

Annual Comprehensive Financial Report



For the year ended
December 31, 2022

**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, 2022

Prepared by:
Finance Department

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WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY
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I. INTRODUCTORY SECTION

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WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY

PRINCIPAL OFFICIALS

December 31, 2022

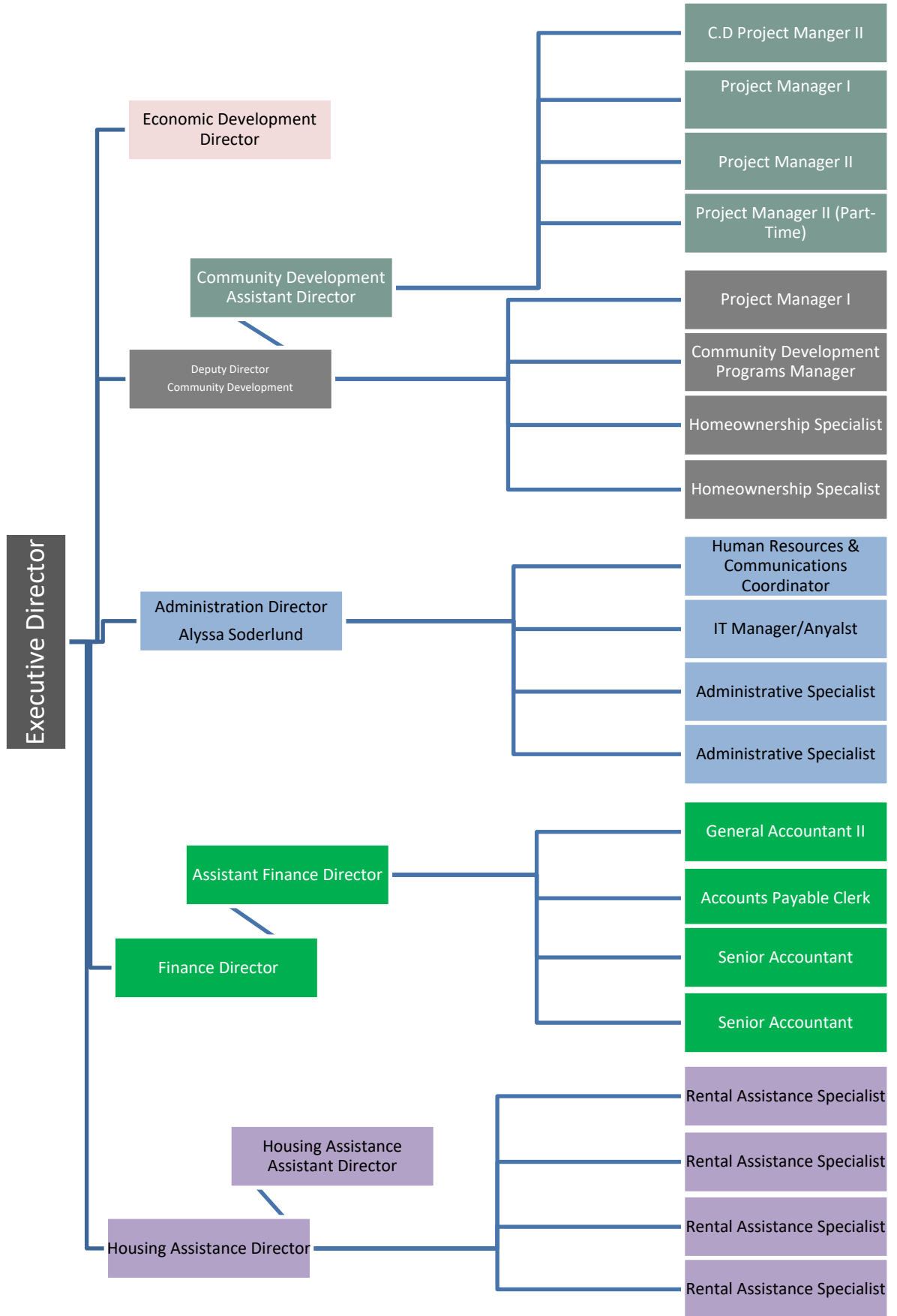
BOARD OF COMMISSIONERS

<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, 2024
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





7645 Currell Boulevard, Woodbury, MN 55125
office: 651-458-0936 fax: 651-458-1696

May 12, 2023

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, 2022. 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, 2022, 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, 2022, 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 2021 population of the County was 270,805. 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, 2022, 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 37% of the CDA's annual revenue came from the CDA's property portfolio in 2022.

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 2022, the CDA completed nearly \$1.1 million in capital improvement projects.

The CDA also receives income from a Special Benefit Tax Levy that represents about 22% of the CDA's total revenue. In 2022, the amount collected totaled \$5,680,743. 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 98.6% on December 31, 2022.

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 \$2,900,790 and also maintains a balance of \$6,270,357 in long term capital reserves.

Federal and State Funding. The federal and state funding that the CDA receives represents approximately 32% of all CDA funds during the fiscal year ended December 31, 2022. 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.

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. In 2022, the CDA solicited proposals and entered into contracts for commercial real estate brokers and architectural services. The search for a site for the emergency housing initiative continued throughout 2022.

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, 2021. This was the nineteenth 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.

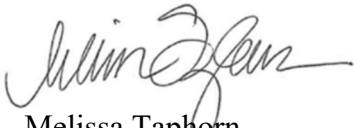
A Certificate of Achievement for Excellence in Financial Reporting is valid for a period of one year only. However, we believe that our current Annual Report continues to meet the Certificate of Achievement for Excellence in Financial Reporting Program's requirements, and we are submitting it to the 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. As a Moving to Work Agency, a designation given by HUD in 2021, the CDA is no longer subject to the SEMAP rating process. The CDA will continue to be deemed a High Performer, a requirement of the Moving to Work designation.

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

A handwritten signature in black ink, appearing to read "Melissa Taphorn", written in a cursive style.

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, 2021

Christopher P. Morrill

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 accompanying financial statements of the governmental activities, the business-type activities, and each major fund of Washington County Community Development Agency, component unit of Washington County, as of and for the year ended December 31, 2022, 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 audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, and each major fund of Washington County Community Development Agency, as of December 31, 2022, 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 23 percent, 16 percent, and 8 percent, respectively, of the assets, net position, and revenues of Washington County Community Development Agency and its discretely presented component units as of December 31, 2022, and the respective changes in financial position for the year then ended. 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 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 2021 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 10, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2021 is consistent, in all material respects, with the audited financial statements from which it has been derived, except as discussed in Note 17.

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 generally accepted auditing standards 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 generally accepted auditing standards 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.

Change in Accounting Principle

As described in Note 17 to the financial statements, Washington County Community Development Agency adopted new accounting guidance for the year ended December 31, 2022, Governmental Accounting Standards Board Statement No. 87, Leases. Our opinions are not modified with respect to this matter.

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 Washington County Community Development Agency's basic financial statements. The accompanying combining fund financial statements 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 fund financial statements 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 12, 2023, 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.

REDPATH AND COMPANY, LTD.
St. Paul, Minnesota

May 12, 2023

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**Washington County Community Development Agency
Management's Discussion and Analysis
Year Ended December 31, 2022**

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, 2022. 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 \$68,350,636 (net position). This net position is comprised of the following components:
 - \$15,994,127 (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.
 - \$15,589,835 (restricted) is restricted as to use by grant agreements, contracts, and laws and regulations, and can only be used for specific purposes.
 - \$36,766,674 (unrestricted) may be used to meet the CDA's ongoing obligations to citizens and creditors.
- The CDA's net position increased by \$5,038,231. 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 \$27,662,867, an increase of \$1,755,039 in comparison with the prior year. Of this fund balance, \$101,963 was in nonspendable form, \$52,463 was restricted by grant agreements, contracts and laws and regulations, \$20,538,118 was committed for specific purposes, and the remaining \$6,970,323 was considered unassigned.

**Washington County Community Development Agency
Management's Discussion and Analysis
Year Ended December 31, 2022**

- At the end of the current fiscal year, committed and unassigned fund balance of the general fund was \$16,615,092.
- Notes, loans and mortgages payable and bond retirements for the year were \$555,947 and \$2,195,000, 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.

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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 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.

**Washington County Community Development Agency
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The Housing Assistance Fund, Community Development Fund, Economic 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.

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.

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Management's Discussion and Analysis
Year Ended December 31, 2022**

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.

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 \$68,350,636 at the close of the most recent fiscal year which represents an increase of \$5,038,231 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 23.4 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	
	2022	2021	2022	2021	2022	2021
Current and other assets	\$33,362,266	\$31,624,586	\$33,699,111	32,128,157	\$67,061,377	\$63,752,743
Capital assets	2,229,276	2,291,275	42,995,018	43,912,764	45,224,294	46,204,039
Total assets	<u>35,591,542</u>	<u>33,915,861</u>	<u>76,694,129</u>	<u>76,040,921</u>	<u>112,285,671</u>	<u>109,956,782</u>
Deferred outflows of resources	-	-	380,159	425,293	380,159	425,293
Long-term liabilities outstanding	2,238,223	2,435,374	35,629,447	38,155,092	37,867,670	40,590,466
Other liabilities	711,959	993,524	4,794,315	4,504,013	5,506,274	5,497,537
Total liabilities	<u>2,950,182</u>	<u>3,428,898</u>	<u>40,423,762</u>	<u>42,659,105</u>	<u>43,373,944</u>	<u>46,088,003</u>
Deferred inflows of resources	-	-	941,250	981,667	941,250	981,667
Net position:						
Net investment in capital assets	1,662,100	1,592,573	14,332,027	13,559,205	15,994,127	15,151,778
Restricted	4,059,377	4,038,651	11,530,458	10,593,573	15,589,835	14,632,224
Unrestricted	26,919,883	24,855,739	9,846,791	8,672,664	36,766,674	33,528,403
Total net position	<u>\$32,641,360</u>	<u>\$30,486,963</u>	<u>\$35,709,276</u>	<u>\$32,825,442</u>	<u>\$68,350,636</u>	<u>\$63,312,405</u>

**Washington County Community Development Agency
Management's Discussion and Analysis
Year Ended December 31, 2022**

The CDA's restricted net position (22.8 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 (53.8 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 \$5,038,231 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 \$842,349. Of this amount, \$69,527 represents an increase in related governmental activities and \$772,822 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 \$1,096,995 in 2022.
- Restricted net position increased by \$957,611. Of this amount, \$20,726 represents an increase in related governmental activities and \$936,885 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 \$3,238,271. Of this amount, \$2,064,144 represents an increase in related governmental activities and \$1,174,127 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 \$2,750,947 of long-term debt that was retired using current year operating income and tax revenues.

**Washington County Community Development Agency
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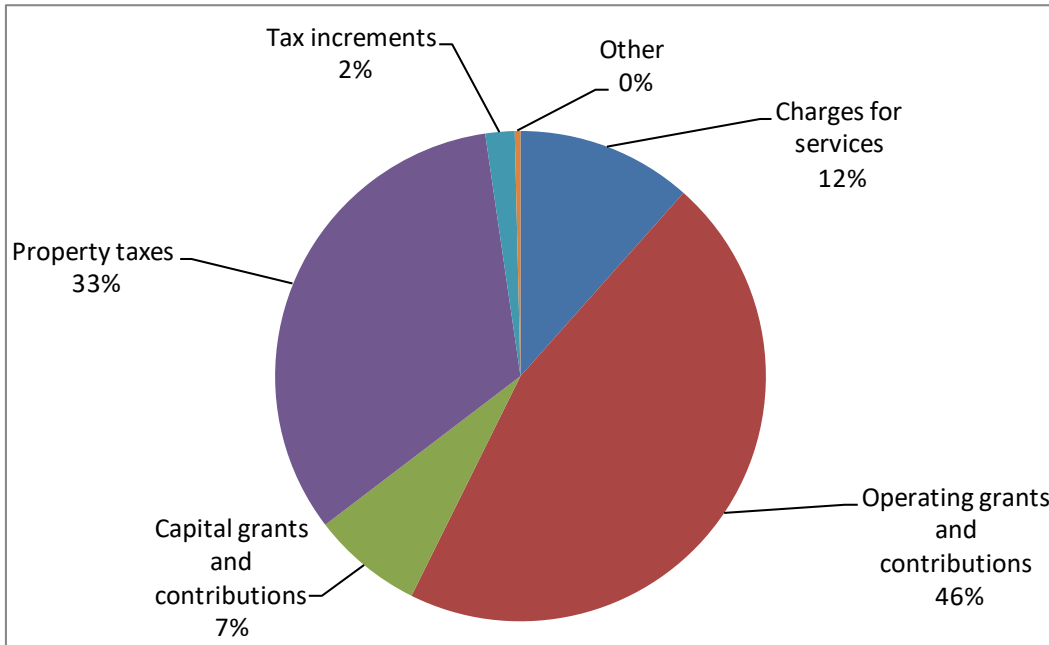
**Changes in Net position
Years Ended December 31**

	Governmental Activities		Business-Type Activities		Totals	
	2022	2021	2022	2021	2022	2021
Revenues:						
Program revenues:						
Charges for services	\$1,508,265	\$1,576,115	\$9,703,551	\$9,557,718	\$11,211,816	\$11,133,833
Operating grants and contributions	5,968,096	11,004,238	1,399,751	1,450,286	7,367,847	12,454,524
Capital grants and contributions	953,102	1,616,567	100,552	203,396	1,053,654	1,819,963
General revenues:						
Property taxes	4,310,931	4,093,591	1,369,812	1,321,170	5,680,743	5,414,761
Tax increments	252,461	249,053	-	-	252,461	249,053
Other	(48,520)	18,937	505,000	319,431	456,480	338,368
Total revenues	<u>12,944,335</u>	<u>18,558,501</u>	<u>13,078,666</u>	<u>12,852,001</u>	<u>26,023,001</u>	<u>31,410,502</u>
Expenses:						
General government	1,846,367	1,669,595	-	-	1,846,367	1,669,595
Housing assistance	6,342,522	6,272,027	-	-	6,342,522	6,272,027
Community development	1,875,081	2,193,956	-	-	1,875,081	2,193,956
Economic development	603,086	5,628,588	-	-	603,086	5,628,588
Home ownership counseling	177,679	141,412	-	-	177,679	141,412
Tax increment financing	4,036	5,984	-	-	4,036	5,984
Interest on debt	94,803	104,166	-	-	94,803	104,166
Housing	-	-	10,041,196	9,614,949	10,041,196	9,614,949
Total expenses	<u>10,943,574</u>	<u>16,015,728</u>	<u>10,041,196</u>	<u>9,614,949</u>	<u>20,984,770</u>	<u>25,630,677</u>
Increase in net position before transfers	2,000,761	2,542,773	3,037,470	3,237,052	5,038,231	5,779,825
Transfers	<u>153,636</u>	<u>321,885</u>	<u>(153,636)</u>	<u>(321,885)</u>	<u>-</u>	<u>-</u>
Increase (decrease) in net position	2,154,397	2,864,658	2,883,834	2,915,167	5,038,231	5,779,825
Net position - January 1, as restated (Note 17)	30,486,963	27,622,305	32,825,442	29,910,275	63,312,405	57,532,580
Net position - December 31	<u>32,641,360</u>	<u>30,486,963</u>	<u>\$35,709,276</u>	<u>\$32,825,442</u>	<u>\$68,350,636</u>	<u>\$63,312,405</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.

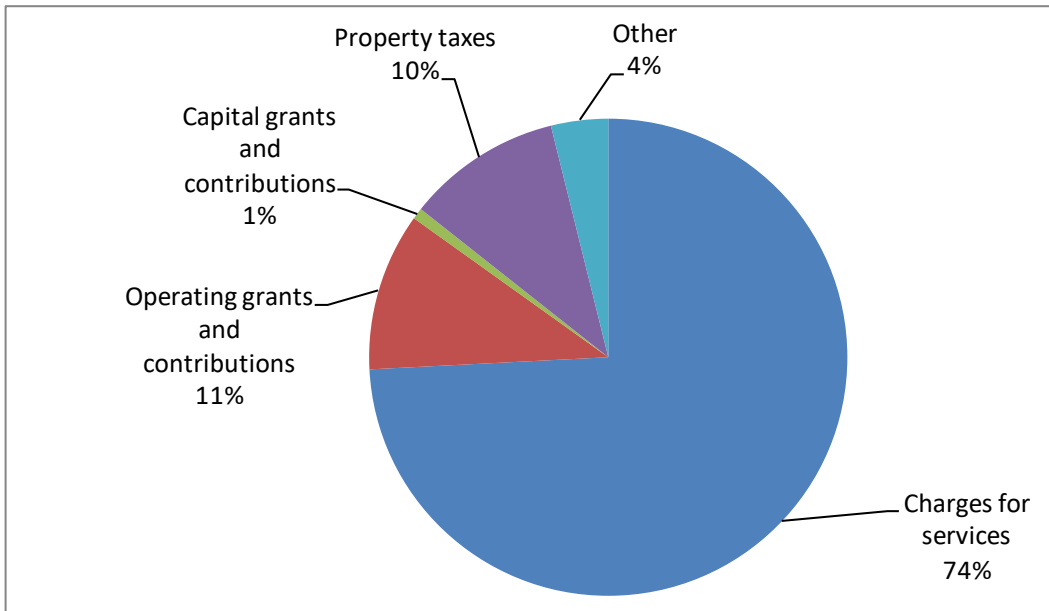
Washington County Community Development Agency
Management's Discussion and Analysis
Year Ended December 31, 2022

Revenues by Source – Governmental Activities



Business-Type Activities. The increase in net position of business-type activities accounted for \$2,883,834 or 57.2 percent of the total growth of the CDA's net position. High occupancy rates, investment in capital assets, and a reduction in debt service payments had the biggest impact on the increase in net position.

Revenues by Source – Business-Type Activities



**Washington County Community Development Agency
Management's Discussion and Analysis
Year Ended December 31, 2022**

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, 2022, the CDA's governmental funds reported combined fund balances of \$27,662,867 an increase of \$1,755,039 in comparison with the prior year. Of this fund balance \$101,963 was in nonspendable fund balances comprised of prepaid items. Another \$52,463 is restricted by grant agreements, contracts and laws and regulations. Of the remaining fund balance, \$20,538,118 is committed for specific purposes, and \$6,970,323 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, 2022, the General Fund had a fund balance of \$16,667,890 which represents approximately 60 percent of all governmental fund balances. Of this amount, \$52,798 relates to prepaid items and is nonspendable, \$6,270,357 has been committed by the CDA's Board of Commissioners, and \$10,344,735 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, 2022 totals \$2,900,790. 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 \$6,270,357 committed to fund future capital improvements at the properties.

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Management's Discussion and Analysis
Year Ended December 31, 2022**

During the fiscal year ended December 31, 2022, the General Fund's fund balance increased by \$782,166. This increase was primarily due to levy received that was used to increase the long-term capital reserve by \$260,000, 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. 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 \$561,545.

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 \$29,008 from prior year to \$67,556 of which \$18,765 is nonspendable, \$52,463 is restricted, and (\$3,672) is unassigned.

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, 2022, the fund balance for the Community Development Fund was \$13,669,686. The Community Development Fund had an increase in fund balance of \$911,222 during the fiscal year ended December 31, 2022. 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, 2022, the fund balance for the Economic Development Fund was \$622,031. The Economic Development fund had an increase in fund balance of \$24,423 during the fiscal year ended December 31, 2022.

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, 2022, the fund balance for the Home Ownership Counseling Fund was \$6,041.

The year-end Tax Increment Fund deficit was \$3,370,337 a decreased deficit of \$65,734 from prior year. Future TIF revenues received will be used to reduce the fund deficit.

**Washington County Community Development Agency
Management's Discussion and Analysis
Year Ended December 31, 2022**

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 \$476,108 and total net position increased by \$175,388.

Unrestricted net position of the Senior Housing Fund at the end of the year was \$474,995 and total net position increased by \$1,262,219. The increase was primarily due to strong operating results and the use of grants and taxes to fund capital improvements and to reduce long-term debt, rather than making fiscal period expenses. Included in the balance is \$810,000 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 \$385,140 and total net position increased by \$827,237. The increase was primarily due to strong operating results and the use of grants and taxes to fund capital improvements and to reduce long-term debt, rather than making fiscal period expenses. Included in the balance is \$1,167,000 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 \$2,837,686 and total net position increased by \$658,522. 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 \$281,000 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 \$5,672,862 and total net position decreased by \$39,532.

General Fund Budgetary Highlights

There were no significant differences between the original and final amended budget for the year ended December 31, 2022. The final amended budget for the fiscal year anticipated a net decrease in fund balance of \$469,456. The actual net change in fund balance was an increase of \$782,166 for a positive variance of \$1,251,622. The variance is primarily attributed to the following factors:

- Expenditures were under budget by \$324,995. This was primarily attributable to lower than expected operating costs, specifically, legal fees, consulting fees, and capital outlay.
- Net transfers were under budget by \$1,223,052 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.

**Washington County Community Development Agency
Management's Discussion and Analysis
Year Ended December 31, 2022**

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, 2022 amounts to \$45,224,294 (net of accumulated depreciation). This investment in capital assets includes land, buildings and structures, furniture and equipment, and construction in progress. The CDA's total investment in capital assets during the current fiscal year was \$1,096,995.

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

- Exterior paint and deck work at Trailside totaling \$136,000.
- Asphalt and restoration repairs at Briar Pond totaling \$130,000.
- Townhome remodeling at Raymie Johnson totaling \$193,000.
- Interior rehabilitation at Whispering Pines totaling \$225,000.

	Governmental Activities		Business-Type Activities		Totals	
	2022	2021	2022	2021	2022	2021
Land	\$424,186	\$424,186	\$4,559,053	\$4,559,053	\$4,983,239	\$4,983,239
Buildings and structures	1,624,156	1,648,485	38,379,308	39,312,273	40,003,464	40,960,758
Furniture and fixtures	180,934	218,604	-	-	180,934	218,604
Construction in progress	-	-	56,657	41,438	56,657	41,438
	<u>\$2,229,276</u>	<u>\$2,291,275</u>	<u>\$42,995,018</u>	<u>\$43,912,764</u>	<u>\$45,224,294</u>	<u>\$46,204,039</u>

The amount of outstanding construction commitments at December 31, 2022, was \$157,222. 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 \$39,958,485. Of this amount, \$26,475,000 is debt backed by the full faith and credit of Washington County, Minnesota. At December 31, 2022, 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.

**Washington County Community Development Agency
Management's Discussion and Analysis
Year Ended December 31, 2022**

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

	Governmental Activities		Business-Type Activities		Totals	
	2022	2021	2022	2021	2022	2021
Notes, loans and mortgages	\$2,281,440	\$2,582,654	\$10,257,045	\$10,511,778	\$12,538,485	\$13,094,432
Bonds payable	-	-	27,420,000	29,615,000	27,420,000	29,615,000
	<u>\$2,281,440</u>	<u>\$2,582,654</u>	<u>\$37,677,045</u>	<u>\$40,126,778</u>	<u>\$39,958,485</u>	<u>\$42,709,432</u>

The CDA's total debt decreased by \$2,750,947 (6.4 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 \$5,136,980 in federal funding for the fiscal year ending December 31, 2022. 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

Statement 1

December 31, 2022

With Comparative Totals for December 31, 2021

	Primary Government				Discretely Presented Component Units 2022
	Governmental Activities	Business-Type Activities	Total		
			2022	2021	
Assets:					
Cash, cash equivalents and investments	\$22,676,220	\$7,203,185	\$29,879,405	\$26,863,224	\$493,671
Accounts receivable - net	16,580	182,771	199,351	171,176	32,988
Interest receivable	181,623	16,062	197,685	181,847	-
Interest receivable due from component unit	356,066	32,344	388,410	273,280	-
Property taxes receivable	89,599	-	89,599	84,795	-
Internal balances	530,514	(530,514)	-	-	-
Due from other governmental units	283,380	88,786	372,166	361,261	-
Prepaid items	101,963	510,185	612,148	549,879	48,252
Property held for resale	161,400	-	161,400	161,400	-
Notes, mortgages, and lease receivable:					
Current	-	474,276	474,276	463,716	-
Long-term	6,565,270	918,267	7,483,537	7,909,600	-
Due from component unit:					
Current	-	214,691	214,691	210,443	-
Long-term	2,381,422	10,352,201	12,733,623	13,197,813	-
Investment in limited partnerships	-	1,857,504	1,857,504	1,857,559	-
Restricted cash and investments	18,229	12,379,353	12,397,582	11,466,750	1,123,054
Capital assets (net of accumulated depreciation):					
Land	424,186	4,559,053	4,983,239	4,983,239	2,770,501
Construction in progress	-	56,657	56,657	41,438	-
Building and structures	1,624,156	38,379,308	40,003,464	40,960,758	28,769,882
Furniture and equipment	180,934	-	180,934	218,604	190,998
Other assets	-	-	-	-	84,910
Total assets	<u>35,591,542</u>	<u>76,694,129</u>	<u>112,285,671</u>	<u>109,956,782</u>	<u>33,514,256</u>
Deferred outflows of resources:					
Unamortized loss on refunding	-	380,159	380,159	425,293	-
Total deferred outflows of resources	<u>0</u>	<u>380,159</u>	<u>380,159</u>	<u>425,293</u>	<u>0</u>
Liabilities:					
Accounts, wages and benefits payable	170,945	630,871	801,816	830,755	56,154
Accrued interest payable	29,268	473,077	502,345	534,718	571,654
Security deposits/FSS escrow	17,607	404,611	422,218	437,878	84,587
Contracts payable	1,350	17,848	19,198	3,960	-
Due to other governmental units	86,535	503,076	589,611	561,275	92,094
Unearned revenue	180,500	281,904	462,404	299,647	2,181
Compensated absences payable:					
Due within one year	18,254	-	18,254	17,104	-
Due in more than one year	164,283	-	164,283	153,934	-
Unearned gain on sale of property:					
Due within one year	-	62,116	62,116	61,251	-
Due in more than one year	-	3,521	3,521	65,638	-
Due to primary government:					
Due within one year	71,986	-	71,986	68,517	214,691
Due in more than one year	1,142,278	-	1,142,278	1,214,264	12,602,636
Notes, mortgages, and bonds payable:					
Due within one year	135,514	2,420,812	2,556,326	2,682,432	92,020
Due in more than one year	931,662	35,625,926	36,557,588	39,156,630	7,051,720
Total liabilities	<u>2,950,182</u>	<u>40,423,762</u>	<u>43,373,944</u>	<u>46,088,003</u>	<u>20,767,737</u>
Deferred inflows of resources:					
Related to leases	-	941,250	941,250	981,667	-
Total deferred inflows of resources	<u>0</u>	<u>941,250</u>	<u>941,250</u>	<u>981,667</u>	<u>0</u>
Net position:					
Net investment in capital assets	1,662,100	14,332,027	15,994,127	15,151,778	13,091,868
Restricted for:					
Bond indenture purposes	-	11,530,458	11,530,458	10,593,573	1,123,054
Grant funded housing purposes	4,059,377	-	4,059,377	4,038,651	-
Unrestricted	26,919,883	9,846,791	36,766,674	33,528,403	(1,468,403)
Total net position	<u>\$32,641,360</u>	<u>\$35,709,276</u>	<u>\$68,350,636</u>	<u>\$63,312,405</u>	<u>\$12,746,519</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, 2022

With Comparative Totals For The Year Ended December 31, 2021

<u>Functions/Programs:</u>	Program Revenues			
	Expenses	Charges For Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$1,846,367	\$633,388	\$ -	\$ -
Housing assistance	6,342,522	562,567	5,635,544	-
Community development	1,875,081	310,330	137,836	953,102
Economic development	603,086	-	112,648	-
Home ownership counseling	177,679	1,980	82,068	-
Tax increment financing	4,036	-	-	-
Interest on debt	94,803	-	-	-
Total governmental activities	<u>10,943,574</u>	<u>1,508,265</u>	<u>5,968,096</u>	<u>953,102</u>
Business-type activities:				
Housing	<u>10,041,196</u>	<u>9,703,551</u>	<u>1,399,751</u>	<u>100,552</u>
Total primary government	<u>\$20,984,770</u>	<u>\$11,211,816</u>	<u>\$7,367,847</u>	<u>\$1,053,654</u>
Discretely Presented Component Units	<u>\$2,894,006</u>	<u>\$2,333,978</u>	<u>\$0</u>	<u>\$0</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, as restated (Note 17)

Net position - December 31

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

Net (Expense) Revenue and Changes in Net Position				
Governmental Activities	Primary Government		Total	Discretely Presented Component Units 2022
	Business-Type Activities	2022		
(\$1,212,979)	\$ -	(\$1,212,979)	(\$950,603)	\$ -
(144,411)	-	(144,411)	(101,173)	-
(473,813)	-	(473,813)	(151,037)	-
(490,438)	-	(490,438)	(443,115)	-
(93,631)	-	(93,631)	(62,730)	-
(4,036)	-	(4,036)	(5,984)	-
(94,803)	-	(94,803)	(104,166)	-
<u>(2,514,111)</u>	<u>0</u>	<u>(2,514,111)</u>	<u>(1,818,808)</u>	<u>0</u>
-	1,162,658	1,162,658	1,596,451	-
<u>(2,514,111)</u>	<u>1,162,658</u>	<u>(1,351,453)</u>	<u>(222,357)</u>	<u>0</u>
				<u>(560,028)</u>
4,310,931	1,369,812	5,680,743	5,414,761	-
252,461	-	252,461	249,053	-
(48,520)	443,750	395,230	278,237	7,204
-	61,250	61,250	60,131	-
153,636	(153,636)	-	-	-
<u>4,668,508</u>	<u>1,721,176</u>	<u>6,389,684</u>	<u>6,002,182</u>	<u>7,204</u>
2,154,397	2,883,834	5,038,231	5,779,825	(552,824)
<u>30,486,963</u>	<u>32,825,442</u>	<u>63,312,405</u>	<u>57,532,580</u>	<u>13,299,343</u>
<u>\$32,641,360</u>	<u>\$35,709,276</u>	<u>\$68,350,636</u>	<u>\$63,312,405</u>	<u>\$12,746,519</u>

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

WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY

BALANCE SHEET

GOVERNMENTAL FUNDS

December 31, 2022

With Comparative Totals For December 31, 2021

	General Fund	Housing Assistance Fund	Community Development Fund
Assets			
Current assets:			
Cash, cash equivalents and investments	\$16,433,780	\$229,258	\$5,337,996
Restricted cash	622	17,607	-
Accounts receivable - net	80	-	16,500
Interest receivable	-	-	181,623
Interest receivable due from component unit	-	-	356,066
Property taxes receivable	89,599	-	-
Due from other funds	180,018	-	-
Due from other governmental units	-	91,066	110,610
Prepaid items	52,798	18,765	-
Advances to other funds	-	-	3,942,342
Property held for resale	-	-	18,421
Note receivable	-	-	6,565,270
Note receivable from component unit	-	-	2,381,422
Total assets	<u>\$16,756,897</u>	<u>\$356,696</u>	<u>\$18,910,250</u>
Liabilities, Deferred Inflows of Resources and Fund Balance			
Liabilities:			
Accounts payable	\$18,880	\$48,371	\$42,944
Security deposits/FSS escrow	-	17,607	-
Due to other funds	-	1,793	72,464
Due to other governmental units	-	46,535	40,000
Contracts payable	-	-	1,350
Accrued wages and benefits payable	24,975	9,732	14,077
Advances from other funds	-	-	-
Unearned revenue - grants	-	152,553	27,947
Total liabilities	<u>43,855</u>	<u>276,591</u>	<u>198,782</u>
Deferred inflows of resources:			
Unavailable revenue	45,152	12,549	5,041,782
Total deferred inflows of resources	<u>45,152</u>	<u>12,549</u>	<u>5,041,782</u>
Fund balance:			
Nonspendable	52,798	18,765	-
Restricted	-	52,463	-
Committed	6,270,357	-	13,670,089
Unassigned	10,344,735	(3,672)	(403)
Total fund balance	<u>16,667,890</u>	<u>67,556</u>	<u>13,669,686</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$16,756,897</u>	<u>\$356,696</u>	<u>\$18,910,250</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.

Economic Development Fund	Home Ownership Counseling Fund	Tax Increment Fund	Intra-Activity Eliminations	Total Governmental Funds	
				2022	2021
\$597,553	\$5,628	\$72,005	\$ -	\$22,676,220	\$21,054,599
-	-	-	-	18,229	33,287
-	-	-	-	16,580	12,715
-	-	-	-	181,623	166,455
-	-	-	-	356,066	261,542
-	-	-	-	89,599	84,795
-	-	-	(149,504)	30,514	42
28,263	53,441	-	-	283,380	338,400
30,400	-	-	-	101,963	112,872
-	-	-	(3,442,342)	500,000	500,000
-	-	142,979	-	161,400	161,400
-	-	-	-	6,565,270	6,517,057
-	-	-	-	2,381,422	2,381,422
<u>\$656,216</u>	<u>\$59,069</u>	<u>\$214,984</u>	<u>(\$3,591,846)</u>	<u>\$33,362,266</u>	<u>\$31,624,586</u>
\$6,508	\$ -	\$ -	\$ -	\$116,703	\$369,179
-	-	-	-	17,607	32,665
24,730	50,517	-	(149,504)	-	-
-	-	-	-	86,535	72,165
-	-	-	-	1,350	1,350
2,947	2,511	-	-	54,242	49,465
-	-	3,442,342	(3,442,342)	-	-
-	-	-	-	180,500	119,210
<u>34,185</u>	<u>53,028</u>	<u>3,442,342</u>	<u>(3,591,846)</u>	<u>456,937</u>	<u>644,034</u>
-	-	142,979	-	5,242,462	5,072,724
<u>0</u>	<u>0</u>	<u>142,979</u>	<u>0</u>	<u>5,242,462</u>	<u>5,072,724</u>
30,400	-	-	-	101,963	112,872
-	-	-	-	52,463	83,477
591,631	6,041	-	-	20,538,118	18,931,858
-	-	(3,370,337)	-	6,970,323	6,779,621
<u>622,031</u>	<u>6,041</u>	<u>(3,370,337)</u>	<u>0</u>	<u>27,662,867</u>	<u>25,907,828</u>
<u>\$656,216</u>	<u>\$59,069</u>	<u>\$214,984</u>	<u>(\$3,591,846)</u>	<u>\$33,362,266</u>	<u>\$31,624,586</u>
				\$27,662,867	\$25,907,828
				2,229,276	2,291,275
				5,242,462	5,072,724
				(2,493,245)	(2,784,864)
				<u>\$32,641,360</u>	<u>\$30,486,963</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, 2022

With Comparative Totals For The Year Ended December 31, 2021

	General Fund	Housing Assistance Fund	Community Development Fund
Revenues:			
General property taxes	\$1,937,959	\$159,000	\$1,533,025
Intergovernmental	-	5,635,543	1,090,938
Tax increments	-	-	-
Charges for services:			
Administrative fees	613,594	518,455	247,617
Investment income (loss)	(168,911)	4,953	52,399
Other	19,794	31,563	14,500
Total revenues	<u>2,402,436</u>	<u>6,349,514</u>	<u>2,938,479</u>
Expenditures:			
Current:			
General government	1,744,040	-	-
Housing assistance	-	6,342,522	-
Community development	-	-	1,875,081
Economic development	-	-	-
Home ownership counseling	-	-	-
Tax increment financing	-	-	-
Capital outlay:			
General government	28,829	-	-
Debt service:			
Principal	131,525	-	101,172
Interest and other	19,102	-	14,312
Total expenditures	<u>1,923,496</u>	<u>6,342,522</u>	<u>1,990,565</u>
Revenues over (under) expenditures	<u>478,940</u>	<u>6,992</u>	<u>947,914</u>
Other financing sources (uses):			
Transfers from other funds	808,283	-	-
Transfers to other funds	(505,057)	(36,000)	(36,692)
Total other financing sources (uses)	<u>303,226</u>	<u>(36,000)</u>	<u>(36,692)</u>
Net change in fund balance	782,166	(29,008)	911,222
Fund balance (deficit) - January 1	<u>15,885,724</u>	<u>96,564</u>	<u>12,758,464</u>
Fund balance (deficit) - December 31	<u>\$16,667,890</u>	<u>\$67,556</u>	<u>\$13,669,686</u>

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

Economic Development Fund	Home Ownership Counseling Fund	Tax Increment Fund	Intra-Activity Eliminations	Total Governmental Funds	
				2022	2021
\$574,762	\$106,900	\$ -	\$ -	\$4,311,646	\$4,098,114
112,649	82,068	-	-	6,921,198	12,620,805
-	-	252,461	-	252,461	249,053
-	1,980	-	-	1,381,646	1,270,389
3,996	233	383	(51,264)	(158,211)	(83,602)
-	-	-	-	65,857	224,554
<u>691,407</u>	<u>191,181</u>	<u>252,844</u>	<u>(51,264)</u>	<u>12,774,597</u>	<u>18,379,313</u>
-	-	-	-	1,744,040	1,582,233
-	-	-	-	6,342,522	6,272,027
-	-	-	-	1,875,081	2,193,956
603,086	-	-	-	603,086	5,628,588
-	177,679	-	-	177,679	141,412
-	-	4,036	-	4,036	5,984
-	-	-	-	28,829	185,140
-	-	68,517	-	301,214	288,236
-	-	114,557	(51,264)	96,707	105,985
<u>603,086</u>	<u>177,679</u>	<u>187,110</u>	<u>(51,264)</u>	<u>11,173,194</u>	<u>16,403,561</u>
<u>88,321</u>	<u>13,502</u>	<u>65,734</u>	<u>0</u>	<u>1,601,403</u>	<u>1,975,752</u>
-	-	-	(148,048)	660,235	1,052,700
(63,898)	(13,000)	-	148,048	(506,599)	(730,815)
<u>(63,898)</u>	<u>(13,000)</u>	<u>0</u>	<u>0</u>	<u>153,636</u>	<u>321,885</u>
24,423	502	65,734	0	1,755,039	2,297,637
<u>597,608</u>	<u>5,539</u>	<u>(3,436,071)</u>	<u>-</u>	<u>25,907,828</u>	<u>23,610,191</u>
<u>\$622,031</u>	<u>\$6,041</u>	<u>(\$3,370,337)</u>	<u>\$0</u>	<u>\$27,662,867</u>	<u>\$25,907,828</u>

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, 2022
With Comparative Amounts For The Year Ended December 31, 2021

Statement 5

	<u>2022</u>	<u>2021</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)	\$1,755,039	\$2,297,637
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	28,829	185,140
- Current year depreciation	(90,828)	(83,601)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
- Property taxes	(715)	(4,523)
- Interest accrued on long-term receivable	109,691	102,539
- Issuance of new long-term receivable	60,762	81,172
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	301,214	288,236
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>(9,595)</u>	<u>(1,942)</u>
Change in net position of governmental activities (Statement 2)	<u><u>\$2,154,397</u></u>	<u><u>\$2,864,658</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, 2022

With Comparative Totals For December 31, 2021

Statement 6

Page 1 of 2

	Public Housing Fund	Senior Housing Fund	Family Housing Fund	Briar Pond LLC	Managing Member Partnership	Total Proprietary Funds	
						2022	2021
Assets:							
Current assets:							
Cash and cash equivalents	\$702,694	\$1,110,478	\$1,123,930	\$2,746,687	\$1,519,396	\$7,203,185	\$5,808,625
Restricted cash and investments	10,499	4,971,630	4,950,970	1,589,457	856,797	12,379,353	11,433,463
Accounts receivable - tenants	7,720	44,810	104,846	45,308	-	202,684	192,200
Allowance for doubtful accounts	(2,977)	(20,926)	(40,697)	(16,590)	-	(81,190)	(33,739)
Accounts receivable - other	-	20,935	40,342	-	-	61,277	-
Due from other governmental units	38	82,400	4,086	2,262	-	88,786	22,861
Due from component unit	-	-	-	-	214,691	214,691	210,443
Interest receivable	-	-	-	-	16,062	16,062	15,392
Interest receivable - due from component unit	-	-	-	-	32,344	32,344	11,738
Prepaid items	17,420	205,921	158,764	128,080	-	510,185	437,007
Note receivable - short term	-	-	429,276	-	-	429,276	423,299
Lease receivable - short term	-	-	45,000	-	-	45,000	40,417
Total current assets	735,394	6,415,248	6,816,517	4,495,204	2,639,290	21,101,653	18,561,706
Noncurrent assets:							
Other assets:							
Note receivable - long term	-	-	22,017	-	-	22,017	451,293
Lease receivable - long term	-	-	896,250	-	-	896,250	941,250
Due from component unit - long term	-	-	-	-	10,352,201	10,352,201	10,816,391
Investment in limited partnerships	-	-	-	-	1,857,504	1,857,504	1,857,559
Total other assets	0	0	918,267	0	12,209,705	13,127,972	14,066,493
Capital assets:							
Land	315,000	1,970,768	1,825,417	447,868	-	4,559,053	4,559,053
Projects in process	-	21,392	35,265	-	-	56,657	41,438
Buildings and structures	3,051,889	31,288,780	27,386,564	13,249,648	-	74,976,881	74,435,690
Furniture and equipment	-	251,120	125,916	138,666	-	515,702	515,702
Total capital assets	3,366,889	33,532,060	29,373,162	13,836,182	0	80,108,293	79,551,883
Less: Accumulated depreciation	(468,305)	(13,954,353)	(13,964,180)	(8,726,437)	-	(37,113,275)	(35,639,119)
Net capital assets	2,898,584	19,577,707	15,408,982	5,109,745	0	42,995,018	43,912,764
Total noncurrent assets	2,898,584	19,577,707	16,327,249	5,109,745	12,209,705	56,122,990	57,979,257
Total assets	3,633,978	25,992,955	23,143,766	9,604,949	14,848,995	77,224,643	76,540,963
Deferred outflows of resources:							
Unamortized loss on refunding	-	116,706	56,079	207,374	-	380,159	425,293
Total deferred outflows of resources	0	116,706	56,079	207,374	0	380,159	425,293

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

WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2022
With Comparative Totals For December 31, 2021

Statement 6
Page 2 of 2

	Public Housing Fund	Senior Housing Fund	Family Housing Fund	Briar Pond LLC	Managing Member Partnership	Total Proprietary Funds	
						2022	2021
Liabilities:							
Current liabilities:							
Accounts payable	\$16,619	\$244,777	\$239,814	\$129,661	\$ -	\$630,871	\$412,111
Due to other funds	-	30,514	-	-	-	30,514	42
Due to other governmental units	4,909	183,460	206,230	108,477	-	503,076	489,110
Unearned revenue - rent	227,219	18,047	27,923	8,715	-	281,904	180,437
Unearned gain on sale of property	-	-	62,116	-	-	62,116	61,251
Advances from other funds	-	500,000	-	-	-	500,000	500,000
Current liabilities payable from restricted assets:							
Accrued interest payable	40	233,219	110,659	18,685	110,474	473,077	503,546
Security deposits	9,983	186,391	111,727	96,510	-	404,611	405,213
Contracts payable	-	16,611	1,237	-	-	17,848	2,610
Current portion of long-term debt	444	739,860	1,208,076	287,432	185,000	2,420,812	2,449,735
Total current liabilities payable from restricted assets	10,467	1,176,081	1,431,699	402,627	295,474	3,316,348	3,361,104
Total current liabilities	259,214	2,152,879	1,967,782	649,480	295,474	5,324,829	5,004,055
Noncurrent liabilities:							
Unearned gain on sale of property	-	-	3,521	-	-	3,521	65,638
Long-term debt	2,651	10,020,129	8,544,417	157,426	6,905,069	25,629,692	27,832,409
Notes and mortgages payable	660,291	-	197,010	8,020,140	1,118,793	9,996,234	10,257,045
Total noncurrent liabilities	662,942	10,020,129	8,744,948	8,177,566	8,023,862	35,629,447	38,155,092
Total liabilities	922,156	12,173,008	10,712,730	8,827,046	8,319,336	40,954,276	43,159,147
Deferred inflows of resources:							
Related to leases	-	-	941,250	-	-	941,250	981,667
Total deferred inflows of resources	0	0	941,250	0	0	941,250	981,667
Net position:							
Net investment in capital assets	2,235,198	8,854,355	6,479,353	(3,236,879)	-	14,332,027	13,559,205
Restricted for bond indenture purposes	516	4,607,303	4,681,372	1,384,470	856,797	11,530,458	10,593,573
Unrestricted	476,108	474,995	385,140	2,837,686	5,672,862	9,846,791	8,672,664
Total net position	\$2,711,822	\$13,936,653	\$11,545,865	\$985,277	\$6,529,659	\$35,709,276	\$32,825,442

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, 2022
With Comparative Totals For The Year Ended December 31, 2021

Statement 7

	Public Housing Fund	Senior Housing Fund	Family Housing Fund	Briar Pond LLC	Managing Member Partnership	Total Proprietary Funds	
						2022	2021
Operating revenues:							
Rental income	\$155,556	\$3,143,117	\$3,727,633	\$2,420,804	\$ -	\$9,447,110	\$9,276,661
Service income	2,556	16,947	3,831	-	-	23,334	24,821
HUD rent subsidies	267,998	949,166	-	-	-	1,217,164	1,386,081
Other	1,842	64,835	151,543	14,887	-	233,107	256,236
Total operating revenues	427,952	4,174,065	3,883,007	2,435,691	0	10,920,715	10,943,799
Operating expenses:							
Marketing	-	9,022	14,053	10,035	-	33,110	28,222
Management fee	45,732	440,139	380,227	233,352	-	1,099,450	1,165,357
Legal	451	5,174	9,341	1,655	-	16,621	32,611
Administrative	7,866	65,392	29,807	18,229	-	121,294	135,149
Operating	3,570	63,714	265,212	24,126	-	356,622	254,603
Maintenance	90,443	1,160,667	1,023,936	486,715	-	2,761,761	2,399,560
Utilities	65,650	408,683	394,792	270,341	-	1,139,466	987,579
Insurance	13,897	196,754	148,006	92,034	-	450,691	412,941
Property taxes	5,029	184,663	210,243	109,065	-	509,000	495,096
Depreciation	99,861	777,985	777,402	330,664	-	1,985,912	1,966,722
Total operating expenses	332,499	3,312,193	3,253,019	1,576,216	0	8,473,927	7,877,840
Operating income (loss)	95,453	861,872	629,988	859,475	0	2,446,788	3,065,959
Nonoperating revenues (expenses):							
Investment income	12,249	61,132	105,209	46,759	218,401	443,750	259,300
Intergovernmental	92	167,099	9,909	5,487	-	182,587	258,151
Gain (loss) on asset disposition	-	-	61,250	-	-	61,250	60,131
Financial expense	(73)	(25,214)	(18,868)	(39,631)	(2,200)	(85,986)	(171,648)
Amortization of bond premium	-	15,061	37,916	-	8,695	61,672	61,672
Amortization of deferred gain (loss) on refunding	-	(23,428)	(13,034)	(8,671)	-	(45,133)	(49,473)
Interest expense	(97)	(488,337)	(295,839)	(204,017)	(265,438)	(1,253,728)	(1,340,333)
Property tax revenue	450	625,226	476,174	26,952	241,010	1,369,812	1,321,170
Contribution to component unit	-	-	-	-	(195,000)	(195,000)	(195,000)
Other	(33,238)	(13,860)	(1,116)	(880)	-	(49,094)	(42,327)
Total nonoperating revenues (expenses)	(20,617)	317,679	361,601	(174,001)	5,468	490,130	161,643
Income (loss) before contributions and transfers	74,836	1,179,551	991,589	685,474	5,468	2,936,918	3,227,602
Capital contributions	100,552	-	-	-	-	100,552	9,450
Transfers:							
Transfers from other funds	-	391,951	114,648	-	-	506,599	730,815
Transfers to other funds	-	(309,283)	(279,000)	(26,952)	(45,000)	(660,235)	(1,052,700)
Total transfers	0	82,668	(164,352)	(26,952)	(45,000)	(153,636)	(321,885)
Change in net position	175,388	1,262,219	827,237	658,522	(39,532)	2,883,834	2,915,167
Net position - January 1, as restated (Note 17)	2,536,434	12,674,434	10,718,628	326,755	6,569,191	32,825,442	29,910,275
Net position - December 31	\$2,711,822	\$13,936,653	\$11,545,865	\$985,277	\$6,529,659	\$35,709,276	\$32,825,442

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

WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

Statement 8

For The Year Ended December 31, 2022

With Comparative Totals For The Year Ended December 31, 2021

	Public Housing Fund	Senior Housing Fund	Family Housing Fund	Briar Pond LLC	Managing Member Partnership	Total Proprietary Funds	
						2022	2021
Cash flows from operating activities:							
Receipts from customers and users	\$536,015	\$4,172,270	\$3,721,547	\$2,420,673	\$ -	\$10,850,505	\$10,725,984
Payment to suppliers for goods and services	(231,422)	(2,527,745)	(2,386,158)	(1,181,142)	(2,000)	(6,328,467)	(6,050,876)
Miscellaneous income	1,842	64,835	151,543	14,887	-	233,107	256,236
Miscellaneous (loss)	(33,238)	(13,860)	(1,116)	(880)	-	(49,094)	(42,327)
Net cash flows from operating activities	273,197	1,695,500	1,485,816	1,253,538	(2,000)	4,706,051	4,889,017
Cash flows from noncapital financing activities:							
Transfers in	-	-	1,542	-	-	1,542	-
Transfers out	(114,224)	(309,283)	(279,000)	(26,952)	(45,000)	(774,459)	(1,069,828)
Due from other funds	-	-	-	-	-	-	1,465
Due to other funds	-	30,514	(42)	-	-	30,472	(42,257)
Net cash flows from noncapital financing activities	(114,224)	(278,769)	(277,500)	(26,952)	(45,000)	(742,445)	(1,110,620)
Cash flows from capital and related financing activities:							
Property taxes	450	625,226	476,174	26,952	241,010	1,369,812	1,321,170
Transfers in	114,224	391,951	113,106	-	-	619,281	747,943
Capital contribution	100,552	-	-	-	-	100,552	9,450
Federal recovery zone credits and CDBG	92	90,912	10,428	5,775	-	107,207	341,148
Fiscal agent costs and other debt related fees	(73)	(20,268)	(18,868)	(39,631)	(2,200)	(81,040)	(164,042)
Purchase of capital assets	(214,774)	(628,259)	(79,609)	(130,286)	-	(1,052,928)	(1,180,807)
Interest paid on long-term debt	(102)	(496,861)	(312,813)	(204,823)	(266,938)	(1,281,537)	(1,380,363)
Principal payments on long-term debt	(444)	(810,029)	(1,166,780)	(281,133)	(180,000)	(2,438,386)	(2,414,767)
Net cash flows from capital and related financing activities	(75)	(847,328)	(978,362)	(623,146)	(208,128)	(2,657,039)	(2,720,268)
Cash flows from investing activities:							
Principal receipts on note receivable	-	-	423,299	-	-	423,299	415,554
Issuance of loans receivable	-	-	-	-	264,942	264,942	485,880
Investment income	12,249	(15,755)	105,209	46,759	197,180	345,642	330,982
Net cash flows from investing activities	12,249	(15,755)	528,508	46,759	462,122	1,033,883	1,232,416
Net increase (decrease) in cash and cash equivalents	171,147	553,648	758,462	650,199	206,994	2,340,450	2,290,545
Cash and cash equivalents - January 1	542,046	5,528,460	5,316,438	3,685,945	2,169,199	17,242,088	14,951,543
Cash and cash equivalents - December 31	\$713,193	\$6,082,108	\$6,074,900	\$4,336,144	\$2,376,193	\$19,582,538	\$17,242,088
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:							
Operating income (loss)	\$95,453	\$861,872	\$629,988	\$859,475	\$ -	\$2,446,788	\$3,065,959
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:							
Depreciation	99,861	777,985	777,402	330,664	-	1,985,912	1,966,722
Miscellaneous income (loss)	(33,238)	(13,860)	(1,116)	(880)	-	(49,094)	(42,327)
Changes in assets and liabilities:							
Decrease (increase) in receivables	119	63,470	25,619	3,786	-	92,994	(89,639)
Decrease (increase) prepaid items	(4,132)	(32,498)	(27,906)	(8,642)	-	(73,178)	(44,661)
Decrease (increase) due from other governments	9,455	-	-	-	-	9,455	2,525
Increase (decrease) accounts payable	6,163	37,728	104,072	72,797	(2,000)	218,760	(123,911)
Increase (decrease) security deposits payable	(287)	(35)	104	(384)	-	(602)	480
Increase (decrease) due to other governments	(815)	1,233	13,293	255	-	13,966	28,814
Increase (decrease) unearned revenue	100,618	(395)	4,777	(3,533)	-	101,467	165,055
Increase (decrease) deferred inflows of resources	-	-	(40,417)	-	-	(40,417)	(40,000)
Total adjustments	177,744	833,628	855,828	394,063	(2,000)	2,259,263	1,823,058
Net cash provided (used) by operating activities	\$273,197	\$1,695,500	\$1,485,816	\$1,253,538	\$(2,000)	\$4,706,051	\$4,889,017
Noncash investing, capital and financing activities:							
Prepayment penalty and mortgage premium	\$0	\$0	\$0	\$0	\$0	\$0	\$87,601

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

WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

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 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.

WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

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 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.

WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

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 of leased assets 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.

WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

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.

As of December 31, 2022, no outstanding encumbrances existed.

The Home Ownership Counseling Fund total expenditures exceeded budget by \$5,079. 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.

WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

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.

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

<u>Assets</u>	
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, 2022 was \$81,190.

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, 2022 are planned to be eliminated in 2023. 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. Lease receivables

The CDA's lease receivable is measured at the present value of lease payments expected to be received during the lease term.

WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

A deferred inflow of resources is recorded for the lease. The deferred inflow of resources is recorded at the commencement of the lease in an amount equal to the initial recording of the lease receivable and is recognized as revenue over the lease term.

9. 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.

10. 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 assets that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The CDA 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.

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 assets 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 lease related deferred inflows of resources reported in the government-wide statement of net position and the proprietary funds statement of net position. The CDA also 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.

11. 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.

12. 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.

13. 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.

14. 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.

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.

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, 2021, from which the summarized information was derived.

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 (\$2,493,245) difference are as follows:

	<u>2022</u>
Due to primary government	(\$1,214,264)
Accrued interest payable	(29,268)
Other long term payables	(1,067,176)
Compensated absences	<u>(182,537)</u>
Net adjustment to reduce fund balance - total governmental funds to arrive at net position - governmental activities	<u><u>(\$2,493,245)</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 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 \$169,738 difference is as follows:

	<u>2022</u>
Unavailable revenue - general property taxes:	
At beginning of year	(\$45,867)
At end of year	45,152
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	(4,865,457)
At end of year	<u>5,035,910</u>
Net adjustments to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u><u>\$169,738</u></u>

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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 (\$9,595) difference is as follows:

	<u>2022</u>
Interest expense	\$1,904
Compensated absences	<u>(11,499)</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>(\$9,595)</u>

N. DEFICIT FUND EQUITY

At December 31, 2022, the Tax Increment Fund, a major governmental fund, has a fund deficit of \$3,370,337. 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.

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.

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, 2022 carrying amount of the CDA’s deposits with financial institutions was \$1,467,859 all of which is covered by FDIC insurance or pledged collateral.

WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY
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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, 2022 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	\$11,000,379	\$11,000,379	\$ -	\$ -
External investment pools	NR	19,986,931	19,986,931	-	-
Brokered GB's	NR	397,086	397,086	-	-
Brokered CD's	NR	3,251,576	919,498	2,332,078	-
Brokered GAB's	AA+	896,001	443,700	452,301	-
Brokered MB's	AAA	2,052,204	-	2,052,204	-
Brokered MB's	AA+	1,078,683	110,780	967,903	-
Brokered MB's	AA	1,446,542	249,905	1,196,637	-
Brokered MB's	AA-	699,726	-	699,726	-
Total investments		\$40,809,128	\$33,108,279	\$7,700,849	\$0
Deposits	NR	1,467,859			
Total cash and investments		\$42,276,987			

NR - Not Rated

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

Cash and investments	\$29,879,405
Restricted cash and investments	12,397,582
Total cash and investments	<u>\$42,276,987</u>

C. FAIR VALUE

The CDA’s investments that are not recorded at amortized cost are recorded at fair value as of December 31, 2022. 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.

WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY
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The CDA has the following recurring fair value measurements as of December 31, 2022:

Investment Type	12/31/2022	Fair Value Measurement Using		
		Level 1	Level 2	Level 3
Investments at fair value:				
Brokered GB's	\$397,086	\$397,086	\$ -	\$ -
Brokered CD's	3,251,576	-	3,251,576	-
Brokered GAB's	896,001	-	896,001	-
Brokered MB's	2,052,204	-	2,052,204	-
Brokered MB's	1,078,683	-	1,078,683	-
Brokered MB's	1,446,542	-	1,446,542	-
Brokered MB's	699,726	-	699,726	-
Total/Subtotal	9,821,818	\$397,086	\$9,424,732	\$0
Investments not categorized:				
Mutual fund	11,000,379			
External investment pool - Magic fund	19,986,931			
Total	\$40,809,128			

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's investment policy limits its investments to maturities of less than five (5) years 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's investment policy does not impose limits greater than those required by state law.

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	24.9%
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WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY
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Note 3 RECEIVABLES

The Community Development Fund has receivable balances of \$8,946,692 which are not expected to be collected within one year of December 31, 2022. 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 \$10,566,892 of which, \$10,352,201 is not expected to be collected within one year of December 31, 2022. 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.

The Family Housing Fund has a receivable balance of \$451,293 of which, \$22,017 is not expected to be collected within one year of December 31, 2022. The note receivable relates to the CDA disposing of its Landfall capital assets in exchange for a note receivable that matures on January 1, 2024.

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 Built	Units	Beginning Balance	Additions	Reductions	Allocation of Gains/(Loss)	Ending Balance
The Groves Apartments, LLC	2014	67	\$500,538	\$ -	\$ -	(\$16)	\$500,522
Piccadilly Square of Mahtomedi, LLC	2015-2016	79	1,344,050	-	-	(4)	1,344,046
Glen at Valley Creek, LLC	2018	42	12,971	-	-	(35)	12,936

As General Partner, the CDA has an obligation to provide funds for any development and operating deficits that may occur for Piccadilly Square of Mahtomedi, LLC and Glen at Valley Creek, LLC, up to \$549,000, and \$356,000 respectively. This obligation will lapse after certain debt service coverage ratios and minimum operating reserve balances are met. A guaranty of housing tax credits and development fees is also provided.

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

WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY
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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 Taxes</u>	<u>Notes Receivable</u>	<u>Accrued Interest</u>	<u>Land held for resale</u>
Major Funds:				
General Fund	\$45,152	\$ -	\$ -	\$ -
Housing Assistance Fund	-	12,549	-	-
Community Development Fund	-	4,485,672	537,689	18,421
Tax Increment Fund	-	-	-	142,979
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total	<u>\$45,152</u>	<u>\$4,498,221</u>	<u>\$537,689</u>	<u>\$161,400</u>

WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY
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Note 6 CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2022 was as follows:

	Beginning Balance as restated*	Increase	Decrease	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$424,186	\$ -	\$ -	\$424,186
Capital assets, being depreciated:				
Buildings and structures	2,103,734	28,829	-	2,132,563
Furniture and equipment	366,206	-	-	366,206
Total capital assets, being depreciated	2,469,940	28,829	0	2,498,769
Less accumulated depreciation for:				
Buildings and structures	455,249	53,158	-	508,407
Furniture and equipment	147,602	37,670	-	185,272
Total accumulated depreciation	602,851	90,828	0	693,679
Total capital assets being depreciated - net	1,867,089	(61,999)	-	1,805,090
Governmental activities capital assets - net	\$2,291,275	(\$61,999)	\$0	\$2,229,276
	Beginning Balance as restated*	Increase	Decrease	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$4,559,053	\$ -	\$ -	\$4,559,053
Construction in progress	41,438	1,068,166	(1,052,947)	56,657
Total capital assets, not being depreciated	4,600,491	1,068,166	(1,052,947)	4,615,710
Capital assets, being depreciated:				
Buildings and structures	74,435,691	1,052,947	(511,757)	74,976,881
Furniture and equipment	515,702	-	-	515,702
Total capital assets, being depreciated	74,951,393	1,052,947	(511,757)	75,492,583
Less accumulated depreciation for:				
Buildings and structures	35,123,418	1,985,912	(511,757)	36,597,573
Furniture and equipment	515,702	-	-	515,702
Total accumulated depreciation	35,639,120	1,985,912	(511,757)	37,113,275
Total capital assets being depreciated - net	39,312,273	(932,965)	-	38,379,308
Business-type activities capital assets - net	\$43,912,764	\$135,201	(\$1,052,947)	\$42,995,018

* Beginning balances have been restated as a result of implementation of GASB Statement No. 87 - See Note 17.

WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY
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Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:		
General government		\$90,828
Total depreciation expense - governmental activities		<u>\$90,828</u>
Business-type activities:		
Housing		\$1,985,912
Total depreciation expense - business-type activities		<u>\$1,985,912</u>

Note 7 INTERFUND RECEIVABLES, PAYABLES, LOANS AND TRANSFERS

The composition of interfund balances as of December 31, 2022, is as follows:

Due to/from other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Community Development	\$72,464
General	Housing Assistance Fund	1,793
General	Home Ownership Counseling	50,517
General	Senior Housing Fund	30,514
General	Economic Development Fund	<u>24,730</u>
Total		<u>\$180,018</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, 2022.

Advances to/from other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Community Development	Tax Increment	\$3,442,342
Community Development	Senior Housing	<u>500,000</u>
Total		<u>\$3,942,342</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, 2022.

WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY
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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, 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, 2022, the CDA made the following one-time transfers:

	Transfers out									Total
	General Fund	Housing Assistance	Community Development	Economic Development	Home Ownership	Senior Housing	Family Housing	Briar Pond	Managing Partnership	
Transfers in:										
General Fund	\$ -	\$36,000	\$35,150	\$63,898	\$13,000	\$309,283	\$279,000	\$26,952	\$45,000	\$808,283
Senior Housing	391,951	-	-	-	-	-	-	-	-	391,951
Family Housing	113,106	-	1,542	-	-	-	-	-	-	114,648
Total	\$505,057	\$36,000	\$36,692	\$63,898	\$13,000	\$309,283	\$279,000	\$26,952	\$45,000	\$1,314,882

- A transfer of \$505,057 from the General Fund to various proprietary funds to fund current and future capital expenditures.
- A transfer of \$36,000 of Housing Assistance levy funds to the General Fund.
- A transfer of \$35,150 of Community Development funds to the General Fund for payroll and \$1,542 to Family Housing for trustee fees on the 2013 Bonds.
- A transfer of \$63,898 of Economic Development funds to the General Fund for payroll.
- A transfer of \$13,000 of Home Ownership levy funds to the General Fund.
- A transfer of undesignated cash balances of \$309,283 from the Senior Housing Fund, \$279,000 from the Family Housing Fund, \$26,952 from Briar Pond, and \$45,000 from the Managing Partner Fund to the General Fund for future use.

Note 8 LEASES

A. 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 one-sixth of the amount of interest due on the Series 2013 Bonds on the next succeeding interest payment date, plus one-twelfth of the amount of principal due on the Series 2013 Bonds on the next principal payment date.

	<u>Non-cancelable</u>	<u>Monthly</u>
<u>Lessee</u>	<u>Term</u>	<u>Payments</u>
Washington Conservation District	24 Months	\$3,333-\$7,500

The above lease does not have a renewal option. It is measured at the present value of the future minimum lease payments expected to be received during the lease term at a discount rate of 3.45% which is based on the rate available to finance acquisitions over the same time period.

WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY
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At December 31, 2022, the CDA reported a \$941,250 lease receivable and deferred inflow of resources for this arrangement.

Total revenues recognized in relation to the lease receivable for the year ended December 31, 2022 were:

Amortization of lease-related deferred inflows:	
Building leases	\$40,417
Interest revenue	33,374
Other lease related revenues	-
Total revenue recognized in relation to leased assets	<u>\$73,791</u>

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, 2022:

	Balance 12/31/21	Additions	Reductions	Balance 12/31/2022	Due Within One Year
Governmental activities:					
Compensated absences *	\$171,038	\$11,499	\$ -	\$182,537	\$18,254
Direct borrowings:					
Notes payable	2,582,654	-	(301,214)	2,281,440	207,500
Total	<u>\$2,753,692</u>	<u>\$11,499</u>	<u>(\$301,214)</u>	<u>\$2,463,977</u>	<u>\$225,754</u>
Business-type activities:					
Direct borrowings:					
Notes payable	\$1,976,094	\$ -	\$ -	\$1,976,094	\$ -
Mortgage payable	8,535,684	-	(254,733)	8,280,951	260,812
Bonds payable	29,615,000	-	(2,195,000)	27,420,000	2,160,000
Bond issuance premium/discount	412,411	-	(42,718)	369,693	-
Total	<u>\$40,539,189</u>	<u>\$0</u>	<u>(\$2,492,451)</u>	<u>\$38,046,738</u>	<u>\$2,420,812</u>

*The change in compensated absences is presented as a net change.

The notes, mortgages and bonds issued contain various covenants and escrow requirements. As of December 31, 2022, the CDA was in compliance with all such covenants and reserve requirements.

WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY
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B. NOTES AND MORTGAGE PAYABLE

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

	Interest Rate	Maturity	Amount
Governmental Activities:			
\$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	1,214,262
\$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	567,178
Total notes payable			<u>\$2,281,440</u>
Business-type Activities:			
\$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			<u>1,976,094</u>
\$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.	2.36% - 3.78%	11/1/2046	8,280,951
Total notes and mortgage payable			<u>\$10,257,045</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
2023	\$207,500	\$74,938	\$260,811	\$192,621
2024	215,221	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	87,708	44,102	286,605	166,828
2028-2032	509,813	44,102	2,038,907	166,828
2033-2037	306,183	149,239	2,002,445	728,255
2038-2042	-	23,341	2,534,374	535,717
2043-2047	500,000	-	1,694,747	319,089
2048-2052	-	-	618,793	81,197
Total	<u>\$2,281,440</u>	<u>\$512,802</u>	<u>\$10,257,045</u>	<u>\$2,730,469</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 12/31/2022
Landfall	G.O. Housing Revenue Refunding Bonds, Series 2010C	2/1/2025	2.00 - 3.30	\$4,545,000	\$1,005,000
Traillside	Government Taxable Housing Revenue Bonds, Series 2010B	1/1/2040	2.10 - 6.10	7,770,000	6,300,000
2012A Pooled ⁽¹⁾	G.O. Housing Revenue Refunding Bonds, Series 2012A	2/1/2031	2.00 - 3.13	12,355,000	4,545,000
2012B Pooled - QECP ⁽²⁾	G.O. Taxable Qualified Energy Conservation Revenue Bonds Series 2012B	2/1/2029	0.60 - 3.40	2,375,000	975,000
2012C Pooled ⁽³⁾	G.O. Housing Revenue Refunding Bonds, Series 2012C	2/1/2031	2.00 - 4.00	12,105,000	6,765,000
2013 Washington Conservation District	Governmental Facility Lease Revenue Bonds, Series 2013	12/1/2037	1.25 - 4.00	1,260,000	945,000
Piccadilly Square	G.O. Multi-Family Housing Revenue Bonds, Series 2015A	2/1/2046	2.00 - 4.00	10,955,000	6,885,000
Total bonds				<u>\$51,365,000</u>	27,420,000
				Less: unamortized discount	(160,958)
				Plus: unamortized premium	<u>530,651</u>
				Total bonds, net	<u>\$27,789,693</u>

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

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

⁽³⁾ Woodland Park, Brick Pond.

WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY
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The annual debt service requirements to maturity for business-type activities revenue bonds are as follows:

Year	Principal	Interest	Total
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	1,885,000	745,126	2,630,126
2028-2032	8,315,000	2,719,007	11,034,007
2033-2037	3,695,000	1,574,685	5,269,685
2038-2042	3,125,000	634,858	3,759,858
2043-2047	1,630,000	133,400	1,763,400
Total	<u>\$27,420,000</u>	<u>\$9,455,733</u>	<u>\$36,875,733</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 2022 totaled \$191,207.

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 \$0. For the current year, principal and interest paid totaled \$101,172 and \$14,312 and property tax revenues and tax increment revenues were \$55,570 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 \$9,871,884. 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 \$628,123, \$671,561, \$153,730, \$400,800 and \$2,016,864, 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 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. Principal and interest remaining to be paid on the bond is \$1,052,378. For the current year, principal and interest

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paid, total lease payments received, and account balances held in trust were \$377,215, \$432,000, and \$1,082,319, 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 \$5,102,523. For the current year, principal and interest paid, total gross operating revenues, property tax revenues and account balances held in trust were \$665,613, \$3,659,821, \$209,856 and \$3,153,379, 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 \$1,085,020. For the current year, principal and interest paid, tax rebate revenues, property tax revenues and account balances held in trust were \$172,205, \$28,857, \$141,747 and \$160,176, 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 \$7,702,725. For the current year, principal and interest paid, total gross operating revenues, property tax revenues and account balances held in trust were \$916,950, \$2,517,019, \$359,525 and \$3,458,891, 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 \$1,255,475. For the current year, principal and interest paid, total lease payments received, and account balances held in trust were \$73,458, \$73,791 and \$8,527 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 which are to be used for principal and interest payments on the 2015A bonds. Property tax revenues may

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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 \$10,624,744. For the current year, principal and interest paid, total lease payments received, property tax revenues and account balances held in reserve were \$446,938, \$344,223, \$46,010 and \$528,873 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 \$7,555,167. 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 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, 2022, employee contributions totaled \$292,898 and the CDA recognized pension expense of \$251,479. 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, 2022, approximately \$206,200 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 arbitrage rebate liability on any of its 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.

WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY
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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, 2022 were composed of the following:

Property	Contract Authorized	Expended as of 12/31/2022	Remaining Contract Commitment
Woodland Park - Common Area Interior Redesign	\$36,988	\$31,988	\$5,000
John Jergens Estates - Garage Repairs	31,461	21,392	10,069
Brick Pond Apartments - Townhome Decks	12,171	3,277	8,894
Briar Pond - Dryer Vent Cleaning	11,760	-	11,760
Park Place I - Tuckpointing	14,750	-	14,750
Trailside Senior Living - Fire Panel & Controlled Access	31,699	-	31,699
Pioneer Apartments - Tuckpointing	75,050	-	75,050

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, 2022, 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	\$52,798	\$18,765	\$ -	\$30,400	\$ -	\$ -	\$101,963
Total nonspendable	52,798	18,765	0	30,400	0	0	101,963
Restricted for:							
Grant program	-	52,463	-	-	-	-	52,463
Total restricted	0	52,463	0	0	0	0	52,463
Committed to:							
Development activities	-	-	13,670,089	591,631	-	-	14,261,720
Home ownership	-	-	-	-	6,041	-	6,041
Long term capital reserve	6,270,357	-	-	-	-	-	6,270,357
Total committed	6,270,357	0	13,670,089	591,631	6,041	0	20,538,118
Unassigned	10,344,735	(3,672)	(403)	-	-	(3,370,337)	6,970,323
Total	\$16,667,890	\$67,556	\$13,669,686	\$622,031	\$6,041	(\$3,370,337)	\$27,662,867

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, 2022, the unassigned fund balance of the General Fund was \$10,344,735 compared to its targeted unassigned fund balance of \$2,900,790 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, 2022, there were four series of Revenue Bonds outstanding, the aggregate principal amount payable is \$18,395,906.

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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:

	<u>2022</u>	<u>Depreciation lives - years</u>
Land	\$954,967	-
Land improvements	322,235	15
Buildings	2,896,312	40
Building improvements	5,708,118	40
Furnishings and equipment	<u>189,789</u>	5
	<u><u>\$10,071,421</u></u>	

2. Debt

Debt consists of the following:

	<u>2022</u>
U.S. Bank loan	\$1,211,844
Family Housing Fund loan	175,000
WCCDA seller loan	751,409
WCCDA GROW Program loan	<u>75,000</u>
	2,213,253
Less unamortized financing fees	<u>(25,754)</u>
	<u><u>\$2,187,499</u></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 2022 were \$34,728 and \$15,637 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:

2023	\$27,020
2024	28,413
2025	30,274
2026	32,051
2027	33,933
Thereafter	1,310,153
Seller loan - payable from cash flow	<u>751,409</u>
	<u>\$2,213,253</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 2022 and 2021. Accrued asset management fees were \$5,500 as of December 31, 2022 and 2021, 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 2022 or 2021.

WCCDA has made loans to the Company (see Note 16.A.2.). Interest expense on the seller loan was \$24,260 and \$24,617 in 2022 and 2021, respectively. Accrued interest on the seller loans was \$9,567 and \$944 at December 31, 2022 and 2021, 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 \$69,965 and \$71,191 in 2022 and 2021, respectively. Accrued interest was \$6,265 and \$6,397 as of December 31, 2022 and 2021, respectively.

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WCCDA was the allocating agency for the housing tax credits. 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:

	<u>2022</u>	<u>Depreciation lives - years</u>
Land	\$1,277,387	
Land improvements	495,024	15
Buildings	13,749,070	40
Furnishings and equipment	<u>304,413</u>	5
	<u>\$15,825,894</u>	

2. Debt

Debt consists of the following:

Long-term debt:	
Series 2015A bond loan - permanent	\$6,574,647
WCCDA GROW loan	835,700
WCCDA AHP loan	500,000
WCCDA CDBG loan	352,709
WCCDA HOME loan	<u>198,013</u>
	8,461,069
Less unamortized finance fees	<u>(130,987)</u>
	<u>\$8,330,082</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 24th 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
December 31, 2022

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:

2023	\$214,691
2024	219,024
2025	223,445
2026	227,955
2027	232,556
Thereafter	<u>7,343,398</u>
	<u>\$8,461,069</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, 2022 and 2021, the entire developer fee has been earned and \$595,200 and \$697,876 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.

WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

Developer fee interest expense was \$32,123 in 2022 and \$37,196 in 2021. Accrued developer fee interest was \$16,062 and \$15,392 at December 31, 2022 and 2021.

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 \$5,796 and \$5,628 were paid and charged to expense in 2022 and 2021.

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.

C. GLEN AT VALLEY CREEK, LLC

1. Property and Equipment

Property and equipment consisted of the following:

	<u>2022</u>	<u>Depreciation lives - years</u>
Land	\$538,147	-
Land improvements	513,865	15
Buildings	10,226,097	40
Furnishings and equipment	<u>520,503</u>	5
	<u>\$11,798,612</u>	

WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2022

2. Bond and Construction Loans

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

<u>Stated Maturity</u>	<u>Aggregate Principal Amount</u>	<u>Interest Rate</u>
August 1, 2023	\$220,000	3.500%
Augsut 1, 2028	370,000	4.000%
August 1, 2033	450,000	4.375%
August 1, 2036	<u>3,960,000</u>	4.500%
	<u><u>\$5,000,000</u></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. Monthly payments to the bond fund held by the bond Trustee are required in the amount 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 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.

WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

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 2020, 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.

The Series 2018A bond funds are held by the bond Trustee. At December 31, 2022 the bond funds are invested as follows:

	Certificates of deposits	Money Market	Total
Bond fund revenue	\$ -	\$2	\$2
Bond fund debt service	-	151,473	151,473
Bond reserve fund, maturing August 9, 2023, 3.14%	141,000	2,446	143,446
Real estate tax and insurance escrow	-	36,136	36,136
Replacement reserve	-	42,746	42,746
	<u>\$141,000</u>	<u>\$232,803</u>	<u>\$373,803</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.

WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

Maturities of the Series 2018A Bonds are as follows:

2023	\$65,000
2024	70,000
2025	70,000
2026	75,000
2027	75,000
Thereafter	<u>4,490,000</u>
	<u><u>\$4,845,000</u></u>

3. Bond and Construction Loans

Long-term debt consists of the following:

	<u>2022</u>	<u>2021</u>
WCCDA GROW loan	\$920,000	\$920,000
MN Housing loan	500,000	500,000
WCCDA sponsor loan	137,106	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	<u>167,721</u>	<u>167,721</u>
	<u><u>\$3,507,003</u></u>	<u><u>\$3,507,003</u></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, 2021, 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 \$155,980 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 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.

WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

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.

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, 2022, the sixth installment capital contribution in the amount of \$127,780 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, 2022 and 2021, the entire fee has been earned and \$726,354 and \$838,450 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.

WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

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 \$5,464 and \$5,305 were charged to expense in 2022 and 2021.

WCCDA has made loans to the Company. Interest expense on two of these loans was \$106,587 and \$95,761 in 2022 and 2021. Accrued interest was \$376,369 and \$269,782 as of December 31, 2022 and 2021.

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.

WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2022

Note 17 ADOPTION OF NEW ACCOUNTING STANDARD

The CDA implemented GASB Statement No. 87 for the year ended December 31, 2022. As a result, a lease receivable and deferred inflows of resources related to leases are recorded within the proprietary funds statement of net position and the government-wide statement of net position. Comparative amounts for the year ended December 31, 2021 have been restated as a result of implementation. The impact on beginning net position is as follows:

	Family Housing Fund	Business-type Activities
Net position - December 31, 2021 as previously reported	\$10,738,726	\$32,845,540
Cumulative effect of change in accounting principle GASB 87	(20,098)	(20,098)
Net position - January 1, 2022 as restated, after change in accounting principle	<u>\$10,718,628</u>	<u>\$32,825,442</u>

Note 18 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. 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.

Statement No. 99 *Omnibus 2022*. The provisions of this Statement contain multiple effective dates, the first being for reporting periods beginning after June 15, 2022.

Statement No. 100 *Accounting Changes and Error Corrections* – an amendment of GASB Statement No. 62. The provisions of this Statement are effective for reporting periods beginning after June 15, 2023.

The effect these standards may have on future financial statements is not determinable at this time.

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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, 2022

Statement 9

	Budgeted Amounts		2022 Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
General property taxes	\$1,936,861	\$1,936,861	\$1,937,959	\$1,098
Administrative fees:				
Other	672,900	672,900	613,594	(59,306)
Investment income	82,100	82,100	(168,911)	(251,011)
Other	7,000	7,000	19,794	12,794
Total revenues	<u>2,698,861</u>	<u>2,698,861</u>	<u>2,402,436</u>	<u>(296,425)</u>
Expenditures:				
Current:				
Administrative salaries and benefits	1,173,300	1,263,300	1,258,824	4,476
Administrative travel and per diems	21,600	21,600	17,344	4,256
Administrative legal	41,300	41,300	13,738	27,562
Administrative sundry	107,700	107,700	118,449	(10,749)
Accounting and auditing	68,000	68,000	55,400	12,600
General insurance	44,200	44,200	39,865	4,335
Professional services	302,500	302,500	154,684	147,816
Other utilities and maintenance	68,800	68,800	57,232	11,568
Equipment leases	29,500	29,500	19,743	9,757
Financing fee	6,814	6,814	8,461	(1,647)
Other	1,200	1,200	300	900
Capital outlay:				
General government	142,950	142,950	28,829	114,121
Debt service:				
Principal	131,342	131,342	131,525	(183)
Interest	19,285	19,285	19,102	183
Total expenditures	<u>2,158,491</u>	<u>2,248,491</u>	<u>1,923,496</u>	<u>324,995</u>
Revenues over (under) expenditures	<u>540,370</u>	<u>450,370</u>	<u>478,940</u>	<u>28,570</u>
Other financing sources (uses):				
Transfers from other funds	974,910	974,910	808,283	(166,627)
Transfers to other funds	<u>(1,894,736)</u>	<u>(1,894,736)</u>	<u>(505,057)</u>	<u>1,389,679</u>
Total other financing sources (uses)	<u>(919,826)</u>	<u>(919,826)</u>	<u>303,226</u>	<u>1,223,052</u>
Net change in fund balance	<u>(\$379,456)</u>	<u>(\$469,456)</u>	782,166	<u>\$1,251,622</u>
Fund balance - January 1			<u>15,885,724</u>	
Fund balance - December 31			<u>\$16,667,890</u>	

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, 2022

Statement 10

	Budgeted Amounts		2022 Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
General property taxes	\$159,000	\$159,000	\$159,000	\$ -
Intergovernmental	5,922,100	5,922,100	5,635,543	(286,557)
Charges for services:				
Administrative fees	507,600	507,600	518,455	10,855
Investment income	300	300	4,953	4,653
Other	1,700	1,700	31,563	29,863
Total revenues	<u>6,590,700</u>	<u>6,590,700</u>	<u>6,349,514</u>	<u>(241,186)</u>
Expenditures:				
Administrative salaries and benefits	708,100	708,100	584,248	123,852
Administrative legal	5,700	5,700	672	5,028
Administrative sundry	47,300	47,300	82,573	(35,273)
Professional services	73,300	73,300	60,493	12,807
Housing assistance payments	5,748,400	5,748,400	5,607,048	141,352
Other	7,900	7,900	7,488	412
Total expenditures	<u>6,590,700</u>	<u>6,590,700</u>	<u>6,342,522</u>	<u>248,178</u>
Revenues over (under) expenditures	<u>0</u>	<u>0</u>	<u>6,992</u>	<u>6,992</u>
Other financing sources (uses):				
Transfers to other funds	-	-	(36,000)	(36,000)
Total other financing sources (uses)	<u>0</u>	<u>0</u>	<u>(36,000)</u>	<u>(36,000)</u>
Net change in fund balance	<u>\$0</u>	<u>\$0</u>	<u>(29,008)</u>	<u>(\$29,008)</u>
Fund balance - January 1			<u>96,564</u>	
Fund balance - December 31			<u>\$67,556</u>	

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, 2022

Statement 11

	Budgeted Amounts		2022 Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
General property taxes	\$1,533,025	\$1,533,025	\$1,533,025	\$ -
Intergovernmental	1,076,000	1,076,000	1,090,938	14,938
Charges for services:				
Administrative fees	133,500	133,500	247,617	114,117
Investment income	59,965	59,965	52,399	(7,566)
Other	111,400	111,400	14,500	(96,900)
Total revenues	<u>2,913,890</u>	<u>2,913,890</u>	<u>2,938,479</u>	<u>24,589</u>
Expenditures:				
Community Development:				
Administrative salaries and benefits	723,900	698,900	682,930	15,970
Administrative travel and per diems	7,300	7,300	2,737	4,563
Administrative legal	88,800	88,800	75,505	13,295
Administrative sundry	38,100	38,100	40,724	(2,624)
Professional services	87,300	87,300	68,877	18,423
Project costs	1,450,000	1,450,000	1,002,808	447,192
Other	423,555	423,555	1,500	422,055
Debt Service:				
Principal	101,172	101,172	101,172	-
Interest	14,312	14,312	14,312	-
Total expenditures	<u>2,934,439</u>	<u>2,909,439</u>	<u>1,990,565</u>	<u>918,874</u>
Revenues over (under) expenditures	<u>(20,549)</u>	<u>4,451</u>	<u>947,914</u>	<u>943,463</u>
Other financing sources (uses):				
Transfers from other funds	103,025	103,025	-	(103,025)
Transfers to other funds	(142,190)	(142,190)	(36,692)	105,498
Total other financing sources (uses)	<u>(39,165)</u>	<u>(39,165)</u>	<u>(36,692)</u>	<u>2,473</u>
Net change in fund balance	<u>(\$59,714)</u>	<u>(\$34,714)</u>	911,222	<u>\$945,936</u>
Fund balance - January 1			<u>12,758,464</u>	
Fund balance - December 31			<u>\$13,669,686</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, 2022

Statement 12

	Budgeted Amounts		2022 Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
	Revenues:			
General property taxes	\$574,762	\$574,762	\$574,762	\$ -
Intergovernmental	-	113,000	112,649	(351)
Investment income	200	200	3,996	3,796
Total revenues	<u>574,962</u>	<u>687,962</u>	<u>691,407</u>	<u>3,445</u>
Expenditures:				
Economic Development:				
Administrative salaries and benefits	212,200	172,200	148,302	23,898
Administrative legal	7,100	11,100	3,595	7,505
Administrative sundry	10,500	64,500	65,826	(1,326)
Professional services	255,600	255,600	259,404	(3,804)
Other	152,400	207,400	125,959	81,441
Total expenditures	<u>637,800</u>	<u>710,800</u>	<u>603,086</u>	<u>107,714</u>
Revenues over (under) expenditures	<u>(62,838)</u>	<u>(22,838)</u>	<u>88,321</u>	<u>111,159</u>
Other financing sources:				
Transfers to other funds	-	-	(63,898)	(63,898)
Total other financing sources	<u>0</u>	<u>0</u>	<u>(63,898)</u>	<u>(63,898)</u>
Net change in fund balance	<u>(\$62,838)</u>	<u>(\$22,838)</u>	24,423	<u>\$47,261</u>
Fund balance - January 1			<u>597,608</u>	
Fund balance - December 31			<u>\$622,031</u>	

See accompanying notes to the required supplementary information.

WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - HOME OWNERSHIP COUNSELING FUND
For The Year Ended December 31, 2022

Statement 13

	Budgeted Amounts		2022 Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
General property taxes	\$106,900	\$106,900	\$106,900	\$ -
Intergovernmental	89,600	89,600	82,068	(7,532)
Charges for services:				
Administrative fees	1,100	1,100	1,980	880
Investment income	-	-	233	233
Total revenues	<u>197,600</u>	<u>197,600</u>	<u>191,181</u>	<u>(6,419)</u>
Expenditures:				
Home ownership counseling:				
Administrative salaries and benefits	188,300	163,300	164,323	(1,023)
Administrative sundry	9,200	9,200	13,356	(4,156)
Professional services	100	100	-	100
Total expenditures	<u>197,600</u>	<u>172,600</u>	<u>177,679</u>	<u>(5,079)</u>
Revenues over (under) expenditures	<u>0</u>	<u>25,000</u>	<u>13,502</u>	<u>(11,498)</u>
Other financing sources:				
Transfers to other funds	-	-	(13,000)	(13,000)
Total other financing sources	<u>0</u>	<u>0</u>	<u>(13,000)</u>	<u>(13,000)</u>
Net change in fund balance	<u>\$0</u>	<u>\$25,000</u>	502	<u>(\$24,498)</u>
Fund balance - January 1			<u>5,539</u>	
Fund balance - December 31			<u>\$6,041</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, 2022

Statement 14

	Budgeted Amounts		2022 Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
	Revenues:			
Tax increments	\$258,400	\$258,400	\$252,461	(\$5,939)
Investment income	-	-	383	383
Total revenues	<u>258,400</u>	<u>258,400</u>	<u>252,844</u>	<u>(5,556)</u>
Expenditures:				
Administrative legal	600	600	-	600
Administrative sundry	3,900	3,900	2,036	1,864
Professional services	11,400	11,400	2,000	9,400
Debt service:				
Principal	68,517	68,517	68,517	-
Interest	114,958	114,958	114,557	401
Total expenditures	<u>199,375</u>	<u>199,375</u>	<u>187,110</u>	<u>12,265</u>
Revenues over (under) expenditures	<u>59,025</u>	<u>59,025</u>	<u>65,734</u>	<u>6,709</u>
Other financing sources (uses):				
Transfers to other funds	<u>(59,025)</u>	<u>(59,025)</u>	-	59,025
Total other financing sources (uses)	<u>(59,025)</u>	<u>(59,025)</u>	<u>0</u>	<u>59,025</u>
Net change in fund balance	<u>\$0</u>	<u>\$0</u>	65,734	<u>\$65,734</u>
Fund balance - January 1			<u>(3,436,071)</u>	
Fund balance - December 31			<u><u>(\$3,370,337)</u></u>	

See accompanying notes to the required supplementary information.

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WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULES
NOTE TO RSI
December 31, 2022

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.

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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.

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.

216 – Veterans Affairs Supportive Housing – to account for the activity of the Veterans Affairs Supportive Housing program. This program provides rental assistance to veterans who are homeless. The program is funded by HUD’s Housing Choice Voucher Program.

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

219 – Family Unification Program – to account for the activity of the Family Unification Program. This program provides rental assistance to families with children. The program is funded by HUD’s Housing Choice Voucher Program.

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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, 2022

	208 - Housing Assistance Support	210 - Section 8 Portability	211 - Mainstream Vouchers	212 - Section 8 Housing Choice Vouchers	213 - Bridges I	214 - Tenant Protection
Assets						
Cash, cash equivalents and investments	\$8,474	\$ -	\$36,496	\$55,389	\$ -	\$7,603
Restricted cash	-	-	-	15,903	-	1,704
Due from other governmental units	-	75,803	1,829	1,311	657	1,800
Prepaid items	-	11,862	682	3,231	581	943
Total assets	\$8,474	\$87,665	\$39,007	\$75,834	\$1,238	\$12,050
Liabilities, Deferred Inflows of Resources and Fund Balance						
Liabilities:						
Accounts payable	\$2,379	\$14,341	\$842	\$10,765	\$60	\$8,151
Security deposits payable	-	-	-	15,903	-	1,704
Due to other funds	-	-	-	-	800	-
Due to other governmental units	-	46,535	-	-	-	-
Accrued wages and benefits payable	818	3,984	661	1,596	378	395
Unearned revenue - grants	-	13	37,504	-	-	-
Total liabilities	3,197	64,873	39,007	28,264	1,238	10,250
Deferred inflows of resources:						
Unavailable revenue	-	6,772	-	1,311	-	1,800
Total deferred inflows of resources	0	6,772	0	1,311	0	1,800
Fund balance:						
Nonspendable	-	11,862	682	3,231	581	943
Restricted	5,277	4,158	-	43,028	-	-
Unassigned	-	-	(682)	-	(581)	(943)
Total fund balance	5,277	16,020	0	46,259	0	0
Total liabilities, deferred inflows of resources and fund balance	\$8,474	\$87,665	\$39,007	\$75,834	\$1,238	\$12,050

215 - Bridges II	216 - Veterans Affairs Supportive Housing	218 - Shelter Plus Care	219 - Family Unification Program	263 - FSS - Public Housing	268 - Raymie Service Coordinator	Total Housing Assistance Fund
\$116,207	\$606	\$ -	\$3,602	\$881	\$ -	\$229,258
-	-	-	-	-	-	17,607
-	-	2,901	-	-	6,765	91,066
281	201	502	482	-	-	18,765
<u>\$116,488</u>	<u>\$807</u>	<u>\$3,403</u>	<u>\$4,084</u>	<u>\$881</u>	<u>\$6,765</u>	<u>\$356,696</u>
\$1,573	\$321	\$51	\$3,937	\$ -	\$5,951	\$48,371
-	-	-	-	-	-	17,607
-	-	239	-	-	754	1,793
-	-	-	-	-	-	46,535
23	486	303	147	881	60	9,732
114,892	-	144	-	-	-	152,553
<u>116,488</u>	<u>807</u>	<u>737</u>	<u>4,084</u>	<u>881</u>	<u>6,765</u>	<u>276,591</u>
-	-	2,666	-	-	-	12,549
<u>0</u>	<u>0</u>	<u>2,666</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>12,549</u>
281	201	502	482	-	-	18,765
-	-	-	-	-	-	52,463
(281)	(201)	(502)	(482)	-	-	(3,672)
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>67,556</u>
<u>\$116,488</u>	<u>\$807</u>	<u>\$3,403</u>	<u>\$4,084</u>	<u>\$881</u>	<u>\$6,765</u>	<u>\$356,696</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, 2022

	208 - Housing Assistance Support	210 - Section 8 Portability	211 - Mainstream Vouchers	212 - Section 8 Housing Choice Vouchers	213 - Bridges I	214 - Tenant Protection
Revenues:						
General property taxes	\$159,000	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	3,064,528	273,723	744,350	233,939	457,673
Charges for services:						
Administrative fees	-	245,053	34,947	162,775	19,560	18,598
Investment income (loss)	498	1,434	718	500	-	-
Other	-	3,134	-	2,555	-	25,275
Total revenues	159,498	3,314,149	309,388	910,180	253,499	501,546
Expenditures:						
Current:						
Administrative salaries and benefits	28,457	259,374	30,390	116,663	27,870	16,449
Administrative legal	-	672	-	-	-	-
Administrative sundry	2,378	48,743	2,855	13,870	2,533	4,478
Professional services	-	5,026	327	3,628	-	-
Housing assistance payments	-	3,064,528	275,816	813,346	233,939	482,589
Other	-	3,930	-	3,407	-	-
Total expenditures	30,835	3,382,273	309,388	950,914	264,342	503,516
Revenues over (under) expenditures	128,663	(68,124)	-	(40,734)	(10,843)	(1,970)
Other financing sources (uses):						
Transfers from other funds	-	63,545	-	-	10,843	1,970
Transfers to other funds	(112,358)	-	-	-	-	-
Total other financing sources (uses)	(112,358)	63,545	0	0	10,843	1,970
Net change in fund balance	16,305	(4,579)	-	(40,734)	-	-
Fund balance - January 1	(11,028)	20,599	-	86,993	-	-
Fund balance - December 31	\$5,277	\$16,020	\$0	\$46,259	\$0	\$0

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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. Revenues are from property taxes.

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

257 - Faircloth-to-RAD Initiative - to account for the pre-development expenses for a Faircloth-to-RAD project. This program allows the Agency to replace public housing units that were disposed of and convert them to Section 8 housing. Revenues are from property taxes.

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.

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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).

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).

278 – Emergency Housing Initiative – to account for expenses related to identify, purchase, and rehabilitate a hotel that can be converted into a permanent shelter in Washington County for adults. The program is funded by the American Rescue Plan Act.

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

407 and 408 - 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, 2022

	201 - MN Housing Rehab and Emergency Loans	230 - Multi Family Projects - LIHTC	231 - TCAP Kilkenny	232 - TCAP Granada	255 - Red Rock Crossing	256 - Age Friendly Housing Initiative	257 - Faircloth-to- Rad Initiative
Assets							
Cash, cash equivalents and investments	\$29,652	\$484,963	\$ -	\$ -	\$488,220	\$578	\$1,502,626
Accounts receivable - net	-	-	-	-	-	-	-
Interest receivable	-	-	-	-	-	-	-
Interest receivable from discretely presented component unit	-	-	-	-	-	-	-
Due from other governmental units	18,437	-	-	-	-	-	-
Advances to other funds	-	-	-	-	644,922	-	-
Property held for resale	-	-	-	-	18,421	-	-
Note receivable	-	6,400	521,101	722,812	-	-	-
Note receivable from discretely presented component unit	-	-	-	-	-	-	-
Total assets	\$48,089	\$491,363	\$521,101	\$722,812	\$1,151,563	\$578	\$1,502,626
Liabilities, Deferred Inflows of Resources and Fund Balance							
Liabilities:							
Accounts payable	\$17,021	\$8,745	\$ -	\$ -	\$470	\$ -	\$845
Due to other funds	-	-	-	-	-	-	-
Due to other governmental units	-	-	-	-	-	-	-
Contracts payable	1,350	-	-	-	-	-	-
Accrued wages and benefits payable	199	1,205	-	-	-	578	-
Unearned revenue - grants	26,666	1,281	-	-	-	-	-
Total liabilities	45,236	11,231	0	0	470	578	845
Deferred inflows of resources:							
Unavailable revenue	-	6,400	521,101	722,812	18,421	-	-
Total deferred inflows of resources	0	6,400	521,101	722,812	18,421	0	0
Fund balance:							
Committed	2,853	473,732	-	-	1,132,672	-	1,501,781
Unassigned	-	-	-	-	-	-	-
Total fund balance	2,853	473,732	0	0	1,132,672	0	1,501,781
Total liabilities, deferred inflows of resources and fund balance	\$48,089	\$491,363	\$521,101	\$722,812	\$1,151,563	\$578	\$1,502,626

270 - Development Fund	271 - GAP Financing Fund	277 - LAAND Initiative	278 - Emergency Housing Initiative	280 - HOME	407 - CDBG	Total Community Development Fund
\$808,330	\$1,984,030	\$39,597	\$ -	\$ -	\$ -	\$5,337,996
16,500	-	-	-	-	-	16,500
-	181,623	-	-	-	-	181,623
-	356,066	-	-	-	-	356,066
-	-	-	60,136	3,574	28,463	110,610
2,797,420	500,000	-	-	-	-	3,942,342
-	-	-	-	-	-	18,421
-	2,630,320	500,000	-	826,370	1,358,267	6,565,270
-	1,830,700	-	-	198,013	352,709	2,381,422
<u>\$3,622,250</u>	<u>\$7,482,739</u>	<u>\$539,597</u>	<u>\$60,136</u>	<u>\$1,027,957</u>	<u>\$1,739,439</u>	<u>\$18,910,250</u>
\$680	\$ -	\$ -	\$2,292	\$ -	\$12,891	\$42,944
-	-	-	57,844	3,041	11,579	72,464
-	-	40,000	-	-	-	40,000
-	-	-	-	-	-	1,350
7,569	-	-	-	533	3,993	14,077
-	-	-	-	-	-	27,947
<u>8,249</u>	<u>0</u>	<u>40,000</u>	<u>60,136</u>	<u>3,574</u>	<u>28,463</u>	<u>198,782</u>
-	537,689	500,000	-	1,024,383	1,710,976	5,041,782
<u>0</u>	<u>537,689</u>	<u>500,000</u>	<u>0</u>	<u>1,024,383</u>	<u>1,710,976</u>	<u>5,041,782</u>
3,614,001	6,945,050	-	-	-	-	13,670,089
-	-	(403)	-	-	-	(403)
<u>3,614,001</u>	<u>6,945,050</u>	<u>(403)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>13,669,686</u>
<u>\$3,622,250</u>	<u>\$7,482,739</u>	<u>\$539,597</u>	<u>\$60,136</u>	<u>\$1,027,957</u>	<u>\$1,739,439</u>	<u>\$18,910,250</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, 2022

	201 - MN Housing Rehab and Emergency Loans	230 - Multi Family Projects - LIHTC	232 - TCAP Granada	243 - Red Oak Preserve - Oakdale	255 - Red Rock Crossing	256 - Age Friendly Housing Initiative	257 - Faircloth-to- Rad Initiative
Revenues:							
General property taxes	\$ -	\$ -	\$ -	\$55,570	\$ -	\$484,755	\$ -
Intergovernmental	50,200	63,025	-	-	-	-	-
Charges for services:							
Administrative fees	5,575	59,433	3,000	-	-	-	-
Investment income (loss)	327	2,753	-	97	23,438	6,028	-
Other	-	-	-	-	700	-	-
Total revenues	56,102	125,211	3,000	55,667	24,138	490,783	0
Expenditures:							
Current:							
Administrative salaries and benefits	6,658	75,169	-	-	426	27,568	-
Administrative travel and per diems	13	-	-	-	-	-	-
Administrative legal	-	39,328	-	-	790	-	20,388
Administrative sundry	76	2,717	-	-	2,886	-	-
Professional services	-	-	3,000	-	-	-	844
Project costs	50,200	63,025	-	-	-	-	-
Other	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	101,172	-	-	-
Interest and other	-	-	-	14,312	-	-	-
Total expenditures	56,947	180,239	3,000	115,484	4,102	27,568	21,232
Revenues over (under) expenditures	(845)	(55,028)	-	(59,817)	20,036	463,215	(21,232)
Other financing sources (uses):							
Transfers from other funds	-	-	-	29,214	-	-	1,523,013
Transfers to other funds	-	(9,730)	-	-	-	(1,523,013)	-
Total other financing sources (uses)	0	(9,730)	0	29,214	0	(1,523,013)	1,523,013
Net change in fund balance	(845)	(64,758)	-	(30,603)	20,036	(1,059,798)	1,501,781
Fund balance (deficit) - January 1	3,698	538,490	-	30,603	1,112,636	1,059,798	-
Fund balance (deficit) - December 31	\$2,853	\$473,732	\$0	\$0	\$1,132,672	\$0	\$1,501,781

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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.

303 – Small Business Support Program – to account for expenses related to helping small business in Washington County grow. The program is funded by the American Rescue Plan Act.

WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY
 COMBINING BALANCE SHEET -
 ECONOMIC DEVELOPMENT FUND
 December 31, 2022

Statement 19

	300 - Economic Development	303 - Small Business Support Program	Total Economic Development Fund
Assets			
Cash, cash equivalents and investments	\$597,553	\$ -	\$597,553
Due from other governmental units	3,533	24,730	28,263
Prepaid items	30,400	-	30,400
Total assets	\$631,486	\$24,730	\$656,216
Liabilities, Deferred Inflows of Resources and Fund Balance			
Liabilities:			
Accounts payable	\$6,508	\$ -	\$6,508
Due to other fund	-	24,730	24,730
Accrued wages and benefits payable	2,947	-	2,947
Total liabilities	9,455	24,730	34,185
Fund balance:			
Nonspendable	30,400	-	30,400
Committed	591,631	-	591,631
Total fund balance	622,031	0	622,031
Total liabilities, deferred inflows of resources and fund balance	\$631,486	\$24,730	\$656,216

WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY
COMBINING SCHEDULE OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE -
ECONOMIC DEVELOPMENT FUND
For The Year Ended December 31, 2022

Statement 20

	<u>300 - Economic Development</u>	<u>303 - Small Business Support Program</u>	<u>Total Economic Development Fund</u>
Revenues:			
General property tax	\$574,762	\$ -	\$574,762
Intergovernmental	55,596	57,053	112,649
Investment income (loss)	3,996	-	3,996
Total revenues	<u>634,354</u>	<u>57,053</u>	<u>691,407</u>
Expenditures:			
Current:			
Administrative salaries and benefits	148,302	-	148,302
Administrative legal	-	3,595	3,595
Administrative sundry	12,368	53,458	65,826
Professional services	259,404	-	259,404
Other	125,959	-	125,959
Total expenditures	<u>546,033</u>	<u>57,053</u>	<u>603,086</u>
Revenues over (under) expenditures	88,321	-	88,321
Other financing sources (uses):			
Transfers to other funds	(63,898)	-	(63,898)
Total other financing sources (uses)	<u>(63,898)</u>	<u>0</u>	<u>(63,898)</u>
Net change in fund balance	24,423	-	24,423
Fund balance - January 1	<u>597,608</u>	<u>-</u>	<u>597,608</u>
Fund balance - December 31	<u><u>\$622,031</u></u>	<u><u>\$0</u></u>	<u><u>\$622,031</u></u>

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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.

418 – Housing Stability Counseling Program – to account for expenditures to provide direct counseling services to individuals and families facing housing instability, foreclosure, and homelessness. The source of funding for the program is a federal grant passed through the Minnesota Homeownership Center.

WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY
COMBINING BALANCE SHEET -
HOME OWNERSHIP COUNSELING FUND
December 31, 2022

	202 - MN Housing Down Payment Assistance	273 - HECAT Homebuyer Education
Assets		
Cash, cash equivalents and investments	\$878	\$ -
Due from other governmental units	-	34,570
Due from other fund	-	-
	<u>878</u>	<u>34,570</u>
Total assets	<u>878</u>	<u>34,570</u>
Liabilities, Deferred Inflows of Resources and Fund Balance		
Liabilities:		
Due to other funds	\$ -	\$33,714
Accrued wages and benefits payable	-	856
Total liabilities	<u>0</u>	<u>34,570</u>
Fund balance:		
Committed	<u>878</u>	<u>-</u>
Total fund balance	<u>878</u>	<u>0</u>
Total liabilities, deferred inflows of resources and fund balance	<u>878</u>	<u>34,570</u>

294 - HUD Comprehensive Counseling	276 - Foreclosure Counseling and Grant	418 - Housing Stability Counseling Program	Intra-Activity Eliminations	Total Home Ownership Counseling Fund
\$ - 12,416 -	\$4,750 - 928	\$ - 6,455 -	\$ - - (928)	\$5,628 53,441 -
<u>\$12,416</u>	<u>\$5,678</u>	<u>\$6,455</u>	<u>(\$928)</u>	<u>\$59,069</u>
\$11,451 965 12,416	\$ - 515 515	\$6,280 175 6,455	(\$928) - (928)	\$ 50,517 2,511 53,028
- 0	5,163 5,163	- 0	- 0	6,041 6,041
<u>\$12,416</u>	<u>\$5,678</u>	<u>\$6,455</u>	<u>(\$928)</u>	<u>\$59,069</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, 2022

	202 - MN Housing Down Payment Assistance	273 - HECAT Homebuyer Education
Revenues:		
General property tax	\$ -	\$ -
Intergovernmental	-	46,783
Charges for services:		
Administrative fees	-	1,980
Investment income (loss)	-	-
Total revenues	<u>0</u>	<u>48,763</u>
Expenditures:		
Current:		
Administrative salaries and benefits	-	41,190
Administrative sundry	-	7,573
Total expenditures	<u>0</u>	<u>48,763</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>

<u>294 - HUD Comprehensive Counseling</u>	<u>276 - Foreclosure Counseling and Grant</u>	<u>418 - Housing Stability Counseling Program</u>	<u>Intra-Activity Eliminations</u>	<u>Total Home Ownership Counseling Fund</u>
\$ -	\$106,900	\$ -	\$ -	\$106,900
12,416	-	22,869	-	82,068
-	-	-	-	1,980
-	233	-	-	233
<u>12,416</u>	<u>107,133</u>	<u>22,869</u>	<u>0</u>	<u>191,181</u>
50,248	46,026	26,859	-	164,323
-	5,783	-	-	13,356
<u>50,248</u>	<u>51,809</u>	<u>26,859</u>	<u>0</u>	<u>177,679</u>
(37,832)	55,324	(3,990)	-	13,502
37,832	-	3,990	(41,822)	-
-	(54,822)	-	41,822	(13,000)
<u>37,832</u>	<u>(54,822)</u>	<u>3,990</u>	<u>0</u>	<u>(13,000)</u>
-	502	-	-	502
-	4,661	-	-	5,539
<u>\$0</u>	<u>\$5,163</u>	<u>\$0</u>	<u>\$0</u>	<u>\$6,041</u>

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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, 2022

Statement 23

	242 - Whispering Oaks TIF	412 - Redrock - TIF	Total Tax Increment Fund
Assets			
Cash, cash equivalents and investments	\$69,005	\$3,000	\$72,005
Property held for resale	-	142,979	142,979
Total assets	\$69,005	\$145,979	\$214,984
Liabilities, Deferred Inflows of Resources and Fund Balance			
Liabilities:			
Advances from other funds	\$2,797,420	\$644,922	\$3,442,342
Total liabilities	2,797,420	644,922	3,442,342
Deferred inflows of resources:			
Unavailable revenue	-	142,979	142,979
Total deferred inflows of resources	0	142,979	142,979
Fund balance:			
Unassigned	(2,728,415)	(641,922)	(3,370,337)
Total fund balance	(2,728,415)	(641,922)	(3,370,337)
Total liabilities, deferred inflows of resources and fund balance	\$69,005	\$145,979	\$214,984

WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY
COMBINING SCHEDULE OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE -
TAX INCREMENT FUND
For The Year Ended December 31, 2022

Statement 24

	242 - Whispering Oaks TIF	412 - Redrock - TIF	Total Tax Increment Fund
Revenues:			
Tax increments	\$191,207	\$61,254	\$252,461
Investment income (loss)	383	-	383
Total revenues	<u>191,590</u>	<u>61,254</u>	<u>252,844</u>
Expenditures:			
Current:			
Administrative sundry	2,036	-	2,036
Professional services	1,000	1,000	2,000
Debt service:			
Principal	68,517	-	68,517
Interest	88,958	25,599	114,557
Total expenditures	<u>160,511</u>	<u>26,599</u>	<u>187,110</u>
Net change in fund balance	31,079	34,655	65,734
Fund balance - January 1	<u>(2,759,494)</u>	<u>(676,577)</u>	<u>(3,436,071)</u>
Fund balance - December 31	<u><u>(\$2,728,415)</u></u>	<u><u>(\$641,922)</u></u>	<u><u>(\$3,370,337)</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, 2022

Statement 25

	635 - HUD Scattered Site	636 - Whispering Pines	Total Public Housing Fund
Assets:			
Current assets:			
Cash and cash equivalents	\$219,843	\$482,851	\$702,694
Restricted cash and investments	-	10,499	10,499
Accounts receivable - tenants	-	7,720	7,720
Allowance for doubtful accounts	-	(2,977)	(2,977)
Due from other governmental units	-	38	38
Prepaid items	-	17,420	17,420
Total current assets	<u>219,843</u>	<u>515,551</u>	<u>735,394</u>
Noncurrent assets:			
Capital assets:			
Land	-	315,000	315,000
Projects in process	-	-	-
Buildings and structures	-	3,051,889	3,051,889
Total capital assets	<u>0</u>	<u>3,366,889</u>	<u>3,366,889</u>
Less: Accumulated depreciation	-	(468,305)	(468,305)
Net capital assets	<u>0</u>	<u>2,898,584</u>	<u>2,898,584</u>
Total noncurrent assets	<u>0</u>	<u>2,898,584</u>	<u>2,898,584</u>
Total assets	<u>\$219,843</u>	<u>\$3,414,135</u>	<u>\$3,633,978</u>
Liabilities:			
Current liabilities:			
Accounts payable	\$ -	\$16,619	\$16,619
Due to other governmental units	-	4,909	4,909
Unearned revenue - rent	219,843	7,376	227,219
Current liabilities payable from restricted assets:			
Accrued interest payable	-	40	40
Security deposits/FSS escrow	-	9,983	9,983
Current portion of long-term debt	-	444	444
Total current liabilities payable from restricted assets	<u>-</u>	<u>10,467</u>	<u>10,467</u>
Total current liabilities	<u>219,843</u>	<u>39,371</u>	<u>259,214</u>
Noncurrent liabilities:			
Long-term debt	-	2,651	2,651
Notes and mortgages payable	-	660,291	660,291
Total noncurrent liabilities	<u>0</u>	<u>662,942</u>	<u>662,942</u>
Total liabilities	<u>219,843</u>	<u>702,313</u>	<u>922,156</u>
Net position:			
Net investment in capital assets	-	2,235,198	2,235,198
Restricted for bond indenture purposes	-	516	516
Unrestricted	-	476,108	476,108
Total net position	<u>\$0</u>	<u>\$2,711,822</u>	<u>\$2,711,822</u>

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, 2022

Statement 26

	635 - HUD Scattered Site	636 - Whispering Pines	Intra-Activity Eliminations	Total Public Housing Fund
Operating revenues:				
Rental income	\$ -	\$155,556	\$ -	\$155,556
Service income	-	2,556	-	2,556
HUD rent subsidies	143,665	124,333	-	267,998
Other	-	1,842	-	1,842
Total operating revenues	<u>143,665</u>	<u>284,287</u>	<u>0</u>	<u>427,952</u>
Operating expenses:				
Management fee	-	45,732	-	45,732
Legal	-	451	-	451
Administrative	-	7,866	-	7,866
Operating	-	3,570	-	3,570
Maintenance	262	90,181	-	90,443
Utilities	-	65,650	-	65,650
Insurance	-	13,897	-	13,897
Property taxes	-	5,029	-	5,029
Depreciation	-	99,861	-	99,861
Total operating expenses	<u>262</u>	<u>332,237</u>	<u>0</u>	<u>332,499</u>
Operating income (loss)	<u>143,403</u>	<u>(47,950)</u>	<u>-</u>	<u>95,453</u>
Nonoperating revenues (expenses):				
Investment income	3,813	8,436	-	12,249
Intergovernmental	-	92	-	92
Financial expense	-	(73)	-	(73)
Interest expense	-	(97)	-	(97)
Property tax revenue	-	450	-	450
Other	(32,992)	(246)	-	(33,238)
Total nonoperating revenues (expenses)	<u>(29,179)</u>	<u>8,562</u>	<u>0</u>	<u>(20,617)</u>
Income (loss) before contributions and transfers	<u>114,224</u>	<u>(39,388)</u>	<u>-</u>	<u>74,836</u>
Capital contributions	-	100,552	-	100,552
Transfers from other funds	-	114,224	(114,224)	-
Transfers to other funds	(114,224)	-	114,224	-
Change in net position	<u>0</u>	<u>175,388</u>	<u>0</u>	<u>175,388</u>
Net position - January 1	<u>-</u>	<u>2,536,434</u>	<u>-</u>	<u>2,536,434</u>
Net position - December 31	<u>\$0</u>	<u>\$2,711,822</u>	<u>\$0</u>	<u>\$2,711,822</u>

WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY
COMBINING SCHEDULE OF CASH FLOWS -
PUBLIC HOUSING FUND
For The Year Ended December 31, 2022

Statement 27

	635 - HUD Scattered Site	636 - Whispering Pines	Total Public Housing Fund
Cash flows from operating activities:			
Receipts from customers and users	\$238,278	\$297,737	\$536,015
Payment to suppliers for goods and services	(524)	(230,898)	(231,422)
Miscellaneous income	-	1,842	1,842
Miscellaneous (loss)	(32,992)	(246)	(33,238)
Net cash flows from operating activities	<u>204,762</u>	<u>68,435</u>	<u>273,197</u>
Cash flows from noncapital financing activities:			
Transfers out	(114,224)	-	(114,224)
Net cash flows from noncapital financing activities	<u>(114,224)</u>	<u>0</u>	<u>(114,224)</u>
Cash flows from capital and related financing activities:			
Property taxes	-	450	450
Transfers in	-	114,224	114,224
Capital contribution	-	100,552	100,552
Federal recovery zone credits	-	92	92
Fiscal agent costs and other debt related fees	-	(73)	(73)
Purchase of capital assets	-	(214,774)	(214,774)
Interest paid on long-term debt	-	(102)	(102)
Principal payments on long-term debt	-	(444)	(444)
Net cash flows from capital and related financing activities	<u>0</u>	<u>(75)</u>	<u>(75)</u>
Cash flows from investing activities:			
Investment income	3,813	8,436	12,249
Net increase (decrease) in cash and cash equivalents	94,351	76,796	171,147
Cash and cash equivalents - January 1	125,492	416,554	542,046
Cash and cash equivalents - December 31	<u>\$219,843</u>	<u>\$493,350</u>	<u>\$713,193</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$143,403	(\$47,950)	\$95,453
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:			
Depreciation	-	99,861	99,861
Miscellaneous income (loss)	(32,992)	(246)	(33,238)
Changes in assets and liabilities:			
Decrease (increase) in receivables	-	119	119
Decrease (increase) prepaid items	-	(4,132)	(4,132)
Decrease (increase) due from other governments	-	9,455	9,455
Increase (decrease) accounts payable	(262)	6,425	6,163
Increase (decrease) security deposits payable	-	(287)	(287)
Increase (decrease) due to other governments	-	(815)	(815)
Increase (decrease) unearned revenue	94,613	6,005	100,618
Total adjustments	<u>61,359</u>	<u>116,385</u>	<u>177,744</u>
Net cash provided by operating activities	<u>\$204,762</u>	<u>\$68,435</u>	<u>\$273,197</u>

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, 2022

	609 - Ann Bodlovick	614 - Cobble Hill	612 - John Jergens Estates
Assets:			
Current assets:			
Cash and cash equivalents	\$65,171	\$75,806	\$65,771
Restricted cash and investments	458,989	454,177	260,840
Accounts receivable - tenants	2,912	2,683	291
Allowance for doubtful accounts	-	-	-
Accounts receivable - other	-	-	20,935
Due from other governmental units	86	131	-
Prepaid items	22,881	25,821	15,795
Total current assets	<u>550,039</u>	<u>558,618</u>	<u>363,632</u>
Capital assets:			
Land	62,732	122,090	115,000
Projects in process	-	-	21,392
Buildings and structures	3,331,771	2,885,641	2,706,187
Furniture and Equipment	20,101	15,654	-
Total capital assets	<u>3,414,604</u>	<u>3,023,385</u>	<u>2,842,579</u>
Less: Accumulated depreciation	<u>(1,996,803)</u>	<u>(1,415,727)</u>	<u>(1,449,044)</u>
Net capital assets	<u>1,417,801</u>	<u>1,607,658</u>	<u>1,393,535</u>
Total noncurrent assets	<u>1,417,801</u>	<u>1,607,658</u>	<u>1,393,535</u>
Total assets	<u>1,967,840</u>	<u>2,166,276</u>	<u>1,757,167</u>
Deferred outflows of resources:			
Unamortized loss on refunding	<u>22,010</u>	<u>39,171</u>	<u>20,258</u>
Total deferred outflows of resources	<u>22,010</u>	<u>39,171</u>	<u>20,258</u>

<u>602 - Muller Manor</u>	<u>601 - Oakhill Cottages</u>	<u>613 - Pioneer Elderly</u>	<u>610 - Trailside</u>	<u>617 - Raymie Johnson Estates</u>	<u>Total Senior Housing Fund</u>
\$36,635	\$26,686	\$29,559	\$22,837	\$788,013	\$1,110,478
281,650	381,585	9,119	2,015,150	1,110,120	4,971,630
127	880	1,191	782	35,944	44,810
-	-	-	-	(20,926)	(20,926)
-	-	-	-	-	20,935
39	-	29	76,887	5,228	82,400
11,510	17,741	7,769	40,653	63,751	205,921
<u>329,961</u>	<u>426,892</u>	<u>47,667</u>	<u>2,156,309</u>	<u>1,982,130</u>	<u>6,415,248</u>
110,946	115,000	50,000	885,000	510,000	1,970,768
-	-	-	-	-	21,392
1,984,045	3,643,729	1,162,389	8,465,005	7,110,013	31,288,780
15,460	11,870	10,173	124,048	53,814	251,120
<u>2,110,451</u>	<u>3,770,599</u>	<u>1,222,562</u>	<u>9,474,053</u>	<u>7,673,827</u>	<u>33,532,060</u>
<u>(1,204,168)</u>	<u>(1,528,250)</u>	<u>(650,562)</u>	<u>(2,171,003)</u>	<u>(3,538,796)</u>	<u>(13,954,353)</u>
<u>906,283</u>	<u>2,242,349</u>	<u>572,000</u>	<u>7,303,050</u>	<u>4,135,031</u>	<u>19,577,707</u>
<u>906,283</u>	<u>2,242,349</u>	<u>572,000</u>	<u>7,303,050</u>	<u>4,135,031</u>	<u>19,577,707</u>
<u>1,236,244</u>	<u>2,669,241</u>	<u>619,667</u>	<u>9,459,359</u>	<u>6,117,161</u>	<u>25,992,955</u>
<u>21,253</u>	<u>11,500</u>	<u>-</u>	<u>-</u>	<u>2,514</u>	<u>116,706</u>
<u>21,253</u>	<u>11,500</u>	<u>0</u>	<u>0</u>	<u>2,514</u>	<u>116,706</u>

WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY

COMBINING SCHEDULE OF NET POSITION -

SENIOR HOUSING FUND

December 31, 2022

	<u>609 - Ann Bodlovick</u>	<u>614 - Cobble Hill</u>	<u>612 - John Jergens Estates</u>
Liabilities:			
Current liabilities:			
Accounts payable	\$22,322	\$44,641	\$43,820
Due to other funds	-	-	-
Due to other governmental units	22,004	20,456	11,903
Unearned revenue - rent	692	249	-
Advances from other funds	-	-	-
Current liabilities payable from restricted assets:			
Accrued interest payable	11,995	13,954	7,201
Security deposits payable	26,240	23,550	16,053
Contracts payable	-	-	407
Current portion of long-term debt	116,009	121,537	60,000
Total current liabilities payable from restricted assets	<u>154,244</u>	<u>159,041</u>	<u>83,661</u>
Total current liabilities	<u>199,262</u>	<u>224,387</u>	<u>139,384</u>
Noncurrent liabilities:			
Long-term debt	924,421	1,071,217	556,089
Total noncurrent liabilities	<u>924,421</u>	<u>1,071,217</u>	<u>556,089</u>
Total liabilities	<u>1,123,683</u>	<u>1,295,604</u>	<u>695,473</u>
Net position:			
Net investment in capital assets	399,381	421,245	795,257
Restricted for bond indenture purposes	410,745	410,171	232,884
Unrestricted	56,041	78,427	53,811
Total net position	<u>\$866,167</u>	<u>\$909,843</u>	<u>\$1,081,952</u>

<u>602 - Muller Manor</u>	<u>601 - Oakhill Cottages</u>	<u>613 - Pioneer Elderly</u>	<u>610 - Trailside</u>	<u>617 - Raymie Johnson Estates</u>	<u>Total Senior Housing Fund</u>
\$13,215	\$36,051	\$10,151	\$29,830	\$44,747	\$244,777
-	-	-	30,514	-	30,514
10,354	18,307	5,524	30,434	64,478	183,460
20	1	110	946	16,029	18,047
-	-	-	500,000	-	500,000
7,541	1,516	30	181,136	9,846	233,219
15,212	20,872	8,723	37,244	38,497	186,391
-	1,313	-	5,718	9,173	16,611
65,460	10,000	337	265,000	101,517	739,860
<u>88,213</u>	<u>33,701</u>	<u>9,090</u>	<u>489,098</u>	<u>159,033</u>	<u>1,176,081</u>
<u>111,802</u>	<u>88,060</u>	<u>24,875</u>	<u>1,080,822</u>	<u>284,287</u>	<u>2,152,879</u>
<u>578,947</u>	<u>148,288</u>	<u>2,007</u>	<u>5,966,216</u>	<u>772,944</u>	<u>10,020,129</u>
<u>578,947</u>	<u>148,288</u>	<u>2,007</u>	<u>5,966,216</u>	<u>772,944</u>	<u>10,020,129</u>
<u>690,749</u>	<u>236,348</u>	<u>26,882</u>	<u>7,047,038</u>	<u>1,057,231</u>	<u>12,173,008</u>
283,129	2,079,047	569,656	1,064,016	3,242,624	8,854,355
256,084	342,406	396	1,947,472	1,007,145	4,607,303
27,535	22,940	22,733	(599,167)	812,675	474,995
<u>\$566,748</u>	<u>\$2,444,393</u>	<u>\$592,785</u>	<u>\$2,412,321</u>	<u>\$5,062,444</u>	<u>\$13,936,653</u>

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, 2022

	609 - Ann Bodlovick	614 - Cobble Hill	612 - John Jergens Estates
Operating revenues:			
Rental income	\$507,938	\$451,509	\$307,070
Service income	6,158	4,690	-
HUD rent subsidies	-	-	-
Other	17,478	8,799	21,600
Total operating revenues	<u>531,574</u>	<u>464,998</u>	<u>328,670</u>
Operating expenses:			
Marketing	1,799	401	879
Management fee	54,333	49,685	34,175
Legal	120	140	59
Administrative	14,982	4,375	1,890
Operating	14,690	9,913	4,753
Maintenance	144,865	118,440	82,368
Utilities	49,859	40,725	56,471
Insurance	23,061	25,638	13,897
Property taxes	22,155	20,591	11,992
Depreciation	82,797	72,029	67,570
Total operating expenses	<u>408,661</u>	<u>341,937</u>	<u>274,054</u>
Operating income (loss)	<u>122,913</u>	<u>123,061</u>	<u>54,616</u>
Nonoperating revenues (expenses):			
Investment income	5,820	4,212	3,649
Intergovernmental	208	317	-
Financial expense	(2,712)	(2,922)	(1,482)
Amortization of bond premium	1,658	1,585	829
Amortization of deferred gain (loss) on refunding	(3,320)	(4,441)	(2,297)
Interest expense	(29,004)	(33,717)	(17,394)
Property tax revenue	22,400	27,600	21,800
Other	(250)	(223)	(165)
Total nonoperating revenues (expenses)	<u>(5,200)</u>	<u>(7,589)</u>	<u>4,940</u>
Income (loss) before transfers	<u>117,713</u>	<u>115,472</u>	<u>59,556</u>
Transfers:			
Transfers from other funds	41,742	47,076	20,709
Transfers to other funds	(40,000)	(33,000)	(18,000)
Total transfers	<u>1,742</u>	<u>14,076</u>	<u>2,709</u>
Change in net position	119,455	129,548	62,265
Net position - January 1	<u>746,712</u>	<u>780,295</u>	<u>1,019,687</u>
Net position - December 31	<u><u>\$866,167</u></u>	<u><u>\$909,843</u></u>	<u><u>\$1,081,952</u></u>

602 - Muller Manor	601 - Oakhill Cottages	613 - Pioneer Elderly	610 - Trailside	617 - Raymie Johnson Estates	Total Senior Housing Fund
\$245,560	\$392,442	\$146,438	\$670,018	\$422,142	\$3,143,117
-	-	-	-	6,099	16,947
-	-	-	-	949,166	949,166
1,839	1,447	1,271	1,543	10,858	64,835
<u>247,399</u>	<u>393,889</u>	<u>147,709</u>	<u>671,561</u>	<u>1,388,265</u>	<u>4,174,065</u>
879	3,179	762	417	706	9,022
28,653	42,564	18,180	75,352	137,197	440,139
-	1,280	560	1,440	1,575	5,174
4,435	3,675	4,516	13,116	18,403	65,392
5,282	4,678	11,713	4,483	8,202	63,714
75,162	153,481	55,450	194,512	336,389	1,160,667
30,145	9,581	36,065	84,845	100,992	408,683
10,710	15,723	7,146	40,337	60,242	196,754
10,438	18,427	5,578	30,644	64,838	184,663
49,717	90,611	29,117	210,106	176,038	777,985
<u>215,421</u>	<u>343,199</u>	<u>169,087</u>	<u>655,252</u>	<u>904,582</u>	<u>3,312,193</u>
<u>31,978</u>	<u>50,690</u>	<u>(21,378)</u>	<u>16,309</u>	<u>483,683</u>	<u>861,872</u>
2,330	4,044	878	16,479	23,720	61,132
95	-	69	153,730	12,680	167,099
(1,575)	(1,688)	(40)	(6,259)	(8,536)	(25,214)
873	2,662	-	-	7,454	15,061
(2,409)	(9,754)	-	-	(1,207)	(23,428)
(18,223)	(3,703)	(74)	(362,273)	(23,949)	(488,337)
51,700	37,400	1,243	400,800	62,283	625,226
(141)	(301)	(79)	(484)	(12,217)	(13,860)
<u>32,650</u>	<u>28,660</u>	<u>1,997</u>	<u>201,993</u>	<u>60,228</u>	<u>317,679</u>
<u>64,628</u>	<u>79,350</u>	<u>(19,381)</u>	<u>218,302</u>	<u>543,911</u>	<u>1,179,551</u>
55,993	41,469	6,966	177,996	-	391,951
(21,000)	(127,000)	(8,000)	-	(62,283)	(309,283)
<u>34,993</u>	<u>(85,531)</u>	<u>(1,034)</u>	<u>177,996</u>	<u>(62,283)</u>	<u>82,668</u>
99,621	(6,181)	(20,415)	396,298	481,628	1,262,219
467,127	2,450,574	613,200	2,016,023	4,580,816	12,674,434
<u>\$566,748</u>	<u>\$2,444,393</u>	<u>\$592,785</u>	<u>\$2,412,321</u>	<u>\$5,062,444</u>	<u>\$13,936,653</u>

WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY

COMBINING SCHEDULE OF CASH FLOWS -

SENIOR HOUSING FUND

For The Year Ended December 31, 2022

	609 - Ann Bodlovick	614 - Cobble Hill	612 - John Jergens Estates
Cash flows from operating activities:			
Receipts from customers and users	\$515,310	\$455,500	\$287,649
Payment to suppliers for goods and services	(326,575)	(237,283)	(181,175)
Miscellaneous income	17,478	8,799	21,600
Miscellaneous (loss)	(250)	(223)	(165)
Net cash flows from operating activities	<u>205,963</u>	<u>226,793</u>	<u>127,909</u>
Cash flows from noncapital financing activities:			
Transfers out	(40,000)	(33,000)	(18,000)
Due to other funds	-	-	-
Net cash flows from noncapital financing activities	<u>(40,000)</u>	<u>(33,000)</u>	<u>(18,000)</u>
Cash flows from capital and related financing activities:			
Property taxes	22,400	27,600	21,800
Transfers in	41,742	47,076	20,709
Federal recovery zone credits and CDBG	219	333	-
Fiscal agent costs and other debt related fees	(1,054)	(1,337)	(653)
Purchase of capital assets	(41,742)	(55,639)	(31,167)
Interest paid on long-term debt	(30,093)	(34,859)	(17,956)
Principal payments on long-term debt	(116,430)	(121,791)	(60,134)
Net cash flows from capital and related financing activities	<u>(124,958)</u>	<u>(138,617)</u>	<u>(67,401)</u>
Cash flows from investing activities:			
Investment income	5,820	4,212	3,649
Net increase (decrease) in cash and cash equivalents	46,825	59,388	46,157
Cash and cash equivalents - January 1	477,335	470,595	280,454
Cash and cash equivalents - December 31	<u>\$524,160</u>	<u>\$529,983</u>	<u>\$326,611</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	<u>\$122,913</u>	<u>\$123,061</u>	<u>\$54,616</u>
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:			
Depreciation	82,797	72,029	67,570
Miscellaneous income (loss)	(250)	(223)	(165)
Changes in assets and liabilities:			
Decrease (increase) in receivables	2,906	762	(19,469)
Decrease (increase) prepaid items	(2,352)	(3,251)	(3,879)
Increase (decrease) accounts payable	1,188	35,817	29,565
Increase (decrease) security deposits payable	41	(396)	51
Increase (decrease) due to other governments	453	59	(377)
Increase (decrease) unearned revenue	(1,733)	(1,065)	(3)
Total adjustments	<u>83,050</u>	<u>103,732</u>	<u>73,293</u>
Net cash provided by operating activities	<u>\$205,963</u>	<u>\$226,793</u>	<u>\$127,909</u>

602 - Muller Manor	601 - Oakhill Cottages	613 - Pioneer Elderly	610 - Trailside	617 - Raymie Johnson Estates	Total Senior Housing Fund
\$245,465	\$394,013	\$147,028	\$750,685	\$1,376,620	\$4,172,270
(164,675)	(259,308)	(137,528)	(442,052)	(779,149)	(2,527,745)
1,839	1,447	1,271	1,543	10,858	64,835
(141)	(301)	(79)	(484)	(12,217)	(13,860)
<u>82,488</u>	<u>135,851</u>	<u>10,692</u>	<u>309,692</u>	<u>596,112</u>	<u>1,695,500</u>
(21,000)	(127,000)	(8,000)	-	(62,283)	(309,283)
-	-	-	30,514	-	30,514
<u>(21,000)</u>	<u>(127,000)</u>	<u>(8,000)</u>	<u>30,514</u>	<u>(62,283)</u>	<u>(278,769)</u>
51,700	37,400	1,243	400,800	62,283	625,226
55,993	41,469	6,966	177,996	-	391,951
100	-	72	76,843	13,345	90,912
(701)	(1,688)	(40)	(6,259)	(8,536)	(20,268)
(55,991)	(45,615)	(6,964)	(172,277)	(218,864)	(628,259)
(18,838)	(1,369)	(78)	(368,123)	(25,545)	(496,861)
<u>(65,608)</u>	<u>(36,579)</u>	<u>(336)</u>	<u>(256,179)</u>	<u>(152,972)</u>	<u>(810,029)</u>
<u>(33,345)</u>	<u>(6,382)</u>	<u>863</u>	<u>(147,199)</u>	<u>(330,289)</u>	<u>(847,328)</u>
2,330	4,044	878	(60,408)	23,720	(15,755)
30,473	6,513	4,433	132,599	227,260	553,648
287,812	401,758	34,245	1,905,388	1,670,873	5,528,460
<u>\$318,285</u>	<u>\$408,271</u>	<u>\$38,678</u>	<u>\$2,037,987</u>	<u>\$1,898,133</u>	<u>\$6,082,108</u>
\$31,978	\$50,690	(\$21,378)	\$16,309	\$483,683	\$861,872
49,717	90,611	29,117	210,106	176,038	777,985
(141)	(301)	(79)	(484)	(12,217)	(13,860)
(95)	1,671	(518)	79,591	(1,378)	63,470
(2,120)	(3,961)	(1,588)	(5,122)	(10,225)	(32,498)
2,966	(3,130)	4,186	7,063	(39,927)	37,728
16	(65)	1,009	139	(830)	(35)
183	371	(156)	1,153	(453)	1,233
(16)	(35)	99	937	1,421	(395)
<u>50,510</u>	<u>85,161</u>	<u>32,070</u>	<u>293,383</u>	<u>112,429</u>	<u>833,628</u>
<u>\$82,488</u>	<u>\$135,851</u>	<u>\$10,692</u>	<u>\$309,692</u>	<u>\$596,112</u>	<u>\$1,695,500</u>

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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 lease receivable held by the CDA.

619 - Landfall - to account for operations related to the Landfall note 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, 2022

	604 - Woodland Park	607 - Park Place I	616 - Transitional Housing
Assets:			
Current assets:			
Cash and cash equivalents	\$112,541	\$45,979	\$53,527
Restricted cash and investments	3,269,097	268,330	42,936
Accounts receivable - tenants	41,977	7,233	-
Allowance for doubtful accounts	(17,390)	(2,429)	-
Accounts receivable - other	-	-	-
Due from other governmental units	4,086	-	-
Prepaid items	86,406	14,390	1,646
Note receivable - short term	-	-	-
Lease receivable - short term	-	-	-
Total current assets	<u>3,496,717</u>	<u>333,503</u>	<u>98,109</u>
Noncurrent assets:			
Other assets:			
Note receivable - long term	-	-	-
Lease receivable - long term	-	-	-
Total other assets	<u>0</u>	<u>0</u>	<u>0</u>
Capital assets:			
Land	422,638	72,000	31,775
Projects in process	31,988	-	-
Buildings and structures	14,954,099	1,911,285	451,848
Furniture and Equipment	114,943	-	-
Total capital assets	<u>15,523,668</u>	<u>1,983,285</u>	<u>483,623</u>
Less: Accumulated depreciation	<u>(7,605,632)</u>	<u>(766,018)</u>	<u>(200,141)</u>
Net capital assets	<u>7,918,036</u>	<u>1,217,267</u>	<u>283,482</u>
Total noncurrent assets	<u>7,918,036</u>	<u>1,217,267</u>	<u>283,482</u>
Total assets	<u>11,414,753</u>	<u>1,550,770</u>	<u>381,591</u>
Deferred outflows of resources:			
Unamortized loss on refunding	22,836	15,974	-
Total deferred outflows of resources	<u>22,836</u>	<u>15,974</u>	<u>0</u>

618 - Washington Conservation District	619 - Landfall	620 - Park Place II	626 - Brick Pond	627 - WCCDA Family Housing, LLC	Total Family Housing Fund
\$ -	\$5,586	\$13,901	\$76,798	\$815,598	\$1,123,930
8,527	1,082,319	1,903	242,010	35,848	4,950,970
-	-	784	2,369	52,483	104,846
-	-	-	(608)	(20,270)	(40,697)
-	-	-	-	40,342	40,342
-	-	-	-	-	4,086
-	-	2,399	22,236	31,687	158,764
-	429,276	-	-	-	429,276
45,000	-	-	-	-	45,000
<u>53,527</u>	<u>1,517,181</u>	<u>18,987</u>	<u>342,805</u>	<u>955,688</u>	<u>6,816,517</u>
-	22,017	-	-	-	22,017
896,250	-	-	-	-	896,250
<u>896,250</u>	<u>22,017</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>918,267</u>
-	-	12,000	360,000	927,004	1,825,417
-	-	-	3,277	-	35,265
1,021,667	-	278,618	1,726,286	7,042,761	27,386,564
-	-	-	10,973	-	125,916
1,021,667	0	290,618	2,100,536	7,969,765	29,373,162
(120,196)	-	(85,757)	(541,667)	(4,644,769)	(13,964,180)
901,471	0	204,861	1,558,869	3,324,996	15,408,982
1,797,721	22,017	204,861	1,558,869	3,324,996	16,327,249
<u>1,851,248</u>	<u>1,539,198</u>	<u>223,848</u>	<u>1,901,674</u>	<u>4,280,684</u>	<u>23,143,766</u>
-	17,025	-	244	-	56,079
<u>0</u>	<u>17,025</u>	<u>0</u>	<u>244</u>	<u>0</u>	<u>56,079</u>

WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY
 COMBINING SCHEDULE OF NET POSITION -
 FAMILY HOUSING FUND
 December 31, 2022

	604 - Woodland Park	607 - Park Place I	616 - Transitional Housing
Liabilities:			
Current liabilities:			
Accounts payable	\$83,073	\$17,448	\$233
Due to other governmental units	93,566	12,696	641
Unearned revenue - rent	12,974	3,127	-
Unearned gain on sale of property	-	-	-
Current liabilities payable from restricted assets:			
Accrued interest payable	87,146	5,677	-
Security deposits payable	64,425	11,919	414
Contracts payable	-	-	-
Current portion of long-term debt	698,076	50,000	-
Total current liabilities payable from restricted assets	<u>849,647</u>	<u>67,596</u>	<u>414</u>
Total current liabilities	<u>1,039,260</u>	<u>100,867</u>	<u>1,288</u>
Noncurrent liabilities:			
Unearned gain on sale of property	-	-	-
Long-term debt	6,472,259	435,859	-
Notes and mortgages payable	-	-	197,010
Total noncurrent liabilities	<u>6,472,259</u>	<u>435,859</u>	<u>197,010</u>
Total liabilities	<u>7,511,519</u>	<u>536,726</u>	<u>198,298</u>
Deferred inflows of resources:			
Related to leases	-	-	-
Total deferred inflows of resources	<u>0</u>	<u>0</u>	<u>0</u>
Net position:			
Net investment in capital assets	770,537	747,382	86,472
Restricted for bond indenture purposes	3,111,106	243,715	42,522
Unrestricted	44,427	38,921	54,299
Total net position	<u>\$3,926,070</u>	<u>\$1,030,018</u>	<u>\$183,293</u>

618 - Washington Conservation District	619 - Landfall	620 - Park Place II	626 - Brick Pond	627 - WCCDA Family Housing, LLC	Total Family Housing Fund
\$ -	\$ -	\$2,360	\$36,687	\$100,013	\$239,814
-	-	2,140	51,609	45,578	206,230
-	-	-	2,974	8,848	27,923
-	62,116	-	-	-	62,116
2,705	13,381	-	1,750	-	110,659
-	-	1,903	10,083	22,983	111,727
-	-	-	1,237	-	1,237
45,000	345,000	-	70,000	-	1,208,076
47,705	358,381	1,903	83,070	22,983	1,431,699
47,705	420,497	6,403	174,340	177,422	1,967,782
-	3,521	-	-	-	3,521
900,000	660,552	-	75,747	-	8,544,417
-	-	-	-	-	197,010
900,000	664,073	0	75,747	0	8,744,948
947,705	1,084,570	6,403	250,087	177,422	10,712,730
941,250	-	-	-	-	941,250
941,250	0	0	0	0	941,250
(43,529)	-	204,861	1,388,634	3,324,996	6,479,353
8,527	1,082,319	-	180,318	12,865	4,681,372
(2,705)	(610,666)	12,584	82,879	765,401	385,140
(\$37,707)	\$471,653	\$217,445	\$1,651,831	\$4,103,262	\$11,545,865

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, 2022

	604 - Woodland Park	607 - Park Place I	616 - Transitional Housing
Operating revenues:			
Rental income	\$2,092,546	\$298,356	\$17,580
Service income	-	-	-
Other	27,710	6,670	182
Total operating revenues	<u>2,120,256</u>	<u>305,026</u>	<u>17,762</u>
Operating expenses:			
Marketing	7,215	1,562	-
Management fee	223,041	37,235	3,430
Legal	3,011	1,252	-
Administrative	17,930	2,827	85
Operating	37,344	5,880	3,472
Maintenance	562,411	86,623	8,731
Utilities	269,134	58,163	4,952
Insurance	83,440	13,044	1,609
Property taxes	96,041	12,804	641
Depreciation	373,718	47,725	11,296
Total operating expenses	<u>1,673,285</u>	<u>267,115</u>	<u>34,216</u>
Operating income (loss)	<u>446,971</u>	<u>37,911</u>	<u>(16,454)</u>
Nonoperating revenues (expenses):			
Investment income	28,238	5,130	1,595
Intergovernmental	9,909	-	-
Gain (loss) on asset disposition	-	-	-
Financial expense	(14,417)	(1,192)	-
Amortization of bond premium	31,234	652	-
Amortization of deferred gain (loss) on refunding	(2,825)	(1,811)	-
Interest expense	(211,358)	(13,709)	-
Property tax revenue	373,500	52,000	15,674
Other	(591)	(123)	(3)
Total nonoperating revenues (expenses)	<u>213,690</u>	<u>40,947</u>	<u>17,266</u>
Income (loss) before transfers and contributions	<u>660,661</u>	<u>78,858</u>	<u>812</u>
Transfers:			
Transfers from other funds	42,498	16,030	-
Transfers to other funds	(164,000)	(79,000)	-
Total transfers	<u>(121,502)</u>	<u>(62,970)</u>	<u>0</u>
Change in net position	539,159	15,888	812
Net position - January 1, as restated (Note 17)	<u>3,386,911</u>	<u>1,014,130</u>	<u>182,481</u>
Net position - December 31	<u><u>\$3,926,070</u></u>	<u><u>\$1,030,018</u></u>	<u><u>\$183,293</u></u>

618 - Washington Conservation District	619 - Landfall	620 - Park Place II	626 - Brick Pond	627 - WCCDA Family Housing, LLC	Total Family Housing Fund
\$ -	\$ -	\$51,993	\$387,105	\$880,053	\$3,727,633
-	-	-	3,831	-	3,831
40,417	7,500	1,473	5,827	61,764	151,543
40,417	7,500	53,466	396,763	941,817	3,883,007
-	-	-	5,229	47	14,053
-	-	6,529	45,967	64,025	380,227
-	-	-	1,502	3,576	9,341
-	-	511	6,303	2,151	29,807
-	-	94	17,465	200,957	265,212
-	-	12,681	105,156	248,334	1,023,936
-	-	9,199	43,067	10,277	394,792
-	-	2,175	21,010	26,728	148,006
-	-	2,158	51,729	46,870	210,243
60,098	-	6,956	42,850	234,759	777,402
60,098	0	40,303	340,278	837,724	3,253,019
(19,681)	7,500	13,163	56,485	104,093	629,988
33,777	17,998	287	5,710	12,474	105,209
-	-	-	-	-	9,909
-	61,250	-	-	-	61,250
(1,500)	-	(8)	(1,681)	(70)	(18,868)
-	265	-	5,765	-	37,916
-	(8,172)	-	(226)	-	(13,034)
(33,374)	(32,965)	-	(4,433)	-	(295,839)
-	-	300	34,700	-	476,174
-	-	(28)	(108)	(263)	(1,116)
(1,097)	38,376	551	39,727	12,141	361,601
(20,778)	45,876	13,714	96,212	116,234	991,589
1,542	-	-	36,903	17,675	114,648
-	(13,000)	(21,000)	(2,000)	-	(279,000)
1,542	(13,000)	(21,000)	34,903	17,675	(164,352)
(19,236)	32,876	(7,286)	131,115	133,909	827,237
(18,471)	438,777	224,731	1,520,716	3,969,353	10,718,628
(\$37,707)	\$471,653	\$217,445	\$1,651,831	\$4,103,262	\$11,545,865

WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY
COMBINING SCHEDULE OF CASH FLOWS -
FAMILY HOUSING FUND
For The Year Ended December 31, 2022

	604 - Woodland Park	607 - Park Place I	616 - Transitional Housing
Cash flows from operating activities:			
Receipts from customers and users	\$2,105,472	\$306,136	\$17,739
Payment to suppliers for goods and services	(1,300,251)	(217,828)	(23,954)
Miscellaneous income	27,710	6,670	182
Miscellaneous (loss)	(591)	(123)	(3)
Net cash flows from operating activities	<u>832,340</u>	<u>94,855</u>	<u>(6,036)</u>
Cash flows from noncapital financing activities:			
Transfers in	-	-	-
Transfers out	(164,000)	(79,000)	-
Due to other funds	-	-	-
Net cash flows from noncapital financing activities	<u>(164,000)</u>	<u>(79,000)</u>	<u>0</u>
Cash flows from capital and related financing activities:			
Property taxes	373,500	52,000	15,674
Transfers in	42,498	16,030	-
Federal recovery zone credits and CDBG	10,428	-	-
Fiscal agent costs and other debt related fees	(14,417)	(1,192)	-
Purchase of capital assets	(36,803)	(13,741)	-
Interest paid on long-term debt	(222,408)	(14,131)	-
Principal payments on long-term debt	(672,787)	(44,455)	-
Net cash flows from capital and related financing activities	<u>(519,989)</u>	<u>(5,489)</u>	<u>15,674</u>
Cash flows from investing activities:			
Principal receipts on note receivable	-	-	-
Investment income	28,238	5,130	1,595
Net cash flows from investing activities	<u>28,238</u>	<u>5,130</u>	<u>1,595</u>
Net increase (decrease) in cash and cash equivalents	176,589	15,496	11,233
Cash and cash equivalents - January 1	3,205,049	298,813	85,230
Cash and cash equivalents - December 31	<u>\$3,381,638</u>	<u>\$314,309</u>	<u>\$96,463</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	<u>\$446,971</u>	<u>\$37,911</u>	<u>(\$16,454)</u>
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:			
Depreciation	373,718	47,725	11,296
Miscellaneous income (loss)	(591)	(123)	(3)
Changes in assets and liabilities:			
Decrease (increase) in receivables	12,986	4,720	156
Decrease (increase) in prepaid items	(12,204)	(2,949)	(257)
Increase (decrease) accounts payable	10,671	4,711	(707)
Increase (decrease) security deposits payable	(211)	358	3
Increase (decrease) due to other governments	849	(200)	(70)
Increase (decrease) unearned revenue	151	2,702	-
Increase (decrease) deferred inflows of resources	-	-	-
Total adjustments	<u>385,369</u>	<u>56,944</u>	<u>10,418</u>
Net cash provided by operating activities	<u>\$832,340</u>	<u>\$94,855</u>	<u>(\$6,036)</u>

618 - Washington Conservation District	619 - Landfall	620 - Park Place II	626 - Brick Pond	627 - WCCDA Family Housing, LLC	Total Family Housing Fund
\$ -	\$ -	\$52,314	\$397,000	\$842,886	\$3,721,547
-	-	(34,013)	(280,901)	(529,211)	(2,386,158)
40,417	7,500	1,473	5,827	61,764	151,543
-	-	(28)	(108)	(263)	(1,116)
<u>40,417</u>	<u>7,500</u>	<u>19,746</u>	<u>121,818</u>	<u>375,176</u>	<u>1,485,816</u>
1,542	-	-	-	-	1,542
-	(13,000)	(21,000)	(2,000)	-	(279,000)
(42)	-	-	-	-	(42)
<u>1,500</u>	<u>(13,000)</u>	<u>(21,000)</u>	<u>(2,000)</u>	<u>0</u>	<u>(277,500)</u>
-	-	300	34,700	-	476,174
-	-	-	36,903	17,675	113,106
-	-	-	-	-	10,428
(1,500)	-	(8)	(1,681)	(70)	(18,868)
-	-	(2,290)	(26,775)	-	(79,609)
(33,457)	(37,217)	-	(5,600)	-	(312,813)
(40,000)	(339,999)	-	(69,539)	-	(1,166,780)
<u>(74,957)</u>	<u>(377,216)</u>	<u>(1,998)</u>	<u>(31,992)</u>	<u>17,605</u>	<u>(978,362)</u>
-	423,299	-	-	-	423,299
33,777	17,998	287	5,710	12,474	105,209
<u>33,777</u>	<u>441,297</u>	<u>287</u>	<u>5,710</u>	<u>12,474</u>	<u>528,508</u>
737	58,581	(2,965)	93,536	405,255	758,462
7,790	1,029,324	18,769	225,272	446,191	5,316,438
<u>\$8,527</u>	<u>\$1,087,905</u>	<u>\$15,804</u>	<u>\$318,808</u>	<u>\$851,446</u>	<u>\$6,074,900</u>
<u>(\$19,681)</u>	<u>\$7,500</u>	<u>\$13,163</u>	<u>\$56,485</u>	<u>\$104,093</u>	<u>\$629,988</u>
60,098	-	6,956	42,850	234,759	777,402
-	-	(28)	(108)	(263)	(1,116)
40,417	-	317	5,261	(38,238)	25,619
-	-	(491)	(3,829)	(8,176)	(27,906)
-	-	(116)	13,042	76,471	104,072
-	-	17	(360)	297	104
-	-	(59)	7,314	5,459	13,293
-	-	(13)	1,163	774	4,777
(40,417)	-	-	-	-	(40,417)
<u>60,098</u>	<u>0</u>	<u>6,583</u>	<u>65,333</u>	<u>271,083</u>	<u>855,828</u>
<u>\$40,417</u>	<u>\$7,500</u>	<u>\$19,746</u>	<u>\$121,818</u>	<u>\$375,176</u>	<u>\$1,485,816</u>

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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, 2022

Statement 34

	850 - The Groves Apartments Managing Member, LLC	851 - WCHRA Piccadilly Square, LLC	852 - Piccadilly Square Lender	853 - WCCDA Glen, LLC	854 - The Glen at Valley Creek	Total Managing Member Partnership
Assets:						
Current assets:						
Cash and cash equivalents	\$198,882	\$ -	\$389,160	\$167	\$931,187	\$1,519,396
Restricted cash and investments	-	-	758,864	97,933	-	856,797
Due from component unit	-	-	214,691	-	-	214,691
Interest receivable	-	-	16,062	-	-	16,062
Interest receivable - due from component unit	9,567	-	2,474	-	20,303	32,344
Total current assets	<u>208,449</u>	<u>0</u>	<u>1,381,251</u>	<u>98,100</u>	<u>951,490</u>	<u>2,639,290</u>
Noncurrent assets:						
Other assets:						
Due from component unit - long term	751,409	-	7,455,156	-	2,145,636	10,352,201
Investment in limited partnerships	500,522	1,344,046	-	12,936	-	1,857,504
Total noncurrent assets	<u>1,251,931</u>	<u>1,344,046</u>	<u>7,455,156</u>	<u>12,936</u>	<u>2,145,636</u>	<u>12,209,705</u>
Total assets	<u>1,460,380</u>	<u>1,344,046</u>	<u>8,836,407</u>	<u>111,036</u>	<u>3,097,126</u>	<u>14,848,995</u>
Liabilities:						
Current liabilities payable from restricted assets:						
Accrued interest payable	-	-	110,474	-	-	110,474
Current portion of long-term debt	-	-	185,000	-	-	185,000
Total current liabilities payable from restricted assets	<u>-</u>	<u>-</u>	<u>295,474</u>	<u>-</u>	<u>-</u>	<u>295,474</u>
Total current liabilities	<u>0</u>	<u>0</u>	<u>295,474</u>	<u>0</u>	<u>0</u>	<u>295,474</u>
Noncurrent liabilities:						
Long-term debt	-	-	6,905,069	-	-	6,905,069
Notes and mortgages payable	-	-	500,000	-	618,793	1,118,793
Total noncurrent liabilities	<u>0</u>	<u>0</u>	<u>7,405,069</u>	<u>0</u>	<u>618,793</u>	<u>8,023,862</u>
Total liabilities	<u>0</u>	<u>0</u>	<u>7,700,543</u>	<u>0</u>	<u>618,793</u>	<u>8,319,336</u>
Net position:						
Restricted for bond indenture purposes	-	-	758,864	97,933	-	856,797
Unrestricted	1,460,380	1,344,046	377,000	13,103	2,478,333	5,672,862
Total net position	<u>\$1,460,380</u>	<u>\$1,344,046</u>	<u>\$1,135,864</u>	<u>\$111,036</u>	<u>\$2,478,333</u>	<u>\$6,529,659</u>

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, 2022

Statement 35

	850 - The Groves Apartments Managing Member, LLC	851 - WCHRA Piccadilly Square, LLC	852 - Piccadilly Square Lender	853 - WCCDA Glen, LLC	854 - The Glen at Valley Creek	Total Managing Member Partnership
Operating revenues:						
Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total operating revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Operating expenses:						
Administrative	-	-	-	-	-	-
Legal	-	-	-	-	-	-
Total operating expenses	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Operating income (loss)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Nonoperating revenues (expenses):						
Investment income (loss)	24,289	(4)	174,617	357	19,142	218,401
Financial expense	-	-	(2,200)	-	-	(2,200)
Amortization of bond premium	-	-	8,695	-	-	8,695
Interest expense	-	-	(265,438)	-	-	(265,438)
Property taxes	-	-	46,010	195,000	-	241,010
Contribution to component unit	-	-	-	(195,000)	-	(195,000)
Total nonoperating revenues (expenses)	<u>24,289</u>	<u>(4)</u>	<u>(38,316)</u>	<u>357</u>	<u>19,142</u>	<u>5,468</u>
Income (loss) before transfers	<u>24,289</u>	<u>(4)</u>	<u>(38,316)</u>	<u>357</u>	<u>19,142</u>	<u>5,468</u>
Transfers:						
Transfers to other funds	(45,000)	-	-	-	-	(45,000)
Total transfers	<u>(45,000)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(45,000)</u>
Change in net position	(20,711)	(4)	(38,316)	357	19,142	(39,532)
Net position - January 1	1,481,091	1,344,050	1,174,180	110,679	2,459,191	6,569,191
Net position - December 31	<u>\$1,460,380</u>	<u>\$1,344,046</u>	<u>\$1,135,864</u>	<u>\$111,036</u>	<u>\$2,478,333</u>	<u>\$6,529,659</u>

WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY
 COMBINING SCHEDULE OF CASH FLOWS -
 MANAGING MEMBER PARTNERSHIP
 For The Year Ended December 31, 2022

Statement 36

	850 - The Groves Apartments Managing Member, LLC	851 - WCHRA Piccadilly Square, LLC	852 - Piccadilly Square Lender	853 - WCCDA Glen, LLC	854 - The Glen at Valley Creek	Total Managing Member Partnership
Cash flows from operating activities:						
Payment to suppliers for goods and services	\$ -	\$ -	(\$2,000)	\$ -	\$ -	(\$2,000)
Net cash flows from operating activities	0	0	(2,000)	0	0	(2,000)
Cash flows from noncapital financing activities:						
Transfers out	(45,000)	-	-	-	-	(45,000)
Net cash flows from noncapital financing activities	(45,000)	0	0	0	0	(45,000)
Cash flows from capital and related financing activities:						
Property taxes	-	-	46,010	195,000	-	241,010
Fiscal agent costs and other debt related fees	-	-	(2,200)	-	-	(2,200)
Interest paid on long-term debt	-	-	(266,938)	-	-	(266,938)
Principal payments on long-term debt	-	-	(180,000)	-	-	(180,000)
Net cash flows from capital and related financing activities	0	0	(403,128)	195,000	0	(208,128)
Cash flows from investing activities:						
Issuance of loans receivable / investment in limited partnership	34,727	-	313,119	(195,000)	112,096	264,942
Investment income	15,682	-	173,990	429	7,079	197,180
Net cash flows from investing activities	50,409	0	487,109	(194,571)	119,175	462,122
Net increase (decrease) in cash and cash equivalents	5,409	0	81,981	429	119,175	206,994
Cash and cash equivalents - January 1	193,473	-	1,066,043	97,671	812,012	2,169,199
Cash and cash equivalents - December 31	\$198,882	\$0	\$1,148,024	\$98,100	\$931,187	\$2,376,193
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:						
Operating income (loss)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:						
Changes in assets and liabilities:						
Increase (decrease) accounts payable	-	-	(2,000)	-	-	(2,000)
Total adjustments	0	0	(2,000)	0	0	(2,000)
Net cash provided (used) by operating activities	\$0	\$0	(\$2,000)	\$0	\$0	(\$2,000)

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.

Financial Trends	Pages
These schedules contain trend information to help the reader understand how the CDA's financial performance and well-being have changed over time.	164-175
Revenue Capacity	
These schedules contain information to help the reader assess the CDA's most significant revenue source.	176-178
Debt Capacity	
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.	179-180
Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the CDA's financial activities take place.	181-182
Operating Information	
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.	183-184

WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY**NET POSITION BY COMPONENT**

Last Ten Fiscal Years

(Accrual Basis of Accounting)

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Governmental activities net position:				
Net investment in capital assets	\$595,320	\$672,166	\$738,936	\$1,063,201
Restricted	2,460,826	3,986,253	4,224,645	3,736,034
Unrestricted	6,139,049	5,014,955	6,152,392	10,928,949
Total governmental activities net position	<u>\$9,195,195</u>	<u>\$9,673,374</u>	<u>\$11,115,973</u>	<u>\$15,728,184</u>
Business-type activities net position:				
Net investment in capital assets	\$441,762	\$2,037,531	\$3,308,775	\$4,425,219
Restricted	10,073,145	10,401,070	11,297,744	10,963,790
Unrestricted	(627,347)	1,268,398	2,904,155	4,683,402
Total business-type activities net position	<u>\$9,887,560</u>	<u>\$13,706,999</u>	<u>\$17,510,674</u>	<u>\$20,072,411</u>
Primary government net position:				
Net investment in capital assets	\$1,037,082	\$2,709,697	\$4,047,711	\$5,488,420
Restricted	12,533,971	14,387,323	15,522,389	14,699,824
Unrestricted	5,511,702	6,283,353	9,056,547	15,612,351
Total primary government net position	<u>\$19,082,755</u>	<u>\$23,380,373</u>	<u>\$28,626,647</u>	<u>\$35,800,595</u>

Note: GASB 87 was implemented as of January 1, 2021 during 2022. The 2021 column was restated to reflect changes caused by GASB 87 implementation as of January 1, 2021.

Table 1

2017	2018	2019	2020	2021	2022
\$1,207,915	\$1,256,188	\$1,308,001	\$1,363,380	\$1,592,573	\$1,662,100
3,718,570	3,801,690	3,836,320	3,960,218	4,038,651	4,059,377
14,561,066	16,154,253	19,143,675	22,298,707	24,855,739	26,919,883
<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>	<u>\$32,641,360</u>
\$5,893,766	\$9,554,825	\$11,491,467	\$12,354,792	\$13,559,205	\$14,332,027
11,551,202	10,380,326	9,882,023	10,257,489	10,593,573	11,530,458
2,946,089	4,761,669	6,767,160	7,297,994	8,672,664	9,846,791
<u>\$20,391,057</u>	<u>\$24,696,820</u>	<u>\$28,140,650</u>	<u>\$29,910,275</u>	<u>\$32,825,442</u>	<u>\$35,709,276</u>
\$7,101,681	\$10,811,013	\$12,799,468	\$13,718,172	\$15,151,778	\$15,994,127
15,269,772	14,182,016	13,718,343	14,217,707	14,632,224	15,589,835
17,507,155	20,915,922	25,910,835	29,596,701	33,528,403	36,766,674
<u>\$39,878,608</u>	<u>\$45,908,951</u>	<u>\$52,428,646</u>	<u>\$57,532,580</u>	<u>\$63,312,405</u>	<u>\$68,350,636</u>

WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY

CHANGES IN NET POSITION - GOVERNMENTAL ACTIVITIES

Last Ten Fiscal Years

(Accrual Basis of Accounting)

	2013	2014	2015	2016
Expenses				
Governmental activities:				
General government	\$1,236,725	\$1,224,598	\$1,141,670	\$1,378,031
Housing assistance	4,027,156	4,010,120	4,080,358	4,293,879
Community development	582,823	662,738	1,547,059	1,627,291
Economic development	-	-	-	111,437
Home ownership counseling	225,334	185,839	160,565	152,298
Tax increment financing	3,323	1,119	1,339	1,339
Community land trust	22,020	84,294	95,127	60,056
Interest on long-term debt	200,628	175,945	147,813	145,917
Total governmental activities expenses	<u>6,298,009</u>	<u>6,344,653</u>	<u>7,173,931</u>	<u>7,770,248</u>
Program revenues				
Governmental activities:				
Charges for services:				
Administrative fees	740,090	876,314	1,015,592	938,261
Conduit financing fees	-	-	-	31,252
Other activities	61,070	74,378	530,727	481,745
Operating grants and contributions	4,029,074	4,031,870	5,969,386	4,757,710
Capital grants and contributions	-	-	-	-
Total governmental activities program revenues	<u>4,830,234</u>	<u>4,982,562</u>	<u>7,515,705</u>	<u>6,208,968</u>
Net revenue (expense)	<u>(1,467,775)</u>	<u>(1,362,091)</u>	<u>341,774</u>	<u>(1,561,280)</u>
General revenues and other changes in net position				
General property taxes	2,088,252	2,298,338	2,430,476	3,458,145
Tax increments	102,001	121,612	124,747	126,926
Investment earnings	57,656	88,136	21,155	49,383
Miscellaneous	-	170,600	-	-
Transfers	138,959	(838,416)	(1,475,553)	1,355,631
Total general revenues and other changes	<u>2,386,868</u>	<u>1,840,270</u>	<u>1,100,825</u>	<u>4,990,085</u>
Change in net position - governmental activities	\$919,093	\$478,179	\$1,442,599	\$3,428,805
Change in net position - business type activities (table 3)	<u>1,685,210</u>	<u>3,819,439</u>	<u>3,803,675</u>	<u>2,561,737</u>
Total change in net position	<u><u>\$2,604,303</u></u>	<u><u>\$4,297,618</u></u>	<u><u>\$5,246,274</u></u>	<u><u>\$5,990,542</u></u>

Table 2

2017	2018	2019	2020	2021	2022
\$1,273,942	\$1,336,670	\$1,551,447	\$1,544,222	\$1,669,595	\$1,846,367
4,864,249	4,784,629	4,772,763	5,252,125	6,272,027	6,342,522
1,920,055	1,795,996	1,693,461	1,948,356	2,193,956	1,875,081
295,388	383,811	475,687	6,584,893	5,628,588	603,086
210,677	112,061	125,522	1,340,627	141,412	177,679
1,388	1,754	2,948	14,950	5,984	4,036
-	-	-	-	-	-
148,683	137,145	125,088	113,419	104,166	94,803
<u>8,714,382</u>	<u>8,552,066</u>	<u>8,746,916</u>	<u>16,798,592</u>	<u>16,015,728</u>	<u>10,943,574</u>
976,844	1,060,530	1,094,196	1,209,439	1,270,389	1,381,646
-	-	-	-	-	-
151,666	279,205	158,029	325,033	305,726	126,619
5,609,584	5,640,163	5,584,219	12,154,102	11,004,238	5,968,096
-	-	-	981,326	1,616,567	953,102
<u>6,738,094</u>	<u>6,979,898</u>	<u>6,836,444</u>	<u>14,669,900</u>	<u>14,196,920</u>	<u>8,429,463</u>
<u>(1,976,288)</u>	<u>(1,572,168)</u>	<u>(1,910,472)</u>	<u>(2,128,692)</u>	<u>(1,818,808)</u>	<u>(2,514,111)</u>
3,565,774	3,725,681	3,881,798	4,068,674	4,093,591	4,310,931
138,315	144,867	167,787	235,897	249,053	252,461
103,028	283,602	335,103	286,110	18,937	(48,520)
-	95,356	-	-	-	-
1,928,538	(952,758)	601,649	872,320	321,885	153,636
<u>5,735,655</u>	<u>3,296,748</u>	<u>4,986,337</u>	<u>5,463,001</u>	<u>4,683,466</u>	<u>4,668,508</u>
\$3,759,367	\$1,724,580	\$3,075,865	\$3,334,309	\$2,864,658	\$2,154,397
318,646	4,305,763	3,443,830	1,769,625	2,915,167	2,883,834
<u>\$4,078,013</u>	<u>\$6,030,343</u>	<u>\$6,519,695</u>	<u>\$5,103,934</u>	<u>\$5,779,825</u>	<u>\$5,038,231</u>

WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY

CHANGES IN NET POSITION - BUSINESS-TYPE ACTIVITIES

Last Ten Fiscal Years

(Accrual Basis of Accounting)

	2013	2014	2015	2016
Operating revenues:				
Rental income	\$8,221,845	\$8,011,968	\$7,894,701	\$8,018,167
Service income	48,378	38,302	31,046	31,360
HUD rent subsidies	953,273	1,071,028	971,626	924,930
Other	207,289	147,188	179,874	133,709
Total operating revenues	<u>9,430,785</u>	<u>9,268,486</u>	<u>9,077,247</u>	<u>9,108,166</u>
Operating expenses:				
Marketing	63,908	50,866	42,648	36,156
Management fee	948,192	969,010	880,941	892,362
Legal	40,714	49,608	39,073	44,888
Administrative	176,162	171,125	156,608	143,675
Operating	281,799	266,151	253,697	256,138
Maintenance	2,668,283	2,608,916	2,211,421	2,204,722
Utilities	860,360	900,280	747,465	763,068
Insurance	306,674	301,802	323,561	333,851
Property taxes	426,662	404,722	444,110	416,628
Depreciation	1,844,064	1,794,690	1,767,452	1,791,213
Total operating expenses	<u>7,616,818</u>	<u>7,517,170</u>	<u>6,866,976</u>	<u>6,882,701</u>
Operating income (loss)	<u>1,813,967</u>	<u>1,751,316</u>	<u>2,210,271</u>	<u>2,225,465</u>
Nonoperating revenues (expenses):				
Investment income	158,543	164,522	308,162	397,399
Gain (loss) on asset disposition	56,847	871,450	49,412	51,551
Insurance recoveries	23,861	32,368	100,756	-
Financial expense	(89,172)	(78,266)	(137,661)	(80,263)
Amortization of bond premium	54,597	53,289	56,912	61,984
Amortization of deferred gain (loss) on refunding	7,905	9,845	12,011	12,014
Interest expense	(1,789,441)	(1,687,819)	(1,702,845)	(1,856,998)
Property taxes	1,216,255	1,094,255	1,094,255	1,109,000
Intergovernmental	225,934	334,090	390,548	272,318
Contributions	-	-	-	-
Developer fees	-	319,000	-	1,500,000
Other	(55,127)	(72,667)	(53,699)	(44,302)
Total nonoperating revenues (expenses)	<u>(189,798)</u>	<u>1,040,067</u>	<u>117,851</u>	<u>1,422,703</u>
Income (loss) before contributions and transfers	<u>1,624,169</u>	<u>2,791,383</u>	<u>2,328,122</u>	<u>3,648,168</u>
Capital contributions	<u>200,000</u>	<u>-</u>	<u>-</u>	<u>269,200</u>
Special item	<u>-</u>	<u>189,640</u>	<u>-</u>	<u>-</u>
Transfers:				
Transfers in	778,041	3,300,404	2,229,067	839,936
Transfers out	(917,000)	(2,461,988)	(753,514)	(2,195,567)
Total transfers	<u>(138,959)</u>	<u>838,416</u>	<u>1,475,553</u>	<u>(1,355,631)</u>
Change in net position - business type activities	\$1,685,210	\$3,819,439	\$3,803,675	\$2,561,737
Change in net position - governmental activities (table 2)	919,093	478,179	1,442,599	3,428,805
Total	<u>\$2,604,303</u>	<u>\$4,297,618</u>	<u>\$5,246,274</u>	<u>\$5,990,542</u>

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.

Note: GASB 87 was implemented as of January 1, 2021 during 2022. The 2021 column was restated to reflect changes caused by GASB 87 implementation as of January 1, 2021.

Table 3

2017	2018	2019	2020	2021	2022
\$8,085,441	\$8,239,218	\$8,415,226	\$8,614,060	\$9,276,661	\$9,447,110
28,500	31,530	27,628	26,282	24,821	23,334
841,472	886,049	916,472	1,135,048	1,386,081	1,217,164
99,543	439,863	1,436,311	138,589	256,236	233,107
<u>9,054,956</u>	<u>9,596,660</u>	<u>10,795,637</u>	<u>9,913,979</u>	<u>10,943,799</u>	<u>10,920,715</u>
33,998	29,900	29,007	29,379	28,222	33,110
955,204	1,038,193	1,079,794	1,133,420	1,165,357	1,099,450
43,670	31,754	53,638	89,756	32,611	16,621
144,167	144,512	135,333	138,542	135,149	121,294
249,324	262,327	267,193	244,292	254,603	356,622
2,169,756	2,263,828	2,339,395	2,587,954	2,399,560	2,761,763
738,119	819,281	858,768	862,478	987,579	1,139,466
343,798	378,432	388,725	401,315	412,941	450,691
429,363	430,689	451,330	568,696	495,096	509,000
1,809,468	1,854,006	1,862,644	1,885,722	1,966,722	1,985,910
<u>6,916,867</u>	<u>7,252,922</u>	<u>7,465,827</u>	<u>7,941,554</u>	<u>7,877,840</u>	<u>8,473,927</u>
<u>2,138,089</u>	<u>2,343,738</u>	<u>3,329,810</u>	<u>1,972,425</u>	<u>3,065,959</u>	<u>2,446,788</u>
442,567	489,956	528,783	326,501	259,300	443,750
53,581	55,479	57,219	58,778	60,131	61,250
-	-	-	-	-	-
(85,423)	(80,112)	(76,557)	(71,159)	(171,648)	(85,986)
61,984	61,672	61,672	61,673	61,672	61,672
12,012	12,013	35,208	(13,688)	(49,473)	(45,133)
(1,782,384)	(1,678,860)	(1,602,633)	(1,529,154)	(1,340,333)	(1,253,728)
1,155,010	1,327,806	1,345,046	1,360,954	1,321,170	1,369,812
219,609	614,423	376,594	442,664	258,151	182,587
-	-	(195,000)	(97,500)	(195,000)	(195,000)
-	-	-	-	-	-
(38,583)	111,850	(52,454)	(38,134)	(42,327)	(49,094)
<u>38,373</u>	<u>914,227</u>	<u>477,878</u>	<u>500,935</u>	<u>161,643</u>	<u>490,130</u>
<u>2,176,462</u>	<u>3,257,965</u>	<u>3,807,688</u>	<u>2,473,360</u>	<u>3,227,602</u>	<u>2,936,918</u>
<u>70,722</u>	<u>95,040</u>	<u>237,791</u>	<u>168,585</u>	<u>9,450</u>	<u>100,552</u>
-	-	-	-	-	-
1,180,948	2,948,051	957,351	4,016,270	730,815	450,606
(3,109,486)	(1,995,293)	(1,559,000)	(4,888,590)	(1,052,700)	(604,242)
<u>(1,928,538)</u>	<u>952,758</u>	<u>(601,649)</u>	<u>(872,320)</u>	<u>(321,885)</u>	<u>(153,636)</u>
\$318,646	\$4,305,763	\$3,443,830	\$1,769,625	\$2,915,167	\$2,883,834
3,759,367	1,724,580	3,075,865	3,334,309	2,864,658	2,154,397
<u>\$4,078,013</u>	<u>\$6,030,343</u>	<u>\$6,519,695</u>	<u>\$5,103,934</u>	<u>\$5,779,825</u>	<u>\$5,038,231</u>

WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY
CHANGES IN CASH AND CASH EQUIVALENTS - BUSINESS-TYPE ACTIVITIES

Last Ten Fiscal Years

(Accrual Basis of Accounting)

	2013	2014	2015	2016
Cash flows from operating activities:				
Receipts from customers and users	\$9,392,704	\$8,973,017	\$9,072,963	\$8,961,278
Payment to suppliers for goods and services	(6,279,158)	(5,895,308)	(5,129,232)	(5,124,345)
Miscellaneous income (loss)	152,162	74,521	71,332	89,549
Net cash flows from operating activities	<u>3,265,708</u>	<u>3,152,230</u>	<u>4,015,063</u>	<u>3,926,482</u>
Cash flows from noncapital financing activities:				
Transfers in	273,000	22,001	237,834	136,509
Transfers out	(917,000)	(1,311,988)	(1,023,074)	(2,195,567)
Advances to/from other funds - net change	(13,898)	-	-	-
Due to/from other funds - net change	-	39	(39)	(5,547)
Contributions	(114,127)	-	-	-
Net cash flows from noncapital financing activities	<u>(772,025)</u>	<u>(1,289,948)</u>	<u>(785,279)</u>	<u>(2,064,605)</u>
Cash flows from capital and related financing activities:				
Property taxes	1,216,255	1,094,255	1,094,255	1,109,000
Transfers in	505,041	1,627,782	916,633	703,427
Intergovernmental revenue	-	-	-	-
Proceeds from sale of capital assets	-	2,520,000	-	-
Proceeds from debt	-	-	-	-
Federal recovery zone credits and CDBG	243,029	334,578	438,902	345,063
Insurance proceeds on damage to capital assets	23,861	279,721	100,756	-
Fiscal agent costs and other debt related fees	(34,579)	(57,845)	(92,340)	(29,602)
Net proceeds from long-term debt	-	-	11,720,937	271,000
Capital contributions	-	(175,000)	-	-
Purchase of capital assets	(495,112)	(1,887,085)	(1,073,066)	(1,085,189)
Interest paid on long-term debt	(1,730,574)	(1,759,865)	(1,587,116)	(1,866,409)
Principal payments on long-term debt	(1,608,409)	(4,496,198)	(2,224,123)	(2,259,325)
Net cash flows from capital and related financing activities	<u>(1,880,488)</u>	<u>(2,519,657)</u>	<u>9,294,838</u>	<u>(2,812,035)</u>
Cash flows from investing activities:				
Principal receipts on capital lease receivable	312,760	356,095	341,477	356,261
Principal receipts on note receivable	-	-	-	-
Issuance of loans receivable	-	-	(11,455,000)	319,000
Investment income	158,584	144,990	129,469	514,487
Net cash flows from investing activities	<u>471,344</u>	<u>501,085</u>	<u>(10,984,054)</u>	<u>1,189,748</u>
Net increase (decrease) in cash and cash equivalent:	<u>\$1,084,539</u>	<u>(\$156,290)</u>	<u>\$1,540,568</u>	<u>\$239,590</u>

Note: GASB 87 was implemented as of January 1, 2021 during 2022. The 2021 column was restated to reflect changes caused by GASB 87 implementation as of January 1, 2021.

Table 4

2017	2018	2019	2020	2021	2022
\$8,953,440	\$9,525,101	\$9,219,328	\$9,946,160	\$10,725,984	\$10,850,505
(5,158,023)	(5,348,914)	(5,476,025)	(5,807,417)	(6,050,876)	(6,328,469)
60,960	214,685	117,857	100,055	213,909	184,013
<u>3,856,377</u>	<u>4,390,872</u>	<u>3,861,160</u>	<u>4,238,798</u>	<u>4,889,017</u>	<u>4,706,049</u>
1,261	409,101	6,500	6,500	-	1,542
(3,109,486)	(1,995,293)	(1,559,000)	(1,105,618)	(1,069,828)	(718,466)
-	-	-	-	-	-
5,547	-	-	40,834	(40,792)	30,472
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(3,102,678)</u>	<u>(1,586,192)</u>	<u>(1,552,500)</u>	<u>(1,058,284)</u>	<u>(1,110,620)</u>	<u>(686,452)</u>
1,155,010	1,327,806	1,345,046	1,360,954	1,321,170	1,369,812
1,179,687	2,538,950	950,851	225,501	747,943	563,288
-	400,000	-	-	-	-
-	-	-	-	-	-
-	618,793	-	-	-	-
349,416	225,230	377,846	365,374	341,148	107,207
-	-	-	-	-	-
(33,856)	(28,854)	(25,301)	(65,729)	(164,042)	(78,378)
-	-	-	-	-	-
22,528	95,040	237,791	168,585	9,450	100,552
(1,249,658)	(3,446,271)	(1,671,855)	(797,628)	(1,180,807)	(1,052,926)
(1,815,311)	(1,720,968)	(1,631,391)	(1,557,988)	(1,380,363)	(1,284,199)
<u>(3,716,711)</u>	<u>(4,378,949)</u>	<u>(2,595,939)</u>	<u>(2,447,363)</u>	<u>(2,414,767)</u>	<u>(2,438,386)</u>
<u>(4,108,895)</u>	<u>(4,369,223)</u>	<u>(3,012,952)</u>	<u>(2,748,294)</u>	<u>(2,720,268)</u>	<u>(2,713,030)</u>
400,708	418,405	430,433	441,624	-	-
-	-	-	-	415,554	423,299
2,140,252	660,799	122,234	334,980	485,880	264,942
448,304	461,883	623,948	236,259	330,982	345,642
<u>2,989,264</u>	<u>1,541,087</u>	<u>1,176,615</u>	<u>1,012,863</u>	<u>1,232,416</u>	<u>1,033,883</u>
<u>(\$365,932)</u>	<u>(\$23,456)</u>	<u>\$472,323</u>	<u>\$1,445,083</u>	<u>\$2,290,545</u>	<u>\$2,340,450</u>

WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY**FUND BALANCES - GOVERNMENTAL FUNDS**

Last Ten Fiscal Years

(Modified Accrual Basis of Accounting)

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
General fund:				
Fund balance:				
Nonspendable	\$14,985	\$11,964	\$19,063	\$8,827
Restricted	2,116,068	1,976,103	1,834,202	-
Committed	870,596	762,169	1,480,861	3,737,158
Assigned	-	-	-	-
Unassigned	2,155,377	2,383,506	2,257,770	3,711,113
Total general fund	<u>\$5,157,026</u>	<u>\$5,133,742</u>	<u>\$5,591,896</u>	<u>\$7,457,098</u>
All other governmental funds:				
Fund balance:				
Nonspendable	\$3,373	\$2,051	\$13,038	\$7,445
Restricted	124,514	103,874	137,387	119,406
Committed	6,646,481	7,088,770	7,789,108	8,372,244
Assigned	-	-	-	-
Unassigned	(3,612,772)	(3,663,569)	(2,974,478)	(3,278,921)
Total all other governmental funds	<u>\$3,161,596</u>	<u>\$3,531,126</u>	<u>\$4,965,055</u>	<u>\$5,220,174</u>

Table 5

2017	2018	2019	2020	2021	2022
\$8,771	\$30,996	\$28,852	\$74,148	\$69,385	\$52,798
-	-	-	-	-	-
4,011,089	3,381,246	3,920,449	5,156,473	5,595,908	6,270,357
2,000,000	2,000,000	-	-	-	-
4,130,902	5,494,198	8,783,967	9,708,302	10,220,431	10,344,735
<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>	<u>\$16,667,890</u>
\$7,639	\$6,754	\$2,820	\$10,942	\$43,487	\$49,165
69,623	88,780	137,068	109,297	83,477	52,463
9,029,313	10,200,062	11,067,164	12,051,766	13,335,950	14,267,761
-	-	-	-	-	-
(3,627,920)	(3,513,020)	(3,539,214)	(3,500,737)	(3,440,810)	(3,374,412)
<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>	<u>\$10,994,977</u>

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

	2013	2014	2015	2016
Revenues:				
General property taxes	\$2,088,239	\$2,314,464	\$2,441,440	\$3,456,812
Tax increments	102,001	121,612	124,747	126,926
Intergovernmental	4,029,074	4,031,870	5,969,386	4,757,710
Charges for services:				
Administrative fees	740,090	876,314	1,015,592	938,261
Bond issuance, origination fees	5,976	4,626	3,809	31,252
Investment income (loss)	31,428	35,624	7,064	35,152
Other	33,074	149,752	224,076	842,763
Total revenues	7,029,882	7,534,262	9,786,114	10,188,876
Expenditures:				
Current:				
General government	1,153,752	1,171,367	1,070,231	1,299,221
Housing assistance	4,027,156	4,010,120	4,080,358	4,293,879
Community development	1,743,419	662,738	1,547,059	2,786,954
Economic development	-	-	-	111,437
Home ownership counseling	225,334	185,839	160,565	152,298
Tax increment financing	3,323	1,119	1,339	1,339
Community land trust	22,020	84,294	95,127	60,056
Capital outlay	-	-	-	19,178
Debt service:				
Principal	251,371	280,309	343,838	1,853,308
Interest	190,048	188,308	149,961	146,516
Total expenditures	7,616,423	6,584,094	7,448,478	10,724,186
Revenues over (under) expenditures	(586,541)	950,168	2,337,636	(535,310)
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	917,000	-	-	2,195,567
Transfer to Special Revenue Funds	-	-	-	-
Transfer to General Fund	-	811,366	753,514	-
Transfer to Enterprise Funds	(853,041)	-	-	(839,936)
Sale of capital assets	-	234,494	-	-
Proceeds from issuance of debt	-	-	-	1,300,000
Proceeds from sale of land held for resale	-	-	1,030,000	-
Total other financing sources (uses)	138,959	(603,922)	(445,553)	2,655,631
Net change in fund balance	(\$447,582)	\$346,246	\$1,892,083	\$2,120,321
Debt service as a percentage of noncapital expenditures	5.8%	7.1%	6.6%	18.6%
Debt service as a percentage of total expenditures	5.8%	7.1%	6.6%	18.6%

Table 6

2017	2018	2019	2020	2021	2022
\$3,572,609	\$3,723,489	\$3,881,166	\$4,062,905	\$4,098,114	\$4,311,646
138,315	144,867	167,787	235,897	249,053	252,461
5,609,584	5,640,163	5,584,219	13,135,428	12,620,805	6,921,198
976,844	1,060,530	1,094,196	1,209,439	1,270,389	1,381,646
3,192	4,759	-	-	-	-
82,862	219,314	318,762	190,203	(83,602)	(158,211)
126,250	244,347	68,272	195,217	224,554	65,857
<u>10,509,656</u>	<u>11,037,469</u>	<u>11,114,402</u>	<u>19,029,089</u>	<u>18,379,313</u>	<u>12,774,597</u>
1,195,058	1,271,961	1,463,247	1,440,640	1,582,233	1,744,040
4,864,249	4,787,110	4,772,763	5,252,127	6,272,027	6,342,522
2,360,888	2,036,044	1,693,461	1,626,524	2,193,956	1,875,081
295,388	383,811	475,687	6,584,893	5,628,588	603,086
210,677	112,061	125,522	1,340,626	141,412	177,679
1,388	1,754	2,948	14,950	5,984	4,036
-	-	-	-	-	-
96,721	-	-	-	185,140	28,829
309,586	324,659	341,890	316,525	288,236	301,214
152,094	140,305	128,443	116,041	105,985	96,707
<u>9,486,049</u>	<u>9,057,705</u>	<u>9,003,961</u>	<u>16,692,326</u>	<u>16,403,561</u>	<u>11,173,194</u>
<u>1,023,607</u>	<u>1,979,764</u>	<u>2,110,441</u>	<u>2,336,763</u>	<u>1,975,752</u>	<u>1,601,403</u>
-	-	-	-	-	-
-	(866,228)	70,000	103,500	102,017	148,048
3,135,586	2,461,293	1,559,000	1,081,000	1,052,700	660,235
-	-	-	-	-	-
-	-	(70,000)	(103,500)	(102,017)	(148,048)
(1,207,048)	(2,547,823)	(957,351)	(208,680)	(730,815)	(506,599)
-	-	-	-	-	-
-	-	-	-	-	-
-	1,032,593	-	-	-	-
<u>1,928,538</u>	<u>79,835</u>	<u>601,649</u>	<u>872,320</u>	<u>321,885</u>	<u>153,636</u>
<u>\$2,952,145</u>	<u>\$2,059,599</u>	<u>\$2,712,090</u>	<u>\$3,209,083</u>	<u>\$2,297,637</u>	<u>\$1,755,039</u>
4.9%	5.1%	5.2%	2.6%	2.4%	3.6%
4.9%	5.1%	5.2%	2.6%	2.4%	3.6%

WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY
RENTAL RATES BY PROPERTY
 Last Ten Fiscal Years
 (Unaudited)

Table 7

Property	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Ann Bodlovick	\$811	\$823	\$831	\$839	\$847	\$855	\$873	\$890	\$890	\$944
Briar Pond	911	925	934	943	952	971	1,000	1,030	1,040	1,071
Brick Pond	794	806	814	822	830	846	863	880	889	916
Cobble Hill	829	841	849	857	866	875	893	911	920	966
WCCDA Family Housing	N/A	N/A	N/A	N/A	N/A	N/A	N/A	835	1,037	1,166
John Jergens	779	791	799	807	815	823	839	856	865	908
Muller Manor	630	639	645	651	658	665	707	721	728	750
Oakhill Cottages	719	730	737	744	751	759	773	788	796	820
Park Place I	655	665	672	679	686	700	714	728	735	757
Park Place II	655	665	672	679	686	700	714	728	735	757
Parkside	807	819	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Pioneer Elderly	623	632	638	644	650	657	670	683	690	711
Raymie Johnson	790	790	790	798	816	843	869	875	893	912
Woodland Park	868	881	899	908	917	935	963	992	1,002	1,032
Whispering Pines	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Trailside	716	723	732	739	746	753	768	783	806	846

Source: Washington County CDA Finance Department

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

Table 8

Property	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Ann Bodlovick	\$467,639	\$475,082	\$483,079	\$488,946	\$494,744	\$501,268	\$504,629	\$499,427	\$522,440	\$531,574
Briar Pond	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	2,435,691
Brick Pond	359,523	365,897	367,637	373,710	373,973	383,673	384,205	384,162	393,722	396,763
Cobble Hill	419,379	428,532	435,112	438,621	439,885	443,814	446,146	449,112	456,209	464,998
Transitional Housing	32,164	28,364	15,864	16,713	15,864	16,534	16,125	17,595	19,568	17,762
HUD-Scattered Site *	382,366	400,767	424,724	414,589	320,188	360,103	433,408	388,905	58,582	143,665
WCCDA Family Housing *	-	-	-	-	-	-	-	55,972	826,576	941,817
John Jergens	284,807	274,459	276,593	281,531	284,467	287,447	294,272	294,243	302,742	328,670
Landfall	2,000	2,000	2,000	15,000	7,500	7,500	7,500	7,500	7,500	7,500
Muller Manor	216,878	219,917	223,357	227,609	228,710	230,431	233,616	237,941	245,041	247,399
Oakhill Cottages	347,195	352,698	357,430	361,426	363,962	367,654	372,993	378,719	406,268	393,889
Park Place I	284,682	281,618	290,545	291,723	291,860	298,920	302,641	303,535	304,185	305,026
Park Place II	49,135	47,962	48,866	47,913	48,409	48,711	50,643	51,731	52,088	53,466
Parkside **	671,344	309,848	-	-	-	-	-	-	-	-
Pioneer Elderly	129,382	132,066	133,334	134,678	131,251	135,716	137,750	139,330	145,240	147,709
Raymie Johnson	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	1,388,265
Trailside	598,539	604,118	614,905	622,249	627,622	630,236	643,375	651,705	662,405	671,561
Washington Conservation District	-	-	-	-	-	-	-	-	40,000	40,417
Whispering Pines	180,475	320,795	226,619	215,194	210,335	221,784	225,704	256,412	256,017	284,287
Woodland Park	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	2,120,256
Total	\$9,430,785	\$9,268,486	\$9,022,404	\$9,108,166	\$9,054,956	\$9,262,660	\$9,499,637	\$9,913,579	\$10,943,799	\$10,920,715

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

** Sold June 16, 2014

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 Month of Vacancies									
			2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Ann Bodlovick	50	600	1	-	2	-	-	1	4	14	9	8
Briar Pond	196	2,352	29	15	6	8	21	14	3	14	7	8
Brick Pond	40	480	6	-	6	3	6	-	5	14	4	6
Cobble Hill	45	540	6	-	2	1	-	-	6	10	6	10
HUD-Scattered Site *	56	616	23	5	8	10	3	6	9	1	N/A	N/A
WCCDA Family Housing *	56	672	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1	5	18
John Jergens	30	360	-	1	2	-	-	1	1	3	3	2
Muller Manor	28	336	3	1	-	-	-	-	-	-	-	-
Oakhill Cottages	40	480	2	-	1	-	-	1	-	-	3	1
Park Place I	36	432	8	15	6	1	5	4	3	1	7	7
Park Place II	6	72	-	2	-	3	1	1	-	-	-	1
Parkside **	72	864	24	17	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Pioneer Elderly	18	216	1	-	1	-	6	3	-	4	2	1
Raymie Johnson	120	1,440	32	27	9	17	7	18	29	44	18	46
Woodland Park	180	2,160	26	26	36	26	-	2	20	22	27	23
Whispering Pines	40	480	13	5	4	8	23	16	-	-	10	19
Trailside	70	840	2	5	1	1	2	-	5	-	12	9
Total	1,083	12,940	176	119	84	78	74	67	85	128	113	159

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

** Sold June 16, 2014

Source: Washington County CDA Finance Department

WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY

RATIOS OF OUTSTANDING DEBT BY TYPE

Table 10

Last Ten Fiscal Years

(Unaudited)

Fiscal Year	Business Type Activities				Governmental Activities			
	Revenue Bonds	Notes	Total	Per Unit	Loans	Percentage of estimated taxable market value	Per Capita	Percent of personal income
2013	\$42,108,796	\$10,872,647	\$52,981,443	\$51,589	\$5,341,003	0.0223%	\$22	39.5%
2014	37,755,273	10,541,449	48,296,722	47,027	5,060,694	0.0226%	20	35.0%
2015	46,872,698	10,879,244	57,751,942	56,234	4,716,856	0.0204%	19	30.9%
2016	44,740,490	10,875,199	55,615,689	54,154	4,163,551	0.0158%	16	26.3%
2017	41,188,283	10,700,276	51,888,559	50,524	3,853,965	0.0142%	15	23.1%
2018	36,980,567	11,137,419	48,117,986	46,853	3,529,306	0.0130%	13	20.2%
2019	34,562,847	10,948,782	45,511,629	44,315	3,187,415	0.0099%	12	17.2%
2020	32,255,129	10,752,891	43,008,020	41,877	2,870,890	0.0082%	11	14.8%
2021	30,027,411	10,511,778	40,539,189	39,473	2,582,654	0.0068%	10	12.4%
2022	27,789,693	10,257,045	38,046,738	37,046	2,281,440	0.0059%	8	10.2%

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

Table 11

Last Ten Fiscal Years

(Unaudited)

Fiscal Year	Gross Revenue				Operating Expenses ⁽¹⁾	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage Ratio
	Operating Revenue	Property Tax Revenue	Investment Income	Total			Principal ⁽²⁾	Interest ⁽²⁾	Total	
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
2022	10,920,715	1,369,812	443,750	12,734,277	6,488,017	6,246,260	2,195,000	1,085,500	3,280,500	1.90

Notes:

⁽¹⁾Operating expenses excludes depreciation.

⁽²⁾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)

<u>Fiscal Year</u>	<u>Population (a)</u>	<u>Area (Sq. Mi.)</u>	<u>Density (Person/Sq. Mi.)</u>	<u>Number of Households (a)</u>	<u>Personal Income (b) (amounts expressed in thousands)</u>	<u>Per Capita Personal Income (b)</u>	<u>Unemployment Rate (c)</u>
2013	248,095	423	587	91,292	13,509,800	54,734	4.5%
2014	249,109	423	589	91,710	14,454,474	57,895	3.7%
2015	251,015	423	593	92,669	15,244,871	60,535	3.2%
2016	253,128	423	598	94,044	15,809,726	62,174	3.3%
2017	256,905	423	607	94,955	16,684,657	64,762	3.0%
2018	261,512	423	618	96,424	17,475,284	66,911	2.6%
2019	262,748	423	621	98,214	18,493,845	69,775	2.8%
2020	267,568	423	633	99,507	19,425,036	72,430	5.7%
2021	270,805	423	640	100,880	20,890,951	76,733	3.3%
2022	274,042 *	423	648	102,253 *	22,356,866 *	81,036 *	2.3%

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	2022			2013		
	Rank	Employees	Percentage of Total County Employment	Rank	Employees	Percentage of Total County Employment
Andersen Corporation (Bayport, Cottage Grove)	1	5,000	3.47%	1	5,700	4.22%
Independent School District 833	2	2,220	1.54%	2	1,804	1.34%
Washington County, Government	3	1,386	0.96%	-	-	0.00%
Woodwinds Healtheast Campus	4	1,331	0.92%	5	1,081	0.80%
Wal-Mart (Forest Lake, Oak Park Heights, Woodbury and Cottage)	5	1,181	0.82%	6	897	0.66%
Hy-Vee Grocery	6	928	0.64%	-	-	0.00%
Independent School District 834	7	1,066	0.74%	7	864	0.64%
Independent School District 831	8	1,074	0.75%	8	769	0.57%
Target (Cottage Grove, Forest Lake, Stillwater, Woodbury, and Oakdale)	9	759	0.53%	3	1,385	1.03%
Bailey Nurseries, Inc	10	634	0.44%	-	-	0.00%
3M Chemolite (Cottage Grove)	-	-	0.00%	4	1,361	1.01%
Cub Foods, Inc (all sites)	-	-	0.00%	9	762	0.56%
MN Department of Corrections (all sites)	-	-	0.00%	10	749	0.56%
Totals		<u>15,579</u>	<u>10.81%</u>		<u>15,372</u>	<u>11.39%</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,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Administration	5.0	5.0	5.0	5.0	4.0	4.0	4.0	4.0	4.0	6.0
Finance	4.0	4.0	4.0	4.0	4.0	4.5	4.5	5.5	5.5	5.0
Housing Assistance	4.0	4.0	4.0	5.0	5.0	5.0	6.0	6.0	6.0	6.0
Community Development	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	7.0
Economic Development	N/A	N/A	N/A	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Home Ownership Counseling	3.0	3.0	3.0	3.0	2.0	2.0	2.0	2.0	2.0	2.0
Property Management ⁽¹⁾	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total	22.0	22.0	22.0	24.0	22.0	22.5	23.5	24.5	24.5	27.0

⁽¹⁾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	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Section 8 - Vouchers	88	89	90	90	90	90	90	93	146	153
Section 8 - Portables	365	365	375	367	380	377	353	355	344	320
Section 8 - VASH***	-	-	-	-	-	2	10	8	15	15
Section 8 - FUP****	-	-	-	-	-	-	15	16	37	37
Mainstream*****	-	-	-	-	-	-	-	4	39	39
Bridges I	19	17	26	18	26	27	24	29	30	29
Bridges II	10	14	12	14	14	15	16	12	12	14
Shelter Plus Care	25	27	28	28	29	30	30	29	25	25
Bridges-Long Term Homeless*	9	8	9	9	N/A	N/A	N/A	N/A	N/A	N/A
Bridges Regional Treatment Center **	N/A	N/A	N/A	N/A	1	1	1	1	1	N/A
Average units assisted per month	516	520	540	526	540	542	539	547	649	632

* Program consolidated with Bridges I October 2017

** Program started June 2017 and ended in 2021

*** 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, 2022, 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 12, 2023. 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, Piccadilly Square of Mahtomedi, LLC, and 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 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.

REDPATH AND COMPANY, LTD.
St. Paul, Minnesota

May 12, 2023



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, 2022, 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 12, 2023. Our report includes a reference to other auditors who audited the financial statements of the The Groves Apartments, LLC, Piccadilly Square of Mahtomedi, LLC, and 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 – bid laws, depositories of public funds and public 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 Minn. Stat. § 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.

The purpose of this report is solely to describe the scope of our testing of compliance and the results of that testing, and not to provide an opinion on compliance. Accordingly, this communication is not suitable for any other purpose.

Redpath and Company, Ltd.
REDPATH AND COMPANY, LTD.
St. Paul, Minnesota

May 12, 2023



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, 2022. 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 \$8,535,685 of federal expenditures, which is not included in Washington County Community Development Agency's schedule of expenditures of federal awards for the year ended December 31, 2022. Our audit, described below, did not include these federal expenditures because they were included in a separately issued audit.

In our opinion, 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, 2022.

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.

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 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 12, 2023

WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended December 31, 2022

Federal Grantor/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Total Federal Expenditures	Expenditures to Subrecipients
Environmental Protection Agency:				
Direct:				
Brownfields Multipurpose, Assessment, Revolving Loan Fund, and Cleanup Cooperative Agreements	66.818	n/a	\$55,596	\$ -
Total Environmental Protection Agency			<u>55,596</u>	<u>-</u>
U.S. Department of Housing and Urban Development:				
Direct:				
Family Self-Sufficiency Program	14.896	n/a	53,582	-
Multifamily Housing Service Coordinators	14.191	n/a	56,234	-
Shelter Plus Care	14.238	n/a	132,683	-
Continuum of Care Program	14.267	n/a	126,855	-
Housing Counseling Assistance Program	14.169	n/a	12,416	-
Public and Indian Housing	14.850	n/a	210,131	32,992
Public Housing Capital Fund	14.872	n/a	158,419	-
Section 8 Project-Based Cluster:				
Section 8 New Construction and Substantial Rehabilitation	14.182	n/a	922,968	-
COVID-19 - Section 8 New Construction and Substantial Rehabilitation	14.182	n/a	339	-
Total Section 8 Project-Based Cluster			<u>923,307</u>	<u>-</u>
Housing Voucher Cluster:				
Mainstream Voucher Program (MV)	14.879	n/a	309,388	-
Section 8 Housing Choice Vouchers	14.871	n/a	1,888,625	-
Total Housing Voucher Cluster			<u>2,198,013</u>	<u>-</u>
CDBG - Entitlement Grants Cluster:				
Direct:				
Community Development Block Grants/Entitlement Grants	14.218	n/a	929,765	460,233
Passed through the City of Woodbury, Minnesota:				
Community Development Block Grants/Entitlement Grants	14.218	n/a	29,133	-
Total CDBG - Entitlement Grants Cluster			<u>958,898</u>	<u>460,233</u>
Passed through the Minnesota Homeownership Center:				
Housing Stability Counseling Program	99.U19	n/a	22,869	-
Total passed through the Minnesota Homeownership Center			<u>22,869</u>	<u>-</u>
Passed through Dakota County Community Development Agency:				
Home Investment Partnerships Program	14.239	n/a	110,788	84,520
Total passed through Dakota County Community Development Agency			<u>110,788</u>	<u>84,520</u>
Total U.S. Department of Housing and Urban Development			<u>4,964,195</u>	<u>577,745</u>
U.S. Department of Treasury:				
Passed through Washington County, Minnesota:				
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	n/a	117,189	-
Total U.S. Department of Treasury			<u>117,189</u>	<u>-</u>
Total Expenditures of Federal Awards			<u>\$5,136,980</u>	<u>\$577,745</u>

WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended December 31, 2022

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, 2022, 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 \$3,064,528 and related administration fees totaling \$245,053, 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, 2022

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 X No
 - Significant deficiencies identified that are not considered to be material weaknesses? _____ Yes X None reported
- C. Noncompliance material to financial statements noted? _____ Yes X No

Federal Awards

- D. Internal control over major programs:
- Material weakness(es) identified? _____ Yes X No
 - Significant deficiencies identified that are not considered to be material weaknesses? _____ Yes X 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 X None reported

G. Identification of major programs:

Name of Federal Program	CFDA Number
Housing Voucher Cluster:	
Mainstream Voucher Program	14.879
Section 8 Housing Choice Vouchers	14.871

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

I. Auditee qualified as a low-risk auditee X Yes _____ No

WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For The Year Ended December 31, 2022

SECTION II – FINANCIAL STATEMENT FINDINGS

None noted.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None noted.

SECTION IV – PRIOR YEAR FINDINGS

None noted.