RAMSEY-WASHINGTON METRO
WATERSHED DISTRICT

ANNUAL FINANCIAL REPORT

For The Year Ended December 31, 2025

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INTRODUCTORY SECTION

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	Term Expires
Managers:	
Val Eisele - President	February 23, 2027
Benjamin Karp - Vice President	February 23, 2026
Stephanie Wang - Treasurer	February 23, 2027
Mark Gernes - Secretary	February 23, 2026
Gabi Grogan - Member	February 23, 2028
Administrator:	
Tina Carstens	Appointed

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FINANCIAL SECTION

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REDPATH AND COMPANY

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, 2025, 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, 2025, 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 2024 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 May 2, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2024 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

April 17, 2026

BASIC FINANCIAL STATEMENTS

RAMSEY-WASHINGTON METRO WATERSHED DISTRICT
STATEMENT OF NET POSITION **Statement 1**
December 31, 2025
With Comparative Totals For December 31, 2024

	Governmental Activities	
	2025	2024
Assets:		
Cash and investments	$13,813,249	$14,667,635
Accounts receivable	-	16,284
Due from other governmental units	389,257	87,214
Property taxes receivable:		
Delinquent	211,897	221,076
Due from county	38,657	47,731
Prepaid items	8,695	10,705
Capital assets - net of accumulated depreciation:		
Depreciable	14,676,256	13,382,426
Nondepreciable	421,581	923,984
Total assets	29,559,592	29,357,055
Deferred outflows of resources related to pensions	155,121	120,334
Liabilities:		
Accounts payable	204,128	1,116,656
Salaries payable	36,620	96,077
Due to other governmental units	262,766	147,917
Escrow deposits payable	1,717,687	1,624,490
Retainage payable	46,953	67,316
Accrued interest payable	18,967	21,633
Unearned revenue	115,091	-
Compensated absences payable:		
Due within one year	4,255	101,912
Due in more than one year	107,411	-
Unamortized bond premium	32,000	37,261
Bonds payable:		
Due within one year	349,000	343,000
Due in more than one year	1,791,000	2,140,000
Net pension liability:		
Due in more than one year	519,601	558,942
Total liabilities	5,205,479	6,255,204
Deferred inflows of resources related to pensions	341,694	400,875
Net position:		
Net investment in capital assets	14,917,837	14,038,410
Unrestricted	9,249,703	8,782,900
Total net position	$24,167,540	$22,821,310

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

RAMSEY-WASHINGTON METRO WATERSHED DISTRICT
STATEMENT OF ACTIVITIES **Statement 2**
For The Year Ended December 31, 2025
With Comparative Totals For The Year Ended December 31, 2024

		Program Revenues		Net (Expense) Revenue and Changes in Net Position	
			Operating	Totals	
Functions/Programs	Expenses	Charges For Services	Grants and Contributions	2025	2024
Primary government:					
Governmental activities:					
General government	$3,399,724	$10,238	$ -	($3,389,486)	($3,302,447)
Programs	657,924	-	383,997	(273,927)	(1,532,896)
Projects	4,306,453	316,250	1,240,436	(2,749,767)	(3,275,943)
Interest on long-term debt	42,524	-	-	(42,524)	(49,635)
Total governmental activities	$8,406,625	$326,488	$1,624,433	(6,455,704)	(8,160,921)
	General revenues:				
	Property taxes			7,271,857	7,284,929
	Unrestricted investment earnings			521,022	706,471
	Miscellaneous other			9,055	7,914
	Total general revenues			7,801,934	7,999,314
	Change in net position			1,346,230	(161,607)
	Net position - January 1			22,821,310	22,982,917
	Net position - December 31			$24,167,540	$22,821,310

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

RAMSEY-WASHINGTON METRO WATERSHED DISTRICT
BALANCE SHEET **Statement 3**
GOVERNMENTAL FUNDS
December 31, 2025
With Comparative Totals For December 31, 2024

	General Fund	General Obligation Bonds	Stormwater Impact Fund	Capital Projects CIB	Total Governmental Funds 2025	Total Governmental Funds 2024
Assets:						
Cash and investments	$3,422,084	$316,196	$834,318	$9,240,651	$13,813,249	$14,667,635
Accounts receivable	-	-	-	-	-	16,284
Due from other governmental units	18,712	-	-	370,545	389,257	87,214
Property taxes receivable:						
Delinquent	95,934	3,658	-	112,305	211,897	221,076
Due from county	15,782	2,151	-	20,724	38,657	47,731
Prepaid items	8,695	-	-	-	8,695	10,705
Total assets	$3,561,207	$322,005	$834,318	$9,744,225	$14,461,755	$15,050,645
Liabilities:						
Accounts payable	$41,042	$ -	$ -	$163,086	$204,128	$1,116,656
Salaries payable	36,620	-	-	-	36,620	96,077
Due to other governmental units	107,617	-	-	155,149	262,766	147,917
Escrow deposits payable	1,717,687	-	-	-	1,717,687	1,624,490
Retainage payable	-	-	-	46,953	46,953	67,316
Unearned revenue	-	-	-	115,091	115,091	-
Total liabilities	1,902,966	-	-	480,279	2,383,245	3,052,456
Deferred inflows of resources:						
Unavailable revenue	95,934	3,658	-	112,305	211,897	221,076
Fund balance:						
Nonspendable	8,695	-	-	-	8,695	10,705
Restricted	-	318,347	-	-	318,347	295,131
Assigned	-	-	834,318	9,151,641	9,985,959	9,077,591
Unassigned	1,553,612	-	-	-	1,553,612	2,393,686
Total fund balance	1,562,307	318,347	834,318	9,151,641	11,866,613	11,777,113
Total liabilities, deferred inflows of resources, and fund balance	$3,561,207	$322,005	$834,318	$9,744,225	$14,461,755	$15,050,645

	2025	2024
Fund balance reported above	$11,866,613	$11,777,113
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.	15,097,837	14,306,410
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.	211,897	221,076
Deferred outflows of resources related to pensions are not current financial resources and, therefore, are not reported in the funds.	155,121	120,334
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	(2,140,000)	(2,483,000)
Unamortized bond premium	(32,000)	(37,261)
Accrued interest payable	(18,967)	(21,633)
Compensated absences payable	(111,666)	(101,912)
Net pension liability	(519,601)	(558,942)
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.	(341,694)	(400,875)
Net position (Statement 1)	$24,167,540	$22,821,310

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, 2025
With Comparative Totals For The Year Ended December 31, 2024

Statement 4

	General Fund	General Obligation Bonds	Stormwater Impact Fund	Capital Projects CIB	Total Governmental Funds 2025	Total Governmental Funds 2024
Revenues:						
General property taxes	$2,972,635	$405,094	$ -	$3,903,307	$7,281,036	$7,263,179
Intergovernmental - grants	18,226	2	-	337,477	355,705	5,530
Stormwater impact payment	-	-	316,250	-	316,250	84,053
Investment income	140,950	11,571	30,530	337,971	521,022	706,471
Permit escrow fees	10,238	-	-	-	10,238	19,142
Refunds and reimbursements	30,245	-	-	1,240,436	1,270,681	153,484
Other	9,025	-	-	-	9,025	7,914
Total revenues	3,181,319	416,667	346,780	5,819,191	9,763,957	8,239,773
Expenditures:						
Current:						
General government	3,428,716	-	-	-	3,428,716	3,268,463
Programs	594,687	-	40,848	-	635,535	1,574,140
Construction/projects	-	-	-	5,216,755	5,216,755	4,264,358
Debt service:						
Principal	-	343,000	-	-	343,000	336,000
Interest and fiscal agent fees	-	50,451	-	-	50,451	57,508
Total expenditures	4,023,403	393,451	40,848	5,216,755	9,674,457	9,500,469
Revenues over (under) expenditures	(842,084)	23,216	305,932	602,436	89,500	(1,260,696)
Net change in fund balance	(842,084)	23,216	305,932	602,436	89,500	(1,260,696)
Fund balance - January 1	2,404,391	295,131	528,386	8,549,205	11,777,113	13,037,809
Fund balance - December 31	$1,562,307	$318,347	$834,318	$9,151,641	$11,866,613	$11,777,113

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, 2025
With Comparative Totals For The Year Ended December 31, 2024

Statement 5

	2025	2024
Amounts reported in the statement of activities (Statement 2) are different because:		
Net changes in fund balances - total governmental funds (Statement 4)	$89,500	($1,260,696)
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	(607,305)	(566,582)
Current expenditures and construction costs capitalized	1,398,732	1,236,778
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	(9,179)	21,750
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	343,000	336,000
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	2,666	2,612
Change in compensated absences payable	(9,754)	1,457
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.	133,309	61,813
Change in net position (Statement 2)	$1,346,230	($161,607)

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

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.

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.

<u>GOVERNMENT-WIDE FINANCIAL STATEMENTS</u>
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.

<u>GOVERNMENTAL FUND FINANCIAL STATEMENTS</u>
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.

<u>PROPERTY TAX LEVY</u>

<u>103B Levy Authority</u>
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 <u>103B.231</u> and <u>103B.235</u> or for projects identified in an approved and adopted plan necessary to implement the purposes of section <u>103B.201</u>. 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 PLAN

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 District Administrator and/or Treasurer are 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.

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, 2024 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, 2025.

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.

All of the District's cash and investments are held in the 4M Multi-Class Fund, which is an external investment pool regulated by Minnesota Statutes and the Board of Directors of the League of Minnesota Cities. The pool is rated AAAm by S&P Global. The fair value of the position in the pool is the same as the value of pool shares. The 4M Multi-Class Fund has two separate classes, the 4M Liquid Asset Class and the 4M PLUS (4MP) Class. As of December 31, 2025, the District only had investments in the 4M Liquid Asset Class. The 4M Liquid Asset Class is managed to maintain a portfolio weighted average maturity of no greater than 60 days, seeks to maintain a constant net asset value of $1.00 per share, and has no redemption requirements. The pool measures its investments at amortized cost in accordance with GASB Statement No. 79.

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 Multi-Class 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 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, 2025 are as follows:

	General	General Obligation Bonds	Capital Projects CIB	Total
Delinquent property taxes	$72,000	$2,700	$84,200	$158,900

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:

	Property Taxes
General Fund	$95,934
General Obligation Bonds	3,658
Capital Projects CIB	112,305
Total unavailable revenue	$211,897

Note 5 CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2025 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	$421,581	$ -	$ -	$421,581
Construction in progress	502,403	1,309,031	(1,811,434)	-
Total capital assets, not being depreciated	923,984	1,309,031	(1,811,434)	421,581
Capital assets, being depreciated:				
Building	2,303,155	-	-	2,303,155
Furniture and fixtures	140,413	-	-	140,413
Equipment	252,551	-	-	252,551
Vehicles	147,651	89,701	(17,752)	219,600
Infrastructure	24,061,408	1,811,434	-	25,872,842
Total capital assets, being depreciated	26,905,178	1,901,135	(17,752)	28,788,561
Less accumulated depreciation for:				
Building	1,022,260	57,579	-	1,079,839
Furniture and fixtures	110,407	25,763	-	136,170
Equipment	165,576	24,288	-	189,864
Vehicles	143,987	13,144	(17,752)	139,379
Infrastructure	12,080,522	486,531	-	12,567,053
Total accumulated depreciation	13,522,752	607,305	(17,752)	14,112,305
Total capital assets being depreciated - net	13,382,426	1,293,830	-	14,676,256
Capital assets - net	$14,306,410	$2,602,861	($1,811,434)	$15,097,837

Depreciation expense was charged to function/programs as follows:

General government	$96,486
Programs	22,389
Projects	488,430
Total depreciation expense	$607,305

Note 6 LONG-TERM DEBT

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

Year Ending	G.O. MPFA Loan of 2012		G.O. Drainage Bonds of 2016A		Totals	
December 31,	Principal	Interest	Principal	Interest	Principal	Interest
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	$180,000	$4,593	$1,960,000	$161,533	$2,140,000	$166,126

The following is a schedule of changes in the District's indebtedness for the year ended December 31, 2025:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
G.O. MPFA Loan of 2012	$268,000	$ -	$88,000	$180,000	$89,000
G.O. Drainage Bonds of 2016A	2,215,000	-	255,000	1,960,000	260,000
Unamortized bond premium	37,261	-	5,261	32,000	-
Compensated absences *	101,912	9,754	-	111,666	4,255
Total long-term debt	$2,622,173	$9,754	$348,261	$2,283,666	$353,255

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

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.

$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:

		Revenue Pledged				Current Year	
Bond Issue	Use of Proceeds	Type	Percent of Total Debt Service	Term of Pledge	Remaining Principal and Interest	Principal and Interest Paid	Pledged Revenue Received
2016A Bond	Beltline and Battle Creek Tunnel Repair	Property Taxes	100%	2016 - 2031	$2,121,533	$300,412	$405,094

Note 7 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.

Note 8 FUND BALANCE

A. CLASSIFICATIONS

At December 31, 2025, 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	$8,695	$ -	$ -	$ -	$8,695
Restricted for:					
Debt service	-	318,347	-	-	318,347
Assigned for:					
Construction/projects	-	-	834,318	9,151,641	9,985,959
Unassigned	1,553,612	-	-	-	1,553,612
Total	$1,562,307	$318,347	$834,318	$9,151,641	$11,866,613

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 operating expenditures. At December 31, 2025, the unassigned fund balance of the General Fund was 31% of the subsequent year's budgeted expenditures.

Note 9 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 10 DEFINED BENEFIT PENSION PLAN

A. PLAN DESCRIPTION

The District participates in the General Employees Retirement Plan (General Plan), which is a cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees Retirement Association of Minnesota (PERA). Plan provisions are established and administered according to Minnesota Statutes- Chapters 353, 353D, 353E, 353G and 356. Minnesota Statutes Chapter 356 defines each plan's financial reporting requirements. PERA's defined benefit pension plans are tax qualified plans under Section 401(a) of the Internal Revenue Code.

Membership in the General Plan includes employees of counties, cities, townships, schools in non-certified positions, and other governmental entities whose revenues are derived from taxation, fees, or assessments. Plan membership is required for any employee who is expected to earn more than $425 in a month, unless the employee meets exclusion criteria.

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. When a member is "vested," they have earned enough service credit to receive a lifetime monthly benefit after leaving public service and reaching an eligible retirement age. Members who retire at or over their Social Security full retirement age with at least one year of service qualify for a retirement benefit.

The General Employees Plan requires three years of service to vest. 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 General Plan members. Members hired prior to July 1, 1989 receive the higher of the Step or Level formulas. Only the Level formula is used for members hired after June 30, 1989. Under the Step formula, General Plan members receive 1.2% of the highest average salary for each of the first ten years of service and 1.7% for each additional year. Under the Level formula, General Plan members receive 1.7% of the highest average salary for all years of service. For members hired prior to July 1, 1989, a full retirement benefit is available when age plus years of service equal 90 and normal retirement age is 65. Members can receive a reduced requirement benefit as early as age 55 if they have three or more years of service. Early retirement benefits are reduced by 0.25% for each month under age 65. Members with 30 or more years of service can retire at any age with a reduction of 0.25% for each month the member is younger than age 62. The Level formula allows General Plan members to receive a full retirement benefit at age 65 if they were first hired before July 1, 1989 or at age 66 if they were hired on or after July 1, 1989. Early retirement begins at age 55 with an actuarial reduction applied to the benefit.

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%. The 2025 annual increase was 1.25%. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase will receive the full increase. Recipients receiving the annuity or benefit for at least one month but less than a full year as of the June 30 before the effective date of the increase will receive a prorated increase.

C. CONTRIBUTIONS

Minnesota Statutes Chapters 353, 353E, 353G, and 356 set the rates for employer and employee contributions. Contribution rates can only be modified by the state legislature.

General Plan members were required to contribute 6.50% of their annual covered salary in fiscal year 2025 and the District was required to contribute 7.50% for General Plan members. The District's contributions to the General Employees Fund for the year ended December 31, 2025 were $110,410. The District's contributions were equal to the required contributions as set by state statute.

D. PENSION COSTS

At December 31, 2025, the District reported a liability of $519,601 for its proportionate share of the General Employees Fund'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 $12,534.

District's proportionate share of the net pension liability	$519,601
State of Minnesota's proportionate share of the net pension liability associated with the District	12,534
Total	$532,135

The net pension liability was measured as of June 30, 2025, 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, 2024 through June 30, 2025, relative to the total employer contributions received from all of PERA's participating employers. The District's proportionate share was 0.0157% at the end of the measurement period and 0.0151% for the beginning of the period.

For the year ended December 31, 2025, the District recognized pension expense of ($22,899) for its proportionate share of the General Plan's pension expense. In addition, the District recognized an additional ($1,923) as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of $16 million to the General Employees Fund.

At December 31, 2025, the District reported General Employees Fund deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	$49,643	$ -
Changes in actuarial assumptions	12,520	121,045
Net difference between projected and actual earnings on pension plan investments	-	202,599
Changes in proportion	36,376	18,050
Employer contributions subsequent to the measurement date	56,582	-
Total	$155,121	$341,694

The $56,582 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, 2026. 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
2026	($58,742)
2027	(83,470)
2028	(64,008)
2029	(36,935)
2030	-
Thereafter	-

The net pension liability will be liquidated by the General Fund.

E. ACTUARIAL METHODS AND ASSUMPTIONS

The total pension liability for the cost-sharing defined benefit plan was determined by an actuarial valuation as of June 30, 2025, using the 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 considered reasonable by the actuary. An investment return of 7.00% is within that range.

Benefit increases after retirement are assumed to be 1.50% for the General Plan.

Salary growth assumptions in the General Plan range in annual increments from 11.50% after one year of service to 3.00% after 27 years of service.

Mortality rates for the General Plan are based on the Pub-2010 General Employee Mortality Table. The table is adjusted slightly to fit PERA's experience.

Actuarial assumptions for the General Plan are reviewed every four years. The General Plan was last reviewed in 2022. The assumption changes were adopted by the board and became effective with the July 1, 2023 actuarial valuation.

The following changes in actuarial assumptions and plan provisions occurred in 2025:

Changes in Actuarial Assumptions:

- The combined service annuity loading factors increased from 15% to 19% for vested terminated members and from 3% to 44% for non-vested, terminated members.
- The assumed post-retirement benefit increase changed from 1.25% to 1.50%.

Changes in Plan Provisions:

- The post-retirement benefit increase formula changed to 100% of the Social Security annual increase, between 1.00% and 1.75%, beginning January 1, 2026. If the funded ratio (on a market value of assets basis) is less than 85% for the last two consecutive annual valuations or is less than 80% in the most recent actuarial valuation, the maximum is reduced to 1.50%. Previously, the benefit increase was 50% of the Social Security annual increase, between 1.00% and 1.50%.
- The 1.00% additional employer contribution is eliminated when the plan reaches 98% funded status (on an actuarial value of assets basis); this contribution was previously scheduled to stop when the plan reached 100% funded status.

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 2025 was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at rates set in Minnesota Statutes. Based on these assumptions, the fiduciary net position of the General Plan was projected to be available to make all projected future benefit payments of current plan members. 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 General Plan net pension liability	$1,262,030	$519,601	($82,676)

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.

Note 11 COMMITTED CONTRACTS

At December 31, 2025 the District had commitments of $940,043 for uncompleted construction contracts.

Note 12 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. 103 *Financial Reporting Model Improvements.* The provisions of this Statement are effective for reporting periods beginning after June 15, 2025.

Statement No. 104 *Disclosure of Certain Capital Assets.* The provisions of this Statement are effective for reporting periods beginning after June 15, 2025.

Statement No. 105 *Subsequent Events*. The provisions of this Statement are effective for reporting periods beginning after June 15, 2026.

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

REQUIRED SUPPLEMENTARY INFORMATION

RAMSEY-WASHINGTON METRO WATERSHED DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION **Statement 6**
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND **Page 1 of 2**
For The Year Ended December 31, 2025
With Comparative Actual Amounts For The Year Ended December 31, 2024

	2025				
	Budgeted Amounts		Actual	Variance with Final Budget - Positive	2024 Actual
	Original	Final	Amounts	(Negative)	Amounts
Revenues:					
General property taxes	$3,012,004	$3,012,004	$2,972,635	($39,369)	$3,289,864
Intergovernmental - grants	-	-	18,226	18,226	5,500
Investment income	50,000	50,000	140,950	90,950	219,982
Permit escrow fees	-	-	10,238	10,238	19,142
Refunds and reimbursements	-	-	30,245	30,245	28,999
Other	-	-	9,025	9,025	7,914
Total revenues	3,062,004	3,062,004	3,181,319	119,315	3,571,401
Expenditures:					
General government:					
Engineering:					
Administration	122,000	122,000	101,490	20,510	93,237
Engineer review	80,000	80,000	79,865	135	78,508
Permit review	80,000	80,000	66,416	13,584	67,907
Subtotal engineering	282,000	282,000	247,771	34,229	239,652
Committee expenditures	4,000	4,000	1,107	2,893	1,571
Consulting	40,000	40,000	-	40,000	-
District training	75,000	75,000	53,881	21,119	78,642
Dues	20,000	20,000	16,343	3,657	14,181
Employee expenses	10,000	10,000	3,490	6,510	7,572
GIS system maintenance and equipment	25,000	25,000	12,611	12,389	7,403
Insurance	70,000	70,000	54,772	15,228	58,058
Internet/website	110,000	110,000	107,114	2,886	100,832
Legal and audit	125,000	125,000	109,370	15,630	108,453
Manager's per diem and expenses	10,000	10,000	1,800	8,200	418
Miscellaneous	5,000	5,000	3,382	1,618	352
Office equipment and maintenance	160,000	160,000	93,218	66,782	102,105
Office supplies and postage	9,000	9,000	8,795	205	7,063
Printing	5,000	5,000	4,933	67	4,667
Project operations	150,000	150,000	230,395	(80,395)	159,253
Salaries/payroll taxes/benefits	2,100,000	2,100,000	2,051,331	48,669	1,939,003
Telephone	2,000	2,000	2,443	(443)	2,382
Utilities	20,000	20,000	7,629	12,371	13,942
Vehicle lease and maintenance	60,000	60,000	104,793	(44,793)	8,670
Water quality monitoring	513,000	513,000	313,538	199,462	414,244
Total general government	3,795,000	3,795,000	3,428,716	366,284	3,268,463

See accompanying notes to the required supplementary information.

	2025				
	Budgeted Amounts		Actual	Variance with Final Budget - Positive	2024 Actual
	Original	Final	Amounts	(Negative)	Amounts
Watershed programs:					
Project feasibility studies	$400,000	$400,000	$133,537	$266,463	$129,542
Communications and marketing	166,000	166,000	122,727	43,273	142,672
Education programming	-	-	-	-	17,713
Health and safety program	7,000	7,000	4,935	2,065	6,977
Lake Studies/WRAPS/TMDL	378,500	378,500	131,916	246,584	26,823
Natural resources program	161,000	161,000	83,930	77,070	104,101
Outside programs	42,000	42,000	40,126	1,874	60,193
Research projects	125,000	125,000	77,516	47,484	125,154
Total watershed programs	1,279,500	1,279,500	594,687	684,813	613,175
Total expenditures	5,074,500	5,074,500	4,023,403	1,051,097	3,881,638
Revenues over (under) expenditures	($2,012,496)	($2,012,496)	(842,084)	$1,170,412	(310,237)
Fund balance - January 1			2,404,391		2,714,628
Fund balance - December 31			$1,562,307		$2,404,391

See accompanying notes to the required supplementary information.

RAMSEY-WASHINGTON METRO WATERSHED DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION **Statement 7**
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY -
GENERAL EMPLOYEES RETIREMENT FUND
For The Last Ten Years

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
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%
2024	2024	0.0151%	558,942	14,453	573,395	1,279,612	44.8%	89.1%
2025	2025	0.0157%	519,601	12,534	532,135	1,420,062	37.5%	90.8%

See accompanying notes to the required supplementary information.

RAMSEY-WASHINGTON METRO WATERSHED DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION **Statement 8**
SCHEDULE OF PENSION CONTRIBUTIONS - GENERAL EMPLOYEES RETIREMENT FUND
For The Last Ten Years

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)
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%
2024	102,456	102,456	-	1,366,076	7.5%
2025	110,410	110,410	-	1,472,136	7.5%

See accompanying notes to the required supplementary information.

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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

2025 Changes in Actuarial Assumptions:

- The combined service annuity loading factors increased from 15% to 19% for vested terminated members and from 3% to 44% for non-vested, terminated members.
- The assumed post-retirement benefit increase changed from 1.25% to 1.50%.

2025 Changes in Plan Provisions:

- The post-retirement benefit increase formula changed to 100% of the Social Security annual increase, between 1.00% and 1.75%, beginning January 1, 2026. If the funded ratio (on a market value of assets basis) is less than 85% for the last two consecutive annual valuations or is less than 80% in the most recent actuarial valuation, the maximum is reduced to 1.50%. Previously, the benefit increase was 50% of the Social Security annual increase, between 1.00% and 1.50%.
- The 1.00% additional employer contribution is eliminated when the plan reaches 98% funded status (on an actuarial value of assets basis); this contribution was previously scheduled to stop when the plan reached 100% funded status.

2024 Changes in Actuarial Assumptions:

- Rates of merit and seniority were adjusted, resulting in slightly higher rates.
- Assumed rates of retirement were adjusted as follows: increase the rate of assumed unreduced retirements, slight adjustments to Rule of 90 retirement rates, and slight adjustments to early retirement rates for Tier 1 and Tier 2 members.
- Minor increase in assumed withdrawals for males and females.
- Lower rates of disability.
- Continued use of Pub-2010 general mortality table with slight rate adjustments as recommended in the most recent experience study.
- Minor changes to form of payment assumptions for male and female retirees.
- Minor changes to assumptions made with respect to missing participant data.

2024 Changes in Plan Provisions:

- The workers' compensation offset for disability benefits was eliminated. The actuarial equivalent factors updated to reflect the changes in assumptions.

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

2020 Changes in Plan Provisions:

- Augmentation for current privatized members was reduced to 2.00% for the period July 1, 2020 through December 31, 2023, and 0.00% after. Augmentation was eliminated for privatizations occurring after June 30, 2020.

2019 Changes in Actuarial Assumptions:

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

2019 Changes in Plan Provisions:

- The employer supplemental contribution was changed prospectively, decreasing from $31.0 million to $21 million per year. The State's special funding contribution was changed prospectively, requiring $16 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.

2018 Changes in Plan Provisions

- The augmentation adjustment in early retirement factors is eliminated over a five-year period starting July 1, 2019, resulting in actuarial equivalence after June 30, 2024.
- Interest credited on member contributions decreased from 4.00% to 3.00%, beginning July 1, 2018.
- Deferred augmentation was changed to 0.00%, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Contribution stabilizer provisions were repealed.
- Annual increases were changed from 1.00% per year with a provision to increase to 2.50% upon attainment of 90% funding ratio to 50% of the Social Security Cost-of Living Adjustment, not less than 1.00% and not more than 1.50%, beginning January 1, 2019.
- For retirements on or after January 1, 2024, the first benefit increase is delayed until the retiree reaches normal retirement age; does not apply to Rule of 90 retirees, disability benefit recipients, or survivors.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

2017 Changes in Actuarial Assumptions:

- The Combined Service Annuity (CSA) loads were changed from 0.80% for active members and 60% for vested and non-vested deferred members. The revised CSA loads are now 0.00% for active member liability, 15.00% for vested deferred member liability and 3.00% for non-vested deferred member liability.
- The assumed annual increase rate was changed from 1.00% per year for all years to 1.00% per year through 2044 and 2.50% per year thereafter.

2017 Changes in Plan Provisions:

- The State's contribution for the Minneapolis Employees Retirement Fund equals $16 million in 2017 and 2018 and $6 million thereafter.
- The Employer Supplemental Contribution for the Minneapolis Employees Retirement Fund changed from $21 million to $31 million in calendar years 2019 to 2031. The State's contribution changed from $16 million to $6 million in calendar years 2019 to 2031.

2016 Changes in Actuarial Assumptions:

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

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INDIVIDUAL FUND FINANCIAL STATEMENTS

RAMSEY-WASHINGTON METRO WATERSHED DISTRICT
COMPARATIVE BALANCE SHEET **Statement 9**
GENERAL FUND
December 31, 2025
With Comparative Totals For December 31, 2024

	2025	2024
Assets:		
Cash and investments	$3,422,084	$4,237,736
Due from other governmental units	18,712	9,179
Property taxes receivable:		
Delinquent	95,934	106,463
Due from county	15,782	21,593
Prepaid items	8,695	10,705
Total assets	$3,561,207	$4,385,676
Liabilities:		
Accounts payable	$41,042	$97,498
Salaries payable	36,620	96,077
Due to other governmental units	107,617	56,757
Escrow deposits payable	1,717,687	1,624,490
Total liabilities	1,902,966	1,874,822
Deferred inflows of resources:		
Unavailable revenue	95,934	106,463
Fund balance:		
Nonspendable	8,695	10,705
Unassigned	1,553,612	2,393,686
Total fund balance	1,562,307	2,404,391
Total liabilities, deferred inflows of resources, and fund balance	$3,561,207	$4,385,676

RAMSEY-WASHINGTON METRO WATERSHED DISTRICT
COMPARATIVE STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
GENERAL FUND
For The Year Ended December 31, 2025
With Comparative Totals For The Year Ended December 31, 2024

Statement 10

	2025	2024
Revenues:		
General property taxes	$2,972,635	$3,289,864
Intergovernmental - grants	18,226	5,500
Investment income	140,950	219,982
Permit escrow fees	10,238	19,142
Refunds and reimbursements	30,245	28,999
Other	9,025	7,914
Total revenues	3,181,319	3,571,401
Expenditures:		
Current:		
General government	3,428,716	3,268,463
Programs	594,687	613,175
Total expenditures	4,023,403	3,881,638
Revenues over (under) expenditures	(842,084)	(310,237)
Fund balance - January 1	2,404,391	2,714,628
Fund balance - December 31	$1,562,307	$2,404,391

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OTHER INFORMATION - UNAUDITED

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	2025/26 Tax Capacity Values	2024/25 Tax Capacity Values	2023/24 Tax Capacity Values	2022/23 Tax Capacity Values	2021/22 Tax Capacity Values
Taxable valuations:					
Washington County	$57,559,564	$56,550,408	$58,617,949	$52,310,370	$46,235,738
Ramsey County	223,742,549	214,658,141	216,055,252	205,686,963	180,083,161
Total	$281,302,113	$271,208,549	$274,673,201	$257,997,333	$226,318,899

Tax levies extended:										
Extended in year	2025		2024		2023		2022		2021	
Collectible in year	2026		2025		2024		2023		2022	
	Levy	Tax Capacity Rate	Levy	Tax Capacity Rate	Levy	Tax Capacity Rate	Levy	Tax Capacity Rate	Levy	Tax Capacity Rate
General Fund	$3,455,500	1.228	$3,012,004	1.111	$3,337,500	1.215	$3,726,500	1.444	$3,195,000	1.412
Debt levy	419,701	.149	410,549	.151	244,963	.089	-	.000	-	.000
CIB Fund	3,502,262	1.245	3,954,910	1.458	3,795,000	1.382	3,390,000	1.314	3,540,000	1.564
Total	$7,377,463	2.622	$7,377,463	2.720	$7,377,463	2.686	$7,116,500	2.758	$6,735,000	2.976

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

Project	CIB Year	Expenditures		
		Prior Years	2025	Total
Completed projects:				
Subtotal - completed projects	1987-2024	$36,909,956	$ -	$36,909,956
Current CIB projects:				
516 - Project Maintenance and Repair	1992-2025	17,410,626	2,748,138	20,158,764
529 - Stewardship Grant Program	2007-2025	9,100,858	871,218	9,972,076
518 - Targeted Retrofit Projects	2015-2025	8,150,983	474,763	8,625,746
520 - Flood Risk Reduction	2015-2025	5,157,661	882,407	6,040,068
537 - Fish Creek Tributary Improvements	2023-2025	170,074	14,975	185,049
540 - Wetland Restoration Projects	2021-2025	158,127	225,254	383,381
Subtotal - current projects		40,148,329	5,216,755	45,365,084
580 - CIB contingency account		267,879	-	267,879

Exhibit 2

Revenue	Revenue					Revenue
Prior Years Revenue	2025 CIB Levy	Investment Income	Transfers/ Reallocation	Grant/Project Reimbursement	Total Revenue	Over/(Under) Expenditures
$38,299,550	$ -	$ -	$ -	$ -	$38,299,550	$1,389,594
18,191,188	2,003,467	-	-	594,581	20,789,236	630,472
7,821,804	1,233,662	-	-	1,004	9,056,470	(915,606)
8,333,825	202,321	-	-	386,265	8,922,411	296,665
9,594,518	-	-	-	596,061	10,190,579	4,150,511
661,199	463,857	-	-	2	1,125,058	940,009
693,391	-	-	-	-	693,391	310,010
45,295,925	3,903,307	-	-	1,577,913	50,777,145	5,412,061
2,279,894	-	337,971	-	-	2,617,865	2,349,986
				Fund balance - December 31, 2025		$9,151,641

RAMSEY-WASHINGTON METRO WATERSHED DISTRICT
COMBINED SCHEDULE OF INDEBTEDNESS - UNAUDITED
December 31, 2025

	Dated	Final Due Date	Net Interest Rate
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 general obligation debt			
Unamortized bond premiums			
Compensated absences			
Total indebtedness			

Exhibit 3

Authorized and Issued	Retired	Outstanding 12/31/2025	Due in 2026	
			Principal	Interest
$1,177,217	$997,217	$180,000	$89,000	$3,051
3,860,000	1,900,000	1,960,000	260,000	40,263
5,037,217	2,897,217	2,140,000	349,000	43,314
		32,000	-	-
		111,666	111,666	-
$5,037,217	$2,897,217	$2,283,666	$460,666	$43,314

RAMSEY-WASHINGTON METRO WATERSHED DISTRICT
DEFERRED TAX LEVIES - PER BOARD RESOLUTIONS - UNAUDITED **Exhibit 4**
December 31, 2025

Year of Levy/ Collection	G.O. Drainage Bonds of 2016A
2025/2026	$307,663
2026/2027	307,263
2027/2028	306,763
2028/2029	306,163
2029/2030	304,750
2030/2031	307,500
Totals	$1,840,102

OTHER REQUIRED REPORTS

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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, 2025, 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

April 17, 2026

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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, 2025, 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 April 17, 2026.

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

April 17, 2026

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