

Annual Comprehensive Financial Report



For the year ended
December 31, 2025

**Washington County Community
Development Agency**

a component unit of
Washington County, Minnesota

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

ANNUAL COMPREHENSIVE FINANCIAL REPORT

**For the Year Ended
December 31, 2025**

**Prepared by:
Finance Department**

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WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY
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I. INTRODUCTORY SECTION

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WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY

PRINCIPAL OFFICIALS

December 31, 2025

BOARD OF COMMISSIONERS

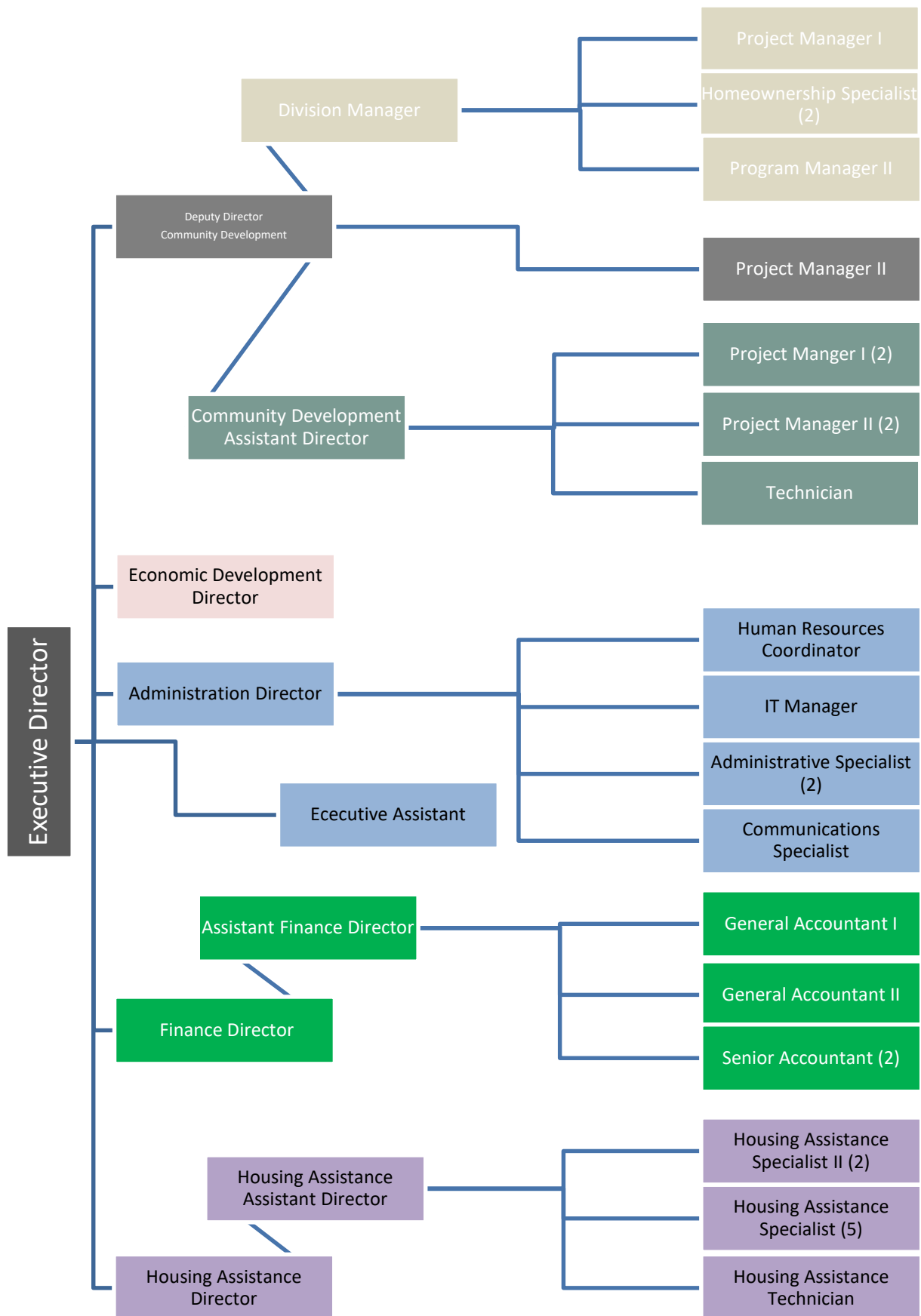
<u>District</u>	<u>Board Member</u>	<u>Term Expires</u>
District 1	John Belisle*	December 31, 2026
District 2	Roger Green*	December 31, 2026
District 3	Margaret Larsen	December 31, 2028
District 4	Daniel Dingle	December 31, 2027
District 5	Temmy Olasimbo*	December 31, 2028
Resident At-Large	Steve Ryan	December 31, 2028
County Commissioner At-Large	Fran Miron	No Term

Executive Director
Melissa Taphorn

*Member of the Finance Committee

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Washington County CDA Organization Chart



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May 8, 2026

To the Board of Commissioners of the Washington County Community Development Agency, the Citizens of Washington County; and other interested parties:

The Annual Comprehensive Financial Report (Annual Report) for the Washington County Community Development Agency (CDA) is hereby submitted for the fiscal year ended December 31, 2025. This report is consistent with legal State and Federal reporting requirements. In addition to meeting legal requirements, this report is intended to present a comprehensive summary of significant financial information to meet the needs of citizens, taxpayers, employees, financial institutions, intergovernmental agencies, creditors, partners and the CDA Board of Commissioners.

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

The CDA's financial statements have been audited by Redpath and Company, LTD., a licensed certified public accounting firm. The goal of the independent audit was to provide reasonable assurance that the financial statements of the CDA for the fiscal year ended December 31, 2025, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based on the audit, that there was a reasonable basis for rendering an unmodified opinion that the CDA's financial statements for the year ended December 31, 2025, are fairly presented in conformity with accounting principles generally accepted in the United States of America. The independent auditor's report is presented as the first component of the financial section of this report.

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

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

Profile of the Government

The CDA was established as the Washington County Housing and Redevelopment Authority (HRA) in 1981 pursuant to special Minnesota legislation. The CDA is a special-purpose unit of local government with the express purpose of promoting community and economic development and providing affordable, safe, and decent housing for residents of Washington County, Minnesota. Located east of Minneapolis and St. Paul, the County currently has an area of 423 square miles and includes 7 full and fractional townships and 26 incorporated municipalities. The estimated 2025 population of the County was 287,199. It is one of seven counties comprising the Twin Cities metropolitan area.

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

The CDA is considered a discretely presented component unit of Washington County, Minnesota, as the Washington County Board of Commissioners appoints the CDA's Board of Commissioners and Washington County has a potential obligation relating to certain housing development bonds issued by the CDA. Most bonds carry a general obligation pledge of the County, which enables the CDA to obtain lower borrowing costs for the purpose of financing affordable senior and family housing within the County. The bonds are also secured by the pooled rent receipts of the properties, certain other revenues and funds held with the bond trustee, and the CDA's Special Benefit Levy, which collectively are considered sufficient to meet all current and future CDA debt service obligations.

Various potential component units were evaluated to determine whether they should be reported in the CDA's financial report. A component unit was considered part of the CDA's reporting entity when the

CDA was financially accountable for the entity, or when the nature and significance of the relationship was such that exclusion would cause the CDA's financial statements to be misleading or incomplete. The CDA has six blended component units: Briar Pond, LLC; The Groves Managing Member, LLC; WCHRA Piccadilly Square, LLC; WCCDA Glen, LLC; WCCDA Raymie Johnson, LLC; and WCCDA Family Housing, LLC. In each instance, the CDA is the sole member of the LLC, and the CDA's Board of Commissioners is also the Board of Governors for the respective LLC. The CDA is also the general partner and managing member of four limited partnerships that were created to construct and operate family and senior housing developments. These partnerships are presented as discretely presented component units. Separate financial statements for these discretely presented component units can be obtained by contacting the Finance Director of the Washington County Community Development Agency, 7645 Currell Boulevard, Woodbury, Minnesota 55125.

Budgetary Controls

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

Factors Affecting Financial Condition

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

Enterprise Fund. As of December 31, 2025, the CDA owns and operates 281 units of senior housing, 520 units of family housing, and 40 units of public housing. The Enterprise Fund is central to the CDA's operations. In 2025, about 21% of the CDA's annual revenue came from its property portfolio.

While most housing authorities around the country receive most of their funds from the federal government, this is not the case with the CDA. The CDA was able to finance the creation of its affordable senior and family housing portfolio by obtaining lower interest rates on tax exempt governmental housing bonds with the County's general obligation pledge as a credit enhancement tool. The CDA has also made good use of other state and regional resources to keep initial development costs down, which also helped to reduce monthly rents. About 34% of the CDA's property portfolio is

financed with tax-exempt bonds, 28% is financed with federal grant funds or loans, and 37% is fully owned by the CDA.

In 2025, total revenues were also affected by nonoperating items, including investment earnings and tax increment financing revenues, as well as a significant one-time gain on the transfer of Raymie Johnson Estates to Raymie Johnson Estates, LLC as part of a Low-Income Housing Tax Credit recapitalization transaction. The gain increased total revenues for the year but should not be considered part of the CDA's recurring operating revenue.

It is critical that the CDA maintain the properties in good condition and manage the properties with good customer service and sound operating principles. The CDA annually adopts a capital improvement plan and updates a five-year plan. In 2025, the CDA completed nearly \$1.9 million in capital improvement projects.

The CDA also receives income from a Special Benefit Tax Levy, which represented about 10% of the CDA's total revenue in 2025. In 2025, the amount collected totaled \$6,531,628. The Special Benefit Levy is appropriated annually by the County Commissioners of Washington County, after submission of the CDA's annual budget to the County. The CDA uses the levy to ensure debt service coverage on its bond obligations, fund capital improvements, support development and redevelopment projects in partnership with local communities, and provide operating support to the CDA's housing portfolio. The Special Benefit Levy also helps to fund the general administration activities of the CDA.

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

Occupancy Rates. The CDA's occupancy rates were 95.5% on December 31, 2025.

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

Reserves. The CDA continues to fund established reserves for operations and capital improvements according to established policies. The CDA has a minimum fund balance in the General Fund of \$3,399,760 and also maintains a balance of \$7,392,561 in long-term capital reserves.

Federal and State Funding. Federal and state funding represented approximately 43% of all CDA funds during the fiscal year ended December 31, 2025. This funding primarily supports ongoing tenant rental assistance programs administered through the U.S. Department of Housing and Urban Development and the Minnesota Housing Finance Agency. In addition, the CDA continued to receive significant American

Rescue Plan Act (ARPA) funds from Washington County, which supported the completion of new affordable housing and the opening of a 30-bed emergency housing shelter in 2025. The CDA also continued administering state-funded programs under the Local Affordable Housing Aid (LAHA) and Statewide Affordable Housing Aid (SAHA) initiatives, which provide resources for local preservation, development, and rehabilitation of affordable housing.

Major Initiatives

Emergency Housing. In 2025, the Washington County Community Development Agency, under contract by Washington County, completed and opened Emergency Housing Services Building (EHSB), Washington County's first short-term emergency housing facility for adults experiencing homelessness. The 30-bed facility, located on the Washington County Government Center campus in Stillwater, includes private living units, shared community spaces and areas for supportive services. A ribbon-cutting ceremony was held November 19, 2025, and referrals to the program began December 2025. The CDA's developer responsibilities will end in 2026 with the completion of final site landscaping in the spring. Stepping Stone Emergency Housing was selected as the service provider and will provide 24/7 staffing and individualized case management to help residents transition to stable housing. The project represents a significant investment in housing stability and fills an important gap in emergency housing services for Washington County residents.

Affordable Housing Aid. In 2025, the CDA continued implementing programs funded with the Local Affordable Housing Aid (LAHA) as contracted with Washington County. LAHA funds were deployed through GROW loans, NOAH GROW loans, First Generation Homebuyer grants, and Repair and Renovate loans to support the preservation, development, and rehabilitation of affordable housing and the access to homeownership. The CDA also entered into agreements with the cities of Lake Elmo, Hugo and Forest Lake to administer their LAHA allocations. The CDA is helping them meet program requirements and expand the impact of these resources in their city, primarily deployed through Repair and Renovate loans. The CDA also continued to receive Statewide Affordable Housing Aid (SAHA) funds in 2025 from Washington County, which are expected to support GROW loans in future periods.

Raymie Johnson Estates Rehabilitation and Recapitalization. In 2025, the CDA began a major recapitalization of Raymie Johnson Estates, a 120-unit affordable housing development in Oak Park Heights serving seniors, families, and disabled households. On June 26, 2025, ownership of the property was transferred from the CDA to Raymie Johnson Estates, LLC as part of a Low-Income Housing Tax Credit financing structure. The CDA retains an ownership and governance role in the project through its interest as managing member. The transaction provided funding for significant rehabilitation of the property, including apartment, townhouse, common-area, site, and exterior improvements. Substantial rehabilitation work was completed during 2025 with final project completion expected in 2026. This initiative reflects the CDA's continued commitment to reinvesting in existing affordable housing for Washington County residents and supports the long-term preservation of affordable housing units covered by HUD Section 8 rental assistance.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the CDA for its comprehensive annual financial report for the fiscal year ended December 31, 2024. This was the twenty-first consecutive year that the CDA has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

Prior to its designation as a Moving to Work Agency by HUD in 2021, the CDA maintained a "High Performer" rating under the Section 8 Management Assessment Program (SEMAP) for its administration of the Housing Choice Voucher Program. As a Moving to Work Agency, the CDA is no longer required to complete the annual SEMAP rating process.

The CDA's work to bring 36 federally subsidized units back online was nationally recognized by the National Association of Housing and Redevelopment Officials (NAHRO). The CDA received a 2025 Award of Excellence in Affordable Housing Innovation for the Bluestem Apartment Restore-Rebuild. Restore-Rebuild is a federal program allowing housing authorities to transition unutilized Public Housing units into new federal rent assistance. The Washington County CDA was able to provide Trellis with new Project Based Rental Assistance units through the Restore-Rebuild program.

Individually, the CDA's Executive Director was named NAHRO's 2025 Outstanding Professional of the Year, the organization's highest honor, acknowledging individuals who have demonstrated exceptional and enduring contributions to the fields of housing and community development. This award is reserved for those whose achievements have made exceptional impact on the quality of life for others through extraordinary service and leadership.

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

Respectfully submitted,

WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY



Melissa Taphorn
Executive Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Washington County Community Development Agency
Minnesota**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2024

Christopher P. Morill

Executive Director/CEO

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II. FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units and each major fund of Washington County Community Development Agency, a component unit of Washington County, as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise Washington County Community Development Agency's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, and each major fund of Washington County Community Development Agency, as of December 31, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of The Groves Apartments, LLC; Piccadilly Square of Mahtomedi, LLC; Glen at Valley Creek, LLC; and Raymie Johnson Estates, LLC (discretely presented component units), which represent 28 percent, 10 percent, and 8 percent, respectively, of the assets, net position, and revenues of Washington County Community Development Agency and its discretely presented component units as of December 31, 2025, and the respective changes in financial position for the year then ended. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for The Groves Apartments, LLC; Piccadilly Square of Mahtomedi, LLC; Glen at Valley Creek, LLC; and Raymie Johnson Estates, LLC, is based solely on the report of the other auditors. The financial statements of The Groves Apartments, LLC; Piccadilly Square of Mahtomedi, LLC; Glen at Valley Creek, LLC; and Raymie Johnson Estates, LLC were not audited in accordance with *Government Auditing Standards*.



Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Washington County Community Development Agency and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Report on Summarized Comparative Information

We have previously audited Washington County Community Development Agency's financial statements, and we expressed unmodified audit opinions on the respective financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, and each major fund in our report dated May 8, 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 Washington County Community Development Agency's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Governmental Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Washington County Community Development Agency's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Washington County Community Development Agency's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Washington County Community Development Agency's basic financial statements. The accompanying combining fund financial statements and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part

200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining fund financial statements and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 8, 2026 on our consideration of Washington County Community Development Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Washington County Community Development Agency's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Washington County Community Development Agency's internal control over financial reporting and compliance.

Redpath and Company LLC

REDPATH AND COMPANY, LLC
St. Paul, Minnesota

May 8, 2026

**Washington County Community Development Agency
Management's Discussion and Analysis
Year Ended December 31, 2025**

The Washington County Community Development Agency (CDA), a component unit of Washington County, Minnesota, is empowered under state statute to initiate a broad array of housing, community development, and economic development programs to address the varying needs of communities within the County. The CDA administers housing programs that serve over 4,000 households, including rental assistance programs, home ownership and foreclosure prevention counseling programs and affordable rental housing developments. The CDA also serves as a resource for housing and community development information, including housing market data, housing needs, and government programs related to housing, community development and economic development.

As management of the CDA, we offer the residents and other readers this narrative overview and analysis of the CDA's financial activities for the fiscal year ended December 31, 2025. Readers are encouraged to consider the information presented here in conjunction with the letter of transmittal, which can be found in the introductory section of this report.

Financial Highlights

- The assets and deferred outflows of resources of the CDA exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$118,786,369 (net position). This net position is comprised of the following components:
 - \$21,668,810 (net investment in capital assets) represents the CDA's investment in land, structures and equipment, less any capital-related debt and is not available for future spending.
 - \$28,195,699 (restricted) is restricted as to use by grant agreements, contracts, and laws and regulations, and can only be used for specific purposes.
 - \$68,921,860 (unrestricted) may be used to meet the CDA's ongoing obligations to citizens and creditors.
- The CDA's net position increased by \$26,401,018 during the fiscal year ended December 31, 2025. Governmental activities increased by \$8,021,885, primarily due to Community Development Fund activity, including Local Affordable Housing Aid activity. Business-type activities increased by \$18,379,133, primarily due to the sale and conversion of Raymie Johnson Estates into a low-income housing tax credit (LIHTC) structure. The Raymie Johnson transaction resulted in a significant gain on disposal of capital assets in the Senior Housing Fund and new receivables and developer fee activity in the Managing Member Partnership Fund. These increases reflect the CDA's continued investment in affordable housing and related long-term financing activity rather than recurring operating results. Key contributors to this increase included:
 - The Community Development Fund contributed \$6,835,075 to the increase, driven largely by Local Affordable Housing Aid and other activities accounted for in the Community Development Fund.
 - Business-type net position increased by \$18,379,133, primarily from the Raymie Johnson Estates transaction, including a gain on disposal of capital assets, related transfers, and receivables associated with the new LIHTC structure.

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- The 2012A and 2012B bonds were retired during 2025 to facilitate the sale and LIHTC conversion of Raymie Johnson Estates, as the property and its related revenues had been pledged along with other CDA properties under the bond indentures. The bonds were retired using accumulated trustee-held operating, debt service, and reserve funds that were restricted for bond-related purposes.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the CDA's basic financial statements. The CDA's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information intended to furnish additional detail to support the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the CDA's finances, in a manner similar to a private-sector business. The government-wide financial statements include the governmental activities, the business-type activities and the CDA's discretely presented component units.

The statement of net position presents information on all of the CDA's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the CDA is improving or deteriorating.

The statement of activities presents information showing how the CDA's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g. amortization of deferred gain/loss on refunding).

Both of the government-wide financial statements distinguish functions of the CDA that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the CDA include General Government, Housing Assistance, Community Development, Economic Development, Home Ownership Counseling and Tax Increment Financing. The business-type activities of the CDA include Public Housing, Senior Housing, Family Housing, Briar Pond, LLC and Managing Member Partnership operations.

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

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been included as an integral part of the primary government.

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

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

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The CDA, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the CDA can be divided into two categories: governmental funds and proprietary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financial requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the CDA's near-term financial decisions. Both the governmental fund balance sheet and governmental fund statement of revenues, expenditures and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

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

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

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

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

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

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

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

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

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

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

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The CDA uses notes to (1) present information in greater detail than is possible within the financial statements themselves, (2) explain the nature of amounts reported in the financial statements and how those amounts were determined, and (3) report certain information that does not meet the requirements for inclusion in the financial statements (such as certain contingencies). The notes to the financial statements can be found following statement 8 of this report.

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

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The combining schedules referred to earlier in connection with sub-funds of the major governmental and proprietary funds are presented immediately following the required supplementary information on budgetary comparisons. Combining schedules can be found on statements 15 through 34 of this report.

Financial Summary and detailed analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the CDA, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$118,786,369 at December 31, 2025, an increase of \$26,401,018 over the prior year. This increase indicates that the CDA's financial position improved during the current fiscal year.

**Net position
December 31**

	Governmental Activities		Business-Type Activities		Totals	
	2025	2024	2025	2024	2025	2024
Assets						
Current and other assets	\$59,159,856	\$50,061,154	\$73,051,363	\$37,012,225	\$132,211,219	\$87,073,379
Capital assets	2,549,843	2,495,810	38,425,253	41,873,840	40,975,096	44,369,650
Total assets	61,709,699	52,556,964	111,476,616	78,886,065	173,186,315	131,443,029
Total Deferred outflows of resources	-	-	195,723	297,465	195,723	297,465
Liabilities						
Long-term liabilities outstanding	1,937,219	2,115,562	46,216,380	32,503,300	48,153,599	34,618,862
Other liabilities	2,989,726	1,680,533	2,646,511	2,204,498	5,636,237	3,885,031
Total liabilities	4,926,945	3,796,095	48,862,891	34,707,798	53,789,836	38,503,893
Total Deferred inflows of resources	-	-	805,833	851,250	805,833	851,250
Net position:						
Net investment in capital assets	2,401,627	2,203,738	19,267,183	17,470,373	21,668,810	19,674,111
Restricted	19,191,999	14,253,426	9,003,700	11,988,583	28,195,699	26,242,009
Unrestricted	35,189,128	32,303,705	33,732,732	14,165,526	68,921,860	46,469,231
Total net position	\$56,782,754	\$48,760,869	\$62,003,615	\$43,624,482	\$118,786,369	\$92,385,351

Net Investment in capital assets consists of land, buildings and structures, and furniture and fixtures, less related outstanding debt used to acquire or improve those assets. At December 31, 2025, the CDA's net investment in capital assets was \$21,668,810, or 18.2 percent of total net position. The CDA primarily uses these capital assets to provide affordable housing opportunities and related services to eligible residents. Accordingly, these assets are not available for future spending. Although the CDA's investment in capital assets is reported net of related debt, it should be noted that the resources to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

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The CDA's restricted net position of \$28,195,699, or 23.8 percent of total net position, represents resources that are subject to external restrictions on how they may be utilized. These restrictions are primarily related to grant programs funded by the U.S. Department of Housing and Urban Development (HUD), state laws and regulations restricting the use of tax levy and tax increment revenues, and bond-related restrictions, including trustee-held reserves, custodial agreements, and other requirements established by bond indentures. The remaining category of the CDA's net position, unrestricted net position of \$68,921,860, or 58.0 percent of total net position, may be used to meet the CDA's ongoing obligations to citizens and creditors.

At the end of the fiscal year, the CDA reported positive balances in all three categories of net position for the government as a whole and for governmental and business-type activities individually. The CDA's total net position increased by \$26,401,018 during the fiscal year ended December 31, 2025. The increase was reflected in both governmental and business-type activities. The major changes in the CDA's net position are discussed below by activity type.

Governmental Activities. During the current year, net position for governmental activities increased \$8,021,885, from \$48,760,869 to \$56,782,754. The increase was primarily attributable to Community Development Fund activity, including Local Affordable Housing Aid and other community development resources. The Community Development Fund contributed \$6,835,075 to the increase, driven largely by intergovernmental revenues and related program activity. Governmental activities also benefited from continued investment earnings and stable property tax revenues.

Business-type Activities. Net position for business-type activities increased \$18,379,133, from \$43,624,482 to \$62,003,615. The increase was primarily attributable to the sale and conversion of Raymie Johnson Estates into a low-income housing tax credit structure. The transaction resulted in a significant gain on disposal of capital assets in the Senior Housing Fund and new receivables and developer fee activity in the Managing Member Partnership Fund. Business-type activities also reflected continued operating income from the CDA's rental housing portfolio, along with investment earnings and property tax revenues used to support housing operations and capital needs.

The Raymie Johnson Estates transaction also affected the presentation of assets and liabilities. Capital assets decreased as the property was sold, while receivables and related financing activity increased in connection with the new LIHTC structure. In addition, the CDA reported bonds payable issued on behalf of Raymie Johnson Estates, LLC, a discretely presented component unit, with a corresponding receivable due from the component unit. These balances are discussed further in the notes to the financial statements.

The reasons for the CDA's overall increase in net position are discussed in the following sections for governmental activities and business-type activities.

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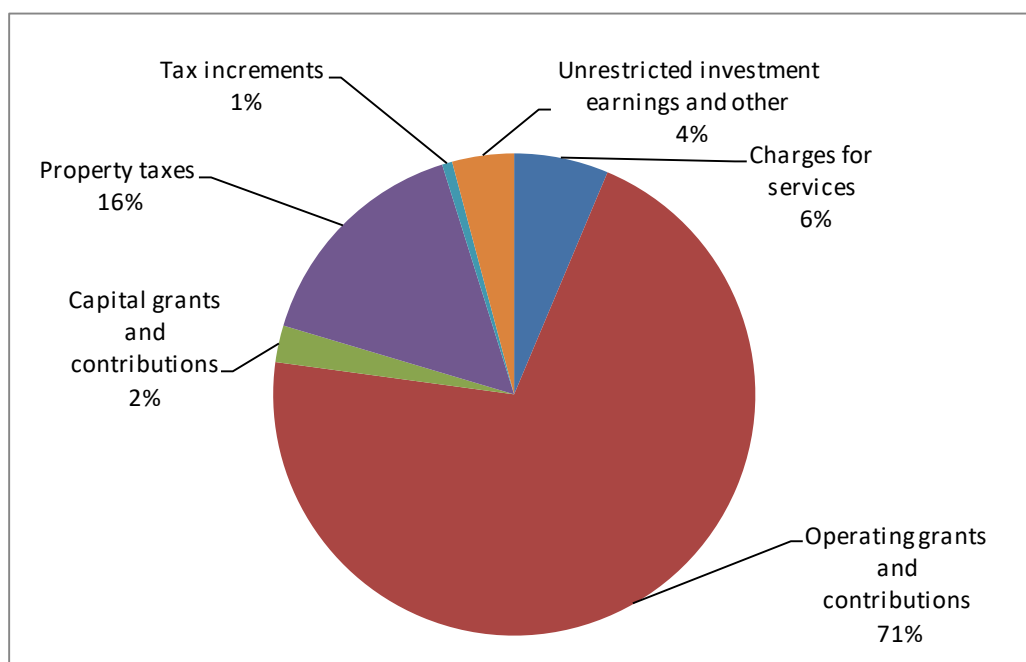
**Changes in Net position
Years Ended December 31**

	Governmental Activities		Business-Type Activities		Totals	
	2025	2024	2025	2024	2025	2024
Revenues:						
Program revenues:						
Charges for services	\$2,195,732	\$1,885,703	\$13,074,566	\$10,426,785	\$15,270,298	\$12,312,488
Operating grants and contributions	24,565,469	19,264,567	1,291,037	1,454,190	25,856,506	20,718,757
Capital grants and contributions	851,466	454,669	-	-	851,466	454,669
General revenues:						
Property taxes	5,396,256	5,015,069	1,135,372	1,132,510	6,531,628	6,147,579
Tax increments	230,306	276,483	-	-	230,306	276,483
Unrestricted investment earnings and other	1,444,518	1,419,551	1,396,092	1,239,279	2,840,610	2,658,830
Gain on disposal of capital assets	-	-	11,211,780	-	11,211,780	-
Total revenues	<u>34,683,747</u>	<u>28,316,042</u>	<u>28,108,847</u>	<u>14,252,764</u>	<u>62,792,594</u>	<u>42,568,806</u>
Expenses:						
General government	2,423,193	2,320,509	-	-	2,423,193	2,320,509
Housing assistance	9,844,441	8,320,417	-	-	9,844,441	8,320,417
Community development	12,212,506	3,092,693	-	-	12,212,506	3,092,693
Economic development	746,413	654,964	-	-	746,413	654,964
Home ownership counseling	227,816	211,284	-	-	227,816	211,284
Tax increment financing	3,716	5,185	-	-	3,716	5,185
Interest on debt	56,937	65,131	-	-	56,937	65,131
Housing	-	-	10,876,554	10,709,187	10,876,554	10,709,187
Total expenses	<u>25,515,022</u>	<u>14,670,183</u>	<u>10,876,554</u>	<u>10,709,187</u>	<u>36,391,576</u>	<u>25,379,370</u>
Increase in net position before transfers	9,168,725	13,645,859	17,232,293	3,543,577	26,401,018	17,189,436
Transfers	<u>(1,146,840)</u>	<u>(436,528)</u>	<u>1,146,840</u>	<u>436,528</u>	<u>-</u>	<u>-</u>
Increase (decrease) in net position	8,021,885	13,209,331	18,379,133	3,980,105	26,401,018	17,189,436
Net position - January 1	48,760,869	35,551,538	43,624,482	39,644,377	92,385,351	75,195,915
Net position - December 31	<u><u>56,782,754</u></u>	<u><u>48,760,869</u></u>	<u><u>62,003,615</u></u>	<u><u>\$43,624,482</u></u>	<u><u>\$118,786,369</u></u>	<u><u>\$92,385,351</u></u>

Governmental Activities. In 2025, governmental activities increased the CDA's net position by \$8,021,885, or 30.4 percent of the total increase. Total governmental revenues were \$34,839,747, while total governmental expenses were \$25,515,022. The increase was primarily due to Community Development Fund activity, including Local Affordable Housing Aid revenues received during the year. Because a significant portion of the Local Affordable Housing Aid resources had not yet been disbursed by year-end, these restricted resources increased governmental activities net position and will be used for eligible affordable housing purposes in future periods. Property tax revenues also increased from the prior year and continued to support CDA programs and operations.

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Revenues by Source – Governmental Activities



Operating grants and contributions remained the largest revenue source for governmental activities, representing approximately 71 percent of total governmental revenues. Property taxes represented approximately 16 percent, while charges for services represented approximately 6 percent. The remaining governmental revenues consisted of investment earnings and other revenues, capital grants and contributions, and tax increments.

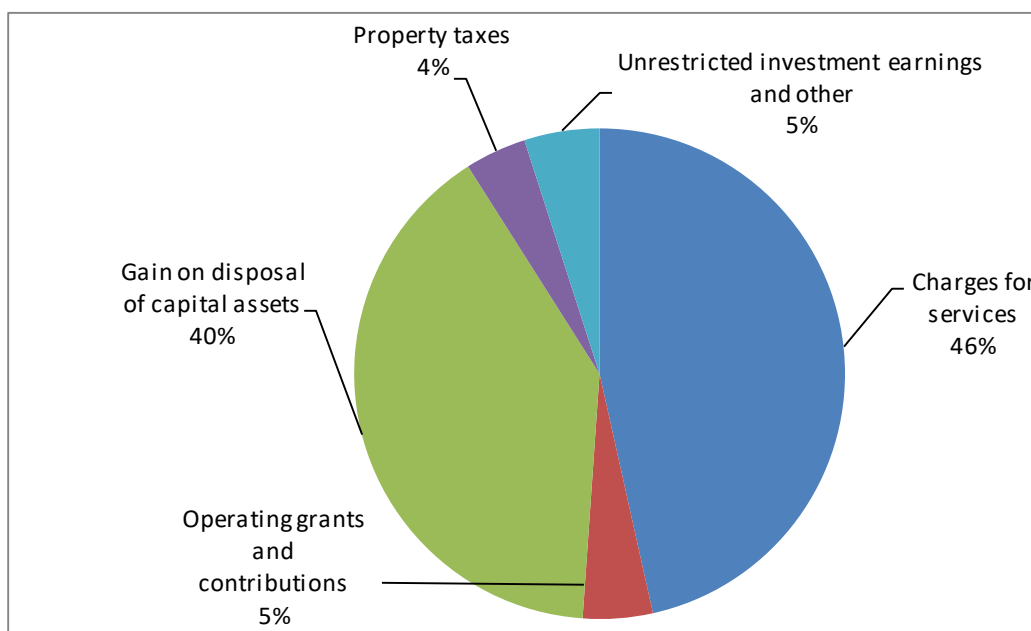
Governmental expenses increased by \$10,844,839, from \$14,670,183 in 2024 to \$25,515,022 in 2025. The increase was primarily attributable to Community Development activity, including affordable housing program activity and the Emergency Housing Services Building project completed under contract with Washington County. The Emergency Housing Initiative accounted for \$9,653,985 of revenues and expenditures during the year; because the facility was constructed on behalf of the County, the activity had no net impact on the CDA's fund balance or net position. Housing assistance remained a significant governmental activity, with expenses of \$9,844,441 in 2025.

During 2025, the CDA completed and opened the Emergency Housing Services Building under contract with Washington County. The facility represents a major programmatic accomplishment in expanding emergency housing capacity and supportive service space for adults experiencing homelessness in Washington County.

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Business-Type Activities. Business-type activities increased \$18,379,133, or 69.6% of the total increase in the CDA's net position for 2025. Total business-type revenues were \$28,108,847, while total business-type expenses were \$10,876,554. The increase was primarily attributable to the sale and conversion of Raymie Johnson Estates into a low-income housing tax credit structure. The transaction resulted in a significant gain on disposal of capital assets in the Senior Housing Fund and new receivables and developer fee activity in the Managing Member Partnership Fund. The CDA's rental housing portfolio also continued to generate positive operating results, supported by stable occupancy, rental income, property tax revenues, and investment earnings.

Revenues by Source – Business-Type Activities



Charges for services remained the largest recurring revenue source for business-type activities, representing approximately 46 percent of total business-type revenues. The gain on disposal of capital assets represented approximately 40 percent of total business-type revenues and was related primarily to the Raymie Johnson Estates transaction. This gain is a nonrecurring item and does not represent ongoing operating revenue of the CDA's rental housing portfolio. Operating grants and contributions, property taxes, and unrestricted investment earnings and other revenues comprised the remaining business-type revenues.

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Detailed Analysis of Governmental Funds

The focus of the CDA's governmental funds is to provide information about near-term inflows, outflows, and balances of spendable resources. This information is useful in assessing the CDA's financing requirements. The CDA reports the General Fund, Housing Assistance Fund, Community Development Fund, Economic Development Fund, Home Ownership Counseling Fund, and Tax Increment Fund as major governmental funds.

Governmental fund balance is reported as nonspendable, restricted, committed, assigned, or unassigned. Nonspendable amounts are not in spendable form, while restricted amounts are limited by external constraints. Committed amounts reflect constraints established by the CDA Board of Commissioners, assigned amounts reflect intended uses for specific purposes, and unassigned fund balance represents remaining available resources, including the residual balance of the General Fund.

At December 31, 2025, the CDA's governmental funds reported combined fund balances totaling \$41,930,136, an increase of \$7,256,440 from the prior year. Of this amount, \$122,892 was nonspendable, \$6,909,689 was restricted, \$26,641,766 was committed, and \$8,255,789 was unassigned.

General Fund. The General Fund is used to account for all financial resources except those required to be accounted for in another fund. At December 31, 2025, the General Fund reported fund balance of \$18,892,195, an increase of \$289,075 from the prior year. Of this amount, \$80,031 was nonspendable, \$7,392,561 was committed primarily for long-term capital improvements, and \$11,419,603 was unassigned.

The General Fund provides financial flexibility for CDA operations and serves as the primary fund for administrative operations, including payroll, building operations, information technology, and related support costs. The fund also accounts for CDA-wide operating reserves and long-term capital improvement reserves. Each year, the CDA levies for capital improvements and transfers resources from the General Fund to the property funds as capital projects are completed. The CDA also seeks to increase the long-term capital improvement reserve by approximately \$260,000 annually.

General Fund revenues exceeded expenditures by \$1,360,915 during 2025. This was partially offset by net transfers to other funds of \$1,071,840, resulting in the overall increase in fund balance. Charges for services primarily represent payroll and administrative costs allocated to CDA property funds and reimbursed to the General Fund.

Housing Assistance Fund. The Housing Assistance Fund accounts for the receipt and expenditure of restricted HUD Section 8 Housing Choice Voucher program funds and other rental assistance activity, including smaller state and county voucher programs. At December 31, 2025, the fund reported fund balance of \$328,262, an increase of \$40,449 from the prior year. Revenues exceeded expenditures by \$115,449 during 2025; however, this was partially

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offset by a \$75,000 transfer of excess Housing Assistance levy funds to the General Fund. The CDA levies funds in the Housing Assistance Fund to supplement administrative funding when needed. In 2025, increased voucher activity, primarily related to port-in vouchers and Family Unification Program vouchers under the Housing Choice Voucher program, generated sufficient administrative fee revenue to cover most administrative costs, allowing excess Housing Assistance levy funds to be transferred to the General Fund.

Community Development Fund. The Community Development Fund accounts for activities supporting CDA-constructed housing developments, assistance to private developers and municipalities, and other affordable housing and community development initiatives. At December 31, 2025, the fund reported fund balance of \$25,077,490, an increase of \$6,835,075 from the prior year. The increase was primarily due to Local Affordable Housing Aid resources received during the year, including funds received directly by the CDA and funds administered on behalf of participating cities. The remaining increase was attributable to other Community Development Fund activity, including multifamily LIHTC projects, Age Friendly Housing, Faircloth-to-RAD, Development Fund, GAP Financing, and Statewide Affordable Housing Aid activity. These resources are restricted or committed for eligible housing and community development purposes and are expected to be used in future periods.

Economic Development Fund. The Economic Development Fund accounts for levy-funded activities that promote economic development in Washington County. At December 31, 2025, the fund reported fund balance of \$785,196, an increase of \$41,066 from the prior year. The fund supports initiatives such as the Open to Business program, regional marketing through Greater MSP, coordination with the County, cities, townships, and other local partners, and predevelopment assistance for studies evaluating potential future uses of open land. The increase was primarily due to property tax revenues and investment earnings exceeding current-year expenditures.

Home Ownership Counseling Fund. The Home Ownership Counseling Fund accounts for the receipt and expenditure of restricted grant proceeds from HUD and the State of Minnesota for foreclosure and home ownership counseling. At December 31, 2025, the fund reported fund balance of \$10,807, an increase of \$4,700 from the prior year. Activity in this fund remains modest and is driven by grant-funded counseling program activity, including foreclosure prevention and homebuyer education services.

Tax Increment Fund. The Tax Increment Fund accounts for tax increment revenues and related project costs associated with the CDA's tax increment financing districts. At December 31, 2025, the fund reported a deficit fund balance of \$3,163,814, an improvement of \$46,075 from the prior year. The deficit reflects the timing of eligible project costs incurred in advance of corresponding tax increment revenues. Future tax increment revenues will continue to be used to reduce the fund deficit over time, in accordance with the terms of existing tax increment financing districts.

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Detailed Analysis of Enterprise Funds

Proprietary funds. The CDA's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. The CDA reports the Public Housing Fund, Senior Housing Fund, Family Housing Fund, Briar Pond, LLC, and Managing Member Partnership Fund as enterprise funds.

The CDA's proprietary funds reported total net position of \$62,003,615 at December 31, 2025, an increase of \$18,379,133. The increase was primarily attributable to the sale and conversion of Raymie Johnson Estates into a low-income housing tax credit structure, which affected both the Senior Housing Fund and the Managing Member Partnership Fund.

Public Housing Fund. The Public Housing Fund accounts for the operations of the CDA's public housing program. Net position was \$2,915,771, an increase of \$151,876, primarily due to positive operating results and investment earnings.

Senior Housing Fund. The Senior Housing Fund accounts for the operations of the CDA's senior housing properties. Net position was \$21,156,910, an increase of \$3,636,001. The increase was primarily due to the gain on disposal of capital assets related to the sale of Raymie Johnson Estates, partially offset by transfers to the Managing Member Partnership Fund related to the Raymie transaction and related receivable activity.

Family Housing Fund. The Family Housing Fund accounts for the operations of the CDA's family housing properties. Net position was \$16,084,348, an increase of \$1,992,062, primarily due to positive operating results and continued investment in capital improvements. During 2025, the fund completed approximately \$1.6 million in capital improvements, funded in part by transfers from General Fund long-term capital improvement reserves supported by property tax levy resources.

Briar Pond, LLC. Briar Pond, LLC accounts for the operations of the Briar Pond senior housing property. Net position was \$3,525,800, an increase of \$916,781, primarily due to positive operating results and property tax revenues used to support operations, capital needs, and debt service.

Managing Member Partnership Fund. The Managing Member Partnership Fund accounts for the CDA's investments in and related transactions associated with its role as managing member of low-income housing tax credit partnerships. Net position was \$18,320,786, an increase of \$11,682,413, primarily due to the Raymie Johnson Estates transaction, including the transfer of Raymie-related receivables from the Senior Housing Fund and recognition of developer fee activity associated with the new low-income housing tax credit structure.

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Budgetary Highlights

The CDA adopts annual budgets for its major governmental funds. During 2025, the most significant budget variances occurred in the General Fund, Housing Assistance Fund, and Community Development Fund.

General Fund. The final amended General Fund budget anticipated an increase in fund balance of \$330,770, while the actual increase was \$289,075, resulting in a negative variance of \$41,695. Revenues exceeded budget by \$290,950, primarily due to investment earnings exceeding budget. Expenditures were under budget by \$227,146. These positive variances were offset by net transfers out exceeding budget by \$559,791, primarily due to transfers to other funds for property-related capital improvements and program needs.

Housing Assistance Fund. The final amended Housing Assistance Fund budget anticipated no change in fund balance, while the actual increase was \$40,449. Revenues were under budget by \$1,964,510, primarily due to housing assistance payment revenues being lower than budgeted. This was offset by expenditures under budget by \$2,079,959, primarily due to housing assistance payments also being lower than budgeted. The fund also transferred \$75,000 of excess Housing Assistance levy funds to the General Fund.

Community Development Fund. The final amended Community Development Fund budget anticipated no change in fund balance, while the actual increase was \$6,835,075. Revenues exceeded budget by \$3,657,580, primarily due to intergovernmental revenues and other program revenues exceeding budget. Expenditures were under budget by \$3,263,783, primarily due to the timing of eligible project costs and program disbursements. The variance reflects the timing of Community Development Fund resources received during the year, including Local Affordable Housing Aid and other program funds, compared with related project expenditures expected to occur in future periods.

Budget variances in the Economic Development Fund, Home Ownership Counseling Fund, and Tax Increment Fund were less significant and were primarily related to timing differences in program revenues, investment earnings, and current-year expenditures.

Significant Capital Asset and Long-term Financing Activity

Capital assets. The CDA's investment in capital assets for governmental and business-type activities as of December 31, 2025, amounted to \$40,975,096, net of accumulated depreciation. This amount includes land, buildings and structures, furniture and equipment, and construction in progress. Total capital assets decreased by \$3,394,554 from the prior year, primarily due to the sale of Raymie Johnson Estates as part of its conversion into a low-income housing tax credit structure. The sale removed the Raymie Johnson Estates land, land improvements, building, equipment, construction in progress, and related accumulated depreciation from the CDA's capital asset records. This decrease was partially offset by capital improvements completed throughout the CDA's governmental and business-type activities.

**Washington County Community Development Agency
Management's Discussion and Analysis
Year Ended December 31, 2025**

	Governmental Activities		Business-Type Activities		Totals	
	2025	2024	2025	2024	2025	2024
Land	\$424,186	\$424,186	\$4,263,053	\$4,773,053	\$4,687,239	\$5,197,239
Buildings and structures	2,056,768	1,517,526	33,608,702	36,966,947	35,665,470	38,484,473
Furniture and fixtures	68,889	101,126	76,705	66,955	145,594	168,081
Construction in progress	-	452,972	476,793	66,885	476,793	519,857
	<u>\$2,549,843</u>	<u>\$2,495,810</u>	<u>\$38,425,253</u>	<u>\$41,873,840</u>	<u>\$40,975,096</u>	<u>\$44,369,650</u>

Major capital asset activity during 2025 included the following:

- Completion of CDA office interior improvements and related exterior landscaping totaling approximately \$596,000.
- Common area rehabilitation and boiler work at Woodland Park totaling approximately \$1.1 million.
- Rehabilitation of seven scattered-site units within WCCDA Family Housing, LLC, totaling approximately \$245,000.
- Foundation repairs and flooring improvements at Park Place I totaling approximately \$187,000.
- Roof replacement at Pioneer Elderly totaling approximately \$75,000.
- Other property rehabilitation and capital improvement projects across the CDA's housing portfolio.

At December 31, 2025, outstanding construction commitments totaled \$1,667,274. Additional information on the CDA's capital assets can be found in Note 6.

Long-term debt. At December 31, 2025, the CDA had total notes, loans, mortgages, and bonds payable outstanding of \$47,596,202, an increase of \$13,523,281 from the prior year. The increase was attributable to the issuance of \$19,285,000 of bonds on behalf of Raymie Johnson Estates, LLC, a discretely presented component unit. These bonds were issued in connection with the sale and conversion of Raymie Johnson Estates into a low-income housing tax credit structure and are reported with a corresponding receivable due from the component unit.

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

	Governmental Activities		Business-Type Activities		Totals	
	2025	2024	2025	2024	2025	2024
Notes, loans and mortgages	\$1,635,405	\$1,858,720	\$9,455,797	\$9,729,201	\$11,091,202	\$11,587,921
Bonds payable	-	-	17,220,000	22,485,000	17,220,000	22,485,000
Bonds payable on behalf of DPCU	-	-	19,285,000	-	19,285,000	-
	<u>\$1,635,405</u>	<u>\$1,858,720</u>	<u>\$45,960,797</u>	<u>\$32,214,201</u>	<u>\$47,596,202</u>	<u>\$34,072,921</u>

**Washington County Community Development Agency
Management's Discussion and Analysis
Year Ended December 31, 2025**

The CDA's direct debt obligations decreased during 2025, primarily due to scheduled principal payments and the retirement of the Series 2012A Government Housing Revenue Refunding Bonds and Series 2012B Taxable Qualified Energy Conservation Revenue Bonds. Certain CDA bonds are supported by Washington County's general obligation pledge, as described in Note 9. The 2012A and 2012B bonds were retired to facilitate the Raymie Johnson Estates transaction because the property and related revenues had been pledged with other CDA properties under the bond indentures. The bonds were retired using accumulated trustee-held operating, debt service, and reserve funds restricted for bond-related purposes.

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

Economic Factors and Next Year's Budgets. Federal appropriation levels will continue to have an impact on the CDA's financial position. The CDA received \$14,810,464 in federal funding for the fiscal year ended December 31, 2025. Funding for the CDA's federal programs is affected by Congressional legislation, federal budget decisions, and program-specific funding allocations. If federal funding is reduced, the CDA may need to reduce costs, adjust service levels, or identify alternative funding sources.

The CDA will also continue to monitor the timing and use of Local Affordable Housing Aid and other restricted resources received for affordable housing and community development purposes. A significant portion of these resources remained unspent at December 31, 2025 and is expected to be used for eligible projects and programs in future periods.

The CDA will also administer the Bring It Home Rental Assistance Program beginning in 2026. The program is expected to provide start-up funding of approximately \$240,000 and rental assistance funding for more than 100 state-funded housing vouchers through Minnesota Housing. The CDA will monitor program activity, reimbursement timing, and administrative requirements as the program is implemented.

The CDA continues to evaluate capital needs across its housing portfolio and to use long-term capital improvement reserves, property tax levy resources, grants, and other available funding sources to support property improvements and preserve affordable housing assets.

Requests for information. This financial report is designed to provide a general overview of the CDA's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Finance Director of the Washington County Community Development Agency, 7645 Currell Boulevard, Woodbury, Minnesota 55125.

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BASIC FINANCIAL STATEMENTS

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WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY

STATEMENT OF NET POSITION

December 31, 2025

With Comparative Totals For December 31, 2024

Statement 1

	Primary Government				Discretely Presented
	Governmental	Business-Type	Total		Component Units
	Activities	Activities	2025	2024	2025
Assets:					
Cash, cash equivalents and investments	\$33,091,403	\$19,896,049	\$52,987,452	\$38,864,122	\$730,317
Accounts receivable - net	12,633	42,269	54,902	121,043	7,229
Deposits receivable	165,000	-	165,000	330,000	-
Interest receivable	234,104	2,706	236,810	220,751	-
Interest receivable due from component unit	687,475	278,291	965,766	627,501	-
Property taxes receivable	96,393	-	96,393	89,546	-
Internal balances	500,000	(500,000)	-	-	-
Due from other governmental units	1,070,920	120,339	1,191,259	472,169	317,654
Prepaid items	122,892	596,873	719,765	737,659	100,555
Property held for resale	161,400	-	161,400	303,936	-
Notes, mortgages, and lease receivable:					
Current	-	50,000	50,000	45,417	-
Long-term	18,790,830	755,833	19,546,663	17,437,960	-
Due from component unit:					
Current	-	687,163	687,163	223,445	-
Long-term	2,381,422	39,575,319	41,956,741	11,849,190	-
Investment in limited partnerships	-	1,857,387	1,857,387	1,857,385	-
Restricted cash and investments	1,845,384	9,689,134	11,534,518	13,893,255	10,859,363
Capital assets (net of accumulated depreciation):					
Land	424,186	4,263,053	4,687,239	5,197,239	4,397,862
Construction in progress	-	476,793	476,793	519,857	418,801
Building and structures	2,056,768	33,608,702	35,665,470	38,484,473	49,809,202
Furniture and equipment	68,889	76,705	145,594	168,081	425,871
Other assets	-	-	-	-	103,470
Total assets	61,709,699	111,476,616	173,186,315	131,443,029	67,170,324
Deferred outflows of resources:					
Unamortized loss on refunding	-	195,723	195,723	297,465	-
Total deferred outflows of resources	0	195,723	195,723	297,465	0
Liabilities:					
Accounts, wages and benefits payable	2,269,848	415,136	2,684,984	1,492,504	68,277
Accrued interest payable	23,000	932,376	955,376	433,679	1,778,555
Security deposits/FSS escrow	40,838	387,098	427,936	428,108	122,879
Contracts payable	478,700	35,189	513,889	61,760	3,768,047
Due to other governmental units	92,666	507,908	600,574	617,986	140,192
Unearned revenue	84,674	368,804	453,478	850,994	13,037
Compensated absences payable:					
Due within one year	30,181	-	30,181	25,684	-
Due in more than one year	271,633	-	271,633	231,158	-
Due to primary government:					
Due within one year	83,482	-	83,482	79,459	776,408
Due in more than one year	903,707	-	903,707	987,189	40,680,931
Notes, mortgages, and bonds payable:					
Due within one year	148,216	1,604,926	1,753,142	5,679,580	107,051
Due in more than one year	500,000	44,611,454	45,111,454	27,615,792	6,804,175
Total liabilities	4,926,945	48,862,891	53,789,836	38,503,893	54,259,552
Deferred inflows of resources:					
Related to leases	-	805,833	805,833	851,250	-
Total deferred inflows of resources	0	805,833	805,833	851,250	0
Net position:					
Net investment in capital assets	2,401,627	19,267,183	21,668,810	19,674,111	2,915,124
Restricted for:					
Bond indenture purposes	-	9,003,700	9,003,700	11,988,583	10,859,363
Grant funded housing purposes	19,191,999	-	19,191,999	14,253,426	-
Unrestricted	35,189,128	33,732,732	68,921,860	46,469,231	(863,715)
Total net position	\$56,782,754	\$62,003,615	\$118,786,369	\$92,385,351	\$12,910,772

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

WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY**STATEMENT OF ACTIVITIES**

For The Year Ended December 31, 2025

With Comparative Totals For The Year Ended December 31, 2024

<u>Functions/Programs:</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges For Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Governmental activities:				
General government	\$2,423,193	\$742,966	\$ -	\$ -
Housing assistance	9,844,441	744,176	8,961,917	-
Community development	12,212,506	704,870	15,311,665	851,466
Economic development	746,413	-	185,635	-
Home ownership counseling	227,816	3,720	106,252	-
Tax increment financing	3,716	-	-	-
Interest on debt	56,937	-	-	-
Total governmental activities	<u>25,515,022</u>	<u>2,195,732</u>	<u>24,565,469</u>	<u>851,466</u>
Business-type activities:				
Housing	<u>10,876,554</u>	<u>13,074,566</u>	<u>1,291,037</u>	<u>-</u>
Total primary government	<u>\$36,391,576</u>	<u>\$15,270,298</u>	<u>\$25,856,506</u>	<u>\$851,466</u>
Discretely Presented Component Units	<u>\$4,708,402</u>	<u>\$3,407,096</u>	<u>\$0</u>	<u>\$2,035,392</u>
General revenues:				
General property taxes				
Tax increments				
Unrestricted investment earnings				
Gain on disposal of capital assets				
Transfers				
Total general revenues and transfers				
Change in net position				
Net position - January 1				
Net position - December 31				

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

Net (Expense) Revenue and Changes in Net Position				
Governmental Activities	Primary Government Business-Type Activities	Total		Discretely Presented Component Units 2025
		2025	2024	
(\$1,680,227)	\$ -	(\$1,680,227)	(\$1,119,871)	\$ -
(138,348)	-	(138,348)	(12,326)	-
4,655,495	-	4,655,495	8,733,382	-
(560,778)	-	(560,778)	(538,170)	-
(117,844)	-	(117,844)	(57,943)	-
(3,716)	-	(3,716)	(5,185)	-
(56,937)	-	(56,937)	(65,131)	-
2,097,645	0	2,097,645	6,934,756	0
-	3,489,049	3,489,049	1,171,788	-
2,097,645	3,489,049	5,586,694	8,106,544	0
				734,086
5,396,256	1,135,372	6,531,628	6,147,579	-
230,306	-	230,306	276,483	-
1,444,518	1,396,092	2,840,610	2,655,309	287,524
-	11,211,780	11,211,780	3,521	-
(1,146,840)	1,146,840	-	-	-
5,924,240	14,890,084	20,814,324	9,082,892	287,524
8,021,885	18,379,133	26,401,018	17,189,436	1,021,610
48,760,869	43,624,482	92,385,351	75,195,915	11,889,162
\$56,782,754	\$62,003,615	\$118,786,369	\$92,385,351	\$12,910,772

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

WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY

BALANCE SHEET

GOVERNMENTAL FUNDS

December 31, 2025

With Comparative Totals For December 31, 2024

	General Fund	Housing Assistance Fund	Community Development Fund
Assets			
Current assets:			
Cash, cash equivalents and investments	\$18,605,078	\$415,912	\$13,200,711
Restricted cash	3,529	40,838	1,801,017
Accounts receivable - net	105	4,260	8,268
Deposits receivable	-	-	165,000
Interest receivable	-	-	234,104
Interest receivable due from component unit	-	-	687,475
Property taxes receivable	94,456	-	-
Due from other funds	265,715	-	-
Due from other governmental units	3,406	94,582	882,496
Prepaid items	80,031	27,861	-
Advances to other funds	-	-	3,737,913
Property held for resale	-	-	18,421
Notes receivable	-	-	18,790,830
Notes receivable from component unit	-	-	2,381,422
Total assets	<u>\$19,052,320</u>	<u>\$583,453</u>	<u>\$41,907,657</u>
Liabilities, Deferred Inflows of Resources and Fund Balance			
Liabilities:			
Accounts payable	\$22,152	\$41,041	\$2,044,094
Security deposits/FSS escrow	-	40,838	-
Due to other funds	-	4,692	198,727
Due to other governmental units	-	52,666	40,000
Contracts payable	-	-	478,700
Accrued wages and benefits payable	60,197	24,273	33,414
Advances from other funds	-	-	-
Unearned revenue - grants	-	84,674	-
Total liabilities	<u>82,349</u>	<u>248,184</u>	<u>2,794,935</u>
Deferred inflows of resources:			
Unavailable revenue	<u>77,776</u>	<u>7,007</u>	<u>14,035,232</u>
Total deferred inflows of resources	<u>77,776</u>	<u>7,007</u>	<u>14,035,232</u>
Fund balance:			
Nonspendable	80,031	27,861	-
Restricted	-	300,401	6,609,288
Committed	7,392,561	-	18,468,202
Unassigned	<u>11,419,603</u>	<u>-</u>	<u>-</u>
Total fund balance	<u>18,892,195</u>	<u>328,262</u>	<u>25,077,490</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$19,052,320</u>	<u>\$583,453</u>	<u>\$41,907,657</u>

Fund balance reported above

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

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

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

Long-term liabilities, including bonds payable, are not due and payable in the current period, and therefore, are not reported in the funds (see Note 1.M.1).

Net position of governmental activities

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

Statement 3

Economic Development Fund	Home Ownership Counseling Fund	Tax Increment Fund	Intra-Activity Eliminations	Total Governmental Funds	
				2025	2024
\$783,869	\$13,671	\$72,162	\$ -	\$33,091,403	\$27,527,859
-	-	-	-	1,845,384	1,016,709
-	-	-	-	12,633	5,653
-	-	-	-	165,000	330,000
-	-	-	-	234,104	212,415
-	-	-	-	687,475	568,403
-	-	1,937	-	96,393	89,546
-	-	-	(265,715)	-	-
25,269	65,167	-	-	1,070,920	390,345
15,000	-	-	-	122,892	102,739
-	-	-	(3,237,913)	500,000	500,000
-	-	142,979	-	161,400	303,936
-	-	-	-	18,790,830	16,632,127
-	-	-	-	2,381,422	2,381,422
<u>\$824,138</u>	<u>\$78,838</u>	<u>\$217,078</u>	<u>(\$3,503,628)</u>	<u>\$59,159,856</u>	<u>\$50,061,154</u>
\$33,694	\$15	\$ -	\$ -	\$2,140,996	\$952,253
-	-	-	-	40,838	4,666
-	62,296	-	(265,715)	-	-
-	-	-	-	92,666	90,806
-	-	-	-	478,700	47,657
5,248	5,720	-	-	128,852	97,931
-	-	3,237,913	(3,237,913)	-	-
-	-	-	-	84,674	462,034
<u>38,942</u>	<u>68,031</u>	<u>3,237,913</u>	<u>(3,503,628)</u>	<u>2,966,726</u>	<u>1,655,347</u>
-	-	142,979	-	14,262,994	13,732,111
<u>0</u>	<u>0</u>	<u>142,979</u>	<u>0</u>	<u>14,262,994</u>	<u>13,732,111</u>
15,000	-	-	-	122,892	102,739
-	-	-	-	6,909,689	2,140,291
770,196	10,807	-	-	26,641,766	24,747,944
-	-	(3,163,814)	-	8,255,789	7,682,722
<u>785,196</u>	<u>10,807</u>	<u>(3,163,814)</u>	<u>0</u>	<u>41,930,136</u>	<u>34,673,696</u>
<u>\$824,138</u>	<u>\$78,838</u>	<u>\$217,078</u>	<u>(\$3,503,628)</u>	<u>\$59,159,856</u>	<u>\$50,061,154</u>
				\$41,930,136	\$34,673,696
				2,549,843	2,495,810
				14,262,994	13,732,111
				(1,960,219)	(2,140,748)
				<u>\$56,782,754</u>	<u>\$48,760,869</u>

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

WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
For The Year Ended December 31, 2025
With Comparative Totals For The Year Ended December 31, 2024

	General Fund	Housing Assistance Fund	Community Development Fund
Revenues:			
General property taxes	\$2,388,199	\$230,700	\$2,057,804
Intergovernmental	-	8,961,917	16,163,131
Tax increments	-	-	-
Charges for services:			
Administrative fees	716,610	742,183	137,675
Investment income (loss)	812,632	19,761	491,943
Other	26,356	5,329	709,731
Total revenues	3,943,797	9,959,890	19,560,284
Expenditures:			
Current:			
General government	2,287,690	-	-
Housing assistance	-	9,844,441	-
Community development	-	-	12,725,209
Economic development	-	-	-
Home ownership counseling	-	-	-
Tax increment financing	-	-	-
Capital outlay:			
General government	144,564	-	-
Debt service:			
Principal	143,856	-	-
Interest and other	6,772	-	-
Total expenditures	2,582,882	9,844,441	12,725,209
Revenues over (under) expenditures	1,360,915	115,449	6,835,075
Other financing sources (uses):			
Transfers from other funds	704,134	-	-
Transfers to other funds	(1,775,974)	(75,000)	-
Total other financing sources (uses)	(1,071,840)	(75,000)	0
Net change in fund balance	289,075	40,449	6,835,075
Fund balance (deficit) - January 1	18,603,120	287,813	18,242,415
Fund balance (deficit) - December 31	\$18,892,195	\$328,262	\$25,077,490

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

Economic Development Fund	Home Ownership Counseling Fund	Tax Increment Fund	Intra-Activity Eliminations	Total Governmental Funds	
				2025	2024
\$574,762	\$121,500	\$ -	\$ -	\$5,372,965	\$5,006,699
185,635	106,252	-	-	25,416,935	19,719,236
-	-	230,306	-	230,306	276,483
-	3,720	-	-	1,600,188	1,476,033
27,082	1,044	1,481	(50,186)	1,303,757	1,293,826
-	-	-	-	741,416	431,636
<u>787,479</u>	<u>232,516</u>	<u>231,787</u>	<u>(50,186)</u>	<u>34,665,567</u>	<u>28,203,913</u>
-	-	-	-	2,287,690	2,182,083
-	-	-	-	9,844,441	8,320,417
-	-	-	-	12,725,209	11,104,613
746,413	-	-	-	746,413	654,964
-	227,816	-	-	227,816	211,284
-	-	3,716	-	3,716	5,185
-	-	-	-	144,564	456,102
-	-	79,459	-	223,315	215,219
-	-	102,537	(50,186)	59,123	67,219
<u>746,413</u>	<u>227,816</u>	<u>185,712</u>	<u>(50,186)</u>	<u>26,262,287</u>	<u>23,217,086</u>
<u>41,066</u>	<u>4,700</u>	<u>46,075</u>	<u>0</u>	<u>8,403,280</u>	<u>4,986,827</u>
-	-	-	(75,000)	629,134	684,782
-	-	-	75,000	(1,775,974)	(1,121,310)
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(1,146,840)</u>	<u>(436,528)</u>
41,066	4,700	46,075	0	7,256,440	4,550,299
<u>744,130</u>	<u>6,107</u>	<u>(3,209,889)</u>	<u>-</u>	<u>34,673,696</u>	<u>30,123,397</u>
<u>\$785,196</u>	<u>\$10,807</u>	<u>(\$3,163,814)</u>	<u>\$0</u>	<u>\$41,930,136</u>	<u>\$34,673,696</u>

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

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WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For The Year Ended December 31, 2025
With Comparative Amounts For The Year Ended December 31, 2024

Statement 5

	<u>2025</u>	<u>2024</u>
Amounts reported for governmental activities in the statement of activities (Statement 2) are different because:		
Net changes in fund balances - total governmental funds (Statement 4)	\$7,256,440	\$4,550,299
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
- Capital outlay	144,564	456,102
- Depreciation expense	(90,531)	(89,469)
Other transactions involving capital assets increase (decrease) net position in the statement of activities but are not reported in governmental funds because they do not provide (or use) current financial resources.		
- Gain (loss) on disposal of capital assets	-	(13,166)
Some revenues reported in the statement of activities do not provide current financial resources and, therefore, are not reported as revenues in the governmental funds (see Note 1.M.2).	530,883	8,137,215
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of the governmental funds. These amounts are the net effect of these differences in the treatment of long-term debt and related items.		
- Principal payment on long-term debt	223,315	215,219
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 the governmental funds (see Note 1.M.2).	<u>(42,786)</u>	<u>(46,869)</u>
Change in net position of governmental activities (Statement 2)	<u><u>\$8,021,885</u></u>	<u><u>\$13,209,331</u></u>

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

WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY

STATEMENT OF NET POSITION

PROPRIETARY FUNDS

December 31, 2025

With Comparative Totals For December 31, 2024

Statement 6

Page 1 of 2

	Public Housing Fund	Senior Housing Fund	Family Housing Fund	Briar Pond, LLC	Managing Member Partnership	Total Proprietary Funds	
						2025	2024
Assets:							
Current assets:							
Cash and cash equivalents	\$910,255	\$9,191,246	\$2,358,617	\$4,628,580	\$2,807,351	\$19,896,049	\$11,336,263
Restricted cash and investments	11,075	2,594,628	4,115,013	2,202,786	765,632	9,689,134	12,876,546
Accounts receivable - tenants	6,070	45,978	57,308	24,220	-	133,576	220,962
Allowance for doubtful accounts	(4,320)	(33,911)	(35,036)	(18,040)	-	(91,307)	(105,572)
Due from other governmental units	119,739	-	600	-	-	120,339	81,824
Due from component unit	-	59,208	-	-	627,955	687,163	223,445
Interest receivable	-	-	-	-	2,706	2,706	8,336
Interest receivable - due from component unit	-	-	-	-	278,291	278,291	59,098
Prepaid items	21,739	196,122	253,621	125,391	-	596,873	634,920
Lease receivable - short term	-	-	50,000	-	-	50,000	45,417
Total current assets	1,064,558	12,053,271	6,800,123	6,962,937	4,481,935	31,362,824	25,381,239
Noncurrent assets:							
Other assets:							
Lease receivable - long term	-	-	755,833	-	-	755,833	805,833
Due from component unit - long term	-	-	-	-	39,575,319	39,575,319	9,467,768
Investment in limited partnerships	-	-	-	-	1,857,387	1,857,387	1,857,385
Total other assets	0	0	755,833	0	41,432,706	42,188,539	12,130,986
Capital assets:							
Land	315,000	1,460,768	2,039,417	447,868	-	4,263,053	4,773,053
Projects in process	220,855	255,938	-	-	-	476,793	66,885
Buildings and structures	3,099,784	25,065,202	28,849,712	13,262,659	-	70,277,357	76,501,024
Furniture and equipment	16,974	252,869	125,916	138,666	-	534,425	565,789
Total capital assets	3,652,613	27,034,777	31,015,045	13,849,193	0	75,551,628	81,906,751
Less: Accumulated depreciation	(733,496)	(11,382,948)	(15,302,284)	(9,707,647)	-	(37,126,375)	(40,032,911)
Net capital assets	2,919,117	15,651,829	15,712,761	4,141,546	0	38,425,253	41,873,840
Total noncurrent assets	2,919,117	15,651,829	16,468,594	4,141,546	41,432,706	80,613,792	54,004,826
Total assets	3,983,675	27,705,100	23,268,717	11,104,483	45,914,641	111,976,616	79,386,065
Deferred outflows of resources:							
Unamortized loss on refunding	-	-	14,361	181,362	-	195,723	297,465
Total deferred outflows of resources	0	0	14,361	181,362	0	195,723	297,465

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

WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY

STATEMENT OF NET POSITION

PROPRIETARY FUNDS

December 31, 2025

With Comparative Totals For December 31, 2024

Statement 6

Page 2 of 2

	Public Housing Fund	Senior Housing Fund	Family Housing Fund	Briar Pond LLC	Managing Member Partnership	Total Proprietary Funds	
						2025	2024
Liabilities:							
Current liabilities:							
Accounts payable	\$19,455	\$131,050	\$219,572	\$45,059	\$ -	\$415,136	\$442,320
Due to other governmental units	4,517	165,888	218,590	118,913	-	507,908	527,180
Unearned revenue - rent	353,763	4,128	8,952	1,961	-	368,804	388,960
Advances from other funds	-	500,000	-	-	-	500,000	500,000
Current liabilities payable from restricted assets:							
Accrued interest payable	-	161,561	60,026	14,710	696,079	932,376	408,493
Security deposits	11,075	147,017	129,308	99,698	-	387,098	423,442
Contracts payable	18,803	10,866	5,520	-	-	35,189	14,103
Current portion of long-term debt	-	285,000	760,000	279,926	280,000	1,604,926	5,535,724
Total current liabilities payable from restricted assets	29,878	604,444	954,854	394,334	976,079	2,959,589	6,381,762
Total current liabilities	407,613	1,405,510	1,401,968	560,267	976,079	4,751,437	8,240,222
Noncurrent liabilities:							
Long-term debt	-	5,142,680	4,793,919	-	25,498,983	35,435,582	17,511,779
Notes and mortgages payable	660,291	-	197,010	7,199,778	1,118,793	9,175,872	9,455,797
Total noncurrent liabilities	660,291	5,142,680	4,990,929	7,199,778	26,617,776	44,611,454	26,967,576
Total liabilities	1,067,904	6,548,190	6,392,897	7,760,045	27,593,855	49,362,891	35,207,798
Deferred inflows of resources:							
Related to leases	-	-	805,833	-	-	805,833	851,250
Total deferred inflows of resources	0	0	805,833	0	0	805,833	851,250
Net position:							
Net investment in capital assets	2,240,023	10,213,283	9,970,673	(3,156,796)	-	19,267,183	17,470,373
Restricted for bond indenture purposes	-	2,416,103	3,837,790	1,984,175	765,632	9,003,700	11,988,583
Unrestricted	675,748	8,527,524	2,275,885	4,698,421	17,555,154	33,732,732	14,165,526
Total net position	\$2,915,771	\$21,156,910	\$16,084,348	\$3,525,800	\$18,320,786	\$62,003,615	\$43,624,482

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

WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS

Statement 7

For The Year Ended December 31, 2025

With Comparative Totals For The Year Ended December 31, 2024

	Public Housing Fund	Senior Housing Fund	Family Housing Fund	Briar Pond, LLC	Managing Member Partnership	Intra-Activity Eliminations	Total Proprietary Funds	
							2025	2024
Operating revenues:								
Rental income	\$144,270	\$3,187,761	\$4,229,778	\$2,649,847	\$ -	\$ -	\$10,211,656	\$10,170,558
Service income	1,416	8,520	1,818	-	-	-	11,754	20,682
HUD rent subsidies	454,056	547,180	-	-	-	-	1,001,236	1,290,710
Other	8,340	58,060	155,507	29,249	-	-	251,156	235,545
Total operating revenues	608,082	3,801,521	4,387,103	2,679,096	0	0	11,475,802	11,717,495
Operating expenses:								
Marketing	-	16,349	18,351	11,115	-	-	45,815	42,472
Management fee	54,726	442,694	442,031	278,329	-	-	1,217,780	1,236,886
Legal	3,280	34,150	39,948	10,811	-	-	88,189	40,681
Administrative	5,951	68,895	28,491	17,837	86	-	121,260	155,167
Operating	11,696	41,393	230,273	28,623	-	-	311,985	378,748
Maintenance	130,371	1,208,261	1,438,190	620,090	-	-	3,396,912	3,139,002
Utilities	71,975	413,173	465,730	295,471	-	-	1,246,349	1,162,425
Insurance	22,214	242,801	188,740	123,942	-	-	577,697	578,099
Property taxes	4,637	167,779	226,546	119,501	-	-	518,463	535,633
Depreciation	105,980	726,038	801,480	331,566	-	-	1,965,064	2,021,340
Total operating expenses	410,830	3,361,533	3,879,780	1,837,285	86	0	9,489,514	9,290,453
Operating income (loss)	197,252	439,988	507,323	841,811	(86)	0	1,986,288	2,427,042
Nonoperating revenues (expenses):								
Investment income	43,031	374,137	276,236	194,749	507,939	-	1,396,092	1,235,758
Intergovernmental	16	140,472	148,382	931	-	-	289,801	163,480
Gain (loss) on asset disposition	-	11,211,780	-	-	-	-	11,211,780	3,521
Financial expense	(72)	(45,673)	(15,014)	(36,433)	(5,000)	-	(102,192)	(90,962)
Amortization of bond premium	-	30,921	35,200	-	8,695	-	74,816	56,409
Amortization of deferred gain (loss) on refunding	-	(77,894)	(15,177)	(8,671)	-	-	(101,742)	(37,563)
Interest expense	(20)	(351,110)	(175,697)	(180,716)	(248,525)	-	(956,068)	(1,093,269)
Property tax revenue	453	501,636	365,128	27,145	241,010	-	1,135,372	1,132,510
Contribution to component unit	-	-	-	-	(195,000)	-	(195,000)	(195,000)
Developer fees	-	-	-	-	2,600,000	-	2,600,000	-
Other	(91,184)	(12,632)	(1,948)	(1,090)	-	-	(106,854)	(58,349)
Total nonoperating revenues (expenses)	(47,776)	11,771,637	617,110	(4,085)	2,909,119	0	15,246,005	1,116,535
Income (loss) before transfers	149,476	12,211,625	1,124,433	837,726	2,909,033	-	17,232,293	3,543,577
Transfers:								
Transfers from other funds	2,400	690,503	1,436,282	106,200	8,773,380	(9,232,791)	1,775,974	1,121,310
Transfers to other funds	-	(9,266,127)	(568,653)	(27,145)	-	9,232,791	(629,134)	(684,782)
Total transfers	2,400	(8,575,624)	867,629	79,055	8,773,380	0	1,146,840	436,528
Change in net position	151,876	3,636,001	1,992,062	916,781	11,682,413	0	18,379,133	3,980,105
Net position - January 1	2,763,895	17,520,909	14,092,286	2,609,019	6,638,373	-	43,624,482	39,644,377
Net position - December 31	\$2,915,771	\$21,156,910	\$16,084,348	\$3,525,800	\$18,320,786	\$0	\$62,003,615	\$43,624,482

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

WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

For The Year Ended December 31, 2025

With Comparative Totals For The Year Ended December 31, 2024

Statement 8

	Public Housing Fund	Senior Housing Fund	Family Housing Fund	Briar Pond, LLC	Managing Member Partnership	Total Proprietary Funds	
						2025	2024
Cash flows from operating activities:							
Receipts from customers and users	\$496,187	\$3,565,119	\$4,267,993	\$2,661,520	\$ -	\$10,990,819	\$11,516,124
Payment to suppliers for goods and services	(300,999)	(2,669,140)	(3,023,022)	(1,539,612)	(86)	(7,532,859)	(7,433,633)
Miscellaneous income	8,340	58,060	155,507	29,249	-	251,156	235,545
Miscellaneous (loss)	(91,184)	(12,632)	(1,948)	(1,090)	-	(106,854)	(58,349)
Net cash flows from operating activities	112,344	941,407	1,398,530	1,150,067	(86)	3,602,262	4,259,687
Cash flows from noncapital financing activities:							
Transfers in	-	-	-	106,200	-	106,200	-
Transfers out	-	(1,522,265)	(753,153)	(27,145)	-	(2,302,563)	(684,782)
Net cash flows from noncapital financing activities	0	(1,522,265)	(753,153)	79,055	0	(2,196,363)	(684,782)
Cash flows from capital and related financing activities:							
Property taxes	453	501,636	365,128	27,145	241,010	1,135,372	1,132,510
Transfers in	2,400	1,720,021	1,620,782	-	-	3,343,203	1,121,310
Federal recovery zone credits and CDBG	16	216,072	152,307	2,602	-	370,997	184,734
Fiscal agent costs and other debt related fees	(72)	(15,373)	(15,014)	(36,433)	(5,000)	(71,892)	(83,357)
Proceeds from sale of capital assets	-	6,226,620	-	-	-	6,226,620	-
Purchase of capital assets	(260,597)	(436,079)	(1,586,935)	-	-	(2,283,611)	(1,332,222)
Interest paid on long-term debt	(50)	(398,446)	(192,431)	(183,026)	(250,962)	(1,024,915)	(1,129,464)
Principal payments on long-term debt	(2,206)	(3,571,725)	(1,353,821)	(404,652)	(195,000)	(5,527,404)	(3,031,109)
Net cash flows from capital and related financing activities	(260,056)	4,242,726	(1,009,984)	(594,364)	(209,952)	2,168,370	(3,137,598)
Cash flows from investing activities:							
Principal receipts on notes receivable	-	-	-	-	-	-	22,018
Issuance of loans receivable / investment in limited partnership	-	-	-	-	544,049	544,049	226,024
Investment income	43,031	445,666	276,236	194,749	294,374	1,254,056	1,232,195
Net cash flows from investing activities	43,031	445,666	276,236	194,749	838,423	1,798,105	1,480,237
Net increase (decrease) in cash and cash equivalents	(104,681)	4,107,534	(88,371)	829,507	628,385	5,372,374	1,917,544
Cash and cash equivalents - January 1	1,026,011	7,678,340	6,562,001	6,001,859	2,944,598	24,212,809	22,295,265
Cash and cash equivalents - December 31	\$921,330	\$11,785,874	\$6,473,630	\$6,831,366	\$3,572,983	\$29,585,183	\$24,212,809
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:							
Operating income (loss)	\$197,252	\$439,988	\$507,323	\$841,811	(\$86)	\$1,986,288	\$2,427,042
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:							
Depreciation	105,980	726,038	801,480	331,566	-	1,965,064	2,021,340
Miscellaneous income (loss)	(91,184)	(12,632)	(1,948)	(1,090)	-	(106,854)	(58,349)
Changes in assets and liabilities:							
Decrease (increase) in receivables	3,263	(40,224)	72,654	11,316	-	47,009	33,510
Decrease (increase) due from component unit	-	(59,208)	-	-	-	(59,208)	-
Decrease (increase) prepaid items	(1,069)	65,264	(17,607)	(8,541)	-	38,047	(84,143)
Decrease (increase) due from other governments	(119,711)	-	-	-	-	(119,711)	5
Increase (decrease) accounts payable	5,023	(68,549)	62,992	(26,650)	-	(27,184)	(103,118)
Increase (decrease) security deposits payable	1,959	(44,500)	6,473	(276)	-	(36,344)	11,853
Increase (decrease) due to other governments	(103)	(30,360)	9,893	1,298	-	(19,272)	22,741
Increase (decrease) unearned revenue	10,934	(34,410)	2,687	633	-	(20,156)	33,806
Increase (decrease) deferred inflows of resources	-	-	(45,417)	-	-	(45,417)	(45,000)
Total adjustments	(84,908)	501,419	891,207	308,256	0	1,615,974	1,832,645
Net cash provided (used) by operating activities	\$112,344	\$941,407	\$1,398,530	\$1,150,067	(\$86)	\$3,602,262	\$4,259,687
Noncash investing, capital and financing activities:							
Note receivable transferred between funds	\$0	(\$8,773,380)	\$0	\$0	\$8,773,380	\$0	\$0
Developer fee receivable from discretely presented component unit	\$0	\$0	\$0	\$0	\$2,200,000	\$2,200,000	\$0
Acquisition of capital assets via contracts payable	\$18,803	\$10,866	\$5,520	\$0	\$0	\$35,189	\$14,103
Guaranteed debt on behalf of discretely presented component unit	\$0	\$0	\$0	\$0	\$19,877,730	\$19,877,730	\$0

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

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Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. DESCRIPTION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

B. REPORTING ENTITY

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

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

Blended component units. The CDA has established several legally separate entities that are required to be included in the financial reporting entity as blended component units. For each blended component unit, the CDA is the sole member of the LLC, the CDA's Board of Commissioners serves as the Board of Governors of the LLC, and a financial benefit or burden relationship exists. Accordingly, WCCDA Family Housing, LLC, Briar Pond, LLC, The Groves Apartments Managing Member, LLC, WCHRA Piccadilly Square, LLC, WCCDA Glen, LLC, and WCCDA Raymie Johnson, LLC have been included in the CDA's financial reporting entity as blended component units. Briar Pond, LLC separately issues financial statements, which may be obtained from the Finance Director of the Washington County Community Development Agency, 7645 Currell Boulevard, Woodbury, MN 55125, and is reported as an enterprise fund in the CDA's financial statements. WCCDA Family Housing, LLC, The Groves Apartments Managing Member, LLC, WCHRA Piccadilly Square, LLC, WCCDA Glen, LLC, and WCCDA Raymie Johnson, LLC do not separately issue financial statements and are reported as enterprise funds in the CDA's financial statements.

Discretely presented component units. The CDA is the general partner and managing member of The Groves Apartments, LLC, Piccadilly Square of Mahtomedi, LLC, Glen at Valley Creek, LLC, and Raymie Johnson Estates, LLC, low income housing tax credit limited partnerships. The limited partnerships were formed to acquire, construct, rehabilitate, own, and operate family and senior housing properties in Washington County. The projects are financed, in part, with low income housing tax credits which place certain restrictions on rental rates and require tenants to qualify for occupancy based on income levels. The CDA's ownership percentage in the limited partnerships is .01%, respectively. As general partner, the CDA controls the day-to-day operations of the partnerships. The limited partners have limited rights regarding the operations of the partnerships. See Note 16 for additional information on the discretely presented component units. Separate financial statements for the limited partnerships can be obtained by contacting the Finance Director of the Washington County Community Development Agency, 7645 Currell Boulevard, Woodbury, MN 55125.

C. BASIS OF PRESENTATION – GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

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

D. BASIS OF PRESENTATION – FUND FINANCIAL STATEMENTS

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

The CDA reports the following major governmental funds:

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

The *Housing Assistance Fund* is used to account for the administration of 607 units of rental assistance through the U.S. Department of Housing and Urban Development (HUD) Housing Choice Voucher program and several smaller federal and state funded programs.

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

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

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

The *Tax Increment Fund* accounts for the eligible expenses under state law for tax increment financing districts. It currently includes the Red Rock TIF District and the Whispering Oaks TIF District, which is a redevelopment district. Whispering Oaks is the name of the once CDA-owned manufactured home park. The City of Oakdale approved a redevelopment plan in 2006 for the property for a mixed housing type, mixed income development known as Red Oak Preserve.

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

The CDA reports the following major proprietary funds:

Public Housing Fund – was established to account for the operation of 40 units of rental housing within Washington County through the HUD funded Low-Rent Housing Program and Capital Fund Program. These units are owned and operated by the CDA but are subject to HUD’s program rules and regulations. HUD provides subsidies for the operation, maintenance and improvement of these units.

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

Family Housing Fund – was established to account for the resources accumulated and payments made for the acquisition, construction, improvement and operation of 330 units of bond-financed, or other, family housing within the County.

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

Managing Member Partnership – was established to account for the CDA’s investment in and transactions related to its role as general partner and managing member of The Groves Apartments, LLC, Piccadilly Square of Mahtomedi, LLC, Glen at Valley Creek, LLC, and Raymie Johnson Estates, LLC.

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

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

E. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

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

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

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

F. BUDGETARY INFORMATION

1. Budgetary basis of accounting

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

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

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

As of December 31, 2025, no outstanding encumbrances existed.

The following is a listing of funds whose expenditures exceeded budgeted appropriations:

<u>Fund Name</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Amounts over Budget</u>
Economic Development Fund	\$714,762	\$746,413	(\$31,651)

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

1. Cash and cash equivalents

The CDA's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

2. Investments

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

3. Prepaid items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. Prepaid items are reported using the consumption method and recorded as expenditures/expenses at the time of consumption.

4. Restricted assets

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

5. Capital assets

Capital assets, which include property, plant and equipment are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the CDA as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

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

Assets	
Buildings and structures	40 years
Buildings and structures – HUD	30 years
Building – leased to lessee	17 years
Furniture and equipment	3–15 years
Data processing	7 years

6. Tenant receivables

The allowance for doubtful tenant receivables at December 31, 2025 was \$91,307 and was based on historical collection experience and tenants with known eviction actions or elevated collection risk.

7. Receivables and payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. Short-term interfund loans are classified as “due to/from other funds.” All short-term interfund receivables and payables at December 31, 2025 are planned to be eliminated in 2026. Long-term interfund loans are classified as “advances to/from other funds.” Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

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

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

8. Lease receivables

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

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

9. Long-term obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the term of the bonds.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums

received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

10. Deferred outflows/inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The CDA has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the proprietary fund balance sheet and the government-wide statement of net position. A deferred charge on refunding results from the difference in carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The CDA has lease related deferred inflows of resources reported in the government-wide statement of net position and the proprietary funds statement of net position. The CDA also has one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental fund balance sheet. The governmental funds report unavailable revenues from the following sources: interest receivable, property taxes, due from other governmental units, property held for resale, and notes receivable.

11. Classification of net position

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

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

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

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

12. Net position flow assumption

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

13. Fund balance flow assumption

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

14. Fund balance classifications

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

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

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

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

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

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

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

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

H. REVENUES AND EXPENDITURES/EXPENSES

1. Program revenues

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

2. Property taxes

The Board annually adopts a tax levy request and submits it to the County in December for final certification (levy/assessment date) of each year for collection in the following year. The County is responsible for billing and collecting all property taxes for itself, the CDA, the local School District and other taxing authorities. Such taxes become a lien on January 1 and are recorded as receivables by the CDA at that date. Real property taxes are payable (by property owners) on May 15 and October 15 of each calendar year. Personal property taxes are payable by taxpayers on February 28 and June 30 of each year. These taxes are collected by the County and remitted to the CDA on or before July 7 and December 2 of

the same year. Delinquent collections for November and December are received the following January. The CDA has no ability to enforce payment of property taxes by property owners. The County possesses this authority.

Government-Wide Financial Statements

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

Governmental Fund Financial Statements

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

3. Compensated absences

It is the CDA's policy to permit employees to accumulate earned but unused Paid Time Off (PTO) benefits. All PTO 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 in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

4. Proprietary funds operating and nonoperating revenues and expenses

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of the enterprise funds are tenant rents. Operating expenses for enterprise funds include the cost of maintenance services, utilities and insurance costs, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

I. INTERFUND TRANSACTIONS

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

J. USE OF ESTIMATES

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

K. COMPARATIVE TOTALS

Certain basic financial statements include prior-year summarized comparative information in total but not at the level of detail required for a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the CDA's financial statements for the year ended December 31, 2024, from which the summarized information was derived.

L. RECLASSIFICATION

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

M. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that “long-term liabilities, including bonds payable, are not due and payable in the current period, and therefore, are not reported in the funds.” The details of this (\$1,960,219) difference is as follows:

	<u>2025</u>
Due to primary government	\$987,189
Accrued interest payable	23,000
Other long term payables	648,216
Compensated absences	<u>301,814</u>
Net adjustment to reduce fund balance - total governmental funds to arrive at net position - governmental activities	<u><u>\$1,960,219</u></u>

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

The governmental fund statement of revenues, expenditures and changes in fund balances includes a reconciliation between *net changes in fund balances – total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation states that “some revenues reported in the statement of activities do not provide current financial resources and, therefore, are not reported as revenues in the governmental funds.” The details of this \$530,883 difference is as follows:

	<u>2025</u>
Unavailable revenue - general property taxes:	
At beginning of year	(\$54,485)
At end of year	77,776
Unavailable revenue - due from other governmental units:	
At beginning of year	(10,343)
At end of year	7,007
Unavailable revenue - property held for resale:	
At beginning of year	(303,936)
At end of year	161,400
Unavailable revenue - notes and interest receivable:	
At beginning of year	(13,363,347)
At end of year	<u>14,016,811</u>
Net adjustments to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u><u>\$530,883</u></u>

WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY
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Another element of that reconciliation states that “some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.” The details of this (\$42,786) difference is as follows:

	<u>2025</u>
Interest expense	\$2,186
Compensated absences	<u>(44,972)</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u><u>(\$42,786)</u></u>

N. DEFICIT FUND EQUITY

At December 31, 2025, the Tax Increment Fund, a major governmental fund, has a fund deficit of \$3,163,814. The reason for the deficit is advances that were received from the Community Development Fund in order to fund the Whispering Oaks and Red Rock TIF projects. It is expected that future TIF revenues will reduce the fund deficit.

Note 2 DEPOSITS AND INVESTMENTS

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

The CDA invests in an external investment pool, the Minnesota Association of Governments Investing for Counties (MAGIC) Fund, which is created under a joint powers agreement pursuant to Minnesota Statute 471.59 and regulated by the Board of Trustees of the MAGIC Fund. The CDA’s external investment pool investment MAGIC Fund is a short-term portfolio rated AAAM by S&P Global and the CDA measures its investment at amortized cost, which approximates fair value. The pool is managed to maintain a dollar-weighted average portfolio maturity of 60 days or less and seeks to maintain a constant net asset value (NAV) per share of \$1. The pool measures its investments in accordance with Government Accounting Standards Board Statement No. 79, at amortized cost. The MAGIC Fund has no redemption requirements and no maximum transaction amounts. A copy of the funds statement is available at www.magicfund.org.

A. DEPOSITS

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

The December 31, 2025 bank balance of the CDA’s deposits with financial institutions was \$3,904,727 all of which is covered by FDIC insurance or pledged collateral.

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B. INVESTMENTS

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

As of December 31, 2025, the CDA had the following investments and maturities:

	Rating	Fair Value	Investment Maturities (in Years)		
			Less than 1	1-5	Over 5
Mutual fund	AAAm	\$21,407,113	\$21,407,113	\$ -	\$ -
External investment pools	AAAm	28,507,934	28,507,934	-	-
Brokered CD's	NR	7,535,564	2,119,053	5,416,511	-
Brokered GAB's	AA+	2,248,696	-	2,248,696	-
Brokered MB's	AAA	872,669	872,669	-	-
Brokered MB's	AA	44,647	44,647	-	-
Total investments		\$60,616,623	\$52,951,416	\$7,665,207	\$0
Deposits	NR	3,905,347			
Total cash and investments		\$64,521,970			

NR - Not Rated

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

Cash and investments	\$52,987,452
Restricted cash and investments	11,534,518
Total cash and investments	<u>\$64,521,970</u>

C. FAIR VALUE

The CDA's investments that are not recorded at amortized cost are recorded at fair value as of December 31, 2025. GASB Statement No. 72, Fair Value Measurement and Application, defines fair value as the price that would be received to sell an asset between market participants at the measurement date. This statement established a hierarchy of valuation inputs based on the extent to which the inputs are observable in the market place.

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

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The CDA has the following recurring fair value measurements as of December 31, 2025:

Investment Type	12/31/2025	Fair Value Measurement Using		
		Level 1	Level 2	Level 3
Investments at fair value:				
Brokered CD's	\$7,535,564	\$ -	\$7,535,564	\$ -
Brokered GAB's	2,248,696	-	2,248,696	-
Brokered MB's	917,316	-	917,316	-
Total/Subtotal	10,701,576	\$0	\$10,701,576	\$0
Investments not categorized:				
Mutual fund	21,407,113			
External investment pool - MAGIC fund	28,507,934			
Total	\$60,616,623			

D. DEPOSIT AND INVESTMENT RISKS

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

Interest rate risk – Interest rate risk is the risk that changes in interest rates of debt investments could adversely affect the fair value of an investment. The CDA's investment policy limits its investments to maturities of less than five (5) years as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk – Credit risk is the risk that an issuer or other counterparty to an investment will be unable to fulfill its obligation to the holder of the investment. State law limits investments to those listed in Note 2.B. The CDA's investment policy does not impose limits greater than those required by state law.

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

First American Government Obligations	10.9%
Federated Hermes Government Obligation	22.3%

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Note 3 RECEIVABLES

The Community Development Fund has receivable balances of \$21,172,252 which are not expected to be collected within one year of December 31, 2025. These receivables relate to several deferred loans made to finance privately-owned affordable housing projects. A majority of the funding for the loans come from federal programs.

The Managing Member Partnership Fund has receivable balances of \$40,262,482 of which, \$39,575,319 is not expected to be collected within one year of December 31, 2025. These receivables consist of seller notes, developer fees, loan receivables, and mortgage receivables from the CDA's low-income housing tax credit component units, including The Groves Apartments, LLC, Piccadilly Square of Mahtomedi, LLC, Glen at Valley Creek, LLC, and Raymie Johnson Estates, LLC.

Note 4 INVESTMENTS IN LIMITED PARTNERSHIPS

As explained in Note 1.B., the CDA is the general partner and managing member of The Groves Apartments, LLC, Piccadilly Square of Mahtomedi, LLC, Glen at Valley Creek, LLC, and Raymie Johnson Estates, LLC. These entities are low-income housing tax credit limited partnerships formed to acquire, construct, rehabilitate, own, and operate affordable family and senior housing properties in Washington County. The projects are financed, in part, with low-income housing tax credits, which place restrictions on rental rates and require tenants to qualify for occupancy based on income levels. The CDA's ownership interest in each limited partnership is 0.01%. Contributions, distributions, and the CDA's share of income or loss are recorded as direct adjustments to the investment in limited partnerships based on the CDA's ownership percentage.

Additional information on the limited partnerships is provided as follows:

	Year Built	Units	Beginning Balance	Additions	Reductions	Allocation of Gains/(Loss)	Ending Balance
The Groves Apartments, LLC	2014	67	\$500,492	\$ -	(\$10)	\$ -	\$500,482
Piccadilly Square of Mahtomedi, LLC	2015-2016	79	1,344,034	-	(6)	-	1,344,028
Glen at Valley Creek, LLC	2018	42	12,859	-	(34)	-	12,825
Raymie Johnson Estates, LLC	2025-2026	120	-	52	-	-	52

For Piccadilly Square of Mahtomedi, LLC and Glen at Valley Creek, LLC, the CDA's obligations to fund development or operating deficits have expired. However, the CDA continues to provide certain guarantees related to the delivery of housing tax credits and payment of developer fees for these partnerships.

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

For Raymie Johnson Estates, LLC, the CDA serves as General Partner and has certain obligations under the Operating Agreement related to development completion, operating deficits, and tax credits. Operating deficit advances are limited to an aggregate amount of \$1,321,909 and expire on the later of the fourth anniversary of the end of the lease-up period or the fourth anniversary of the end of the stabilization period, as defined in the Operating Agreement.

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Note 5 UNAVAILABLE REVENUE

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

	Property Taxes Receivable	Due From Other Governmental Units	Notes Receivable	Interest Receivable	Property Held For Resale
Major Funds:					
General Fund	\$77,776	\$ -	\$ -	\$ -	\$ -
Housing Assistance Fund	-	7,007	-	-	-
Community Development Fund	-	-	13,095,232	921,579	18,421
Tax Increment Fund	-	-	-	-	142,979
Total	<u>\$77,776</u>	<u>\$7,007</u>	<u>\$13,095,232</u>	<u>\$921,579</u>	<u>\$161,400</u>

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Note 6 CAPITAL ASSETS

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

	Beginning Balance	Increase	Decrease	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$424,186	\$ -	\$ -	\$424,186
Construction in progress	452,972	144,564	(597,536)	-
Total capital assets, not being depreciated	877,158	144,564	(597,536)	424,186
Capital assets, being depreciated:				
Buildings and structures	2,132,563	597,536	-	2,730,099
Furniture and equipment	350,291	-	-	350,291
Total capital assets, being depreciated	2,482,854	597,536	0	3,080,390
Less accumulated depreciation for:				
Buildings and structures	615,037	58,294	-	673,331
Furniture and equipment	249,165	32,237	-	281,402
Total accumulated depreciation	864,202	90,531	0	954,733
Total capital assets being depreciated - net	1,618,652	507,005	-	2,125,657
Governmental activities capital assets - net	\$2,495,810	\$651,569	(\$597,536)	\$2,549,843
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$4,773,053	\$ -	(\$510,000)	\$4,263,053
Construction in progress	66,885	2,304,700	(1,894,792)	476,793
Total capital assets, not being depreciated	4,839,938	2,304,700	(2,404,792)	4,739,846
Capital assets, being depreciated:				
Buildings and structures	76,501,024	1,872,341	(8,096,008)	70,277,357
Furniture and equipment	565,789	22,450	(53,814)	534,425
Total capital assets, being depreciated	77,066,813	1,894,791	(8,149,822)	70,811,782
Less accumulated depreciation for:				
Buildings and structures	39,534,077	1,952,364	(4,817,786)	36,668,655
Furniture and equipment	498,834	12,700	(53,814)	457,720
Total accumulated depreciation	40,032,911	1,965,064	(4,871,600)	37,126,375
Total capital assets being depreciated - net	37,033,902	(70,273)	(3,278,222)	33,685,407
Business-type activities capital assets - net	\$41,873,840	\$2,234,427	(\$5,683,014)	\$38,425,253

WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS
December 31, 2025

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

Governmental activities:	
General government	\$90,531
Total depreciation expense - governmental activities	<u>\$90,531</u>
Business-type activities:	
Housing	\$1,965,064
Total depreciation expense - business-type activities	<u>\$1,965,064</u>

Note 7 INTERFUND RECEIVABLES, PAYABLES, LOANS AND TRANSFERS

The composition of interfund balances as of December 31, 2025, is as follows:

Due to/from other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Housing Assistance	\$4,692
General	Community Development	198,727
General	Home Ownership Counseling	<u>62,296</u>
Total		<u>\$265,715</u>

The above balances are representative of lending/borrowing arrangements to cover deficit cash balances and interfund receivables/payables due to routine activity at the end of the fiscal year. The above balances are expected to be eliminated within one year of December 31, 2025.

Advances to/from other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Community Development	Tax Increment	\$3,237,913
Community Development	Senior Housing	<u>500,000</u>
Total		<u>\$3,737,913</u>

The above balances are for preliminary funding of development costs prior to reimbursement. The funds will be repaid as tax increment receipts and developer contributions are received. These advances are not expected to be eliminated within one year of December 31, 2025.

Interfund transfers:

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

WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS
December 31, 2025

In the year ended December 31, 2025, the CDA made the following one-time transfers:

	Transfers out					Total
	General Fund	Housing Assistance	Senior Housing	Family Housing	Briar Pond, LLC	
Transfers in:						
General Fund	\$ -	\$75,000	\$394,836	\$207,153	\$27,145	\$704,134
Public Housing	-	-	-	2,400	-	2,400
Senior Housing	437,603	-	-	252,900	-	690,503
Family Housing	1,338,371	-	97,911	-	-	1,436,282
Briar Pond, LLC	-	-	-	106,200	-	106,200
Managing Member Partnership	-	-	8,773,380	-	-	8,773,380
Total	<u>\$1,775,974</u>	<u>\$75,000</u>	<u>\$9,266,127</u>	<u>\$568,653</u>	<u>\$27,145</u>	<u>\$11,712,899</u>

- A transfer of \$1,775,974 from the General Fund to various proprietary funds to fund current and future capital expenditures.
- A transfer of \$75,000 of Housing Assistance levy funds to the General Fund.
- A transfer of undesignated cash balances of \$394,836 from the Senior Housing Fund, \$207,153 from the Family Housing Fund, and \$27,145 from Briar Pond, LLC to the General Fund for future use.
- A transfer of \$97,911 from the Senior Housing Fund to the Family Housing Fund to pay off 2012A bonds.
- A transfer of \$2,400 to the Public Housing Fund, \$252,900 to the Senior Housing Fund, and \$106,200 to Briar Pond, LLC from the Family Housing Fund to pay off 2012B bonds.
- A transfer of \$8,773,380 from the Senior Housing Fund to the Managing Member Partnership Fund related to the sale and redevelopment of Raymie Johnson Estates, LLC, including the transfer of the related note receivable to the fund that accounts for the CDA's managing member and lender activity.

Note 8 LEASES

A. LEASE RECEIVABLE – WASHINGTON CONSERVATION DISTRICT

The CDA entered into a lease with Washington Conservation District. Under terms of the lease, monthly payments are equal to one-sixth of the amount of interest due on the Series 2013 Bonds on the next succeeding interest payment date, plus one-twelfth of the amount of principal due on the Series 2013 Bonds on the next principal payment date.

<u>Lessee</u>	<u>Non-cancelable Term</u>	<u>Monthly Payments</u>
Washington Conservation District	24 Years	\$3,750 - \$7,500

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

At December 31, 2025, the CDA reported a \$805,833 lease receivable and deferred inflow of resources for this arrangement.

WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS
December 31, 2025

Total revenues recognized in relation to the lease receivable for the year ended December 31, 2025, were:

Amortization of lease-related deferred inflows:	
Building leases	\$45,417
Interest revenue	<u>29,967</u>
Total revenue recognized in relation to leased assets	<u><u>\$75,384</u></u>

Future minimum lease receipts are as follows:

Year ended December 31,	Principal	Interest
2026	\$50,000	\$28,696
2027	50,417	27,287
2028	55,417	25,775
2029	60,000	24,100
2030	60,417	22,150
2031	65,417	20,173
2032	70,000	17,883
2033	70,417	15,419
2034	75,417	12,778
2035	80,417	9,933
2036	85,417	6,717
2037	<u>82,497</u>	<u>3,300</u>
	<u><u>\$805,833</u></u>	<u><u>\$214,211</u></u>

WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS
December 31, 2025

Note 9 LONG-TERM DEBT

A. CHANGES IN LONG-TERM DEBT

The following is a summary of changes in long-term debt for the year ended December 31, 2025:

	Balance 12/31/2024	Additions	Reductions	Balance 12/31/2025	Due Within One Year
Governmental activities:					
Compensated absences *	\$256,842	\$44,972	\$ -	\$301,814	\$30,181
Direct borrowings:					
Notes payable	792,072	-	143,856	648,216	148,216
Due to primary government	1,066,648	-	79,459	987,189	83,482
Total	<u>\$2,115,562</u>	<u>\$44,972</u>	<u>\$223,315</u>	<u>\$1,937,219</u>	<u>\$261,879</u>
Business-type activities:					
Direct borrowings:					
Notes payable	\$1,976,094	\$ -	\$ -	\$1,976,094	\$ -
Mortgage payable	7,753,107	-	273,404	7,479,703	279,926
Bonds payable	22,485,000	-	5,265,000	17,220,000	1,245,000
Bonds payable on behalf of DPCU	-	19,285,000	-	19,285,000	80,000
Bond issuance premium (discount)	289,099	-	33,517	255,582	-
Total	<u>\$32,503,300</u>	<u>\$19,285,000</u>	<u>\$5,571,921</u>	<u>\$46,216,379</u>	<u>\$1,604,926</u>

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

The notes, mortgages and bonds issued contain various covenants and escrow requirements. As of December 31, 2025, the CDA was in compliance with all such covenants and reserve requirements.

B. NOTES AND MORTGAGE PAYABLE

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

Governmental Activities:	Interest Rate	Maturity	Amount
\$543,500 Community Development Fund (LAAND Initiative), mortgage note payable to the Metropolitan Council. This non-interest bearing note is dated April 29, 2010 and it provided funds used to buy land for future development. The note is secured by the property and is payable upon the earlier of the sale of the property held for resale or December 31, 2047.	0.000%	12/31/2047	\$500,000
\$1,300,000 General Fund, note payable to a bank. On December 1, 2016, the CDA entered into a mortgage agreement, secured by office building. Principal and interest payable in monthly installments of \$12,552. All unpaid principal is due on December 5, 2026, the maturity date.	2.950%	12/5/2026	148,216
Total notes payable			648,216
\$1,587,577 Community Development Fund (Tax Increment), Tax Increment Revenue note payable to Washington County, issued November 18, 2009. Principal and interest payable in semiannual installments ranging from \$9,088 to \$65,905.	5.000%	1/15/2035	987,189
Total notes payable and amounts due to primary government			<u>\$1,635,405</u>

WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS
December 31, 2025

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

Business-type Activities:	Interest Rate	Maturity	Amount
\$271,000 Public Housing Fund (Whispering Pines), POHP note payable to MHFA. MHFA provided funds in the form of an interest free, deferred loan for a term of twenty years. There is no amortization requirement on the loan. In the event of a default, the CDA may be required to pay the full amount of the loan balance. If the CDA continues to own and operate the property, the loan will be forgiven on December 15, 2036.	0.000%	12/15/2036	\$ 271,000
\$197,010 Public Housing Fund (Transitional Housing), mortgage note payable to MHFA. MHFA provided funds in the form of an interest free, deferred loan for a term of thirty years. There is no amortization requirement on the loan. Failure to comply with loan covenants may constitute an event requiring repayment of the loan. All unpaid principal is due on June 28, 2040, the maturity date.	0.000%	6/28/2040	197,010
\$389,291 Family Housing Fund (Whispering Pines), Preservation Affordable Rental Investment Fund (PARIF) mortgage note payable to MHFA. MHFA provided funds in the form of an interest free, deferred loan for a term of thirty years. There is no amortization requirement on the loan. In the event of default, mortgagee may declare immediately due and payable all unmatured indebtedness. All unpaid principal is due on May 2, 2042, the maturity date.	0.000%	5/2/2042	389,291
\$500,000 Managing Member Fund, Affordable Housing Program (AHP) note payable to FHLB. FHLB provided funds in the form of an interest free loan that may be forgiven if all requirements are met upon the completion of the Piccadilly Square project. The requirements must be met before September 1, 2031 for the loan to be forgiven, otherwise it must be repaid. In event of default, the loan balance may be demanded in full.	0.000%	11/13/2031	500,000
\$500,000 Managing Member Fund, Affordable Housing Program (AHP) note payable to FHLB. FHLB provided funds in the form of an interest free loan that may be forgiven if all requirements are met upon the completion of the Glen at Valley Creek project. The requirements must be met before September 1, 2031 for the loan to be forgiven, otherwise it must be repaid.	0.000%	9/1/2031	500,000
\$118,793 Managing Member Fund, CDBG funds note payable to the City of Woodbury provided funds in the form of an interest free loan that may be forgiven if all requirements are met upon the completion of the Glen at Valley Creek project. The requirements must be met before December 31, 2049 for the loan to be forgiven, otherwise it must be repaid. In event of default, principal of loan may be demanded by maker.	0.000%	12/31/2049	118,793
Total notes payable			1,976,094
\$10,300,000 Briar Pond Fund, U.S. Department of Housing and Urban Development (HUD) mortgage payable under Section 223(f) of the Housing Act. Principal and interest payable in monthly installments of \$44,307 through 2/1/2021 and \$37,786 thereafter.	2.36% - 3.78%	11/1/2046	7,479,703
Total notes and mortgage payable			\$9,455,797

The annual debt service requirements to maturity for amounts due to primary government, notes and mortgage payable are as follows:

Year	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2026	\$231,698	\$50,738	\$279,926	\$173,506
2027	87,708	44,103	286,605	166,828
2028	92,148	39,662	293,442	159,990
2029	96,813	34,997	300,443	152,990
2030	101,714	30,096	307,610	145,822
2031-2035	525,324	67,825	2,151,697	615,466
2036-2040	-	-	2,326,356	408,816
2041-2045	-	-	2,480,141	176,311
2046-2050	500,000	-	1,029,577	4,863
Total	\$1,635,405	\$267,421	\$9,455,797	\$2,004,592

WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS
December 31, 2025

C. REVENUE BONDS

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

Property	Description of Bond	Maturity Date	Interest Rates %	Original Amount	Balance 12/31/2025
Trailside	Government Taxable Housing Revenue Bonds, Series 2010B	1/1/2040	2.10 - 6.10	\$7,770,000	\$5,485,000
2012C Pooled ⁽¹⁾	G.O. Housing Revenue Refunding Bonds, Series 2012C	2/1/2031	2.00 - 4.00	12,105,000	4,610,000
2013 Washington Conservation District	Governmental Facility Lease Revenue Bonds, Series 2013	12/1/2037	1.25 - 4.00	1,260,000	810,000
Piccadilly Square	G.O. Multi-Family Housing Revenue Bonds, Series 2015A	2/1/2046	2.00 - 4.00	10,955,000	6,315,000
Total bonds				<u>\$32,090,000</u>	17,220,000
Less: unamortized discount					(82,173)
Plus: unamortized premium					337,755
Total bonds, net					<u>\$17,475,582</u>

⁽¹⁾Woodland Park, Brick Pond.

The CDA issued Multi-Family Housing Revenue Bonds series 2025A, 2025B and 2025C and loaned the proceeds to Raymie Johnson Estates, LLC (a discretely presented component unit). The CDA has made certain guarantees in relation to the bonds, however the bonds are payable solely from Raymie Johnson Estates, LLC's revenues and are not a general obligation of the CDA. A receivable due from the component unit, equal to the amount of related liability, is reported in the Raymie Johnson, LLC lender fund. Also see Note 16.D.2.

Property	Description of Bond	Maturity Date	Interest Rates %	Original Amount	Balance 12/31/2025
Raymie Johnson Lender	Multi-Family Housing Revenue Bonds, Series 2025A	7/1/2042	6.08	\$13,350,000	\$13,350,000
Raymie Johnson Lender	Multi-Family Housing Revenue Bonds, Series 2025B	7/1/2027	4.66	3,150,000	3,150,000
Raymie Johnson Lender	Multi-Family Housing Revenue Bonds, Series 2025C	7/1/2027	7.00	<u>2,785,000</u>	<u>2,785,000</u>
Total bonds issued on behalf of discretely presented component unit				<u>\$19,285,000</u>	<u>\$19,285,000</u>

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

Year	Principal	Interest	Total
2026	\$1,245,000	\$717,354	\$1,962,354
2027	1,290,000	672,093	1,962,093
2028	1,330,000	623,637	1,953,637
2029	1,375,000	573,016	1,948,016
2030	1,410,000	520,229	1,930,229
2031-2035	4,250,000	1,943,374	6,193,374
2036-2040	3,965,000	993,504	4,958,504
2041-2045	1,925,000	284,056	2,209,056
2046-2050	430,000	8,600	438,600
Total	<u>\$17,220,000</u>	<u>\$6,335,863</u>	<u>\$23,555,863</u>

Maturities of the business-type activities revenue bonds issued on behalf of the discretely presented component unit are as follows:

2026	\$80,000
2027	6,020,000
2028	90,000
2029	95,000
2030	100,000
Thereafter	12,900,000
Total	<u>\$19,285,000</u>

D. REVENUE PLEDGED

The CDA and Washington County (the County) entered into an agreement dated July 24, 2007 relating to the refinancing of a bank loan. Pursuant to Section 3.2 of the agreement, the County issued the \$1,587,577 Tax Increment Revenue Note, the proceeds of which were used to retire the bank loan. The CDA has pledged future tax increment revenues from TIF District 2.1 for the repayment of the loan. TIF collections from TIF District 2.1 pledged to repayment of the note totaled \$192,920 in 2025.

The 2010B Government Housing Revenue Bonds are special obligations of the CDA, payable solely from project revenues and tax rebates. As additional security, the County has provided a general obligation pledge. In exchange for the County's pledge, the CDA and County entered into a Custodial Agreement, dated July 1, 2010. The Custodial Agreement requires the establishment of debt service and reserve accounts, held in trust, funded by project revenues of the Trailside Senior Living facility and which are to be used for principal and interest payments on the 2010 Bonds and establishing and maintaining required reserve accounts. Property tax revenues may also be allocated to the project in order to supplement operations and ensure compliance with debt service coverage requirements. Principal and interest remaining to be paid on the bonds is \$8,207,981. For the current year, principal and interest paid, total gross operating revenues, tax rebate revenues, property tax revenues and account balances held in trust were \$610,126, \$746,294, \$138,203, \$378,000, and \$2,486,528, respectively.

The 2012A Government Housing Revenue Refunding Bonds are general obligations of the CDA, payable solely from project revenues. As additional security, the County has provided a general obligation pledge. In exchange for the County's pledge, the CDA and County entered into a Custodial Agreement, dated March 1, 2012. The Custodial Agreement requires the establishment of debt service and reserve accounts, held in trust, funded by all project revenues of Oakhill Cottages, Muller Manor, Park Place I, Ann Bodlovick, John Jergens Estates, Cobble Hill, and Raymie Johnson Estates facilities and which are to be

used for principal and interest payments on the 2012A Bonds and establishing and maintaining required reserve accounts. Property tax revenues may also be allocated to a project in order to supplement operations and ensure compliance with debt service coverage requirements. The bonds were paid in full during 2025. For the current year, principal and interest paid, total gross operating revenues, property tax revenues and account balances held in trust at year-end were \$3,424,239, \$3,228,093, \$84,935, and \$0, respectively.

The 2012B Taxable Qualified Energy Conservation Revenue Bonds are special obligations of the CDA, payable from allocated property tax revenues and tax rebates. As additional security, the County has provided a general obligation pledge. The Agency includes in its annual budget, which is submitted to the County, property tax revenues in an amount sufficient to pay principal and interest on the 2012B Bonds. Property tax revenues are deposited in trust until time of payment. The bonds were paid in full during 2025. For the current year, principal and interest paid, total gross operating revenues, property tax revenues and account balances held in trust at year-end were \$710,763, \$4,898, \$141,858, and \$0, respectively.

The 2012C Government Housing Revenue Bonds are general obligations of the CDA, payable solely from project revenues. As additional security, the County has provided a general obligation pledge. In exchange for the County's pledge, the CDA and County entered into a Custodial Agreement, dated October 1, 2012. The Custodial Agreement requires the establishment of debt service and reserve accounts, held in trust, funded by all project revenues of Woodland Park and Brick Pond facilities and which are to be used for principal and interest payments on the 2012C Bonds and establishing and maintaining required reserve accounts. Property tax revenues may also be allocated to a project in order to supplement operations and ensure compliance with debt service coverage requirements. Principal and interest remaining to be paid on the bond is \$5,036,600. For the current year, principal and interest paid, total gross operating revenues, property tax revenues and account balances held in trust were \$843,725, \$2,814,773, \$262,978, and \$4,000,577, respectively.

The 2013 Governmental Facility Lease Revenue Bonds are limited obligations of the CDA. The bonds are secured by rent payments, additional rent, and if any, rents derived from the building after the termination of the lease. Rent payments are deposited into trust until time of payment. Principal and interest remaining to be paid on the bonds is \$1,026,613. For the current year, principal and interest paid, total lease payments received, and account balances held in trust were \$75,073, \$75,384, and \$13,134, respectively.

The 2015A Multifamily Housing Revenue Bonds are general obligations of the CDA, payable solely from project revenues and surplus cash. As additional security, the County has provided a general obligation pledge. In exchange for the County's pledge, the CDA and County entered into a Reserve Agreement, dated August 1, 2015. The Reserve agreement requires the establishment of a debt service reserve account, held in an account as determined by the CDA. The reserve shall be maintained as long as the bonds are outstanding. In addition, the bond indenture requires the establishment of a debt service account, held in trust, funded by loan payments from the Piccadilly Square of Mahtomedi, LLC and which are to be used for principal and interest payments on the 2015A bonds. Property tax revenues may also be allocated to the project in order to supplement operations and ensure compliance with debt service coverage requirements. Principal and interest remaining to be paid on the bond is \$9,284,681. For the current year, principal and interest paid, total lease payments received, property tax revenues and account balances held in reserve were \$445,963, \$344,223, \$46,010, and \$1,493,807, respectively.

The CDA has entered into an operating subsidy agreement with the Glen at Valley Creek, a discretely presented component unit. Beginning July 31, 2021, the CDA will allocate property tax revenues to the Glen at Valley Creek. The subsidy payments will be in the amount of \$97,500 each January 31 and July 31 and will continue through July 31, 2042. The amount pledged over the life of the agreement totals \$4,345,000. The Glen at Valley Creek will use the subsidy payments to pay operating expenses, including debt service on its Series 2018A Bonds. Principal and interest remaining on the Glen at Valley Creek Series 2018A bonds is \$6,714,554. For the current year, property tax used for subsidy payments was \$195,000.

Note 10 EMPLOYEE RETIREMENT PLANS

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

Employees are required to contribute 6.2% of annual base salary to the plan. The CDA contributes 11% of annual base salary. Plan provisions and contribution requirements are established and may be amended by the CDA's Board of Commissioners. For the year ended December 31, 2025, employee contributions totaled \$379,490 and the CDA recognized pension expense of \$358,470. Employees are immediately vested in all contributions and earnings.

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

Note 11 MUNICIPAL SERVICE CHARGE AGREEMENTS

Under Minnesota Statutes, the CDA is required to make payments in lieu of taxes (P.I.L.O.T.) on the rental properties accounted for in enterprise funds equal to 5% of net sheltered rents. These expenses are included in the CDA annual operating budget and financial statements as operating expenses. In addition, the CDA executed an agreement with the City of St. Paul Park to pay the amount of property taxes which would be charged if the property were not tax exempt. This amount is deferred until the time of sale of the property and is not to exceed 50% of the net proceeds from the sale of the property. As the payment of these deferred charges is contingent upon a future event (i.e., the sale of the property) and the availability, if any, of net proceeds sufficient to repay the deferred charges, deferred amounts are not recorded in the accompanying financial statements. As of December 31, 2025, approximately \$235,554 has been deferred under this agreement pertaining to the properties of Park Place I and Park Place II.

Note 12 RISK MANAGEMENT

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

Note 13 COMMITMENTS AND CONTINGENCIES

A. ARBITRAGE REBATE LIABILITY

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

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

B. PROGRAM COMPLIANCE

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

C. LEGAL CLAIMS

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

D. FEDERAL AND STATE FUNDS

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

E. COMMITTED CONTRACTS

The CDA has entered into several contracts for various improvements at the rental properties. Construction commitments at December 31, 2025 were composed of the following:

Property	Contract Authorized	Expended as of 12/31/2025	Remaining Contract Commitment
Oakhill Cottages - Drainage Project	\$329,888	\$255,938	\$73,950
Whispering Pines - Windows	252,216	220,855	31,361
Emergency Housing Initiative - Emergency Housing Services Building	12,280,589	10,613,315	1,667,274

F. TAX INCREMENT DISTRICTS

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

WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY
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Note 14 FUND BALANCE CLASSIFICATIONS

A. CLASSIFICATIONS

At December 31, 2025, a summary of the governmental fund balance classifications are as follows:

	General Fund	Housing Assistance Fund	Community Development Fund	Economic Development Fund	Home Ownership Counseling Fund	Tax Increment Fund	Total
Nonspendable:							
Prepaid items	\$80,031	\$27,861	\$ -	\$15,000	\$ -	\$ -	\$122,892
Total nonspendable	80,031	27,861	0	15,000	0	0	122,892
Restricted for:							
Grant programs	-	300,401	6,609,288	-	-	-	6,909,689
Total restricted	0	300,401	6,609,288	0	0	0	6,909,689
Committed to:							
Development activities	-	-	18,468,202	770,196	-	-	19,238,398
Home ownership	-	-	-	-	10,807	-	10,807
Long term capital reserve	7,392,561	-	-	-	-	-	7,392,561
Total committed	7,392,561	0	18,468,202	770,196	10,807	0	26,641,766
Unassigned	11,419,603	-	-	-	-	(3,163,814)	8,255,789
Total	\$18,892,195	\$328,262	\$25,077,490	\$785,196	\$10,807	(\$3,163,814)	\$41,930,136

B. MINIMUM UNASSIGNED FUND BALANCE

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

At December 31, 2025, the unassigned fund balance of the General Fund was \$11,419,603 compared to its targeted unassigned fund balance of \$3,399,760 on the above policy.

Note 15 CONDUIT DEBT OBLIGATIONS

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

As of December 31, 2025, there were five series of Revenue Bonds outstanding, the aggregate principal amount payable is \$43,139,507.

Note 16 DISCRETELY PRESENTED COMPONENT UNITS

A. THE GROVES APARTMENTS, LLC

1. Property and Equipment

Property and equipment consisted of the following:

	<u>2025</u>	<u>Depreciation lives - years</u>
Land	\$954,967	-
Land improvements	322,235	15
Buildings	2,896,312	40
Building improvements	5,757,992	40
Furnishings and equipment	189,789	5
Construction in progress	<u>27,650</u>	-
	<u><u>\$10,148,945</u></u>	

2. Long-Term Debt

Long-term debt consists of the following:

	<u>2025</u>
U.S. Bank loan	\$1,126,179
Family Housing Fund loan	175,000
WCCDA seller loan	635,827
WCCDA GROW loan	<u>75,000</u>
	2,012,006
Less unamortized financing fees	<u>(17,702)</u>
	<u><u>\$1,994,304</u></u>

US Bank loan – Loan payable to U.S. Bank National Association dated June 16, 2014, in the amount of \$1,370,000 with interest at 5.64%. Monthly principal and interest payments of \$7,967 are due through June 16, 2030 (the maturity date). Secured by a first mortgage on the Project (an apartment complex consisting of 67 units in 17 buildings located in Cottage Grove, Minnesota).

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

WCCDA seller loan – Loan payable to WCCDA in the amount of \$1,150,000 dated June 16, 2014, with interest at 3.14% compounded annually. Principal and interest are payable in annual installments beginning April 15, 2015, solely from net cash flow in the priority set forth in the Operating Agreement. Remaining principal and interest are due on December 31, 2044. Secured by a third mortgage on the Project. Principal and interest payments for 2025 were \$48,014 and \$27,396, respectively.

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

Maturities of long-term debt are as follows:

2026	\$32,051
2027	33,933
2028	35,752
2029	38,024
2030	1,161,419
Thereafter	75,000
Seller loan - payable from cash flow	<u>635,827</u>
	<u>\$2,012,006</u>

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

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

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

3. Related Party Transactions

Asset Management Fee – The Groves Apartments, LLC (the Company) has agreed to pay USB LIHTC Fund 2015-4, LLC (the Investor Member) an asset management fee for an annual review of the operations of the Company and compliance review. The fee is in the amount of \$5,000 per calendar year and increasing by 10% on each fifth anniversary. The asset management fee is to be paid from cash flow as defined in the Operating Agreement and will accrue if not paid. Asset management fees of \$6,050 were charged to expense in 2025 and 2024, respectively. Accrued asset management fees were \$6,050 as of December 31, 2025 and 2024, respectively.

Company Management Fee – The Company has agreed to pay The Groves Apartments Managing Member, LLC (the Managing Member) a company management fee for its supervisory services. The fee is in the amount of the lesser of (1) 10% of gross collected rents, or (2) \$25,000 payable solely from 25% of cash flow after certain other payments as defined in the Operating Agreement. No fee was due in 2025 and 2024.

WCCDA has made two loans to the Company (see Note 16.A.2.). Interest expense on the seller loan was \$21,463 and \$22,199 in 2025 and 2024, respectively. Accrued interest on the seller loan was \$3,337 and \$9,270 as of December 31, 2025 and 2024, respectively.

U.S. Bank National Association, an affiliate of USBCDC, has made a loan to the Company (see Note 16.A.2.). Interest expense on this loan was \$65,200 and \$67,066 in 2025 and 2024, respectively. Accrued interest was \$5,646 and \$5,617 as of December 31, 2025 and 2024, respectively.

WCCDA was the allocating agency for the housing tax credits.

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

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

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

B. PICCADILLY SQUARE OF MAHTOMEDI, LLC

1. Property and Equipment

Property and equipment consisted of the following:

	2025	Depreciation lives - years
Land	\$1,277,387	-
Land improvements	500,219	15
Building and improvements	13,765,739	40
Furnishings and equipment	304,413	5
	<u>\$15,847,758</u>	

2. Long-Term Debt

Long-term debt consists of the following:

	2025
Series 2015A bond loan	\$5,917,487
WCCDA GROW loan	835,700
WCCDA AHP loan	500,000
WCCDA CDBG loan	352,709
WCCDA HOME loan	198,013
	<u>7,803,909</u>
Less unamortized finance fees	<u>(114,726)</u>
	<u>\$7,689,183</u>

Series 2015A bond loan – WCCDA issued Multifamily Housing Revenue Bonds Series 2015A (the Bonds) and loaned the proceeds from the sale of the Bonds to the Piccadilly Square of Mahtomedi, LLC (the Company). Various bond funds may be required under specified circumstances, as defined in the indenture of trust. In connection with the Bonds, the Company has a loan payable to US Bank, the bond Trustee, in the original amount of \$7,745,000 with interest at 2%. The Company will make monthly payments on the 24th day of each month in the amount of \$28,685 through February 1, 2047 (the maturity date). Secured by a mortgage on the Project (a senior apartment building consisting of 79 units in 1 building located in Mahtomedi, Minnesota). The loan may not be prepaid in whole or in part prior to February 1, 2026.

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

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

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

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

Maturities of the long-term debt are as follows:

2026	\$227,955
2027	232,556
2028	237,250
2029	242,039
2030	246,925
Thereafter	<u>6,617,184</u>
	<u>\$7,803,909</u>

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

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

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

3. Related Party Transactions

Developer Fee – The Company has entered into a Development Services Agreement with WCCDA (the Developer). The Developer is to receive a fee in the amount of \$1,850,000 for development services relating to the Project. At December 31, 2025 and 2024, the entire developer fee has been earned and \$318,631 and \$386,221 remains to be paid, respectively. The deferred portion bears interest at 5%, and is payable from available cash flow, as defined in the Operating Agreement. The entire fee must be paid in full by December 31, 2030. If the Company has not paid all amounts due by that time, the WCHRA Piccadilly Square, LLC (the Managing Member) will be required to make an additional capital contribution in the amount of the outstanding balance plus any accrued interest. Developer fee interest expense was \$18,746 and \$22,128 in 2025 and 2024, respectively. Accrued developer fee interest was \$2,706 and \$8,336 at December 31, 2025 and 2024, respectively.

Investor Services Fee – The Company has agreed to pay an affiliate of Enterprise Housing Partnership XXVI, LP (the Investor Member) an annual investor services fee in the amount of \$5,000, beginning July 1, 2017, increasing 3% annually. The investor services fee is to be paid from cash flow, as defined in the Operating Agreement, and will accrue if not paid. Investor services fees of \$6,334 and \$6,149 were charged to expense in 2025 and 2024, respectively. Accrued investor services fees were \$6,149 as of December 31, 2025.

WCCDA has made four interest free loans to the Company (see Note 16.B.2.).

WCCDA is the allocating agency for the tax credits.

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

C. GLEN AT VALLEY CREEK, LLC

1. Property and Equipment

Property and equipment consisted of the following:

	2025	Depreciation lives - years
Land	\$538,147	-
Land improvements	521,115	15
Buildings	10,247,846	40
Furnishings and equipment	520,503	5
	<u>\$11,827,611</u>	

2. Bond Loans

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

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

The bonds are subject to mandatory redemption beginning August 1, 2020 and continuing each February 1 and August 1 thereafter. Glen at Valley Creek, LLC (the Company) has agreed to make payments on the loan sufficient to pay the bonds. Monthly payments to the bond fund held by the bond Trustee are required in the amount of 1/6 of the next bond interest payment and 1/12 of the next bond principal payment. The Trustee will use the bond fund to make the semi-annual payments on the Series 2018A Bonds. The bonds are secured by a first mortgage, assignment of rents and assignment of operating subsidy. The Series 2018A Bonds loan agreement requires that the Company maintain a debt service coverage ratio of 120%.

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

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

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

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

Replacement reserve fund – The Series 2018A Bonds loan agreement requires that a replacement reserve fund be funded. Beginning January 2020, monthly deposits of \$1,050 (\$300 per unit per year) are due, increasing 3% annually. The replacement reserve will be used to pay for improvements that are capital expenditures.

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

In addition, various escrows were held by the City of Woodbury which were used to pay costs to construct the Project (a senior independent living apartment building which includes 42 units located in Woodbury, Minnesota). All funds remaining in these escrows were released to the Company in 2023.

The Series 2018A bond funds are held by the bond Trustee. At December 31, 2025 and 2023, the bond funds of \$459,318 and \$446,836 are invested entirely in money market accounts.

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

Maturities of the Series 2018A Bonds are as follows:

2026	\$75,000
2027	75,000
2028	80,000
2029	80,000
2030	85,000
Thereafter	<u>4,245,000</u>
	<u><u>\$4,640,000</u></u>

3. Long-Term Debt

Long-term debt consists of the following:

	2025
WCCDA GROW loan	\$920,000
MN Housing loan	500,000
WCCDA sponsor loan	137,106
WCCDA AHP loan	500,000
SCC loan	500,000
WCCDA LHIA loan	400,000
WCCDA seller loan	382,176
City HOME loan	167,721
	<u>\$3,507,003</u>

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

MN Housing loan - Loan payable to MN Housing in the amount of \$500,000 dated June 30, 2021, without interest, under MN Housing's Senior Rental Housing Pilot program. Principal is due on December 31, 2049. Secured by a third mortgage on the Project.

WCCDA sponsor loan - Loan payable to WCCDA in the amount of up to \$155,980 dated July 31, 2018, with interest compounding at 8%. Principal and interest are payable annually from cash flow as defined in the Operating Agreement. Remaining principal and interest are due on December 31, 2049. Secured by a fourth mortgage on the Project.

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

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

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

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

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

All long-term debt matures in 2049.

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

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

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

4. Related Party Transactions

Developer Fee - The Company has entered into a Development Services Agreement with WCCDA (the Developer). The Developer is to be paid \$1,600,000 for development services relating to the Project. At December 31, 2025 and 2024, the entire fee has been earned and \$560,937 remains to be paid. The deferred portion is payable from available cash flow as defined in the Operating Agreement. The entire fee must be paid in full by the last day of the housing tax credit compliance period (December 31, 2033). If the Company has not paid all amounts due by that time, WCCDA Glen, LLC (the Managing Member) will be required to make an additional capital contribution in the amount of the outstanding balance.

Investor Services Fee - The Company has agreed to pay Wincopin Circle LLLP, an affiliate of Enterprise Housing Partners XXX Limited Partnership (the Investor Member), an annual investor services fee in the amount of \$5,000, beginning July 1, 2019, increasing 3% annually. The investor services fee is to be paid from cash flow, as defined in the Operating Agreement, and will accrue if not paid. Investor services fees of \$5,970 and \$5,796 were charged to expense in 2025 and 2024, respectively. Accrued investor services fees were \$0 and \$5,796 as of December 31, 2025 and 2024, respectively.

WCCDA has made loans to the Company (see Note 16.C.3.). Interest expense on two of these loans was \$134,399 and \$124,401 in 2025 and 2024, respectively. Accrued interest was \$750,319 and \$615,920 as of December 31, 2025 and 2024, respectively.

The Operating Agreement provides for various obligations of the Managing Member including its obligation to provide funds if the HAP is reduced or eliminated at any time, and the balance in the operating reserve is unavailable or insufficient to fund an operating deficit attributable to the loss or reduction of the HAP, the Managing Member must make an operating deficit contribution up to the lesser of the amount of the loss or reduction of the HAP and the amount of the operating deficit. The Managing Member's obligation to fund operating deficits related to the loss or reduction of HAP is limited to \$100,000.

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

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

WCCDA has guaranteed all performance obligations of the Managing Member.

D. RAYMIE JOHNSON ESTATES, LLC

1. Property and Equipment

Property and equipment consisted of the following:

	2025	Depreciation lives - years
Land	\$1,627,361	-
Land improvements	266,891	15
Buildings	23,554,461	40
Furnishings and equipment	425,871	5
Construction in Progress	391,151	-
	<u>\$26,265,735</u>	

2. Bond Loans

Series 2025A Bonds loan - The loan was funded by Series 2025A Bonds dated June 25, 2025 in the amount of \$13,350,000 with interest at 6.08%. The Series 2025A bonds are subject to mandatory redemption beginning July 1, 2026 and continuing each January 1 and July 1 thereafter until maturity on July 1, 2042. Monthly payments to the bond fund held by the bond Trustee are required in the amount of 1/6 of the next bond interest payment and 1/12 of the next bond principal payment. The Trustee is to use the bond fund to make the semi-annual payments on the Series 2025A Bonds. The bonds are secured by a mortgage, an assignment of rents, an assignment of operating subsidy, an assignment of capital contributions, and the Managing Member's membership interest. The Series 2025A Bonds loan agreement requires that Raymie Johnson Estates, LLC (the Company) maintain a debt service coverage ratio of 110%.

Series 2025B Bonds loan - The loan was funded by Series 2025B Bonds dated June 25, 2025 in the amount of \$3,150,000 with interest at 4.66%. The principal and interest are due July 1, 2027, with a mandatory redemption date of January 1, 2027. Secured by a mortgage, an assignment of rents, an assignment of operating subsidy, an assignment of capital contributions, and the Managing Member's membership interest.

Series 2025C Bonds loan - The loan was funded by Series 2025C Bonds dated June 25, 2025 in the amount of \$2,785,000 with interest at 7.00%. The bonds were issued with an initial discount of \$12,895. The principal and interest are due July 1, 2027, with a mandatory redemption date of January 1, 2027. Secured by a mortgage, an assignment of rents, an assignment of operating subsidy, an assignment of capital contributions, and the Managing Member's membership interest.

Unamortized finance fees related to the bond loans were \$485,298 at December 31, 2025.

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

Construction funds - The construction funds are to be used to pay qualified project costs and bond issuance costs.

Bond fund - The Trustee will deposit monthly principal and interest payments made by the Company on the Series 2025A Bonds loan to the bond fund. The bond fund is to be used to pay principal and interest on the bonds when due.

Replacement reserve fund - The Series 2025A loan agreement requires that a replacement reserve fund be funded. Beginning on the Stabilization date, as defined in the operating agreement, monthly deposits of \$4,500 are due. The replacement reserve is to be used to pay for capital expenditures.

Tax and insurance escrow fund - The Series 2025A loan agreement requires a tax and insurance escrow fund. Monthly deposits are to be made to the tax and insurance escrow fund for payment of real estate taxes and property insurance. The Company is exempt from real and personal property taxes. Alternatively, the Company is to deposit funds for payments in lieu of taxes (PILOT) to the tax and insurance escrow fund.

Debt service reserve fund - The Trustee established a debt service reserve fund on the date of issuance of \$250,000. At maturity, the funds are to be used to pay final principal and interest due on the Series 2025A bonds or to pay qualified project costs.

Capitalized interest funds - The capitalized interest funds are to be used to pay semiannual debt service payments for Series 2025A, 2025B and 2025C bonds.

The Series 2025A, 2025B and 2025C bond funds are held by the bond Trustee. At December 31, 2025, the bond funds of \$9,098,204 are invested entirely in money market mutual funds.

Additional funds may be required under specified circumstances as defined in the indenture of trust for the Series 2025A Bonds.

Maturities of the Series 2025A, 2025B, and 2025C Bond loans are as follows:

2026	\$80,000
2027	6,020,000
2028	90,000
2029	95,000
2030	100,000
Thereafter	<u>12,900,000</u>
	<u><u>\$19,285,000</u></u>

3. Long-Term Debt

WCCDA seller loan - Loan payable to WCCDA in the amount of \$8,773,380, dated June 26, 2025, with interest compounding at 4.62%. Principal and interest are payable annually from cash flow as defined in the Operating Agreement. Remaining principal and interest are due on December 31, 2065. Secured by a mortgage on the Project (an apartment complex which includes 120 units in four buildings, located in Oak Park Heights, Minnesota).

Unamortized finance fees related to the seller loan were \$3,056 at December 31, 2025.

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

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

- Tenants must meet income limitations to qualify for occupancy in the Project.
- Maximum monthly rental rates are established by HUD and HUD approval is required for rental increases.
- Lease terms must not be more than one year.

4. Investor Member Subscriptions Receivable

U.S. Bancorp Community Development Corporation (the Investor Member) has agreed to make capital contributions to the Company in the aggregate amount of \$10,176,459. The capital contributions will be made once certain conditions have been met. For a detailed description of the conditions, see the Operating Agreement.

The remaining capital contributions and expected year of collection are summarized as follows:

Second Installment (2026)	\$5,942,142
Third Installment (2027)	2,099,025
Fourth Installment (2027)	<u>100,000</u>
Total subscriptions receivable	<u><u>\$8,141,167</u></u>

The contributions are subject to adjustment depending on certain conditions being met, primarily related to the amount and the timing of housing tax credits the Company can obtain. The contributions will be recorded when received.

5. Related Party Transactions

Development Fee – The Company has entered into a Development Services Agreement with WCCDA (the Developer). The Developer is to be paid \$3,413,000 for development services relating to the Project. At December 31, 2025, \$2,600,000 has been earned and \$2,200,000 remains to be paid. Once the full fee has been earned at the completion date (as defined in the Operating Agreement), \$1,529,025 is expected to be paid with capital installments and the remaining \$1,083,975 is expected to be deferred. The deferred portion is payable from available cash flow as defined in the Operating Agreement. The entire fee must be paid in full by the 13th anniversary of the completion date (expected to be July 2026). If the Company has not paid all amounts due by that time, WCCDA Raymie Johnson, LLC (the Managing Member) will be required to make an additional capital contribution in the amount of the outstanding balance.

Asset Management Fee – The Company has agreed to pay the Investor Member an annual management fee in an amount of \$5,000 commencing at the end of the stabilization period (as defined by the Operating Agreement), prorated for the first year. The fee will increase 10% every five years. Any unpaid fee will accrue, without interest, and be payable from cash flow. No asset management fee is expected in 2025.

Company Management Fee - The Company has agreed to pay the Managing Member an annual company management fee in an amount equal to 49.99% of remaining cash flow as defined in the Operating Agreement. This fee will not accrue if not paid.

The Operating Agreement provides for various obligations of the General Partner and Developer including its obligation to provide funds for development completion, operating deficits and tax credits. If, at any time during the period ending on the later of (i) the fourth anniversary of the end of the lease-up period (as defined in the Operating Agreement) or (ii) the fourth anniversary of the end of

the stabilization period (as defined in the Operating Agreement), and provided that (A) the Project has achieved a debt service coverage ratio of at least 1.15 for the immediately preceding 24-month period, and (B) the operating reserve equals or exceeds \$670,000, an operating deficit exists, then the General Partner will be obligated to make operating deficit advances in an aggregate amount not to exceed \$1,321,909. Such operating deficit advances will be unsecured, without interest, and will be repayable solely from cash flow or net proceeds, as defined in the Operating Agreement.

The Project was purchased from WCCDA, an affiliate of the Managing Member (the Seller). The Company has a loan payable to the seller as described in Note 6. Interest expense on this loan was \$209,883 during the period. Accrued interest was \$209,883 at December 31, 2025.

The Company owed WCCDA \$68,453 for various tenant costs, tenant relocation expenses and supportive services at December 31, 2025.

WCCDA is the allocating agency for the tax credits.

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

WCCDA has guaranteed all performance obligations of the Managing Member.

Note 17 RECENTLY ISSUED ACCOUNTING STANDARDS

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

Statement No. 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

WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
For The Year Ended December 31, 2025

Statement 9

	Budgeted Amounts		2025 Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
General property taxes	\$2,458,047	\$2,458,047	\$2,388,199	(\$69,848)
Charges for services:				
Administrative fees	765,800	765,800	716,610	(49,190)
Investment income	410,000	410,000	812,632	402,632
Other	19,000	19,000	26,356	7,356
Total revenues	<u>3,652,847</u>	<u>3,652,847</u>	<u>3,943,797</u>	<u>290,950</u>
Expenditures:				
Current:				
Administrative salaries and benefits	1,800,000	1,800,000	1,747,862	52,138
Administrative travel and per diems	19,500	19,500	52,371	(32,871)
Administrative legal	33,300	33,300	7,239	26,061
Administrative sundry	152,200	152,200	174,091	(21,891)
Accounting and auditing	72,500	72,500	72,500	-
General insurance	49,400	49,400	11,756	37,644
Professional services	281,100	281,100	98,062	183,038
Other utilities and maintenance	75,300	75,300	74,593	707
Equipment leases	24,000	24,000	29,490	(5,490)
Financing fee	8,800	8,800	13,782	(4,982)
Other	300	300	5,944	(5,644)
Capital outlay:				
General government	-	143,000	144,564	(1,564)
Debt service:				
Principal	143,856	143,856	143,856	-
Interest	6,772	6,772	6,772	-
Total expenditures	<u>2,667,028</u>	<u>2,810,028</u>	<u>2,582,882</u>	<u>227,146</u>
Revenues over (under) expenditures	<u>985,819</u>	<u>842,819</u>	<u>1,360,915</u>	<u>518,096</u>
Other financing sources (uses):				
Transfers from other funds	611,181	611,181	704,134	92,953
Transfers to other funds	(1,123,230)	(1,123,230)	(1,775,974)	(652,744)
Total other financing sources (uses)	<u>(512,049)</u>	<u>(512,049)</u>	<u>(1,071,840)</u>	<u>(559,791)</u>
Net change in fund balance	<u>\$473,770</u>	<u>\$330,770</u>	289,075	<u>(\$41,695)</u>
Fund balance - January 1			18,603,120	
Fund balance - December 31			<u>\$18,892,195</u>	

See accompanying notes to the required supplementary information.

WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - HOUSING ASSISTANCE FUND
For The Year Ended December 31, 2025

Statement 10

	Budgeted Amounts		2025 Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
General property taxes	\$230,700	\$230,700	\$230,700	\$ -
Intergovernmental	8,841,100	10,727,600	8,961,917	(1,765,683)
Charges for services:				
Administrative fees	895,500	960,500	742,183	(218,317)
Investment income	3,300	3,300	19,761	16,461
Other	2,300	2,300	5,329	3,029
Total revenues	9,972,900	11,924,400	9,959,890	(1,964,510)
Expenditures:				
Administrative salaries and benefits	1,137,600	1,137,600	868,951	268,649
Administrative legal	4,600	4,600	3,607	993
Administrative sundry	61,100	79,100	76,249	2,851
Professional services	81,300	107,300	66,626	40,674
Housing assistance payments	8,666,500	10,574,000	8,816,339	1,757,661
Other	21,800	21,800	12,669	9,131
Total expenditures	9,972,900	11,924,400	9,844,441	2,079,959
Revenues over (under) expenditures	0	0	115,449	115,449
Other financing sources (uses):				
Transfers to other funds	-	-	(75,000)	(75,000)
Total other financing sources (uses)	0	0	(75,000)	(75,000)
Net change in fund balance	\$0	\$0	40,449	\$40,449
Fund balance - January 1			287,813	
Fund balance - December 31			\$328,262	

See accompanying notes to the required supplementary information.

WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - COMMUNITY DEVELOPMENT FUND
For The Year Ended December 31, 2025

Statement 11

	Budgeted Amounts		2025 Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
General property taxes	\$2,057,804	\$2,057,804	\$2,057,804	\$ -
Intergovernmental	5,790,000	13,275,000	16,163,131	2,888,131
Charges for services:				
Administrative fees	231,500	231,500	137,675	(93,825)
Investment income	184,500	184,500	491,943	307,443
Other	153,900	153,900	709,731	555,831
Total revenues	<u>8,417,704</u>	<u>15,902,704</u>	<u>19,560,284</u>	<u>3,657,580</u>
Expenditures:				
Community development:				
Administrative salaries and benefits	1,349,000	1,349,000	1,087,288	261,712
Administrative travel and per diems	8,900	8,900	4,488	4,412
Administrative legal	184,692	184,692	31,534	153,158
Administrative sundry	39,400	39,400	69,004	(29,604)
Professional services	150,400	150,400	360,859	(210,459)
Financing fee	-	-	16	(16)
Project costs	6,771,600	14,256,600	11,171,966	3,084,634
Other	-	-	54	(54)
Total expenditures	<u>8,503,992</u>	<u>15,988,992</u>	<u>12,725,209</u>	<u>3,263,783</u>
Revenues over (under) expenditures	<u>(86,288)</u>	<u>(86,288)</u>	<u>6,835,075</u>	<u>6,921,363</u>
Other financing sources (uses):				
Transfers from other funds	154,288	154,288	-	(154,288)
Transfers to other funds	(68,000)	(68,000)	-	68,000
Total other financing sources (uses)	<u>86,288</u>	<u>86,288</u>	<u>0</u>	<u>(86,288)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>6,835,075</u>	<u>\$6,835,075</u>
Fund balance - January 1			<u>18,242,415</u>	
Fund balance - December 31			<u><u>\$25,077,490</u></u>	

See accompanying notes to the required supplementary information.

WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - ECONOMIC DEVELOPMENT FUND
For The Year Ended December 31, 2025

Statement 12

	Budgeted Amounts		2025 Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
General property taxes	\$574,762	\$574,762	\$574,762	\$ -
Intergovernmental	45,000	105,000	185,635	80,635
Investment income	15,000	15,000	27,082	12,082
Total revenues	634,762	694,762	787,479	92,717
Expenditures:				
Economic development:				
Administrative salaries and benefits	190,300	190,300	171,007	19,293
Administrative legal	5,762	5,762	384	5,378
Administrative sundry	20,500	20,500	65,054	(44,554)
Professional services	266,700	326,700	415,964	(89,264)
Other	151,500	171,500	94,004	77,496
Total expenditures	634,762	714,762	746,413	(31,651)
Net change in fund balance	\$0	(\$20,000)	41,066	\$61,066
Fund balance - January 1			744,130	
Fund balance - December 31			\$785,196	

See accompanying notes to the required supplementary information.

WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - HOME OWNERSHIP COUNSELING FUND
For The Year Ended December 31, 2025

Statement 13

	Budgeted Amounts		2025 Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
General property taxes	\$121,500	\$121,500	\$121,500	\$ -
Intergovernmental	114,700	114,700	106,252	(8,448)
Charges for services:				
Administrative fees	1,700	1,700	3,720	2,020
Investment income	700	700	1,044	344
Total revenues	<u>238,600</u>	<u>238,600</u>	<u>232,516</u>	<u>(6,084)</u>
Expenditures:				
Home ownership counseling:				
Administrative salaries and benefits	219,300	219,300	213,878	5,422
Administrative travel and per diems	-	-	56	(56)
Administrative sundry	19,300	19,300	12,323	6,977
Professional services	-	-	1,559	(1,559)
Total expenditures	<u>238,600</u>	<u>238,600</u>	<u>227,816</u>	<u>10,784</u>
Revenues over (under) expenditures	<u>0</u>	<u>0</u>	<u>4,700</u>	<u>4,700</u>
Other financing sources (uses):				
Transfers from other funds	20,100	20,100	-	(20,100)
Transfers to other funds	(20,100)	(20,100)	-	20,100
Total other financing sources (uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net change in fund balance	<u>\$0</u>	<u>\$0</u>	<u>4,700</u>	<u>\$4,700</u>
Fund balance - January 1			<u>6,107</u>	
Fund balance - December 31			<u>\$10,807</u>	

See accompanying notes to the required supplementary information.

WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - TAX INCREMENT FUND
For The Year Ended December 31, 2025

Statement 14

	Budgeted Amounts		2025 Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Tax increments	\$274,500	\$274,500	\$230,306	(\$44,194)
Investment income	1,200	1,200	1,481	281
Total revenues	<u>275,700</u>	<u>275,700</u>	<u>231,787</u>	<u>(43,913)</u>
Expenditures:				
Tax increment financing:				
Administrative sundry	4,200	4,200	216	3,984
Professional services	2,100	2,100	2,500	(400)
Other	-	-	1,000	(1,000)
Debt service:				
Principal	79,459	79,459	79,459	-
Interest	103,653	103,653	102,537	1,116
Total expenditures	<u>189,412</u>	<u>189,412</u>	<u>185,712</u>	<u>3,700</u>
Revenues over (under) expenditures	<u>86,288</u>	<u>86,288</u>	<u>46,075</u>	<u>(40,213)</u>
Other financing sources (uses):				
Transfers to other funds	(86,288)	(86,288)	-	86,288
Total other financing sources (uses)	<u>(86,288)</u>	<u>(86,288)</u>	<u>0</u>	<u>86,288</u>
Net change in fund balance	<u>\$0</u>	<u>\$0</u>	46,075	<u>\$46,075</u>
Fund balance - January 1			<u>(3,209,889)</u>	
Fund balance - December 31			<u><u>(\$3,163,814)</u></u>	

See accompanying notes to the required supplementary information.

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WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULES
NOTE TO RSI
December 31, 2025

Note A BUDGETS

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

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COMBINING SCHEDULES

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HOUSING ASSISTANCE FUND

The Housing Assistance Fund is used to account for the administration of 607 units of rental assistance through the HUD-funded Housing Choice Voucher program and several smaller federal and state funded programs. The Washington County Community Development Agency maintains the following Housing Assistance Fund:

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

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

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

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

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

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

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

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

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

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

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

WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY
COMBINING BALANCE SHEET -
HOUSING ASSISTANCE FUND
December 31, 2025

	208 - Housing Assistance Support	210 - Section 8 Portability	211 - Mainstream Vouchers	212 - Section 8 Housing Choice Vouchers	213 - Bridges I
Assets					
Cash, cash equivalents and investments	\$29,352	\$53,248	\$23,437	\$216,095	\$ -
Restricted cash	-	-	4,850	35,518	-
Accounts receivable - net	-	-	-	-	-
Due from other governmental units	-	89,886	1,105	2,463	1,128
Prepaid items	27,861	-	-	-	-
Total assets	<u>\$57,213</u>	<u>\$143,134</u>	<u>\$29,392</u>	<u>\$254,076</u>	<u>\$1,128</u>
Liabilities, Deferred Inflows of Resources and Fund Balance					
Liabilities:					
Accounts payable	\$3,894	\$25,529	\$2,719	\$5,787	\$ -
Security deposits/FSS escrow	-	-	4,850	35,518	-
Due to other funds	-	-	-	-	432
Due to other governmental units	-	52,666	-	-	-
Accrued wages and benefits payable	2,750	10,599	877	3,357	696
Unearned revenue - grants	-	-	-	-	-
Total liabilities	<u>6,644</u>	<u>88,794</u>	<u>8,446</u>	<u>44,662</u>	<u>1,128</u>
Deferred inflows of resources:					
Unavailable revenue	-	3,440	1,105	2,462	-
Total deferred inflows of resources	<u>0</u>	<u>3,440</u>	<u>1,105</u>	<u>2,462</u>	<u>0</u>
Fund balance:					
Nonspendable	27,861	-	-	-	-
Restricted	22,708	50,900	19,841	206,952	-
Total fund balance	<u>50,569</u>	<u>50,900</u>	<u>19,841</u>	<u>206,952</u>	<u>0</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$57,213</u>	<u>\$143,134</u>	<u>\$29,392</u>	<u>\$254,076</u>	<u>\$1,128</u>

214 - Tenant Protection	215 - Bridges II	216 - Veterans Affairs Supportive Housing	219 - Family Unification Program	263 - FSS - Public Housing	268 - Raymie Service Coordinator	Total Housing Assistance Fund
\$3,714	\$85,378	\$1,337	\$1,907	\$1,444	\$ -	\$415,912
-	-	-	470	-	-	40,838
-	-	-	-	-	4,260	4,260
-	-	-	-	-	-	94,582
-	-	-	-	-	-	27,861
<u>\$3,714</u>	<u>\$85,378</u>	<u>\$1,337</u>	<u>\$2,377</u>	<u>\$1,444</u>	<u>\$4,260</u>	<u>\$583,453</u>
\$2,530	\$ -	\$ -	\$582	\$ -	\$ -	\$41,041
-	-	-	470	-	-	40,838
-	-	-	-	-	4,260	4,692
-	-	-	-	-	-	52,666
1,184	704	1,337	1,325	1,444	-	24,273
-	84,674	-	-	-	-	84,674
<u>3,714</u>	<u>85,378</u>	<u>1,337</u>	<u>2,377</u>	<u>1,444</u>	<u>4,260</u>	<u>248,184</u>
-	-	-	-	-	-	7,007
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>7,007</u>
-	-	-	-	-	-	27,861
-	-	-	-	-	-	300,401
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>328,262</u>
<u>\$3,714</u>	<u>\$85,378</u>	<u>\$1,337</u>	<u>\$2,377</u>	<u>\$1,444</u>	<u>\$4,260</u>	<u>\$583,453</u>

WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY
COMBINING SCHEDULE OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE -
HOUSING ASSISTANCE FUND
For The Year Ended December 31, 2025

	208 - Housing Assistance Support	210 - Section 8 Portability	211 - Mainstream Vouchers	212 - Section 8 Housing Choice Vouchers	213 - Bridges I
Revenues:					
General property taxes	\$230,700	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	5,454,258	450,673	1,302,136	286,159
Charges for services:					
Administrative fees	-	385,286	64,185	158,796	29,135
Investment income (loss)	514	6,629	1,851	6,410	-
Other	-	3,179	1,229	466	-
Total revenues	231,214	5,849,352	517,938	1,467,808	315,294
Expenditures:					
Current:					
Administrative salaries and benefits	63,049	429,231	34,632	136,494	30,410
Administrative legal	-	1,800	-	1,807	-
Administrative sundry	50,220	18,803	-	4,816	85
Professional services	2,200	25,205	-	7,315	-
Housing assistance payments	-	5,429,467	516,194	1,202,617	286,159
Other	10,836	1,483	-	350	-
Total expenditures	126,305	5,905,989	550,826	1,353,399	316,654
Revenues over (under) expenditures	104,909	(56,637)	(32,888)	114,409	(1,360)
Other financing sources (uses):					
Transfers from other funds	-	-	-	-	1,360
Transfers to other funds	(89,344)	-	-	-	-
Total other financing sources (uses)	(89,344)	0	0	0	1,360
Net change in fund balance	15,565	(56,637)	(32,888)	114,409	-
Fund balance - January 1	35,004	107,537	52,729	92,543	-
Fund balance - December 31	\$50,569	\$50,900	\$19,841	\$206,952	\$0

214 - Tenant Protection	215 - Bridges II	216 - Veterans Affairs Supportive Housing	219 - Family Unification Program	263 - FSS - Public Housing	268 - Raymie Service Coordinator	Intra-Activity Eliminations	Total Housing Assistance Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$230,700
506,180	132,454	219,383	506,912	64,362	39,400	-	8,961,917
28,668	10,744	36,218	29,151	-	-	-	742,183
-	4,357	-	-	-	-	-	19,761
455	-	-	-	-	-	-	5,329
535,303	147,555	255,601	536,063	64,362	39,400	0	9,959,890
25,458	27,890	26,572	25,489	62,965	6,761	-	868,951
-	-	-	-	-	-	-	3,607
-	195	-	-	1,397	733	-	76,249
-	-	-	-	-	31,906	-	66,626
509,845	132,454	229,029	510,574	-	-	-	8,816,339
-	-	-	-	-	-	-	12,669
535,303	160,539	255,601	536,063	64,362	39,400	0	9,844,441
-	(12,984)	-	-	-	-	-	115,449
-	12,984	-	-	-	-	(14,344)	-
-	-	-	-	-	-	14,344	(75,000)
0	12,984	0	0	0	0	0	(75,000)
-	-	-	-	-	-	-	40,449
-	-	-	-	-	-	-	287,813
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$328,262

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COMMUNITY DEVELOPMENT FUND

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

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

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

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

255 - Red Rock Crossing - to account for pre-development expenses for potential project expenses in the City of Newport. Revenues are from property taxes.

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

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

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

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

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

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278 - Emergency Housing Initiative – this fund accounts for expenses related to the development of a new 30-bed emergency housing facility for adults experiencing homelessness in Washington County. The shelter is being constructed on County-owned land in Stillwater and will include private living quarters, supportive service space, and 24/7 on-site staffing. The project is funded by the American Rescue Plan Act (ARPA) and is being developed in partnership with Washington County.

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

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

420 - Statewide Affordable Housing Aid - this fund accounts for state funds provided under Minnesota's Statewide Affordable Housing Aid program. In Washington County, these funds are used to expand the CDA's Home Improvement Loan Program, providing low-interest loans to low- and moderate-income homeowners for essential repairs and renovations that preserve housing quality and stability.

421 - Local Affordable Housing Aid - this fund accounts for state funds provided under Minnesota's Local Affordable Housing Aid program, funded by a metropolitan-wide sales tax. LAHA enabled the CDA to expand its existing GROW Fund and establish the NOAH GROW Sub-Fund, which targets the preservation of Naturally Occurring Affordable Housing (NOAH) and subsidized units at risk of expiring affordability.

422 - Local and Affordable Housing Aid – Hugo - this fund accounts for Local Affordable Housing Aid funds transferred from the City of Hugo to the CDA. The CDA administers the funds on behalf of the City for qualifying affordable housing projects located within the City of Hugo.

423 - Woodbury Down Payment Assistance Program - this fund accounts for funds provided by the City of Woodbury for the administration and disbursement of loans under the City's First-time Home Ownership Program. The CDA administers the program on behalf of the City, including loan processing, closing coordination, disbursement of loan funds, and related reporting.

424 - Local Affordable Housing Aid – Lake Elmo - this fund accounts for Local Affordable Housing Aid funds transferred from the City of Lake Elmo to the CDA. The funds are administered by the CDA on behalf of the City and are restricted for qualifying affordable housing projects, including CDA home improvement loans within the City of Lake Elmo.

WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY
 COMBINING BALANCE SHEET -
 COMMUNITY DEVELOPMENT FUND
 December 31, 2025

	201 - MN Housing Rehab and Emergency Loans	230 - Multi Family Projects - LIHTC	231 - TCAP Kilkenny	232 - TCAP Granada
Assets				
Cash, cash equivalents and investments	\$39,072	\$1,255,759	\$ -	\$ -
Restricted cash	-	-	-	-
Deposits receivable	-	-	-	-
Accounts receivable - net	-	-	-	8,268
Interest receivable	-	-	-	-
Interest receivable from discretely presented component unit	-	-	-	-
Due from other governmental units	-	-	-	-
Advances to other funds	-	-	-	-
Property held for resale	-	-	-	-
Notes receivable	-	6,400	521,101	722,812
Notes receivable from discretely presented component unit	-	-	-	-
Total assets	<u>\$39,072</u>	<u>\$1,262,159</u>	<u>\$521,101</u>	<u>\$731,080</u>
Liabilities, Deferred Inflows of Resources and Fund Balance				
Liabilities:				
Accounts payable	\$28,600	\$ -	\$ -	\$8,268
Due to other funds	-	-	-	-
Due to other governmental units	-	-	-	-
Contracts payable	1,350	-	-	-
Accrued wages and benefits payable	446	4,984	-	-
Total liabilities	<u>30,396</u>	<u>4,984</u>	<u>0</u>	<u>8,268</u>
Deferred inflows of resources:				
Unavailable revenue	-	6,400	521,101	722,812
Total deferred inflows of resources	<u>0</u>	<u>6,400</u>	<u>521,101</u>	<u>722,812</u>
Fund balance:				
Restricted	-	-	-	-
Committed	8,676	1,250,775	-	-
Total fund balance	<u>8,676</u>	<u>1,250,775</u>	<u>0</u>	<u>0</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$39,072</u>	<u>\$1,262,159</u>	<u>\$521,101</u>	<u>\$731,080</u>

255 - Red Rock Crossing	256 - Age Friendly Housing Initiative	257 - Faircloth-to RAD Initiative	270 - Development Fund	271 - GAP Financing Fund	277 - LAAND Initiative	278 - Emergency Housing Initiative	280 - HOME	407 - CDBG
\$654,399	\$857,447	\$2,645,335	\$1,070,510	\$22,532	\$45,731	\$199	\$ -	\$ -
-	3,000	-	-	-	-	1,798,017	-	-
-	165,000	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	234,104	-	-	-	-
-	-	-	-	687,475	-	-	-	-
-	-	-	-	-	-	607,768	184,039	90,689
600,886	-	-	2,637,027	500,000	-	-	-	-
18,421	-	-	-	-	-	-	-	-
-	-	7,500,000	-	6,246,320	500,000	-	1,091,584	1,861,223
-	-	-	-	1,830,700	-	-	198,013	352,709
<u>\$1,273,706</u>	<u>\$1,025,447</u>	<u>\$10,145,335</u>	<u>\$3,707,537</u>	<u>\$9,521,131</u>	<u>\$545,731</u>	<u>\$2,405,984</u>	<u>\$1,473,636</u>	<u>\$2,304,621</u>

\$ -	\$6,787	\$ -	\$644	\$ -	\$ -	\$1,920,970	\$57,222	\$21,563
-	-	-	-	-	-	7,664	126,001	65,062
-	-	-	-	-	40,000	-	-	-
-	-	-	-	-	-	477,350	-	-
-	1,668	688	20,349	-	-	-	816	4,064
<u>0</u>	<u>8,455</u>	<u>688</u>	<u>20,993</u>	<u>0</u>	<u>40,000</u>	<u>2,405,984</u>	<u>184,039</u>	<u>90,689</u>

18,421	-	7,500,000	-	921,579	500,000	-	1,289,597	2,213,932
<u>18,421</u>	<u>0</u>	<u>7,500,000</u>	<u>0</u>	<u>921,579</u>	<u>500,000</u>	<u>0</u>	<u>1,289,597</u>	<u>2,213,932</u>

-	-	-	-	-	-	-	-	-
1,255,285	1,016,992	2,644,647	3,686,544	8,599,552	5,731	-	-	-
<u>1,255,285</u>	<u>1,016,992</u>	<u>2,644,647</u>	<u>3,686,544</u>	<u>8,599,552</u>	<u>5,731</u>	<u>0</u>	<u>0</u>	<u>0</u>

<u>\$1,273,706</u>	<u>\$1,025,447</u>	<u>\$10,145,335</u>	<u>\$3,707,537</u>	<u>\$9,521,131</u>	<u>\$545,731</u>	<u>\$2,405,984</u>	<u>\$1,473,636</u>	<u>\$2,304,621</u>
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WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY

COMBINING BALANCE SHEET -
COMMUNITY DEVELOPMENT FUND
December 31, 2025

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	420 - Statewide Affordable Housing Aid	421 - Local Affordable Housing Aid	422 - Local and Affordable Housing Aid - Hugo	423 - Woodbury Down Payment Assistance Program	424 - Local and Affordable Housing Aid - Lake Elmo	Total Community Development Fund
Assets						
Cash, cash equivalents and investments	\$762,802	\$5,460,376	\$155,317	\$182,116	\$49,116	\$13,200,711
Restricted cash	-	-	-	-	-	1,801,017
Deposits receivable	-	-	-	-	-	165,000
Accounts receivable - net	-	-	-	-	-	8,268
Interest receivable	-	-	-	-	-	234,104
Interest receivable from discretely presented component unit	-	-	-	-	-	687,475
Due from other governmental units	-	-	-	-	-	882,496
Advances to other funds	-	-	-	-	-	3,737,913
Property held for resale	-	-	-	-	-	18,421
Notes receivable	-	341,390	-	-	-	18,790,830
Notes receivable from discretely presented component unit	-	-	-	-	-	2,381,422
Total assets	<u>\$762,802</u>	<u>\$5,801,766</u>	<u>\$155,317</u>	<u>\$182,116</u>	<u>\$49,116</u>	<u>\$41,907,657</u>
Liabilities, Deferred Inflows of Resources and Fund Balance						
Liabilities:						
Accounts payable	\$ -	\$40	\$ -	\$ -	\$ -	\$2,044,094
Due to other funds	-	-	-	-	-	198,727
Due to other governmental units	-	-	-	-	-	40,000
Contracts payable	-	-	-	-	-	478,700
Accrued wages and benefits payable	-	-	-	399	-	33,414
Total liabilities	<u>0</u>	<u>40</u>	<u>0</u>	<u>399</u>	<u>0</u>	<u>2,794,935</u>
Deferred inflows of resources:						
Unavailable revenue	-	341,390	-	-	-	14,035,232
Total deferred inflows of resources	<u>0</u>	<u>341,390</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>14,035,232</u>
Fund balance:						
Restricted	762,802	5,460,336	155,317	181,717	49,116	6,609,288
Committed	-	-	-	-	-	18,468,202
Total fund balance	<u>762,802</u>	<u>5,460,336</u>	<u>155,317</u>	<u>181,717</u>	<u>49,116</u>	<u>25,077,490</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$762,802</u>	<u>\$5,801,766</u>	<u>\$155,317</u>	<u>\$182,116</u>	<u>\$49,116</u>	<u>\$41,907,657</u>

WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY
 COMBINING SCHEDULE OF REVENUES,
 EXPENDITURES AND CHANGES IN FUND BALANCE -
 COMMUNITY DEVELOPMENT FUND
 For The Year Ended December 31, 2025

	201 - MN Housing Rehab and Emergency Loans	230 - Multi Family Projects - LIHTC	232 - TCAP Granada	255 - Red Rock Crossing
Revenues:				
General property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	146,410	213,750	-	-
Charges for services:				
Administrative fees	20,266	9,841	3,000	-
Investment income (loss)	2,873	42,376	-	49,888
Other	-	522,914	-	-
Total revenues	<u>169,549</u>	<u>788,881</u>	<u>3,000</u>	<u>49,888</u>
Expenditures:				
Current:				
Administrative salaries and benefits	14,308	148,643	-	-
Administrative travel and per diems	28	-	-	-
Administrative legal	-	4,108	-	-
Administrative sundry	288	30,195	-	2,966
Professional services	-	-	3,000	-
Financing fee	-	-	-	-
Project costs	146,410	213,750	-	-
Other	-	-	-	-
Total expenditures	<u>161,034</u>	<u>396,696</u>	<u>3,000</u>	<u>2,966</u>
Net change in fund balance	8,515	392,185	-	46,922
Fund balance (deficit) - January 1	<u>161</u>	<u>858,590</u>	<u>-</u>	<u>1,208,363</u>
Fund balance (deficit) - December 31	<u><u>\$8,676</u></u>	<u><u>\$1,250,775</u></u>	<u><u>\$0</u></u>	<u><u>\$1,255,285</u></u>

256 - Age Friendly Housing Initiative	257 - Faircloth-to RAD Initiative	270 - Development Fund	271 - GAP Financing Fund	277 - LAAND Initiative	278 - Emergency Housing Initiative	280 - HOME	407 - CDBG	420 - Statewide Affordable Housing Aid
\$595,100	\$102,892	\$859,812	\$500,000	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	9,638,104	637,716	540,758	230,885
-	-	-	-	-	-	48,509	48,916	-
8,819	107,863	53,501	40,288	1,913	-	-	-	28,259
142,536	-	4,400	24,000	-	15,881	-	-	-
746,455	210,755	917,713	564,288	1,913	9,653,985	686,225	589,674	259,144
29,767	21,065	672,812	-	-	-	43,849	151,032	-
182	-	3,462	-	-	-	106	710	-
-	25,478	1,270	678	-	-	-	-	-
-	-	28,596	-	-	-	1,238	5,381	-
-	-	438	-	-	350,105	3,316	4,000	-
-	-	16	-	-	-	-	-	-
-	-	-	-	-	9,303,880	637,716	428,551	-
-	-	54	-	-	-	-	-	-
29,949	46,543	706,648	678	0	9,653,985	686,225	589,674	0
716,506	164,212	211,065	563,610	1,913	-	-	-	259,144
300,486	2,480,435	3,475,479	8,035,942	3,818	-	-	-	503,658
\$1,016,992	\$2,644,647	\$3,686,544	\$8,599,552	\$5,731	\$0	\$0	\$0	\$762,802

WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY
 COMBINING SCHEDULE OF REVENUES,
 EXPENDITURES AND CHANGES IN FUND BALANCE -
 COMMUNITY DEVELOPMENT FUND
 For The Year Ended December 31, 2025

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	421 - Local Affordable Housing Aid	422 - Local and Affordable Housing Aid - Hugo	423 - Woodbury Down Payment Assistance Program	424 - Local and Affordable Housing Aid - Lake Elmo	Total Community Development Fund
Revenues:					
General property taxes	\$ -	\$ -	\$ -	\$ -	\$2,057,804
Intergovernmental	4,304,444	152,253	250,000	48,811	16,163,131
Charges for services:					
Administrative fees	3,143	-	4,000	-	137,675
Investment income (loss)	148,996	3,064	3,798	305	491,943
Other	-	-	-	-	709,731
Total revenues	<u>4,456,583</u>	<u>155,317</u>	<u>257,798</u>	<u>49,116</u>	<u>19,560,284</u>
Expenditures:					
Current:					
Administrative salaries and benefits	-	-	5,812	-	1,087,288
Administrative travel and per diems	-	-	-	-	4,488
Administrative legal	-	-	-	-	31,534
Administrative sundry	340	-	-	-	69,004
Professional services	-	-	-	-	360,859
Financing fee	-	-	-	-	16
Project costs	371,390	-	70,269	-	11,171,966
Other	-	-	-	-	54
Total expenditures	<u>371,730</u>	<u>0</u>	<u>76,081</u>	<u>0</u>	<u>12,725,209</u>
Net change in fund balance	4,084,853	155,317	181,717	49,116	6,835,075
Fund balance (deficit) - January 1	<u>1,375,483</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,242,415</u>
Fund balance (deficit) - December 31	<u>\$5,460,336</u>	<u>\$155,317</u>	<u>\$181,717</u>	<u>\$49,116</u>	<u>\$25,077,490</u>

HOME OWNERSHIP COUNSELING FUND

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

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

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

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

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

WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY

COMBINING BALANCE SHEET -
HOME OWNERSHIP COUNSELING FUND

December 31, 2025

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	202 - MN Housing Down Payment Assistance	273 - HECAT Homebuyer Education	276 - Foreclosure Counseling and Grant	294 - HUD Comprehensive Counseling	Total Home Ownership Counseling Fund
Assets					
Cash, cash equivalents and investments	\$878	\$449	\$10,167	\$2,177	\$13,671
Due from other governmental units	-	38,506	-	26,661	65,167
Total assets	<u>\$878</u>	<u>\$38,955</u>	<u>\$10,167</u>	<u>\$28,838</u>	<u>\$78,838</u>
Liabilities, Deferred Inflows of Resources and Fund Balance					
Liabilities:					
Accounts payable	\$ -	\$15	\$ -	\$ -	\$15
Due to other funds	-	35,635	-	26,661	62,296
Accrued wages and benefits payable	-	3,305	238	2,177	5,720
Total liabilities	<u>0</u>	<u>38,955</u>	<u>238</u>	<u>28,838</u>	<u>68,031</u>
Fund balance:					
Committed	878	-	9,929	-	10,807
Total fund balance	<u>878</u>	<u>0</u>	<u>9,929</u>	<u>0</u>	<u>10,807</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$878</u>	<u>\$38,955</u>	<u>\$10,167</u>	<u>\$28,838</u>	<u>\$78,838</u>

WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY

COMBINING SCHEDULE OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE -

HOME OWNERSHIP COUNSELING FUND

For The Year Ended December 31, 2025

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	202 - MN Housing Down Payment Assistance	273 - HECAT Homebuyer Education	276 - Foreclosure Counseling and Grant	294 - HUD Comprehensive Counseling	Intra-Activity Eliminations	Total Home Ownership Counseling Fund
Revenues:						
General property tax	\$ -	\$ -	\$121,500	\$ -	\$ -	\$121,500
Intergovernmental	-	59,653	-	46,599	-	106,252
Charges for services:						
Administrative fees	-	2,161	1,559	-	-	3,720
Investment income (loss)	-	-	1,044	-	-	1,044
Total revenues	<u>0</u>	<u>61,814</u>	<u>124,103</u>	<u>46,599</u>	<u>0</u>	<u>232,516</u>
Expenditures:						
Current:						
Administrative salaries and benefits	-	96,914	31,711	85,253	-	213,878
Administrative travel and per diems	-	-	56	-	-	56
Administrative sundry	-	7,144	5,179	-	-	12,323
Professional services	-	-	1,559	-	-	1,559
Total expenditures	<u>0</u>	<u>104,058</u>	<u>38,505</u>	<u>85,253</u>	<u>0</u>	<u>227,816</u>
Revenues over (under) expenditures	<u>-</u>	<u>(42,244)</u>	<u>85,598</u>	<u>(38,654)</u>	<u>-</u>	<u>4,700</u>
Other financing sources (uses):						
Transfers from other funds	-	42,244	-	38,654	(80,898)	-
Transfers to other funds	-	-	(80,898)	-	80,898	-
Total other financing sources (uses)	<u>0</u>	<u>42,244</u>	<u>(80,898)</u>	<u>38,654</u>	<u>0</u>	<u>0</u>
Net change in fund balance	-	-	4,700	-	-	4,700
Fund balance - January 1	<u>878</u>	<u>-</u>	<u>5,229</u>	<u>-</u>	<u>-</u>	<u>6,107</u>
Fund balance - December 31	<u>\$878</u>	<u>\$0</u>	<u>\$9,929</u>	<u>\$0</u>	<u>\$0</u>	<u>\$10,807</u>

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TAX INCREMENT FUND

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

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

WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY
 COMBINING BALANCE SHEET -
 TAX INCREMENT FUND
 December 31, 2025

Statement 21

	242 - Whispering Oaks TIF	412 - Red Rock - TIF	Total Tax Increment Fund
Assets			
Cash, cash equivalents and investments	\$71,162	\$1,000	\$72,162
Property taxes receivable	1,937	-	1,937
Property held for resale	-	142,979	142,979
Total assets	<u>\$73,099</u>	<u>\$143,979</u>	<u>\$217,078</u>
Liabilities, Deferred Inflows of Resources and Fund Balance			
Liabilities:			
Advances from other funds	\$2,637,027	\$600,886	\$3,237,913
Total liabilities	<u>2,637,027</u>	<u>600,886</u>	<u>3,237,913</u>
Deferred inflows of resources:			
Unavailable revenue	-	142,979	142,979
Total deferred inflows of resources	<u>0</u>	<u>142,979</u>	<u>142,979</u>
Fund balance:			
Unassigned	(2,563,928)	(599,886)	(3,163,814)
Total fund balance	<u>(2,563,928)</u>	<u>(599,886)</u>	<u>(3,163,814)</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$73,099</u>	<u>\$143,979</u>	<u>\$217,078</u>

WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY
COMBINING SCHEDULE OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE -
TAX INCREMENT FUND
For The Year Ended December 31, 2025

Statement 22

	242 - Whispering Oaks TIF	412 - Red Rock - TIF	Total Tax Increment Fund
Revenues:			
Tax increments	\$192,920	\$37,386	\$230,306
Investment income (loss)	1,481	-	1,481
Total revenues	<u>194,401</u>	<u>37,386</u>	<u>231,787</u>
Expenditures:			
Current:			
Administrative sundry	108	108	216
Professional services	1,250	1,250	2,500
Other	625	375	1,000
Debt service:			
Principal	79,459	-	79,459
Interest	78,016	24,521	102,537
Total expenditures	<u>159,458</u>	<u>26,254</u>	<u>185,712</u>
Net change in fund balance	34,943	11,132	46,075
Fund balance - January 1	<u>(2,598,871)</u>	<u>(611,018)</u>	<u>(3,209,889)</u>
Fund balance - December 31	<u><u>(\$2,563,928)</u></u>	<u><u>(\$599,886)</u></u>	<u><u>(\$3,163,814)</u></u>

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PUBLIC HOUSING FUND

The Public Housing Fund is used to account for the operation of 40 units of rental housing within Washington County through the HUD funded Low-Rent Housing Program and Capital Fund Program. These units are owned and operated by the CDA but are subject to HUD's program rules and regulations. HUD provides subsidies for the operation, maintenance and improvement of these units. The Washington County Community Development Agency maintains the following Public Housing Fund:

635 - HUD - Scattered Site - the CDA's Metropolitan Housing Opportunity Program (MHOP) scattered site units were sold to a CDA owned subsidiary in 2020. Upon disposal, 56 tenant protection vouchers were issued. The purpose of this fund is to track the operating grant revenues and expenditures received and used for public housing.

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

638 - Bluestem - to account for HUD operating subsidy received under the CDA's Faircloth authority for the Bluestem mixed-finance development and passed through to the developer prior to the project's conversion to RAD.

WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY
COMBINING SCHEDULE OF NET POSITION -
PUBLIC HOUSING FUND
December 31, 2025

Statement 23

	635 - HUD Scattered Site	636 - Whispering Pines	638 - Bluestem	Total Public Housing Fund
Assets:				
Current assets:				
Cash and cash equivalents	\$352,770	\$557,485	\$ -	\$910,255
Restricted cash and investments	-	11,075	-	11,075
Accounts receivable - tenants	-	6,070	-	6,070
Allowance for doubtful accounts	-	(4,320)	-	(4,320)
Due from other governmental units	-	119,739	-	119,739
Prepaid items	-	21,739	-	21,739
Total current assets	352,770	711,788	0	1,064,558
Noncurrent assets:				
Capital assets:				
Land	-	315,000	-	315,000
Projects in process	-	220,855	-	220,855
Buildings and structures	-	3,099,784	-	3,099,784
Furniture and equipment	-	16,974	-	16,974
Total capital assets	0	3,652,613	0	3,652,613
Less: Accumulated depreciation	-	(733,496)	-	(733,496)
Net capital assets	0	2,919,117	0	2,919,117
Total noncurrent assets	0	2,919,117	0	2,919,117
Total assets	\$352,770	\$3,630,905	\$ -	\$3,983,675
Liabilities:				
Current liabilities:				
Accounts payable	\$ -	\$19,455	\$ -	\$19,455
Due to other governmental units	-	4,517	-	4,517
Unearned revenue - rent	352,770	993	-	353,763
Current liabilities payable from restricted assets:				
Security deposits/FSS escrow	-	11,075	-	11,075
Contracts payable	-	18,803	-	18,803
Total current liabilities payable from restricted assets	0	29,878	-	29,878
Total current liabilities	352,770	54,843	0	407,613
Noncurrent liabilities:				
Notes and mortgages payable	-	660,291	-	660,291
Total noncurrent liabilities	0	660,291	0	660,291
Total liabilities	352,770	715,134	0	1,067,904
Net position:				
Net investment in capital assets	-	2,240,023	-	2,240,023
Unrestricted	-	675,748	-	675,748
Total net position	\$0	\$2,915,771	\$0	\$2,915,771

WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY
 COMBINING SCHEDULE OF REVENUES, EXPENSES AND
 CHANGES IN FUND NET POSITION -
 PUBLIC HOUSING FUND
 For The Year Ended December 31, 2025

Statement 24

	635 - HUD Scattered Site	636 - Whispering Pines	638 - Bluestem	Total Public Housing Fund
Operating revenues:				
Rental income	\$ -	\$144,270	\$ -	\$144,270
Service income	-	1,416	-	1,416
HUD rent subsidies	13,403	377,400	63,253	454,056
Other	-	8,340	-	8,340
Total operating revenues	13,403	531,426	63,253	608,082
Operating expenses:				
Management fee	-	54,726	-	54,726
Legal	-	3,280	-	3,280
Administrative	-	5,951	-	5,951
Operating	-	11,696	-	11,696
Maintenance	-	130,371	-	130,371
Utilities	-	71,975	-	71,975
Insurance	-	22,214	-	22,214
Property taxes	-	4,637	-	4,637
Depreciation	-	105,980	-	105,980
Total operating expenses	0	410,830	-	410,830
Operating income (loss)	13,403	120,596	63,253	197,252
Nonoperating revenues (expenses):				
Investment income	14,227	28,804	-	43,031
Intergovernmental	-	16	-	16
Financial expense	-	(72)	-	(72)
Interest expense	-	(20)	-	(20)
Property tax revenue	-	453	-	453
Other	(27,630)	(301)	(63,253)	(91,184)
Total nonoperating revenues (expenses)	(13,403)	28,880	(63,253)	(47,776)
Income (loss) before contributions and transfers	-	149,476	-	149,476
Transfers:				
Transfers from other funds	-	2,400	-	2,400
Total transfers	0	2,400	0	2,400
Change in net position	0	151,876	0	151,876
Net position - January 1	-	2,763,895	-	2,763,895
Net position - December 31	\$0	\$2,915,771	\$0	\$2,915,771

WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY
COMBINING SCHEDULE OF CASH FLOWS -
PUBLIC HOUSING FUND
For The Year Ended December 31, 2025

Statement 25

	635 - HUD Scattered Site	636 - Whispering Pines	638 - Bluestem	Total Public Housing Fund
Cash flows from operating activities:				
Receipts from customers and users	\$27,630	\$405,304	\$63,253	\$496,187
Payment to suppliers for goods and services	-	(300,999)	-	(300,999)
Miscellaneous income	-	8,340	-	8,340
Miscellaneous (loss)	(27,630)	(301)	(63,253)	(91,184)
Net cash flows from operating activities	0	112,344	0	112,344
Cash flows from capital and related financing activities:				
Property taxes	-	453	-	453
Transfers in	-	2,400	-	2,400
Federal recovery zone credits	-	16	-	16
Fiscal agent costs and other debt related fees	-	(72)	-	(72)
Purchase of capital assets	-	(260,597)	-	(260,597)
Interest paid on long-term debt	-	(50)	-	(50)
Principal payments on long-term debt	-	(2,206)	-	(2,206)
Net cash flows from capital and related financing activities	0	(260,056)	0	(260,056)
Cash flows from investing activities:				
Investment income	14,227	28,804	-	43,031
Net increase (decrease) in cash and cash equivalents	14,227	(118,908)	0	(104,681)
Cash and cash equivalents - January 1	338,543	687,468	-	1,026,011
Cash and cash equivalents - December 31	\$352,770	\$568,560	\$0	\$921,330
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$13,403	\$120,596	\$63,253	\$197,252
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:				
Depreciation	-	105,980	-	105,980
Miscellaneous income (loss)	(27,630)	(301)	(63,253)	(91,184)
Changes in assets and liabilities:				
Decrease (increase) in receivables	-	3,263	-	3,263
Decrease (increase) prepaid items	-	(1,069)	-	(1,069)
Decrease (increase) due from other governments	-	(119,711)	-	(119,711)
Increase (decrease) accounts payable	-	5,023	-	5,023
Increase (decrease) security deposits payable	-	1,959	-	1,959
Increase (decrease) due to other governments	-	(103)	-	(103)
Increase (decrease) unearned revenue	14,227	(3,293)	-	10,934
Total adjustments	(13,403)	(8,252)	(63,253)	(84,908)
Net cash provided by operating activities	\$0	\$112,344	\$0	\$112,344
Noncash investing, capital and financing activities:				
Acquisition of capital assets via contracts payable	\$0	\$18,803	\$0	\$18,803

SENIOR HOUSING FUND

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

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

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

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

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

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

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

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

617 - Raymie Johnson Estates - to account for activity related to the former CDA-owned Raymie Johnson Estates property through its sale to Raymie Johnson Estates, LLC and conversion into a low-income housing tax credit project in 2025. Prior to the sale, the property consisted of 120 project-based Section 8 apartment and townhome units serving seniors, people with disabilities, and families.

WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY
COMBINING SCHEDULE OF NET POSITION -
SENIOR HOUSING FUND
December 31, 2025

	609 - Ann Bodlovick	614 - Cobble Hill	612 - John Jergens Estates	602 - Muller Manor
Assets:				
Current assets:				
Cash and cash equivalents	\$137,973	\$123,966	\$92,910	\$83,635
Restricted cash and investments	26,565	23,612	16,228	14,289
Accounts receivable - tenants	26	21	-	238
Allowance for doubtful accounts	-	(13)	-	(238)
Due from component unit	-	-	-	-
Prepaid items	31,393	35,323	21,673	16,104
Total current assets	<u>195,957</u>	<u>182,909</u>	<u>130,811</u>	<u>114,028</u>
Capital assets:				
Land	62,732	122,090	115,000	110,946
Projects in process	-	-	-	-
Buildings and structures	3,609,498	3,168,081	2,736,930	2,124,473
Furniture and Equipment	75,664	15,654	-	15,460
Total capital assets	<u>3,747,894</u>	<u>3,305,825</u>	<u>2,851,930</u>	<u>2,250,879</u>
Less: Accumulated depreciation	<u>(1,968,248)</u>	<u>(1,362,031)</u>	<u>(1,623,503)</u>	<u>(1,216,237)</u>
Net capital assets	<u>1,779,646</u>	<u>1,943,794</u>	<u>1,228,427</u>	<u>1,034,642</u>
Total noncurrent assets	<u>1,779,646</u>	<u>1,943,794</u>	<u>1,228,427</u>	<u>1,034,642</u>
Total assets	<u>1,975,603</u>	<u>2,126,703</u>	<u>1,359,238</u>	<u>1,148,670</u>

601 - Oakhill Cottages	613 - Pioneer Elderly	610 - Trailside	617 - Raymie Johnson Estates	Total Senior Housing Fund
\$557,488	\$61,615	\$164,753	\$7,968,906	\$9,191,246
20,961	9,737	2,483,236	-	2,594,628
-	22	239	45,432	45,978
-	-	-	(33,660)	(33,911)
-	-	-	59,208	59,208
24,948	10,903	55,778	-	196,122
603,397	82,277	2,704,006	8,039,886	12,053,271
115,000	50,000	885,000	-	1,460,768
255,938	-	-	-	255,938
3,662,900	1,250,506	8,512,814	-	25,065,202
11,870	10,173	124,048	-	252,869
4,045,708	1,310,679	9,521,862	0	27,034,777
(1,790,243)	(653,718)	(2,768,968)	-	(11,382,948)
2,255,465	656,961	6,752,894	0	15,651,829
2,255,465	656,961	6,752,894	0	15,651,829
2,858,862	739,238	9,456,900	8,039,886	27,705,100

WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY
COMBINING SCHEDULE OF NET POSITION -
SENIOR HOUSING FUND
December 31, 2025

	609 - Ann Bodlovick	614 - Cobble Hill	612 - John Jergens Estates	602 - Muller Manor
Liabilities:				
Current liabilities:				
Accounts payable	\$13,962	\$5,147	\$13,221	\$13,364
Due to other governmental units	24,826	21,021	13,518	11,435
Unearned revenue - rent	-	913	-	42
Advances from other funds	-	-	-	-
Current liabilities payable from restricted assets:				
Accrued interest payable	-	-	-	-
Security deposits payable	26,565	23,612	16,228	14,289
Contracts payable	-	-	-	-
Current portion of long-term debt	-	-	-	-
Total current liabilities payable from restricted assets	26,565	23,612	16,228	14,289
Total current liabilities	65,353	50,693	42,967	39,130
Noncurrent liabilities:				
Long-term debt	-	-	-	-
Total noncurrent liabilities	0	0	0	0
Total liabilities	65,353	50,693	42,967	39,130
Net position:				
Net investment in capital assets	1,779,646	1,943,794	1,228,427	1,034,642
Restricted for bond indenture purposes	-	-	-	-
Unrestricted	130,604	132,216	87,844	74,898
Total net position	\$1,910,250	\$2,076,010	\$1,316,271	\$1,109,540

601 - Oakhill Cottages	613 - Pioneer Elderly	610 - Trailside	617 - Raymie Johnson Estates	Total Senior Housing Fund
\$13,629	\$10,617	\$30,457	\$30,653	\$131,050
20,219	6,083	31,508	37,278	165,888
1,344	-	1,829	-	4,128
-	-	500,000	-	500,000
-	-	161,561	-	161,561
20,961	9,737	35,625	-	147,017
9,996	-	870	-	10,866
-	-	285,000	-	285,000
30,957	9,737	483,056	-	604,444
66,149	26,437	1,046,850	67,931	1,405,510
-	-	5,142,680	-	5,142,680
0	0	5,142,680	0	5,142,680
66,149	26,437	6,189,530	67,931	6,548,190
2,245,469	656,961	1,324,344	-	10,213,283
-	-	2,416,103	-	2,416,103
547,244	55,840	(473,077)	7,971,955	8,527,524
\$2,792,713	\$712,801	\$3,267,370	\$7,971,955	\$21,156,910

WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY
COMBINING SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION -
SENIOR HOUSING FUND
For The Year Ended December 31, 2025

	609 - Ann Bodlovick	614 - Cobble Hill	612 - John Jergens Estates	602 - Muller Manor
Operating revenues:				
Rental income	\$565,760	\$459,625	\$340,140	\$267,748
Service income	4,844	1,512	-	-
HUD rent subsidies	-	-	-	-
Other	2,734	21,390	3,004	3,133
Total operating revenues	<u>573,338</u>	<u>482,527</u>	<u>343,144</u>	<u>270,881</u>
Operating expenses:				
Marketing	1,952	2,159	470	470
Management fee	65,308	59,793	38,942	34,653
Legal	80	240	-	-
Administrative	18,930	7,182	2,278	7,004
Operating	9,098	10,353	2,870	5,647
Maintenance	152,219	181,995	106,383	111,391
Utilities	54,515	43,908	58,499	32,610
Insurance	31,020	34,785	21,378	15,691
Property taxes	24,976	21,156	13,608	11,519
Depreciation	100,499	79,169	68,423	53,113
Total operating expenses	<u>458,597</u>	<u>440,740</u>	<u>312,851</u>	<u>272,098</u>
Operating income (loss)	<u>114,741</u>	<u>41,787</u>	<u>30,293</u>	<u>(1,217)</u>
Nonoperating revenues (expenses):				
Investment income	15,318	12,083	10,602	8,021
Intergovernmental	35	54	-	16
Gain (loss) on asset disposition	-	-	-	-
Financial expense	(8,496)	(9,138)	(4,744)	(4,963)
Amortization of bond premium	10,086	9,643	5,041	5,308
Amortization of deferred gain (loss) on refunding	(15,369)	(30,290)	(15,664)	(16,434)
Interest expense	(7,063)	(8,542)	(4,417)	(4,640)
Property tax revenue	2,000	2,000	19,000	33,000
Other	(299)	(284)	(225)	(140)
Total nonoperating revenues (expenses)	<u>(3,788)</u>	<u>(24,474)</u>	<u>9,593</u>	<u>20,168</u>
Income (loss) before transfers	<u>110,953</u>	<u>17,313</u>	<u>39,886</u>	<u>18,951</u>
Transfers:				
Transfers from other funds	266,076	441,768	179,200	201,852
Transfers to other funds	(105,000)	(23,000)	(59,000)	(38,000)
Total transfers	<u>161,076</u>	<u>418,768</u>	<u>120,200</u>	<u>163,852</u>
Change in net position	272,029	436,081	160,086	182,803
Net position - January 1	<u>1,638,221</u>	<u>1,639,929</u>	<u>1,156,185</u>	<u>926,737</u>
Net position - December 31	<u><u>\$1,910,250</u></u>	<u><u>\$2,076,010</u></u>	<u><u>\$1,316,271</u></u>	<u><u>\$1,109,540</u></u>

601 - Oakhill Cottages	613 - Pioneer Elderly	610 - Trailside	617 - Raymie Johnson Estates	Intra-Activity Eliminations	Total Senior Housing Fund
\$432,538	\$155,396	\$727,218	\$239,336	\$ -	\$3,187,761
-	-	-	2,164	-	8,520
-	-	-	547,180	-	547,180
5,115	2,648	19,076	960	-	58,060
437,653	158,044	746,294	789,640	0	3,801,521
4,505	365	1,440	4,988	-	16,349
51,380	22,174	90,940	79,504	-	442,694
-	-	1,095	32,735	-	34,150
2,871	7,312	15,871	7,447	-	68,895
3,480	4,853	3,776	1,316	-	41,393
143,021	65,954	223,177	224,121	-	1,208,261
13,259	35,037	117,432	57,913	-	413,173
24,127	10,568	55,766	49,466	-	242,801
20,339	6,137	31,718	38,326	-	167,779
91,572	31,122	212,755	89,385	-	726,038
354,554	183,522	753,970	585,201	-	3,361,533
83,099	(25,478)	(7,676)	204,439	0	439,988
20,796	2,849	89,319	215,149	-	374,137
-	12	138,203	2,152	-	140,472
-	-	-	11,211,780	-	11,211,780
(551)	(55)	(11,845)	(5,881)	-	(45,673)
222	-	-	621	-	30,921
(36)	-	-	(101)	-	(77,894)
(125)	(15)	(323,123)	(3,185)	-	(351,110)
-	5,800	378,000	61,836	-	501,636
(310)	(115)	(369)	(10,890)	-	(12,632)
19,996	8,476	270,185	11,471,481	0	11,771,637
103,095	(17,002)	262,509	11,675,920	-	12,211,625
255,938	103,184	35,303	236,700	(1,029,518)	690,503
(67,000)	(3,000)	(38,000)	(9,962,645)	1,029,518	(9,266,127)
188,938	100,184	(2,697)	(9,725,945)	0	(8,575,624)
292,033	83,182	259,812	1,949,975	0	3,636,001
2,500,680	629,619	3,007,558	6,021,980	-	17,520,909
\$2,792,713	\$712,801	\$3,267,370	\$7,971,955	\$0	\$21,156,910

WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY
COMBINING SCHEDULE OF CASH FLOWS -
SENIOR HOUSING FUND
For The Year Ended December 31, 2025

	609 - Ann Bodlovick	614 - Cobble Hill	612 - John Jergens Estates	602 - Muller Manor
Cash flows from operating activities:				
Receipts from customers and users	\$572,580	\$466,400	\$339,691	\$269,837
Payment to suppliers for goods and services	(367,551)	(376,970)	(250,734)	(224,220)
Miscellaneous income	2,734	21,390	3,004	3,133
Miscellaneous (loss)	(299)	(284)	(225)	(140)
Net cash flows from operating activities	207,464	110,536	91,736	48,610
Cash flows from noncapital financing activities:				
Transfers out	(105,000)	(23,000)	(59,000)	(38,000)
Net cash flows from noncapital financing activities	(105,000)	(23,000)	(59,000)	(38,000)
Cash flows from capital and related financing activities:				
Property taxes	2,000	2,000	19,000	33,000
Transfers in	266,076	441,768	179,200	201,852
Federal recovery zone credits and CDBG	98	150	-	45
Fiscal agent costs and other debt related fees	1,590	505	297	345
Proceeds from sale of capital assets	-	-	-	-
Purchase of capital assets	(29,050)	(16,130)	-	-
Interest paid on long-term debt	(16,877)	(20,209)	(10,446)	(10,952)
Principal payments on long-term debt	(807,570)	(949,173)	(490,820)	(513,189)
Net cash flows from capital and related financing activities	(583,733)	(541,089)	(302,769)	(288,899)
Cash flows from investing activities:				
Investment income	15,318	12,083	10,602	8,021
Net increase (decrease) in cash and cash equivalents	(465,951)	(441,470)	(259,431)	(270,268)
Cash and cash equivalents - January 1	630,489	589,048	368,569	368,192
Cash and cash equivalents - December 31	\$164,538	\$147,578	\$109,138	\$97,924
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$114,741	\$41,787	\$30,293	(\$1,217)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:				
Depreciation	100,499	79,169	68,423	53,113
Miscellaneous income (loss)	(299)	(284)	(225)	(140)
Changes in assets and liabilities:				
Decrease (increase) in receivables	4,475	3,838	-	3,114
Decrease (increase) due from component unit	-	-	-	-
Decrease (increase) prepaid items	(1,999)	(2,979)	(2,037)	(1,060)
Increase (decrease) accounts payable	(8,111)	(11,257)	(4,601)	(4,269)
Increase (decrease) security deposits payable	(1,274)	1,436	(449)	(997)
Increase (decrease) due to other governments	657	(1,163)	332	94
Increase (decrease) unearned revenue	(1,225)	(11)	-	(28)
Total adjustments	92,723	68,749	61,443	49,827
Net cash provided by operating activities	\$207,464	\$110,536	\$91,736	\$48,610
Noncash investing, capital and financing activities:				
Note receivable transferred to Managing Member Partnership	\$0	\$0	\$0	\$0
Acquisition of capital assets via contracts payable	\$0	\$0	\$0	\$0

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601 - Oakhill Cottages	613 - Pioneer Elderly	610 - Trailside	617 - Raymie Johnson Estates	Total Senior Housing Fund
\$433,902	\$155,337	\$658,232	\$669,140	\$3,565,119
(272,967)	(155,551)	(564,008)	(457,139)	(2,669,140)
5,115	2,648	19,076	960	58,060
(310)	(115)	(369)	(10,890)	(12,632)
165,740	2,319	112,931	202,071	941,407
(67,000)	(3,000)	(38,000)	(1,189,265)	(1,522,265)
(67,000)	(3,000)	(38,000)	(1,189,265)	(1,522,265)
-	5,800	378,000	61,836	501,636
255,938	103,184	35,303	236,700	1,720,021
-	33	209,732	6,014	216,072
(329)	(55)	(11,845)	(5,881)	(15,373)
-	-	-	6,226,620	6,226,620
(245,942)	(101,185)	(35,303)	(8,469)	(436,079)
(750)	(37)	(330,123)	(9,052)	(398,446)
(60,132)	(1,671)	(276,179)	(472,991)	(3,571,725)
(51,215)	6,069	(30,415)	6,034,777	4,242,726
20,796	2,849	160,848	215,149	445,666
68,321	8,237	205,364	5,262,732	4,107,534
510,128	63,115	2,442,625	2,706,174	7,678,340
\$578,449	\$71,352	\$2,647,989	\$7,968,906	\$11,785,874
\$83,099	(\$25,478)	(\$7,676)	\$204,439	\$439,988
91,572	31,122	212,755	89,385	726,038
(310)	(115)	(369)	(10,890)	(12,632)
51	(22)	(71,613)	19,933	(40,224)
-	-	-	(59,208)	(59,208)
(1,825)	(726)	(4,723)	80,613	65,264
(8,739)	(2,314)	(17,024)	(12,234)	(68,549)
(23)	563	848	(44,604)	(44,500)
579	(111)	(1,046)	(29,702)	(30,360)
1,336	(600)	1,779	(35,661)	(34,410)
82,641	27,797	120,607	(2,368)	501,419
\$165,740	\$2,319	\$112,931	\$202,071	\$941,407
\$0	\$0	\$0	(\$8,773,380)	(\$8,773,380)
\$9,996	\$0	\$870	\$0	\$10,866

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FAMILY HOUSING FUND

The Family Housing Fund is used to account for the resources accumulated and payments made for the acquisition, construction, improvement and operation of 330 units of bond-financed, or other, family housing within the County. The Washington County Community Development Agency maintains the following Family Housing Fund:

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

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

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

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

619 - Landfall - to account for residual activity related to the former Landfall note receivable and related bond financing, including the transfer of remaining funds after the bonds were paid in full.

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

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

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

628 - Mosaic - to account for the operations of three townhome units throughout Washington County.

WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY

COMBINING SCHEDULE OF NET POSITION -

FAMILY HOUSING FUND

December 31, 2025

	604 - Woodland Park	607 - Park Place I	616 - Transitional Housing	618 - Washington Conservation District
Assets:				
Current assets:				
Cash and cash equivalents	\$379,198	\$194,276	\$79,658	\$ -
Restricted cash and investments	3,716,330	13,538	51,257	13,134
Accounts receivable - tenants	27,572	4,370	-	-
Allowance for doubtful accounts	(17,409)	-	-	-
Due from other governmental units	-	-	600	-
Prepaid items	119,287	19,742	2,909	-
Lease receivable - short term	-	-	-	50,000
Total current assets	4,224,978	231,926	134,424	63,134
Noncurrent assets:				
Other assets:				
Lease receivable - long term	-	-	-	755,833
Total other assets	0	0	0	755,833
Capital assets:				
Land	422,638	72,000	31,775	-
Buildings and structures	15,571,632	2,106,609	480,081	1,021,667
Furniture and Equipment	114,943	-	-	-
Total capital assets	16,109,213	2,178,609	511,856	1,021,667
Less: Accumulated depreciation	(8,112,223)	(730,861)	(206,254)	(300,490)
Net capital assets	7,996,990	1,447,748	305,602	721,177
Total noncurrent assets	7,996,990	1,447,748	305,602	1,477,010
Total assets	12,221,968	1,679,674	440,026	1,540,144
Deferred outflows of resources:				
Unamortized loss on refunding	14,361	-	-	-
Total deferred outflows of resources	14,361	0	0	0

620 - Park Place II	626 - Brick Pond	627 - WCCDA Family Housing, LLC	628 - Mosaic	Total Family Housing Fund
\$28,546	\$68,513	\$1,590,163	\$18,263	\$2,358,617
2,438	277,950	38,637	1,729	4,115,013
-	5,560	17,976	1,830	57,308
-	(4,489)	(11,308)	(1,830)	(35,036)
-	-	-	-	600
3,298	30,764	70,204	7,417	253,621
-	-	-	-	50,000
34,282	378,298	1,705,672	27,409	6,800,123
-	-	-	-	755,833
0	0	0	0	755,833
12,000	360,000	927,004	214,000	2,039,417
297,068	1,737,971	7,218,684	416,000	28,849,712
-	10,973	-	-	125,916
309,068	2,108,944	8,145,688	630,000	31,015,045
(89,086)	(660,266)	(5,179,704)	(23,400)	(15,302,284)
219,982	1,448,678	2,965,984	606,600	15,712,761
219,982	1,448,678	2,965,984	606,600	16,468,594
254,264	1,826,976	4,671,656	634,009	23,268,717
-	-	-	-	14,361
0	0	0	0	14,361

WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY
COMBINING SCHEDULE OF NET POSITION -
FAMILY HOUSING FUND
December 31, 2025

	604 - Woodland Park	607 - Park Place I	616 - Transitional Housing	618 - Washington Conservation District
Liabilities:				
Current liabilities:				
Accounts payable	\$80,249	\$109,177	\$6,814	\$ -
Due to other governmental units	102,525	13,454	208	-
Unearned revenue - rent	4,211	554	-	-
Current liabilities payable from restricted assets:				
Accrued interest payable	57,625	-	-	2,401
Security deposits payable	72,957	13,538	2,121	-
Contracts payable	5,520	-	-	-
Current portion of long-term debt	710,000	-	-	50,000
Total current liabilities payable from restricted assets	846,102	13,538	2,121	52,401
Total current liabilities	1,033,087	136,723	9,143	52,401
Noncurrent liabilities:				
Long-term debt	4,033,919	-	-	760,000
Notes and mortgages payable	-	-	197,010	-
Total noncurrent liabilities	4,033,919	0	197,010	760,000
Total liabilities	5,067,006	136,723	206,153	812,401
Deferred inflows of resources:				
Related to leases	-	-	-	805,833
Total deferred inflows of resources	0	0	0	805,833
Net position:				
Net investment in capital assets	3,261,912	1,447,748	108,592	(88,823)
Restricted for bond indenture purposes	3,540,848	-	49,136	13,134
Unrestricted	366,563	95,203	76,145	(2,401)
Total net position	\$7,169,323	\$1,542,951	\$233,873	(\$78,090)

620 - Park Place II	626 - Brick Pond	627 - WCCDA Family Housing, LLC	628 - Mosaic	Total Family Housing Fund
\$3,910	\$12,984	\$5,486	\$952	\$219,572
2,463	45,390	53,038	1,512	218,590
-	952	3,235	-	8,952
-	-	-	-	60,026
2,438	12,753	23,772	1,729	129,308
-	-	-	-	5,520
-	-	-	-	760,000
2,438	12,753	23,772	1,729	954,854
8,811	72,079	85,531	4,193	1,401,968
-	-	-	-	4,793,919
-	-	-	-	197,010
0	0	0	0	4,990,929
8,811	72,079	85,531	4,193	6,392,897
-	-	-	-	805,833
0	0	0	0	805,833
219,982	1,448,678	2,965,984	606,600	9,970,673
-	219,807	14,865	-	3,837,790
25,471	86,412	1,605,276	23,216	2,275,885
\$245,453	\$1,754,897	\$4,586,125	\$629,816	\$16,084,348

WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY
COMBINING SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION -
FAMILY HOUSING FUND
For The Year Ended December 31, 2025

	604 - Woodland Park	607 - Park Place I	616 - Transitional Housing	618 - Washington Conservation District
Operating revenues:				
Rental income	\$2,305,135	\$322,068	\$20,172	\$ -
Service income	-	-	-	-
Other	61,395	8,842	1,864	45,417
Total operating revenues	2,366,530	330,910	22,036	45,417
Operating expenses:				
Marketing	8,901	1,884	-	-
Management fee	252,399	45,249	4,073	-
Legal	18,291	4,310	2,526	-
Administrative	15,449	3,949	545	-
Operating	24,928	4,131	4,815	-
Maintenance	832,508	171,437	13,227	-
Utilities	299,975	57,225	15,482	-
Insurance	117,085	19,616	1,818	-
Property taxes	103,683	13,562	208	-
Depreciation	375,324	52,307	11,605	60,098
Total operating expenses	2,048,543	373,670	54,299	60,098
Operating income (loss)	317,987	(42,760)	(32,263)	(14,681)
Nonoperating revenues (expenses):				
Investment income	131,459	10,761	4,068	31,296
Intergovernmental	148,382	-	-	-
Financial expense	(10,425)	(3,746)	-	-
Amortization of bond premium	31,234	3,966	-	-
Amortization of deferred gain (loss) on refunding	(2,825)	(12,352)	-	-
Interest expense	(142,250)	(3,479)	-	(29,968)
Property tax revenue	312,000	32,000	12,498	-
Other	(1,097)	(183)	(60)	-
Total nonoperating revenues (expenses)	466,478	26,967	16,506	1,328
Income (loss) before transfers	784,465	(15,793)	(15,757)	(13,353)
Transfers:				
Transfers from other funds	1,267,924	295,608	47,600	-
Transfers to other funds	(104,000)	-	-	-
Total transfers	1,163,924	295,608	47,600	0
Change in net position	1,948,389	279,815	31,843	(13,353)
Net position - January 1	5,220,934	1,263,136	202,030	(64,737)
Net position - December 31	\$7,169,323	\$1,542,951	\$233,873	(\$78,090)

619 - Landfall	620 - Park Place II	626 - Brick Pond	627 - WCCDA Family Housing, LLC	628 - Mosaic	Intra-Activity Eliminations	Total Family Housing Fund
\$ -	\$57,721	\$435,880	\$1,053,164	\$35,638	\$ -	\$4,229,778
-	-	1,818	-	-	-	1,818
-	148	10,545	24,843	2,453	-	155,507
0	57,869	448,243	1,078,007	38,091	0	4,387,103
77	679	6,365	445	-	-	18,351
-	7,552	52,536	76,544	3,678	-	442,031
-	-	4,005	6,696	4,120	-	39,948
-	733	5,257	2,386	172	-	28,491
-	394	4,179	180,074	11,752	-	230,273
-	24,267	135,949	244,817	15,985	-	1,438,190
-	8,464	64,138	13,211	7,235	-	465,730
-	3,272	30,025	13,290	3,634	-	188,740
-	2,481	45,510	59,546	1,556	-	226,546
-	7,507	43,449	240,790	10,400	-	801,480
77	55,349	391,413	837,799	58,532	0	3,879,780
(77)	2,520	56,830	240,208	(20,441)	0	507,323
5,666	929	29,046	62,067	944	-	276,236
-	-	-	-	-	-	148,382
(250)	(26)	(488)	(79)	-	-	(15,014)
-	-	-	-	-	-	35,200
-	-	-	-	-	-	(15,177)
-	-	-	-	-	-	(175,697)
-	-	-	-	8,630	-	365,128
-	(23)	(109)	(445)	(31)	-	(1,948)
5,416	880	28,449	61,543	9,543	0	617,110
5,339	3,400	85,279	301,751	(10,898)	-	1,124,433
-	9,650	-	-	-	(184,500)	1,436,282
(548,153)	(7,000)	(94,000)	-	-	184,500	(568,653)
(548,153)	2,650	(94,000)	0	0	0	867,629
(542,814)	6,050	(8,721)	301,751	(10,898)	0	1,992,062
542,814	239,403	1,763,618	4,284,374	640,714	-	14,092,286
\$0	\$245,453	\$1,754,897	\$4,586,125	\$629,816	\$0	\$16,084,348

WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY
COMBINING SCHEDULE OF CASH FLOWS -
FAMILY HOUSING FUND
For The Year Ended December 31, 2025

	604 - Woodland Park	607 - Park Place I	616 - Transitional Housing	618 - Washington Conservation District
Cash flows from operating activities:				
Receipts from customers and users	\$2,318,696	\$319,157	\$17,057	\$ -
Payment to suppliers for goods and services	(1,678,055)	(231,120)	(37,482)	-
Miscellaneous income	61,395	8,842	1,864	45,417
Miscellaneous (loss)	(1,097)	(183)	(60)	-
Net cash flows from operating activities	700,939	96,696	(18,621)	45,417
Cash flows from noncapital financing activities:				
Transfers out	(104,000)	-	-	-
Net cash flows from noncapital financing activities	(104,000)	0	0	0
Cash flows from capital and related financing activities:				
Property taxes	312,000	32,000	12,498	-
Transfers in	1,267,924	295,608	47,600	-
Federal recovery zone credits and CDBG	151,400	-	907	-
Fiscal agent costs and other debt related fees	(10,425)	(3,746)	-	-
Purchase of capital assets	(1,089,059)	(192,991)	(47,599)	-
Interest paid on long-term debt	(154,139)	(8,219)	-	(30,073)
Principal payments on long-term debt	(927,140)	(381,681)	-	(45,000)
Net cash flows from capital and related financing activities	(449,439)	(259,029)	13,406	(75,073)
Cash flows from investing activities:				
Investment income	131,459	10,761	4,068	31,296
Net cash flows from investing activities	131,459	10,761	4,068	31,296
Net increase (decrease) in cash and cash equivalents	278,959	(151,572)	(1,147)	1,640
Cash and cash equivalents - January 1	3,816,569	359,386	132,062	11,494
Cash and cash equivalents - December 31	\$4,095,528	\$207,814	\$130,915	\$13,134
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$317,987	(\$42,760)	(\$32,263)	(\$14,681)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:				
Depreciation	375,324	52,307	11,605	60,098
Miscellaneous income (loss)	(1,097)	(183)	(60)	-
Changes in assets and liabilities:				
Decrease (increase) in receivables	3,479	(3,865)	850	45,417
Decrease (increase) in prepaid items	(9,304)	(1,124)	(156)	-
Increase (decrease) accounts payable	2,718	91,225	5,853	-
Increase (decrease) security deposits payable	6,211	1,546	(799)	-
Increase (decrease) due to other governments	1,750	142	(485)	-
Increase (decrease) unearned revenue	3,871	(592)	(3,166)	-
Increase (decrease) deferred inflows of resources	-	-	-	(45,417)
Total adjustments	382,952	139,456	13,642	60,098
Net cash provided by operating activities	\$700,939	\$96,696	(\$18,621)	\$45,417
Noncash investing, capital and financing activities:				
Acquisition of capital assets via contracts payable	\$5,520	\$0	\$0	\$0

619 - Landfall	620 - Park Place II	626 - Brick Pond	627 - WCCDA Family Housing, LLC	628 - Mosaic	Total Family Housing Fund
\$ -	\$58,416	\$449,073	\$1,071,599	\$33,995	\$4,267,993
(77)	(46,844)	(355,439)	(622,279)	(51,726)	(3,023,022)
-	148	10,545	24,843	2,453	155,507
-	(23)	(109)	(445)	(31)	(1,948)
(77)	11,697	104,070	473,718	(15,309)	1,398,530
(548,153)	(7,000)	(94,000)	-	-	(753,153)
(548,153)	(7,000)	(94,000)	0	0	(753,153)
-	-	-	-	8,630	365,128
-	9,650	-	-	-	1,620,782
-	-	-	-	-	152,307
(250)	(26)	(488)	(79)	-	(15,014)
-	(9,650)	-	(247,636)	-	(1,586,935)
-	-	-	-	-	(192,431)
-	-	-	-	-	(1,353,821)
(250)	(26)	(488)	(247,715)	8,630	(1,009,984)
5,666	929	29,046	62,067	944	276,236
5,666	929	29,046	62,067	944	276,236
(542,814)	5,600	38,628	288,070	(5,735)	(88,371)
542,814	25,384	307,835	1,340,730	25,727	6,562,001
\$0	\$30,984	\$346,463	\$1,628,800	\$19,992	\$6,473,630
(77)	\$2,520	\$56,830	\$240,208	(\$20,441)	\$507,323
-	7,507	43,449	240,790	10,400	801,480
-	(23)	(109)	(445)	(31)	(1,948)
-	500	9,283	16,774	216	72,654
-	(194)	(2,798)	(3,300)	(731)	(17,607)
-	932	(7,302)	(28,040)	(2,394)	62,992
-	196	1,884	(706)	(1,859)	6,473
-	260	2,625	6,070	(469)	9,893
-	(1)	208	2,367	-	2,687
-	-	-	-	-	(45,417)
0	9,177	47,240	233,510	5,132	891,207
(77)	\$11,697	\$104,070	\$473,718	(\$15,309)	\$1,398,530
\$0	\$0	\$0	\$0	\$0	\$5,520

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MANAGING MEMBER PARTNERSHIP

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

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

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

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

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

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

855 - WCCDA Raymie Johnson, LLC - to account for the investment in and any transactions related to performing the duties of general partner and managing member of Raymie Johnson Estates, LLC. Raymie Johnson Estates, LLC is a low income housing tax credit limited partnership created to own, develop, construct, lease, manage and operate an apartment complex consisting of 120 units in four buildings located in Oak Park Heights, Minnesota.

856 - Raymie Johnson Lender - to account for the debt financing related to the Raymie Johnson Estates, LLC project.

WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY

COMBINING SCHEDULE OF NET POSITION -

MANAGING MEMBER PARTNERSHIP

December 31, 2025

Statement 32

	850 - The Groves Apartments Managing Member, LLC	851 - WCHRA Piccadilly Square, LLC	852 - Piccadilly Square Lender	853 - WCCDA Glen, LLC	854 - The Glen at Valley Creek	855 - WCCDA Raymie Johnson, LLC	856 - Raymie Johnson Lender	Total Managing Member Partnership
Assets:								
Current assets:								
Cash and cash equivalents	\$315,474	\$ -	\$825,675	\$167	\$1,257,795	\$ -	\$408,240	\$2,807,351
Restricted cash and investments	-	-	668,132	97,500	-	-	-	765,632
Due from component unit	-	-	227,955	-	-	-	400,000	627,955
Interest receivable	-	-	2,706	-	-	-	-	2,706
Interest receivable - due from component unit	3,337	-	2,227	-	62,844	-	209,883	278,291
Total current assets	318,811	0	1,726,695	97,667	1,320,639	0	1,018,123	4,481,935
Noncurrent assets:								
Other assets:								
Due from component unit - long term	635,827	-	6,508,163	-	1,980,219	-	30,451,110	39,575,319
Investment in limited partnerships	500,482	1,344,028	-	12,825	-	52	-	1,857,387
Total noncurrent assets	1,136,309	1,344,028	6,508,163	12,825	1,980,219	52	30,451,110	41,432,706
Total assets	1,455,120	1,344,028	8,234,858	110,492	3,300,858	52	31,469,233	45,914,641
Liabilities:								
Current liabilities payable from restricted assets:								
Accrued interest payable	-	-	103,349	-	-	-	592,730	696,079
Current portion of long-term debt	-	-	200,000	-	-	-	80,000	280,000
Total current liabilities payable from restricted assets	-	-	303,349	-	-	-	672,730	976,079
Total current liabilities	0	0	303,349	0	0	0	672,730	976,079
Noncurrent liabilities:								
Long-term debt	-	-	6,293,983	-	-	-	19,205,000	25,498,983
Notes and mortgages payable	-	-	500,000	-	618,793	-	-	1,118,793
Total noncurrent liabilities	0	0	6,793,983	0	618,793	0	19,205,000	26,617,776
Total liabilities	0	0	7,097,332	0	618,793	0	19,877,730	27,593,855
Net position:								
Restricted for bond indenture purposes	-	-	668,132	97,500	-	-	-	765,632
Unrestricted	1,455,120	1,344,028	469,394	12,992	2,682,065	52	11,591,503	17,555,154
Total net position	\$1,455,120	\$1,344,028	\$1,137,526	\$110,492	\$2,682,065	\$52	\$11,591,503	\$18,320,786

WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY
 COMBINING SCHEDULE OF REVENUES, EXPENSES AND
 CHANGES IN FUND NET POSITION -
 MANAGING MEMBER PARTNERSHIP
 For The Year Ended December 31, 2025

Statement 33

	850 - The Groves Apartments Managing Member, LLC	851 - WCHRA Piccadilly Square, LLC	852 - Piccadilly Square Lender	853 - WCCDA Glen, LLC	854 - The Glen at Valley Creek	855 - WCCDA Raymie Johnson, LLC	856 - Raymie Johnson Lender	Total Managing Member Partnership
Operating revenues:								
Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total operating revenues	0	0	0	0	0	0	0	0
Operating expenses:								
Legal	-	-	-	-	-	-	-	-
Administrative	86	-	-	-	-	-	-	86
Total operating expenses	86	0	0	0	0	0	0	86
Operating income (loss)	(86)	0	0	0	0	0	0	(86)
Nonoperating revenues (expenses):								
Investment income (loss)	31,639	(6)	191,669	(34)	66,496	52	218,123	507,939
Financial expense	-	-	(5,000)	-	-	-	-	(5,000)
Amortization of bond premium	-	-	8,695	-	-	-	-	8,695
Interest expense	-	-	(248,525)	-	-	-	-	(248,525)
Property taxes	-	-	46,010	195,000	-	-	-	241,010
Contribution to component unit	-	-	-	(195,000)	-	-	-	(195,000)
Developer fees	-	-	-	-	-	-	2,600,000	2,600,000
Total nonoperating revenues (expenses)	31,639	(6)	(7,151)	(34)	66,496	52	2,818,123	2,909,119
Income (loss) before transfers	31,553	(6)	(7,151)	(34)	66,496	52	2,818,123	2,909,033
Transfers:								
Transfers from other funds	-	-	-	-	-	-	8,773,380	8,773,380
Total transfers	0	0	0	0	0	0	8,773,380	8,773,380
Change in net position	31,553	(6)	(7,151)	(34)	66,496	52	11,591,503	11,682,413
Net position - January 1	1,423,567	1,344,034	1,144,677	110,526	2,615,569	-	-	6,638,373
Net position - December 31	<u>\$1,455,120</u>	<u>\$1,344,028</u>	<u>\$1,137,526</u>	<u>\$110,492</u>	<u>\$2,682,065</u>	<u>\$52</u>	<u>\$11,591,503</u>	<u>\$18,320,786</u>

	850 - The Groves Apartments Managing Member, LLC	851 - WCHRA Piccadilly Square, LLC	852 - Piccadilly Square Lender	853 - WCCDA Glen, LLC	854 - The Glen at Valley Creek	855 - WCCDA Raymie Johnson, LLC	856 - Raymie Johnson Lender	Total Managing Member Partnership
Cash flows from operating activities:								
Receipts from customers and users	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Payment to suppliers for goods and services	(86)	-	-	-	-	-	-	(86)
Net cash flows from operating activities	(86)	0	0	0	0	0	0	(86)
Cash flows from noncapital financing activities:								
Transfers out	-	-	-	-	-	-	-	-
Net cash flows from noncapital financing activities	0	0	0	0	0	0	0	0
Cash flows from capital and related financing activities:								
Property taxes	-	-	46,010	195,000	-	-	-	241,010
Fiscal agent costs and other debt related fees	-	-	(5,000)	-	-	-	-	(5,000)
Interest paid on long-term debt	-	-	(250,962)	-	-	-	-	(250,962)
Principal payments on long-term debt	-	-	(195,000)	-	-	-	-	(195,000)
Net cash flows from capital and related financing activities	0	0	(404,952)	195,000	0	0	0	(209,952)
Cash flows from investing activities:								
Issuance of loans receivable / investment in limited partnership	48,014	-	291,035	(195,000)	-	-	400,000	544,049
Investment income	37,582	-	197,383	-	51,169	-	8,240	294,374
Net cash flows from investing activities	85,596	0	488,418	(195,000)	51,169	0	408,240	838,423
Net increase (decrease) in cash and cash equivalents	85,510	0	83,466	0	51,169	0	408,240	628,385
Cash and cash equivalents - January 1	229,964	-	1,410,341	97,667	1,206,626	-	-	2,944,598
Cash and cash equivalents - December 31	\$315,474	\$0	\$1,493,807	\$97,667	\$1,257,795	\$0	\$408,240	\$3,572,983
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:								
Operating income (loss)	(86)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	(86)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:								
Changes in assets and liabilities:								
Decrease (increase) in receivables	-	-	-	-	-	-	-	-
Increase (decrease) accounts payable	-	-	-	-	-	-	-	-
Total adjustments	0	0	0	0	0	0	0	0
Net cash provided (used) by operating activities	(86)	\$0	\$0	\$0	\$0	\$0	\$0	(86)
Noncash investing, capital and financing activities:								
Note receivable transferred to Managing Member Partnership	\$0	\$0	\$0	\$0	\$0	\$0	\$8,773,380	\$8,773,380
Developer fee receivable from discretely presented component unit	\$0	\$0	\$0	\$0	\$0	\$0	\$2,200,000	\$2,200,000
Guaranteed debt on behalf of discretely presented component unit	\$0	\$0	\$0	\$0	\$0	\$0	\$19,877,730	\$19,877,730

III. STATISTICAL SECTION (UNAUDITED)

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III. STATISTICAL SECTION (UNAUDITED)

This part of the Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about overall financial health. The following are the categories of the various schedules that are included in this section.

Financial Trends	Tables
These schedules contain trend information to help the reader understand how the CDA's financial performance and well-being have changed over time.	1-6
Revenue Capacity	
These schedules contain information to help the reader assess the CDA's most significant revenue source.	7-9
Debt Capacity	
These schedules present information to help the reader assess the affordability of the CDA's current levels of outstanding debt and the CDA's ability to issue additional debt in the future.	10-11
Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the CDA's financial activities take place.	12-13
Operating Information	
These schedules contain service and infrastructure data to help the reader understand how the information in the CDA's financial report relates to the services the CDA provides and the activities it performs.	14-15

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SCHEDULES OF FINANCIAL TRENDS

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

Last Ten Fiscal Years

(Accrual Basis of Accounting)

	2016	2017	2018	2019
Governmental activities net position:				
Net investment in capital assets	\$1,063,201	\$1,207,915	\$1,256,188	\$1,308,001
Restricted	3,736,034	3,718,570	3,801,690	3,836,320
Unrestricted	10,928,949	14,561,066	16,154,253	19,143,675
Total governmental activities net position	<u>\$15,728,184</u>	<u>\$19,487,551</u>	<u>\$21,212,131</u>	<u>\$24,287,996</u>
Business-type activities net position:				
Net investment in capital assets	\$4,425,219	\$5,893,766	\$9,554,825	\$11,491,467
Restricted	10,963,790	11,551,202	10,380,326	9,882,023
Unrestricted	4,683,402	2,946,089	4,761,669	6,767,160
Total business-type activities net position	<u>\$20,072,411</u>	<u>\$20,391,057</u>	<u>\$24,696,820</u>	<u>\$28,140,650</u>
Primary government net position:				
Net investment in capital assets	\$5,488,420	\$7,101,681	\$10,811,013	\$12,799,468
Restricted	14,699,824	15,269,772	14,182,016	13,718,343
Unrestricted	15,612,351	17,507,155	20,915,922	25,910,835
Total primary government net position	<u>\$35,800,595</u>	<u>\$39,878,608</u>	<u>\$45,908,951</u>	<u>\$52,428,646</u>

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

Table 1

2020	2021	2022	2023	2024	2025
\$1,363,380	\$1,592,573	\$1,662,100	\$1,710,680	\$2,203,738	\$2,401,627
3,960,218	4,038,651	4,059,377	4,370,739	14,253,426	19,191,999
22,298,707	24,855,739	26,919,883	29,470,119	32,303,705	35,189,128
<u>\$27,622,305</u>	<u>\$30,486,963</u>	<u>\$32,641,360</u>	<u>\$35,551,538</u>	<u>\$48,760,869</u>	<u>\$56,782,754</u>
\$12,354,792	\$13,559,205	\$14,332,027	\$15,951,508	\$17,470,373	\$19,267,183
10,257,489	10,593,573	11,530,458	12,573,942	11,988,583	9,003,700
7,297,994	8,672,664	9,846,791	11,118,927	14,165,526	33,732,732
<u>\$29,910,275</u>	<u>\$32,825,442</u>	<u>\$35,709,276</u>	<u>\$39,644,377</u>	<u>\$43,624,482</u>	<u>\$62,003,615</u>
\$13,718,172	\$15,151,778	\$15,994,127	\$17,662,188	\$19,674,111	\$21,668,810
14,217,707	14,632,224	15,589,835	16,944,681	26,242,009	28,195,699
29,596,701	33,528,403	36,766,674	40,589,046	46,469,231	68,921,860
<u>\$57,532,580</u>	<u>\$63,312,405</u>	<u>\$68,350,636</u>	<u>\$75,195,915</u>	<u>\$92,385,351</u>	<u>\$118,786,369</u>

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

	2016	2017	2018	2019
Expenses				
Governmental activities:				
General government	\$1,378,031	\$1,273,942	\$1,336,670	\$1,551,447
Housing assistance	4,293,879	4,864,249	4,784,629	4,772,763
Community development	1,627,291	1,920,055	1,795,996	1,693,461
Economic development	111,437	295,388	383,811	475,687
Home ownership counseling	152,298	210,677	112,061	125,522
Tax increment financing	1,339	1,388	1,754	2,948
Community land trust	60,056	-	-	-
Interest on long-term debt	145,917	148,683	137,145	125,088
Total governmental activities expenses	<u>7,770,248</u>	<u>8,714,382</u>	<u>8,552,066</u>	<u>8,746,916</u>
Business-type activities:				
Housing	8,790,266	8,749,261	8,935,180	9,295,591
Total business-type activities expenses	<u>8,790,266</u>	<u>8,749,261</u>	<u>8,935,180</u>	<u>9,295,591</u>
Total primary government expenses	<u>16,560,514</u>	<u>17,463,643</u>	<u>17,487,246</u>	<u>18,042,507</u>
Program revenues				
Governmental activities:				
Charges for services:				
Administrative fees	938,261	976,844	1,060,530	1,094,196
Conduit financing fees	31,252	-	-	-
Other activities	481,745	151,666	279,205	158,029
Operating grants and contributions	4,757,710	5,609,584	5,640,163	5,584,219
Capital grants and contributions	-	-	-	-
Total governmental activities program revenues	<u>6,208,968</u>	<u>6,738,094</u>	<u>6,979,898</u>	<u>6,836,444</u>
Business-type activities:				
Charges for services:				
Housing	9,683,378	9,341,994	8,819,432	9,879,165
Operating grants and contributions	1,197,106	6,670,665	1,500,709	1,293,066
Capital grants and contributions	269,200	70,722	94,803	237,791
Total business-type activities program revenues	<u>11,149,684</u>	<u>16,083,381</u>	<u>10,414,944</u>	<u>11,410,022</u>
Total primary government program revenues	<u>17,358,652</u>	<u>22,821,475</u>	<u>17,394,842</u>	<u>18,246,466</u>
Net revenue (expense)				
Governmental activities	(1,561,280)	(1,976,288)	(1,572,168)	(1,910,472)
Business-type activities	2,359,418	7,334,120	1,479,764	2,114,431
Total primary government (expenses)/revenues	<u>798,138</u>	<u>5,357,832</u>	<u>(92,404)</u>	<u>203,959</u>
General revenues and other changes in net position				
Governmental activities:				
General property taxes	3,458,145	3,565,774	3,725,681	3,881,798
Tax increments	126,926	138,315	144,867	167,787
Investment earnings	49,383	103,028	283,602	335,103
Miscellaneous	-	-	95,356	-
Transfers	1,355,631	1,928,538	(952,758)	601,649
Total governmental activities	<u>4,990,085</u>	<u>5,735,655</u>	<u>3,296,748</u>	<u>4,986,337</u>
Business-type activities:				
General property taxes	1,109,000	115,010	1,327,806	1,345,046
Investment earnings	397,399	442,467	489,956	528,783
Miscellaneous	-	53,581	55,479	57,219
Transfers	(1,355,631)	(1,928,538)	952,758	(601,649)
Total business-type activities	<u>150,768</u>	<u>(1,317,480)</u>	<u>2,825,999</u>	<u>1,329,399</u>
Total primary government	<u>5,140,853</u>	<u>4,418,175</u>	<u>6,122,747</u>	<u>6,315,736</u>
Change in net position - governmental activities	\$3,428,805	\$3,759,367	\$1,724,580	\$3,075,865
Change in net position - business-type activities	<u>2,561,737</u>	<u>318,646</u>	<u>4,305,763</u>	<u>3,443,830</u>
Total primary government	<u>\$5,990,542</u>	<u>\$4,078,013</u>	<u>\$6,030,343</u>	<u>\$6,519,695</u>

Table 2

2020	2021	2022	2023	2024	2025
\$1,544,222	\$1,669,595	\$1,846,367	\$2,085,779	\$2,320,509	\$2,423,193
5,252,125	6,272,027	6,342,522	6,726,155	8,320,417	9,844,441
1,948,356	2,193,956	1,875,081	2,499,457	3,092,693	12,212,506
6,584,893	5,628,588	603,086	738,527	654,964	746,413
1,340,627	141,412	177,679	196,150	211,284	227,816
14,950	5,984	4,036	1,424,572	5,185	3,716
-	-	-	-	-	-
113,419	104,166	94,803	72,943	65,131	56,937
16,798,592	16,015,728	10,943,574	13,743,583	14,670,183	25,515,022
9,629,516	9,554,851	10,041,196	10,743,578	10,709,187	10,876,554
9,629,516	9,554,851	10,041,196	10,743,578	10,709,187	10,876,554
26,428,108	25,570,579	20,984,770	24,487,161	25,379,370	36,391,576
1,209,439	1,270,389	1,381,646	1,415,784	1,476,033	1,600,188
-	-	-	-	-	-
325,033	305,726	126,619	1,536,380	409,670	595,544
12,154,102	11,004,238	5,968,096	6,571,732	19,264,567	24,565,469
981,326	1,616,567	953,102	1,824,697	454,669	851,466
14,669,900	14,196,920	8,429,463	11,348,593	21,604,939	27,612,667
8,778,931	9,517,718	9,703,551	10,117,878	10,426,785	13,074,566
1,577,713	1,450,286	1,399,751	1,432,158	1,454,190	1,291,037
168,585	203,296	100,552	-	-	-
10,525,229	11,171,300	11,203,854	11,550,036	11,880,975	14,365,603
25,195,129	25,368,220	19,633,317	22,898,629	33,485,914	41,978,270
(2,128,692)	(1,818,808)	(2,514,111)	(2,394,990)	6,934,756	2,097,645
895,713	1,616,449	1,162,658	806,458	1,171,788	3,489,049
(1,232,979)	(202,359)	(1,351,453)	(1,588,532)	8,106,544	5,586,694
4,068,674	4,093,591	4,310,931	4,510,706	5,015,069	5,396,256
235,897	249,053	252,461	256,584	276,483	230,306
286,110	18,937	(48,520)	1,139,859	1,419,551	1,444,518
-	-	-	-	-	-
872,320	321,885	153,636	(601,981)	(436,528)	(1,146,840)
5,463,001	4,683,466	4,668,508	5,305,168	6,274,575	5,924,240
1,360,954	1,321,170	1,369,812	1,375,254	1,132,510	1,135,372
326,501	259,300	443,750	1,089,292	1,235,758	1,396,092
58,778	60,131	61,250	62,116	3,521	11,211,780
(872,320)	(321,885)	(153,636)	601,981	436,528	1,146,840
873,913	1,318,716	1,721,176	3,128,643	2,808,317	14,890,084
6,336,914	6,002,182	6,389,684	8,433,811	9,082,892	20,814,324
\$3,334,309	\$2,864,658	\$2,154,397	\$2,910,178	\$13,209,331	\$8,021,885
1,769,625	2,915,167	2,883,834	3,935,101	3,980,105	18,379,133
\$5,103,934	\$5,779,825	\$5,038,231	\$6,845,279	\$17,189,436	\$26,401,018

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

	2016	2017	2018	2019
Operating revenues:				
Rental income	\$8,018,167	\$8,085,441	\$8,239,218	\$8,415,226
Service income	31,360	28,500	31,530	27,628
HUD rent subsidies	924,930	841,472	886,049	916,472
Other	133,709	99,543	439,863	1,436,311
Total operating revenues	9,108,166	9,054,956	9,596,660	10,795,637
Operating expenses:				
Marketing	36,156	33,998	29,900	29,007
Management fee	892,362	955,204	1,038,193	1,079,794
Legal	44,888	43,670	31,754	53,638
Administrative	143,675	144,167	144,512	135,333
Operating	256,138	249,324	262,327	267,193
Maintenance	2,204,722	2,169,756	2,263,828	2,339,395
Utilities	763,068	738,119	819,281	858,768
Insurance	333,851	343,798	378,432	388,725
Property taxes	416,628	429,363	430,689	451,330
Depreciation	1,791,213	1,809,468	1,854,006	1,862,644
Total operating expenses	6,882,701	6,916,867	7,252,922	7,465,827
Operating income (loss)	2,225,465	2,138,089	2,343,738	3,329,810
Nonoperating revenues (expenses):				
Investment income	397,399	442,567	489,956	528,783
Gain (loss) on asset disposition	51,551	53,581	55,479	57,219
Financial expense	(80,263)	(85,423)	(80,112)	(76,557)
Amortization of bond premium	61,984	61,984	61,672	61,672
Amortization of deferred gain (loss) on refunding	12,014	12,012	12,013	35,208
Interest expense	(1,856,998)	(1,782,384)	(1,678,860)	(1,602,633)
Property tax revenue	1,109,000	1,155,010	1,327,806	1,345,046
Intergovernmental	272,318	219,609	614,423	376,594
Contribution to component unit	-	-	-	(195,000)
Developer fees	1,500,000	-	-	-
Other	(44,302)	(38,583)	111,850	(52,454)
Total nonoperating revenues (expenses)	1,422,703	38,373	914,227	477,878
Income (loss) before contributions and transfers	3,648,168	2,176,462	3,257,965	3,807,688
Capital contributions	269,200	70,722	95,040	237,791
Transfers:				
Transfers in	839,936	1,180,948	2,948,051	957,351
Transfers out	(2,195,567)	(3,109,486)	(1,995,293)	(1,559,000)
Total transfers	(1,355,631)	(1,928,538)	952,758	(601,649)
Change in net position - business type activities	\$2,561,737	\$318,646	\$4,305,763	\$3,443,830
Change in net position - governmental activities (table 2)	3,428,805	3,759,367	1,724,580	3,075,865
Total	\$5,990,542	\$4,078,013	\$6,030,343	\$6,519,695

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

Table 3

2020	2021	2022	2023	2024	2025
\$8,614,060	\$9,276,661	\$9,447,110	\$9,874,904	\$10,170,558	\$10,211,656
26,282	24,821	23,334	22,656	20,682	11,754
1,135,048	1,386,081	1,217,164	1,033,009	1,290,710	1,001,236
138,589	256,236	233,107	220,318	235,545	251,156
9,913,979	10,943,799	10,920,715	11,150,887	11,717,495	11,475,802
29,379	28,222	33,110	33,543	42,472	45,815
1,133,420	1,165,357	1,099,450	1,213,157	1,236,886	1,217,780
89,756	32,611	16,621	72,317	40,681	88,189
138,542	135,149	121,294	139,535	155,167	121,260
244,292	254,603	356,622	453,257	378,748	311,985
2,587,954	2,399,560	2,761,763	2,997,971	3,139,002	3,396,912
862,478	987,579	1,139,466	1,307,877	1,162,425	1,246,349
401,315	412,941	450,691	530,383	578,099	577,697
568,696	495,096	509,000	514,590	535,633	518,463
1,885,722	1,966,722	1,985,910	2,001,413	2,021,340	1,965,064
7,941,554	7,877,840	8,473,927	9,264,043	9,290,453	9,489,514
1,972,425	3,065,959	2,446,788	1,886,844	2,427,042	1,986,288
326,501	259,300	443,750	1,089,292	1,235,758	1,396,092
58,778	60,131	61,250	62,116	3,521	11,211,780
(71,159)	(171,648)	(85,986)	(72,630)	(90,962)	(102,192)
61,673	61,672	61,672	61,672	56,409	74,816
(13,688)	(49,473)	(45,133)	(45,133)	(37,563)	(101,742)
(1,529,154)	(1,340,333)	(1,253,728)	(1,181,924)	(1,093,269)	(956,068)
1,360,954	1,321,170	1,369,812	1,375,254	1,132,510	1,135,372
442,664	258,151	182,587	399,149	163,480	289,801
(97,500)	(195,000)	(195,000)	(195,000)	(195,000)	(195,000)
-	-	-	-	-	2,600,000
(38,134)	(42,327)	(49,094)	(46,520)	(58,349)	(106,854)
500,935	161,643	490,130	1,446,276	1,116,535	15,246,005
2,473,360	3,227,602	2,936,918	3,333,120	3,543,577	17,232,293
168,585	9,450	100,552	-	-	-
4,016,270	730,815	450,606	1,344,216	1,121,310	1,775,974
(4,888,590)	(1,052,700)	(604,242)	(742,235)	(684,782)	(629,134)
(872,320)	(321,885)	(153,636)	601,981	436,528	1,146,840
\$1,769,625	\$2,915,167	\$2,883,834	\$3,935,101	\$3,980,105	\$18,379,133
3,334,309	2,864,658	2,154,397	2,910,178	13,209,331	8,021,885
\$5,103,934	\$5,779,825	\$5,038,231	\$6,845,279	\$17,189,436	\$26,401,018

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

	2016	2017	2018	2019
Cash flows from operating activities:				
Receipts from customers and users	\$8,961,278	\$8,953,440	\$9,525,101	\$9,219,328
Payment to suppliers for goods and services	(5,124,345)	(5,158,023)	(5,348,914)	(5,476,025)
Miscellaneous income (loss)	89,549	60,960	214,685	117,857
Net cash flows from operating activities	<u>3,926,482</u>	<u>3,856,377</u>	<u>4,390,872</u>	<u>3,861,160</u>
Cash flows from noncapital financing activities:				
Transfers in	136,509	1,261	409,101	6,500
Transfers out	(2,195,567)	(3,109,486)	(1,995,293)	(1,559,000)
Due to/from other funds - net change	<u>(5,547)</u>	<u>5,547</u>	<u>-</u>	<u>-</u>
Net cash flows from noncapital financing activities	<u>(2,064,605)</u>	<u>(3,102,678)</u>	<u>(1,586,192)</u>	<u>(1,552,500)</u>
Cash flows from capital and related financing activities:				
Property taxes	1,109,000	1,155,010	1,327,806	1,345,046
Transfers in	703,427	1,179,687	2,538,950	950,851
Intergovernmental revenue	-	-	400,000	-
Proceeds from sale of capital assets	-	-	-	-
Proceeds from debt	-	-	618,793	-
Federal recovery zone credits and CDBG	345,063	349,416	225,230	377,846
Insurance proceeds on damage to capital assets	-	-	-	-
Fiscal agent costs and other debt related fees	(29,602)	(33,856)	(28,854)	(25,301)
Net proceeds from long-term debt	271,000	-	-	-
Capital contributions	-	22,528	95,040	237,791
Purchase of capital assets	(1,085,189)	(1,249,658)	(3,446,271)	(1,671,855)
Interest paid on long-term debt	(1,866,409)	(1,815,311)	(1,720,968)	(1,631,391)
Principal payments on long-term debt	<u>(2,259,325)</u>	<u>(3,716,711)</u>	<u>(4,378,949)</u>	<u>(2,595,939)</u>
Net cash flows from capital and related financing activities	<u>(2,812,035)</u>	<u>(4,108,895)</u>	<u>(4,369,223)</u>	<u>(3,012,952)</u>
Cash flows from investing activities:				
Principal receipts on capital lease receivable	356,261	400,708	418,405	430,433
Principal receipts on note receivable	-	-	-	-
Issuance of loans receivable / investment in limited partnership	319,000	2,140,252	660,799	122,234
Investment income	514,487	448,304	461,883	623,948
Net cash flows from investing activities	<u>1,189,748</u>	<u>2,989,264</u>	<u>1,541,087</u>	<u>1,176,615</u>
Net increase (decrease) in cash and cash equivalents	<u>\$239,590</u>	<u>(\$365,932)</u>	<u>(\$23,456)</u>	<u>\$472,323</u>

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

Table 4

2020	2021	2022	2023	2024	2025
\$9,946,160	\$10,725,984	\$10,850,505	\$11,084,315	\$11,516,124	\$10,990,819
(5,807,417)	(6,050,876)	(6,328,467)	(7,387,292)	(7,433,633)	(7,532,859)
100,055	213,909	184,013	173,798	177,196	144,302
4,238,798	4,889,017	4,706,051	3,870,821	4,259,687	3,602,262
6,500	-	1,542	5,000	-	106,200
(1,105,618)	(1,069,828)	(774,459)	(742,235)	(684,782)	(2,302,563)
40,834	(40,792)	30,472	(30,514)	-	-
(1,058,284)	(1,110,620)	(742,445)	(767,749)	(684,782)	(2,196,363)
1,360,954	1,321,170	1,369,812	1,375,254	1,132,510	1,135,372
225,501	747,943	619,281	1,339,216	1,121,310	3,343,203
-	-	-	-	-	-
-	-	-	-	-	6,226,620
-	-	-	-	-	-
365,374	341,148	107,207	384,847	184,734	370,997
-	-	-	-	-	-
(65,729)	(164,042)	(81,040)	(65,021)	(83,357)	(71,892)
-	-	-	-	-	-
168,585	9,450	100,552	-	-	-
(797,628)	(1,180,807)	(1,052,928)	(1,573,098)	(1,332,222)	(2,283,611)
(1,557,988)	(1,380,363)	(1,281,537)	(1,210,313)	(1,129,464)	(1,024,915)
(2,447,363)	(2,414,767)	(2,438,386)	(2,409,464)	(3,031,109)	(5,527,404)
(2,748,294)	(2,720,268)	(2,657,039)	(2,158,579)	(3,137,598)	2,168,370
441,624	-	-	-	-	-
-	415,554	423,299	429,275	22,018	-
334,980	485,880	264,942	259,655	226,024	544,049
236,259	330,982	345,642	1,079,304	1,232,195	1,254,056
1,012,863	1,232,416	1,033,883	1,768,234	1,480,237	1,798,105
\$1,445,083	\$2,290,545	\$2,340,450	\$2,712,727	\$1,917,544	\$5,372,374

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

Last Ten Fiscal Years

(Modified Accrual Basis of Accounting)

	2016	2017	2018	2019
General fund:				
Fund balance:				
Nonspendable	\$8,827	\$8,771	\$30,996	\$28,852
Committed	3,737,158	4,011,089	3,381,246	3,920,449
Assigned	-	2,000,000	2,000,000	-
Unassigned	3,711,113	4,130,902	5,494,198	8,783,967
Total general fund	<u>\$7,457,098</u>	<u>\$10,150,762</u>	<u>\$10,906,440</u>	<u>\$12,733,268</u>
All other governmental funds:				
Fund balance:				
Nonspendable	\$7,445	\$7,639	\$6,754	\$2,820
Restricted	119,406	69,623	88,780	137,068
Committed	8,372,244	9,029,313	10,200,062	11,067,164
Unassigned	(3,278,921)	(3,627,920)	(3,513,020)	(3,539,214)
Total all other governmental funds	<u>\$5,220,174</u>	<u>\$5,478,655</u>	<u>\$6,782,576</u>	<u>\$7,667,838</u>

Table 5

2020	2021	2022	2023	2024	2025
\$74,148	\$69,385	\$52,798	\$68,318	\$61,076	\$80,031
5,156,473	5,595,908	6,270,357	7,337,745	7,649,433	7,392,561
-	-	-	-	-	-
9,708,302	10,220,431	10,344,735	10,225,461	10,892,611	11,419,603
<u>\$14,938,923</u>	<u>\$15,885,724</u>	<u>\$16,667,890</u>	<u>\$17,631,524</u>	<u>\$18,603,120</u>	<u>\$18,892,195</u>
\$10,942	\$43,487	\$49,165	\$50,321	\$41,663	\$42,861
109,297	83,477	52,463	156,718	2,140,291	6,909,689
12,051,766	13,335,950	14,267,761	15,585,451	17,098,511	19,249,205
(3,500,737)	(3,440,810)	(3,374,412)	(3,300,617)	(3,209,889)	(3,163,814)
<u>\$8,671,268</u>	<u>\$10,022,104</u>	<u>\$10,994,977</u>	<u>\$12,491,873</u>	<u>\$16,070,576</u>	<u>\$23,037,941</u>

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

	2016	2017	2018	2019
Revenues:				
General property taxes	\$3,456,812	\$3,572,609	\$3,723,489	\$3,881,166
Tax increments	126,926	138,315	144,867	167,787
Intergovernmental	4,757,710	5,609,584	5,640,163	5,584,219
Charges for services:				
Administrative fees	938,261	976,844	1,060,530	1,094,196
Bond issuance, origination fees	31,252	3,192	4,759	-
Investment income (loss)	35,152	82,862	219,314	318,762
Other	842,763	126,250	244,347	68,272
Total revenues	10,188,876	10,509,656	11,037,469	11,114,402
Expenditures:				
Current:				
General government	1,299,221	1,195,058	1,271,961	1,463,247
Housing assistance	4,293,879	4,864,249	4,787,110	4,772,763
Community development	2,786,954	2,360,888	2,036,044	1,693,461
Economic development	111,437	295,388	383,811	475,687
Home ownership counseling	152,298	210,677	112,061	125,522
Tax increment financing	1,339	1,388	1,754	2,948
Community land trust	60,056	-	-	-
Capital outlay	19,178	96,721	-	-
Debt service:				
Principal	1,853,308	309,586	324,659	341,890
Interest	146,516	152,094	140,305	128,443
Total expenditures	10,724,186	9,486,049	9,057,705	9,003,961
Revenues over (under) expenditures	(535,310)	1,023,607	1,979,764	2,110,441
Other financing sources (uses):				
Transfer from Special Revenue Funds	-	-	(866,228)	70,000
Transfer from Enterprise Funds	2,195,567	3,135,586	2,461,293	1,559,000
Transfer to General Fund	-	-	-	(70,000)
Transfer to Enterprise Funds	(839,936)	(1,207,048)	(2,547,823)	(957,351)
Proceeds from issuance of debt	1,300,000	-	-	-
Proceeds from sale of land held for resale	-	-	1,032,593	-
Total other financing sources (uses)	2,655,631	1,928,538	79,835	601,649
Net change in fund balance	\$2,120,321	\$2,952,145	\$2,059,599	\$2,712,090
Debt service as a percentage of noncapital expenditures	18.7%	4.9%	5.1%	5.2%
Debt service as a percentage of total expenditures	18.6%	4.9%	5.1%	5.2%

Table 6

2020	2021	2022	2023	2024	2025
\$4,062,905	\$4,098,114	\$4,311,646	\$4,509,743	\$5,006,699	\$5,372,965
235,897	249,053	252,461	256,584	276,483	230,306
13,135,428	12,620,805	6,921,198	8,396,429	19,719,236	25,416,935
1,209,439	1,270,389	1,381,646	1,415,784	1,476,033	1,600,188
-	-	-	-	-	-
190,203	(83,602)	(158,211)	1,022,455	1,293,826	1,303,757
195,217	224,554	65,857	1,302,313	431,636	741,416
19,029,089	18,379,313	12,774,597	16,903,308	28,203,913	34,665,567
1,440,640	1,582,233	1,744,040	1,969,446	2,182,083	2,287,690
5,252,127	6,272,027	6,342,522	6,726,155	8,320,417	9,844,441
1,626,524	2,193,956	1,875,081	2,499,457	11,104,613	12,725,209
6,584,893	5,628,588	603,086	738,527	654,964	746,413
1,340,626	141,412	177,679	196,150	211,284	227,816
14,950	5,984	4,036	1,424,572	5,185	3,716
-	-	-	-	-	-
-	185,140	28,829	4,052	456,102	144,564
316,525	288,236	301,214	207,500	215,219	223,315
116,041	105,985	96,707	74,938	67,219	59,123
16,692,326	16,403,561	11,173,194	13,840,797	23,217,086	26,262,287
2,336,763	1,975,752	1,601,403	3,062,511	4,986,827	8,403,280
103,500	102,017	148,048	177,800	138,000	75,000
1,081,000	1,052,700	660,235	742,235	684,782	629,134
(103,500)	(102,017)	(148,048)	(177,800)	(138,000)	(75,000)
(208,680)	(730,815)	(506,599)	(1,344,216)	(1,121,310)	(1,775,974)
-	-	-	-	-	-
-	-	-	-	-	-
872,320	321,885	153,636	(601,981)	(436,528)	(1,146,840)
\$3,209,083	\$2,297,637	\$1,755,039	\$2,460,530	\$4,550,299	\$7,256,440
2.6%	2.4%	3.6%	2.0%	1.2%	1.1%
2.6%	2.4%	3.6%	2.0%	1.2%	1.1%

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SCHEDULES OF REVENUE CAPACITY

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

Table 7

Property	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Ann Bodlovick	\$839	\$847	\$855	\$873	\$890	\$890	\$944	\$991	\$1,021	\$1,052
Briar Pond	943	952	971	1,000	1,030	1,040	1,071	1,125	1,159	1,194
Brick Pond	822	830	846	863	880	889	916	962	991	1,021
Cobble Hill	857	866	875	893	911	920	966	1,014	1,044	1,075
WCCDA Family Housing	N/A	N/A	N/A	N/A	835	1,037	1,166	1,179	1,227	1,520
John Jergens	807	815	823	839	856	865	908	953	982	1,011
Mosaic	N/A	N/A	N/A	N/A	N/A	N/A	N/A	665	665	684
Muller Manor	651	658	665	707	721	728	750	788	812	836
Oakhill Cottages	744	751	759	773	788	796	820	861	887	914
Park Place I	679	686	700	714	728	735	757	795	819	844
Park Place II	679	686	700	714	728	735	757	795	819	844
Pioneer Elderly	644	650	657	670	683	690	711	747	769	792
Raymie Johnson	798	816	843	869	875	893	912	938	991	1,000
Woodland Park	908	917	935	963	992	1,002	1,032	1,084	1,117	1,151
Whispering Pines	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Trailside	739	746	753	768	783	806	846	888	932	960

Source: Washington County CDA Finance Department

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

Table 8

Property	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Ann Bodlovick	\$488,946	\$494,744	\$501,268	\$504,629	\$499,427	\$522,440	\$531,574	\$540,174	\$559,818	\$573,338
Briar Pond	2,186,054	2,185,298	2,221,925	2,293,289	2,382,161	2,537,038	2,435,691	2,568,359	2,609,724	2,679,096
Brick Pond	373,710	373,973	383,673	384,205	384,162	393,722	396,763	401,059	433,316	448,243
Cobble Hill	438,621	439,885	443,814	446,146	449,112	456,209	464,998	489,869	502,084	482,527
Transitional Housing	16,713	15,864	16,534	16,125	17,595	19,568	17,762	19,861	24,415	22,036
HUD-Scattered Site *	414,589	320,188	360,103	433,408	388,905	58,582	143,665	14,224	17,808	13,403
WCCDA Family Housing *	-	-	-	-	55,972	826,576	941,817	916,019	968,865	1,078,007
John Jergens	281,531	284,467	287,447	294,272	294,243	302,742	328,670	320,871	330,623	343,144
Landfall	15,000	7,500	7,500	7,500	7,500	7,500	7,500	7,500	-	-
Mosaic **	-	-	-	-	-	-	-	12,157	47,948	38,091
Muller Manor	227,609	228,710	230,431	233,616	237,941	245,041	247,399	257,146	266,245	270,881
Oakhill Cottages	361,426	363,962	367,654	372,993	378,719	406,268	393,889	413,066	433,044	437,653
Park Place I	291,723	291,860	298,920	302,641	303,535	304,185	305,026	331,408	312,655	330,910
Park Place II	47,913	48,409	48,711	50,643	51,731	52,088	53,466	55,368	54,239	57,869
Pioneer Elderly	134,678	131,251	135,716	137,750	139,330	145,240	147,709	153,020	156,649	158,044
Raymie Johnson ***	1,064,009	1,088,392	1,134,099	1,135,787	1,354,083	1,619,332	1,388,265	1,400,008	1,476,063	789,640
Trailside	622,249	627,622	630,236	643,375	651,705	662,405	671,561	703,355	728,939	746,294
Washington Conservation District	-	-	-	-	-	40,000	40,417	45,000	45,000	45,417
Whispering Pines	215,194	210,335	221,784	225,704	256,412	256,017	284,287	258,990	487,209	531,426
Woodland Park	1,928,201	1,942,496	1,972,845	2,017,554	2,061,046	2,088,846	2,120,256	2,243,433	2,262,851	2,366,530
Total	<u>\$9,108,166</u>	<u>\$9,054,956</u>	<u>\$9,262,660</u>	<u>\$9,499,637</u>	<u>\$9,913,579</u>	<u>\$10,943,799</u>	<u>\$10,920,715</u>	<u>\$11,150,887</u>	<u>\$11,717,495</u>	<u>\$11,412,549</u>

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

** Purchased September 29, 2023

*** Raymie Johnson was sold June 26, 2025

Source: Washington County CDA Finance Department

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

Table 9

Property	Number of Units	Number of Months Units Available	Total Month of Vacancies									
			2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Ann Bodlovick	50	600	-	-	1	4	14	9	8	9	7	8
Briar Pond	196	2,352	8	21	14	3	14	7	8	25	22	42
Brick Pond	40	480	3	6	-	5	14	4	6	18	5	3
Cobble Hill	45	540	1	-	-	6	10	6	10	8	12	52
HUD-Scattered Site *	56	672	10	3	6	9	1	N/A	N/A	N/A	N/A	N/A
WCCDA Family Housing *	56	672	N/A	N/A	N/A	N/A	1	5	18	33	24	28
John Jergens	30	360	-	-	1	1	3	3	2	1	3	2
Mosaic **	3	36	N/A	N/A	N/A	N/A	N/A	N/A	N/A	-	-	8
Muller Manor	28	336	-	-	-	-	-	-	-	-	5	8
Oakhill Cottages	40	480	-	-	1	-	-	3	1	1	4	7
Park Place I	36	432	1	5	4	3	1	7	7	6	32	33
Park Place II	6	72	3	1	1	-	-	-	1	-	4	1
Pioneer Elderly	18	216	-	6	3	-	4	2	1	1	3	7
Raymie Johnson***	120	1,440	17	7	18	29	44	18	46	91	71	25
Trailside	70	840	1	2	-	5	-	12	9	7	3	34
Transitional Housing	7	84	-	-	-	-	-	-	-	3	14	9
Woodland Park	180	2,160	26	-	2	20	22	27	23	33	75	65
Whispering Pines	40	480	8	23	16	-	-	10	19	36	43	79
Total	1,021	12,252	78	74	67	85	128	113	159	272	327	411

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

** Purchased September 29, 2023

***Raymie Johnson was sold June 26, 2025

Source: Washington County CDA Finance Department

SCHEDULES OF DEBT CAPACITY

WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY

RATIOS OF OUTSTANDING DEBT BY TYPE

Table 10

Last Ten Fiscal Years

(Unaudited)

Fiscal Year	Business Type Activities				Governmental Activities			
	Revenue Bonds	Notes	Total	Per Unit	Loans	Percentage of estimated taxable market value	Per Capita	Percent of personal income
2016	\$44,740,490	\$10,875,199	\$55,615,689	\$57,813	\$4,163,551	0.0158%	\$16	26.6%
2017	41,188,283	10,700,276	51,888,559	53,938	3,853,965	0.0142%	15	23.2%
2018	36,980,567	11,137,419	48,117,986	49,925	3,529,306	0.0130%	13	20.4%
2019	34,562,847	10,948,782	45,511,629	47,309	3,187,415	0.0099%	12	17.5%
2020	32,255,129	10,752,891	43,008,020	44,707	2,870,890	0.0082%	11	15.0%
2021	30,027,411	10,511,778	40,539,189	42,141	2,582,654	0.0068%	10	12.4%
2022	27,789,693	10,257,045	38,046,738	39,550	2,281,440	0.0059%	8	10.4%
2023	25,586,976	9,996,233	35,583,209	36,874	2,073,939	0.0044%	7	8.9%
2024	22,774,099	9,729,201	32,503,300	33,682	1,858,720	0.0035%	7	7.6%
2025	36,760,582	9,455,797	46,216,379	54,694	1,635,405	0.0031%	6	6.4%

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

Source: Washington County CDA Finance Department

WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY

PLEDGED REVENUE COVERAGE

Last Ten Fiscal Years

(Unaudited)

Table 11

Fiscal Year	Gross Revenue				Operating Expenses ⁽¹⁾	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage Ratio
	Operating Revenue	Property Tax Revenue	Investment Income	Total			Principal ⁽²⁾	Interest ⁽²⁾	Total	
2016	\$9,108,166	\$1,109,000	\$397,399	\$10,614,565	\$5,091,488	\$5,523,077	\$2,090,000	\$1,502,931	\$3,592,931	1.54
2017	9,054,956	1,155,010	442,567	10,652,533	5,107,399	5,545,134	3,510,000	1,458,319	4,968,319	1.12
2018	9,596,660	1,327,806	489,956	11,414,422	5,398,916	6,015,506	4,165,000	1,370,763	5,535,763	1.09
2019	10,795,637	1,345,046	528,783	12,669,466	5,603,183	7,066,283	2,375,000	1,288,341	3,663,341	1.93
2020	9,913,979	1,360,954	326,501	11,601,434	6,055,832	5,545,602	2,265,000	1,222,185	3,487,185	1.59
2021	10,903,799	1,321,170	259,300	12,484,269	5,911,118	6,573,151	2,185,000	1,154,999	3,339,999	1.97
2022	10,920,715	1,369,812	443,750	12,734,277	6,488,017	6,246,260	2,195,000	1,085,500	3,280,500	1.90
2023	11,150,887	1,375,254	1,089,292	13,615,433	7,262,630	6,352,803	2,160,000	1,017,688	3,177,688	2.00
2024	11,717,495	1,132,510	1,235,758	14,085,763	7,269,113	6,816,650	2,775,000	943,064	3,718,064	1.83
2025	11,475,802	1,135,372	1,396,092	14,007,266	7,503,226	6,504,040	5,265,000	844,884	6,109,884	1.06

Notes:

⁽¹⁾Operating expenses excludes depreciation.

⁽²⁾Principal and interest is presented on the cash basis.

Source: Washington County CDA Finance Department

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SCHEDULES OF DEMOGRAPHIC AND ECONOMIC INFORMATION

WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY
DEMOGRAPHIC AND ECONOMIC STATISTICS
 Last Ten Fiscal Years
 (Unaudited)

Table 12

Fiscal Year	Population (a)	Area (Sq. Mi.)	Density (Person/ Sq. Mi.)	Number of Households (a)	Personal Income (b) (amounts expressed in thousands)	Per Capita Personal Income (b)	Unemployment Rate (c)
2016	253,128	423	598	94,044	\$15,650,351	61,529	3.4%
2017	256,905	423	607	94,955	16,587,488	64,370	3.0%
2018	261,512	423	618	96,424	17,330,068	66,344	2.6%
2019	262,748	423	621	98,214	18,261,573	68,897	2.9%
2020	263,812	423	624	99,507	19,104,162	71,178	5.8%
2021	267,021	423	631	100,880	21,060,571	77,172	3.2%
2022	271,108	423	641	103,142	21,876,793	79,112	2.1%
2023	277,019	423	655	106,059	23,237,116	83,169	2.4%
2024	282,109	423	667	108,677	24,482,301	86,217	2.7%
2025	287,199 *	423	679	111,295 *	25,727,486 *	89,265 *	3.3%

Sources:

(a) Metropolitan Council

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

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

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

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

Table 13

Employer	2025			2016		
	Rank	Employees	Percentage of Total County Employment	Rank	Employees	Percentage of Total County Employment
Andersen Corporation (Bayport, Cottage Grove)	1	5,000	3.48%	1	5,700	4.19%
Independent School District 833	2	2,500	1.74%	2	2,513	1.85%
Washington County, Government	3	1,527	1.06%	5	1,172	0.86%
Woodwinds Healtheast Campus	4	1,473	1.02%	8	925	0.68%
Independent School District 834	5	1,129	0.78%	6	1,000	0.74%
Independent School District 831	6	1,092	0.76%	4	1,200	0.88%
Long-Term Care Insurance Advisors (Stillwater)	7	1,001	0.70%		-	0.00%
Target (Forest Lake, Oak Park Heights, Woodbury, and Cottage Grove)	8	900	0.63%	7	958	0.70%
Hy-Vee Grocery	9	892	0.62%		-	0.00%
Wal-Mart (Forest Lake, Oak Park Heights, Woodbury and Cottage Grove)	10	629	0.44%	3	1,245	0.92%
Fairview Lakes Regional Health Care (Wyoming)		-	0.00%	9	900	0.66%
Bailey Nurseries, Inc		-	0.00%	10	800	0.59%
Totals		<u>16,143</u>	<u>11.23%</u>		<u>16,413</u>	<u>12.07%</u>

Source: Washington County, Minnesota

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SCHEDULES OF OPERATING INFORMATION

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

Table 14

Function/Program	Full-Time Equivalent Employees as of December 31,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Administration	5.0	4.0	4.0	4.0	4.0	4.0	6.0	6.0	7.0	8.0
Finance	4.0	4.0	4.5	4.5	5.5	5.5	5.0	6.0	6.0	6.0
Housing Assistance	5.0	5.0	5.0	6.0	6.0	6.0	6.0	6.0	7.0	9.0
Community Development	6.0	6.0	6.0	6.0	6.0	6.0	7.0	7.0	9.0	11.0
Economic Development	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Home Ownership Counseling	3.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Property Management ⁽¹⁾	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total	<u>24.0</u>	<u>22.0</u>	<u>22.5</u>	<u>23.5</u>	<u>24.5</u>	<u>24.5</u>	<u>27.0</u>	<u>28.0</u>	<u>32.0</u>	<u>37.0</u>

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

WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY

HOUSING UNITS ASSISTED

Last Ten Fiscal Years

(Unaudited)

Table 15

Program	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Section 8 - Vouchers	90	90	90	90	93	94	101	130	143	143
Section 8 - Portables	367	380	377	353	355	344	320	339	371	421
Section 8 - VASH***	-	-	2	10	8	15	15	15	16	18
Section 8 - FUP****	-	-	-	15	16	37	37	37	33	32
Mainstream*****	-	-	-	-	4	39	39	39	44	46
Bridges I	18	26	27	24	29	30	29	28	29	28
Bridges II	14	14	15	16	12	12	14	15	16	13
Shelter Plus Care*****	28	29	30	30	29	25	25	25	20	-
Bridges-Long Term Homeless*	9	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Bridges Regional Treatment Center **	N/A	1	1	1	1	1	N/A	N/A	N/A	N/A
Average units assisted per month	526	540	542	539	547	597	580	628	672	701

* Program consolidated with Bridges I October 2017

** Program started June 2017 and ended in 2021

*** Program started June 2018

**** Program started March 2019

*****Program started October 2020

*****Program ended June 2024

Source: Washington County CDA Finance Department.

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IV. SINGLE AUDIT AND OTHER REQUIRED REPORTS

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units and each major fund of Washington County Community Development Agency, a component unit of Washington County, as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise Washington County Community Development Agency's basic financial statements, and have issued our report thereon dated May 8, 2026. The financial statements of The Groves Apartments, LLC, Piccadilly Square of Mahtomedi, LLC, Glen at Valley Creek, LLC, and Raymie Johnson Estates, LLC, were not audited in accordance with *Government Auditing Standards*. Our report includes a reference to other auditors who audited the financial statements of The Groves Apartments, LLC, Piccadilly Square of Mahtomedi, LLC, Glen at Valley Creek, LLC, and Raymie Johnson Estates, LLC (discretely presented component units), as described in our report on Washington County Community Development Agency's financial statements. This report does not include the results of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by those other auditors.

Report on Internal Control over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable



possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

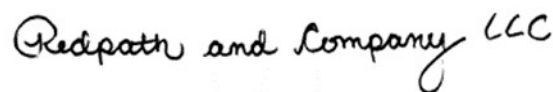
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Report on Compliance and Other Matters

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

Purpose of this Report

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



REDPATH AND COMPANY, LLC
St. Paul, Minnesota

May 8, 2026

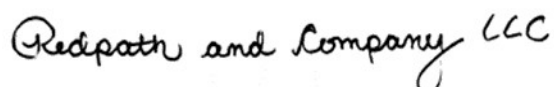
MINNESOTA LEGAL COMPLIANCE REPORT

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

We have audited, in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units and each major fund of Washington County Community Development Agency, a component unit of Washington County, as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the Washington County Community Development Agency's basic financial statements, and have issued our report thereon dated May 8, 2026. Our report includes a reference to other auditors who audited the financial statements of The Groves Apartments, LLC, Piccadilly Square of Mahtomedi, LLC, Glen at Valley Creek, LLC, and Raymie Johnson Estates, LLC, (discretely presented component units), as described in our report on Washington County Community Development Agency's financial statements. This report does not include the results of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by those other auditors.

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

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

A handwritten signature in black ink that reads "Redpath and Company LLC". The signature is written in a cursive, flowing style.

REDPATH AND COMPANY, LLC
St. Paul, Minnesota

May 8, 2026



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

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Washington County Community Development Agency's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Washington County Community Development Agency's major federal programs for the year ended December 31, 2025. Washington County Community Development Agency's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Washington County Community Development Agency's financial statements include the operations of Briar Pond, LLC (a major proprietary fund), which had \$7,753,107 of federal expenditures, which is not included in Washington County Community Development Agency's schedule of expenditures of federal awards for the year ended December 31, 2025. Our audit, described below, did not include these federal expenditures because they were included in a separately issued audit.

In our opinion, Washington County Community Development Agency complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Washington County Community Development Agency and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to



provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Washington County Community Development Agency's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Washington County Community Development Agency's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Washington County Community Development Agency's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Washington County Community Development Agency's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

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

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

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

Redpath and Company LLC

REDPATH AND COMPANY, LLC
St. Paul, Minnesota

May 8, 2026

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WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended December 31, 2025

Federal Grantor/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Total Federal Expenditures	Expenditures to Subrecipients
Environmental Protection Agency:				
Direct:				
Brownfields Multipurpose, Assessment, Revolving Loan Fund, and Cleanup Cooperative Agreements	66.818	n/a	\$185,635	\$ -
Total Environmental Protection Agency			<u>185,635</u>	<u>-</u>
U.S. Department of Housing and Urban Development:				
Direct:				
Family Self-Sufficiency Program	14.896	n/a	64,362	-
Multifamily Housing Service Coordinators	14.191	n/a	39,400	-
Continuum of Care Program	14.267	n/a	-	-
Housing Counseling Assistance Program	14.169	n/a	46,599	-
Public Housing Capital Fund (CFP)	14.872	n/a	279,401	-
Public Housing Operating Fund	14.850	n/a	188,882	90,883
Section 8 New Construction and Substantial Rehabilitation	14.182	n/a	534,048	-
Housing Voucher Cluster:				
Mainstream Vouchers Program (MV)	14.879	n/a	550,826	-
Section 8 Housing Choice Vouchers	14.871	n/a	2,705,366	-
Total Housing Voucher Cluster			<u>3,256,192</u>	<u>-</u>
CDBG - Entitlement Grants Cluster:				
Community Development Block Grants/Entitlement Grants	14.218	n/a	736,374	229,487
Total CDBG - Entitlement Grants Cluster			<u>736,374</u>	<u>229,487</u>
Passed through Dakota County Community Development Agency:				
Home Investment Partnerships Program	14.239	Not provided	686,225	637,716
Total passed through Dakota County Community Development Agency			<u>686,225</u>	<u>637,716</u>
Total U.S. Department of Housing and Urban Development			<u>5,831,483</u>	<u>958,086</u>
U.S. Department of Treasury:				
Passed through Washington County, Minnesota:				
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	Not provided	8,793,346	-
Total U.S. Department of Treasury			<u>8,793,346</u>	<u>-</u>
Total Expenditures of Federal Awards			<u>\$14,810,464</u>	<u>\$958,086</u>

WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended December 31, 2025

Notes to Schedule of Expenditures of Federal Awards:

Note A - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Washington County Community Development Agency (CDA) for the year ended December 31, 2025, except for Briar Pond, LLC as a separate Uniform Guidance audit was performed for this entity. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Washington County Community Development Agency, it is not intended to and does not present the financial position, changes in net position, or cash flows of Washington County Community Development Agency.

Note B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note C - INDIRECT COSTS

The CDA has not charged indirect costs to any of the federal programs. Therefore the election of the de minimus cost rate is not applicable.

Note D - SECTION 8 HOUSING CHOICE VOUCHER PORTABILITY

As part of its Section 8 Housing Choice Vouchers Program, the CDA administered portable vouchers totaling \$5,429,258 and related administration fees totaling \$385,286, as the receiving public housing authority (PHA) for various other initial PHAs throughout the United States. The CDA does not consider these amounts received from the initial PHAs to be subrecipient payments, and therefore are excluded from the Section 8 Housing Choice Vouchers Program amount above.

WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For The Year Ended December 31, 2025

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Financial Statements

- A. Type of auditors’ report issued: Unmodified
- B. Internal control over financial reporting:
- Material weakness(es) identified? ☐ Yes ☒ No
 - Significant deficiencies identified that are not considered to be material weaknesses? ☐ Yes ☒ No
- C. Noncompliance material to financial statements noted? ☐ Yes ☒ No

Federal Awards

- D. Internal control over major programs:
- Material weakness(es) identified? ☐ Yes ☒ No
 - Significant deficiencies identified that are not considered to be material weaknesses? ☐ Yes ☒ No
- E. Type of auditors’ report issued on compliance for major programs: Unmodified
- F. Any audit findings disclosed that are required to be reported in accordance with the 2 CFR section 200.516(a)? ☐ Yes ☒ No

- G. Identification of major programs:

Name of Federal Program	Assistance Listing Number
Housing Voucher Cluster	14.871, 14.879

- H. Dollar threshold used to distinguish between Type A and Type B programs: \$1,000,000
- I. Auditee qualified as a low-risk auditee ☒ Yes ☐ No

WASHINGTON COUNTY COMMUNITY DEVELOPMENT AGENCY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For The Year Ended December 31, 2025

SECTION II – FINANCIAL STATEMENT FINDINGS
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None noted.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS
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None noted.

SECTION IV – PRIOR YEAR FINDINGS

None noted.