operate an apartment complex consisting of 79 units in one building located in Mahtomedi, Minnesota.

852 - Piccadilly Square Lender - to account for the debt financing related to the Piccadilly Square of Mahtomedi, LLC project.

853 – WCCDA Glen, LLC - to account for the investment in and any transactions related to performing the duties of general partner and managing member of Glen at Valley Creek, LLC. Glen at Valley Creek, LLC is a low income housing tax credit limited partnership created to own, develop, construct, lease, manage and operate an apartment complex consisting of 42 units in one building located in Woodbury, Minnesota.

854 – The Glen at Valley Creek - to account for the debt financing related to the Glen at Valley Creek, LLC project.

WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY

COMBINING SCHEDULE OF NET POSITION -

MANAGING MEMBER PARTNERSHIP

December 31, 2021

Statement 34

|   | 850 - The<br>Groves<br>Apartments<br>Managing<br>Member, LLC | 851 - WCHRA<br>Piccadilly<br>Square, LLC | 852 - Piccadilly<br>Square Lender | 853 - WCCDA<br>Glen, LLC | 854 - The Glen<br>at Valley Creek | Total Managing<br>Member<br>Partnership |
|---|--|--|-----------------------------------|--------------------------|-----------------------------------|---|
| Assets:   |  |  |                                   |                          |                                   |   |
| Current assets:   |  |  |                                   |                          |                                   |   |
| Cash and cash equivalents                                   | \$193,473  | \$ -                                     | \$256,352                         | \$167                    | \$812,012                         | \$1,262,004                             |
| Restricted cash and investments                             | -  | -  | 809,691                           | 97,504                   | -                                 | 907,195                                 |
| Due from component unit                                     | -  | -  | 210,443                           | -                        | -                                 | 210,443                                 |
| Interest receivable   | -  | -  | 15,392                            | -                        | -                                 | 15,392                                  |
| Interest receivable - due from component unit               | 944  | -  | 2,554                             | -                        | 8,240                             | 11,738                                  |
| Total current assets  | 194,417  | 0  | 1,294,432                         | 97,671                   | 820,252                           | 2,406,772                               |
| Noncurrent assets:  |  |  |                                   |                          |                                   |   |
| Other assets:   |  |  |                                   |                          |                                   |   |
| Due from component unit - long term                         | 786,136  | -  | 7,772,523                         | -                        | 2,257,732                         | 10,816,391                              |
| Investment in limited partnerships                          | 500,538  | 1,344,050                                | (37)                              | 13,008                   | -                                 | 1,857,559                               |
| Total noncurrent assets                                     | 1,286,674  | 1,344,050                                | 7,772,486                         | 13,008                   | 2,257,732                         | 12,673,950                              |
| Total assets  | 1,481,091  | 1,344,050                                | 9,066,918                         | 110,679                  | 3,077,984                         | 15,080,722                              |
| Liabilities:  |  |  |                                   |                          |                                   |   |
| Current liabilities:  |  |  |                                   |                          |                                   |   |
| Accounts payable  | -  | -  | 2,000                             | -                        | -                                 | 2,000                                   |
| Current liabilities payable from restricted assets:         |  |  |                                   |                          |                                   |   |
| Accrued interest payable                                    | -  | -  | 111,974                           | -                        | -                                 | 111,974                                 |
| Current portion of long-term debt                           | -  | -  | 180,000                           | -                        | -                                 | 180,000                                 |
| Total current liabilities payable<br>from restricted assets | -  | -  | 291,974                           | -                        | -                                 | 291,974                                 |
| Total current liabilities                                   | 0  | 0  | 293,974                           | 0                        | 0                                 | 293,974                                 |
| Noncurrent liabilities:                                     |  |  |                                   |                          |                                   |   |
| Long-term debt  | -  | -  | 7,098,764                         | -                        | -                                 | 7,098,764                               |
| Notes and mortgages payable                                 | -  | -  | 500,000                           | -                        | 618,793                           | 1,118,793                               |
| Total noncurrent liabilities                                | 0  | 0  | 7,598,764                         | 0                        | 618,793                           | 8,217,557                               |
| Total liabilities   | 0  | 0  | 7,892,738                         | 0                        | 618,793                           | 8,511,531                               |
| Net position:   |  |  |                                   |                          |                                   |   |
| Restricted for bond indenture purposes                      | -  | -  | 809,691                           | 97,504                   | -                                 | 907,195                                 |
| Unrestricted  | 1,481,091  | 1,344,050                                | 364,489                           | 13,175                   | 2,459,191                         | 5,661,996                               |
| Total net position  | \$1,481,091  | \$1,344,050                              | \$1,174,180                       | \$110,679                | \$2,459,191                       | \$6,569,191                             |

WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY  
COMBINING SCHEDULE OF REVENUES, EXPENSES AND  
CHANGES IN FUND NET POSITION -  
MANAGING MEMBER PARTNERSHIP  
For The Year Ended December 31, 2021

Statement 35

|   | 850 - The<br>Groves<br>Apartments<br>Managing<br>Member, LLC | 851 - WCHRA<br>Piccadilly<br>Square, LLC | 852 -<br>Piccadilly<br>Square Lender | 853 - WCCDA<br>Glen, LLC | 854 - The Glen<br>at Valley Creek | Total<br>Managing<br>Member<br>Partnership |
|---|--|--|--------------------------------------|--------------------------|-----------------------------------|--|
| Operating revenues:                       |  |  |                                      |                          |                                   |  |
| Other                                     | \$ -   | \$ -                                     | \$ -                                 | \$ -                     | \$ -                              | \$ -                                       |
| Total operating revenues                  | 0  | 0  | 0                                    | 0                        | 0                                 | 0  |
| Operating expenses:                       |  |  |                                      |                          |                                   |  |
| Administrative                            | -  | -  | -                                    | -                        | -                                 | -  |
| Legal                                     | -  | -  | -                                    | -                        | -                                 | -  |
| Total operating expenses                  | 0  | 0  | 0                                    | 0                        | 0                                 | 0  |
| Operating income (loss)                   | 0  | 0  | 0                                    | 0                        | 0                                 | 0  |
| Nonoperating revenues (expenses):         |  |  |                                      |                          |                                   |  |
| Investment income                         | 24,242   | (11)                                     | 174,798                              | 4                        | 7,668                             | 206,701                                    |
| Financial expense                         | -  | -  | (1,999)                              | -                        | -                                 | (1,999)                                    |
| Amortization of bond premium              | -  | -  | 8,695                                | -                        | -                                 | 8,695                                      |
| Interest expense                          | -  | -  | (269,029)                            | -                        | -                                 | (269,029)                                  |
| Property taxes                            | -  | -  | 46,010                               | 195,000                  | -                                 | 241,010                                    |
| Contribution to component unit            | -  | -  | -                                    | (195,000)                | -                                 | (195,000)                                  |
| Total nonoperating<br>revenues (expenses) | 24,242   | (11)                                     | (41,525)                             | 4                        | 7,668                             | (9,622)                                    |
| Change in net position                    | 24,242   | (11)                                     | (41,525)                             | 4                        | 7,668                             | (9,622)                                    |
| Net position - January 1                  | 1,456,849  | 1,344,061                                | 1,215,705                            | 110,675                  | 2,451,523                         | 6,578,813                                  |
| Net position - December 31                | \$1,481,091  | \$1,344,050                              | \$1,174,180                          | \$110,679                | \$2,459,191                       | \$6,569,191                                |

WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY  
 COMBINING SCHEDULE OF CASH FLOWS -  
 MANAGING MEMBER PARTNERSHIP  
 For The Year Ended December 31, 2021

Statement 36

|   | 850 - The<br>Groves<br>Apartments<br>Managing<br>Member, LLC | 851 - WCHRA<br>Piccadilly<br>Square, LLC | 852 -<br>Piccadilly<br>Square Lender | 853 - WCCDA<br>Glen, LLC | 854 - The Glen<br>at Valley<br>Creek | Total<br>Managing<br>Member<br>Partnership |
|---|--|--|--------------------------------------|--------------------------|--------------------------------------|--|
| Cash flows from operating activities:   |  |  |                                      |                          |                                      |  |
| Receipts from customers and users   | \$3  | \$3                                      | \$ -                                 | \$ -                     | \$ -                                 | \$6  |
| Payment to suppliers for goods and services   | -  | (3)                                      | 2,000                                | -                        | -                                    | 1,997                                      |
| Net cash flows from operating activities  | 3  | 0  | 2,000                                | 0                        | 0                                    | 2,003                                      |
| Cash flows from capital and related<br>financing activities:                                      |  |  |                                      |                          |                                      |  |
| Property Taxes  | -  | -  | 46,010                               | 195,000                  | -                                    | 241,010                                    |
| Fiscal agent costs and other debt related fees  | -  | -  | (1,999)                              | -                        | -                                    | (1,999)                                    |
| Interest paid on long-term debt   | -  | -  | (270,487)                            | -                        | -                                    | (270,487)                                  |
| Principal payments on long-term debt  | -  | -  | (175,001)                            | -                        | -                                    | (175,001)                                  |
| Net cash flows from capital and related financing activities                                      | 0  | 0  | (401,477)                            | 195,000                  | 0                                    | (206,477)                                  |
| Cash flows from investing activities:   |  |  |                                      |                          |                                      |  |
| Issuance of loans receivable / investment in limited partnership                                  | -  | -  | 288,662                              | (195,000)                | 392,218                              | 485,880                                    |
| Investment income   | 28,902   | -  | 168,367                              | 4                        | (572)                                | 196,701                                    |
| Net cash flows from investing activities  | 28,902   | 0  | 457,029                              | (194,996)                | 391,646                              | 682,581                                    |
| Net increase (decrease) in cash and cash equivalents  | 28,905   | 0  | 57,552                               | 4                        | 391,646                              | 478,107                                    |
| Cash and cash equivalents - January 1   | 164,568  | -  | 1,008,491                            | 97,667                   | 420,366                              | 1,691,092                                  |
| Cash and cash equivalents - December 31   | \$193,473  | \$0                                      | \$1,066,043                          | \$97,671                 | \$812,012                            | \$2,169,199                                |
| Reconciliation of operating income (loss) to net cash<br>provided (used) by operating activities: |  |  |                                      |                          |                                      |  |
| Operating income (loss)   | \$ -   | \$ -                                     | \$ -                                 | \$ -                     | \$ -                                 | \$ -                                       |
| Adjustments to reconcile operating income (loss)<br>to net cash flows from operating activities:  |  |  |                                      |                          |                                      |  |
| Changes in assets and liabilities:  |  |  |                                      |                          |                                      |  |
| Decrease (increase) in receivables  | 3  | 3  | -                                    | -                        | -                                    | 6  |
| Increase (decrease) accounts payable  | -  | -  | 2,000                                | -                        | -                                    | 2,000                                      |
| Increase (decrease) due to other funds  | -  | (3)                                      | -                                    | -                        | -                                    | (3)  |
| Total adjustments   | 3  | 0  | 2,000                                | 0                        | 0                                    | 2,003                                      |
| Net cash provided (used) by operating activities  | \$3  | \$0                                      | \$2,000                              | \$0                      | \$0                                  | \$2,003                                    |

### **III. STATISTICAL SECTION (UNAUDITED)**

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### III. STATISTICAL SECTION (UNAUDITED)

This part of the Annual Comprehensive 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 overall financial health. The following are the categories of the various schedules that are included in this section.

|  |         |
|--|---------|
| <b>Financial Trends</b>  | Pages   |
| These schedules contain trend information to help the reader understand how the CDA's financial performance and well-being have changed over time.   | 160-170 |
| <b>Revenue Capacity</b>  |         |
| These schedules contain information to help the reader assess the CDA's most significant revenue source.   | 172-174 |
| <b>Debt Capacity</b>   |         |
| These schedules present information to help the reader assess the affordability of the CDA's current levels of outstanding debt and the CDA's ability to issue additional debt in the future.                    | 175-176 |
| <b>Demographic and Economic Information</b>  |         |
| These schedules offer demographic and economic indicators to help the reader understand the environment within which the CDA's financial activities take place.  | 177-178 |
| <b>Operating Information</b>   |         |
| These schedules contain service and infrastructure data to help the reader understand how the information in the CDA's financial report relates to the services the CDA provides and the activities it performs. | 179-180 |

**WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY**  
**NET POSITION BY COMPONENT**  
Last Ten Fiscal Years  
(Accrual Basis of Accounting)

|   | 2012                | 2013                | 2014                | 2015                |
|---|---------------------|---------------------|---------------------|---------------------|
| Governmental activities net position:       |                     |                     |                     |                     |
| Net investment in capital assets            | \$517,135           | \$595,320           | \$672,166           | \$738,936           |
| Restricted                                  | 2,481,452           | 2,460,826           | 3,986,253           | 4,224,645           |
| Unrestricted                                | 5,277,515           | 6,139,049           | 5,014,955           | 6,152,392           |
| Total governmental activities net position  | <u>\$8,276,102</u>  | <u>\$9,195,195</u>  | <u>\$9,673,374</u>  | <u>\$11,115,973</u> |
| Business-type activities net position:      |                     |                     |                     |                     |
| Net investment in capital assets            | \$728,201           | \$441,762           | \$2,037,531         | \$3,308,775         |
| Restricted                                  | 10,061,199          | 10,073,145          | 10,401,070          | 11,297,744          |
| Unrestricted                                | (1,458,641)         | (627,347)           | 1,268,398           | 2,904,155           |
| Total business-type activities net position | <u>\$9,330,759</u>  | <u>\$9,887,560</u>  | <u>\$13,706,999</u> | <u>\$17,510,674</u> |
| Primary government net position:            |                     |                     |                     |                     |
| Net investment in capital assets            | \$1,245,336         | \$1,037,082         | \$2,709,697         | \$4,047,711         |
| Restricted                                  | 12,542,651          | 12,533,971          | 14,387,323          | 15,522,389          |
| Unrestricted                                | 3,818,874           | 5,511,702           | 6,283,353           | 9,056,547           |
| Total primary government net position       | <u>\$17,606,861</u> | <u>\$19,082,755</u> | <u>\$23,380,373</u> | <u>\$28,626,647</u> |



Table 1

| 2016                | 2017                | 2018                | 2019                | 2020                | 2021                |
|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| \$1,063,201         | \$1,207,915         | \$1,256,188         | \$1,308,001         | \$1,363,380         | \$1,592,573         |
| 3,736,034           | 3,718,570           | 3,801,690           | 3,836,320           | 3,960,218           | 4,038,651           |
| 10,928,949          | 14,561,066          | 16,154,253          | 19,143,675          | 22,298,707          | 24,855,739          |
| <u>\$15,728,184</u> | <u>\$19,487,551</u> | <u>\$21,212,131</u> | <u>\$24,287,996</u> | <u>\$27,622,305</u> | <u>\$30,486,963</u> |
| \$4,425,219         | \$5,893,766         | \$9,554,825         | \$11,491,467        | \$12,354,792        | \$13,579,303        |
| 10,963,790          | 11,551,202          | 10,380,326          | 9,882,023           | 10,257,489          | 10,593,573          |
| 4,683,402           | 2,946,089           | 4,761,669           | 6,767,160           | 7,297,994           | 8,672,664           |
| <u>\$20,072,411</u> | <u>\$20,391,057</u> | <u>\$24,696,820</u> | <u>\$28,140,650</u> | <u>\$29,910,275</u> | <u>\$32,845,540</u> |
| \$5,488,420         | \$7,101,681         | \$10,811,013        | \$12,799,468        | \$13,718,172        | \$15,171,876        |
| 14,699,824          | 15,269,772          | 14,182,016          | 13,718,343          | 14,217,707          | 14,632,224          |
| 15,612,351          | 17,507,155          | 20,915,922          | 25,910,835          | 29,596,701          | 33,528,403          |
| <u>\$35,800,595</u> | <u>\$39,878,608</u> | <u>\$45,908,951</u> | <u>\$52,428,646</u> | <u>\$57,532,580</u> | <u>\$63,332,503</u> |

**WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY**  
**CHANGES IN NET POSITION - GOVERNMENTAL ACTIVITIES**  
Last Ten Fiscal Years  
(Accrual Basis of Accounting)

|  | 2012                      | 2013                      | 2014                      | 2015                      |
|--|---------------------------|---------------------------|---------------------------|---------------------------|
| <b>Expenses</b>  |                           |                           |                           |                           |
| Governmental activities:   |                           |                           |                           |                           |
| General government   | \$1,042,312               | \$1,236,725               | \$1,224,598               | \$1,141,670               |
| Housing assistance   | 4,046,610                 | 4,027,156                 | 4,010,120                 | 4,080,358                 |
| Community development  | 400,977                   | 582,823                   | 662,738                   | 1,547,059                 |
| Economic development   | -                         | -                         | -                         | -                         |
| Home ownership counseling  | 320,614                   | 225,334                   | 185,839                   | 160,565                   |
| Housing and redevelopment  | -                         | -                         | -                         | -                         |
| Tax increment financing  | 777                       | 3,323                     | 1,119                     | 1,339                     |
| Community land trust   | -                         | 22,020                    | 84,294                    | 95,127                    |
| Interest on long-term debt   | 223,010                   | 200,628                   | 175,945                   | 147,813                   |
| Total governmental activities expenses                             | <u>6,034,300</u>          | <u>6,298,009</u>          | <u>6,344,653</u>          | <u>7,173,931</u>          |
| <b>Program revenues</b>  |                           |                           |                           |                           |
| Governmental activities:   |                           |                           |                           |                           |
| Charges for services:  |                           |                           |                           |                           |
| Administrative fees  | 722,424                   | 740,090                   | 876,314                   | 1,015,592                 |
| Conduit financing fees   | -                         | -                         | -                         | -                         |
| Other activities   | 93,386                    | 61,070                    | 74,378                    | 530,727                   |
| Operating grants and contributions                                 | 4,011,946                 | 4,029,074                 | 4,031,870                 | 5,969,386                 |
| Capital grants and contributions                                   | -                         | -                         | -                         | -                         |
| Total governmental activities program revenues                     | <u>4,827,756</u>          | <u>4,830,234</u>          | <u>4,982,562</u>          | <u>7,515,705</u>          |
| <b>Net revenue (expense)</b>                                       | <u>(1,206,544)</u>        | <u>(1,467,775)</u>        | <u>(1,362,091)</u>        | <u>341,774</u>            |
| <b>General revenues and other changes in net position</b>          |                           |                           |                           |                           |
| General property taxes   | 1,604,366                 | 2,088,252                 | 2,298,338                 | 2,430,476                 |
| Tax increments   | 68,595                    | 102,001                   | 121,612                   | 124,747                   |
| Investment earnings  | 60,982                    | 57,656                    | 88,136                    | 21,155                    |
| Miscellaneous  | -                         | -                         | 170,600                   | -                         |
| Transfers  | (691,694)                 | 138,959                   | (838,416)                 | (1,475,553)               |
| Total general revenues and other changes                           | <u>1,042,249</u>          | <u>2,386,868</u>          | <u>1,840,270</u>          | <u>1,100,825</u>          |
| <b>Change in net position - governmental activities</b>            | <u>(\$164,295)</u>        | <u>\$919,093</u>          | <u>\$478,179</u>          | <u>\$1,442,599</u>        |
| <b>Change in net position - business type activities (table 3)</b> | <u>2,765,578</u>          | <u>1,685,210</u>          | <u>3,819,439</u>          | <u>3,803,675</u>          |
| <b>Total change in net position</b>                                | <u><u>\$2,601,283</u></u> | <u><u>\$2,604,303</u></u> | <u><u>\$4,297,618</u></u> | <u><u>\$5,246,274</u></u> |

Table 2

| 2016        | 2017        | 2018        | 2019        | 2020        | 2021        |
|-------------|-------------|-------------|-------------|-------------|-------------|
| \$1,378,031 | \$1,273,942 | \$1,336,670 | \$1,551,447 | \$1,544,222 | \$1,669,595 |
| 4,293,879   | 4,864,249   | 4,784,629   | 4,772,763   | 5,252,125   | 6,272,027   |
| 1,627,291   | 1,920,055   | 1,795,996   | 1,693,461   | 1,948,356   | 2,193,956   |
| 111,437     | 295,388     | 383,811     | 475,687     | 6,584,893   | 5,628,588   |
| 152,298     | 210,677     | 112,061     | 125,522     | 1,340,627   | 141,412     |
| -           | -           | -           | -           | -           | -           |
| 1,339       | 1,388       | 1,754       | 2,948       | 14,950      | 5,984       |
| 60,056      | -           | -           | -           | -           | -           |
| 145,917     | 148,683     | 137,145     | 125,088     | 113,419     | 104,166     |
| 7,770,248   | 8,714,382   | 8,552,066   | 8,746,916   | 16,798,592  | 16,015,728  |
| 938,261     | 976,844     | 1,060,530   | 1,094,196   | 1,209,439   | 1,270,389   |
| 31,252      | -           | -           | -           | -           | -           |
| 481,745     | 151,666     | 279,205     | 158,029     | 325,033     | 305,726     |
| 4,757,710   | 5,609,584   | 5,640,163   | 5,584,219   | 12,154,102  | 11,004,238  |
| -           | -           | -           | -           | 981,326     | 1,616,567   |
| 6,208,968   | 6,738,094   | 6,979,898   | 6,836,444   | 14,669,900  | 14,196,920  |
| (1,561,280) | (1,976,288) | (1,572,168) | (1,910,472) | (2,128,692) | (1,818,808) |
| 3,458,145   | 3,565,774   | 3,725,681   | 3,881,798   | 4,068,674   | 4,093,591   |
| 126,926     | 138,315     | 144,867     | 167,787     | 235,897     | 249,053     |
| 49,383      | 103,028     | 283,602     | 335,103     | 286,110     | 18,937      |
| -           | -           | 95,356      | -           | -           | -           |
| 1,355,631   | 1,928,538   | (952,758)   | 601,649     | 872,320     | 321,885     |
| 4,990,085   | 5,735,655   | 3,296,748   | 4,986,337   | 5,463,001   | 4,683,466   |
| \$3,428,805 | \$3,759,367 | \$1,724,580 | \$3,075,865 | \$3,334,309 | \$2,864,658 |
| 2,561,737   | 318,646     | 4,305,763   | 3,443,830   | 1,769,625   | 2,935,265   |
| \$5,990,542 | \$4,078,013 | \$6,030,343 | \$6,519,695 | \$5,103,934 | \$5,799,923 |

**WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY**  
**CHANGES IN NET POSITION - BUSINESS-TYPE ACTIVITIES**  
Last Ten Fiscal Years  
(Accrual Basis of Accounting)

|  | 2012        | 2013        | 2014        | 2015        |
|--|-------------|-------------|-------------|-------------|
| Operating revenues:  |             |             |             |             |
| Rental income  | \$8,207,859 | \$8,221,845 | \$8,011,968 | \$7,894,701 |
| Service income   | 55,710      | 48,378      | 38,302      | 31,046      |
| HUD rent subsidies   | 1,135,433   | 953,273     | 1,071,028   | 971,626     |
| Other  | 196,886     | 207,289     | 147,188     | 179,874     |
| Total operating revenues                                   | 9,595,888   | 9,430,785   | 9,268,486   | 9,077,247   |
| Operating expenses:  |             |             |             |             |
| Marketing  | 81,542      | 63,908      | 50,866      | 42,648      |
| Management fee   | 903,115     | 948,192     | 969,010     | 880,941     |
| Legal  | 52,991      | 40,714      | 49,608      | 39,073      |
| Administrative   | 161,649     | 176,162     | 171,125     | 156,608     |
| Operating  | 274,848     | 281,799     | 266,151     | 253,697     |
| Maintenance  | 2,534,933   | 2,668,283   | 2,608,916   | 2,211,421   |
| Utilities  | 795,178     | 860,360     | 900,280     | 747,465     |
| Insurance  | 306,271     | 306,674     | 301,802     | 323,561     |
| Property taxes   | 430,544     | 426,662     | 404,722     | 444,110     |
| Depreciation   | 1,774,074   | 1,844,064   | 1,794,690   | 1,767,452   |
| Total operating expenses                                   | 7,315,145   | 7,616,818   | 7,517,170   | 6,866,976   |
| Operating income (loss)                                    | 2,280,743   | 1,813,967   | 1,751,316   | 2,210,271   |
| Nonoperating revenues (expenses):                          |             |             |             |             |
| Investment income  | 142,222     | 158,543     | 164,522     | 308,162     |
| Gain (loss) on asset disposition                           | 42,558      | 56,847      | 871,450     | 49,412      |
| Insurance recoveries                                       | 97,747      | 23,861      | 32,368      | 100,756     |
| Financial expense  | (250,964)   | (89,172)    | (78,266)    | (137,661)   |
| Amortization of bond premium                               | 577         | 54,597      | 53,289      | 56,912      |
| Amortization of deferred gain (loss) on refunding          | (104,738)   | 7,905       | 9,845       | 12,011      |
| Interest expense   | (2,198,344) | (1,789,441) | (1,687,819) | (1,702,845) |
| Property taxes   | 1,699,093   | 1,216,255   | 1,094,255   | 1,094,255   |
| Intergovernmental  | 229,882     | 225,934     | 334,090     | 390,548     |
| Contributions  | -           | -           | -           | -           |
| Developer fees   | -           | -           | 319,000     | -           |
| Other  | (50,584)    | (55,127)    | (72,667)    | (53,699)    |
| Total nonoperating revenues (expenses)                     | (392,551)   | (189,798)   | 1,040,067   | 117,851     |
| Income (loss) before contributions and transfers           | 1,888,192   | 1,624,169   | 2,791,383   | 2,328,122   |
| Capital contributions                                      | 185,692     | 200,000     | -           | -           |
| Special item   | -           | -           | 189,640     | -           |
| Transfers:   |             |             |             |             |
| Transfers in   | 1,903,694   | 778,041     | 3,300,404   | 2,229,067   |
| Transfers out  | (1,212,000) | (917,000)   | (2,461,988) | (753,514)   |
| Total transfers  | 691,694     | (138,959)   | 838,416     | 1,475,553   |
| Change in net position - business type activities          | \$2,765,578 | \$1,685,210 | \$3,819,439 | \$3,803,675 |
| Change in net position - governmental activities (table 2) | (164,295)   | 919,093     | 478,179     | 1,442,599   |
| Total  | \$2,601,283 | \$2,604,303 | \$4,297,618 | \$5,246,274 |

Note: GASB 65 was implemented in 2013. Net position was restated for 2012 to reflect the expense of bond issue costs in the year of issuance. Net position for years prior to 2012 was not restated

Table 3

| 2016        | 2017        | 2018        | 2019        | 2020        | 2021        |
|-------------|-------------|-------------|-------------|-------------|-------------|
| \$8,018,167 | \$8,085,441 | \$8,239,218 | \$8,415,226 | \$8,614,060 | \$9,276,661 |
| 31,360      | 28,500      | 31,530      | 27,628      | 26,282      | 24,821      |
| 924,930     | 841,472     | 886,049     | 916,472     | 1,135,048   | 1,386,081   |
| 133,709     | 99,543      | 439,863     | 1,436,311   | 138,589     | 216,236     |
| 9,108,166   | 9,054,956   | 9,596,660   | 10,795,637  | 9,913,979   | 10,903,799  |
| 36,156      | 33,998      | 29,900      | 29,007      | 29,379      | 28,222      |
| 892,362     | 955,204     | 1,038,193   | 1,079,794   | 1,133,420   | 1,165,357   |
| 44,888      | 43,670      | 31,754      | 53,638      | 89,756      | 32,611      |
| 143,675     | 144,167     | 144,512     | 135,333     | 138,542     | 135,149     |
| 256,138     | 249,324     | 262,327     | 267,193     | 244,292     | 254,603     |
| 2,204,722   | 2,169,756   | 2,263,828   | 2,339,395   | 2,587,954   | 2,399,560   |
| 763,068     | 738,119     | 819,281     | 858,768     | 862,478     | 987,579     |
| 333,851     | 343,798     | 378,432     | 388,725     | 401,315     | 412,941     |
| 416,628     | 429,363     | 430,689     | 451,330     | 568,696     | 495,096     |
| 1,791,213   | 1,809,468   | 1,854,006   | 1,862,644   | 1,885,722   | 1,906,624   |
| 6,882,701   | 6,916,867   | 7,252,922   | 7,465,827   | 7,941,554   | 7,817,742   |
| 2,225,465   | 2,138,089   | 2,343,738   | 3,329,810   | 1,972,425   | 3,086,057   |
| 397,399     | 442,567     | 489,956     | 528,783     | 326,501     | 259,300     |
| 51,551      | 53,581      | 55,479      | 57,219      | 58,778      | 60,131      |
| -           | -           | -           | -           | -           | -           |
| (80,263)    | (85,423)    | (80,112)    | (76,557)    | (71,159)    | (171,648)   |
| 61,984      | 61,984      | 61,672      | 61,672      | 61,673      | 61,672      |
| 12,014      | 12,012      | 12,013      | 35,208      | (13,688)    | (49,473)    |
| (1,856,998) | (1,782,384) | (1,678,860) | (1,602,633) | (1,529,154) | (1,340,333) |
| 1,109,000   | 1,155,010   | 1,327,806   | 1,345,046   | 1,360,954   | 1,321,170   |
| 272,318     | 219,609     | 614,423     | 376,594     | 442,664     | 258,151     |
| -           | -           | -           | (195,000)   | (97,500)    | (195,000)   |
| 1,500,000   | -           | -           | -           | -           | -           |
| (44,302)    | (38,583)    | 111,850     | (52,454)    | (38,134)    | (42,327)    |
| 1,422,703   | 38,373      | 914,227     | 477,878     | 500,935     | 161,643     |
| 3,648,168   | 2,176,462   | 3,257,965   | 3,807,688   | 2,473,360   | 3,247,700   |
| 269,200     | 70,722      | 95,040      | 237,791     | 168,585     | 9,450       |
| -           | -           | -           | -           | -           | -           |
| 839,936     | 1,180,948   | 2,948,051   | 957,351     | 4,016,270   | 730,815     |
| (2,195,567) | (3,109,486) | (1,995,293) | (1,559,000) | (4,888,590) | (1,052,700) |
| (1,355,631) | (1,928,538) | 952,758     | (601,649)   | (872,320)   | (321,885)   |
| \$2,561,737 | \$318,646   | \$4,305,763 | \$3,443,830 | \$1,769,625 | \$2,935,265 |
| 3,428,805   | 3,759,367   | 1,724,580   | 3,075,865   | 3,334,309   | 2,864,658   |
| \$5,990,542 | \$4,078,013 | \$6,030,343 | \$6,519,695 | \$5,103,934 | \$5,799,923 |

**WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY**  
**CHANGES IN CASH AND CASH EQUIVALENTS - BUSINESS-TYPE ACTIVITIES**  
Last Ten Fiscal Years  
(Accrual Basis of Accounting)

|  | 2012          | 2013        | 2014        | 2015         |
|--|---------------|-------------|-------------|--------------|
| Cash flows from operating activities:                        |               |             |             |              |
| Receipts from customers and users                            | \$9,214,996   | \$9,392,704 | \$8,973,017 | \$9,072,963  |
| Payment to suppliers for goods and services                  | (5,307,915)   | (6,279,158) | (5,895,308) | (5,129,232)  |
| Miscellaneous income (loss)                                  | 146,302       | 152,162     | 74,521      | 71,332       |
| Net cash flows from operating activities                     | 4,053,383     | 3,265,708   | 3,152,230   | 4,015,063    |
| Cash flows from noncapital financing activities:             |               |             |             |              |
| Transfers in   | 803,326       | 273,000     | 22,001      | 237,834      |
| Transfers out  | (1,212,000)   | (917,000)   | (1,311,988) | (1,023,074)  |
| Advances to/from other funds - net change                    | 73,709        | (13,898)    | -           | -            |
| Due to/from other funds - net change                         | -             | -           | 39          | (39)         |
| Contributions  | -             | (114,127)   | -           | -            |
| Net cash flows from noncapital financing activities          | (334,965)     | (772,025)   | (1,289,948) | (785,279)    |
| Cash flows from capital and related financing activities:    |               |             |             |              |
| Property taxes   | 1,699,093     | 1,216,255   | 1,094,255   | 1,094,255    |
| Transfers in   | 1,100,368     | 505,041     | 1,627,782   | 916,633      |
| Intergovernmental revenue                                    | -             | -           | -           | -            |
| Proceeds from sale of capital assets                         | -             | -           | 2,520,000   | -            |
| Proceeds from debt   | 27,644,853    | -           | -           | -            |
| Federal recovery zone credits and CDBG                       | 188,668       | 243,029     | 334,578     | 438,902      |
| Insurance proceeds on damage to capital assets               | 97,747        | 23,861      | 279,721     | 100,756      |
| Fiscal agent costs and other debt related fees               | (60,904)      | (34,579)    | (57,845)    | (92,340)     |
| Net proceeds from long-term debt                             | -             | -           | -           | 11,720,937   |
| Capital contributions  | 185,692       | -           | (175,000)   | -            |
| Purchase of capital assets                                   | (4,498,993)   | (495,112)   | (1,887,085) | (1,073,066)  |
| Interest paid on long-term debt                              | (2,262,089)   | (1,730,574) | (1,759,865) | (1,587,116)  |
| Principal payments on long-term debt                         | (29,374,841)  | (1,608,409) | (4,496,198) | (2,224,123)  |
| Net cash flows from capital and related financing activities | (5,280,406)   | (1,880,488) | (2,519,657) | 9,294,838    |
| Cash flows from investing activities:                        |               |             |             |              |
| Principal receipts on capital lease receivable               | 294,113       | 312,760     | 356,095     | 341,477      |
| Issuance of loans receivable                                 | -             | -           | -           | (11,455,000) |
| Investment income  | 145,182       | 158,584     | 144,990     | 129,469      |
| Net cash flows from investing activities                     | 439,295       | 471,344     | 501,085     | (10,984,054) |
| Net increase (decrease) in cash and cash equivalents         | (\$1,122,693) | \$1,084,539 | (\$156,290) | \$1,540,568  |

Table 4

| 2016        | 2017        | 2018        | 2019        | 2020        | 2021         |
|-------------|-------------|-------------|-------------|-------------|--------------|
| \$8,961,278 | \$8,953,440 | \$9,525,101 | \$9,219,328 | \$9,946,160 | \$10,725,984 |
| (5,124,345) | (5,158,023) | (5,348,914) | (5,476,025) | (5,807,417) | (6,050,876)  |
| 89,549      | 60,960      | 214,685     | 117,857     | 100,055     | 173,909      |
| 3,926,482   | 3,856,377   | 4,390,872   | 3,861,160   | 4,238,798   | 4,849,017    |
| 136,509     | 1,261       | 409,101     | 6,500       | 6,500       | -            |
| (2,195,567) | (3,109,486) | (1,995,293) | (1,559,000) | (1,105,618) | (1,069,828)  |
| -           | -           | -           | -           | -           | -            |
| (5,547)     | 5,547       | -           | -           | 40,834      | (40,792)     |
| -           | -           | -           | -           | -           | -            |
| (2,064,605) | (3,102,678) | (1,586,192) | (1,552,500) | (1,058,284) | (1,110,620)  |
| 1,109,000   | 1,155,010   | 1,327,806   | 1,345,046   | 1,360,954   | 1,321,170    |
| 703,427     | 1,179,687   | 2,538,950   | 950,851     | 225,501     | 747,943      |
| -           | -           | 400,000     | -           | -           | -            |
| -           | -           | -           | -           | -           | -            |
| -           | -           | 618,793     | -           | -           | -            |
| 345,063     | 349,416     | 225,230     | 377,846     | 365,374     | 341,148      |
| -           | -           | -           | -           | -           | -            |
| (29,602)    | (33,856)    | (28,854)    | (25,301)    | (65,729)    | (164,042)    |
| 271,000     | -           | -           | -           | -           | -            |
| -           | 22,528      | 95,040      | 237,791     | 168,585     | 9,450        |
| (1,085,189) | (1,249,658) | (3,446,271) | (1,671,855) | (797,628)   | (1,180,807)  |
| (1,866,409) | (1,815,311) | (1,720,968) | (1,631,391) | (1,557,988) | (1,380,363)  |
| (2,259,325) | (3,716,711) | (4,378,949) | (2,595,939) | (2,447,363) | (2,414,767)  |
| (2,812,035) | (4,108,895) | (4,369,223) | (3,012,952) | (2,748,294) | (2,720,268)  |
| 356,261     | 400,708     | 418,405     | 430,433     | 441,624     | 455,554      |
| 319,000     | 2,140,252   | 660,799     | 122,234     | 334,980     | 485,880      |
| 514,487     | 448,304     | 461,883     | 623,948     | 236,259     | 330,982      |
| 1,189,748   | 2,989,264   | 1,541,087   | 1,176,615   | 1,012,863   | 1,272,416    |
| \$239,590   | (\$365,932) | (\$23,456)  | \$472,323   | \$1,445,083 | \$2,290,545  |

**WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY**  
**FUND BALANCES - GOVERNMENTAL FUNDS**  
 Last Ten Fiscal Years<sup>(1)</sup>  
 (Modified Accrual Basis of Accounting)

|                                    | 2012               | 2013               | 2014               | 2015               |
|------------------------------------|--------------------|--------------------|--------------------|--------------------|
| General fund:                      |                    |                    |                    |                    |
| Fund balance:                      |                    |                    |                    |                    |
| Nonspendable                       | \$11,751           | \$14,985           | \$11,964           | \$19,063           |
| Restricted                         | 333,554            | 2,116,068          | 1,976,103          | 1,834,202          |
| Committed                          | -                  | 870,596            | 762,169            | 1,480,861          |
| Assigned                           | -                  | -                  | -                  | -                  |
| Unassigned                         | 2,342,123          | 2,155,377          | 2,383,506          | 2,257,770          |
| Total general fund                 | <u>\$2,687,428</u> | <u>\$5,157,026</u> | <u>\$5,133,742</u> | <u>\$5,591,896</u> |
| All other governmental funds:      |                    |                    |                    |                    |
| Fund balance:                      |                    |                    |                    |                    |
| Nonspendable                       | \$3,042            | \$3,373            | \$2,051            | \$13,038           |
| Restricted                         | 2,146,816          | 124,514            | 103,874            | 137,387            |
| Committed                          | 6,700,055          | 6,646,481          | 7,088,770          | 7,789,108          |
| Assigned                           | -                  | -                  | -                  | -                  |
| Unassigned                         | (2,771,137)        | (3,612,772)        | (3,663,569)        | (2,974,478)        |
| Total all other governmental funds | <u>\$6,078,776</u> | <u>\$3,161,596</u> | <u>\$3,531,126</u> | <u>\$4,965,055</u> |



Table 5

| 2016               | 2017                | 2018                | 2019                | 2020                | 2021                |
|--------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| \$8,827            | \$8,771             | \$30,996            | \$28,852            | \$74,148            | \$69,385            |
| -                  | -                   | -                   | -                   | -                   | -                   |
| 3,737,158          | 4,011,089           | 3,381,246           | 3,920,449           | 5,156,473           | 5,595,908           |
| -                  | 2,000,000           | 2,000,000           | -                   | -                   | -                   |
| 3,711,113          | 4,130,902           | 5,494,198           | 8,783,967           | 9,708,302           | 10,220,431          |
| <u>\$7,457,098</u> | <u>\$10,150,762</u> | <u>\$10,906,440</u> | <u>\$12,733,268</u> | <u>\$14,938,923</u> | <u>\$15,885,724</u> |
| \$7,445            | \$7,639             | \$6,754             | \$2,820             | \$10,942            | \$43,487            |
| 119,406            | 69,623              | 88,780              | 137,068             | 109,297             | 83,477              |
| 8,372,244          | 9,029,313           | 10,200,062          | 11,067,164          | 12,051,766          | 13,335,950          |
| -                  | -                   | -                   | -                   | -                   | -                   |
| <u>(3,278,921)</u> | <u>(3,627,920)</u>  | <u>(3,513,020)</u>  | <u>(3,539,214)</u>  | <u>(3,500,737)</u>  | <u>(3,440,810)</u>  |
| <u>\$5,220,174</u> | <u>\$5,478,655</u>  | <u>\$6,782,576</u>  | <u>\$7,667,838</u>  | <u>\$8,671,268</u>  | <u>\$10,022,104</u> |

**WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY**  
**CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**  
Last Ten Fiscal Years  
(Modified Accrual Basis of Accounting)

|   | 2012               | 2013               | 2014             | 2015               |
|---|--------------------|--------------------|------------------|--------------------|
| Revenues:   |                    |                    |                  |                    |
| General property taxes                                  | \$1,626,030        | \$2,088,239        | \$2,314,464      | \$2,441,440        |
| Tax increments  | 68,595             | 102,001            | 121,612          | 124,747            |
| Intergovernmental                                       | 3,931,946          | 4,029,074          | 4,031,870        | 5,969,386          |
| Charges for services:                                   |                    |                    |                  |                    |
| Conduit financing fees                                  | -                  | -                  | -                | -                  |
| Administrative fees                                     | 722,424            | 740,090            | 876,314          | 1,015,592          |
| Bond issuance, origination fees                         | 9,763              | 5,976              | 4,626            | 3,809              |
| Investment income                                       | 30,033             | 31,428             | 35,624           | 7,064              |
| Program income  | -                  | -                  | -                | -                  |
| Other   | 83,623             | 33,074             | 149,752          | 224,076            |
| Total revenues  | <u>6,472,414</u>   | <u>7,029,882</u>   | <u>7,534,262</u> | <u>9,786,114</u>   |
| Expenditures:   |                    |                    |                  |                    |
| Current:  |                    |                    |                  |                    |
| General government                                      | 969,207            | 1,153,752          | 1,171,367        | 1,070,231          |
| Housing assistance                                      | 4,046,610          | 4,027,156          | 4,010,120        | 4,080,358          |
| Community development                                   | 400,977            | 1,743,419          | 662,738          | 1,547,059          |
| Economic development                                    | -                  | -                  | -                | -                  |
| Home ownership counseling                               | 320,614            | 225,334            | 185,839          | 160,565            |
| Housing and redevelopment                               | -                  | -                  | -                | -                  |
| Tax increment financing                                 | 777                | 3,323              | 1,119            | 1,339              |
| Community land trust                                    | -                  | 22,020             | 84,294           | 95,127             |
| Capital outlay  | 2,620,257          | -                  | -                | -                  |
| Debt service:   |                    |                    |                  |                    |
| Principal   | 163,851            | 251,371            | 280,309          | 343,838            |
| Interest  | 239,395            | 190,048            | 188,308          | 149,961            |
| Total expenditures                                      | <u>8,761,688</u>   | <u>7,616,423</u>   | <u>6,584,094</u> | <u>7,448,478</u>   |
| Revenues over (under) expenditures                      | <u>(2,289,274)</u> | <u>(586,541)</u>   | <u>950,168</u>   | <u>2,337,636</u>   |
| Other financing sources (uses):                         |                    |                    |                  |                    |
| Transfer from General Fund                              | -                  | 75,000             | (1,649,782)      | (928,348)          |
| Transfer from Special Revenue Funds                     | -                  | -                  | -                | (1,300,719)        |
| Transfer from Enterprise Funds                          | 1,212,000          | 917,000            | -                | -                  |
| Transfer to Special Revenue Funds                       | (613,326)          | -                  | -                | -                  |
| Transfer to General Fund                                | -                  | -                  | 811,366          | 753,514            |
| Transfer to Enterprise Funds                            | (1,290,368)        | (853,041)          | -                | -                  |
| Sale of capital assets                                  | -                  | -                  | 234,494          | -                  |
| Proceeds from issuance of debt                          | 2,100,000          | -                  | -                | -                  |
| Proceeds from sale of land held for resale              | -                  | -                  | -                | 1,030,000          |
| Total other financing sources (uses)                    | <u>1,408,306</u>   | <u>138,959</u>     | <u>(603,922)</u> | <u>(445,553)</u>   |
| Net change in fund balance                              | <u>(\$880,968)</u> | <u>(\$447,582)</u> | <u>\$346,246</u> | <u>\$1,892,083</u> |
| Debt service as a percentage of noncapital expenditures | 4.6%               | 5.8%               | 7.1%             | 6.6%               |
| Debt service as a percentage of total expenditures      | 4.6%               | 5.8%               | 7.1%             | 6.6%               |

Table 6

| 2016        | 2017        | 2018        | 2019        | 2020        | 2021        |
|-------------|-------------|-------------|-------------|-------------|-------------|
| \$3,456,812 | \$3,572,609 | \$3,723,489 | \$3,881,166 | \$4,062,905 | \$4,098,114 |
| 126,926     | 138,315     | 144,867     | 167,787     | 235,897     | 249,053     |
| 4,757,710   | 5,609,584   | 5,640,163   | 5,584,219   | 13,135,428  | 12,620,805  |
| -           | -           | -           | -           | -           | -           |
| 938,261     | 976,844     | 1,060,530   | 1,094,196   | 1,209,439   | 1,270,389   |
| 31,252      | 3,192       | 4,759       | -           | -           | -           |
| 35,152      | 82,862      | 219,314     | 318,762     | 190,203     | (83,602)    |
| -           | -           | -           | -           | -           | -           |
| 842,763     | 126,250     | 244,347     | 68,272      | 195,217     | 224,554     |
| 10,188,876  | 10,509,656  | 11,037,469  | 11,114,402  | 19,029,089  | 18,379,313  |
| 1,299,221   | 1,195,058   | 1,271,961   | 1,463,247   | 1,440,640   | 1,582,233   |
| 4,293,879   | 4,864,249   | 4,787,110   | 4,772,763   | 5,252,127   | 6,272,027   |
| 2,786,954   | 2,360,888   | 2,036,044   | 1,693,461   | 1,626,524   | 2,193,956   |
| 111,437     | 295,388     | 383,811     | 475,687     | 6,584,893   | 5,628,588   |
| 152,298     | 210,677     | 112,061     | 125,522     | 1,340,626   | 141,412     |
| -           | -           | -           | -           | -           | -           |
| 1,339       | 1,388       | 1,754       | 2,948       | 14,950      | 5,984       |
| 60,056      | -           | -           | -           | -           | -           |
| 19,178      | 96,721      | -           | -           | -           | 185,140     |
| 1,853,308   | 309,586     | 324,659     | 341,890     | 316,525     | 288,236     |
| 146,516     | 152,094     | 140,305     | 128,443     | 116,041     | 105,985     |
| 10,724,186  | 9,486,049   | 9,057,705   | 9,003,961   | 16,692,326  | 16,403,561  |
| (535,310)   | 1,023,607   | 1,979,764   | 2,110,441   | 2,336,763   | 1,975,752   |
| -           | -           | -           | -           | -           | -           |
| -           | -           | (866,228)   | 70,000      | 103,500     | 102,017     |
| 2,195,567   | 3,135,586   | 2,461,293   | 1,559,000   | 1,081,000   | 1,052,700   |
| -           | -           | -           | -           | -           | -           |
| -           | -           | -           | (70,000)    | (103,500)   | (102,017)   |
| (839,936)   | (1,207,048) | (2,547,823) | (957,351)   | (208,680)   | (730,815)   |
| -           | -           | -           | -           | -           | -           |
| 1,300,000   | -           | -           | -           | -           | -           |
| -           | -           | 1,032,593   | -           | -           | -           |
| 2,655,631   | 1,928,538   | 79,835      | 601,649     | 872,320     | 321,885     |
| \$2,120,321 | \$2,952,145 | \$2,059,599 | \$2,712,090 | \$3,209,083 | \$2,297,637 |
| 18.6%       | 4.9%        | 5.1%        | 5.2%        | 2.6%        | 2.4%        |
| 18.6%       | 4.9%        | 5.1%        | 5.2%        | 2.6%        | 2.4%        |

**WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY****RENTAL RATES BY PROPERTY**

Last Ten Fiscal Years

(Unaudited)

**Table 7**

| Property             | 2012  | 2013  | 2014  | 2015  | 2016  | 2017  | 2018  | 2019  | 2020  | 2021  |
|----------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Ann Bodlovick        | \$803 | \$811 | \$823 | \$831 | \$839 | \$847 | \$855 | \$873 | \$890 | \$890 |
| Briar Pond           | 902   | 911   | 925   | 934   | 943   | 952   | 971   | 1,000 | 1,030 | 1,040 |
| Brick Pond           | 786   | 794   | 806   | 814   | 822   | 830   | 846   | 863   | 880   | 889   |
| Cobble Hill          | 821   | 829   | 841   | 849   | 857   | 866   | 875   | 893   | 911   | 920   |
| HUD-Scattered Site   | N/A   | N/A   | N/A   | N/A   | N/A   | N/A   | N/A   | N/A   | N/A   | N/A   |
| WCCDA Family Housing | N/A   | N/A   | N/A   | N/A   | N/A   | N/A   | N/A   | N/A   | 835   | 835   |
| John Jergens         | 771   | 779   | 791   | 799   | 807   | 815   | 823   | 839   | 856   | 865   |
| Muller Manor         | 624   | 630   | 639   | 645   | 651   | 658   | 665   | 707   | 721   | 728   |
| Oakhill Cottages     | 712   | 719   | 730   | 737   | 744   | 751   | 759   | 773   | 788   | 796   |
| Park Place I         | 649   | 655   | 665   | 672   | 679   | 686   | 700   | 714   | 728   | 735   |
| Park Place II        | 649   | 655   | 665   | 672   | 679   | 686   | 700   | 714   | 728   | 735   |
| Parkside             | 799   | 807   | 819   | N/A   | N/A   | N/A   | N/A   | N/A   | N/A   | N/A   |
| Pioneer Elderly      | 617   | 623   | 632   | 638   | 644   | 650   | 657   | 670   | 683   | 690   |
| Raymie Johnson       | 790   | 790   | 790   | 790   | 798   | 816   | 843   | 869   | 1,025 | 1,025 |
| Woodland Park        | 859   | 868   | 881   | 899   | 908   | 917   | 935   | 963   | 992   | 1,002 |
| Whispering Pines     | N/A   | N/A   | N/A   | N/A   | N/A   | N/A   | N/A   | N/A   | N/A   | N/A   |
| Trailside            | 709   | 716   | 723   | 732   | 739   | 746   | 753   | 768   | 783   | 806   |

Source: Washington County CDA Finance Department

**WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY**  
**OPERATING REVENUE BY PROPERTY**  
Last Ten Fiscal Years  
(Unaudited)

**Table 8**

| Property             | 2012               | 2013               | 2014               | 2015               | 2016               | 2017               | 2018               | 2019               | 2020               | 2021                |
|----------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|---------------------|
| Ann Bodlovick        | \$466,855          | \$467,639          | \$475,082          | \$483,079          | \$488,946          | \$494,744          | \$501,268          | \$504,629          | \$499,427          | \$522,440           |
| Briar Pond           | 2,135,001          | 2,117,278          | 2,139,504          | 2,166,338          | 2,186,054          | 2,185,298          | 2,221,925          | 2,293,289          | 2,382,161          | 2,537,038           |
| Brick Pond           | 358,784            | 359,523            | 365,897            | 367,637            | 373,710            | 373,973            | 383,673            | 384,205            | 384,162            | 393,722             |
| Cobble Hill          | 419,835            | 419,379            | 428,532            | 435,112            | 438,621            | 439,885            | 443,814            | 446,146            | 449,112            | 456,209             |
| Transitional Housing | 26,366             | 32,164             | 28,364             | 15,864             | 16,713             | 15,864             | 16,534             | 16,125             | 17,595             | 19,568              |
| HUD-Scattered Site   | 408,360            | 382,366            | 400,767            | 424,724            | 414,589            | 320,188            | 360,103            | 433,408            | 388,905            | 58,582              |
| WCCDA Family Housing | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  | 55,972             | 826,576             |
| John Jergens         | 268,716            | 284,807            | 274,459            | 276,593            | 281,531            | 284,467            | 287,447            | 294,272            | 294,243            | 302,742             |
| Landfall             | 6,000              | 2,000              | 2,000              | 2,000              | 15,000             | 7,500              | 7,500              | 7,500              | 7,500              | 7,500               |
| Muller Manor         | 214,094            | 216,878            | 219,917            | 223,357            | 227,609            | 228,710            | 230,431            | 233,616            | 237,941            | 245,041             |
| Oakhill Cottages     | 345,345            | 347,195            | 352,698            | 357,430            | 361,426            | 363,962            | 367,654            | 372,993            | 378,719            | 406,268             |
| Park Place I         | 271,821            | 284,682            | 281,618            | 290,545            | 291,723            | 291,860            | 298,920            | 302,641            | 303,535            | 304,185             |
| Park Place II        | 47,607             | 49,135             | 47,962             | 48,866             | 47,913             | 48,409             | 48,711             | 50,643             | 51,731             | 52,088              |
| Parkside             | 702,559            | 671,344            | 309,848            | -                  | -                  | -                  | -                  | -                  | -                  | -                   |
| Pioneer Elderly      | 129,326            | 129,382            | 132,066            | 133,334            | 134,678            | 131,251            | 135,716            | 137,750            | 139,330            | 145,240             |
| Raymie Johnson       | 1,039,929          | 1,021,820          | 1,040,398          | 1,065,558          | 1,064,009          | 1,088,392          | 1,134,099          | 1,135,787          | 1,354,083          | 1,619,332           |
| Trailside            | 594,872            | 598,539            | 604,118            | 614,905            | 622,249            | 627,622            | 630,236            | 643,375            | 651,705            | 662,405             |
| Whispering Pines     | 334,958            | 180,475            | 320,795            | 226,619            | 215,194            | 210,335            | 221,784            | 225,704            | 256,412            | 256,017             |
| Woodland Park        | 1,825,460          | 1,866,179          | 1,844,461          | 1,890,443          | 1,928,201          | 1,942,496          | 1,972,845          | 2,017,554          | 2,061,046          | 2,088,846           |
| Total                | <u>\$9,595,888</u> | <u>\$9,430,785</u> | <u>\$9,268,486</u> | <u>\$9,022,404</u> | <u>\$9,108,166</u> | <u>\$9,054,956</u> | <u>\$9,262,660</u> | <u>\$9,499,637</u> | <u>\$9,913,579</u> | <u>\$10,903,799</u> |

During 2020, HUD-Scattered Site housing ceased operations and WCCDA Family Housing LLC began operations

Source: Washington County CDA Finance Department

**WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY**  
**VACANCY BY PROPERTY**  
 Last Ten Fiscal Years  
 (Unaudited)

**Table 9**

| Property              | Number of Units | Number of Months Units Available | Total Months of Vacancies |      |      |      |      |      |      |      |      |      |
|-----------------------|-----------------|----------------------------------|---------------------------|------|------|------|------|------|------|------|------|------|
|                       |                 |                                  | 2012                      | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
| Ann Bodlovick         | 50              | 600                              | -                         | 1    | -    | 2    | -    | -    | 1    | 4    | 14   | 9    |
| Briar Pond            | 196             | 2,352                            | 16                        | 29   | 15   | 6    | 8    | 21   | 14   | 3    | 14   | 7    |
| Brick Pond            | 40              | 480                              | 10                        | 6    | -    | 6    | 3    | 6    | -    | 5    | 14   | 4    |
| Cobble Hill           | 45              | 540                              | 3                         | 6    | -    | 2    | 1    | -    | -    | 6    | 10   | 6    |
| HUD-scattered site*   | 56              | 616                              | 27                        | 23   | 5    | 8    | 10   | 3    | 6    | 9    | 1    | 5    |
| WCCDA Family Housing* | 56              | 56                               | -                         | -    | -    | -    | -    | -    | -    | -    | 1    | -    |
| John Jergens          | 30              | 360                              | 1                         | -    | 1    | 2    | -    | -    | 1    | 1    | 3    | 3    |
| Muller Manor          | 28              | 336                              | 3                         | 3    | 1    | -    | -    | -    | -    | -    | -    | -    |
| Oakhill Cottages      | 40              | 480                              | 1                         | 2    | -    | 1    | -    | -    | 1    | -    | -    | 3    |
| Park Place I          | 36              | 432                              | 15                        | 8    | 15   | 6    | 1    | 5    | 4    | 3    | 1    | 7    |
| Park Place II         | 6               | 72                               | -                         | -    | 2    | -    | 3    | 1    | 1    | -    | -    | -    |
| Parkside**            | 72              | 864                              | 12                        | 24   | 17   | N/A  | N/A  | N/A  | N/A  | N/A  | N/A  | N/A  |
| Pioneer Elderly       | 18              | 216                              | 1                         | 1    | -    | 1    | -    | 6    | 3    | -    | 4    | 2    |
| Raymie Johnson        | 120             | 1,440                            | 12                        | 32   | 27   | 9    | 17   | 7    | 18   | 29   | 44   | 18   |
| Woodland Park         | 180             | 2,160                            | 45                        | 26   | 26   | 36   | 26   | -    | 2    | 20   | 22   | 27   |
| Whispering Pines*     | 40              | 480                              | 48                        | 13   | 5    | 4    | 8    | 23   | 16   | -    | -    | 10   |
| Trailside**           | 70              | 350                              | 4                         | 2    | 5    | 1    | 1    | 2    | -    | 5    | -    | 12   |
| Total                 | 1,083           | 11,834                           | 198                       | 176  | 119  | 84   | 78   | 74   | 67   | 85   | 128  | 113  |

Source: Washington County CDA Finance Department

\*HUD-Scattered Site was sold to WCCDA Family Housing December 1, 2020

\*\*Sold June 16, 2014

**WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY**

**RATIOS OF OUTSTANDING DEBT BY TYPE**

**Table 10**

Last Ten Fiscal Years

(Unaudited)

| Fiscal<br>Year | Business Type Activities |              |              |          | Governmental Activities |  |               |                               |
|----------------|--------------------------|--------------|--------------|----------|-------------------------|--|---------------|-------------------------------|
|                | Revenue<br>Bonds         | Notes        | Total        | Per Unit | Loans                   | Percentage of<br>estimated taxable<br>market value | Per<br>Capita | Percent of<br>personal income |
| 2012           | \$42,427,899             | \$11,194,201 | \$53,622,100 | \$52,212 | \$2,182,502             | 0.0084%  | \$9           | 16.9%                         |
| 2013           | 42,108,796               | 10,872,647   | 52,981,443   | 51,589   | 5,341,003               | 0.0223%  | 22            | 40.1%                         |
| 2014           | 37,755,273               | 10,541,449   | 48,296,722   | 47,027   | 5,060,694               | 0.0226%  | 20            | 35.3%                         |
| 2015           | 46,872,698               | 10,879,244   | 57,751,942   | 56,234   | 4,716,856               | 0.0204%  | 19            | 31.3%                         |
| 2016           | 44,740,490               | 10,875,199   | 55,615,689   | 54,154   | 4,163,551               | 0.0158%  | 16            | 26.5%                         |
| 2017           | 41,188,283               | 10,700,276   | 51,888,559   | 50,524   | 3,853,965               | 0.0142%  | 15            | 23.2%                         |
| 2018           | 36,980,567               | 11,137,419   | 48,117,986   | 46,853   | 3,529,306               | 0.0130%  | 13            | 20.3%                         |
| 2019           | 34,562,847               | 10,948,782   | 45,511,629   | 44,315   | 3,187,415               | 0.0099%  | 12            | 17.7%                         |
| 2020           | 32,255,129               | 10,752,891   | 43,008,020   | 41,877   | 2,870,890               | 0.0082%  | 11            | 15.0%                         |
| 2021           | 30,027,411               | 10,511,778   | 40,539,189   | 39,473   | 2,582,654               | 0.0068%  | 9             | 12.7%                         |

Notes: Details regarding the CDA's outstanding debt can be found in the notes to the financial statements. The debt of the Business-Type Activities is specifically related to construction and renovation projects. The personal income of the County residence would not be a meaningful ratio related to this debt.

Source: Washington County CDA Finance Department

**WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY**

**PLEDGED REVENUE COVERAGE**

Last Ten Fiscal Years

(Unaudited)

**Table 11**

| Fiscal<br>Year | Gross Revenue        |                            |                      |              | Operating<br>Expenses <sup>(1)</sup> | Net Revenue<br>Available for<br>Debt Service | Debt Service Requirements |                         |             | Coverage<br>Ratio |
|----------------|----------------------|----------------------------|----------------------|--------------|--------------------------------------|--|---------------------------|-------------------------|-------------|-------------------|
|                | Operating<br>Revenue | Property<br>Tax<br>Revenue | Investment<br>Income | Total        |                                      |  | Principal <sup>(2)</sup>  | Interest <sup>(2)</sup> | Total       |                   |
|                |                      |                            |                      |              |                                      |  |                           |                         |             |                   |
|                |                      |                            |                      |              |                                      |  |                           |                         |             |                   |
| 2012           | \$9,595,888          | \$1,699,093                | \$142,222            | \$11,437,203 | \$5,541,071                          | \$5,896,132                                  | \$1,425,000               | \$1,848,504             | \$3,273,504 | 1.80              |
| 2013           | 9,430,785            | 1,216,255                  | 158,543              | 10,805,583   | 5,776,945                            | 5,028,638                                    | 1,995,000                 | 1,388,263               | 3,383,263   | 1.49              |
| 2014           | 9,268,486            | 1,094,255                  | 164,522              | 10,527,263   | 5,722,480                            | 4,804,783                                    | 2,070,000                 | 1,382,835               | 3,452,835   | 1.39              |
| 2015           | 9,077,247            | 1,094,255                  | 308,162              | 10,479,664   | 5,099,524                            | 5,380,140                                    | 2,070,000                 | 1,217,419               | 3,287,419   | 1.64              |
| 2016           | 9,108,166            | 1,109,000                  | 397,399              | 10,614,565   | 5,091,488                            | 5,523,077                                    | 2,090,000                 | 1,502,931               | 3,592,931   | 1.54              |
| 2017           | 9,054,956            | 1,155,010                  | 442,567              | 10,652,533   | 5,107,399                            | 5,545,134                                    | 3,510,000                 | 1,458,319               | 4,968,319   | 1.12              |
| 2018           | 9,596,660            | 1,327,806                  | 489,956              | 11,414,422   | 5,398,916                            | 6,015,506                                    | 4,165,000                 | 1,370,763               | 5,535,763   | 1.09              |
| 2019           | 10,795,637           | 1,345,046                  | 528,783              | 12,669,466   | 5,603,183                            | 7,066,283                                    | 2,375,000                 | 1,288,341               | 3,663,341   | 1.93              |
| 2020           | 9,913,979            | 1,360,954                  | 326,501              | 11,601,434   | 6,055,832                            | 5,545,602                                    | 2,265,000                 | 1,222,185               | 3,487,185   | 1.59              |
| 2021           | 10,903,799           | 1,321,170                  | 259,300              | 12,484,269   | 5,911,118                            | 6,573,151                                    | 2,185,000                 | 1,154,999               | 3,339,999   | 1.97              |

**Notes:**

<sup>(1)</sup>Operating expenses excludes depreciation.

<sup>(2)</sup>Principal and interest is presented on the cash basis.

Source: Washington County CDA Finance Department



**WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY**

**DEMOGRAPHIC AND ECONOMIC STATISTICS**

**Table 12**

Last Ten Fiscal Years

(Unaudited)

| Fiscal Year | Population (a) | Area (Sq. Mi.) | Density (Person/ Sq. Mi.) | Number of Households (a) | Personal Income (b) (amounts expressed in thousands) | Per Capita Personal Income (b) | Unemployment Rate (c) |
|-------------|----------------|----------------|---------------------------|--------------------------|--|--------------------------------|-----------------------|
| 2012        | 243,313        | 423            | 575                       | 89,875                   | 12,928,591   | 53,055                         | 5.2%                  |
| 2013        | 248,095        | 423            | 587                       | 91,292                   | 13,325,048   | 54,179                         | 4.5%                  |
| 2014        | 249,109        | 423            | 589                       | 91,710                   | 14,333,674   | 57,681                         | 3.7%                  |
| 2015        | 251,015        | 423            | 593                       | 92,669                   | 15,070,381   | 60,189                         | 3.2%                  |
| 2016        | 253,128        | 423            | 598                       | 94,044                   | 15,719,102   | 62,253                         | 3.3%                  |
| 2017        | 256,905        | 423            | 607                       | 94,955                   | 16,617,738   | 65,049                         | 3.0%                  |
| 2018        | 261,512        | 423            | 618                       | 96,424                   | 17,390,473   | 67,171                         | 2.6%                  |
| 2019        | 262,748        | 423            | 621                       | 98,214                   | 17,983,595   | 68,525                         | 2.8%                  |
| 2020        | 267,568        | 423            | 633                       | 99,507                   | 19,186,846   | 72,273                         | 5.6%                  |
| 2021        | 272,388 *      | 423            | 644                       | 100,800 *                | 20,390,097 *   | 76,021 *                       | 2.9%                  |

Sources:

(a) Metropolitan Council

(b) US Department of Commerce - Bureau of Economic Analysis

(c) US Department of Labor - Bureau of Labor Statistics

\*Indicates estimates based on the two previous years or percent change from prior year.

WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY  
 PRINCIPAL EMPLOYERS  
 Current Year and Nine Years Ago  
 (Unaudited)

Table 13

| Employer   | 2021 |               |                                       | 2022 |               |                                       |
|--|------|---------------|---------------------------------------|------|---------------|---------------------------------------|
|  | Rank | Employees     | Percentage of Total County Employment | Rank | Employees     | Percentage of Total County Employment |
| Andersen Corporation (Bayport, Cottage Grove)                          | 1    | 4,939         | 3.44%                                 | 1    | 2,600         | 2.02%                                 |
| Independent School District 833  | 2    | 2,594         | 1.81%                                 | 2    | 2,500         | 1.94%                                 |
| Woodwinds Healtheast Campus  | 3    | 1,331         | 0.93%                                 | 6    | 835           | 0.65%                                 |
| Washington County, Government  | 4    | 1,324         | 0.92%                                 | 4    | 1,138         | 0.88%                                 |
| Wal-Mart (Forest Lake, Oak Park Heights, Woodbury and Cottage Grove)   | 5    | 1,274         | 0.89%                                 |      | -             | 0.00%                                 |
| Hy-Vee Grocery   | 6    | 1,250         | 0.87%                                 |      | -             | 0.00%                                 |
| Independent School District 834  | 7    | 1,136         | 0.79%                                 | 5    | 1,050         | 0.82%                                 |
| Independent School District 831  | 8    | 1,074         | 0.75%                                 | 3    | 1,200         | 0.93%                                 |
| Target (Cottage Grove, Forest Lake, Stillwater, Woodbury, and Oakdale) | 9    | 959           | 0.67%                                 |      | -             | 0.00%                                 |
| Bailey Nurseries, Inc  | 10   | 800           | 0.56%                                 |      |               |                                       |
| Lakeview Hospital  |      |               | 0.00%                                 | 8    | 727           | 0.56%                                 |
| MN State Prison (Stillwater)   |      | -             | 0.00%                                 | 10   | 544           | 0.42%                                 |
| The Hartford (Fortis)  |      | -             | 0.00%                                 | 7    | 800           | 0.62%                                 |
| 3M Chemolite (Cottage Grove)   |      | -             | 0.00%                                 | 9    | 700           | 0.54%                                 |
| Totals   |      | <u>16,681</u> | <u>11.61%</u>                         |      | <u>12,094</u> | <u>9.39%</u>                          |

Source: Washington County, Minnesota

**WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY**  
**FULL-TIME EQUIVALENT CDA EMPLOYEES BY FUNCTION/PROGRAM**  
 Last Ten Fiscal Years  
 (Unaudited)

**Table 14**

| Function/Program                   | Full-Time Equivalent Employees as of December 31, |      |      |      |      |      |      |      |      |      |
|------------------------------------|---|------|------|------|------|------|------|------|------|------|
|                                    | 2012  | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
| Administration                     | 3.0   | 5.0  | 5.0  | 5.0  | 5.0  | 4.0  | 4.0  | 4.0  | 4.0  | 4.0  |
| Finance                            | 3.0   | 4.0  | 4.0  | 4.0  | 4.0  | 4.0  | 4.5  | 4.5  | 5.5  | 5.5  |
| Housing Assistance                 | 4.0   | 4.0  | 4.0  | 4.0  | 5.0  | 5.0  | 5.0  | 6.0  | 6.0  | 6.0  |
| Community Development              | 3.0   | 6.0  | 6.0  | 6.0  | 6.0  | 6.0  | 6.0  | 6.0  | 6.0  | 6.0  |
| Economic Development               | N/A   | N/A  | N/A  | N/A  | 1.0  | 1.0  | 1.0  | 1.0  | 1.0  | 1.0  |
| Home Ownership Counseling          | 3.0   | 3.0  | 3.0  | 3.0  | 3.0  | 2.0  | 2.0  | 2.0  | 2.0  | 2.0  |
| Property Management <sup>(1)</sup> | N/A   | N/A  | N/A  | N/A  | N/A  | N/A  | N/A  | N/A  | N/A  | N/A  |
| Total                              | 16.0  | 22.0 | 22.0 | 22.0 | 24.0 | 22.0 | 22.5 | 23.5 | 24.5 | 24.5 |

<sup>(1)</sup>Effective 1/1/98, the CDA contracted with a private company for property management services.

**WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY**  
**HOUSING UNITS ASSISTED**  
 Last Ten Fiscal Years  
 (Unaudited)

**Table 15**

| Program                                | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|--|------|------|------|------|------|------|------|------|------|------|
| Section 8 - Vouchers                   | 91   | 88   | 89   | 90   | 90   | 90   | 90   | 90   | 93   | 146  |
| Section 8 - Portables                  | 355  | 365  | 365  | 375  | 367  | 380  | 377  | 353  | 355  | 344  |
| Section 8 - VASH***                    | -    | -    | -    | -    | -    | -    | 2    | 10   | 8    | 15   |
| Section 8 - FUP****                    | -    | -    | -    | -    | -    | -    | -    | 15   | 16   | 37   |
| Mainstream*****                        | -    | -    | -    | -    | -    | -    | -    | -    | 4    | 39   |
| Bridges I                              | 18   | 19   | 17   | 26   | 18   | 26   | 27   | 24   | 29   | 30   |
| Bridges II                             | 12   | 10   | 14   | 12   | 14   | 14   | 15   | 16   | 12   | 12   |
| Shelter Plus Care                      | 21   | 25   | 27   | 28   | 28   | 29   | 30   | 30   | 29   | 25   |
| Bridges-Long Term Homeless*            | 10   | 9    | 8    | 9    | 9    | N/A  | N/A  | N/A  | N/A  | N/A  |
| Bridges Regional<br>Treatment Center** | N/A  | N/A  | N/A  | N/A  | N/A  | 1    | 1    | 1    | 1    | 1    |
| Average units assisted per<br>month    | 507  | 516  | 520  | 540  | 526  | 539  | 542  | 539  | 547  | 649  |

\* Program consolidated with Bridges I October 2017

\*\* Program started June 2017

\*\*\* Program started June 2018

\*\*\*\* Program started March 2019

\*\*\*\*\*Program started October 2020

Source: Washington County CDA Finance Department.

#### **IV. SINGLE AUDIT AND OTHER REQUIRED REPORTS**

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED  
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To The Board of Commissioners  
Washington County Community Development Agency  
(a component unit of Washington County)

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, and each major fund of Washington County Community Development Agency, a component unit of Washington County, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise Washington County Community Development Agency's basic financial statements, and have issued our report thereon dated May 10, 2022. The financial statements of The Groves Apartments, LLC, Piccadilly Square of Mahtomedi, LLC, and Glen at Valley Creek, LLC, were not audited in accordance with *Government Auditing Standards*. Our report includes a reference to other auditors who audited the financial statements of The Groves Apartments, LLC and Piccadilly Square of Mahtomedi, LLC, or Glen at Valley Creek, LLC, (discretely presented component units), as described in our report on Washington County Community Development Agency's financial statements. This report does not include the results of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by those other auditors.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Washington County Community Development Agency's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Washington County Community Development Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of Washington County Community Development Agency's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control

Report on Internal Control over Financial Reporting  
And on Compliance and Other Matters

that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Washington County Community Development Agency's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



REDPATH AND COMPANY, LTD.  
St. Paul, Minnesota

May 10, 2022





## MINNESOTA LEGAL COMPLIANCE REPORT

To The Board of Commissioners  
Washington County Community Development Agency  
(a component unit of Washington County)

We have audited, in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, and each major fund of Washington County Community Development Agency, a component unit of Washington County, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Washington County Community Development Agency's basic financial statements, and have issued our report thereon dated May 10, 2022. Our report includes a reference to other auditors who audited the financial statements of the The Groves Apartments, LLC and Piccadilly Square of Mahtomedi, LLC, or Glen at Valley Creek, LLC, (discretely presented component units), as described in our report on Washington County Community Development Agency's financial statements. This report does not include the results of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by those other auditors.

In connection with our audit, nothing came to our attention that caused us to believe that Washington County Community Development Agency failed to comply with the provisions of the contracting and bidding, deposits and investments, conflicts of interest, claims and disbursements, miscellaneous provisions, and tax increment financing sections of the *Minnesota Legal Compliance Audit Guide for Other Political Subdivisions*, promulgated by the State Auditor pursuant to Minnesota Statutes Section 6.65, insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding Washington County Community Development Agency's noncompliance with the above referenced provisions, insofar as they relate to accounting matters.

This report is intended solely for the information and use of those charged with governance and management of Washington County Community Development Agency and the State Auditor and is not intended to be, and should not be, used by anyone other than these specified parties.

*Redpath and Company, Ltd.*

REDPATH AND COMPANY, LTD.  
St. Paul, Minnesota

>May 10, 2022

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR  
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE  
UNIFORM GUIDANCE

To The Board of Commissioners  
Washington County Community Development Agency  
(a component unit of Washington County)

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited Washington County Community Development Agency's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Washington County Community Development Agency's major federal programs for the year ended December 31, 2021. Washington County Community Development Agency's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Washington County Community Development Agency's financial statements include the operations of Briar Pond LLC (a major proprietary fund), which had \$8,776,797 of federal expenditures, which is not included in the Washington County Community Development Agency's schedule of expenditures of federal awards for the year ended December 31, 2021. Our audit, described below, did not include these federal expenditures because they were included in a separately issued audit.

In our opinion, the Washington County Community Development Agency complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2021.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

Independent Auditor's Report on Compliance for  
Each Major Program and on Internal Control over  
Compliance Required by the Uniform Guidance

We are required to be independent of Washington County Community Development Agency and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of Washington County Community Development Agency's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Washington County Community Development Agency's federal programs.

***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Washington County Community Development Agency's compliance based on our audit. 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 generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Washington County Community Development Agency's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Washington County Community Development Agency's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Washington County Community Development Agency's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over

Independent Auditor's Report on Compliance for  
Each Major Program and on Internal Control over  
Compliance Required by the Uniform Guidance

compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Washington County Community Development Agency's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

**Report on Internal Control Over Compliance**

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Redpath and Company, LTD.*

REDPATH AND COMPANY, LTD.  
St. Paul, Minnesota

May 10, 2022

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**WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
For The Year Ended December 31, 2021

| Federal Grantor/Pass-Through Grantor/Program Title  | Federal CFDA Number | Pass-Through Entity Identifying Number | Total Federal Expenditures | Expenditures to Subrecipients |
|---|---------------------|--|----------------------------|-------------------------------|
| <b>U.S. Department of Housing and Urban Development:</b>                                    |                     |  |                            |                               |
| Direct:   |                     |  |                            |                               |
| Section 8 New Construction and Substantial Rehabilitation - Section 8 Project Based Cluster | 14.182              | n/a                                    | \$942,409                  | \$ -                          |
| COVID-19 - Section 8 New Construction and Substantial Rehabilitation                        | 14.182              | n/a                                    | \$1,104                    | -                             |
| Section 8 Mainstream Vouchers   | 14.879              | n/a                                    | \$228,277                  | -                             |
| Section 8 Housing Choice Vouchers - Housing Voucher Cluster                                 | 14.871              | n/a                                    | 1,872,465                  | -                             |
| Family Self-Sufficiency Program   | 14.896              | n/a                                    | 48,711                     | -                             |
| Multifamily Housing Services Coordinators   | 14.191              | n/a                                    | 60,825                     | -                             |
| Shelter Plus Care - Home Free   | 14.238              | n/a                                    | 226,357                    | -                             |
| Housing Counseling Assistance Program   | 14.169              | n/a                                    | 31,678                     | -                             |
| Public and Indian Housing   | 14.850              | n/a                                    | 113,403                    | 23,059                        |
| COVID-19 - Public and Indian Housing  | 14.850              | n/a                                    | 17,128                     | -                             |
| Public Housing Capital Fund   | 14.872              | n/a                                    | 9,450                      | -                             |
| Community Development Block Grants/Entitlement Grants                                       | 14.218              | n/a                                    | 1,655,832                  | 1,007,730                     |
| Subtotal Department of Housing and Urban Development direct programs                        |                     |  | 5,207,639                  | 1,030,789                     |
| Passed through Dakota County Community Development Agency:                                  |                     |  |                            |                               |
| Home Investment Partnerships Program  | 14.239              | None Noted                             | 133,976                    | 110,199                       |
| Subtotal passed through Dakota County Community Development Agency                          |                     |  | 133,976                    | 110,199                       |
| Passed through the City of Woodbury, Minnesota:   |                     |  |                            |                               |
| Community Development Block Grants/Entitlement Grants                                       | 14.218              | None Noted                             | 53,621                     | -                             |
| Subtotal passed through the City of Woodbury, Minnesota                                     |                     |  | 53,621                     | -                             |
| Total U.S. Department of Housing and Urban Development                                      |                     |  | 5,395,236                  | 1,140,988                     |
| <b>Total Expenditures of Federal Awards</b>   |                     |  | <b>\$5,395,236</b>         | <b>\$1,140,988</b>            |

Notes to the schedule of expenditures of federal awards:

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the Washington County Community Development Agency (CDA) under programs of the federal government for the year ended December 31, 2021, except for Briar Pond, LLC as a separate Uniform Guidance audit was performed for this entity. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Washington County Community Development Agency, it is not intended to and does not present the financial position, changes in net position, or cash flows of the CDA.

Note 2. Summary of Significant Accounting Principles

- a.) Expenditures reported on the Schedule are reported on the modified accrual basics of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
- b.) The CDA has not charged indirect costs to any of the federal programs. Therefore the election of the de minimus cost rate is not applicable.

Note 3. Section 8 Housing Choice Voucher Portability

As part of its Section 8 Housing Choice Vouchers Program, the CDA administered portable vouchers totaling \$3,106,182 and related administration fees totaling \$226,059, as the receiving public housing authority (PHA) for various other initial PHAs throughout the United States. The CDA does not consider these amounts received from the initial PHAs to be subrecipient payments, and therefore are excluded from the Section 8 Housing Choice Vouchers Program amount above.

**WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
For The Year Ended December 31, 2021

**SECTION I - SUMMARY OF AUDITOR'S RESULTS**

Financial Statements

- A. Type of auditors' report issued: Unmodified
- B. Internal control over financial reporting:
- Material weakness(es) identified? ☐ Yes ☒ No
  - Significant deficiencies identified that are not considered to be material weaknesses? ☐ Yes ☒ None reported
- C. Noncompliance material to financial statements noted? ☐ Yes ☒ No

Federal Awards

- D. Internal control over major programs:
- Material weakness(es) identified? ☐ Yes ☒ No
  - Significant deficiencies identified that are not considered to be material weaknesses? ☐ Yes ☒ None reported
- E. Type of auditors' report issued on compliance for major programs: Unmodified
- F. Any audit findings disclosed that are required to be reported in accordance with the 2 CFR section 200.516(a)? ☐ Yes ☒ None reported

- G. Identification of major programs:

| Name of Federal Program           | CFDA Number |
|-----------------------------------|-------------|
| Community Development Block Grant | 14.218      |

- H. Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

- I. Auditee qualified as a low-risk auditee ☒ Yes ☐ No



**WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
For The Year Ended December 31, 2021

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| <b>SECTION II – FINANCIAL STATEMENT FINDINGS</b> |
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None noted.

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| <b>SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS</b> |
|--|

None noted.

|   |
|---|
| <b>SECTION IV – PRIOR YEAR FINDINGS</b> |
|---|

None noted.

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