

**RAMSEY-WASHINGTON METRO  
WATERSHED DISTRICT**

ANNUAL FINANCIAL REPORT

DECEMBER 31, 2023

**- This page intentionally left blank -**

**RAMSEY-WASHINGTON METRO WATERSHED DISTRICT**  
**TABLE OF CONTENTS**

	<u>Reference</u>	<u>Page No.</u>
<b>INTRODUCTORY SECTION</b>		
Organization		3
<b>FINANCIAL SECTION</b>		
Independent Auditor's Report		7
Basic Financial Statements:		
Government-Wide Financial Statements:		
Statement of Net Position	Statement 1	12
Statement of Activities	Statement 2	13
Fund Financial Statements:		
Balance Sheet - Governmental Funds	Statement 3	14
Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds	Statement 4	15
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of Governmental Funds	Statement 5	16
Notes to Financial Statements		17
Required Supplementary Information:		
Budgetary Comparison Schedule - General Fund	Statement 6	36
Schedule of Proportionate Share of Net Pension Liability - General Employees Retirement Fund	Statement 7	38
Schedule of Pension Contributions - General Employees Retirement Fund	Statement 8	39
Notes to RSI		41
Individual Fund Financial Statements:		
General Fund:		
Comparative Balance Sheet	Statement 9	44
Comparative Statement of Revenue, Expenditures and Changes in Fund Balance	Statement 10	45
<b>OTHER INFORMATION - UNAUDITED</b>		
Taxable Valuations, Tax Levies and Tax Rates	Exhibit 1	49
CIB Fund - Schedule of Financial Activity from Inception	Exhibit 2	50
Combined Schedule of Indebtedness	Exhibit 3	52
Deferred Tax Levies - Per Board Resolutions	Exhibit 4	54
<b>OTHER REQUIRED REPORTS</b>		
Report on Internal Control		57
Minnesota Legal Compliance Report		59

**- This page intentionally left blank -**

## **INTRODUCTORY SECTION**

**- This page intentionally left blank -**

**RAMSEY-WASHINGTON METRO WATERSHED DISTRICT**  
**ORGANIZATION**  
December 31, 2023

---

	<u>Term Expires</u>
<b>Managers:</b>	
Val Eisele - President	February 23, 2024
Pamela Skinner - Vice President	February 23, 2024
Matt Kramer - Treasurer	February 23, 2025
Benjamin Karp - Secretary	February 23, 2026
Mark Gernes - Member	February 23, 2026
<b>Administrator:</b>	
Tina Carstens	Appointed

**- This page intentionally left blank -**



## **FINANCIAL SECTION**

**- This page intentionally left blank -**



## INDEPENDENT AUDITOR'S REPORT

To the Board of Managers  
Ramsey-Washington Metro Watershed District  
Little Canada, Minnesota

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

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities and each major fund of Ramsey-Washington Metro Watershed District, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise Ramsey-Washington Metro Watershed District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Ramsey-Washington Metro Watershed District, as of December 31, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 Ramsey-Washington Metro Watershed District 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 Ramsey-Washington Metro Watershed District's 2022 financial statements, and we expressed unmodified audit opinions on the respective financial statements of the governmental activities and each major fund in our report dated April 26, 2023. In our opinion, the summarized comparative information presented herein as of and

for the year ended December 31, 2022 is consistent, in all material respects, with the audited financial statements from which it has been derived.

### ***Responsibilities of Management for the Financial Statements***

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Ramsey-Washington Metro Watershed District'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 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, 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 Ramsey-Washington Metro Watershed District'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 Ramsey-Washington Metro Watershed District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedule and the schedules of pension information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We 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.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, 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. Our opinions on the basic financial statements are not affected by this missing information.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Ramsey-Washington Metro Watershed District's basic financial statements. The accompanying individual fund financial statements 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 individual fund financial statements 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 other information 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.

*Redpath and Company, LLC*

REDPATH AND COMPANY, LLC  
St. Paul, Minnesota

May 13, 2024

## **BASIC FINANCIAL STATEMENTS**

**RAMSEY-WASHINGTON METRO WATERSHED DISTRICT**

## STATEMENT OF NET POSITION

Statement 1

December 31, 2023

With Comparative Totals For December 31, 2022

	Governmental Activities	
	2023	2022
Assets:		
Cash and investments	\$14,715,599	\$13,705,015
Accounts receivable	-	15,708
Due from other governmental units	112,147	108,535
Property taxes receivable:		
Delinquent	199,326	96,075
Due from county	7,955	42,466
Prepaid items	287,403	20,578
Capital assets - net of accumulated depreciation:		
Depreciable	13,214,633	13,799,590
Nondepreciable	421,581	421,581
Total assets	28,958,644	28,209,548
Deferred outflows of resources related to pensions	237,036	428,130
Liabilities:		
Accounts payable	387,990	169,371
Salaries payable	38,340	37,168
Due to other governmental units	142,819	94,614
Escrow deposits payable	1,516,146	1,590,899
Retainage payable	-	29,212
Accrued interest payable	24,245	27,740
Compensated absences payable:		
Due within one year	103,369	102,622
Due in more than one year	-	32,976
Unamortized bond premium	42,522	47,783
Bonds payable:		
Due within one year	336,000	330,000
Due in more than one year	2,483,000	2,819,000
Net pension liability:		
Due in more than one year	833,191	1,227,605
Total liabilities	5,907,622	6,508,990
Deferred inflows of resources related to pensions	305,141	39,808
Net position:		
Net investment in capital assets	13,282,214	13,782,171
Unrestricted	9,700,703	8,306,709
Total net position	\$22,982,917	\$22,088,880

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



**RAMSEY-WASHINGTON METRO WATERSHED DISTRICT**  
**STATEMENT OF ACTIVITIES**  
For The Year Ended December 31, 2023  
With Comparative Totals For The Year Ended December 31, 2022

**Statement 2**

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		
		Charges For Services	Operating Grants and Contributions	Capital Grants and Contributions	Totals	
					2023	2022
Primary government:						
Governmental activities:						
General government	\$2,913,473	\$10,047	\$ -	\$ -	(\$2,903,426)	(\$2,767,492)
Programs	718,324	-	16,123	-	(702,201)	(780,699)
Projects	4,675,907	1,004,991	483,023	-	(3,187,893)	(2,582,147)
Interest on long-term debt	55,578	-	-	-	(55,578)	(62,705)
Total governmental activities	<u>\$8,363,282</u>	<u>\$1,015,038</u>	<u>\$499,146</u>	<u>\$0</u>	<u>(6,849,098)</u>	<u>(6,193,043)</u>
General revenues:						
Property taxes					7,064,008	6,714,694
Unrestricted investment earnings					670,527	184,154
Miscellaneous other					8,600	5,667
Total general revenues					<u>7,743,135</u>	<u>6,904,515</u>
Change in net position					894,037	711,472
Net position - January 1					<u>22,088,880</u>	<u>21,377,408</u>
Net position - December 31					<u>\$22,982,917</u>	<u>\$22,088,880</u>

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

**RAMSEY-WASHINGTON METRO WATERSHED DISTRICT**

BALANCE SHEET  
GOVERNMENTAL FUNDS

**Statement 3**

December 31, 2023

With Comparative Totals For December 31, 2022

	General Fund	General Obligation Bonds	Stormwater Impact Fund	Capital Projects CIB	Total Governmental Funds	
					2023	2022
<b>Assets:</b>						
Cash and investments	\$4,387,700	\$159,920	\$1,408,139	\$8,759,840	\$14,715,599	\$13,705,015
Accounts receivable	-	-	-	-	-	15,708
Due from other governmental units	2,000	-	-	110,147	112,147	108,535
Property taxes receivable:						
Delinquent	104,342	64	-	94,920	199,326	96,075
Due from county	4,165	-	-	3,790	7,955	42,466
Prepaid items	10,922	276,481	-	-	287,403	20,578
Total assets	<u>\$4,509,129</u>	<u>\$436,465</u>	<u>\$1,408,139</u>	<u>\$8,968,697</u>	<u>\$15,322,430</u>	<u>\$13,988,377</u>
<b>Liabilities:</b>						
Accounts payable	\$56,201	\$550	\$27,121	\$304,118	\$387,990	\$169,371
Salaries payable	38,340	-	-	-	38,340	37,168
Due to other governmental units	79,472	-	-	63,347	142,819	94,614
Escrow deposits payable	1,516,146	-	-	-	1,516,146	1,590,899
Retainage payable	-	-	-	-	-	29,212
Total liabilities	<u>1,690,159</u>	<u>550</u>	<u>27,121</u>	<u>367,465</u>	<u>2,085,295</u>	<u>1,921,264</u>
<b>Deferred inflows of resources:</b>						
Unavailable revenue	<u>104,342</u>	<u>64</u>	<u>-</u>	<u>94,920</u>	<u>199,326</u>	<u>96,075</u>
<b>Fund balance:</b>						
Nonspendable	10,922	276,481	-	-	287,403	20,578
Restricted	-	159,370	-	-	159,370	562,589
Assigned	-	-	1,381,018	8,506,312	9,887,330	9,168,337
Unassigned	2,703,706	-	-	-	2,703,706	2,219,534
Total fund balance	<u>2,714,628</u>	<u>435,851</u>	<u>1,381,018</u>	<u>8,506,312</u>	<u>13,037,809</u>	<u>11,971,038</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$4,509,129</u>	<u>\$436,465</u>	<u>\$1,408,139</u>	<u>\$8,968,697</u>	<u>\$15,322,430</u>	<u>\$13,988,377</u>
Fund balance reported above					\$13,037,809	\$11,971,038
Amounts reported in the statement of net position are different because:						
Capital assets are not financial resources and, therefore, are not reported in the funds.					13,636,214	14,221,171
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.					199,326	96,075
Deferred outflows of resources related to pensions are not current financial resources and, therefore, are not reported in the funds.					237,036	428,130
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds. Long-term liabilities at year end consist of:						
Bonds payable					(2,819,000)	(3,149,000)
Unamortized bond premium					(42,522)	(47,783)
Accrued interest payable					(24,245)	(27,740)
Compensated absences payable					(103,369)	(135,598)
Net pension liability					(833,191)	(1,227,605)
Deferred inflows of resources related to pensions are associated with long-term liabilities that are not due and payable in the current period and, therefore, are not reported in the funds.					<u>(305,141)</u>	<u>(39,808)</u>
Net position (Statement 1)					<u>\$22,982,917</u>	<u>\$22,088,880</u>

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

**RAMSEY-WASHINGTON METRO WATERSHED DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE**  
**GOVERNMENTAL FUNDS**  
For The Year Ended December 31, 2023  
With Comparative Totals For The Year Ended December 31, 2022

**Statement 4**

	General Fund	General Obligation Bonds	Stormwater Impact Fund	Capital Projects CIB	Total Governmental Funds	
					2023	2022
<b>Revenues:</b>						
General property taxes	\$3,644,946	\$ -	\$ -	\$3,315,811	\$6,960,757	\$6,699,604
Intergovernmental - grants	16,020	-	-	180,295	196,315	11,030
Stormwater impact payment	-	-	1,004,991	-	1,004,991	49,113
Investment income	204,205	17,596	39,461	409,265	670,527	184,154
Permit escrow fees	10,047	-	-	-	10,047	10,630
Refunds and reimbursements	37,430	-	-	265,298	302,728	689,782
Other	8,600	-	-	-	8,600	5,667
Total revenues	<u>3,921,248</u>	<u>17,596</u>	<u>1,044,452</u>	<u>4,170,669</u>	<u>9,153,965</u>	<u>7,649,980</u>
<b>Expenditures:</b>						
Current:						
General government	2,764,355	-	-	-	2,764,355	2,621,552
Programs	682,377	-	27,122	-	709,499	793,076
Capital outlay	-	-	-	-	-	26,783
Construction/projects	-	-	-	4,219,006	4,219,006	2,827,287
Debt service:						
Principal	-	330,000	-	-	330,000	323,000
Interest and fiscal agent fees	-	64,334	-	-	64,334	70,041
Total expenditures	<u>3,446,732</u>	<u>394,334</u>	<u>27,122</u>	<u>4,219,006</u>	<u>8,087,194</u>	<u>6,661,739</u>
Revenues over (under) expenditures	<u>474,516</u>	<u>(376,738)</u>	<u>1,017,330</u>	<u>(48,337)</u>	<u>1,066,771</u>	<u>988,241</u>
Other financing sources (uses):						
Transfers in	-	250,000	-	-	250,000	-
Transfers out	-	-	-	(250,000)	(250,000)	-
Total other financing sources (uses)	<u>0</u>	<u>250,000</u>	<u>0</u>	<u>(250,000)</u>	<u>0</u>	<u>0</u>
Net change in fund balance	474,516	(126,738)	1,017,330	(298,337)	1,066,771	988,241
Fund balance - January 1	<u>2,240,112</u>	<u>562,589</u>	<u>363,688</u>	<u>8,804,649</u>	<u>11,971,038</u>	<u>10,982,797</u>
Fund balance - December 31	<u>\$2,714,628</u>	<u>\$435,851</u>	<u>\$1,381,018</u>	<u>\$8,506,312</u>	<u>\$13,037,809</u>	<u>\$11,971,038</u>

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

**RAMSEY-WASHINGTON METRO WATERSHED DISTRICT**  
**RECONCILIATION OF THE STATEMENT OF REVENUES,**  
**EXPENDITURES AND CHANGES IN FUND BALANCE OF**  
**GOVERNMENTAL FUNDS**  
For The Year Ended December 31, 2023  
With Comparative Totals For The Year Ended December 31, 2022

**Statement 5**

	<u>2023</u>	<u>2022</u>
Amounts reported in the statement of activities (Statement 2) are different because:		
Net changes in fund balances - total governmental funds (Statement 4)	\$1,066,771	\$988,241
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:		
Depreciation expense	(584,957)	(532,245)
Capital outlay and construction costs capitalized	-	249,301
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:		
Change in unavailable revenue - delinquent property taxes	103,251	15,090
Change in unavailable revenue - refunds and reimbursements	-	(219,000)
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.		
Repayment of principal of long-term debt	330,000	323,000
Governmental funds report the effects of bond premiums and discounts when the debt is first issued, whereas these amounts are deferred and amortized over the life of the debt in the statement of activities.		
Amortization of bond premium	5,261	5,261
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. Changes in these expense accruals are as follows:		
Change in accrued interest payable	3,495	2,075
Change in compensated absences payable	32,229	(2,672)
Governmental funds report pension contributions as expenditures, however, pension expense is reported in the statement of activities. This is the amount by which pension expense differed from pension contributions in the current period.	<u>(62,013)</u>	<u>(117,579)</u>
Change in net position (Statement 2)	<u><u>\$894,037</u></u>	<u><u>\$711,472</u></u>

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

**RAMSEY WASHINGTON METRO WATERSHED DISTRICT**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2023

---

**Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the Ramsey-Washington Metro Watershed District (the District) conform to accounting principles generally accepted in the United States of America applicable to governmental units. The following is a summary of significant accounting policies.

**A. FINANCIAL REPORTING ENTITY**

The Ramsey-Washington Metro Watershed District was created in 1975 by the Minnesota Water Resources Board as provided in Minnesota Statutes Chapter 112. The District is operated by a five member Board of Managers appointed by the Ramsey and Washington County Boards of Commissioners for three year terms. In accordance with Governmental Accounting Standards Board (GASB) pronouncements and generally accepted accounting principles, the financial statements of the reporting entity should include the primary government and its component units. The District (primary government) does not have any component units.

**B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*. There are no *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function. *Program revenues* include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements. The District reports the following major funds:

General Fund is the general operating fund of the District. It is used to account for financial resources to be used for general administrative expenses and for the construction and maintenance of projects of common benefit to the District.

General Obligation Bonds Debt Service is established to account for accumulation of resources for, and the payment of, long-term debt principal, interest and related costs.

Stormwater Impact Fund is established to account for the accumulation of resources to be used for equivalent volume reduction projects as required by the permitting program as shown in Ramsey-Washington Metro Watershed District's Rule C.3.c.3.iii.

Capital Project CIB Fund is established to account for the capital improvement program as a part of the Watershed Management Plan. The fund is financed by an ad valorem tax levy. This fund was established pursuant to Minnesota Statutes, Chapter 473.

**C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION**

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

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 District 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 are recorded only when payment is due.

Property taxes, intergovernmental revenues 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.

As a general rule the effect of inter-fund 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 District. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

**D. BUDGETS**

The Board of Managers prepares annual revenue and expenditure budgets for the District's General Fund. The District monitors budget performance on the fund basis. All amounts over budget have been approved by the Board through the disbursement approval process. The modified accrual basis of accounting is used by the District for budgeting data. All appropriations end with the fiscal year for which they were made. Encumbrance accounting, under which purchase orders, contracts and other commitments of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the District.

**E. CASH AND INVESTMENTS**

Cash and investment balances from all funds are pooled and invested to the extent available in authorized investments. Investment income is allocated to individual funds on the basis of the fund's equity in the cash and investment pool.

Investments are stated at fair value, except investments in external investment pools that meet GASB 79 requirements which are stated at amortized cost. Investment income is accrued at the balance sheet date.

**F. PROPERTY TAX REVENUE RECOGNITION**

The Board of Managers annually adopts a tax levy and certifies it to the county in December (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 city, the local school district and other taxing authorities. Such taxes become a lien on January 1 and are recorded as receivables by the District 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 District on or before July 7 and December 2 of the same year. Delinquent collections for November and December are received the following January. The District has no ability to enforce payment of property taxes by property owners. The county possesses this authority.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

PROPERTY TAX LEVY

103B Levy Authority

The District levies taxes under the authority of Minnesota Statute 103B.241. As such, the District's General Fund and the Capital Projects CIB Funds are not limited by the tax levy authorized in Minnesota Statute 103D. The District levies for maintenance and project costs out of the General and Capital Projects CIB Funds. Minnesota Statute Section 103B.241 Subd.1 reads in part as follows:

***103B.241 LEVIES***

*Subdivision 1. Watershed plans and projects. Notwithstanding chapter 103D, a local government unit or watershed management organization may levy a tax to pay the increased costs of preparing a plan under sections 103B.231 and 103B.235 or for projects identified in an approved and adopted plan necessary to implement the purposes of section 103B.201. The proceeds of any tax levied under this section shall be deposited in a separate fund and expended only for the purposes authorized by this section. Watershed management organizations and local government units may accumulate the proceeds of levies as an alternative to issuing bonds to finance improvements.*

**G. INVENTORIES**

The original cost of materials and supplies has been recorded as expenditures at the time of purchase. The District does not maintain material amounts of inventories.

**H. 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.

**I. CAPITAL ASSETS**

Capital assets, which include property, plant, equipment and infrastructure assets and intangible assets such as easements and computer software, are reported in the government-wide financial statements. Capital assets (including intangible assets) are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Buildings	40 years
Furniture and fixtures	5 years
Equipment	5 years
Vehicles	5 years
Infrastructure	50 – 100 years

**J. LONG-TERM OBLIGATIONS**

In the government-wide financial statements, long-term debt is reported as a liability in the statement of net position. Bond premiums and discounts are amortized over the life 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.

**K. COMPENSATED ABSENCES**

It is the District's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All vacation pay and accumulated sick leave benefits that is attributable to services already rendered, accumulates, and is more likely than not to be used for time off or otherwise paid is accrued when incurred in the government-wide 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 or retirements.



**L. DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES**

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net assets that applies to future period and so will *not* be recognized as an outflow of resources (expense) until then. The District has one item that qualifies for reporting in this category. It is the pension related deferred outflows reported in the government-wide Statement of Net Position.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net assets that applies to future periods and so will *not* be recognized as an inflow of resources (revenue) until that time. The District has pension related deferred inflows of resources reported in the government-wide Statement of Net Position. The District also has an 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 property taxes and unavailable stormwater impact fees.

**M. DEFINED BENEFIT PENSION PLANS**

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

**N. 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 Board and/or management. Pursuant to Board Resolution, the Board's District Administrator and/or Treasurer is authorized to establish assignments of fund balance.

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

**RAMSEY WASHINGTON METRO WATERSHED DISTRICT**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2023

---

When both restricted and unrestricted resources are available for use, it is the District'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 District's policy to use resources in the following order: 1) committed 2) assigned and 3) unassigned.

**O. INTERFUND TRANSACTIONS**

Interfund services provided and used are accounted for as revenues or expenditures. Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund, are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. All other interfund transactions are reported as transfers.

The District provides temporary advances to funds that have insufficient cash balances by means of an advance from another fund shown as due from other funds in the advancing fund, and due to other funds in the fund with the deficit, until adequate resources are received.

**P. USE OF ESTIMATES**

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

**Q. COMPARATIVE TOTALS**

The basic financial statements, individual fund financial statements, required supplementary information, and supplementary financial information include certain prior-year summarized comparative information in total but not at the level of detail required for presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the District's financial statements for the year ended December 31, 2022 from which the summarized information was derived.

**Note 2 DEPOSITS AND INVESTMENTS**

**A. DEPOSITS**

In accordance with Minnesota Statutes, the District maintains its deposits at depository banks authorized by the Board of Managers. All such banks are members of the Federal Reserve System.

Minnesota Statutes require that all District deposits be protected by insurance, surety bond, or collateral. The market value of collateral pledged must equal 110% of the deposits not covered by insurance or bonds. Securities pledged as collateral are required to be held in safekeeping by the District or in a financial institution other than that furnishing the collateral. Minnesota Statute 118A.03 identifies allowable forms of collateral.

Custodial Credit Risk - Deposits. Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District did not have deposits at December 31, 2023.

## **B. INVESTMENTS**

Subject to rating, yield, maturity and issuer requirements as prescribed by statute, Minnesota Statutes 118A.04 and 118A.05 authorize the District to invest in United States securities, state and local securities, commercial paper, time deposits, temporary general obligation bonds, repurchase agreements, Minnesota joint powers investment trust and guaranteed investment contracts.

The District has investments in the Minnesota Municipal Money Market Fund (4M fund). The 4M fund is an external investment pool regulated by Minnesota Statutes and the Board of Directors of the League of Minnesota Cities. The 4M fund is an unrated pool and the fair value of the position in the pool is the same as the value of pool shares. 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) of \$1 per share. The pool measures its investments at amortized cost in accordance with GASB Statement No. 79. The 4M Liquid Asset Fund has no redemption requirements. The 4M Plus Fund requires funds to be deposited for a minimum of 14 calendar days. Withdrawals prior to the 14-day restriction period are subject to a penalty equal to 7 days interest on the amount withdrawn.

At December 31, 2023, the amount of investments held in the 4M fund was \$14,715,599, all of which were in the 4M Liquid Asset Fund.

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. 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.

Because investments of the 4M fund are measured at amortized cost, its investments are not categorized within the fair value hierarchy described above.

## **C. INVESTMENT RISKS**

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. The District follows state statutes in regards to credit risk of investments. The District does not have an investment policy which further limits its investment choices.

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

Concentration of Credit Risk. Concentration of credit risk is the risk of loss that may be attributed to the magnitude of the District's investment in a single issuer. The District does not have an investment policy which addresses the concentration of credit risk.

Custodial Credit Risk. For investments in securities, custodial credit risk is the risk that in the event of a failure of the counterparty, the District will not be able to recover the value of its investment securities that is in the possession of an outside party. Investments in investment pools and money markets are not

**RAMSEY WASHINGTON METRO WATERSHED DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2023

evidenced by securities that exist in physical or book entry form, and therefore are not subject to custodial credit risk disclosures. The District does not have an investment policy which addresses custodial credit risk.

**Note 3 RECEIVABLES**

Significant receivable balances not expected to be collected within one year of December 31, 2023 are as follows:

	<u>General</u>	<u>Capital Projects CIB</u>	<u>Total</u>
Delinquent property taxes	<u>\$78,300</u>	<u>\$71,200</u>	<u>\$149,500</u>

**Note 4 UNAVAILABLE REVENUES**

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>
General Fund	\$104,342
General Obligation Bonds	64
Capital Projects CIB	<u>94,920</u>
Total unavailable revenue	<u>\$199,326</u>

**RAMSEY WASHINGTON METRO WATERSHED DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2023

**Note 5 CAPITAL ASSETS**

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

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$421,581	\$ -	\$ -	\$421,581
Capital assets, being depreciated:				
Building	2,303,155	-	-	2,303,155
Furniture and fixtures	140,413	-	-	140,413
Equipment	179,357	-	-	179,357
Vehicles	147,651	-	-	147,651
Infrastructure	23,400,227	-	-	23,400,227
Total capital assets, being depreciated	<u>26,170,803</u>	<u>0</u>	<u>0</u>	<u>26,170,803</u>
Less accumulated depreciation for:				
Building	907,102	57,579	-	964,681
Furniture and fixtures	35,265	49,379	-	84,644
Equipment	133,598	10,723	-	144,321
Vehicles	124,731	12,273	-	137,004
Infrastructure	11,170,517	455,003	-	11,625,520
Total accumulated depreciation	<u>12,371,213</u>	<u>584,957</u>	<u>0</u>	<u>12,956,170</u>
Total capital assets being depreciated - net	<u>13,799,590</u>	<u>(584,957)</u>	<u>0</u>	<u>13,214,633</u>
Capital assets - net	<u>\$14,221,171</u>	<u>(\$584,957)</u>	<u>\$0</u>	<u>\$13,636,214</u>

Depreciation expense was charged to function/programs as follows:

General government	\$119,231
Programs	8,825
Projects	<u>456,901</u>
Total depreciation expense	<u>\$584,957</u>

**RAMSEY WASHINGTON METRO WATERSHED DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2023

**Note 6 LONG-TERM DEBT**

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

Year Ending December 31,	G.O. MPFA Loan of 2012		G.O. Drainage Bonds of 2016A		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$86,000	\$6,000	\$250,000	\$50,463	\$336,000	\$56,463
2025	88,000	4,543	255,000	45,413	343,000	49,956
2026	89,000	3,051	260,000	40,263	349,000	43,314
2027	91,000	1,542	270,000	34,963	361,000	36,505
2028	-	-	275,000	29,513	275,000	29,513
2029	-	-	280,000	23,963	280,000	23,963
2030	-	-	285,000	17,956	285,000	17,956
2031	-	-	290,000	11,125	290,000	11,125
2032	-	-	300,000	3,750	300,000	3,750
Total	<u>\$354,000</u>	<u>\$15,136</u>	<u>\$2,465,000</u>	<u>\$257,409</u>	<u>\$2,819,000</u>	<u>\$272,545</u>

The following is a schedule of changes in the District’s indebtedness for the year ended December 31, 2023:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Governmental activities:					
Bonded debt:					
G.O. MPFA Loan of 2012	\$439,000	\$ -	\$85,000	\$354,000	\$86,000
G.O. Drainage Bonds of 2016A	2,710,000	-	245,000	2,465,000	250,000
Unamortized bond premium	47,783	-	5,261	42,522	-
Compensated absences	135,598	-	32,229	103,369	103,369
Total governmental activities	<u>\$3,332,381</u>	<u>\$0</u>	<u>\$367,490</u>	<u>\$2,964,891</u>	<u>\$439,369</u>

**GENERAL OBLIGATION MINNESOTA PUBLIC FACILITIES AUTHORITY (MPFA) LOAN OF 2012**

The District entered into a loan agreement with the Minnesota Public Facilities Authority (MPFA) on May 5, 2012. The agreement called for the MPFA to lend \$1,569,623 from the Clean Water Revolving Fund Principal Forgiveness – Green Project, to the District for the purpose of funding the eligible costs related to the Maplewood Mall project. Of this amount, \$1,177,217 (the “Loan”) has a final maturity date of August 20, 2027 and carries an interest rate of 1.695% per annum. The remaining \$392,406 (the “Green Principal Forgiveness”), is not required to be repaid except as otherwise provided per the terms of the agreement. The District’s management has indicated that the terms of the “Green Principal Forgiveness” will be met. The loan is considered a direct borrowing and is a general obligation of the District for which it pledges its full faith, credit and taxing powers to the payment of principal and interest on the bonds.

**RAMSEY WASHINGTON METRO WATERSHED DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
 December 31, 2023

**\$3,860,000 GENERAL OBLIGATION DRAINAGE BONDS, SERIES 2016A**

The District sold \$3,860,000 of General Obligation bonds, Series 2016A on November 15, 2016 for the purpose of funding eligible ongoing maintenance and repairs for the Beltline and Battle Creek Tunnel repair project. The term of the bond is 15 years, at an interest rate of 2.0% - 2.5% per annum. The final maturity date is February 1, 2032.

**PLEDGED REVENUE**

Future revenue pledged for the payment of long-term debt is as follows:

Bond Issue	Use of Proceeds	Revenue Pledged			Remaining Principal and Interest	Current Year	
		Type	Percent of Total Debt Service	Term of Pledge		Principal and Interest Paid	Pledged Revenue Received
2016A Bond	Beltline and Battle Creek Tunnel Repair	Property Taxes	100%	2016 - 2031	\$2,722,409	\$300,413	\$0

**Note 7 INTERFUND TRANSFERS**

The District transferred \$250,000 from the Capital Projects CIB Fund to the General Obligation Bonds Debt Service Fund during 2023. In lieu of levying property taxes, contingency funds were used to fund debt service expenditures.

**Note 8 RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

Workers compensation coverage is provided through a pooled self-insurance program through the League of Minnesota Cities Insurance Trust (LMCIT). The District pays an annual premium to LMCIT. The District is subject to supplemental assessments if deemed necessary by the LMCIT. The LMCIT reinsures through Workers Compensation Reinsurance Association (WCRA) as required by law. For workers compensation, the District is not subject to a deductible. The District workers compensation coverage is retrospectively rated. With this type of coverage, final premiums are determined after loss experience is known. The amount of premium adjustment, if any, is considered immaterial and not recorded until received or paid.

Other insurance coverage is provided through a pooled self-insurance program through the LMCIT. The District pays an annual premium to the LMCIT. The District is subject to supplemental assessments if deemed necessary by the LMCIT. The LMCIT reinsures through commercial companies for claims in excess of various amounts. The District retains risk for the deductible portions of the insurance policies. The amount of these deductibles is considered immaterial to the financial statements.

There were no significant reductions in insurance from the previous year or settlements in excess of insurance coverage for any of the past three fiscal years.

**RAMSEY WASHINGTON METRO WATERSHED DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2023

**Note 9 FUND BALANCE**

**A. CLASSIFICATIONS**

At December 31, 2023, a summary of the governmental fund balance classifications are as follows:

	General Fund	General Obligation Bonds	Stormwater Impact Fund	Capital Projects CIB	Total
Nonspendable:					
Prepaid items	\$10,922	\$276,481	\$ -	\$ -	\$287,403
Restricted for:					
Debt service	-	159,370	-	-	159,370
Assigned for:					
Construction/projects	-	-	1,381,018	8,506,312	9,887,330
Unassigned	2,703,706	-	-	-	2,703,706
 Total	 <u>\$2,714,628</u>	 <u>\$435,851</u>	 <u>\$1,381,018</u>	 <u>\$8,506,312</u>	 <u>\$13,037,809</u>

**B. MINIMUM UNASSIGNED FUND BALANCE POLICY**

The Board has formally adopted a policy regarding the minimum unassigned fund balance for the General Fund. The most significant revenue source of the General Fund is property taxes. This revenue source is received in two installments during the year – June and December. As such, it is the District’s goal to begin each fiscal year with sufficient working capital to fund operations between each semi-annual receipt of property taxes.

The policy establishes a year end targeted unassigned fund balance amount for cash-flow timing needs, emergencies/contingencies and compensated absences of 50% of the subsequent year’s budgeted expenditures. At December 31, 2023, the unassigned fund balance of the General Fund was 62% of the subsequent year’s budgeted expenditures.

**Note 10 CONTINGENCIES**

The District’s management has indicated that there are no existing or pending lawsuits, claims, or other actions in which the District is a defendant.



**Note 11 DEFINED BENEFIT PENSION PLAN**

**A. PLAN DESCRIPTION**

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

All full-time and certain part-time employees of the District are covered by the General Employees Retirement Fund (GERF). GERF members belong to the Coordinated Plan. Coordinated Plan members are covered by Social Security.

**B. BENEFITS PROVIDED**

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

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

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

**C. CONTRIBUTIONS**

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

Coordinated Plan members were required to contribute 6.50% of their annual covered salary in fiscal year 2023 and the District was required to contribute 7.50%. The District's contributions to the GERF for the year ended December 31, 2023 were \$90,234. The District's contributions were equal to the required contributions as set by state statute.

**RAMSEY WASHINGTON METRO WATERSHED DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2023

**D. PENSION COSTS**

At December 31, 2023, the District reported a liability of \$833,191 for its proportionate share of GERF's net pension liability. The District's net pension liability reflected a reduction due to the State of Minnesota's contribution of \$16 million. The State of Minnesota is considered a non-employer contributing entity and the state's contribution meets the definition of a special funding situation. The State of Minnesota's proportionate share of the net pension liability associated with the District totaled \$22,952.

The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2022 through June 30, 2023, relative to the total employer contributions received from all of PERA's participating employers. The District's proportionate share was 0.0149% at the end of the measurement period and 0.0155% for the beginning of the period.

District's proportionate share of the net pension liability	\$833,191
State of Minnesota's proportionate share of the net pension liability associated with the District	<u>22,952</u>
Total	<u><u>\$856,143</u></u>

For the year ended December 31, 2023, the District recognized pension expense of \$152,247 for its proportionate share of the GERF's pension expense. In addition, the District recognized an additional \$103 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of \$16 million to the GERF.

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$27,362	\$5,624
Changes in actuarial assumptions	132,275	228,370
Net collective difference between projected and actual investment earnings	-	28,234
Changes in proportion	31,208	42,913
Contributions paid to PERA subsequent to the measurement date	<u>46,191</u>	<u>-</u>
Total	<u><u>\$237,036</u></u>	<u><u>\$305,141</u></u>

**RAMSEY WASHINGTON METRO WATERSHED DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2023

The \$46,191 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2024. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending December 31,	Pension Expense
2024	\$32,340
2025	(140,612)
2026	12,051
2027	(18,075)
2028	-
Thereafter	-

**E. ACTUARIAL ASSUMPTIONS**

The total pension liability in the June 30, 2023 actuarial valuation was determined using an individual entry-age normal actuarial cost method and the following actuarial assumptions:

Inflation	2.25% per year
Investment Rate of Return	7.00%

The long-term investment rate of return is based on a review of inflation and investment return assumptions from a number of national investment consulting firms. The review provided a range of investment return rates deemed to be reasonable by the actuary. An investment return of 7.00% was deemed to be within that range of reasonableness for financial reporting purposes.

Benefit increases after retirement are assumed to be 1.25% for the GERF.

Salary growth assumptions range in annual increments from 10.25% after one year of service to 3.0% after 27 years of service.

Mortality rates were based on the Pub-2010 General Employee Mortality Table, with slight adjustments to fit PERA's experience.

Actuarial assumptions for GERF are reviewed every four years. The most recent four-year experience study was completed in 2022. The assumption changes were adopted by the Board and become effective with the July 1, 2023 actuarial valuation.

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

Changes in Actuarial Assumptions:

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

Changes in Plan Provisions:

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

**RAMSEY WASHINGTON METRO WATERSHED DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2023

- The vesting period of those hired after June 30, 2010, was changed from five years of allowable service to three years of allowable service.
- The benefit increase delay for early retirements on or after January 1, 2024, was eliminated.
- A one-time, non-compounding benefit increase of 2.50% minus the actual 2024 adjustment will be payable in a lump sum for calendar year 2024 by March 31, 2024.

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	33.5%	5.10%
International equity	16.5%	5.30%
Fixed income	25.0%	0.75%
Private markets	25.0%	5.90%
Total	100.0%	

**F. DISCOUNT RATE**

The discount rate used to measure the total pension liability in 2023 was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at the rate set in Minnesota statutes. Based on these assumptions, the fiduciary net position of the GERS was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**G. PENSION LIABILITY SENSITIVITY**

The following presents the District's proportionate share of the net pension liability, calculated using the discount rate disclosed in the preceding paragraph, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current discount rate:

	1% Decrease in Discount Rate	Current Discount Rate	1% Increase in Discount Rate
Proportionate share of the GERS net pension liability	\$1,473,982	\$833,191	\$306,116

**H. PENSION PLAN FIDUCIARY NET POSITION**

Detailed information about the pension plan's fiduciary net position is available in a separately-issued PERA financial report that includes financial statements and required supplementary information. That report may be obtained at [www.mnpera.org](http://www.mnpera.org).

**Note 12 RECENTLY ISSUED ACCOUNTING STANDARDS**

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

**Statement No. 99** *Omnibus 2022*. The provisions of this Statement contain multiple effective dates, the next implementation date being for fiscal years beginning after June 15, 2023.

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

**Statement No. 102** *Certain Risk Disclosures*. The provisions of this Statement are effective for fiscal years beginning after June 15, 2024.

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

**- This page intentionally left blank -**

**REQUIRED SUPPLEMENTARY INFORMATION**

**RAMSEY-WASHINGTON METRO WATERSHED DISTRICT**

REQUIRED SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

For The Year Ended December 31, 2023

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

Statement 6

Page 1 of 2

	2023		Actual Amounts	Variance with Final Budget - Positive (Negative)	2022 Actual Amounts
	Budgeted Amounts				
	Original	Final			
<b>Revenues:</b>					
General property taxes	\$3,726,500	\$3,726,500	\$3,644,946	(\$81,554)	\$3,178,208
Intergovernmental - grants	-	-	16,020	16,020	11,030
Investment income	35,000	35,000	204,205	169,205	54,322
Permit escrow fees	-	-	10,047	10,047	10,630
Refunds and reimbursements	-	-	37,430	37,430	38,886
Other	-	-	8,600	8,600	5,667
Total revenues	<u>3,761,500</u>	<u>3,761,500</u>	<u>3,921,248</u>	<u>159,748</u>	<u>3,298,743</u>
<b>Expenditures:</b>					
General government:					
Engineering:					
Administration	132,000	132,000	87,509	44,491	82,720
Engineer review	69,000	69,000	50,726	18,274	57,388
Permit review	70,000	70,000	62,534	7,466	62,565
Subtotal engineering	<u>271,000</u>	<u>271,000</u>	<u>200,769</u>	<u>70,231</u>	<u>202,673</u>
Committee expenditures	50,000	50,000	5,086	44,914	4,385
Consulting	20,000	20,000	-	20,000	-
District training	75,000	75,000	30,749	44,251	33,267
Dues	15,000	15,000	14,860	140	11,189
Employee expenses	15,000	15,000	11,443	3,557	7,295
GIS system maintenance and equipment	30,000	30,000	7,210	22,790	5,613
Insurance	60,000	60,000	56,555	3,445	50,989
Internet/website	85,000	85,000	89,924	(4,924)	77,280
Legal and audit	120,000	120,000	94,722	25,278	78,496
Manager's per diem and expenses	10,000	10,000	375	9,625	3,534
Miscellaneous	5,000	5,000	-	5,000	-
Office equipment and maintenance	242,000	242,000	168,632	73,368	144,751
Office supplies and postage	9,000	9,000	9,184	(184)	8,075
Printing	5,000	5,000	5,681	(681)	4,548
Project operations	200,000	200,000	51,629	148,371	138,925
Salaries/payroll taxes/benefits	1,860,000	1,860,000	1,739,421	120,579	1,636,322
Telephone	2,000	2,000	594	1,406	712
Utilities	30,000	30,000	13,888	16,112	9,464
Vehicle lease and maintenance	20,000	20,000	8,455	11,545	35,605
Water quality monitoring	240,000	240,000	255,178	(15,178)	195,212
Total general government	<u>3,364,000</u>	<u>3,364,000</u>	<u>2,764,355</u>	<u>599,645</u>	<u>2,648,335</u>

See accompanying notes to the required supplementary information.



**RAMSEY-WASHINGTON METRO WATERSHED DISTRICT**

REQUIRED SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

For The Year Ended December 31, 2023

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

**Statement 6**

**Page 2 of 2**

	2023			Variance with Final Budget - Positive (Negative)	2022 Actual Amounts
	Budgeted Amounts		Actual Amounts		
	Original	Final			
Watershed programs:					
Project feasibility studies	\$395,000	\$395,000	\$271,260	\$123,740	\$327,413
Communications and marketing	3,500	3,500	18,856	(15,356)	31,822
Keller Creek	-	-	-	-	1,098
Education programming	70,000	70,000	31,537	38,463	44,765
Health and safety program	4,000	4,000	2,798	1,202	3,663
Lake Studies/WRAPS/TMDL	142,000	142,000	7,828	134,172	43,820
Natural resources program	120,000	120,000	87,452	32,548	112,063
Outside programs	57,000	57,000	32,208	24,792	20,933
Research projects	155,000	155,000	171,615	(16,615)	156,204
Waterfest	51,000	51,000	58,823	(7,823)	51,295
Total watershed programs	<u>997,500</u>	<u>997,500</u>	<u>682,377</u>	<u>315,123</u>	<u>793,076</u>
Total expenditures	<u>4,361,500</u>	<u>4,361,500</u>	<u>3,446,732</u>	<u>914,768</u>	<u>3,441,411</u>
Revenues over (under) expenditures	<u>(\$600,000)</u>	<u>(\$600,000)</u>	474,516	<u>\$1,074,516</u>	(142,668)
Fund balance - January 1			<u>2,240,112</u>		<u>2,382,780</u>
Fund balance - December 31			<u>\$2,714,628</u>		<u>\$2,240,112</u>

See accompanying notes to the required supplementary information.

RAMSEY-WASHINGTON METRO WATERSHED DISTRICT  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY -  
 GENERAL EMPLOYEES RETIREMENT FUND  
 For The Last Ten Years

Statement 7

Measurement Date June 30	Fiscal Year Ending December 31	District's Proportionate (Percentage) of the Net Pension Liability	District's Proportionate Share (Amount) of the Net Pension Liability (a)	State's Proportionate Share (Amount) of the Net Pension Liability Associated with District (b)	Total (a+b)	Covered Payroll (c)	Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll (a+b)/c	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	2015	0.0132%	\$684,093	\$ -	\$684,093	\$773,820	88.4%	78.2%
2016	2016	0.0120%	974,340	12,771	987,111	747,482	132.1%	68.9%
2017	2017	0.0125%	797,992	10,038	808,030	805,604	100.3%	75.9%
2018	2018	0.0127%	704,544	23,081	727,625	852,560	85.3%	79.5%
2019	2019	0.0128%	707,683	21,999	729,682	903,338	80.8%	80.2%
2020	2020	0.0139%	833,369	25,647	859,016	983,775	87.3%	79.1%
2021	2021	0.0160%	683,272	20,880	704,152	1,151,307	61.2%	87.0%
2022	2022	0.0155%	1,227,605	35,867	1,263,472	1,159,809	108.9%	76.7%
2023	2023	0.0149%	833,191	22,952	856,143	1,181,039	72.5%	83.1%

The schedule is provided prospectively beginning with the District's fiscal year ended December 31, 2015 and is intended to show a ten year trend. Additional years will be reported as they become available.

**RAMSEY-WASHINGTON METRO WATERSHED DISTRICT**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF PENSION CONTRIBUTIONS - GENERAL EMPLOYEES RETIREMENT FUND**  
For The Last Ten Years

**Statement 8**

Fiscal Year Ending December 31	Statutorily Required Contribution (a)	Contributions in Relation to the Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	Covered Payroll (c)	Contributions as a Percentage of Covered Payroll (b/c)
2015	\$57,121	\$57,121	\$ -	\$761,606	7.5%
2016	57,310	57,310	-	764,138	7.5%
2017	60,595	60,595	-	807,938	7.5%
2018	65,933	65,933	-	879,103	7.5%
2019	68,723	68,723	-	916,307	7.5%
2020	81,725	81,725	-	1,089,683	7.5%
2021	87,049	87,049	-	1,160,648	7.5%
2022	88,727	88,727	-	1,183,018	7.5%
2023	90,234	90,234	-	1,203,132	7.5%

The schedule is provided prospectively beginning with the District's fiscal year ended December 31, 2015 and is intended to show a ten year trend. Additional years will be reported as they become available.

See accompanying notes to the required supplementary information.

**- This page intentionally left blank -**

**RAMSEY-WASHINGTON METRO WATERSHED DISTRICT**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**NOTES TO RSI**  
December 31, 2023

---

**Note A LEGAL COMPLIANCE – BUDGETS**

The General Fund budget is 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 the General Fund.

**Note B PENSION INFORMATION**

**PERA – General Employees Retirement Fund**

2023 Changes in Actuarial Assumptions:

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

2023 Changes in Plan Provisions:

- An additional one-time direct state aid contribution of \$170.1 million was contributed to the Plan on October 1, 2023.
- The vesting period of those hired after June 30, 2010, was changed from five years of allowable service to three years of allowable service.
- The benefit increase delay for early retirements on or after January 1, 2024, was eliminated.
- A one-time, non-compounding benefit increase of 2.50% minus the actual 2024 adjustment will be payable in a lump sum for calendar year 2024 by March 31, 2024.

2022 Changes in Actuarial Assumptions:

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

2021 Changes in Actuarial Assumptions:

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

2020 Changes in Actuarial Assumptions:

- The price inflation assumption was decreased from 2.50% to 2.25%.
- The payroll growth assumption was decreased from 3.25% to 3.00%.
- Assumed salary increase rates were decreased 0.25% and assumed rates of retirement were changed resulting in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements. Assumed rates of termination and disability were also changed.
- Base mortality tables were changed from RP-2014 tables to Pub-2010 tables, with adjustments.
- The mortality improvement scale was changed from Scale MP-2018 to Scale MP-2019.
- The spouse age difference was changed from two years older for females to one year older.
- The assumed number of married male new retirees electing the 100% Joint & Survivor option changed from 35% to 45%. The assumed number of married female new retirees electing the 100% Joint & Survivor option changed from 15% to 30%. The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.

2020 Changes in Plan Provisions:

- Augmentation for current privatized members was reduced to 2.0% for the period July 1, 2020 through December 31, 2023 and 0.0% after. Augmentation was eliminated for privatizations occurring after June 30, 2020.

**RAMSEY-WASHINGTON METRO WATERSHED DISTRICT**  
REQUIRED SUPPLEMENTARY INFORMATION  
NOTES TO RSI  
December 31, 2023

---

2019 Changes in Actuarial Assumptions:

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

2019 Changes in the Plan Provisions:

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

2018 Changes in Actuarial Assumptions:

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

2017 Changes in Actuarial Assumptions:

- The Combined Service Annuity (CSA) loads were changed from 0.8% for active members and 60% for vested and non-vested deferred members. The revised CSA loads are now 0.0% for active member liability, 15.0% for vested deferred member liability and 3.0% for non-vested deferred member liability.
- The assumed post-retirement benefit increase rate was changed from 1.0% per year for all years to 1.0% per year through 2044 and 2.5% per year thereafter.

2016 Changes in Actuarial Assumptions:

- The assumed post-retirement benefit increase rate was changed from 1.0% per year through 2035 and 2.5% per year thereafter to 1.0% per year for all future years.
- The assumed investment return was changed from 7.9% to 7.5%. The single discount rate was changed from 7.9% to 7.5%.
- Other assumptions were changed pursuant to the experience study dated June 30, 2015. The assumed future salary increases, payroll growth, and inflation were decreased by 0.25% to 3.25% for payroll growth and 2.50% for inflation.

## **INDIVIDUAL FUND FINANCIAL STATEMENTS**

**RAMSEY-WASHINGTON METRO WATERSHED DISTRICT**  
**COMPARATIVE BALANCE SHEET**  
**GENERAL FUND**  
December 31, 2023  
With Comparative Totals For December 31, 2022

**Statement 9**

	<u>2023</u>	<u>2022</u>
<b>Assets:</b>		
Cash and investments	\$4,387,700	\$3,889,781
Due from other governmental units	2,000	4,659
Property taxes receivable:		
Delinquent	104,342	34,183
Due from county	4,165	20,145
Prepaid items	<u>10,922</u>	<u>20,578</u>
Total assets	<u><u>\$4,509,129</u></u>	<u><u>\$3,969,346</u></u>
<b>Liabilities:</b>		
Accounts payable	\$56,201	\$52,987
Salaries payable	38,340	37,168
Due to other governmental units	79,472	13,997
Escrow deposits payable	<u>1,516,146</u>	<u>1,590,899</u>
Total liabilities	<u><u>1,690,159</u></u>	<u><u>1,695,051</u></u>
<b>Deferred inflows of resources:</b>		
Unavailable revenue	<u>104,342</u>	<u>34,183</u>
<b>Fund balance:</b>		
Nonspendable	10,922	20,578
Unassigned	<u>2,703,706</u>	<u>2,219,534</u>
Total fund balance	<u><u>2,714,628</u></u>	<u><u>2,240,112</u></u>
Total liabilities, deferred inflows of resources, and fund balance	<u><u>\$4,509,129</u></u>	<u><u>\$3,969,346</u></u>



**RAMSEY-WASHINGTON METRO WATERSHED DISTRICT**  
**COMPARATIVE STATEMENT OF REVENUE, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE**  
**GENERAL FUND**  
For The Year Ended December 31, 2023  
With Comparative Totals For The Year Ended December 31, 2022

**Statement 10**

	<u>2023</u>	<u>2022</u>
Revenues:		
General property taxes	\$3,644,946	\$3,178,208
Intergovernmental - grants	16,020	11,030
Investment income	204,205	54,322
Permit escrow fees	10,047	10,630
Refunds and reimbursements	37,430	38,886
Other	8,600	5,667
Total revenues	<u>3,921,248</u>	<u>3,298,743</u>
Expenditures:		
Current:		
General government	2,764,355	2,621,552
Programs	682,377	793,076
Capital outlay	-	26,783
Total expenditures	<u>3,446,732</u>	<u>3,441,411</u>
Revenues over (under) expenditures	474,516	(142,668)
Fund balance - January 1	<u>2,240,112</u>	<u>2,382,780</u>
Fund balance - December 31	<u><u>\$2,714,628</u></u>	<u><u>\$2,240,112</u></u>

**- This page intentionally left blank -**

**OTHER INFORMATION - UNAUDITED**

**- This page intentionally left blank -**

RAMSEY-WASHINGTON METRO WATERSHED DISTRICT  
TAXABLE VALUATIONS, TAX LEVIES AND TAX RATES - UNAUDITED

Exhibit 1

	2023/24 Tax Capacity Values	2022/23 Tax Capacity Values	2021/22 Tax Capacity Values	2020/21 Tax Capacity Values	2019/20 Tax Capacity Values
Taxable valuations:					
Washington County	\$58,617,949	\$52,310,370	\$46,235,738	\$43,980,559	\$41,789,361
Ramsey County	216,314,543 *	205,686,963	180,083,161	175,983,773	162,115,952
Total	<u>\$274,932,492</u>	<u>\$257,997,333</u>	<u>\$226,318,899</u>	<u>\$219,964,332</u>	<u>\$203,905,313</u>

	2023		2022		2021		2020		2019	
	2024		2023		2022		2021		2020	
	Levy	Tax Capacity Rate	Levy	Tax Capacity Rate	Levy	Tax Capacity Rate	Levy	Tax Capacity Rate	Levy	Tax Capacity Rate
General Fund	\$3,337,500	1.214	\$3,726,500	1.444	\$3,195,000	1.412	\$2,211,375	1.005	\$2,499,500	1.226
Debt levy	244,963	.089	-	.000	-	.000	394,901	.180	92,611	.045
CIB Fund	3,795,000	1.380	3,390,000	1.314	3,540,000	1.564	4,157,222	1.890	4,211,885	2.066
Total	<u>\$7,377,463</u>	<u>2.683</u>	<u>\$7,116,500</u>	<u>2.758</u>	<u>\$6,735,000</u>	<u>2.976</u>	<u>\$6,763,498</u>	<u>3.075</u>	<u>\$6,803,996</u>	<u>3.337</u>

\* Based on the 2024 proposed value, final value was not available.

**RAMSEY-WASHINGTON METRO WATERSHED DISTRICT**  
**CIB FUND - UNAUDITED**  
**SCHEDULE OF FINANCIAL ACTIVITY FROM INCEPTION**

Project	CIB Year	Expenditures		
		Prior Years	12/31/2023	Total
Completed projects:				
Subtotal - completed projects	1987-2022	\$36,909,956	\$ -	\$36,909,956
Current CIB projects:				
516 - Project Maintenance and Repair	1992-2023	14,917,859	1,226,031	16,143,890
529 - Stewardship Grant Program	2007-2023	7,020,644	1,025,087	8,045,731
518 - Targeted Retrofit Projects	2015-2023	6,022,682	1,206,146	7,228,828
520 - Flood Risk Reduction	2015-2023	3,703,780	685,832	4,389,612
537 - Fish Creek Tributary Improvements	2023	-	75,910	75,910
540 - Wetland Restoration Projects	2021-2023	-	-	-
Subtotal - current projects		31,664,965	4,219,006	35,883,971
580 - CIB contingency account		267,879	-	267,879

Revenue	Revenue				Revenue	
Prior Years Revenue	2023 CIB Levy	Investment Income	Transfers/ Reallocation	Grant/Project Reimbursement	Total Revenue	Over/(Under) Expenditures
\$38,299,550	\$ -	\$ -	\$ -	\$ -	\$38,299,550	\$1,389,594
16,061,316	684,681	-	-	265,298	17,011,295	867,405
6,235,632	782,492	-	-	40,000	7,058,124	(987,607)
6,157,571	1,467,173	-	-	140,295	7,765,039	536,211
8,723,410	185,841	-	-	-	8,909,251	4,519,639
-	195,624	-	-	-	195,624	119,714
498,036	-	-	-	-	498,036	498,036
37,675,965	3,315,811	0	0	445,593	41,437,369	5,553,398
1,671,934	-	409,265	(250,000)	-	1,831,199	1,563,320
				Fund balance - December 31, 2023		\$8,506,312

**RAMSEY-WASHINGTON METRO WATERSHED DISTRICT**  
**COMBINED SCHEDULE OF INDEBTEDNESS - UNAUDITED**  
 December 31, 2023

---

	<u>Dated</u>	<u>Final Due Date</u>	<u>Net Interest Rate</u>
Bonded indebtedness:			
General Obligation Debt:			
G.O. Bonds of 2012 - PFA Bond	5/5/2012	8/20/2027	1.70%
G.O. Drainage Bonds of 2016A	11/15/2016	2/1/2032	2.09%
Total bonded indebtedness			
Unamortized bond premiums			
Compensated absences			
Total indebtedness			



Authorized and Issued	Retired	Outstanding 12/31/2023	Due in 2024	
			Principal	Interest
\$1,177,217	\$823,217	\$354,000	\$86,000	\$6,000
3,860,000	1,395,000	2,465,000	250,000	50,463
<u>5,037,217</u>	<u>2,218,217</u>	<u>2,819,000</u>	<u>336,000</u>	<u>56,463</u>
		42,522	-	-
		<u>103,369</u>	<u>103,369</u>	<u>-</u>
<u>\$5,037,217</u>	<u>\$2,218,217</u>	<u>\$2,964,891</u>	<u>\$439,369</u>	<u>\$56,463</u>

**RAMSEY-WASHINGTON METRO WATERSHED DISTRICT**  
DEFERRED TAX LEVIES - PER BOARD RESOLUTIONS - UNAUDITED  
December 31, 2023

**Exhibit 4**

---

<u>Year of Levy/ Collection</u>	<u>G.O. Drainage Bonds of 2016A</u>
2023/2024	\$244,963
2024/2025	302,863
2025/2026	307,663
2026/2027	307,263
2027/2028	306,763
2028/2029	306,163
2029/2030	304,750
2030/2031	<u>307,500</u>
Totals	<u><u>\$2,387,928</u></u>

## **OTHER REQUIRED REPORTS**

**- This page intentionally left blank -**



## REPORT ON INTERNAL CONTROL

To the Board of Managers  
Ramsey-Washington Metro Watershed District  
Little Canada, Minnesota

In planning and performing our audit of the financial statements of the governmental activities and each major fund of Ramsey-Washington Metro Watershed District as of and for the year ended December 31, 2023, in accordance with auditing standards generally accepted in the United States of America, we considered Ramsey-Washington Metro Watershed District's system of 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 Ramsey-Washington Metro Watershed District's internal control. Accordingly, we do not express an opinion on the effectiveness of Ramsey-Washington Metro Watershed District'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.

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

This communication is intended solely for the information and use of the Board of Managers, management, and others within the organization, and is not intended to be, and should not be, used by anyone other than these specified parties.

*Redpath and Company, LLC*

REDPATH AND COMPANY, LLC  
St. Paul, Minnesota

May 13, 2024

**- This page intentionally left blank -**



## MINNESOTA LEGAL COMPLIANCE REPORT

To the Board of Managers  
Ramsey-Washington Metro Watershed District  
Little Canada, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of the governmental activities and each major fund of Ramsey-Washington Metro Watershed District as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise Ramsey-Washington Metro Watershed District's basic financial statements, and have issued our report thereon dated May 13, 2024.

In connection with our audit, nothing came to our attention that caused us to believe that Ramsey-Washington Metro Watershed District failed to comply with the provisions of the contracting – bid laws, depositories of public funds and public investments, conflicts of interest, claims and disbursements and miscellaneous provisions sections of the *Minnesota Legal Compliance Audit Guide for Other Political Subdivisions*, promulgated by the State Auditor pursuant to Minnesota Statute § 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 Ramsey-Washington Metro Watershed District's noncompliance with the above referenced provisions, insofar as they relate to accounting matters.

This report is intended solely for the information and use of those charged with governance and management of Ramsey-Washington Metro Watershed District and the State Auditor and is not intended to be, and should not be, used by anyone other than these specified parties.

*Redpath and Company, LLC*

REDPATH AND COMPANY, LLC  
St. Paul, Minnesota

May 13, 2024

**- This page intentionally left blank -**