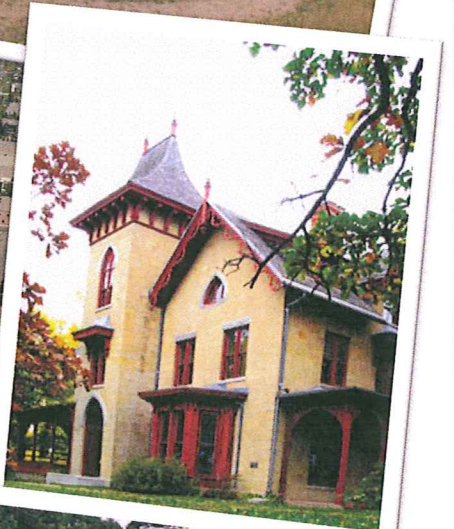
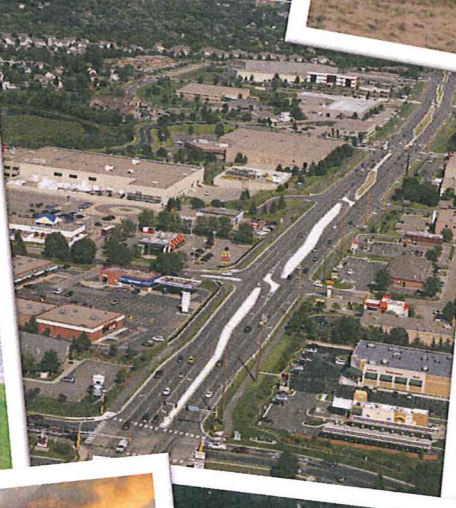


# Dakota County, Minnesota

## Comprehensive Annual Financial Report

For the Year Ended December 31, 2009



**COMPREHENSIVE  
ANNUAL FINANCIAL REPORT  
OF  
DAKOTA COUNTY  
MINNESOTA**

**For The Year Ended December 31, 2009**



Prepared by the Financial Services Department

**Matthew G. Smith, Director**

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# **Introductory Section**



Financial Services  
Department  
Matt Smith  
Director

June 29, 2010

Dakota County  
Administration Center  
1590 Highway 55  
Hastings, MN 55033

TO: The Citizens of Dakota County  
The Board of County Commissioners

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Fax 651.438.4603  
www.dakotacounty.us

SUBJECT: ***2009 COMPREHENSIVE ANNUAL FINANCIAL REPORT***

The Comprehensive Annual Financial Report (CAFR) of Dakota County is submitted for the fiscal year ended December 31, 2009. The County's Financial Services Department prepared this report in conformity with generally accepted accounting principles (GAAP). Responsibility for both the accuracy and completeness of the presented data and the fairness of the presentation, including all disclosures, rests with the County. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and sets forth the financial position and results of operations and cash flows of the County, as measured by the financial activity of its various funds, and all disclosures necessary to enable maximum understanding of the County's financial affairs.

#### **Independent Audit**

Minnesota State Law requires an audit to be made of the books of account, financial records and transactions of the County by the Office of the State Auditor. This requirement has been complied with and the Auditor's Report has been included in this report. The State Auditor will issue a management and compliance letter covering the review, made as a part of their audit of the County's system of internal control and compliance with applicable legal provisions. The management and compliance letter will not modify or affect, in any way, this report on the financial statements.

#### **Single Audit**

As a recipient of federal, state and local financial assistance, the County is responsible for ensuring that adequate internal controls are in place to ensure compliance with applicable laws and regulations related to those programs. These internal controls are subject to periodic evaluation by management and the internal staff of the County.

Office of Management and Budget (OMB) Circular A-133 sets forth the audit requirements for state and local governments receiving federal assistance. It provides for a single independent audit of the financial operations, including compliance with certain provisions of federal laws and regulations. The requirements have been established to ensure that audits are made on an organizational wide basis rather than a grant-by-grant basis. The grants for which these requirements applied are identified in the Schedule of Expenditures of Federal Awards.

As a part of the government's single audit, tests are made to determine the adequacy of the internal controls, including that portion related to federal financial assistance programs, as well as to determine that the County has complied with applicable laws and regulations.

## **Internal Controls**

In developing and evaluating the County's accounting system, consideration is given to the adequacy of the County's internal controls. Internal controls are designed to provide reasonable, but not absolute, assurance regarding: the safeguarding of assets against loss from unauthorized use or disposition; and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived and the evaluation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. We believe the County's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions. The County's internal controls are supported by written policies and procedures and are continually reviewed, evaluated, and modified to meet current needs.

Departmental cash related procedures are reviewed at least annually to determine if there are adequate controls in place, such as separation of duties, appropriate documentation, proper authorizations, and required absences. The Public Services and Revenue's auditor has made a concerted effort to gather written procedures that include enough detail to assess internal control strengths and weakness. Throughout the year, controls are monitored, reevaluated and adjusted as necessary.

Generally accepted accounting principles (GAAP) require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. Dakota County's MD&A can be found immediately following the report of the independent auditors.

## **Profile of the Government**

Dakota County was organized in 1849 as a county in the State of Minnesota. It has an area of 593 square miles, including 13 townships and 21 full and fractional incorporated municipalities. The 2009 population was 392,755 making it the third most populous county in the State. It is one of seven counties comprising the Twin Cities metropolitan area. The county seat, Hastings, is located on the Mississippi River 18 miles southeast of the state capital, St. Paul.

Dakota County operates under an elected seven-member County Board, each member representing a district of the County. The County Board is responsible, among other things, for passing ordinances, adopting the budget, and the hiring of the County's Administrator. The County Administrator is responsible for carrying out the policies and ordinances of the County Board, for overseeing the day-to-day operations of the government, and for appointing the heads of the various divisions and departments. The County Board is elected on a non-partisan basis. County Board members serve four-year staggered terms.

The County provides a full range of services including public safety and law enforcement; probation services; tax assessment and collection; vital statistics and public records; health and human services; highways, parks, public works and planning; environmental management; and recreation and cultural services.

Various potential component units were evaluated to determine whether they should be reported in the County's financial report. A component unit was considered part of the County's reporting entity when it was concluded that the County was financially accountable for the entity or the nature and significance of the relationship between the County and the entity was such that exclusion would cause the County's financial statements to be misleading or incomplete. Dakota County has one blended component unit, the Dakota County Regional Rail Authority (Authority). The Authority was created pursuant to Minnesota Statutes. The Dakota County Board of Commissioners appoints the Authority's seven-member board. The Dakota County Community Development Agency (Agency) is a discretely presented component unit. The Agency was established in 1971 pursuant to special Minnesota legislation. The Dakota County Board of Commissioners also appoints its seven-member board. The Vermillion River Watershed



Joint Powers Organization (VRW) is also a discretely presented component unit. VRW was established in 2002 for purposes set forth in Minn. Stat. §103B.201 within the geographic boundary of the Vermillion River watershed located in Dakota County and Scott County. The Vermillion River Watershed Joint Powers Board consists of one county commissioner from Scott County and two county commissioners from Dakota County.

### **Budgetary Controls**

The annual budget serves as the foundation for the Dakota County Government financial planning and control. The County budgets at a more detailed level than required by Minnesota law or for federal programs. Divisions and departments develop their budget requests to cover their clients' needs, keeping in mind general guidelines set by the County Board of Commissioners. The divisions and departments submit their budget requests to the County Administrator, who must balance the competing needs against available resources. The County Board makes final adjustments to the budgets, which are then adopted and available for use on January 1 each year.

Division and department managers are held responsible for their budget performance. Authority for County staff to spend and amend the budget is identified in the Budget Compliance Policy, adopted in 1996. Compliance with budgets is essential for the County to maintain its sound financial condition. "Budget Accountability Points" are identified in the policy to inform managers at what level budget comparisons will be reported. This allows managers authority to "mix and match" spending below the "Budget Accountability Points" to help achieve their desired outcomes. The Budget Compliance Policy provides managers the ability to respond efficiently and effectively to changes up to \$50,000 while leaving the County Board to concentrate its efforts on significant budget issues.

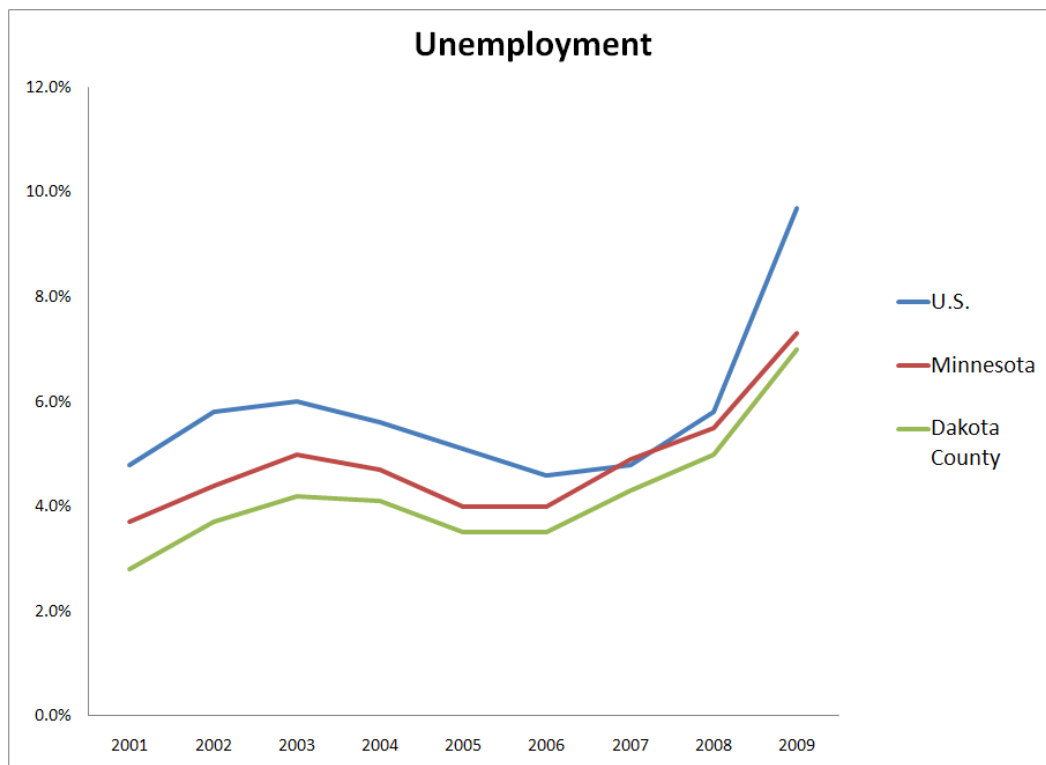
### **Factors Affecting Financial Condition**

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 Dakota County Government operates.

#### **Key population, labor force and employment trends:**

- The County's population change from 1990 to 2000 was an increase of 29.3%, exceeding the State's 12.4% increase. Strong population growth in Dakota County has been expected to continue, but at a slower rate. Most recent published population projection forecast the population to grow to 429,160 in 2010, representing an increase of 20.6% for the decade (2000-2010), though recent data suggests the County will fall well short of that level.
- Recent economic conditions have resulted in challenges for many residents of Dakota County. Since 2001, the unemployment rate in Dakota County has generally increased, largely in line with both state and national unemployment trends. Typically, the County's unemployment rate is below both state and national numbers. At the end of 2009, Dakota County's unemployment rate was 7%, the State's unemployment rate was 7.3% and the national unemployment rate was 9.7%. One major lay-off in the area is the result of the merger of Northwest and Delta airlines. Due to the resulting duplication of jobs at the headquarter level – an estimated 1,150 individuals will be laid off at the Eagan site.
- Incomes in Dakota County have continued to remain above the State of Minnesota average. Between 2000 and 2008, median per capita income rose in Dakota County 26.7% from \$36,577 in 2000 to \$46,357 in 2008. Median per capita income in the State increased by 34.1%, from \$32,014 in 2000 to \$42,953 in 2008.
- Approximately 232,204 residents were engaged in the labor force in 2009; 215,162 employed and 17,402 actively seeking work. Future labor force growth depends on the growth in the working-age population and rates of participation. The fastest growing segment of the labor force will be people 65 years of age and over.

- During the fourth quarter 2009, there were 15,040 job vacancies in the Twin Cities seven-county region, or 1.0 opening for every 100 existing jobs in the region. This was a 17% decline in job openings compared to fourth quarter 2008. The health care and social assistance industry accounted for the most openings (3,190) followed by retail trade (1,730), educational services (1,480), and manufacturing (1,250). More than half of all job vacancies require some form of post-secondary education and training. Over 40% of job opening required related work experience; 28% required a certificate or license. The largest numbers of job openings by occupation in the Twin Cities were for home health aides (780), retail salespersons (690), cashiers (390), registered nurses (390) and nursing aides, orderlies and attendants (330).
- In 2008, 94% of adult residents in Dakota county had a high school diploma or higher. Over 38% residents 25 years of age and over had a Bachelor's or advanced degree in 2008.
- Residents of Dakota County are employed in all occupations, regardless of where they work. Almost 70% of employed residents work in management, professional; or sales and office occupations. Male residents are more likely than female residents to be employed in production, transportation, construction and maintenance occupations.



The above chart shows unemployment rates from 2001 through 2009. Dakota County maintains a lower average unemployment rate than Minnesota and the U.S.

Following is an analysis of non-agricultural wage and salary employment in Dakota County by industry:

	Dakota County		Distribution		% Change 2007-2008	
	Avg Number of Employees		Dakota	State of	County	State
	<u>2007</u>	<u>2008</u>	<u>County</u>	<u>Minnesota</u>		
Total, All Industries	176,417	174,593	100.0%	100.0%	-0.1%	-0.3%
Agricultural, Forestry, Fishing	783	779	0.4%	0.7%	-0.5%	1.4%
Mining	149	136	0.1%	0.2%	-9.6%	5.2%
Construction	10,579	9,564	5.5%	4.4%	-10.6%	-8.3%
Manufacturing	19,273	19,442	11.1%	13.3%	0.9%	-1.8%
Utilities	429	432	0.2%	0.5%	0.7%	3.3%
Wholesale Trade	10,473	10,027	5.7%	5.0%	-4.4%	-0.1%
Retail Trade	22,676	22,021	12.6%	11.1%	-3.0%	-2.3%
Information	9,120	9,045	5.2%	2.3%	-0.8%	-0.4%
Finance, Ins. & Real Estate	12,028	11,976	6.9%	6.7%	-0.4%	1.7%
Services	52,557	53,335	30.5%	43.6%	1.5%	-1.0%
Other	38,350	37,836	21.7%	12.4%	-1.4%	0.7%
Total, All Industries -- Government	19,643	19,915	11.4%	14.0%	1.4%	1.2%
Total, All Industries -- Private	156,775	154,678	88.6%	86.0%	-1.4%	-0.5%

Source: [www.deed.state.mn.us](http://www.deed.state.mn.us)

The following shows the change in the value of construction permits in Dakota County over the last five years. The construction permits have been separated into five categories.

**Value of New Construction Permits Issued in the County (in thousands)**

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Residential	\$925,245	\$746,442	\$651,100	\$350,166	\$230,307
Commercial	118,579	176,246	151,496	163,520	68,309
Industrial	12,000	22,047	6,730	23,711	12,220
Agricultural	7,350	3,732	3,454	2,087	1,814
Apartments	65,517	23,281	29,049	11,786	21,155
Total Value	\$1,128,691	\$971,748	\$841,829	\$551,270	\$333,805

Source: Dakota County Assessor's Office

## Financial Institutions in the County

	<b>Deposits as of December 31, 2009</b>
<b>Banks</b>	
Bremer Bank, National Association	\$ 2,036,814,013
Vermillion State Bank	377,033,356
Minnwest Bank Metro	277,344,828
Premier Bank Minnesota	172,635,018
Castle Rock Bank	113,860,345
Provincial Bank	66,094,262
Gateway Bank	64,513,218
First State Bank of Rosemount	56,054,545
Lakeville Bank	52,124,459
Key Community Bank	46,933,398
Rosemount National Bank	<u>35,237,560</u>
<b>Total</b>	<u><u>\$ 3,298,795,824</u></u>

Branches of Twin Cities financial institutions are also located throughout the County.

*Source: Federal Reserve Bank (Minneapolis) homepage*

## Major Initiatives by Dakota County

Dakota County government had the following highlights in 2009:

In February, Dakota County opened the Robert Trail Library in Rosemount – the ninth library in the Dakota County Library system.

The new Enterprise Resources Planning Project (ERP) Phase I Design contract was awarded to SunGard. More than a dozen different functions are planned to be handled by the one web-based software package. It will help employees work more efficiently by reducing redundancies and streamlining processes. If the project proceeds to Phase II Implementation, it is expected to go live by January 1, 2012.

The Dakota County Board of Commissioners adopted the Dakota County Comprehensive Plan in May. The strategic plan provides a vision for Dakota County over the next 20 years.

Dakota County continued the process of developing a new regional park in Empire Township.

In the spring, the Dakota County Recycling Zone (formerly known as the Dakota County Eco-Site) received its new name. The space was also remodeled to make it more inviting to users and an open house was held in June.

Dakota County Public Health vaccinated thousands in 2009 by holding immunization clinics throughout the County.

The Lebanon Hills Visitor Center earned LEED (Leadership in Energy & Environmental Design) certification in April. Leadership in Energy & Environmental Design is an internationally recognized green building certification system developed by the U.S. Green Building Council (USGBC).

Dakota County's Geographic Information Systems led the state in developing maps based on the U.S. National Grid System. The national grid is commonly used for emergency management, and the maps provide a common reference for first responders and other agencies.

Dakota County launched the reverse 911 system in September through the Dakota Communication Center.



Through the summer the transportation department constructed improvements to County Road 70. The Dakota County Board approved the contract to begin planning for the Vermillion River Corridor Plan and Greenways Collaboration Plan.

Many actions were taken to adapt to a changing fiscal environment. Some of the most significant follow:

In August, Dakota County adjusted its budget to account for the loss of \$5 million in investment income and \$2.8 million in state funds due to state budget cuts.

Dakota County Board of commissioners passed the 2010 budget in December 2009 with no levy increase. Dakota County has a long-held tradition of having the lowest county tax rate in the state of Minnesota.

In the adopted 2010 budget the Board permanently eliminated a net of 55 county jobs, delayed building projects, reduced training and traveling budgets and reduced spending on capital equipment.

After freezing their own salaries, the Dakota County Board of commissioners adopted a budget for 2010 based in part on a freeze in employee wages in response to state budget cuts.

Fleet Management purchased a number of hybrid vehicles and purchased smaller vehicles when possible to reduce replacement and fuel costs in 2009 and for years to come.

**Future Dakota County plans include:**

- Starting implementation of a new campground reservation system to make it easier for citizens to register for campgrounds online;
- Continuing to monitor state budget developments for impact on the county and adjust county plans as required.

**Employee Labor Contracts**

The 12 collective bargaining units listed below represent approximately 70% of the County’s employees. The status of the contracts is as of December 31, 2009.

<b><u>Bargaining Unit</u></b>	<b><u>Term of contract</u></b>	<b><u>Status of Contract</u></b>
AFSCME - Human Services	2008-2009	Settled
AFSCME - Library	2008-2009	Settled
Assessing Services	2008-2009	Settled
Attorney Employees’ Assoc.	2008-2009	Settled
Community Corrections	2008-2009	Settled
Human Services Supervisors’ Assoc.	2008-2009	Settled
Park Maintenance	2008-2009	Settled
Facilities Management	2008-2009	Settled
Public Health Services/MNA	2008-2009	Settled
Road & Bridge Maintenance	2008-2009	Settled
Sheriff Adm/Support	2008-2009	Settled
Sheriff Licensed Deputies	2009	Settled

All contracts start January 1 and end December 31.

## **Awards and Acknowledgements**

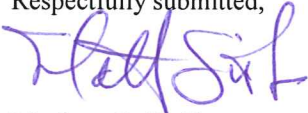
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Dakota County for its comprehensive annual financial report for the fiscal year ended December 31, 2008. This was the 20th consecutive year that the County has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report. This must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to meet the Certificate of Achievement program requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Additionally, the GFOA presented an award of Distinguished Budget Presentation to Dakota County for its annual budget for the year 2009. This is the 13th year Dakota County has received the award.

The timely preparation of this report could not have been accomplished without the professional and dedicated hard work of the entire staff of the Financial Services Department. In addition, cooperation was essential from many other departments, especially the County Property Taxation and Records Department Office. We wish to express our appreciation to all members of the staff who assisted and contributed to the report's preparation. We also wish to thank the members of the County Board for their interest and support this past year in planning and conducting the financial operations of the County in a responsible and progressive manner.

Respectfully submitted,



Matthew G. Smith  
Director of Financial Services

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Dakota County  
Minnesota

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
December 31, 2008

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



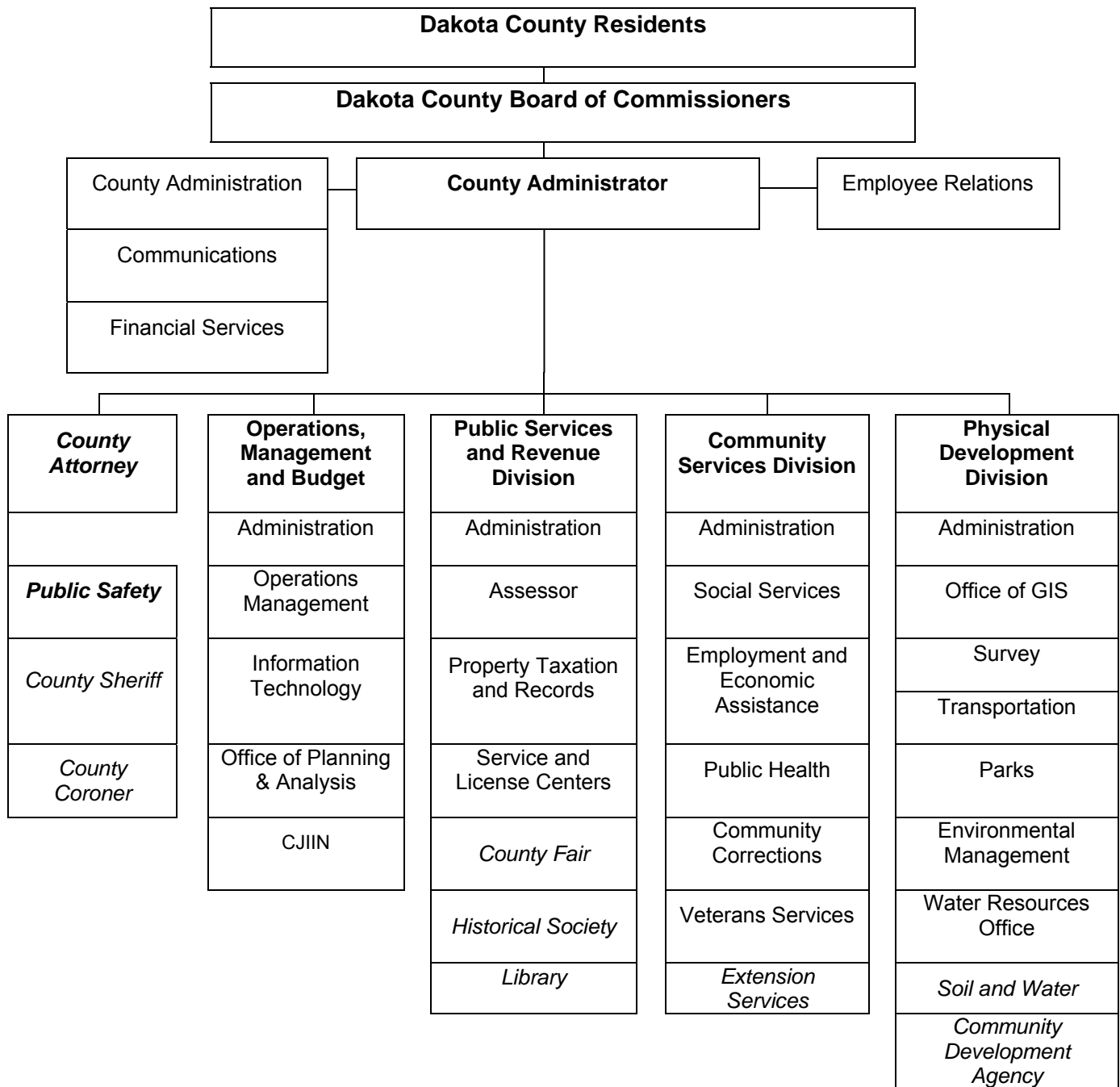
A stylized handwritten signature in black ink, appearing to read "JEFFREY R. EMER".

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emer".

Executive Director

## 2009 Dakota County Organizational Structure



**Notes:**

- The County Board has a funding liaison role with departments listed in *italics* (*County Attorney; County Sheriff; Medical Examiner; County Library; Historical Society; County Fair; Extension Services; Soil and Water Conservation District; and Community Development Agency*). The County Board has direct administrative control over departments not listed in *italics*.



# Dakota County MINNESOTA

## ORGANIZATION

2009

<b>Officer</b>	<b>Name</b>	<b>From</b>	<b>Term To</b>
<b>Commissioners:</b>			
1 <sup>st</sup> District	Joseph A. Harris	Jan. 1981	Dec. 2012
2 <sup>nd</sup> District	*Kathleen A. Gaylord	Jan. 2003	Dec. 2010
3 <sup>rd</sup> District	Thomas A. Egan	Jan. 2005	Dec. 2012
4 <sup>th</sup> District	Nancy Schouweiler	Jan. 1999	Dec. 2010
5 <sup>th</sup> District	Liz Workman	Jan. 2009	Dec. 2012
6 <sup>th</sup> District	Paul J. Krause	Jan. 1995	Dec. 2010
7 <sup>th</sup> District	Willis E. Branning	Jan. 1997	Dec. 2012
 <b>Officers:</b>			
Elected -			
Attorney	James C. Backstrom	Sep. 1987	Dec. 2010
Sheriff	Don Gudmundson	Jan. 1995	Dec. 2010
 Appointed -			
County Administrator	Brandt Richardson	May 1992	Indefinite
Director of Operations, Mgmt. & Budget	John C. Ditmore	Mar. 1992	Indefinite
Director of Community Services	David A. Rooney	Feb. 1988	Indefinite
Director of Physical Development	Lenora M. Thompson	Dec. 2008	Indefinite
Director of Public Service & Revenue Div.	Thomas V. Novak	July 1998	Indefinite

\* Chair

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# Financial Section



REBECCA OTTO  
STATE AUDITOR

# STATE OF MINNESOTA OFFICE OF THE STATE AUDITOR

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525 PARK STREET  
SAINT PAUL, MN 55103-2139

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(651) 296-4755 (Fax)  
state.auditor@state.mn.us (E-mail)  
1-800-627-3529 (Relay Service)

## INDEPENDENT AUDITOR'S REPORT

Board of County Commissioners  
Dakota County

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Dakota County, Minnesota, as of and for the year ended December 31, 2009, including the Community Development Agency (CDA) as of and for the year ended June 30, 2009, which collectively comprise the County's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of Dakota County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Dakota County CDA, which represent 99.4 percent, 99.3 percent, and 97.7 percent, respectively, of the assets, net assets, and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Dakota County CDA, is based solely on the report of the other auditors.

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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of other auditors provide a reasonable basis for our opinions.



In our opinion, based on our audit and the report of 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, each major fund, and the aggregate remaining fund information of Dakota County as of December 31, 2009, including the Dakota County CDA as of June 30, 2009, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund and the Highway, Community Services, and County Parks Special Revenue Funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis and the required supplementary information as listed in the table of contents are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was made for the purpose of forming opinions on the financial statements that collectively comprise Dakota County's basic financial statements. The supplementary information and governmental revenue schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2010, on our consideration of Dakota County'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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.



REBECCA OTTO  
STATE AUDITOR



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June 28, 2010

**DAKOTA COUNTY  
MINNESOTA**

**Management's Discussion and Analysis  
December 2009**

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Dakota County's Financial Management offers readers this narrative overview and analysis of financial activities for the fiscal year ended December 31, 2009. We encourage readers to consider the information presented here in conjunction with additional information furnished in our letter of transmittal and the notes to the financial statements.

**Financial Highlights**

- Dakota County's assets exceeded liabilities at the close of the most recent fiscal year (12/31/09) by \$750,032,493 (*net assets*). Of this amount, \$198,275,721 (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors.
- Dakota County's total net assets increased by \$50,660,233 over 2008. This is primarily a result an increase in capital assets.
- As of the close of the 2009 fiscal year, Dakota County governmental funds ending fund balances were \$229,744,717, compared to \$219,194,188 in 2008. This increase is primarily due to increased revenues seen in the Highway Fund for previous year expenditures and budget savings in operations. Approximately 79.5%, or \$182,526,726 of the total fund balance is available for spending at Dakota County's discretion (unreserved fund balance).
- At the end of the current fiscal year, unreserved fund balance for the General Fund was \$65,165,879 or 72.8% of total General Fund expenditures, a decrease of \$2,757,585 in comparison with the prior year.

**Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to Dakota County's basic financial statements. Dakota County's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report contains other supplementary information in addition to the basic financial statements.

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

The *Statement of Net Assets* presents information on all of Dakota County's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of Dakota County is improving or deteriorating.

The *Statement of Activities* presents information showing how Dakota County's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the *timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of Dakota County 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 cost through user fees and charges (*business-type activities*). The governmental activities of Dakota County include general government, public safety, highways and streets, sanitation, human services, health, culture and recreation, conservation of natural resources, and economic development. The business-type activities of Dakota County include the Dakota County Geographic Information System (GIS) and Dakota County Criminal Justice Information Integration Network (CJIN).

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The government-wide financial statements include not only Dakota County (known as the *primary government*), but also the legally separate Community Development Agency (CDA) and the legally separate Vermillion River Watershed (VRW), for which Dakota County is financially accountable (known as *component units*). Financial information for the CDA and the VRW are reported separately from the financial information presented for the primary government itself. The Regional Rail Authority, although also legally separate, functions for all practical purposes as a department of Dakota County, and therefore has been included as an integral part of the primary government.

The government-wide financial statements may be found on pages 25-29 of this report.

**Fund Financial Statements.** A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. Dakota County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of Dakota County may be divided into three broad categories: *governmental funds, proprietary funds, and fiduciary 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 financing 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 government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

Within the governmental funds, Dakota County maintains four fund types: General, Special Revenue, Debt Services and Capital Projects. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the major funds. Major funds include: General Fund, Highway Fund, Community Services Fund, Parks Fund, Debt Service Fund, and Capital Projects Fund. Data from the other five special revenue non-major governmental funds are combined into a single, aggregated presentation. Individual fund data for each of the non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

Dakota County adopts an annual budget for its six major governmental funds and the Library, Regional Rail and Environmental Management non-major special revenue funds. A budgetary comparison statement has been provided for these funds to demonstrate compliance with their budgets.

The basic governmental fund financial statements may be found on pages 31-42 of this report.

*General Fund.* The General Fund is used to account for all financial resources not required to be accounted for in another fund.

*Special Revenue Fund.* Special Revenue governmental funds account for the proceeds of specific revenue sources that are restricted to expenditures for specified purposes. The Special Revenue Funds include:

- Highway
- County Library
- Regional Rail
- Community Services
- County Parks
- Law Library
- Environmental Management
- Attorney Forfeiture

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*Debt Service Fund.* The Debt Service Fund accounts for the payment of principal, interest and fiscal charges on long-term debt obligations of Dakota County.

*Capital Projects Fund.* The Capital Projects Fund tracks major building construction projects.

**Proprietary Funds.** Dakota County maintains two different types of proprietary funds: enterprise funds and an internal service fund. The enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Dakota County uses an enterprise fund to account for its Geographic Information System financial activity including the sale of GIS data/maps and costs of updating the GIS database. In 2009 an additional enterprise fund, Criminal Justice Information Integration Network (CJIIN) Fund, was created to account for revenue received from criminal justice agencies that use the County's applications. The internal service fund is an accounting device used to accumulate and allocate costs internally among Dakota County's various functions. Dakota County created such a fund in 1997 called the Employee Services Reserve Fund. All compensated absences were transferred to it in 1997. Each year an adjustment is made to reflect the current value of current vacation and sick balances. In 2007, the activity for the other post employment benefits was included in this fund. This fund has no equity balance as the cash balance is offset by a long-term liability. Because this service predominantly benefits governmental rather than business-type functions it has been included with governmental activities in the government wide financial statements.

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 GIS Enterprise Fund and the CJIIN Enterprise Fund. The Employee Services Reserve Internal Service Fund is reported separately on the proprietary fund financial statements.

The basic proprietary fund financial statements may be found on pages 43-45 this report.

**Fiduciary Funds.** Fiduciary funds (Trust and Agency Funds) are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support Dakota County's own programs. The accounting method used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements may be found on pages 46-47 of this report.

**Notes to the Financial Statements.** The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements.

The notes to the financial statements may be found on pages 48-78 of this report.

**Other Information.** In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information. The combining statements referred to earlier in connection with non-major governmental funds and fiduciary funds are presented immediately following the notes to the financial statements.

Combining and individual fund statements and schedules may be found on pages 81-103 of this report.

### **Government-wide Financial Analysis**

As noted earlier, the change in net asset amounts may serve over time as a useful indicator of a government's financial position. In the case of Dakota County, assets exceeded liabilities by \$750,032,493 at the close of 2009, which is an increase of \$50,660,233 over 2008.

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Capital assets, net of related debt, of \$545,729,953 (e.g., land, buildings, machinery and equipment, infrastructure, improvements other than buildings and construction in progress, less any related debt used to acquire assets that is still outstanding) represents the largest portion of net assets (72.8%). Dakota County uses capital assets to provide services to citizens; consequently, these assets are not available for current spending. Although Dakota County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate current liabilities.

**Dakota County's Net Assets**

	Governmental activities		Business-type activities		Total	
	2009	2008	2009	2008	2009	2008
Current and other assets	\$ 289,685,356	\$ 288,388,580	\$ 298,146	\$ 197,468	\$ 289,983,502	\$ 288,586,048
Capital assets	<u>612,627,712</u>	<u>579,420,843</u>	-	-	<u>612,627,712</u>	<u>579,420,843</u>
Total assets	<u>902,313,068</u>	<u>867,809,423</u>	<u>298,146</u>	<u>197,468</u>	<u>902,611,214</u>	<u>868,006,891</u>
Long-term liabilities outstanding	112,979,472	118,608,772	-	-	112,979,472	118,608,772
Other liabilities	<u>39,599,249</u>	<u>50,025,858</u>	-	1	<u>39,599,249</u>	<u>50,025,859</u>
Total liabilities	<u>152,578,721</u>	<u>168,634,630</u>	<u>-</u>	<u>1</u>	<u>152,578,721</u>	<u>168,634,631</u>
Net assets:						
Invested in capital assets, net						
of related debt	545,729,953	502,664,473	-	-	545,729,953	502,664,473
Restricted	5,860,387	8,289,724	166,432	197,467	6,026,819	8,487,191
Unrestricted	<u>198,144,007</u>	<u>188,220,596</u>	<u>131,714</u>	<u>-</u>	<u>198,275,721</u>	<u>188,220,596</u>
Total net assets	<u>\$ 749,734,347</u>	<u>\$ 699,174,793</u>	<u>\$ 298,146</u>	<u>\$ 197,467</u>	<u>\$ 750,032,493</u>	<u>\$ 699,372,260</u>

Dakota County's total net assets increased by \$50,660,233 from the 2008 ending balance. This increase is a combination of many factors, but the primary changes are in capital assets (increases in buildings, infrastructure, and the acquisition of land) and budget savings from operations.

An additional portion of Dakota County's net assets, \$6,026,819 or 0.8%, represents resources that are subject to external restrictions on how they may be used. Restricted net assets decreased \$2,460,372 during the current fiscal year. This is due to the purchase of the Real Estate Management System (REMS) which resulted in a decreased obligation for Property Records' equipment replacement. The remaining balance of unrestricted net assets of \$198,275,721 may be used to meet Dakota County's obligations to citizens and creditors.

At the end of the 2009, Dakota County has positive balances in all three categories of net assets, including the government as a whole, as well as for its separate governmental and business-type activities. The results are similar to 2008.

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**Governmental Activities.** Governmental activities increased Dakota County's net assets by \$50,559,554 from 2008, thereby accounting for more than 100% of the total growth in the net assets of Dakota County. A key element of this growth was the increase in capital assets of \$33,206,869. The majority of the increase in capital assets resulted from infrastructure (\$9,210,757) due to the completion of several street construction projects along with land (\$7,879,436) which includes the purchase of several properties to be used as parkland, some of which was purchased through the Farmland and Natural Area Program (FNAP), and buildings (\$8,171,280) due to the completion of the Robert Trail Library and renovations to Wescott Library and Wentworth Library.

**Business-type Activities.** Business-type activities increased Dakota County's net assets by \$100,679 accounting for less than 1% of the total change in the government's net assets.

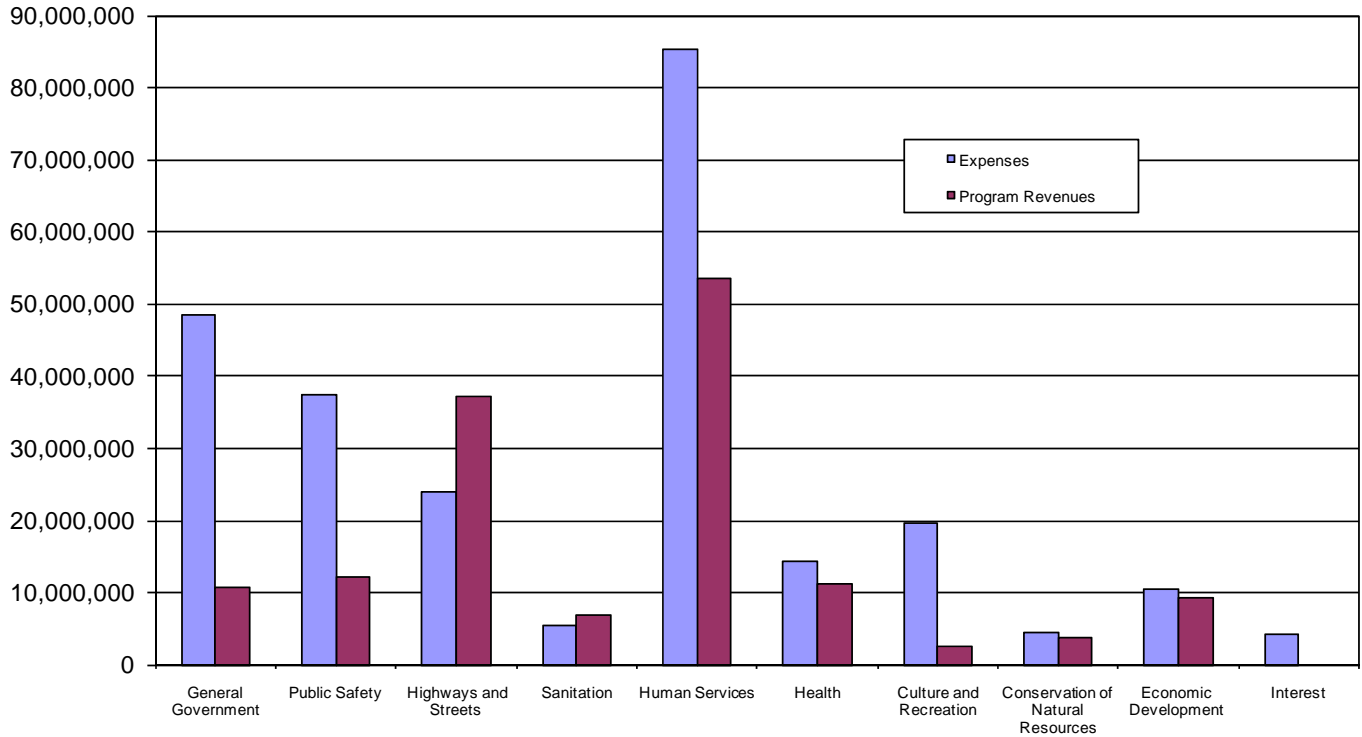
**Dakota County's Changes in Net Assets**

	Governmental activities		Business-type activities		Total	
	2009	2008	2009	2008	2009	2008
Revenues:						
Program revenues:						
Fees, charges, fines and other	\$ 32,644,093	\$ 28,537,689	\$ 151,235	\$ 20,309	\$ 32,795,328	\$ 28,557,998
Operating grants & contributions	104,397,450	103,309,265	-	-	104,397,450	103,309,265
Capital grants & contributions	10,568,802	24,648,824	-	-	10,568,802	24,648,824
General revenues:						
Taxes	129,546,340	124,030,432	-	-	129,546,340	124,030,432
Grants & contributions not restricted to specific programs	21,681,301	15,950,219	-	-	21,681,301	15,950,219
Gifts and contributions	54,260	34,890	-	-	54,260	34,890
Investment income	3,981,969	13,764,069	-	-	3,981,969	13,764,069
Other	2,035,555	1,582,415	-	-	2,035,555	1,582,415
Total revenues	<u>304,909,770</u>	<u>311,857,803</u>	<u>151,235</u>	<u>20,309</u>	<u>305,061,005</u>	<u>311,878,112</u>
Expenses:						
General government	48,513,659	58,446,661	-	-	48,513,659	58,446,661
Public safety	37,363,437	37,499,603	-	-	37,363,437	37,499,603
Highways and streets	24,016,682	20,428,908	-	-	24,016,682	20,428,908
Sanitation	5,476,281	3,498,126	-	-	5,476,281	3,498,126
Human services	85,401,690	94,467,561	-	-	85,401,690	94,467,561
Health	14,371,483	14,441,444	-	-	14,371,483	14,441,444
Culture and recreation	19,746,598	17,160,436	-	-	19,746,598	17,160,436
Conservation of natural resources	4,560,051	4,783,651	-	-	4,560,051	4,783,651
Economic development	10,540,298	7,712,727	-	-	10,540,298	7,712,727
Interest	4,360,037	4,910,143	-	-	4,360,037	4,910,143
Operating expenses - GIS	-	-	50,556	40,082	50,556	40,082
Total expenses	<u>254,350,216</u>	<u>263,349,260</u>	<u>50,556</u>	<u>40,082</u>	<u>254,400,772</u>	<u>263,389,342</u>
Increase (decrease) in net assets	50,559,554	48,508,543	100,679	(19,773)	50,660,233	48,488,770
Net assets 1/1	<u>699,174,793</u>	<u>650,666,250</u>	<u>197,467</u>	<u>217,240</u>	<u>699,372,260</u>	<u>650,883,490</u>
<b>Net assets 12/31</b>	<u>\$ 749,734,347</u>	<u>\$ 699,174,793</u>	<u>\$ 298,146</u>	<u>\$ 197,467</u>	<u>\$ 750,032,493</u>	<u>\$ 699,372,260</u>

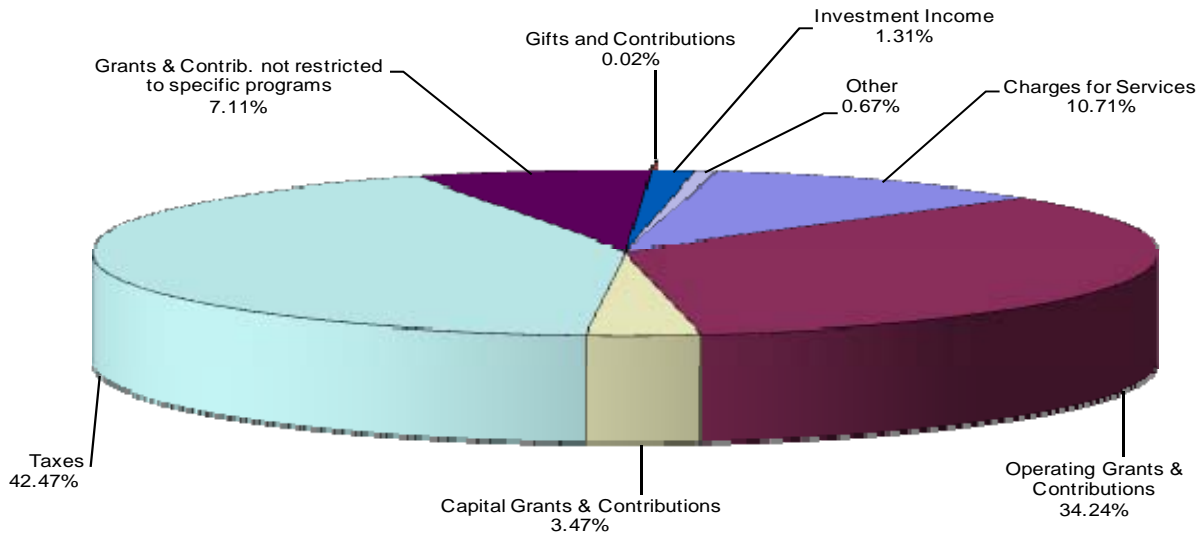
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**Expenses and Program Revenues – Governmental Activities**



**Revenues by Source – Governmental Activities**



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

As noted earlier, Dakota County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds.** The focus of Dakota County *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing Dakota County's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of 2009, Dakota County's governmental funds reported combined ending fund balances of \$229,744,717 an increase of \$10,550,529 in comparison with the prior year. This includes budget savings from operations of \$2,801,438 along with a savings of \$7,747,229 on capital projects. Most of the fund balance, \$182,526,726, is unreserved, which is available for spending at the government's discretion. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed for specific purposes. Most of the reserved fund balance is for Debt Service (\$33,266,623), the Farmland and Natural Area Program (\$5,305,533), and encumbrances (\$4,874,749). These funds are dedicated for payment of bonds, the preservation of farmland and natural areas, and outstanding construction obligations.

*General Fund.* The General Fund is the chief operating fund of Dakota County. At the end of 2009, the General Fund fund balance was \$73,657,313 of which \$65,165,879 was unreserved. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 72.8% of total General Fund expenditures of \$89,478,602, while total fund balance represents 82.3% of that same amount.

The unreserved fund balance of Dakota County's General Fund decreased by \$2,757,585 during 2009. This change is primarily due to lower than expected interest rates causing a decrease in investment earnings.

*Highway Fund.* The Highway Fund had total fund balance of \$7,224,073 at the end of 2009. The fund balance of the Highway Fund increased by \$11,614,949 during the current fiscal year. Revenue was received in 2009 from external sources for projects budgeted for and completed in 2008 causing an increase in fund balance for the current year as opposed to the large decrease seen in the previous year.

*Community Services Fund.* The Community Services Fund had a total fund balance of \$60,465,633 at the end of 2009. This is Dakota County's largest operating fund due to receipt of external revenues. The fund balance of the Community Services Fund increased by \$7,358,794 during the current fiscal year compared to an increase of \$3,858,138 in the previous period. Expenditure savings in various Community Services programs, primarily personnel cost savings and increased revenue received in charges for services in excess of budget amounts were the major factors for the increase.

*Parks Fund.* The Parks Fund had a total fund balance of \$7,098,291 at the end of 2009. The fund balance of the Parks Fund increased by \$469,095 during the current fiscal year. The increase is due to expenditure savings for capital projects which will be carried over to 2010 along with revenue received for projects completed and budgeted for in 1997.

*Debt Services Fund.* The Debt Services Fund had a total fund balance of \$33,266,623 at the end of 2009, all of which is reserved for the payment of debt service. The fund balance of the Debt Services Fund decreased by \$408,559 during 2009. This change is due to the use of proceeds from the issuance of refunding bonds to make bond payments on bonds which have not yet reached their call date, offset by interest earnings on unspent bond proceeds.

*Capital Projects Fund.* The Capital Projects Fund has a total fund balance of \$17,043,782. The fund balance for the Capital Projects Fund decreased by \$2,960,516 during 2009 compared to a decrease of \$8,483,484 in 2008. The decreases in 2008 and 2009 reflects utilization of funds from prior year bond proceeds.



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**Proprietary Funds.** Dakota County proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Net assets restricted for equipment replacement of the *Geographic Information Systems Enterprise Fund* at the end of the year amounted to \$166,432. This is a decrease of \$31,035 compared to 2008. The *Criminal Justice Information Integration Network Fund*, had an unrestricted net asset balance at the end of the year of \$131,714. The *Employee Services Reserve Internal Service Fund*, also regarded as a proprietary fund, has no equity balance as the cash balance is offset by a long-term liability. Other factors concerning the finances of these two funds are addressed in the discussion of Dakota County's business-type activities.

### **General Fund Budgetary Highlights**

#### **Comparison of Original Budget to Final Amended Budget**

The difference between the original budget and the final amended budget was an increase of \$17,600,532 for expenditures at fiscal year end. The major changes from original to final budget for expenditures may be summarized as follows:

- \$5.16 million carry-over of 2008 funds along with a \$1.0 million increase in 2009 grant funds to expand the Farmland and Natural Area Program to acquire permanent agricultural easements.
- \$2.4 million carry-over in grant funding for implementation of a countywide 800 MHz radio system and homeland security initiatives.
- \$6.0 million for 2008 carry-over of unspent Budget Incentive Program (BIP) dollars for all departments.
- \$6.0 million for 2008 carry-over of funds for various grants and unfinished projects, including the jail management system, EDMS/Crimes System, fleet capital equipment and election equipment.
- \$4.5 million in budget reductions were made including \$3.6 million in salary and benefit savings to adjust for the loss of state aid along with lower than expected investment income.

The difference between the original budget and final amended budget for revenue was (\$75,354). This decrease from original to final budget for revenues includes:

- \$5.0 million decrease in investment income to adjust for lower than anticipated interest rates.
- \$1.7 million decrease in County Program Aid to adjust for state cuts.
- \$2.1 million of taxes were transferred to the General Fund from other county funds as a result of mid-year cuts to travel and training, BIP, and salary savings used to offset cuts in County Program Aid and lower than anticipated investment income.
- \$2.4 million carryover of 2008 revenues for various programs and grants including CJIIN and Homeland Security grants.

The difference between the expenditure increase of \$17,600,532 and the revenue decrease of (\$75,354) was funded with fund balance.

#### **Comparison of Actual Resources to Final Amended Budget**

Actual expenditures were \$13,295,490 less than budget at fiscal year end. The difference between actual and budget for expenditures may be summarized as follows:

- \$6.4 million in unspent Capital Equipment Program (CEP) funds for all departments.
- \$2.4 million in unspent funds for the Farmland and Natural Area Program to acquire permanent agricultural easements.
- \$6.2 million unspent Budget Incentive Program (BIP) funds for all departments.
- \$2.3 million in salaries and employee benefits savings.
- \$1.3 million in unspent grant revenue for HAVA and election equipment.

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Actual revenues were less than the budget by \$5,920,191. This difference was primarily due to the inability to claim grant funds associated with the above expenditure savings along with \$2.5 million deficit in interest on investments due to lower than anticipated interest rates.

**Capital Asset and Debt Administration**

**Capital Assets.** Dakota County's investment in capital assets for its government and business type activities as of December 31, 2009, amount to \$612,627,712 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements other than buildings, machinery and equipment, infrastructure, and construction in progress. The total increase in the Dakota County investment in capital assets for the current fiscal year was \$33,206,869, or 5.7%.

Major capital asset events during 2009 included the following:

- Acquired land and easements for the Farmland and Natural Area Program for \$3,781,345.
- Worked on a variety of county road construction projects and widening and expansion projects for existing streets and bridges; completed projects as of the close of the fiscal year totaled \$15,942,784.
- Acquired land for eventual use as right of way at a cost of \$3,826,600.
- Completed construction of the Robert Trail Library with 2009 expenditures of \$474,014 and total project expenditures of \$7,229,743.
- Began construction of the Empire Transportation Facility with expenditures through the end of 2009 of \$507,666.

**Dakota County's Capital Assets**

	Governmental		Business-type		Total	
	activities		activities			
	2009	2008	2009	2008	2009	2008
Land	\$ 164,322,499	\$ 156,443,063	\$ -	\$ -	\$ 164,322,499	\$ 156,443,063
Buildings	137,485,389	129,314,109	-	-	137,485,389	\$ 129,314,109
Machinery and equipment	23,552,147	13,327,544	-	-	23,552,147	\$ 13,327,544
Infrastructure	207,170,370	197,959,613	-	-	207,170,370	\$ 197,959,613
Improvements other than buildings	3,087,148	2,467,354	-	-	3,087,148	\$ 2,467,354
Construction in progress	77,010,159	79,909,160	-	-	77,010,159	\$ 79,909,160
<b>Total</b>	<b>\$ 612,627,712</b>	<b>\$ 579,420,843</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 612,627,712</b>	<b>\$ 579,420,843</b>

Additional information on Dakota County's capital assets may be found in note III D of this report.

**Long-term Debt.** At the end of 2009, Dakota County had total bonded debt outstanding of \$97,775,000. This is a decrease of \$12,650,000 during the current fiscal year. The only factor in this decrease was the retirement of bond principal. Current and future county tax levies plus fund balance are used to finance the entire bonded indebtedness.

Dakota County maintains a "Aaa" rating from Moody's Investor Services and a "AA+" rating from Standard & Poor's for general obligation debt.

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**Dakota County's Outstanding Debt**  
General Obligation and Revenue Bonds

	Governmental activities	
	2009	2008
General obligation bonds	\$97,775,000	\$110,425,000
Total	\$97,775,000	\$110,425,000

State statutes limit the amount of general obligation debt a county can incur to no more than 3% of the market value of taxable property in the county. Based on the calculation, the current debt limitation for Dakota County is \$1,230,189,639, which is significantly in excess of Dakota County's outstanding general obligation debt of \$97,775,000. The net bonded debt per capita is \$164.

Additional information on Dakota County's long-term debt may be found in note III F beginning on page 66 of this report.

### **Economic Factors and Next Year's Budgets and Rates**

- The unemployment rate for Dakota County as of April, 2010 is 6.4%, which is a decrease from a rate of 7.3% a year ago. This compares favorably to both the state and national average unemployment rate of 7.0% and 9.5% respectively.
- Dakota County's property tax base will continue to decline through 2011 due to decreasing property values. The 2011 tax base will be 6.5% lower than 2010.
- The State's budget problems will continue to create pressure for local budgets, both because of direct reductions in funding in the near term and the uncertainty of funding levels in the future. The continued long-time imbalance in revenues and spending in the State's budget makes state aid a less reliable funding source for the County.
- State imposed levy limits will remain in place through 2011, and with the limit pegged to an inflation index, the level of property tax increase allowed by state law (before claims for specific special levy authority) is likely to be less than 2.0% for 2011.

On December 15, 2009, the Dakota County Board of Commissioners approved the 2010 budget for \$368.0 million. This is an overall increase of \$23.1 million or 6.7%. This increase in the overall budget is driven by a \$36.8 million increase in the Capital Improvement Program, which more than offsets the \$13.7 million decline in the operating budget.

The 2010 total property tax levy is \$128.4 million, which is equal to the 2009 levy, or a 0% change. Additionally, as a means of helping manage the risk of state aid reductions, the adopted budget repositioned property tax levy to include more levy in the operating budget (7.5% increase) and less in the capital budget (4.1% decrease), while also splitting State county program aid between operating and capital budgets.

### **Requests for Information**

This financial report is designed to provide a general overview of Dakota County'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 Financial Services Department, 1590 Highway 55, Hastings, MN 55033 or contact us via email at [finance@co.dakota.mn.us](mailto:finance@co.dakota.mn.us) or visit our web site at [www.dakotacounty.us](http://www.dakotacounty.us).

# Basic Financial Statements

**DAKOTA COUNTY  
MINNESOTA**

**STATEMENT OF NET ASSETS  
DECEMBER 31, 2009**

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Community Development Agency	Vermillion River Watershed
<b>Assets</b>					
Cash and pooled investments	\$ 220,107,876	\$ 227,466	\$ 220,335,342	\$ 42,281,104	\$ 1,447,643
Petty cash and change funds	18,545	-	18,545	-	-
Cash with escrow agent	25,866,170	-	25,866,170	-	-
Investments	-	-	-	16,932,410	-
Taxes receivable					
Current - net	-	-	-	5,487,667	72,328
Prior - net	3,831,711	-	3,831,711	-	662
Accounts receivable - net	2,147,751	4,000	2,151,751	890,158	-
Note receivable	-	-	-	32,866,736	-
Accrued interest receivable	693,862	-	693,862	563,620	-
Due from other governments	28,224,749	66,680	28,291,429	6,351,299	10,350
Inventories	1,060,821	-	1,060,821	-	-
Prepaid items	103,320	-	103,320	305,961	-
Restricted assets					
Cash and pooled investments	-	-	-	27,923,449	-
Accrued interest receivable-temporary	-	-	-	281	-
Deferred charges	517,231	-	517,231	556,230	-
Investment in joint venture	-	-	-	8,636,847	-
Lease receivable	7,113,320	-	7,113,320	-	-
Capital assets					
Non-depreciable	241,332,658	-	241,332,658	29,965,223	-
Depreciable - net of accumulated depreciation	371,295,054	-	371,295,054	82,017,565	-
<b>Total Assets</b>	<b>\$ 902,313,068</b>	<b>\$ 298,146</b>	<b>\$ 902,611,214</b>	<b>\$ 254,778,550</b>	<b>\$ 1,530,983</b>
<b>Liabilities</b>					
Accounts payable	\$ 7,841,162	\$ -	\$ 7,841,162	\$ 4,099,586	\$ 45,092
Salaries payable	3,772,896	-	3,772,896	-	-
Contracts payable	1,309,684	-	1,309,684	-	-
Due to other governments	4,471,593	-	4,471,593	715,006	372,369
Accrued interest payable	1,771,609	-	1,771,609	1,348,877	-
Deferred revenue - unearned	11,147,377	-	11,147,377	13,415,698	-
Compensated absences					
Due within one year	384,114	-	384,114	389,933	-
Due in more than one year	19,608,785	-	19,608,785	290,882	-
Claims and judgments payable					
Due within one year	185,814	-	185,814	-	-
Due in more than one year	696,253	-	696,253	-	-
General obligation bonds payable					
Due within one year	8,715,000	-	8,715,000	2,685,000	-
Due in more than one year	89,578,352	-	89,578,352	53,178,652	-
OPEB liability					
Due in more than one year	3,096,082	-	3,096,082	-	-
Notes payable					
Due within one year	-	-	-	3,542,323	-
Due in more than one year	-	-	-	3,897,550	-
<b>Total Liabilities</b>	<b>\$ 152,578,721</b>	<b>\$ -</b>	<b>\$ 152,578,721</b>	<b>\$ 83,563,507</b>	<b>\$ 417,461</b>

The notes to the financial statements are an integral part of this statement.

**DAKOTA COUNTY  
MINNESOTA**

**STATEMENT OF NET ASSETS  
DECEMBER 31, 2009**

	<u>Primary Government</u>			<u>Component Units</u>	
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>	<u>Community Development Agency</u>	<u>Vermillion River Watershed</u>
<b><u>Net Assets</u></b>					
Invested in capital assets - net of related debt	\$ 545,729,953	\$ -	\$ 545,729,953	\$ 67,422,313	\$ -
Restricted for					
Capital projects	-	-	-	11,043,093	-
Debt service	5,110,492	-	5,110,492	-	-
Equipment replacement	749,895	166,432	916,327	-	-
Federal grants	-	-	-	13,159,450	-
Tax increment	-	-	-	4,372,928	-
HOPE program	-	-	-	12,596,648	-
Unrestricted	198,144,007	131,714	198,275,721	62,620,611	1,113,522
<b>Total Net Assets</b>	<b><u>\$ 749,734,347</u></b>	<b><u>\$ 298,146</u></b>	<b><u>\$ 750,032,493</u></b>	<b><u>\$ 171,215,043</u></b>	<b><u>\$ 1,113,522</u></b>

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**DAKOTA COUNTY  
MINNESOTA**

**STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2009**

	Program Revenues				Net (Expense) Revenue and Changes in Net Assets				
	Expenses	Fees, Charges, Fines, and Other	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Units	
					Governmental Activities	Business-Type Activities	Total	Community Development Agency	Vermillion River Watershed
<b>Functions/Programs</b>									
<b>Primary government</b>									
<b>Governmental activities</b>									
General government	\$ 48,513,659	\$ 7,507,730	\$ 3,123,481	\$ -	\$ (37,882,448)	\$ -	\$ (37,882,448)		
Public safety	37,363,437	3,214,768	8,948,372	-	(25,200,297)	-	(25,200,297)		
Highways and streets	24,016,682	1,528,495	24,992,562	10,568,802	13,073,177	-	13,073,177		
Sanitation	5,476,281	6,528,605	321,394	-	1,373,718	-	1,373,718		
Human services	85,401,690	6,474,404	47,133,328	-	(31,793,958)	-	(31,793,958)		
Health	14,371,483	5,632,467	5,712,664	-	(3,026,352)	-	(3,026,352)		
Culture and recreation	19,746,598	1,730,132	941,566	-	(17,074,900)	-	(17,074,900)		
Conservation of natural resources	4,560,051	27,492	3,827,241	-	(705,318)	-	(705,318)		
Economic development	10,540,298	-	9,396,842	-	(1,143,456)	-	(1,143,456)		
Interest	4,360,037	-	-	-	(4,360,037)	-	(4,360,037)		
<b>Total governmental activities</b>	<b>\$ 254,350,216</b>	<b>\$ 32,644,093</b>	<b>\$ 104,397,450</b>	<b>\$ 10,568,802</b>	<b>\$ (106,739,871)</b>	<b>\$ -</b>	<b>\$ (106,739,871)</b>		
<b>Business-type activities</b>									
Geographic Information System	50,556	19,521	-	-	-	(31,035)	(31,035)		
Criminal Justice Information Integration	-	131,714	-	-	-	131,714	131,714		
<b>Total business-type activities</b>	<b>\$ 50,556</b>	<b>\$ 151,235</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 100,679</b>	<b>\$ 100,679</b>		
<b>Total primary government</b>	<b>\$ 254,400,772</b>	<b>\$ 32,795,328</b>	<b>\$ 104,397,450</b>	<b>\$ 10,568,802</b>	<b>\$ (106,739,871)</b>	<b>\$ 100,679</b>	<b>\$ (106,639,192)</b>		
<b>Component units</b>									
Community Development Agency	\$ 38,099,898	\$ 14,405,428	\$ 22,906,224	\$ 1,041,631			\$ 253,385	\$ -	
Vermillion River Watershed	1,245,246	-	53,997	-			-	(1,191,249)	
<b>Total component units</b>	<b>\$ 39,345,144</b>	<b>\$ 14,405,428</b>	<b>\$ 22,960,221</b>	<b>\$ 1,041,631</b>			<b>\$ 253,385</b>	<b>\$ (1,191,249)</b>	

The notes to the financial statements are an integral part of this statement.



**DAKOTA COUNTY  
MINNESOTA**

**STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2009**

Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets				
	Fees, Charges, Fines, and Other	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Units	
				Governmental Activities	Business-Type Activities	Total	Community Development Agency	Vermillion River Watershed
<b>General Revenues</b>								
Property taxes				\$ 126,986,839	\$ -	\$ 126,986,839	\$ 7,848,758	\$ 1,023,239
Gravel taxes				451,950	-	451,950	-	-
Mortgage registry and deed tax				408,750	-	408,750	-	-
Tax increment financing				-	-	-	3,384,616	-
Taxes - other				1,698,801	-	1,698,801	-	-
Gifts and contributions - Unrestricted				54,260	-	54,260	-	-
Grants and contributions not restricted to specific programs				21,681,301	-	21,681,301	-	87,084
Investment income				3,981,969	-	3,981,969	1,004,807	20,541
Miscellaneous				1,951,035	-	1,951,035	-	1,701
Gain on sale of capital assets				84,520	-	84,520	-	-
<b>Total general revenues and special items</b>				<b>\$ 157,299,425</b>	<b>\$ -</b>	<b>\$ 157,299,425</b>	<b>\$ 12,238,181</b>	<b>\$ 1,132,565</b>
<b>Change in net assets</b>				<b>\$ 50,559,554</b>	<b>\$ 100,679</b>	<b>\$ 50,660,233</b>	<b>\$ 12,491,566</b>	<b>\$ (58,684)</b>
<b>Net Assets - Beginning</b>				<b>699,174,793</b>	<b>197,467</b>	<b>699,372,260</b>	<b>158,723,477</b>	<b>1,172,206</b>
<b>Net Assets - Ending</b>				<b>\$ 749,734,347</b>	<b>\$ 298,146</b>	<b>\$ 750,032,493</b>	<b>\$ 171,215,043</b>	<b>\$ 1,113,522</b>

**DAKOTA COUNTY  
MINNESOTA**

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2009**

	<u>General</u>	<u>Highway</u>	<u>Community Services</u>	<u>County Parks</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b><u>Assets</u></b>								
Cash and pooled investments	\$ 75,845,665	\$ 773,115	\$ 56,885,090	\$ 10,247,703	\$ 8,269,348	\$ 16,558,966	\$ 31,528,122	\$ 200,108,009
Petty cash and change funds	8,345	-	6,790	1,100	-	-	2,310	18,545
Cash with escrow agent	-	-	-	-	25,866,170	-	-	25,866,170
Taxes receivable								
Prior	1,348,722	346,018	1,463,466	108,011	51,222	213,964	300,308	3,831,711
Accounts receivable	284,437	139,983	812,497	10,181	-	1,750	898,903	2,147,751
Accrued interest receivable	693,862	-	-	-	-	-	-	693,862
Due from other funds	743,365	407,108	194,020	460,144	-	576,837	115,442	2,496,916
Due from other governments	2,912,956	10,143,295	14,415,933	663,234	-	-	89,331	28,224,749
Advance to other funds	1,872,670	-	-	-	-	-	-	1,872,670
Prepaid items	102,214	1,106	-	-	-	-	-	103,320
Inventories	514,963	545,858	-	-	-	-	-	1,060,821
Lease receivable	7,113,320	-	-	-	-	-	-	7,113,320
<b>Total Assets</b>	<b><u>\$ 91,440,519</u></b>	<b><u>\$ 12,356,483</u></b>	<b><u>\$ 73,777,796</u></b>	<b><u>\$ 11,490,373</u></b>	<b><u>\$ 34,186,740</u></b>	<b><u>\$ 17,351,517</u></b>	<b><u>\$ 32,934,416</u></b>	<b><u>\$ 273,537,844</u></b>
<b><u>Liabilities and Fund Balances</u></b>								
<b>Liabilities</b>								
Accounts payable	\$ 2,549,794	\$ 2,234,776	\$ 2,393,907	\$ 201,167	\$ -	\$ 85,147	\$ 376,371	\$ 7,841,162
Salaries payable	1,381,059	183,114	1,789,534	71,507	-	-	347,682	3,772,896
Claims and judgments payable-current	63,406	-	-	-	-	-	-	63,406
Contracts payable	-	1,199,816	-	60,848	-	49,020	-	1,309,684
Due to other funds	3,170,869	469,011	848,968	37,202	879,409	-	180,571	5,586,030
Due to other governments	1,941,765	76,545	2,324,458	14,318	-	767	113,740	4,471,593
Deferred revenue - unavailable	974,945	842,570	4,947,994	507,895	40,708	172,801	241,396	7,728,309
Deferred revenue - unearned	7,701,368	126,578	1,007,302	1,626,475	-	-	685,654	11,147,377
Advance from other funds	-	-	-	1,872,670	-	-	-	1,872,670
<b>Total Liabilities</b>	<b><u>\$ 17,783,206</u></b>	<b><u>\$ 5,132,410</u></b>	<b><u>\$ 13,312,163</u></b>	<b><u>\$ 4,392,082</u></b>	<b><u>\$ 920,117</u></b>	<b><u>\$ 307,735</u></b>	<b><u>\$ 1,945,414</u></b>	<b><u>\$ 43,793,127</u></b>

The notes to the financial statements are an integral part of this statement.

**DAKOTA COUNTY  
MINNESOTA**

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2009**

	<u>General</u>	<u>Highway</u>	<u>Community Services</u>	<u>County Parks</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b><u>Liabilities and Fund Balances</u></b>								
<b>(Continued)</b>								
<b>Fund Balances</b>								
Reserved for								
Encumbrances	\$ -	\$ 3,021,044	\$ -	\$ 1,531,778	\$ -	\$ 321,927	\$ -	\$ 4,874,749
Advances to other funds	1,872,670	-	-	-	-	-	-	1,872,670
Inventories	510,326	545,858	-	-	-	-	-	1,056,184
Recorder's equipment purchases	749,895	-	-	-	-	-	-	749,895
Debt service	-	-	-	-	33,266,623	-	-	33,266,623
Farmland and Natural Area Program	5,305,533	-	-	-	-	-	-	5,305,533
Spring Lake Park	-	-	-	39,327	-	-	-	39,327
Victim Witness	53,010	-	-	-	-	-	-	53,010
Unreserved								
Designated for future expenditures	1,449,039	87,536	390,512	86,313	-	-	-	2,013,400
Designated for cash flows	23,701,736	3,569,635	20,943,921	1,538,818	-	692,174	-	50,446,284
Designated for capital improvements	-	-	-	3,900,955	-	16,029,681	-	19,930,636
Designated for contingencies	2,442,324	-	-	-	-	-	-	2,442,324
Designated for petty cash funds	8,345	-	6,790	1,100	-	-	-	16,235
Designated for capital equipment	13,335,212	-	37,742	-	-	-	-	13,372,954
Designated for OPEB	10,088,837	-	-	-	-	-	-	10,088,837
Designated for budget incentive program	6,406,233	-	1,740,506	-	-	-	-	8,146,739
Designated for budget stabilization fund	7,734,153	-	37,346,162	-	-	-	-	45,080,315
Undesignated	-	-	-	-	-	-	-	-
Unreserved, reported in nonmajor Special revenue funds	-	-	-	-	-	-	30,989,002	30,989,002
<b>Total Fund Balances</b>	<b><u>\$ 73,657,313</u></b>	<b><u>\$ 7,224,073</u></b>	<b><u>\$ 60,465,633</u></b>	<b><u>\$ 7,098,291</u></b>	<b><u>\$ 33,266,623</u></b>	<b><u>\$ 17,043,782</u></b>	<b><u>\$ 30,989,002</u></b>	<b><u>\$ 229,744,717</u></b>
<b>Total Liabilities and Fund Balances</b>	<b><u>\$ 91,440,519</u></b>	<b><u>\$ 12,356,483</u></b>	<b><u>\$ 73,777,796</u></b>	<b><u>\$ 11,490,373</u></b>	<b><u>\$ 34,186,740</u></b>	<b><u>\$ 17,351,517</u></b>	<b><u>\$ 32,934,416</u></b>	<b><u>\$ 273,537,844</u></b>

**DAKOTA COUNTY  
MINNESOTA**

**RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET ASSETS  
DECEMBER 31, 2009**

<b>Fund balances - total governmental funds</b>		<b>\$ 229,744,717</b>
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		612,627,712
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the governmental funds.		7,728,309
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds.		
General obligation bonds	\$ (97,775,000)	
Unamortized premiums on G.O. Bonds	(786,960)	
Unamortized discounts on G.O. Bonds	268,608	
Claims and judgments payable	(818,661)	
Accrued interest payable	(1,771,609)	
Deferred debt issuance charges	517,231	(100,366,391)
<b>Net assets of governmental activities</b>		<b>\$ 749,734,347</b>

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**DAKOTA COUNTY  
MINNESOTA**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>General</u>	<u>Highway</u>	<u>Community Services</u>	<u>County Parks</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Revenues</b>								
Taxes	\$ 39,084,148	\$ 14,001,080	\$ 50,326,609	\$ 3,871,829	\$ 2,004,437	\$ 7,480,626	\$ 12,426,265	\$ 129,194,994
Licenses and permits	34,350	152,420	-	82,423	-	-	862,226	1,131,419
Intergovernmental	25,537,389	39,334,983	69,075,232	1,171,053	4,382,800	298,553	3,979,927	143,779,937
Charges for services	11,731,763	1,270,331	12,985,895	738,678	-	-	6,700,517	33,427,184
Fines and forfeits	46,893	-	-	10,857	-	-	95,093	152,843
Gifts and contributions	5,188	-	-	471	-	-	49,101	54,760
Investment earnings	2,557,317	-	-	797	1,137,235	-	56,610	3,751,959
Miscellaneous	2,909,162	312,562	1,587,761	9,385	-	75,841	368,470	5,263,181
<b>Total Revenues</b>	<b>\$ 81,906,210</b>	<b>\$ 55,071,376</b>	<b>\$ 133,975,497</b>	<b>\$ 5,885,493</b>	<b>\$ 7,524,472</b>	<b>\$ 7,855,020</b>	<b>\$ 24,538,209</b>	<b>\$ 316,756,277</b>
<b>Expenditures</b>								
<b>Current</b>								
General government	\$ 60,212,770	\$ -	\$ 640,389	\$ -	\$ -	\$ -	\$ 505,914	\$ 61,359,073
Public safety	19,781,889	-	17,612,947	-	-	-	-	37,394,836
Highways and streets	1,569,864	43,604,873	-	-	-	-	-	45,174,737
Sanitation	-	-	-	-	-	-	7,304,309	7,304,309
Human services	-	-	87,426,542	-	-	-	-	87,426,542
Health	-	-	14,379,616	-	-	-	-	14,379,616
Culture and recreation	1,046,705	-	-	5,416,398	-	-	12,762,146	19,225,249
Conservation of natural resources	4,189,819	-	377,374	-	-	-	-	4,567,193
Economic development	2,677,555	-	5,940,050	-	-	-	1,846,503	10,464,108
<b>Capital outlay</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,153,718</b>	<b>-</b>	<b>2,153,718</b>
<b>Debt service</b>								
Principal	-	-	-	-	12,650,000	-	-	12,650,000
Interest	-	-	-	-	4,519,421	-	-	4,519,421
Administrative - fiscal charges	-	-	-	-	2,100	-	-	2,100
<b>Total Expenditures</b>	<b>\$ 89,478,602</b>	<b>\$ 43,604,873</b>	<b>\$ 126,376,918</b>	<b>\$ 5,416,398</b>	<b>\$ 17,171,521</b>	<b>\$ 2,153,718</b>	<b>\$ 22,418,872</b>	<b>\$ 306,620,902</b>
<b>Excess of Revenues Over (Under)</b>								
<b>Expenditures</b>	<b>\$ (7,572,392)</b>	<b>\$ 11,466,503</b>	<b>\$ 7,598,579</b>	<b>\$ 469,095</b>	<b>\$ (9,647,049)</b>	<b>\$ 5,701,302</b>	<b>\$ 2,119,337</b>	<b>\$ 10,135,375</b>

The notes to the financial statements are an integral part of this statement.

**DAKOTA COUNTY  
MINNESOTA**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>General</u>	<u>Highway</u>	<u>Community Services</u>	<u>County Parks</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Other Financing Sources (Uses)</b>								
Transfers in	\$ 241,760	\$ -	\$ 1,408	\$ -	\$ 9,238,490	\$ -	\$ 73,372	\$ 9,555,030
Transfers out	(651,452)	-	(241,193)	-	-	(8,661,818)	(567)	(9,555,030)
Proceeds from sale of assets	100,919	-	-	-	-	-	-	100,919
<b>Total Other Financing Sources (Uses)</b>	<u>\$ (308,773)</u>	<u>\$ -</u>	<u>\$ (239,785)</u>	<u>\$ -</u>	<u>\$ 9,238,490</u>	<u>\$ (8,661,818)</u>	<u>\$ 72,805</u>	<u>\$ 100,919</u>
<b>Change in Fund Balance</b>	<b>\$ (7,881,165)</b>	<b>\$ 11,466,503</b>	<b>\$ 7,358,794</b>	<b>\$ 469,095</b>	<b>\$ (408,559)</b>	<b>\$ (2,960,516)</b>	<b>\$ 2,192,142</b>	<b>\$ 10,236,294</b>
<b>Fund Balance - January 1</b>	<b>81,372,689</b>	<b>(4,390,876)</b>	<b>53,106,839</b>	<b>6,629,196</b>	<b>33,675,182</b>	<b>20,004,298</b>	<b>28,796,860</b>	<b>219,194,188</b>
<b>Increase (decrease) in reserved for inventories</b>	<u>165,789</u>	<u>148,446</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>314,235</u>
<b>Fund Balance - December 31</b>	<u><u>\$ 73,657,313</u></u>	<u><u>\$ 7,224,073</u></u>	<u><u>\$ 60,465,633</u></u>	<u><u>\$ 7,098,291</u></u>	<u><u>\$ 33,266,623</u></u>	<u><u>\$ 17,043,782</u></u>	<u><u>\$ 30,989,002</u></u>	<u><u>\$ 229,744,717</u></u>

**DAKOTA COUNTY  
MINNESOTA**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2009**

**Net change in fund balances - total governmental funds** **\$ 10,236,294**

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

Governmental funds report capital outlay 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.

Expenditures for general capital assets, infrastructure, and other related capital assets	\$ 46,133,674	
Current year depreciation	<u>(12,660,874)</u>	33,472,800

In the statement of activities, only the gain or loss on the disposal of capital assets is reported, whereas, in the governmental funds, the proceeds from the disposal increase financial resources. Therefore, the change in net assets differs from the change in fund balance by the net book value of the disposed capital assets. (265,931)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (6,308,787)

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.

Principal repayments		
General obligation bonds		12,650,000

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Change in accrued interest payable	\$ 222,968	
Amortization of premiums and bond issuance costs	168,526	
Change in claims and judgments payable	69,449	
Change in inventories	<u>314,235</u>	<u>775,178</u>

**Change in net assets of governmental activities** **\$ 50,559,554**



**DAKOTA COUNTY  
MINNESOTA**

**BUDGETARY COMPARISON STATEMENT  
BUDGET AND ACTUAL  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Taxes	\$ 39,228,410	\$ 40,146,193	\$ 39,084,148	\$ (1,062,045)
Licenses and permits	15,048	15,048	34,350	19,302
Intergovernmental	20,024,160	23,341,191	25,537,389	2,196,198
Charges for services	11,787,301	11,306,743	11,731,763	425,020
Fines and forfeits	45,000	45,000	46,893	1,893
Gifts and contributions	-	-	5,188	5,188
Investment earnings	10,014,000	5,014,000	2,557,317	(2,456,683)
Miscellaneous	6,787,836	7,958,226	2,909,162	(5,049,064)
<b>Total Revenues</b>	<b>\$ 87,901,755</b>	<b>\$ 87,826,401</b>	<b>\$ 81,906,210</b>	<b>\$ (5,920,191)</b>
<b>Expenditures</b>				
<b>Current</b>				
<b>General government</b>				
Commissioners	\$ 749,475	\$ 830,180	\$ 647,080	\$ 183,100
Courts services	229,733	229,733	309,443	(79,710)
County administration	1,421,935	1,679,072	1,117,776	561,296
OMB division administration/OPED	2,759,154	3,199,603	2,518,838	680,765
Public service and revenue admin	1,017,638	1,080,256	873,359	206,897
Service and license centers	1,830,177	1,891,356	1,669,759	221,597
County treasurer	4,348,354	5,436,795	4,399,793	1,037,002
County assessor	3,556,921	3,692,967	3,300,528	392,439
Accounting and auditing	2,854,419	2,987,098	2,514,165	472,933
Information technology	9,519,041	14,317,949	10,324,988	3,992,961
Operations management services	15,289,300	17,395,401	13,397,374	3,998,027
Employee relations	2,694,683	2,830,777	2,353,056	477,721
Attorney	9,063,663	9,215,273	8,542,990	672,283
Surveyor	861,981	880,283	866,244	14,039
Physical development administration	2,069,537	2,343,465	1,650,068	693,397
Communications	972,190	971,676	773,505	198,171
GIS	945,077	951,957	920,635	31,322
County-wide operations	904,740	439,411	4,033,169	(3,593,758)
<b>Total general government</b>	<b>\$ 61,088,018</b>	<b>\$ 70,373,252</b>	<b>\$ 60,212,770</b>	<b>\$ 10,160,482</b>
<b>Public safety</b>				
Sheriff	\$ 18,976,030	\$ 20,663,643	\$ 19,237,232	\$ 1,426,411
Coroner	494,382	544,657	544,657	-
<b>Total public safety</b>	<b>\$ 19,470,412</b>	<b>\$ 21,208,300</b>	<b>\$ 19,781,889</b>	<b>\$ 1,426,411</b>
<b>Highway and streets</b>				
Other-highway and streets	\$ 831,000	\$ 907,589	\$ 1,569,864	\$ (662,275)
<b>Total highway and streets</b>	<b>\$ 831,000</b>	<b>\$ 907,589</b>	<b>\$ 1,569,864</b>	<b>\$ (662,275)</b>

The notes to the financial statements are an integral part of this statement.

**DAKOTA COUNTY  
MINNESOTA**

**BUDGETARY COMPARISON STATEMENT  
BUDGET AND ACTUAL  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2009**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Expenditures</b>				
<b>Current (Continued)</b>				
<b>Culture and recreation</b>				
Historical society	\$ 138,036	\$ 138,036	\$ 138,036	\$ -
County fair	135,285	135,285	135,285	-
Parks	396,000	736,705	761,171	(24,466)
County library	-	-	12,213	(12,213)
<b>Total culture and recreation</b>	<b>\$ 669,321</b>	<b>\$ 1,010,026</b>	<b>\$ 1,046,705</b>	<b>\$ (36,679)</b>
<b>Conservation of natural resources</b>				
Soil and water conservation	\$ 297,222	\$ 297,222	\$ 297,222	\$ -
Farmland and natural area program	140,032	6,300,148	3,892,597	2,407,551
<b>Total conservation of natural resources</b>	<b>\$ 437,254</b>	<b>\$ 6,597,370</b>	<b>\$ 4,189,819</b>	<b>\$ 2,407,551</b>
<b>Economic development</b>				
Administration	\$ 2,677,555	\$ 2,677,555	\$ 2,677,555	\$ -
<b>Total economic development</b>	<b>\$ 2,677,555</b>	<b>\$ 2,677,555</b>	<b>\$ 2,677,555</b>	<b>\$ -</b>
<b>Total Expenditures</b>	<b>\$ 85,173,560</b>	<b>\$ 102,774,092</b>	<b>\$ 89,478,602</b>	<b>\$ 13,295,490</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>\$ 2,728,195</b>	<b>\$ (14,947,691)</b>	<b>\$ (7,572,392)</b>	<b>\$ 7,375,299</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in	\$ 5,688	\$ 241,760	\$ 241,760	\$ -
Transfers out	-	(651,452)	(651,452)	-
Proceeds from sale of assets	-	95,937	100,919	4,982
<b>Total Other Financing Sources (Uses)</b>	<b>\$ 5,688</b>	<b>\$ (313,755)</b>	<b>\$ (308,773)</b>	<b>\$ 4,982</b>
<b>Change in Fund Balance</b>	<b>\$ 2,733,883</b>	<b>\$ (15,261,446)</b>	<b>\$ (7,881,165)</b>	<b>\$ 7,380,281</b>
<b>Fund Balance - January 1</b>	<b>81,372,689</b>	<b>81,372,689</b>	<b>81,372,689</b>	<b>-</b>
<b>Increase (decrease) in reserved for inventories</b>	<b>-</b>	<b>-</b>	<b>165,789</b>	<b>165,789</b>
<b>Fund Balance - December 31</b>	<b>\$ 84,106,572</b>	<b>\$ 66,111,243</b>	<b>\$ 73,657,313</b>	<b>\$ 7,546,070</b>

The notes to the financial statements are an integral part of this statement.

**DAKOTA COUNTY  
MINNESOTA**

**BUDGETARY COMPARISON STATEMENT  
BUDGET AND ACTUAL  
HIGHWAY SPECIAL REVENUE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Taxes	\$ 12,638,566	\$ 12,745,175	\$ 14,001,080	\$ 1,255,905
Licenses and permits	140,000	140,000	152,420	12,420
Intergovernmental	35,535,432	81,406,556	39,334,983	(42,071,573)
Charges for services	1,270,331	1,270,331	1,270,331	-
Miscellaneous	213,769	494,487	312,562	(181,925)
<b>Total Revenues</b>	<b>\$ 49,798,098</b>	<b>\$ 96,056,549</b>	<b>\$ 55,071,376</b>	<b>\$ (40,985,173)</b>
<b>Expenditures</b>				
<b>Current</b>				
<b>Highway and streets</b>				
Administration	\$ 296,875	\$ 328,453	\$ 290,519	\$ 37,934
Maintenance	5,219,286	5,292,009	4,900,176	391,833
Construction	46,913,602	90,115,466	38,414,178	51,701,288
<b>Total Expenditures</b>	<b>\$ 52,429,763</b>	<b>\$ 95,735,928</b>	<b>\$ 43,604,873</b>	<b>\$ 52,131,055</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>\$ (2,631,665)</b>	<b>\$ 320,621</b>	<b>\$ 11,466,503</b>	<b>\$ 11,145,882</b>
<b>Fund Balance - January 1</b>	<b>(4,390,876)</b>	<b>(4,390,876)</b>	<b>(4,390,876)</b>	<b>-</b>
<b>Increase (decrease) in reserved for inventories</b>	<b>-</b>	<b>-</b>	<b>148,446</b>	<b>148,446</b>
<b>Fund Balance - December 31</b>	<b>\$ (7,022,541)</b>	<b>\$ (4,070,255)</b>	<b>\$ 7,224,073</b>	<b>\$ 11,294,328</b>

The notes to the financial statements are an integral part of this statement.

**DAKOTA COUNTY  
MINNESOTA**

**BUDGETARY COMPARISON STATEMENT  
BUDGET AND ACTUAL  
COMMUNITY SERVICES SPECIAL REVENUE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Taxes	\$ 53,427,156	\$ 52,165,989	\$ 50,326,609	\$ (1,839,380)
Intergovernmental	74,755,021	79,917,943	69,075,232	(10,842,711)
Charges for services	10,098,011	12,512,694	12,985,895	473,201
Miscellaneous	2,395,447	2,221,687	1,587,761	(633,926)
<b>Total Revenues</b>	<b>\$ 140,675,635</b>	<b>\$ 146,818,313</b>	<b>\$ 133,975,497</b>	<b>\$ (12,842,816)</b>
<b>Expenditures</b>				
<b>Current</b>				
<b>General government</b>				
Veterans service officer	\$ 646,395	\$ 679,480	\$ 640,389	\$ 39,091
<b>Total general government</b>	<b>\$ 646,395</b>	<b>\$ 679,480</b>	<b>\$ 640,389</b>	<b>\$ 39,091</b>
<b>Public safety</b>				
Community corrections	\$ 19,429,982	\$ 20,005,575	\$ 17,612,947	\$ 2,392,628
<b>Total public safety</b>	<b>\$ 19,429,982</b>	<b>\$ 20,005,575</b>	<b>\$ 17,612,947</b>	<b>\$ 2,392,628</b>
<b>Human services</b>				
Income maintenance	\$ 36,554,816	\$ 37,402,069	\$ 24,387,847	\$ 13,014,222
Social services	67,467,973	68,484,199	63,038,695	5,445,504
<b>Total human services</b>	<b>\$ 104,022,789</b>	<b>\$ 105,886,268</b>	<b>\$ 87,426,542</b>	<b>\$ 18,459,726</b>
<b>Health</b>				
Public health	\$ 15,177,968	\$ 16,470,044	\$ 14,379,616	\$ 2,090,428
<b>Total health</b>	<b>\$ 15,177,968</b>	<b>\$ 16,470,044</b>	<b>\$ 14,379,616</b>	<b>\$ 2,090,428</b>
<b>Conservation</b>				
Cooperative extension	\$ 393,857	\$ 447,533	\$ 377,374	\$ 70,159
<b>Total conservation</b>	<b>\$ 393,857</b>	<b>\$ 447,533</b>	<b>\$ 377,374</b>	<b>\$ 70,159</b>
<b>Economic development</b>				
Community development	\$ 3,544,168	\$ 6,982,110	\$ 5,940,050	\$ 1,042,060
<b>Total economic development</b>	<b>\$ 3,544,168</b>	<b>\$ 6,982,110</b>	<b>\$ 5,940,050</b>	<b>\$ 1,042,060</b>
<b>Total Expenditures</b>	<b>\$ 143,215,159</b>	<b>\$ 150,471,010</b>	<b>\$ 126,376,918</b>	<b>\$ 24,094,092</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>\$ (2,539,524)</b>	<b>\$ (3,652,697)</b>	<b>\$ 7,598,579</b>	<b>\$ 11,251,276</b>

The notes to the financial statements are an integral part of this statement.

**DAKOTA COUNTY  
MINNESOTA**

**BUDGETARY COMPARISON STATEMENT  
BUDGET AND ACTUAL  
COMMUNITY SERVICES SPECIAL REVENUE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Other Financing Sources (Uses)</b>				
Transfers in	\$ -	\$ 1,408	\$ 1,408	\$ -
Transfers out	(5,688)	(241,193)	(241,193)	-
<b>Total Other Financing Sources (Uses)</b>	<u>\$ (5,688)</u>	<u>\$ (239,785)</u>	<u>\$ (239,785)</u>	<u>\$ -</u>
<b>Change in Fund Balance</b>	<b>\$ (2,545,212)</b>	<b>\$ (3,892,482)</b>	<b>\$ 7,358,794</b>	<b>\$ 11,251,276</b>
<b>Fund Balance - January 1</b>	<u>53,106,839</u>	<u>53,106,839</u>	<u>53,106,839</u>	<u>-</u>
<b>Fund Balance - December 31</b>	<u><u>\$ 50,561,627</u></u>	<u><u>\$ 49,214,357</u></u>	<u><u>\$ 60,465,633</u></u>	<u><u>\$ 11,251,276</u></u>

The notes to the financial statements are an integral part of this statement.

**DAKOTA COUNTY  
MINNESOTA**

**BUDGETARY COMPARISON STATEMENT  
BUDGET AND ACTUAL  
COUNTY PARKS SPECIAL REVENUE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Taxes	\$ 4,014,482	\$ 4,005,397	\$ 3,871,829	\$ (133,568)
Licenses and permits	49,300	49,300	82,423	33,123
Intergovernmental	1,195,000	6,473,093	1,171,053	(5,302,040)
Charges for services	679,881	691,979	738,678	46,699
Fines and forfeits	-	-	10,857	10,857
Gifts and contributions	-	-	471	471
Investment earnings	-	-	797	797
Miscellaneous	12,098	325	9,385	9,060
<b>Total Revenues</b>	<b><u>\$ 5,950,761</u></b>	<b><u>\$ 11,220,094</u></b>	<b><u>\$ 5,885,493</u></b>	<b><u>\$ (5,334,601)</u></b>
<b>Expenditures</b>				
<b>Current</b>				
<b>Culture and recreation</b>				
Parks	\$ 6,612,135	\$ 16,312,806	\$ 5,416,398	\$ 10,896,408
<b>Total Expenditures</b>	<b><u>\$ 6,612,135</u></b>	<b><u>\$ 16,312,806</u></b>	<b><u>\$ 5,416,398</u></b>	<b><u>\$ 10,896,408</u></b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b><u>\$ (661,374)</u></b>	<b><u>\$ (5,092,712)</u></b>	<b><u>\$ 469,095</u></b>	<b><u>\$ 5,561,807</u></b>
<b>Fund Balance - January 1</b>	<b><u>6,629,196</u></b>	<b><u>6,629,196</u></b>	<b><u>6,629,196</u></b>	<b><u>-</u></b>
<b>Fund Balance - December 31</b>	<b><u><u>\$ 5,967,822</u></u></b>	<b><u><u>\$ 1,536,484</u></u></b>	<b><u><u>\$ 7,098,291</u></u></b>	<b><u><u>\$ 5,561,807</u></u></b>

The notes to the financial statements are an integral part of this statement.

**DAKOTA COUNTY  
MINNESOTA**

**STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS  
DECEMBER 31, 2009**

	<u>Nonmajor Enterprise Funds</u>	<u>Governmental Activities - Employee Services Reserve Internal Service Fund</u>
<b><u>Assets</u></b>		
Current assets:		
Cash and pooled investments	\$ 227,466	\$ 19,999,867
Accounts receivable (net)	4,000	-
Due from other funds	-	3,103,715
Due from other governments	66,680	-
<b>Total current assets</b>	<b><u>\$ 298,146</u></b>	<b><u>\$ 23,103,582</u></b>
<b>Total Assets</b>	<b><u><u>\$ 298,146</u></u></b>	<b><u><u>\$ 23,103,582</u></u></b>
<b><u>Liabilities</u></b>		
Current liabilities:		
Compensated absences payable - current	\$ -	\$ 384,114
Due to other funds	-	14,601
<b>Total current liabilities</b>	<b><u>\$ -</u></b>	<b><u>\$ 398,715</u></b>
Noncurrent liabilities:		
Compensated absences payable - long-term	\$ -	\$ 19,608,785
Net OPEB liability	-	3,096,082
<b>Total noncurrent liabilities</b>	<b><u>\$ -</u></b>	<b><u>\$ 22,704,867</u></b>
<b>Total Liabilities</b>	<b><u>\$ -</u></b>	<b><u>\$ 23,103,582</u></b>
<b>Net Assets</b>		
Restricted for		
Equipment replacement	\$ 166,432	\$ -
Unrestricted	131,714	-
<b>Total Net Assets</b>	<b><u><u>\$ 298,146</u></u></b>	<b><u><u>\$ -</u></u></b>

The notes to the financial statements are an integral part of this statement.

**DAKOTA COUNTY  
MINNESOTA**

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>Nonmajor Enterprise Funds</u>	<u>Governmental Activities - Employee Services Reserve Internal Service Fund</u>
<b>Operating Revenues</b>		
Charges for services	\$ 151,235	\$ 3,883,107
<b>Total Operating Revenues</b>	<u>\$ 151,235</u>	<u>\$ 3,883,107</u>
<b>Operating Expenses</b>		
Personal services	\$ -	\$ 2,218,955
OPEB expense	-	1,664,152
Other services and charges	50,556	-
<b>Total Operating Expenses</b>	<u>\$ 50,556</u>	<u>\$ 3,883,107</u>
<b>Operating income</b>	<u>\$ 100,679</u>	<u>\$ -</u>
<b>Change in Net Assets</b>	\$ 100,679	\$ -
<b>Net Assets - January 1</b>	<u>197,467</u>	<u>-</u>
<b>Net Assets - December 31</b>	<u><u>\$ 298,146</u></u>	<u><u>\$ -</u></u>

The notes to the financial statements are an integral part of this statement.



**DAKOTA COUNTY  
MINNESOTA**

**STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2009  
Increase (Decrease) in Cash and Cash Equivalents**

	<u>Nonmajor Enterprise Funds</u>	<u>Governmental Activities - Employee Services Reserve Internal Service Fund</u>
<b>Cash Flows from Operating Activities</b>		
Receipts from customers and users	\$ 80,555	\$ -
Receipts from internal services provided	-	3,960,557
Payments to suppliers	(50,557)	-
Payments to internal services used	-	(582,881)
	<u>          </u>	<u>          </u>
<b>Net cash provided by (used in) operating activities</b>	<u>\$ 29,998</u>	<u>\$ 3,377,676</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<u>\$ 29,998</u>	<u>\$ 3,377,676</u>
<b>Cash and Cash Equivalents at January 1</b>	<u>197,468</u>	<u>16,622,191</u>
<b>Cash and Cash Equivalents at December 31</b>	<u><u>\$ 227,466</u></u>	<u><u>\$ 19,999,867</u></u>
<b>Reconciliation of Operating Income to Net Cash Provided by (Used in) Operating Activities</b>		
Operating income (loss)	<u>\$ 100,679</u>	<u>\$ -</u>
Adjustments to reconcile operating income to net cash provided by (used in) operating activities		
(Increase) decrease in accounts receivable	\$ (70,680)	\$ -
(Increase) decrease in due from other funds	-	77,450
Increase (decrease) in compensated absences payable	-	2,218,954
Increase (decrease) in due to other funds	-	11,363
Increase (decrease) in due to other governments	(1)	-
Increase (decrease) in OPEB liability	-	1,069,909
	<u>          </u>	<u>          </u>
<b>Total adjustments</b>	<u>\$ (70,681)</u>	<u>\$ 3,377,676</u>
<b>Net Cash Provided by (Used in) Operating Activities</b>	<u><u>\$ 29,998</u></u>	<u><u>\$ 3,377,676</u></u>

The notes to the financial statements are an integral part of this statement.

**DAKOTA COUNTY  
MINNESOTA**

**STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
DECEMBER 31, 2009**

	<b>Private-Purpose Trusts</b>	<b>Agency Funds</b>
<b><u>Assets</u></b>		
Cash and pooled investments	\$ 4,972,871	\$ 30,310,201
Departmental cash	-	196,931
Accounts receivable	-	64,054
Due from other governments	1,019,875	146,397
<b>Total Assets</b>	<b>\$ 5,992,746</b>	<b>\$ 30,717,583</b>
<b><u>Liabilities</u></b>		
Accounts payable	\$ 98,898	\$ 1,492,744
Salaries payable	-	26,938
Accrued expenses	76,448	-
Due to other governments	4,653,140	29,197,901
Advance from other governments	754,083	-
<b>Total Liabilities</b>	<b>\$ 5,582,569</b>	<b>\$ 30,717,583</b>
<b><u>Net Assets</u></b>		
Net assets, held in trust for other purposes	\$ 410,177	
<b>Total Net Assets</b>	<b>\$ 410,177</b>	

The notes to the financial statements are an integral part of this statement.

**DAKOTA COUNTY  
MINNESOTA**

**STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>Private-Purpose Trusts</u>
<b><u>ADDITIONS:</u></b>	
State Grants	
Mn Dept of Trial Courts	\$ 3,172,531
Mn Pollution Control Agency	792,021
Payments from other governments	303,510
Other agencies	17,400
Miscellaneous	6,527
Investment earnings:	
Interest	32,203
<b>Total additions</b>	<b><u>\$ 4,324,192</u></b>
<b><u>DEDUCTIONS:</u></b>	
Judicial District expenses	\$ 3,172,531
Solid waste expenses	1,119,010
Emergency preparedness expenses	61,695
<b>Total deductions</b>	<b><u>\$ 4,353,236</u></b>
<b>Change in net assets</b>	<b>\$ (29,044)</b>
<b>Net assets - January 1</b>	<b><u>439,221</u></b>
<b>Net assets - December 31</b>	<b><u><u>\$ 410,177</u></u></b>

The notes to the financial statements are an integral part of this statement.

**DAKOTA COUNTY  
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**NOTES TO THE FINANCIAL STATEMENTS  
December 2009**

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**I. Summary of significant accounting policies**

The financial statements of Dakota County have been prepared in conformity with generally accepted accounting principles. This financial report has been prepared in conformity with Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments*, issued in June 1999.

**A. Reporting entity**

Dakota County (County) was established October 27, 1849, and is an organized county having the powers, duties and privileges granted counties by *Minnesota State Statutes*. A seven-member Board of Commissioners elected from districts within the County governs the County. The accompanying financial statements present the County and its component units, for which the County is considered to be financially accountable. The blended component unit, although legally a separate entity, is in substance, part of the County's operations. The discretely presented component units are reported in separate columns in the government-wide financial statements to emphasize that they are legally separate from the County.

**Blended component unit.** The Regional Rail Authority (Authority) serves the citizens of the County. The seven member Regional Rail Authority Board is appointed by the Dakota County Board of Commissioners. Currently, the Regional Rail Authority Board consists of the seven Dakota County Commissioners. The Authority has the power to levy taxes, issue bonds and enter into contracts and agreements. The Authority was established to promote the development of transit options for the County, maintain involvement in metropolitan activities, including light rail transit and transit-related linkages, and play a role in the acquisition of abandoned railroad right-of-way for transportation purposes. Separate financial statements are not available for the Regional Rail Authority.

**Discretely presented component units.** Dakota County presents two discrete component units: 1) Dakota County Community Development Agency and 2) Vermillion River Watershed Joint Powers Organization.

Dakota County Community Development Agency (CDA) was established in 1971 pursuant to special Minnesota legislation. The mission of the CDA is to improve the lives of Dakota County residents through affordable housing and community development. The CDA utilizes available federal, state, and local resources to serve the residents of the County by working to upgrade and maintain the existing housing stock; encourage the construction of new housing affordable to low and moderate income households; promote economic development efforts and provide assistance to the County communities through community-development programs; and to provide low and moderate income family and senior households with decent, safe, and affordable rental housing opportunities.

The County appoints all seven members of the CDA's Board of Commissioners. Additionally the County has underwritten several of the bond issues of the CDA. The CDA is therefore included as a discretely presented unit since the significance of the relationship between the CDA and the County is such that exclusion would cause the County's financial statements to be incomplete.

Complete financial statements for the component unit may be obtained at the entity's website or in their administrative offices:

Dakota County Community Development Agency  
1228 Town Centre Drive  
Eagan, Minnesota 55123  
[www.dakotacda.org](http://www.dakotacda.org)

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**NOTES TO THE FINANCIAL STATEMENTS  
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The Vermillion River Watershed Joint Powers Organization (VRW) was established in 2002 for purposes set forth in Minn. Stat. § 103B.201 within the political boundary of the Vermillion River watershed located in Dakota County and Scott County. The purpose of the VRW is to establish a joint powers board that will exercise leadership in the development of policies, programs and projects that will promote the accomplishment of the purposes found in Minn. Stat. § 103B.201, including the preparation, adoption and implementation of the plan required by Minn. Stat. § 103B.211 for the Vermillion River Watershed. The Vermillion River Watershed Joint Powers Board consists of one county commissioner from Scott County and two county commissioners from Dakota County. Additionally, the Vermillion River Watershed is a special taxing district within Dakota County. It is therefore included as a discretely presented component unit since the significance of the relationship between the VRW and the County is such that exclusion would cause the County's financial statements to be incomplete. Separate financial statements for the VRW are not available.

**B. Government-wide and fund financial statements**

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the non-fiduciary 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, are reported separately from *business-type activities*, which rely significantly on fees and charges for support. Likewise, the *primary government* is reported separately from the legally separate *component units* for which the primary government is financially accountable.

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

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

**C. Measurement focus, basis of accounting, and financial statement presentation**

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and private purpose trust fund financial statements. Agency funds have no measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period for taxes, charges for services, and reimbursements for services and 90 days for Intergovernmental grants. 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.

Property taxes, 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 measurable and available only when cash is received by the government.

**DAKOTA COUNTY  
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**NOTES TO THE FINANCIAL STATEMENTS  
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The government reports the following major governmental funds:

The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the general government except those required to be accounted for in another fund.

*Highway Special Revenue Fund* accounts for all costs for maintenance and construction of streets and highways. Financing comes primarily from an annual property tax levy and intergovernmental revenue from local, State and Federal Governments.

*Community Services Special Revenue Fund* accounts for all costs for human services. Financing comes primarily from an annual property tax levy, charges for services, and intergovernmental revenue from the State and Federal Governments.

*County Park Special Revenue Fund* is to account for park acquisition, development and operating costs. Financing is provided by an annual property tax levy and grants from Metropolitan Council.

*Debt Service Fund* accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of the government.

*Capital Projects Fund* accounts for financial resources to be used for the acquisition or construction of major capital facilities.

The government reports the following nonmajor governmental funds:

*Special revenue funds* are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

- *County Library Fund* is to account for the operating cost of the Dakota County Library. Financing is provided by an annual property tax levy.
- *Environmental Management Fund* accounts for environmental management activities within the county including waste reduction, planning, administration, regulation and education.
- *Regional Rail Authority* is used to account for revenues and expenditures of the Regional Rail Authority established by the Dakota County Board of Commissioners to plan and develop light rail and other transit alternatives within the County.
- *Law Library Fund* is used to account for revenues and expenditures of the Law Library. Revenues are derived from fees collected from certain litigants and expenditures are primarily law books and minor administrative and personal service costs.
- *Attorney Forfeiture Fund* is to account for the 20 percent of the proceeds from the sale of forfeited property which is distributed to the County Attorney as a supplement to operating monies for prosecutorial purposes.

Additionally, the government reports the following fund types:

*Enterprise Funds* are used to report any activity for which a fee is charged to external users for goods or services.

- *Office of GIS* accounts for the sale of geographic information such as data and maps.

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- *Criminal Justice Information Integration Network* accounts for revenue received from criminal justice agencies that use the County's applications. Expenditures from the fund are used for technical infrastructure purchases and upgrades as well as development of further criminal justice technology applications.

*Internal Service Fund* accounts for services provided to departments by employees, specifically employee benefits including compensated absences.

*Private-Purpose Trust Funds* are used to account for resources legally held in trust for use by other governmental units. All resources of the funds, including any earnings on invested resources, may be used to support the organization's activities. There is no requirement that any portion of these resources be preserved as capital.

- *First Judicial District* accounts for certain expenditures of the District and their subsequent reimbursement from the state. The First Judicial District is a subdivision of the state and is legally separate from the County. This fund also incorporates expenditures for Dakota County District Court which is reimbursed by the state.
- *Rural Solid Waste Commission* accounts for 13 townships and six rural communities in Dakota County who have pooled their resources to provide solid waste abatement activities for the rural areas. It is a legally separate entity for which the County is the fiscal agent. The County maintains membership in but not control over.
- *Solid Waste Management Coordination Board* accounts for local and state grant funds provided jointly to participating counties. Funds are used in solid waste environmental activities. The Board is a legally separate entity from the County. The County maintains membership in but not control over the Board, as a member, the County is providing fiscal services to the Board.
- *Domestic Preparedness Fund* accounts for the coordination of emergency preparedness and homeland security services. Membership includes Dakota County and 11 of the largest cities within the county.

*Agency Funds* are used to account for assets held by the County as an agent for individuals, private organizations, other governments, or other funds. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

- *4-H* - to account for receipts and disbursements for 4-H programs.
- *Agricultural Conservation* - to account for fees used to reimburse the local taxing districts for the amount of property taxes lost because of the agricultural preserve credit.
- *Arbitrage* - to account for arbitrage interest earnings on the 1989 CIP Bonds which must be remitted to the federal government.
- *Assurance* - to account for fees received for the registration of Torrens certificates of title. Per State statute, the fees are transmitted to the State Treasurer for administration of the assurance program.
- *Community Development Agency* - to account for collecting and distribution of Community Development Agency funds relating primarily to housing and redevelopment.
- *Conservation* - to account for fees received per transaction on recording of a mortgage prior to transfer to the County portion and State portion.
- *Dakota-Scott WSA* - to account for collecting and distribution of employment grant funds relating to the workforce services program.
- *DUI Forfeiture Fund* - to account for the proceeds from the sales of vehicles forfeited for DUI.

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**NOTES TO THE FINANCIAL STATEMENTS  
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- *Electronic License System* - to account for collection and payment of amounts due and payable from the sale of game and fish licenses through the state electronic system.
- *Forfeited Tax* - to account for all monies collected per State statute for sale of lands forfeited for unpaid taxes.
- *Forfeited Tax Assurance* - to account for monies collected from the sale of tax delinquent land. Monies are held in trust until disposition is made to various entities.
- *Historical Society* - to account for monies administered by the Historical Society.
- *Local Collaboratives* - to account for federal funds disbursed through Minnesota Departments of Human Services or Children, Families, and Learning.
- *Metro Alliance for Healthy Families* - to account for monies administered by the metro counties and cities that are collaborating to provide services to public health clients. Dakota County is the lead agent for this effort.
- *Metro Council* - to account for the Council's share of property taxes collected by the County.
- *Metro Transit* - to account for Metro Transit's share of property taxes collected by the County.
- *MESB* - to account for payroll and benefit costs for the Metropolitan Emergency Services Board which are reimbursed by the MESB.
- *MICA* - to account for the investments made on behalf of the Metropolitan Inter-County Association.
- *Minnesota Conservation Fund* - to account for the State's share of funding for agricultural preserve property tax credit.
- *Mosquito Control* - to account for the District's share of property taxes collected by the County.
- *Payroll Deductions* - to account for monies deducted from employees' salaries for benefits and payments on their behalf.
- *School Districts* - to account for the collection and payments of property taxes due to school districts.
- *Sheriff Civil Fees* - to account for collection and payments of civil fees due to different municipalities and agencies.
- *Sheriff Evidence Fund* - to account for cash seized as evidence or pending forfeiture action.
- *Sheriff Inmate Fund* - to account for funds received from individuals booked into the County jail and returned to the individual upon their release.
- *Sheriff Trust Fund* - to account for receipts from redemption's, executions, sheriff sales and subsequently paid out.
- *Sheriff 911 Distribution* - to account for the collection and payments of state funds in support of the emergency response system. This fund is no longer collecting revenue for 911 because the Dakota Communication Center is now performing central dispatch for Dakota County and member cities.



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- *Social Welfare* - to account for clients' receipts from Social Security and maternity support, legal settlements, and Veterans Administration used for personal needs of the client.
- *State Revenue* - to account for the fines collected which are to be remitted to the State.
- *Taxes and Penalties* - to account for the collection and payment of tax and penalties to various taxing districts.
- *Towns and Cities* - to account for the collection and payments of taxes due to towns and cities.
- *Watershed Levy* - to account for property taxes collected by the County and due to the watershed district.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the *option* of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments for direct interfund services provided. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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.

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's ongoing operations. The principal operating revenue of the Geographic Information System (GIS) enterprise fund is the sale of geographic information. The Criminal Justice Information Integration Network (CJIN) enterprise fund's primary revenue includes the fee charged to outside agencies that use the criminal justice applications. The Employee Services Reserve internal service fund's primary revenue is derived from charges for services to departments for employee benefits. Operating expenses for the enterprise funds and the internal service fund include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

**D. Assets, liabilities, and net assets or equity**

**1. Deposits and investments**

The government'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.

Dakota County invests in an external investment pool, the Minnesota Association of Governments Investing for Counties (MAGIC) Fund, which is created under joint powers agreement pursuant to Minn. Stat. §471.59. The MAGIC fund is not registered with the Securities and Exchange Commission, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Therefore, the fair value of the County's position in the pool is the same as the value of the pool shares.

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State statutes authorize the County and the Agency to invest in obligations of the U.S. Treasury, commercial paper, mutual funds, general obligations of the State of Minnesota and its municipalities, bankers' acceptances, and guaranteed investment contracts subject to specific requirements. The County records its investment earnings in the General Fund as required by state statute unless directed otherwise by statutory or external authority.

Investments for the government, as well as for its component units, are reported at fair value.

**2. *Receivables and payables***

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due 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 between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

Property taxes are levied as of January 1<sup>st</sup> on property values assessed as of the prior year. The tax levy is divided into two billings: the first half is due May 15<sup>th</sup>; the second half is due either October 15<sup>th</sup> or November 15<sup>th</sup>. No allowance for uncollectible taxes has been provided because such amounts are not expected to be material. Taxes, which remain unpaid by property owners at December 31<sup>st</sup>, are considered delinquent.

**3. *Inventories and prepaid items***

Inventory is valued at cost using the first-in/first-out (FIFO) method. Inventory in the General Fund and the Highway Special Revenue Fund consists of expendable supplies held for consumption. The inventory items within General Fund include: postage meter, telephone equipment and fleet equipment. All inventories are evaluated based on the purchases method.

Certain payments to vendors reflect cost applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

**4. *Restricted assets***

Certain funds of the County are classified as restricted assets on the statement of net assets because the restriction is either imposed by law through constitutional provisions or enabling legislation or imposed externally by creditors, grantors, contributors, or laws or regulations of other governments. Therefore, their use is limited by applicable laws and regulations.

**5. *Capital assets***

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The government defines capital assets as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of three years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

**DAKOTA COUNTY  
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For the CDA 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. The total interest expense incurred by CDA during the current fiscal year was \$2,239,839. Of this amount, \$518,634 was included as part of the cost of capital assets under construction in connection with housing projects.

Property, plant, and equipment of the primary government, as well as the component units, are depreciated using the straight-line method.

For the County the estimated useful lives are:

<u>Assets</u>	<u>Years</u>
Buildings	50-100
Building improvements	10-30
Infrastructure	50-70
Machinery & equipment	3-10
Land improvement	10-30

For the Agency the estimated useful lives are:

<u>Assets</u>	<u>Years</u>
Buildings & improvements	10-40
Furniture & equipment	3-10
Land improvement	15

**6. *Compensated absences***

It is the government's policy to permit employees to accumulate earned but unused flex leave, vacation and sick pay benefits. Under the County's personnel policies and union contracts, County employees are granted flex leave or vacation and sick leave in varying amounts based on length of service. Certain County employees are also granted compensatory time. Unused accumulated flex leave, vacation leave, compensatory time, and sick leave, are paid to employees upon termination. Vacation and sick leave accruals vary from 12 to 20 days per year. Flextime accruals vary from 20 to 40 days per year. A liability for the compensated absences is reported in the internal service fund and the governmental activities column of the government wide statement of net assets.

**7. *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 assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, 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. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**DAKOTA COUNTY  
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**NOTES TO THE FINANCIAL STATEMENTS  
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**8. Fund Equity**

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

**E. Revenues**

In accordance with GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, revenues for nonexchange transactions are recognized based on the principal characteristics of the revenue. Exchange transactions are recognized as revenue when the exchange occurs. The modified accrual basis of accounting is used by all governmental fund types. Under this basis, revenue is not recognized in the financial statements unless it is available to finance current expenditures.

Imposed Nonexchange Transactions

Imposed nonexchange transactions result from assessments by governments on non-governmental entities and individuals. Property taxes, fines and penalties, and property forfeitures are imposed nonexchange transactions.

Revenues from property taxes are recognized in the period for which the taxes were levied, to the extent they are collected in the current period or soon enough thereafter to be used to pay liabilities of the current period. Property taxes receivable but not available are reported as deferred revenue and will be recognized as revenue in the fiscal year that they become available. Fines and penalties and property forfeitures are recognized in the period received.

Intergovernmental

Government-mandated nonexchange transactions occur when a government at one level provides resources to a government at another level and requires that government to use them for a specific purpose. The provider government establishes purpose restrictions and also may establish time requirements. Federal and state grants mandating that the County perform particular programs are government-mandated nonexchange transactions. Revenues are recognized when eligibility and time requirements are met, usually when the corresponding expenditure is incurred.

Voluntary nonexchange transactions result from legislative or contractual agreements, such as grants, entitlements, appropriations, and donations. The provider may establish purpose restrictions or eligibility requirements. Revenues are recognized in the year to which they apply according to the statute or contract. Gifts and contributions from individuals are also considered voluntary nonexchange transactions and are generally recognized when received.

Tax credits paid by the state are included in intergovernmental revenues and are recognized as revenue in the fiscal year that they become available. Subject to the availability criterion, state-aid highway allotments for highway maintenance and construction are recognized as revenue in the year of allotment.

Exchange Transactions

Special assessments levied against benefiting properties are recognized under the modified accrual basis when available to finance current expenditures. Other revenues, such as licenses and permits, charges for services, and investment income are recognized as revenue when earned.

**DAKOTA COUNTY  
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**NOTES TO THE FINANCIAL STATEMENTS  
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**II. Stewardship, compliance, and accountability**

**A. Budgetary information**

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds except Law Library and Attorney Forfeiture special revenue funds and the private-purpose trust funds, which are not budgeted. All annual appropriations lapse at fiscal year end.

In accordance with state law, the County Board adopts the proposed property levy on or before September 15. The County Administrator presents the recommended budget to the County Board who then holds public hearings on the proposed budgets with departments during October, November and December. In accordance with truth in taxation legislation, the County Board holds a public hearing for the budget on the first Thursday in December. The budget is adopted following the truth in taxation public meeting, typically during the final meeting of the year.

The appropriated budget is prepared by fund, function, and department. Transfers of appropriations between divisions require the approval of the Board or County Administrator. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department level. The Board made several supplemental budgetary appropriations throughout the year. The material supplemental budgetary appropriations were:

<u>Fund</u>	<u>Amount</u>
General	\$ 17,600,532
Highway	\$ 43,306,165
Community Services	\$ 7,255,851
Environmental Management	\$ 236,572
Capital Projects	\$ 606,467
Library	\$ 654,696
Parks	\$ 9,700,671
Regional Rail	\$ 13,180,516

**B. Excess of expenditures over appropriations**

For the year ended December 31, 2009, expenditures exceeded appropriations in Courts in the General Fund by \$79,710, County-wide Operations in the General Fund by \$3,593,758, Parks in the General Fund by \$24,466, County Library in the General Fund by \$12,213, and Highway and Streets by \$662,275. These excess expenditures were funded by available fund balance and current year savings.

**III. Detailed notes on all funds**

**A. Deposits and investments**

**1. Cash and Cash Equivalents**

Dakota County has defined cash and cash equivalents to include cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Additionally, each fund's equity in the County's investment pool is treated as a cash equivalent because the funds can deposit or effectively withdraw cash at any time without prior notice or penalty.

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**2. Deposits and Investments**

The cash balances of substantially all funds are pooled and invested by the County Treasurer-Auditor for the purpose of increasing earnings through investment activities. Pooled and fund investments are reported at their fair value at December 31, 2009. Pursuant to Minn. Stat. § 385.07, investment earnings on cash and pooled investments of governmental and fiduciary funds are credited to the General Fund. Other funds received investment earnings based on other state statutes, grant agreements, contracts, and bond covenants. Pooled investment earnings for 2009 were \$2,557,317.

Reconciliation of County's and VRW's total deposits, cash on hand, and investments to the basic financial statements are as follows:

Government-wide statement of net assets		
Governmental activities		
Cash and pooled investments	\$	220,107,876
Petty cash and change funds		18,545
Business-type activities		
Cash and pooled investments		227,466
Discrete component unit		
Cash and pooled investments		1,447,643
Statement of fiduciary net assets		
Cash and pooled investments		35,283,072
Total Cash and Investments	\$	257,084,602
Cash on hand	\$	647,129
Deposits		211,528,523
Petty cash and change funds		18,545
Investments		44,890,405
Total Deposits, Cash on hand, and Investments	\$	257,084,602

Minn. Stat. §§ 118A.02 and 118A.04 authorize the County to designate a depository for public funds and to invest in certificates of deposit. Minn. Stat. §118A.03 requires that all district deposits be protected by insurance, surety bond, or collateral. The market value of collateral pledged shall be at least ten percent more than the amount on deposit plus accrued interest at the close of the financial institution's banking day, not covered by insurance or bonds.

Authorized collateral includes treasury bills, notes and bonds; issues of U.S. government agencies; general obligations rated "A" or better, revenue obligations rated "AA" or better; irrevocable standard letters of credit issued by the Federal Home Loan Bank; and certificates of deposit. Minnesota Statutes require that securities pledged as collateral be held in safekeeping in a restricted account at the Federal Reserve Bank or in an account at a trust department of a commercial bank or other financial institution that is not owned or controlled by the financial institution furnishing the collateral.

*Custodial Credit Risk—Deposits.* Custodial credit risk is the risk that in the event of a financial institution failure, the County's deposits may not be returned to it. As of December 31, 2009, the County's deposits were not exposed to custodial credit risk. The County policy is in accordance with state statutes.

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Minn. Stat. § 118A.04 and 118A.05 generally authorize the following types of investments as available to the County:

- (1) securities which are direct obligations or are guaranteed or insured issues of the United States, its agencies, its instrumentalities, or organizations created by an act of Congress, except mortgage-backed securities defined as “high risk” by Minn. Stat. § 118A.04, subd. 6;
- (2) mutual funds through shares of registered investment companies provided the mutual fund receives certain ratings depending on its investments;
- (3) general obligations of the State of Minnesota and its municipalities, and in certain state agency and local obligations of Minnesota and other states provided such obligations have certain specified bond ratings by a national bond rating service;
- (4) bankers’ acceptances of United States banks;
- (5) commercial paper issued by United States corporations or their Canadian subsidiaries that is rated in the highest quality category by two nationally recognized rating agencies and matures in 270 days or less; and
- (6) with certain restrictions, in repurchase agreements, securities lending agreements, joint powers investment trusts, and guaranteed investment contracts.

*Interest Rate Risk.* Interest rate risk is the risk that changes in the market interest rates will adversely affect the fair value of an investment. To limit exposure to interest rate risk, the County’s investment policy is to invest in shorter-term investments with duration of less than one year to meet current operating expenses and long-term investments of two-five years or longer to fund needed renewal and replacement of capital, capital expenditures, building debt, and other special projects that require funding in the future. The investment maturities are as follows:

At December 31, 2009, the County had the following investments:

	Credit Risk	Less Than 1 Year	2-5 Years	More Than 5 Years	Total Fair Value
<b>Mutual Fund</b>	Not Rated	\$ 949,829	\$ -	\$ -	\$ 949,829
<b>Government Agencies:</b>					
Federal Farm Credit Bank	AAA	-	1,125,474	-	1,125,474
Federal National Mortgage Assoc	AAA	9,651,963	6,294,360	3,662,671	19,608,994
Federal Home Loan Mortgage Corp.	AAA	-	1,729,504	4,879,280	6,608,784
Federal Home Loan Bank	AAA	-	6,394,421	3,240,000	9,634,421
Resolution Funding Corp	AAA	-	1,346,560	644,184	1,990,744
Tennessee Valley Authority	AAA	-	963,910	3,713,691	4,677,601
Municipal Bond	AAA	-	294,558	-	294,558
<b>Total Investments</b>		<b>\$ 10,601,792</b>	<b>\$ 18,148,787</b>	<b>\$ 16,139,826</b>	<b>\$ 44,890,405</b>

*Credit Risk.* Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. It is the County’s policy to invest only in securities that meet the ratings requirements set by state statute.

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The County's exposure to credit risk as of December 31, 2009 is listed in the table above.

*Custodial Credit Risk.* The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. At December 31, 2009, all of Dakota County's investments are held by a third party custodian and were not exposed to custodial credit risk.

*Concentration of Credit Risk.* The concentration of credit risk is the risk of loss that may be caused by the County's investment in a single issuer. It is the County's policy that U.S. Treasury securities, U.S. Agency Securities, and obligations backed by U.S. Treasury and/or U.S. Agency securities, may be held without limit. These investments are implicitly guaranteed by the U.S. government. Investments in any one issuer that represent 5% or more of the County's investments are as follows:

Issuer	Reported Amount	Percentage
Tennessee Valley Authority	\$ 4,677,601	10.65%
Federal Home Loan Bank	9,634,421	21.93%
Federal Home Loan Mortgage Corporation	6,608,784	15.04%
Federal National Mortgage Association	19,608,994	44.63%
Total	\$ 40,529,800	92.25%

As of June 30, 2009, the Community Development Agency (CDA) had the following investments:

Investment Type	Reported Amount/ Fair Value	Investment Maturities (in Years)		
		Less Than 1	1 – 5	More Than 5
U.S. Agencies	\$8,275,100	\$ -	\$8,275,100	\$ -
Local government investment pool	27,391,453	27,391,453	-	-
Money market mutual funds	38,041,784	38,041,784	-	-
	\$73,708,337	\$65,433,237	\$8,275,100	\$ -

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 that are not specifically restricted as to use.

The CDA's investment policy requires compliance with State statutes which allow investment in obligations guaranteed by the U.S. Treasury or its agencies, mutual funds, general obligations of the State of Minnesota and its municipalities, bankers acceptances, commercial paper, repurchase agreements, guaranteed investment contracts, and the Minnesota Municipal Money Market Fund (4M Fund).

The Minnesota Municipal Money Market Fund (4M Fund) is an external investment pool sponsored by the League of Minnesota Cities. The pool is restricted to invest in instruments authorized by Minnesota State Statutes.

*Interest rate risk.* In accordance with its investment policy, the Agency manages its exposure to declines in fair values by limiting non-bond reserve investment maturities to five years or less.

*Credit risk.* The CDA's investment policy places no restrictions on credit risk other than requiring compliance with State Law. While State Law does not limit investments in securities of U.S. Government Agencies by credit quality, these investments were rated AAA by Standard & Poor's, and Fitch Ratings, and Aaa by Moody's Investors Service. The local government investment pool and money market mutual funds are unrated. Investments held by the local government investment pool conform to state restrictions and the investments in money market mutual funds comply with state requirements for being rated in one of the highest two categories by a NRSRO.



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*Concentration of credit risk.* The CDA places no limit on the amount that may be invested in any one issuer.

*Custodial credit risk – deposits.* In the case of deposits, this is the risk that in the event of a bank failure, the CDA’s deposits may not be returned to it. The CDA follows State law which requires all deposits with financial institutions to be collateralized in an amount equal to 110 percent of deposits in excess of FDIC insurance. At June 30, 2009, the entire amount of the CDA’s bank balances was covered by federal-depository insurance and collateral held by the CDA’s agent in the CDA’s name.

*Custodial credit risk – investments.* For an investment, this is the risk that, in the event of the failure of the counterparty, the CDA will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. At June 30, 2009, all U.S. Government Agency securities are held by counterparties, are insured or registered, and are not exposed to custodial risk.

**B. Receivables**

There is currently no allowance for uncollectible receivables. The collection rate for taxes exceeds 99% and it has been determined that the other receivables will be collected within one year.

Government funds report *deferred revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of *deferred revenue* and *unearned revenue* reported in the governmental funds were as follows:

	Deferred Unavailable	Deferred/ Unearned
Property taxes receivable	\$ 2,841,385	\$ -
Charges for services	135,255	27,408
Grant Receivables that do not provide current financial resources	4,751,669	-
Miscellaneous	-	45,829
Lease Receivable	-	7,113,320
Grant drawdowns prior to meeting all eligibility requirements	-	3,960,820
Total deferred/unearned revenue for governmental funds	\$ 7,728,309	\$ 11,147,377

**C. Lease Receivable**

**Dakota Communications Center Joint Powers Board**

Issuing \$6,050,000 of G.O. Capital Improvement Plan Bonds in 2005, the county constructed a new building to be used for a centralized dispatch center, which will be leased by the Dakota Communications Center Joint Powers Board. The term of the lease is for 15 years beginning September 2007 to September 30, 2022. The tenant shall pay rent in the amount of \$48,056 per month, which is equal to 1/180 of the total principal and interest costs incurred by the county, repaid by the tenant over 15 years, with interest at the bond issue rate, to finance the design and construction of the Premises. The total principal and interest costs of the bonds to be paid by tenant are \$8,119,410. The Base Rent payment schedule will result in the Tenant repaying the county for the total principal and interest costs of the bond issue approximately two years after the county has retired the bonds, and Tenant agrees to pay the county its lost opportunity costs during this two year period on the unpaid balance of the Base Rent (at a rate equal to the bond interest rate), resulting in total Base Rent payments of \$8,650,048. The lease agreement also includes rent for additional construction costs of \$1,650,000. The rent is \$12,369 per month to be paid for 180 months.

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The annual lease requirement payments to maturity are as follows:

<u>Year Ended December 31</u>	<u>Lease Receivable</u>
2010	\$ 725,100
2011	725,100
2012	725,100
2013	725,100
2014	725,100
2015-2019	3,625,500
2020-2022	<u>1,933,600</u>
Total Lease Receivable	9,184,600
Less Interest	<u>( 2,071,280)</u>
Present Value of Lease Receivable	<u>\$ 7,113,320</u>

After the 60<sup>th</sup> month, the tenant shall pay additional repair and maintenance rent in an amount equal to 2% annually of the cost to construct the premises to fund a reserve account for future building repairs and replacement of building components, equipment and fixtures. Beginning with the rent due for the 73<sup>rd</sup> month after the Commencement Date and annually thereafter, the amount of repair and maintenance rent will be adjusted by the annualized rate of inflation using the January Minnesota CPIU for the previous calendar year.

**D. Capital Assets**

Capital asset activity for the year ended December 31, 2009 was as follows:

**Primary Government**

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 156,443,063	\$ 7,879,436	\$ -	\$ 164,322,499
Construction in progress	<u>79,909,160</u>	<u>27,571,445</u>	<u>(30,470,446)</u>	<u>77,010,159</u>
Total capital assets, not being depreciated	<u>236,352,223</u>	<u>35,450,881</u>	<u>(30,470,446)</u>	<u>241,332,658</u>
Capital assets, being depreciated:				
Buildings	173,548,719	11,936,205	-	185,484,924
Improvements other than buildings	4,099,059	838,420	-	4,937,479
Machinery and equipment	31,166,916	13,829,307	( 5,494,248)	39,501,975
Infrastructure	<u>323,926,250</u>	<u>15,942,784</u>	<u>-</u>	<u>339,869,034</u>
Total capital assets being depreciated	<u>532,740,944</u>	<u>42,546,716</u>	<u>( 5,494,248)</u>	<u>569,793,412</u>
Less accumulated depreciation for:				
Buildings	(44,234,610)	(3,764,925)	-	( 47,999,535)
Improvements other than buildings	( 1,631,705)	( 218,626)	-	( 1,850,331)
Machinery and equipment	(17,839,372)	(1,945,296)	3,834,840	(15,949,828)
Infrastructure	<u>(125,966,637)</u>	<u>(6,732,027)</u>	<u>-</u>	<u>(132,698,664)</u>
Total accumulated depreciation	<u>(189,672,324)</u>	<u>(12,660,874)</u>	<u>3,834,840</u>	<u>(198,498,358)</u>
Total capital assets, being depreciated, net	<u>343,068,620</u>	<u>29,885,842</u>	<u>( 1,659,408)</u>	<u>371,295,054</u>
Governmental activities capital assets, net	<u>\$ 579,420,843</u>	<u>\$ 65,336,723</u>	<u>\$ (32,129,854)</u>	<u>\$ 612,627,712</u>

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	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, being depreciated:				
Machinery and equipment	\$ 142,989	\$ -	\$ -	\$ 142,989
Less accumulated depreciation for:				
Machinery and equipment	(142,989)	-	-	(142,989)
Total capital assets, being depreciated, net	\$ -	\$ -	\$ -	\$ -

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

Governmental activities:	
General Government	\$ 3,126,008
Public Safety	259,606
Highways and streets, including depreciation of general infrastructure assets	7,631,938
Human Services	14,515
Health	8,158
Economic Development	63,585
Culture and Recreation	1,550,861
Conservation of Natural Resources	3,314
Sanitation	2,889
Total depreciation expense--governmental activities	\$ 12,660,874
Business-type activities:	
Information Systems	\$ -
Total depreciation expense--business-type activities	\$ -

**Construction commitments**

The government has active construction projects as of December 31, 2009. The projects include the Empire Transportation Facility and street construction in areas with newly developed housing, widening and construction of existing streets and bridges. At year-end the government's major commitments with contractors are as follows:

General Government

<u>Project</u>	<u>Spent-to-Date</u>	<u>Remaining Commitment</u>
Street construction	\$ 51,254,211	\$ 5,071,064
Empire Transportation Facility	507,666	5,572,334
	\$ 51,761,877	\$ 10,643,398

Street construction is being financed by County taxes, bonds, and intergovernmental revenue from Local, State and Federal Governments.

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**Discretely presented component unit**

Activity for the CDA for the year ended June 30, 2009, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Government Activities:				
Capital assets, not being depreciated:				
Land and land improvements	\$ 6,609,517	\$ 4,075,137	\$ 3,691,528	\$ 6,993,126
Total capital assets, not being depreciated	<u>6,609,517</u>	<u>4,075,137</u>	<u>3,691,528</u>	<u>6,993,126</u>
Capital assets, being depreciated:				
Land improvements	144,098	1,253	-	145,351
Buildings	3,994,319	32,985	-	4,027,304
Furniture and equipment	1,608,407	657,397	2,235	2,263,569
Total capital assets being depreciated	<u>5,746,824</u>	<u>691,635</u>	<u>2,235</u>	<u>6,436,224</u>
Less accumulated depreciation for:				
Land improvements	(55,237)	(9,607)	-	(64,844)
Buildings	(573,656)	(100,154)	-	(673,810)
Furniture and equipment	(1,264,372)	(201,234)	(2,235)	(1,463,371)
Total accumulated depreciation	<u>(1,893,265)</u>	<u>(310,995)</u>	<u>(2,235)</u>	<u>(2,202,025)</u>
Total capital assets, being depreciated, net	<u>3,853,559</u>	<u>380,640</u>	<u>-</u>	<u>4,234,199</u>
Governmental activities capital assets, net	<u>\$ 10,463,076</u>	<u>\$ 4,455,777</u>	<u>\$ 3,691,528</u>	<u>\$ 11,227,325</u>
Business-type activities:				
Capital assets, not being depreciated:				
Land and land improvements	\$ 9,979,760	\$ 219,356	\$ 22,342	\$ 10,176,774
Construction in progress	7,391,359	12,964,586	7,560,622	12,795,323
Total capital assets, not being depreciated	<u>17,371,119</u>	<u>13,183,942</u>	<u>7,582,964</u>	<u>22,972,097</u>
Capital assets, being depreciated:				
Land improvements	2,674,783	111,110	21,888	2,764,005
Buildings	95,687,628	7,608,027	155,049	103,140,606
Furniture and equipment	3,895,469	241,676	4,279	4,132,866
Total capital assets being depreciated	<u>102,257,880</u>	<u>7,960,813</u>	<u>181,216</u>	<u>110,037,477</u>
Less accumulated depreciation for:				
Land improvements	(1,453,480)	(144,634)	(21,888)	(1,576,226)
Buildings	(25,152,406)	(2,530,030)	(84,658)	(27,597,778)
Furniture and equipment	(2,820,844)	(263,542)	(4,279)	(3,080,107)
Total accumulated depreciation	<u>(29,426,730)</u>	<u>(2,938,206)</u>	<u>(110,825)</u>	<u>(32,254,111)</u>
Total capital assets, being depreciated, net	<u>72,831,150</u>	<u>5,022,607</u>	<u>70,391</u>	<u>77,783,366</u>
Business-type activities capital assets, net	<u>\$ 90,202,269</u>	<u>\$ 18,206,549</u>	<u>\$ 7,653,355</u>	<u>\$ 100,755,463</u>

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At year end, the CDA's commitment with contractors are as follows:

Component Unit

<u>Project</u>	<u>Spent-to-Date</u>	<u>Remaining Commitment</u>
Senior housing development	\$ 10,195,772	\$ 3,533,093
Lincoln Place	<u>290,770</u>	<u>2,445,925</u>
Total	\$ 10,486,542	\$ 5,979,018

The cost and accumulated depreciation of capital assets relating to operating leases and reported as business-type activities is \$204,014 and \$108,180 respectively for a carrying value of \$95,834.

**E. Interfund receivables, payables, and transfers**

The composition of interfund balances as of December 31, 2009, is as follows:

Due to/from other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Highway	\$ 29,200
	Community Services	668,960
	County Parks	1,860
	Nonmajor Governmental Funds	28,744
	Proprietary Funds	14,601
Highway	General	51,664
	Nonmajor Governmental Funds	39,907
	County Parks	12,800
	Debt Service	302,737
Community Services	General	179,132
	County Parks	14,888
County Parks	General	69,091
	Highway	391,053
Capital Projects	General	165
	Debt Service	576,672
Nonmajor Governmental Funds	General	114,141
	Community Services	876
	Nonmajor Governmental Funds	425
Proprietary Funds	General	2,756,676
	Nonmajor Governmental Funds	111,495
	Highway	48,758
	Community Services	179,132
	County Parks	<u>7,654</u>
Total		<u><u>\$ 5,600,631</u></u>

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All interfund balances result from the time lag between the dates that 1) interfund goods and services are provided or reimbursable expenditures occur, 2) transactions are recorded in the accounting system, and 3) payments between funds are made. All interfund balances are expected to be repaid within one year.

The General Fund advanced the Parks Fund \$1,872,670 to be repaid when grant funds are received.

Interfund Transfers:	Transfer Out:						Total Transfers in:
	General Fund	Highway	Comm. Services	County Parks	Capital Projects	Nonmajor	
Transfer In:							
General	\$ -	\$ -	\$ 241,193	\$ -	\$ -	\$ 567	\$ 241,760
Highway	-	-	-	-	-	-	-
Community Services	1,408	-	-	-	-	-	1,408
Capital projects	-	-	-	-	-	-	-
County Parks	-	-	-	-	-	-	-
Debt Service	576,672	-	-	-	8,661,818	-	9,238,490
Nonmajor and other revenue	73,372	-	-	-	-	-	73,372
Total transfers out:	\$ 651,452	\$ -	\$ 241,193	\$ -	\$ 8,661,818	\$ 567	\$ 9,555,030

Transfers are used to move revenues from the fund with collection authorization to the debt service fund as debt service principal and interest payments become due. Transfers additionally move unrestricted general fund revenues to finance various programs that the government must account for in other funds in accordance with budgetary authorizations, including amounts provided as subsidies or matching funds for various grant programs. Examples from above include various Community Service grants entered into during the year along with the transfer of Dakota Communication Center lease payment revenue to fund debt service payments.

**F. Long-term debt**

**Primary Government**

General Obligation Bonds

The government issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities.

Bonds payable at December 31, 2009, are composed of the following issues:

*CIP Refunding Bonds* In 1999, the County issued General Obligation Capital Improvement Refunding Bonds in the amount of \$28,740,000. These bonds are due in annual installments of \$2,080,000 to \$3,565,000 through 2010 with interest rates ranging from 4.50 to 4.85 percent. The Refunding Bonds were issued to refund on February 1, 2000, the 2001 through 2010 maturities of the outstanding General Obligation Capital Improvement Refunding Bonds, Series 1992B, dated March 1, 1992.

\$3,565,000

*Northern Service Center Bonds* In 2001, the County issued General Obligation Capital Improvement Bonds in the amount of \$34,975,000. The proceeds of the bonds were used to construct a new Northern Service Center in West St. Paul. The bonds contain interest rates of 4.00 to 4.75 percent and mature 2002 through 2026.

\$28,010,000

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*Administration Center Bonds* In 2003, the County issued General Obligation Capital Improvement Bonds in the amount of \$7,010,000 (Series 2003B) for construction of an addition to the Administration Center in the City of Hastings. The bonds have interest rates of 2.00 to 4.2 percent and mature 2004 through 2023.

\$ 5,330,000

*Open Space Bonds* In 2003, the County issued General Obligation bonds in the amount of \$20,000,000 for the purpose of Open Space Acquisition. These bonds have interest rates of 3.00 to 5.00 percent and mature 2004 through 2013.

\$8,780,000

*Law Enforcement Center/Dakota Communications Center Bonds* In 2005, the County issued General Obligation Capital Improvement Bonds in the amount of \$16,800,000 (Series 2005A) for construction of an addition to the Law Enforcement Center in the City of Hastings and the construction of the Dakota Communications Center in Empire Township. The bonds have interest rates of 3.50 to 4.3 percent and mature 2006 through 2020.

\$13,935,000

*Rosemount Library Bonds* In 2006, the County issued General Obligation Capital Improvement Bonds in the amount of \$7,300,000 for construction of a new library in Rosemount. The bonds have interest rates 4.0 percent and mature 2007 through 2027.

\$ 6,835,000

*General Obligation Refunding Bonds* In 2007, the County issued General Obligation Refunding bonds in the amount of \$31,695,000 (Series 2007A). These bonds are refunding outstanding General Obligation Capital Improvement Bonds, series 1999A and 2001A. These bonds are being held in escrow through 2011. The bonds have interest rates of 4.0 to 4.25 percent and mature 2009-2026.

\$ 31,320,000

***Total Bonds Payable*** **\$97,775,000**

General obligation bonds are direct obligations and pledge the full faith and credit of the County. These bonds generally are issued as 20 to 25-year serial bonds with increasing amounts of principal maturing each year. General obligation bonds currently outstanding are as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
Governmental activities	2.00 – 4.75 %	\$ 62,890,000
Governmental activities-refunding	3.40 - 4.85 %	<u>34,885,000</u>
		<u>\$ 97,775,000</u>

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

<u>Year Ending December 31</u>	<u>Principal</u>	<u>Interest</u>
2010	8,715,000	4,052,158
2011	31,180,000	3,122,794
2012	5,625,000	2,270,450
2013	5,855,000	2,020,059
2014-2018	19,895,000	7,548,102
2019-2023	17,745,000	3,470,191
2024-2027	8,760,000	604,456
Total	<u>\$ 97,775,000</u>	<u>\$ 23,088,210</u>

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Bond Refunding

In 2007, the County issued \$31,695,000 in General Obligation Capital Improvement Refunding Bonds to refund the 1999A General Obligation Capital Improvement Bonds, and the 2001A General Obligation Capital Improvement Bonds. This is a crossover refunding with the proceeds deposited with an escrow agent. The 1999A Series was called on February 1, 2008 and the 2001A Series will be called on February 1, 2011. At that time they will be redeemed with proceeds from the escrow account. On February 1, 2008 the County "crossed over" from the 1999A Series Bonds and began making payments on the 2007A General Obligation Capital Improvement Refunding Bonds. On February 1, 2011 the County will "cross over" from the 2001A Series Bonds and will begin making all remaining payments on the 2007A General Obligation Capital Improvement Bonds. The County will continue to show long term debt for 1999A Series and the 2001A Series along with the 2007A Series until each of the crossover dates. This refunding resulted in an economic gain of \$1,012,131 and reduced future debt payments by \$1,534,489.

Changes in long-term liabilities

Long-term liability activity for the year ended December 31, 2009, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental activities:</b>					
Bond Payable					
General obligation bonds	\$ 110,425,000	\$ -	\$ (12,650,000)	\$ 97,775,000	\$ 8,715,000
Premiums on GO bonds	1,016,970	-	(230,010)	786,960	-
Discounts on GO bonds	(285,396)	-	16,788	(268,608)	-
Total bonds payable	111,156,574	-	(12,863,222)	98,293,352	8,715,000
Claims and judgments	904,201	151,631	(173,765)	882,067	185,814
OPEB Liability	2,026,173	1,664,152	(594,243)	3,096,082	-
Compensated absences	17,773,945	14,239,029	(12,020,075)	19,992,899	384,114
Governmental activity					
Long-term liabilities	<u>\$ 131,860,893</u>	<u>\$ 16,054,812</u>	<u>\$ (25,651,305)</u>	<u>\$ 122,264,400</u>	<u>\$ 9,284,928</u>

The internal service fund predominantly serves the governmental funds. Accordingly, long-term liabilities for it are included as part of the above totals for governmental activities. Also, for the governmental activities, claims and judgments and compensated absences are generally liquidated by the general fund. Bonded debt is paid from the debt service fund.

**Discretely presented component unit**

Activity for the CDA for the year ended June 30, 2009, was as follows:

Short-term debt

The CDA issues short-term notes for the purpose of refunding the principal of single family mortgage revenue bonds reported as conduit debt. This allows the CDA to preserve its federal volume cap for tax-exempt bonds. The promissory note with the Family Housing Fund was dated May 30, 2008 and allowed the CDA to borrow up to \$1,250,000 at 3.50% and it matured on November 1, 2008. The single family mortgage revenue refunding note was dated December 18, 2008 and allows the CDA to borrow up to \$5,000,000 at 2.40% plus the one month LIBOR rate with maturity at December 17, 2009.



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**Changes in short-term notes payable**

	Beginning Balance	Additions	Reductions	Ending Balance
Promissory Note- Family Housing Fund	\$ 246,296	\$ 1,003,704	\$ (1,250,000)	\$ -
Single Family Mortgage Revenue Refunding Note	-	3,377,627	-	3,377,627
	\$ 246,296	\$ 4,381,331	\$ (1,250,000)	\$ 3,377,627

Bonds Payable and Other Long-Term Obligations

*Notes payable* consist of non-interest bearing loans from the Federal Home Loan Bank and the Minnesota Housing Finance Agency with principal due at maturities ranging from June 18, 2023 to June 1, 2028. The proceeds of these loans were used to finance capital contributions and loans to joint ventures.

*Housing Development Bonds* are issued by the CDA in denominations of \$5,000 to finance the acquisition and construction of senior housing developments in Dakota County, Minnesota. The 1998, 2000, 2001, 2005 and 2007 series bonds are backed by the full faith and credit of Dakota County, Minnesota. These bonds are secured by and payable from the pooled gross rent receipts and other operating revenues related to the operation of housing developments financed by these bonds and an annual pledge of \$3,800,000 from the CDA's tax levy, and pledged tax increment revenues.

Bonds payable at June 30, 2009 are as follows:

Description of Note	Issue Date	Maturity Date	Interest Rate	Original Amount	Outstanding June 30
1998 Housing Development Bonds	10/01/98	01/01/28	3.75 - 4.75%	\$ 3,480,000	\$ 3,045,000
2000 Housing Development Bonds	05/01/00	01/01/14	5.25 - 5.55%	6,365,000	3,100,000
2001 Housing Development Bonds	11/01/01	01/01/21	3.00 - 5.25%	22,800,000	18,875,000
2005 Housing Development Bonds	04/01/05	01/01/23	3.50 - 5.00%	15,040,000	8,900,000
2007 Housing Development Bonds	09/01/07	01/01/35	4.25 - 5.13%	21,335,000	21,335,000
Subtotal					55,255,000
Less current maturities					(2,685,000)
Total					\$ 52,570,000

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The annual aggregate principal and interest maturities for the fiscal years subsequent to June 30, 2009 are as follows:

	Principal	Interest	Total
2010	2,685,000	2,696,955	5,381,955
2011	2,845,000	2,579,205	5,424,205
2012	2,800,000	2,452,688	5,252,688
2013	2,910,000	2,322,714	5,232,714
2014	3,095,000	2,176,257	5,271,257
2015-2019	15,555,000	8,588,182	24,143,182
2020-2024	11,490,000	4,986,508	16,476,508
2025-2029	5,825,000	2,937,657	8,762,657
2030-2034	6,600,000	1,411,689	8,011,689
2035	1,450,000	74,312	1,524,312
<b>Total</b>	<b>\$ 55,255,000</b>	<b>\$ 30,226,167</b>	<b>\$ 85,481,167</b>

Changes in Long Term Liabilities

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental Activities:</b>					
Compensated absences	\$ 401,598	\$ 279,872	\$ (240,426)	\$ 441,044	\$ 230,904
Notes payable	408,400	600,000	-	1,008,400	-
	<u>\$ 809,998</u>	<u>\$ 879,872</u>	<u>\$ (240,426)</u>	<u>\$ 1,449,444</u>	<u>\$ 230,904</u>
<b>Business-type activities:</b>					
Compensated absences	\$ 217,995	\$ 213,216	\$ (191,440)	\$ 239,771	\$ 159,029
Notes payable	1,941,172	1,481,189	(158,375)	3,263,986	164,696
Bonds payable	57,480,000	-	(2,225,000)	55,255,000	2,685,000
Less deferred amounts:					
For issuance premiums	711,080	-	(75,963)	635,117	-
On refunding	(32,679)	-	6,214	(26,465)	-
Total bonds payable	<u>58,158,401</u>	<u>-</u>	<u>(2,294,749)</u>	<u>55,863,652</u>	<u>2,685,000</u>
	<u>\$ 60,317,568</u>	<u>\$ 1,694,405</u>	<u>\$ (2,644,564)</u>	<u>\$ 59,367,409</u>	<u>\$ 3,008,725</u>

Internal Service Funds predominately serve the governmental funds. Accordingly, long-term liabilities for them are included as part of governmental activities. At year end \$4,025 of internal service funds compensated absences are included in the above amounts. In governmental funds, compensated absences are generally liquidated by the General Fund.

Conduit Debt

The Agency has issued certain limited-obligation revenue bonds, including: 1) mortgage revenue bonds issued to provide funding for first time homebuyer loans; 2) multifamily housing revenue bonds issued to provide funds to finance specific multifamily rental housing projects; 3) industrial development revenue bonds issued to assist manufacturing companies in financing new facilities, structural improvements and expansions, and new equipment; 4) essential function bonds to finance facilities used by the general public; and 5) 501(c)3 bonds issued to finance specific rental housing projects developed by nonprofit organizations. This debt is secured by the property financed and are payable solely from payments received on the underlying loans. The Agency is not obligated in any manner for repayment of this debt and accordingly, it is not reported as liabilities in the accompanying financial statements. The aggregate amount of all outstanding conduit debt obligations at June 30, 2009 was \$344,372,261.

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**G. Unreserved – Fund Balance**

In the fund financial statements, Unreserved Fund Balances for nonmajor special revenue funds were designated to show the portion segregated from unreserved spendable resources as follows:

		<u>Nonmajor Governmental Funds</u>
Designated for:		
Designated for future expenditures	\$	28,604,109
Designated for cash flows		1,986,526
Designated for petty cash and change funds		2,310
Designated for capital equipment		31,961
Designated for capital improvements		235,000
Designated for budget incentive program		129,096
Total Unreserved	\$	<u>30,989,002</u>

**IV. Other information**

**A. Risk management**

The County is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County is self-insured for all areas except employee health, auto, property, and fidelity insurance. For these areas, the County has purchased commercial insurance. Dakota County has not reduced insurance coverage in the past year and has not had settlements in excess of insurance coverage in any of the past three years. The County currently reports all of its risk management activities in its General Fund. Liabilities of the fund are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNR).

The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are reevaluated periodically to consider the effects of inflation, recent settlement trends (including frequency and amount pay-outs), and other economic and social factors. The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims. Estimated recoveries, for example from salvage or subrogation, are another component of the claims liability estimate.

Changes in the balances of claims liabilities during the past two years are as follows:

	Year ended <u>12/31/09</u>	Year ended <u>12/31/08</u>
Unpaid claims, beginning of fiscal year	\$ 904,201	\$1,010,362
Incurred claims (including IBNR)	151,631	198,948
Claim payments	<u>(173,765)</u>	<u>(305,109)</u>
Unpaid claims, end of fiscal year	<u>\$ 882,067</u>	<u>\$ 904,201</u>

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**B. Contingent liabilities**

Amounts received or receivables from grant agencies are subject to audit and adjustments by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the County expects such amounts, if any, to be immaterial.

The County, in connection with the normal conduct of its affairs, is involved in various claims, judgments, and litigation. The County Attorney estimates that the potential claims against the County not covered by insurance resulting from such litigation would not materially affect the financial position of the County.

**C. Joint Powers Debt Commitment**

On August 25, 2005 Dakota County entered into a joint powers agreement with the Cities of Apple Valley, Burnsville, Eagan, Farmington, Hastings, Inver Grove Heights, Lakeville, Mendota Heights, Rosemount, South St. Paul, West St. Paul, Minnesota, and Dakota County Minnesota, to establish the Dakota Communications Center (DCC), a Minnesota nonprofit corporation. The purpose of the DCC is to engage in the operation and maintenance of a countywide public safety answering point and communications center for law enforcement, fire, emergency medical services, and other public safety services for the mutual benefit of residents residing in the abovementioned cities and county (members). Pursuant to the joint powers agreement, members are required to provide DCC their pro rata share of cost of operations and maintenance, and capital projects.

On May 1, 2007, the DCC issued Public Safety Revenue Bonds, Series 2007 in the amount of \$7,315,000 to provide financing for the acquisition of equipment and reimbursement for conversion costs. The bonds are special obligations of the DCC, payable from revenues to be received from members. Pursuant to the joint powers agreement, members will levy taxes for the payment of their pro rata share of the principal and interest payments due to the bonds. The bonds mature February 1, 2014, and bear interest rates ranging from 4.5%-5.0%. The debt will be re-paid with member assessments over a seven year amortization. All members reserve the right to repay, in whole or in part on any date, its allocated share of principal and interest on the bonds.

Payments from Dakota County are provided from General Fund appropriations. Dakota County's future member payments to the DCC as of December 31, 2009 are as follows:

<u>Payment Year</u>	<u>Amount</u>
2010	83,750
2011	85,250
2012	82,250
2013	<u>89,250</u>
Total	<u>\$ 340,500</u>

Pursuant to Section 9.5 of the joint powers agreement, member payments are submitted monthly and held in escrow by U.S. Bank National Association (trustee) until the funds are remitted to the bond holders according to the established bond principal and interest due dates. The interest earnings from the escrow account will reduce future member obligations on the debt. Information regarding the Dakota Communications Center can be obtained at the website [www.mn-dcc.org/stats.asp](http://www.mn-dcc.org/stats.asp) or by contacting Dennis Feller at the City of Lakeville, 20195 Holyoke Avenue, Lakeville, Minnesota 55044. Telephone (952) 985-4482 or email address: [dfeller@ci.lakeville.mn.us](mailto:dfeller@ci.lakeville.mn.us).

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**D. Joint ventures**

Dakota County in conjunction with other governmental entities has formed the joint ventures listed below.

1. Metropolitan Emergency Services Board: Dakota County entered into a joint powers agreement with the Counties of Anoka, Carver, Chisago, Hennepin, Isanti, Ramsey, Scott, Washington, and the City of Minneapolis, pursuant to Minnesota Statutes section 471.59 to comply with the mandate of Minnesota Statutes, Chapter 403, for the implementation and administration of a regional 911 system and encourage the development of new resources and the coordination of emergency medical services. Dakota County paid annual dues of \$164,410 in 2009. Except for annual dues the County has no other financial obligations. Current financial statements are available at the 911 Board Office, 2099 University Avenue West, St. Paul, MN 55104-3431.
2. Metropolitan Library Service Agency (MELSA): Dakota County entered into a joint powers agreement with the other six metropolitan area counties and the Cities of Saint Paul and Minneapolis to improve public library services within the various jurisdictions. The Board of Directors of MELSA consists of one representative from each member entity. Financing is provided by gifts, grants, and other property of assistance from the federal government, the State of Minnesota, or any person or agency for MELSA. Dakota County provided gifts totaling \$110 to MELSA in 2009. The MELSA agency handles the accounting function for the Board. Current financial statements are available from the MELSA office, 1619 Dayton Avenue, Suite 314, Saint Paul, MN 55104-6276.
3. Minnesota River Basin: Dakota County entered into a joint powers agreement to promote the orderly water quality improvement and management of the Minnesota River Watershed, pursuant to Minnesota Statutes section 471.59. The management of the Joint Powers Board is vested in the Board of Directors consisting of one member and one alternate from each county board of commissioners included in this agreement. According to the latest information available, 37 counties are members under this agreement. Financing is provided by a contribution from each member county based upon its share of the annual budget. Dakota County's 2009 contributions were \$2,500. Complete financial statements for the Joint Powers Board can be obtained from its administrative offices at: MN River Board, MN State University - Mankato, 184 Trafton Science Center S, Mankato, MN 56001.
4. Hope Fund: Dakota County entered into a joint powers agreement with the Dakota County Community Development Agency (CDA) to provide a source of gap financing used to leverage public and private sector funds for the construction of affordable housing in Dakota County. The County will appropriate funds, as the County Board deems appropriate. Dakota County did not appropriate funds in 2009. The CDA will administer the fund.
5. Dakota Communications Center: Dakota County entered into a joint powers agreement with the Cities of Apple Valley, Burnsville, Eagan, Farmington, Hastings, Inver Grove Heights, Lakeville, Mendota Heights, Rosemount, South St. Paul and West St. Paul to acquire and provide the facilities, infrastructure, hardware, software, services and other items necessary for the establishment and operation of a joint law enforcement, fire, emergency medical services and other emergency communications system. The Board of Directors consists of an elected official from each Member. Financing is provided by member contributions determined by pro-rating the costs according to proportion of total county population served by each member and call volume. The fiscal agent is the City of Lakeville. Current financial statements are available from the City of Lakeville Finance Department, City Hall, 20195 Holyoke Avenue, Lakeville, MN 55044.
6. Domestic Preparedness Agency: Dakota County entered into a joint powers agreement with the Cities of Apple Valley, Burnsville, Eagan, Farmington, Hastings, Inver Grove Heights, Lakeville, Mendota Heights, Rosemount, South St. Paul and West St. Paul to provide for the joint exercise of the parties' powers to plan for and to respond to the need of the first responders for special response operations caused by the occurrence of large-scale disasters and emergencies. The Board of Directors consists of an appointed individual from each Member, one city manager, the Dakota County Emergency Coordinator. Financing is provided by member contributions determined by pro-rating the costs according to proportion of total county population served by each member less any grants received. This agency is presented as the Domestic Preparedness Private Purpose Trust Fund.

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7. Counties Transit Improvement Board (CTIB): CTIB was created on April 1, 2008, as required by Minn. Statute Section 297A.992, by joint powers agreement between the counties of Anoka, Dakota, Hennepin, Ramsey, and Washington. Its purpose is to receive and distribute the new ¼ cent transit sales tax for the development, construction and operation of transit ways serving the five-county area. Hennepin County is the fiscal agent. Financial statements are available from Hennepin County, Department of Finance, 300 South Sixth Street, A-2301 Government Center, Minneapolis, Minnesota 55487.

**E. Jointly governed organizations**

Dakota County in conjunction with other governmental entities and various private organizations has formed the collaboratives listed below.

1. Dakota County Collaborative: The Dakota County Collaborative is an integrated Children's Mental Health and Family Services Collaborative. The duties and membership of collaboratives is defined in Minnesota Statutes 124D.23 and 245.493. By resolution No. 05-601 (November 29, 2005), the County Board approved execution of a new Joint Powers Agreement between Dakota County, Scott-Carver Dakota CAP Agency, and the ten school districts in Dakota County to establish the Dakota County Collaborative, which combined the Children's Mental Health Collaborative and Family Service Collaborative into one integrated collaborative in January 2006. The Collaborative Governing Board, which includes three Dakota County members, oversees the Collaborative's integrated fund. Dakota County serves as the fiscal agent for the Collaborative. The County has shown \$646,205 in expenditures in 2009 related to the Collaborative.
2. Dakota County Drug Enforcement Task Force: Pursuant to Minnesota Statutes section 471.59, the Dakota County Sheriff's Office entered into a joint powers agreement with the police departments of the Cities of Apple Valley, Burnsville, Eagan, Farmington, Hastings, Inver Grove Heights, Lakeville, Rosemount, South Saint Paul, and West Saint Paul. The purpose of this agreement is for apprehending and prosecuting drug offenders in Dakota County. A Board comprised of a representative from each Member City and Dakota County shall govern the Task force. No audited financial statements are available.

**F. Employee retirement systems and pension plans**

Plan Description

All full-time and certain part-time employees of Dakota County are covered by defined benefit pension plans administered by the Public Employees Retirement Association of Minnesota (PERA). PERA administers the Public Employees Retirement Fund, the Public Employees Police and Fire Fund, and the Local Government Correctional Service Retirement Fund (the Public Employees Correctional Fund), which are cost-sharing, multiple-employer retirement plans. These plans are established and administered in accordance with Minn. Stat. chs. 353 and 356.

Public Employees Retirement Fund members belong to either the Coordinated Plan or the Basic Plan. Coordinated Plan members are covered by Social Security, and Basic Plan members are not. All new members must participate in the Coordinated Plan. All police officers, firefighters, and peace officers who qualify for membership by statute are covered by the Public Employees Police and Fire Fund. Members who are employed in a county correctional institution as a correctional guard or officer, a joint jailer/dispatcher, or as a supervisor of correctional guards or officers or of joint jailer/dispatchers and are directly responsible for the direct security, custody, and control of the county correctional institution and its inmates, are covered by the Public Employees Correctional Fund.

PERA provides retirement benefits as well as disability benefits to members and benefits to survivors upon death of eligible members. Benefits are established by state statute and vest after three years of credited service. The defined retirement benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service.

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Two methods are used to compute benefits for Coordinated and Basic Plan members. The retiring member receives the higher of a step-rate benefit accrual formula (Method 1) or a level accrual formula (Method 2). Under Method 1, the annuity accrual rate for a Basic Plan member is 2.2 percent of average salary for each of the first ten years of service and 2.7 percent for each year thereafter. For a Coordinated Plan member, the annuity accrual rate is 1.2 percent of average salary for each of the first ten years and 1.7 percent for each successive year. Under Method 2, the annuity accrual rate is 2.7 percent of average salary for Basic Plan members and 1.7 percent for Coordinated Plan members for each year of service. For Public Employees Police and Fire Fund members, the annuity accrual rate is 3.0 percent of average salary for each year of service. For Public Employees Correctional Fund members, the annuity accrual rate is 1.9 percent of average salary for each year of service.

For all Public Employees Retirement Fund members hired prior to July 1, 1989, whose annuity is calculated using Method 1, and for all Public Employees Police and Fire Fund and Public Employees Correctional Fund members, a full annuity is available when age plus years of service equal 90. Normal retirement age is 55 for Public Employees Police and Fire Fund members and Employees Correctional Fund members, and either 65 or 66 (depending on date hired) for Public Employees Retirement Fund members. A reduced retirement annuity is also available to eligible members seeking early retirement.

The benefit provisions stated in the previous paragraphs of this section are current provisions and apply to active plan participants. Vested, terminated employees who are entitled to benefits but are not yet receiving them are bound by the provisions in effect at the time they last terminated public service.

PERA issues a publicly available financial report that includes financial statements and required supplementary information for the Public Employees Retirement Fund, the Public Employees Police and Fire Fund, and the Public Employees Correctional Fund. That report may be obtained on the Internet at [www.mnpera.org](http://www.mnpera.org); by writing to PERA at 60 Empire Drive, Suite 200, Saint Paul, Minnesota 55103-2088; or by calling 651-296-7460 or 1-800-652-9026.

Funding Policy

Pension benefits are funded from member and employer contributions and income from the investment of fund assets. Rates for employer and employee contributions are set by Minn. Stat. ch. 353. These statutes are established and amended by the State Legislature. The County makes annual contributions to the pension plans equal to the amount required by state statutes. Public Employees Retirement Fund Basic Plan members and Coordinated Plan members were required to contribute 9.1 and 6.0 percent, respectively, of their annual covered salary. Public Employees Police and Fire Fund members are required to contribute 9.4 percent. Public Employees Correctional Fund members are required to contribute 5.83 percent of their annual covered salary.

The County is required to contribute the following percentages of annual covered payroll in 2009:

	<u>2009</u>
Public Employees Retirement Fund	
Basic Plan members	11.78%
Coordinated Plan members	6.75
Public Employees Police and Fire Fund	14.10
Public Employees Correctional Fund	8.75

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The County's contributions for the years ending December 31, 2009, 2008, and 2007, for the Public Employees Retirement Fund, the Public Employees Police and Fire Fund, and the Public Employees Correctional Fund were:

		Public Employees Retirement Fund	Public Employees Police and Fire Fund	Public Employees Correctional Fund
2009	\$	6,670,560	\$ 799,571	\$ 456,978
2008	\$	5,954,014	\$ 708,290	\$ 416,865
2007	\$	5,648,268	\$ 618,570	\$ 401,076

These contribution amounts are equal to the contractually required contributions for each year as set by state statute.

Defined Contribution Plan

Three employees of Dakota County are covered by the Public Employees Defined Contribution Plan, a multiple-employer, deferred compensation plan administered by PERA. The plan is established and administered in accordance with Minn. Stat. ch. 353D, which may be amended by the State Legislature. The plan is a tax qualified plan under Section 401(a) of the Internal Revenue Code, and all contributions by or on behalf of employees are tax deferred until time of withdrawal.

Plan benefits depend solely on amounts contributed to the plan plus investment earnings, less administrative expenses. Minn. Stat. § 353D.03 specifies plan provisions, including the employee and employer contribution rates. An eligible elected official who decides to participate contributes 5.0 percent of salary, which is matched by the employer. Employees may elect to make member contributions in an amount not to exceed the employer share. Employee and employer contributions are combined and used to purchase shares in one or more of the seven accounts of the Minnesota Supplemental Investment Fund. For administering the plan, PERA receives 2.00 percent of the employer contributions and 0.25 percent of the assets in each member account annually.

Total contributions by dollar amount and percentage of covered payroll made by the County during the year ended December 31, 2009, were:

	<u>Employee</u>	<u>Employer</u>
Contribution amount	\$9,550	\$9,550
Percentage of covered payroll	5%	5%

Required contribution rates were 5.00 percent.

**G. Other post-employment benefits**

Plan Description

The County provides health insurance benefits for certain retired employees under a single-employer self-insured plan. The County provides benefits for retirees as required by Minnesota Statute §471.61 subdivision 2b. Active employees, who retire from the County when eligible to receive a retirement benefit from the Public Employees Retirement Association (PERA) of Minnesota (or similar plan) and do not participate in any other health benefits program providing coverage similar to that herein described, will be eligible to continue coverage with respect to both themselves and their eligible dependent(s) under the County's health benefits program.



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In addition to providing the pension benefits described above, the County provides post retirement health care benefits. This benefit is provided based on County Board Resolution #81-519 as part of the Sheriff contract settlement. The eligible participants were employees of the Sheriff Department who have retired. The County currently has 29 eligible participants. Based on this plan, the County contributes \$60 a month per participant for health insurance. The participant contributes either \$441 for single coverage or \$1,658 for family coverage per month. During 2009, the County expended \$19,620 for this benefit.

Annual OPEB Costs and Net OPEB Obligation

In 2007 the County implemented the requirements of a new accounting statement GASB No. 45, *Accounting and Financial Reporting by Employers for Post Employment Benefits Other Than Pensions*. In preparation for implementing the statement, the County had an actuarial study performed for its other post employment benefits. The following information is provided to disclose the impact of the new financial reporting requirement on future periods.

Retirees are required to pay 100% of the total premium cost. Since the premium is a blended rate determined on the entire active and retiree population, the retirees are receiving an implicit rate subsidy. As of December 31, 2009 there were approximately 220 retirees receiving health benefits from the County's health plan.

Participants of the plan consisted of the following at January 1, 2008, the date of the most recent actuarial valuation:

Active employees	1,633
Retirees and beneficiaries	<u>71</u>
Total	1,704

The County's annual other post employment benefit (OPEB) cost is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The following table shows the components of the County's annual OPEB cost for 2009, the amount actually contributed to the plan, and changes in the County's net OPEB obligation:

Annual required contribution	\$ 1,697,363
Interest on net OPEB obligation	91,178
Adjustment to ARC	<u>(124,389)</u>
Annual OPEB Cost	1,664,152
Contributions during the year	<u>(594,243)</u>
Increase in net OPEB obligation	1,069,909
Net OPEB beginning of year	<u>2,026,173</u>
Net OPEB End of year	<u>\$ 3,096,082</u>

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for 2007, 2008 and 2009 were as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Employer Contribution</u>	<u>Percentage Contributed</u>	<u>Net OPEB Obligation</u>
December 31, 2007	\$1,209,956	\$339,796	28.08%	\$870,160
December 31, 2008	\$1,625,936	\$469,923	28.90%	\$2,026,173
December 31, 2009	\$1,664,152	\$594,243	35.71%	\$3,096,082

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The County currently has no assets that have been irrevocably deposited in a trust for future health benefits. Therefore, the actuarial value of assets is zero.

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (b)	Unfunded Actuarial Accrued Liability (b - a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b - a)/c)
1/1/2008	\$0	\$14,588,881	\$14,588,881	0.00%	\$112,903,961	12.92%

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and healthcare cost trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities, consistent with the long-term perspective of the calculations.

In the January 1, 2008 actuarial valuation, the entry age normal actuarial cost method was used. The actuarial assumptions included a 4.50% discount rate, which is based on the estimated long-term investment yield on the general assets of the County using an underlying long-term inflation assumption of 3.0%. The annual healthcare cost trend rate is 8.97% initially, reduced incrementally to an ultimate rate of 5% after twenty years. The unfunded actuarial accrued liability will be amortized as a level dollar amount over an open 30-year period beginning in 2007.

This Actuarial valuation was done with three scenarios, based on 30-year, 10-year and 1-year funding options. In 2009, the County continued with the 30-year model.

A copy of the Actuarial valuation can be obtained by contacting Dakota County, Financial Services Department, 1590 Highway 55, Hastings, Minnesota 55033.

# Required Supplementary Information

**DAKOTA COUNTY  
MINNESOTA**

**SCHEDULE OF FUNDING PROGRESS - OTHER POST EMPLOYMENT BENEFITS**

<b>Acturial Valuation Date</b>	<b>Actuarial Value of Assets ( a )</b>	<b>Actuarial Accrued Liability ( b )</b>	<b>Unfunded Actuarial Accrued Liability ( b-a )</b>	<b>Funded Ratio ( a/b )</b>	<b>Covered Payroll ( c )</b>	<b>UAAL as a Percentage of Covered Payroll ( ( b-a ) / c )</b>
1/1/2006	\$0	\$10,103,661	\$10,103,661	0.00%	\$101,860,878	9.92%
1/1/2008	\$0	\$14,588,881	\$14,588,881	0.00%	\$112,903,961	12.92%

See Note IV, I, Post-Employment Benefits, for more information.

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# Supplementary Information

**DAKOTA COUNTY  
MINNESOTA**

**BUDGETARY COMPARISON SCHEDULE  
BUDGET AND ACTUAL  
DEBT SERVICE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Taxes	\$ 2,000,000	\$ 2,000,000	\$ 2,004,437	\$ 4,437
Intergovernmental revenue	4,382,801	4,382,801	4,382,800	(1)
Charges for services	576,672	-	-	-
Investment earnings	494,125	494,125	1,137,235	643,110
<b>Total Revenues</b>	<b>\$ 7,453,598</b>	<b>\$ 6,876,926</b>	<b>\$ 7,524,472</b>	<b>\$ 647,546</b>
<b>Expenditures</b>				
<b>Debt service</b>				
Principal	\$ 12,650,000	\$ 12,650,000	\$ 12,650,000	\$ -
Interest	4,519,422	4,519,422	4,519,421	1
Administrative - fiscal charges	15,064	15,064	2,100	12,964
<b>Total Expenditures</b>	<b>\$ 17,184,486</b>	<b>\$ 17,184,486</b>	<b>\$ 17,171,521</b>	<b>\$ 12,965</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>\$ (9,730,888)</b>	<b>\$ (10,307,560)</b>	<b>\$ (9,647,049)</b>	<b>\$ 660,511</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in	\$ 8,661,819	\$ 9,238,491	\$ 9,238,490	\$ (1)
<b>Total Other Financing Sources (Uses)</b>	<b>\$ 8,661,819</b>	<b>\$ 9,238,491</b>	<b>\$ 9,238,490</b>	<b>\$ (1)</b>
<b>Change in Fund Balance</b>	<b>\$ (1,069,069)</b>	<b>\$ (1,069,069)</b>	<b>\$ (408,559)</b>	<b>\$ 660,510</b>
<b>Fund Balance - January 1</b>	<b>33,675,182</b>	<b>33,675,182</b>	<b>33,675,182</b>	<b>-</b>
<b>Fund Balance - December 31</b>	<b>\$ 32,606,113</b>	<b>\$ 32,606,113</b>	<b>\$ 33,266,623</b>	<b>\$ 660,510</b>

**DAKOTA COUNTY  
MINNESOTA**

**BUDGETARY COMPARISON SCHEDULE  
BUDGET AND ACTUAL  
CAPITAL PROJECTS FUND  
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Taxes	\$ 7,736,187	\$ 7,736,187	\$ 7,480,626	\$ (255,561)
Intergovernmental	26,000	26,000	298,553	272,553
Miscellaneous	-	-	75,841	75,841
<b>Total Revenues</b>	<b>\$ 7,762,187</b>	<b>\$ 7,762,187</b>	<b>\$ 7,855,020</b>	<b>\$ 92,833</b>
<b>Expenditures</b>				
<b>Current</b>				
<b>Capital outlay</b>				
Capital outlay	\$ 12,280,383	\$ 12,886,850	\$ 2,153,718	\$ 10,733,132
<b>Total capital outlay</b>	<b>\$ 12,280,383</b>	<b>\$ 12,886,850</b>	<b>\$ 2,153,718</b>	<b>10,733,132</b>
<b>Total Expenditures</b>	<b>\$ 12,280,383</b>	<b>\$ 12,886,850</b>	<b>\$ 2,153,718</b>	<b>\$ 10,733,132</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>\$ (4,518,196)</b>	<b>\$ (5,124,663)</b>	<b>\$ 5,701,302</b>	<b>\$ 10,825,965</b>
<b>Other Financing Sources (Uses)</b>				
Transfers out	\$ (8,661,819)	\$ (8,661,819)	\$ (8,661,818)	\$ 1
<b>Total Other Financing Sources (Uses)</b>	<b>\$ (8,661,819)</b>	<b>\$ (8,661,819)</b>	<b>\$ (8,661,818)</b>	<b>\$ 1</b>
<b>Change in Fund Balance</b>	<b>\$ (13,180,015)</b>	<b>\$ (13,786,482)</b>	<b>\$ (2,960,516)</b>	<b>\$ 10,825,966</b>
<b>Fund Balance - January 1</b>	<b>20,004,298</b>	<b>20,004,298</b>	<b>20,004,298</b>	<b>-</b>
<b>Fund Balance - December 31</b>	<b>\$ 6,824,283</b>	<b>\$ 6,217,816</b>	<b>\$ 17,043,782</b>	<b>\$ 10,825,966</b>



**DAKOTA COUNTY  
MINNESOTA**

**COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2009**

	<u>Special Revenue Funds</u>					<u>Total Nonmajor Governmental Funds</u>
	<u>County Library</u>	<u>Environmental Management</u>	<u>Regional Rail</u>	<u>Law Library</u>	<u>Attorney Forfeiture</u>	
<b><u>Assets</u></b>						
Cash and pooled investments	\$ 1,978,760	\$ 25,445,490	\$ 2,664,153	\$ 1,134,948	\$ 304,771	\$ 31,528,122
Petty cash and change funds	2,250	-	-	60	-	2,310
Taxes receivable						
Prior	299,799	-	509	-	-	300,308
Accounts receivable	65,765	736,541	61,511	35,086	-	898,903
Due from other funds	87,411	28,031	-	-	-	115,442
Due from other governments	6,018	329	82,984	-	-	89,331
<b>Total Assets</b>	<b><u>\$ 2,440,003</u></b>	<b><u>\$ 26,210,391</u></b>	<b><u>\$ 2,809,157</u></b>	<b><u>\$ 1,170,094</u></b>	<b><u>\$ 304,771</u></b>	<b><u>\$ 32,934,416</u></b>
<b><u>Liabilities and Fund Balances</u></b>						
<b>Liabilities</b>						
Accounts payable	\$ 134,762	\$ 162,352	\$ 67,693	\$ 11,564	\$ -	\$ 376,371
Salaries payable	269,832	71,487	-	6,363	-	347,682
Due to other funds	83,790	42,232	39,907	1,329	13,313	180,571
Due to other governments	42,390	70,441	-	909	-	113,740
Deferred revenue - unavailable	241,396	-	-	-	-	241,396
Deferred revenue - unearned	-	685,654	-	-	-	685,654
<b>Total Liabilities</b>	<b><u>\$ 772,170</u></b>	<b><u>\$ 1,032,166</u></b>	<b><u>\$ 107,600</u></b>	<b><u>\$ 20,165</u></b>	<b><u>\$ 13,313</u></b>	<b><u>\$ 1,945,414</u></b>
<b>Fund Balances</b>						
Unreserved						
Designated for future expenditures	\$ -	\$ 25,178,225	\$ 2,701,557	\$ 432,869	\$ 291,458	\$ 28,604,109
Designated for cash flows	1,504,526	-	-	482,000	-	1,986,526
Designated for capital improvements	-	-	-	235,000	-	235,000
Designated for petty cash and change funds	2,250	-	-	60	-	2,310
Designated for capital equipment	31,961	-	-	-	-	31,961
Designated for budget incentive program	129,096	-	-	-	-	129,096
<b>Total Fund Balances</b>	<b><u>\$ 1,667,833</u></b>	<b><u>\$ 25,178,225</u></b>	<b><u>\$ 2,701,557</u></b>	<b><u>\$ 1,149,929</u></b>	<b><u>\$ 291,458</u></b>	<b><u>\$ 30,989,002</u></b>
<b>Total Liabilities and Fund Balances</b>	<b><u>\$ 2,440,003</u></b>	<b><u>\$ 26,210,391</u></b>	<b><u>\$ 2,809,157</u></b>	<b><u>\$ 1,170,094</u></b>	<b><u>\$ 304,771</u></b>	<b><u>\$ 32,934,416</u></b>

**DAKOTA COUNTY  
MINNESOTA**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<b>Special Revenue Funds</b>					<b>Total Nonmajor Governmental Funds</b>
	<b>County Library</b>	<b>Environmental Management</b>	<b>Regional Rail</b>	<b>Law Library</b>	<b>Attorney Forfeiture</b>	
<b>Revenues</b>						
Taxes	\$ 11,166,296	\$ 117,900	\$ 1,142,069	\$ -	\$ -	\$ 12,426,265
License and permits	-	862,226	-	-	-	862,226
Intergovernmental	1,836,882	1,665,265	452,366	25,414	-	3,979,927
Charges for services	700,230	5,527,059	-	473,228	-	6,700,517
Fines and forfeits	-	-	-	-	95,093	95,093
Gifts and contributions	49,101	-	-	-	-	49,101
Investment earnings	3,193	-	53,417	-	-	56,610
Miscellaneous	192,173	176,297	-	-	-	368,470
<b>Total Revenues</b>	<b>\$ 13,947,875</b>	<b>\$ 8,348,747</b>	<b>\$ 1,647,852</b>	<b>\$ 498,642</b>	<b>\$ 95,093</b>	<b>\$ 24,538,209</b>
<b>Expenditures</b>						
<b>Current</b>						
General government	\$ -	\$ -	\$ -	\$ 485,432	\$ 20,482	\$ 505,914
Sanitation	-	7,304,309	-	-	-	7,304,309
Culture and recreation	12,762,146	-	-	-	-	12,762,146
Economic development	-	-	1,846,503	-	-	1,846,503
<b>Total Expenditures</b>	<b>\$ 12,762,146</b>	<b>\$ 7,304,309</b>	<b>\$ 1,846,503</b>	<b>\$ 485,432</b>	<b>\$ 20,482</b>	<b>\$ 22,418,872</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>\$ 1,185,729</b>	<b>\$ 1,044,438</b>	<b>\$ (198,651)</b>	<b>\$ 13,210</b>	<b>\$ 74,611</b>	<b>\$ 2,119,337</b>
<b>Other Financing Sources (Uses)</b>						
Transfers in	\$ 34,524	\$ 38,848	\$ -	\$ -	\$ -	\$ 73,372
Transfers out	-	(567)	-	-	-	(567)
<b>Total Other Financing Sources (Uses)</b>	<b>\$ 34,524</b>	<b>\$ 38,281</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 72,805</b>
<b>Net Change in Fund Balance</b>	<b>\$ 1,220,253</b>	<b>\$ 1,082,719</b>	<b>\$ (198,651)</b>	<b>\$ 13,210</b>	<b>\$ 74,611</b>	<b>\$ 2,192,142</b>
<b>Fund Balance - January 1</b>	<b>447,580</b>	<b>24,095,506</b>	<b>2,900,208</b>	<b>1,136,719</b>	<b>216,847</b>	<b>28,796,860</b>
<b>Fund Balance - December 31</b>	<b>\$ 1,667,833</b>	<b>\$ 25,178,225</b>	<b>\$ 2,701,557</b>	<b>\$ 1,149,929</b>	<b>\$ 291,458</b>	<b>\$ 30,989,002</b>

**DAKOTA COUNTY  
MINNESOTA**

**BUDGETARY COMPARISON SCHEDULE  
BUDGET AND ACTUAL  
COUNTY LIBRARY SPECIAL REVENUE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Taxes	\$ 11,359,834	\$ 11,605,694	\$ 11,166,296	\$ (439,398)
Intergovernmental	1,313,799	1,335,199	1,836,882	501,683
Charges for services	513,020	513,020	700,230	187,210
Gifts and contributions	-	37,327	49,101	11,774
Investment earnings	-	-	3,193	3,193
Miscellaneous	96,000	136,952	192,173	55,221
<b>Total Revenues</b>	<b>\$ 13,282,653</b>	<b>\$ 13,628,192</b>	<b>\$ 13,947,875</b>	<b>\$ 319,683</b>
<b>Expenditures</b>				
<b>Current</b>				
<b>Culture and recreation</b>				
Regional library	\$ 13,480,038	\$ 14,134,734	\$ 12,762,146	\$ 1,372,588
<b>Total Expenditures</b>	<b>\$ 13,480,038</b>	<b>\$ 14,134,734</b>	<b>\$ 12,762,146</b>	<b>\$ 1,372,588</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>\$ (197,385)</b>	<b>\$ (506,542)</b>	<b>\$ 1,185,729</b>	<b>\$ 1,692,271</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in	\$ -	\$ 34,524	\$ 34,524	\$ -
<b>Total Other Financing Sources (Uses)</b>	<b>\$ -</b>	<b>\$ 34,524</b>	<b>\$ 34,524</b>	<b>\$ -</b>
<b>Change in Fund Balance</b>	<b>\$ (197,385)</b>	<b>\$ (472,018)</b>	<b>\$ 1,220,253</b>	<b>\$ 1,692,271</b>
<b>Fund Balance - January 1</b>	<b>447,580</b>	<b>447,580</b>	<b>447,580</b>	<b>-</b>
<b>Fund Balance - December 31</b>	<b>\$ 250,195</b>	<b>\$ (24,438)</b>	<b>\$ 1,667,833</b>	<b>\$ 1,692,271</b>

**DAKOTA COUNTY  
MINNESOTA**

**BUDGETARY COMPARISON SCHEDULE  
BUDGET AND ACTUAL  
ENVIRONMENTAL MANAGEMENT SPECIAL REVENUE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
Taxes	\$ 132,161	\$ 132,161	\$ 117,900	\$ (14,261)
Licenses and permits	830,470	830,470	862,226	31,756
Intergovernmental	1,642,314	2,006,507	1,665,265	(341,242)
Charges for services	4,967,539	4,967,539	5,527,059	559,520
Miscellaneous	110,122	115,260	176,297	61,037
<b>Total Revenues</b>	<b>\$ 7,682,606</b>	<b>\$ 8,051,937</b>	<b>\$ 8,348,747</b>	<b>\$ 296,810</b>
<b>Expenditures</b>				
<b>Current</b>				
<b>Sanitation</b>				
Solid waste	\$ 8,526,132	\$ 8,762,704	\$ 7,304,309	\$ 1,458,395
<b>Total Expenditures</b>	<b>\$ 8,526,132</b>	<b>\$ 8,762,704</b>	<b>\$ 7,304,309</b>	<b>\$ 1,458,395</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>\$ (843,526)</b>	<b>\$ (710,767)</b>	<b>\$ 1,044,438</b>	<b>\$ 1,755,205</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in	\$ -	\$ 38,848	\$ 38,848	\$ -
Transfers out	-	(567)	(567)	-
<b>Total Other Financing Sources (Uses)</b>	<b>\$ -</b>	<b>\$ 38,281</b>	<b>\$ 38,281</b>	<b>\$ -</b>
<b>Change in Fund Balance</b>	<b>\$ (843,526)</b>	<b>\$ (672,486)</b>	<b>\$ 1,082,719</b>	<b>\$ 1,755,205</b>
<b>Fund Balance - January 1</b>	<b>24,095,506</b>	<b>24,095,506</b>	<b>24,095,506</b>	<b>-</b>
<b>Fund Balance - December 31</b>	<b>\$ 23,251,980</b>	<b>\$ 23,423,020</b>	<b>\$ 25,178,225</b>	<b>\$ 1,755,205</b>

**DAKOTA COUNTY  
MINNESOTA**

**BUDGETARY COMPARISON SCHEDULE  
BUDGET AND ACTUAL  
REGIONAL RAIL SPECIAL REVENUE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Taxes	\$ 1,190,516	\$ 1,190,516	\$ 1,142,069	\$ (48,447)
Intergovernmental	11,725,752	11,725,752	452,366	(11,273,386)
Investment earnings	-	-	53,417	53,417
<b>Total Revenues</b>	<b><u>\$ 12,916,268</u></b>	<b><u>\$ 12,916,268</u></b>	<b><u>\$ 1,647,852</u></b>	<b><u>\$ (11,268,416)</u></b>
<b>Expenditures</b>				
<b>Current</b>				
<b>Economic development</b>				
Community development	\$ 11,865,000	\$ 11,865,000	\$ 1,586,460	\$ 10,278,540
Administration	1,315,516	1,315,516	260,043	1,055,473
<b>Total Expenditures</b>	<b><u>\$ 13,180,516</u></b>	<b><u>\$ 13,180,516</u></b>	<b><u>\$ 1,846,503</u></b>	<b><u>\$ 11,334,013</u></b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b><u>\$ (264,248)</u></b>	<b><u>\$ (264,248)</u></b>	<b><u>\$ (198,651)</u></b>	<b><u>\$ 65,597</u></b>
<b>Change in Fund Balance</b>	<b><u>\$ (264,248)</u></b>	<b><u>\$ (264,248)</u></b>	<b><u>\$ (198,651)</u></b>	<b><u>\$ 65,597</u></b>
<b>Fund Balance - January 1</b>	<b><u>2,900,208</u></b>	<b><u>2,900,208</u></b>	<b><u>2,900,208</u></b>	<b><u>-</u></b>
<b>Fund Balance - December 31</b>	<b><u><u>\$ 2,635,960</u></u></b>	<b><u><u>\$ 2,635,960</u></u></b>	<b><u><u>\$ 2,701,557</u></u></b>	<b><u><u>\$ 65,597</u></u></b>

**DAKOTA COUNTY  
MINNESOTA**

**COMBINING STATEMENT OF NET ASSETS  
NONMAJOR ENTERPRISE FUNDS  
DECEMBER 31, 2009**

	<b>Geographic Information System Enterprise Fund</b>	<b>Criminal Justice Information Integration Network</b>	<b>Totals</b>
<u>Assets</u>			
Current assets:			
Cash and pooled investments	\$ 162,432	\$ 65,034	\$ 227,466
Accounts receivable (net)	4,000	-	4,000
Due from other governments	-	66,680	66,680
	<hr/>	<hr/>	<hr/>
<b>Total current assets</b>	<b>\$ 166,432</b>	<b>\$ 131,714</b>	<b>\$ 298,146</b>
	<hr/>	<hr/>	<hr/>
<b>Total Assets</b>	<b>\$ 166,432</b>	<b>\$ 131,714</b>	<b>\$ 298,146</b>
	<hr/>	<hr/>	<hr/>
<b>Net Assets</b>			
Restricted for			
Equipment replacement	\$ 166,432	\$ -	\$ 166,432
Unrestricted	-	131,714	131,714
	<hr/>	<hr/>	<hr/>
<b>Total Net Assets</b>	<b>\$ 166,432</b>	<b>\$ 131,714</b>	<b>\$ 298,146</b>
	<hr/>	<hr/>	<hr/>

**DAKOTA COUNTY  
MINNESOTA**

**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS  
NONMAJOR ENTERPRISE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<b>Geographic Information System Enterprise Fund</b>	<b>Criminal Justice Information Integration Network</b>	<b>Totals</b>
<b>Operating Revenues</b>			
Charges for services	\$ 19,521	\$ 131,714	\$ 151,235
<b>Total Operating Revenues</b>	<b>\$ 19,521</b>	<b>\$ 131,714</b>	<b>\$ 151,235</b>
<b>Operating Expenses</b>			
Other services and charges	\$ 50,556	\$ -	\$ 50,556
<b>Total Operating Expenses</b>	<b>\$ 50,556</b>	<b>\$ -</b>	<b>\$ 50,556</b>
<b>Operating income (loss)</b>	<b>\$ (31,035)</b>	<b>\$ 131,714</b>	<b>\$ 100,679</b>
<b>Change in Net Assets</b>	<b>\$ (31,035)</b>	<b>\$ 131,714</b>	<b>\$ 100,679</b>
<b>Net Assets - January 1</b>	<b>197,467</b>	<b>-</b>	<b>197,467</b>
<b>Net Assets - December 31</b>	<b>\$ 166,432</b>	<b>\$ 131,714</b>	<b>\$ 298,146</b>

**DAKOTA COUNTY  
MINNESOTA**

**COMBINING STATEMENT OF CASH FLOWS  
NONMAJOR ENTERPRISE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2009  
Increase (Decrease) in Cash and Cash Equivalents**

	<b>Geographic Information System Enterprise Fund</b>	<b>Criminal Justice Information Integration Network</b>	<b>Totals</b>
<b>Cash Flows from Operating Activities</b>			
Receipts from customers and users	\$ 15,521	\$ 65,034	\$ 80,555
Payments to suppliers	(50,557)	-	(50,557)
<b>Net cash provided by (used in) operating activities</b>	<b>\$ (35,036)</b>	<b>\$ 65,034</b>	<b>\$ 29,998</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>\$ (35,036)</b>	<b>\$ 65,034</b>	<b>\$ 29,998</b>
<b>Cash and Cash Equivalents at January 1</b>	<b>197,468</b>	<b>-</b>	<b>197,468</b>
<b>Cash and Cash Equivalents at December 31</b>	<b>\$ 162,432</b>	<b>\$ 65,034</b>	<b>\$ 227,466</b>
<b>Reconciliation of Operating Income to Net Cash Provided by (Used in) Operating Activities</b>			
Operating income (loss)	<b>\$ (31,035)</b>	<b>\$ 131,714</b>	<b>\$ 100,679</b>
Adjustments to reconcile operating income to net cash provided by (used in) operating activities			
(Increase) decrease in accounts receivable	\$ (4,000)	\$ (66,680)	\$ (70,680)
Increase (decrease) in due to other governments	(1)	-	(1)
<b>Total adjustments</b>	<b>\$ (4,001)</b>	<b>\$ (66,680)</b>	<b>\$ (70,681)</b>
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>\$ (35,036)</b>	<b>\$ 65,034</b>	<b>\$ 29,998</b>



**DAKOTA COUNTY  
MINNESOTA**

**COMBINING STATEMENT OF FIDUCIARY NET ASSETS  
PRIVATE-PURPOSE TRUST FUNDS  
DECEMBER 31, 2009**

	<u>First Judicial District Trust Fund</u>	<u>Rural Solid Waste Commission Trust Fund</u>	<u>Solid Waste Management Coordination Bd Trust Fund</u>	<u>Domestic Preparedness Team Trust Fund</u>	<u>Total</u>
<b><u>Assets</u></b>					
Cash and cash equivalents	\$ -	\$ 25,051	\$ 4,841,533	\$ 106,287	\$ 4,972,871
Accounts receivable	-	-	-	-	-
Due from other governments	1,019,875	-	-	-	1,019,875
<b>Total Assets</b>	<b>\$ 1,019,875</b>	<b>\$ 25,051</b>	<b>\$ 4,841,533</b>	<b>\$ 106,287</b>	<b>\$ 5,992,746</b>
<b><u>Liabilities</u></b>					
Accounts payable	\$ 1,035	\$ 4,383	\$ 92,767	\$ 713	\$ 98,898
Accrued expenses	76,448	-	-	-	76,448
Due to other governments	942,392	-	3,710,700	48	4,653,140
Advance from other governments	-	-	754,083	-	754,083
<b>Total Liabilities</b>	<b>\$ 1,019,875</b>	<b>\$ 4,383</b>	<b>\$ 4,557,550</b>	<b>\$ 761</b>	<b>\$ 5,582,569</b>
<b><u>Net Assets</u></b>					
Net assets, held in trust for other purposes	\$ -	\$ 20,668	\$ 283,983	\$ 105,526	\$ 410,177
<b>Total Net Assets</b>	<b>\$ -</b>	<b>\$ 20,668</b>	<b>\$ 283,983</b>	<b>\$ 105,526</b>	<b>\$ 410,177</b>

**DAKOTA COUNTY  
MINNESOTA**

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
PRIVATE-PURPOSE TRUST FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>First Judicial District Trust Fund</u>	<u>Rural Solid Waste Commission Trust Fund</u>	<u>Solid Waste Management Coordination Bd Trust Fund</u>	<u>Domestic Preparedness Team Trust Fund</u>	<u>Total Private- Purpose Trust Fund</u>
<b><u>ADDITIONS:</u></b>					
State Grants					
Mn Dept of Trial Courts	\$ 3,172,531	\$ -	\$ -	\$ -	\$ 3,172,531
Mn Pollution Control Agency	-	-	792,021	-	792,021
Payments from other governments	-	-	237,595	65,915	303,510
Other agencies	-	17,400	-	-	17,400
Miscellaneous	-	-	6,492	35	6,527
Investment earnings:					
Interest	-	459	31,744	-	32,203
<b>Total additions</b>	<b>\$ 3,172,531</b>	<b>\$ 17,859</b>	<b>\$ 1,067,852</b>	<b>\$ 65,950</b>	<b>\$ 4,324,192</b>
<b><u>DEDUCTIONS:</u></b>					
Judicial District expense	\$ 3,172,531	\$ -	\$ -	\$ -	\$ 3,172,531
Solid waste expenses	-	16,706	1,102,304	-	1,119,010
Emergency preparedness expenses	-	-	-	61,695	61,695
<b>Total deductions</b>	<b>\$ 3,172,531</b>	<b>\$ 16,706</b>	<b>\$ 1,102,304</b>	<b>\$ 61,695</b>	<b>\$ 4,353,236</b>
<b>Change in net assets</b>	<b>\$ -</b>	<b>\$ 1,153</b>	<b>\$ (34,452)</b>	<b>\$ 4,255</b>	<b>\$ (29,044)</b>
<b>Net assets - January 1</b>	<b>-</b>	<b>19,515</b>	<b>318,435</b>	<b>101,271</b>	<b>439,221</b>
<b>Net assets - December 31</b>	<b>\$ -</b>	<b>\$ 20,668</b>	<b>\$ 283,983</b>	<b>\$ 105,526</b>	<b>\$ 410,177</b>

DAKOTA COUNTY  
MINNESOTA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
ALL AGENCY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2009

	Balance January 1	Additions	Deductions	Balance December 31
<b><u>4-H</u></b>				
<b><u>Assets</u></b>				
Cash and pooled investments	\$ 307,113	\$ 233,305	\$ 207,199	\$ 333,219
Accounts receivable	165	-	165	-
Due from other governments	1,251	2,467	1,568	2,150
	<b>\$ 308,529</b>	<b>\$ 235,772</b>	<b>\$ 208,932</b>	<b>\$ 335,369</b>
<b><u>Liabilities</u></b>				
Accounts payable	\$ 24,771	\$ 147,900	\$ 165,111	\$ 7,560
Due to other governments	283,758	328,091	284,040	327,809
	<b>\$ 308,529</b>	<b>\$ 475,991</b>	<b>\$ 449,151</b>	<b>\$ 335,369</b>
 <b><u>AGRICULTURAL CONSERVATION</u></b>				
<b><u>Assets</u></b>				
Cash and pooled investments	<b>\$ 158,040</b>	<b>\$ 76,827</b>	<b>\$ 94,455</b>	<b>\$ 140,412</b>
<b><u>Liabilities</u></b>				
Accounts payable	<b>\$ 158,040</b>	<b>\$ 76,827</b>	<b>\$ 94,455</b>	<b>\$ 140,412</b>
 <b><u>ARBITRAGE</u></b>				
<b><u>Assets</u></b>				
Cash and pooled investments	<b>\$ 50,904</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 50,904</b>
<b><u>Liabilities</u></b>				
Due to other governments	<b>\$ 50,904</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 50,904</b>

DAKOTA COUNTY  
MINNESOTA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
ALL AGENCY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2009

	Balance January 1	Additions	Deductions	Balance December 31
<b><u>ASSURANCE</u></b>				
<b><u>Assets</u></b>				
Cash and pooled investments	\$ 8,851	\$ 29,078	\$ 31,401	\$ 6,528
<b><u>Liabilities</u></b>				
Due to other governments	\$ 8,851	\$ 29,078	\$ 31,401	\$ 6,528
<b><u>COMMUNITY DEVELOPMENT AGENCY</u></b>				
<b><u>Assets</u></b>				
Cash and pooled investments	\$ 148,647	\$ 15,481,725	\$ 15,630,006	\$ 366
<b><u>Liabilities</u></b>				
Due to other governments	\$ 148,647	\$ 15,481,725	\$ 15,630,006	\$ 366
<b><u>CONSERVATION</u></b>				
<b><u>Assets</u></b>				
Cash and pooled investments	\$ -	\$ 157,895	\$ 157,895	\$ -
<b><u>Liabilities</u></b>				
Due to other funds	\$ -	\$ 157,895	\$ 157,895	\$ -
<b><u>DAKOTA-SCOTT WSA</u></b>				
<b><u>Assets</u></b>				
Cash and pooled investments	\$ -	\$ 4,756,152	\$ 4,756,152	\$ -
<b><u>Liabilities</u></b>				
Due to other governments	\$ -	\$ 4,756,152	\$ 4,756,152	\$ -

DAKOTA COUNTY  
MINNESOTA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
ALL AGENCY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Balance January 1</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance December 31</u>
<b><u>DUI FORFEITURE FUND</u></b>				
<b><u>Assets</u></b>				
Cash and pooled investments	\$ 5,811	\$ 11,710	\$ 6,535	\$ 10,986
<b><u>Liabilities</u></b>				
Accounts payable	\$ 5,811	\$ 11,710	\$ 6,535	\$ 10,986
 <b><u>ELECTRONIC LICENSE SYSTEM</u></b>				
<b><u>Assets</u></b>				
Cash and pooled investments	\$ 119	\$ 463	\$ 582	\$ -
<b><u>Liabilities</u></b>				
Accounts payable	\$ 119	\$ 463	\$ 582	\$ -
 <b><u>FORFEITED TAX</u></b>				
<b><u>Assets</u></b>				
Cash and pooled investments	\$ 624,730	\$ 145,378	\$ 2,658	\$ 767,450
<b><u>Liabilities</u></b>				
Accounts payable	\$ -	\$ 2,883	\$ 2,133	\$ 750
Due to other governments	624,730	145,378	3,408	766,700
<b>Total Liabilities</b>	<b>\$ 624,730</b>	<b>\$ 148,261</b>	<b>\$ 5,541</b>	<b>\$ 767,450</b>
 <b><u>FORFEITED TAX ASSURANCE</u></b>				
<b><u>Assets</u></b>				
Cash and pooled investments	\$ -	\$ 4,337	\$ 15	\$ 4,322
<b><u>Liabilities</u></b>				
Due to other governments	\$ -	\$ 4,337	\$ 15	\$ 4,322

DAKOTA COUNTY  
MINNESOTA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
ALL AGENCY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2009

	Balance January 1	Additions	Deductions	Balance December 31
<b><u>HISTORICAL SOCIETY</u></b>				
<b><u>Assets</u></b>				
Cash and pooled investments	\$ -	\$ 268,890	\$ 268,890	\$ -
Due from other governments	73,844	114,809	108,755	79,898
<b>Total Assets</b>	<b><u>\$ 73,844</u></b>	<b><u>\$ 383,699</u></b>	<b><u>\$ 377,645</u></b>	<b><u>\$ 79,898</u></b>
<b><u>Liabilities</u></b>				
Salaries payable	\$ 4,336	\$ 40,079	\$ 39,246	\$ 5,169
Due to other governments	69,508	74,730	69,509	74,729
<b>Total Liabilities</b>	<b><u>\$ 73,844</u></b>	<b><u>\$ 114,809</u></b>	<b><u>\$ 108,755</u></b>	<b><u>\$ 79,898</u></b>
 <b><u>LOCAL COLLABORATIVES</u></b>				
<b><u>Assets</u></b>				
Cash and pooled investments	<b><u>\$ 432,408</u></b>	<b><u>\$ 610,309</u></b>	<b><u>\$ 646,205</u></b>	<b><u>\$ 396,512</u></b>
<b><u>Liabilities</u></b>				
Accounts payable	<b><u>\$ 432,408</u></b>	<b><u>\$ 610,309</u></b>	<b><u>\$ 646,205</u></b>	<b><u>\$ 396,512</u></b>
 <b><u>METROPOLITAN EMERGENCY SERVICES BOARD (MESB)</u></b>				
<b><u>Assets</u></b>				
Cash and pooled investments	\$ -	\$ 891,431	\$ 891,431	\$ -
Due from other governments	84,660	64,349	84,660	64,349
<b>Total Assets</b>	<b><u>\$ 84,660</u></b>	<b><u>\$ 955,780</u></b>	<b><u>\$ 976,091</u></b>	<b><u>\$ 64,349</u></b>
<b><u>Liabilities</u></b>				
Salaries payable	\$ 19,264	\$ 202,793	\$ 200,288	\$ 21,769
Due to other governments	65,396	980,608	1,003,424	42,580
<b>Total Liabilities</b>	<b><u>\$ 84,660</u></b>	<b><u>\$ 1,183,401</u></b>	<b><u>\$ 1,203,712</u></b>	<b><u>\$ 64,349</u></b>

DAKOTA COUNTY  
MINNESOTA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
ALL AGENCY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2009

	Balance January 1	Additions	Deductions	Balance December 31
<b><u>METRO ALLIANCE FOR HEALTHY FAMILIES</u></b>				
<b><u>Assets</u></b>				
Cash and pooled investments	\$ 1,351,643	\$ 754,172	\$ 1,547,361	\$ 558,454
Accounts receivable	-	93	-	93
<b>Total Assets</b>	<b><u>\$ 1,351,643</u></b>	<b><u>\$ 754,265</u></b>	<b><u>\$ 1,547,361</u></b>	<b><u>\$ 558,547</u></b>
<b><u>Liabilities</u></b>				
Accounts payable	\$ 813,227	\$ 1,085,082	\$ 1,492,807	\$ 405,502
Salaries payable	123,467	-	123,467	-
Due to other governments	414,949	465,475	727,379	153,045
<b>Total Liabilities</b>	<b><u>\$ 1,351,643</u></b>	<b><u>\$ 1,550,557</u></b>	<b><u>\$ 2,343,653</u></b>	<b><u>\$ 558,547</u></b>
<b><u>METRO COUNCIL</u></b>				
<b><u>Assets</u></b>				
Cash and pooled investments	\$ -	\$ 3,741,407	\$ 3,741,407	\$ -
<b><u>Liabilities</u></b>				
Due to other governments	\$ -	\$ 3,741,407	\$ 3,741,407	\$ -
<b><u>METRO TRANSIT</u></b>				
<b><u>Assets</u></b>				
Cash and pooled investments	\$ -	\$ 4,486,928	\$ 4,486,928	\$ -
<b><u>Liabilities</u></b>				
Due to other governments	\$ -	\$ 4,486,928	\$ 4,486,928	\$ -
<b><u>METROPOLITAN INTER-COUNTY ASSOCIATION (MICA)</u></b>				
<b><u>Assets</u></b>				
Cash and pooled investments	\$ 336,341	\$ 502,586	\$ 490,814	\$ 348,113
<b><u>Liabilities</u></b>				
Due to other governments	\$ 336,341	\$ 502,586	\$ 490,814	\$ 348,113

DAKOTA COUNTY  
MINNESOTA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
ALL AGENCY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2009

	Balance January 1	Additions	Deductions	Balance December 31
<b><u>MINNESOTA CONSERVATION FUND</u></b>				
<b><u>Assets</u></b>				
Cash and pooled investments	\$ 14,440	\$ 76,828	\$ 61,837	\$ 29,431
<b><u>Liabilities</u></b>				
Due to other governments	\$ 14,440	\$ 76,828	\$ 61,837	\$ 29,431
 <b><u>MOSQUITO CONTROL</u></b>				
<b><u>Assets</u></b>				
Cash and pooled investments	\$ -	\$ 2,234,192	\$ 2,234,192	\$ -
<b><u>Liabilities</u></b>				
Due to other governments	\$ -	\$ 2,234,192	\$ 2,234,192	\$ -
 <b><u>PAYROLL DEDUCTIONS</u></b>				
<b><u>Assets</u></b>				
Cash and pooled investments	\$ -	\$ 52,863,006	\$ 52,863,006	\$ -
<b><u>Liabilities</u></b>				
Accounts payable	\$ -	\$ 52,863,006	\$ 52,863,006	\$ -
 <b><u>SCHOOL DISTRICTS</u></b>				
<b><u>Assets</u></b>				
Cash and pooled investments	\$ -	\$ 283,960,387	\$ 283,960,387	\$ -
<b><u>Liabilities</u></b>				
Due to other governments	\$ -	\$ 283,960,387	\$ 283,960,387	\$ -



DAKOTA COUNTY  
MINNESOTA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
ALL AGENCY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2009

	Balance January 1	Additions	Deductions	Balance December 31
<b><u>SHERIFF CIVIL FEES</u></b>				
<b><u>Assets</u></b>				
Cash and pooled investments	\$ 43,614	\$ 1,515,052	\$ 1,505,097	\$ 53,569
<b><u>Liabilities</u></b>				
Due to other governments	\$ 43,614	\$ 1,515,052	\$ 1,505,097	\$ 53,569
 <b><u>SHERIFF EVIDENCE FUND</u></b>				
<b><u>Assets</u></b>				
Cash and pooled investments	\$ 1,290	\$ 100	\$ -	\$ 1,390
<b><u>Liabilities</u></b>				
Due to other governments	\$ 1,290	\$ 100	\$ -	\$ 1,390
 <b><u>SHERIFF INMATE FUNDS</u></b>				
<b><u>Assets</u></b>				
Cash and pooled investments	\$ 41	\$ -	\$ -	\$ 41
<b><u>Liabilities</u></b>				
Accounts Payable	\$ 41	\$ -	\$ -	\$ 41
 <b><u>SHERIFF TRUST FUND</u></b>				
<b><u>Assets</u></b>				
Cash and pooled investments	\$ 64,971	\$ 10,203,407	\$ 10,195,028	\$ 73,350
<b><u>Liabilities</u></b>				
Due to other governments	\$ 64,971	\$ 10,203,407	\$ 10,195,028	\$ 73,350

DAKOTA COUNTY  
MINNESOTA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
ALL AGENCY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2009

	Balance January 1	Additions	Deductions	Balance December 31
<b><u>SOCIAL WELFARE</u></b>				
<b><u>Assets</u></b>				
Departmental cash	\$ 247,878	\$ 2,635,569	\$ 2,686,516	\$ 196,931
<b><u>Liabilities</u></b>				
Accounts payable	\$ 247,878	\$ 2,635,569	\$ 2,686,516	\$ 196,931
 <b><u>STATE REVENUE</u></b>				
<b><u>Assets</u></b>				
Cash and pooled investments	\$ -	\$ 21,524,959	\$ 21,304,549	\$ 220,410
<b><u>Liabilities</u></b>				
Due to other governments	\$ -	\$ 21,524,959	\$ 21,304,549	\$ 220,410
 <b><u>TAXES AND PENALTIES</u></b>				
<b><u>Assets</u></b>				
Cash and pooled investments	\$ 23,739,430	\$ 753,511,988	\$ 749,936,674	\$ 27,314,744
Accounts receivable	38,668	63,961	38,668	63,961
<b>Total Assets</b>	<b>\$ 23,778,098</b>	<b>\$ 753,575,949</b>	<b>\$ 749,975,342</b>	<b>\$ 27,378,705</b>
<b><u>Liabilities</u></b>				
Accounts payable	\$ 152,746	\$ 2,123,811	\$ 1,942,507	\$ 334,050
Unapportioned taxes payable	-	60,603,530	60,603,530	-
Due to other funds	-	51,622	51,622	-
Due to other governments	23,625,352	749,155,331	745,736,028	27,044,655
<b>Total Liabilities</b>	<b>\$ 23,778,098</b>	<b>\$ 811,934,294</b>	<b>\$ 808,333,687</b>	<b>\$ 27,378,705</b>

DAKOTA COUNTY  
MINNESOTA

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
ALL AGENCY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2009**

	Balance January 1	Additions	Deductions	Balance December 31
<b><u>TOWNS AND CITIES</u></b>				
<b><u>Assets</u></b>				
Cash and pooled investments	\$ -	\$ 311,802,101	\$ 311,802,101	\$ -
<b><u>Liabilities</u></b>				
Due to other governments	\$ -	\$ 311,802,101	\$ 311,802,101	\$ -
<b><u>WATERSHED LEVY</u></b>				
<b><u>Assets</u></b>				
Cash and pooled investments	\$ -	\$ 101,646	\$ 101,646	\$ -
<b><u>Liabilities</u></b>				
Due to other governments	\$ -	\$ 101,646	\$ 101,646	\$ -
<b><u>TOTAL ALL AGENCY FUNDS</u></b>				
<b><u>Assets</u></b>				
Cash and pooled investments	\$ 27,288,393	\$ 1,469,946,259	\$ 1,466,924,451	\$ 30,310,201
Departmental cash	247,878	2,635,569	2,686,516	196,931
Accounts receivable	38,833	64,054	38,833	64,054
Due from other governments	159,755	181,625	194,983	146,397
<b>Total Assets</b>	<b>\$ 27,734,859</b>	<b>\$ 1,472,827,507</b>	<b>\$ 1,469,844,783</b>	<b>\$ 30,717,583</b>
<b><u>Liabilities</u></b>				
Accounts payable	\$ 1,835,041	\$ 59,557,560	\$ 59,899,857	\$ 1,492,744
Salaries payable	147,067	242,872	363,001	26,938
Unapportioned taxes payable	-	60,603,530	60,603,530	-
Due to other funds	-	209,517	209,517	-
Due to other governments	25,752,751	1,411,570,498	1,408,125,348	29,197,901
<b>Total Liabilities</b>	<b>\$ 27,734,859</b>	<b>\$ 1,532,183,977</b>	<b>\$ 1,529,201,253</b>	<b>\$ 30,717,583</b>

**DAKOTA COUNTY  
MINNESOTA**

**GOVERNMENTAL FUND BALANCE SHEET AND  
GOVERNMENTAL ACTIVITIES - STATEMENT OF NET ASSETS  
VERMILLION RIVER WATERSHED DISTRICT  
DECEMBER 31, 2009**

**Assets**

Cash and investments	\$ 1,447,643
Taxes receivable	
Current	72,328
Prior - net	662
Accounts receivable	-
Due from other governments	<u>10,350</u>
<b>Total Assets</b>	<b><u><u>\$ 1,530,983</u></u></b>

**Liabilities**

Current liabilities	
Accounts payable	\$ 45,092
Due to other governments	<u>372,369</u>
<b>Total Liabilities</b>	<b><u><u>\$ 417,461</u></u></b>

**Fund Balance/Net Assets**

Unreserved - Undesignated/ Unrestricted	<u>\$ 1,113,522</u>
<b>Total Fund Balance/Net Assets</b>	<b><u><u>\$ 1,113,522</u></u></b>
<b>Total Liabilities and Fund Balance/Net Assets</b>	<b><u><u>\$ 1,530,983</u></u></b>

There are no capital assets nor long term liabilities. There is no difference to reconcile between modified and full accrual.

**DAKOTA COUNTY  
MINNESOTA**

**GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
AND GOVERNMENTAL ACTIVITIES - STATEMENT OF ACTIVITIES  
VERMILLION RIVER WATERSHED DISTRICT  
FOR THE YEAR ENDED DECEMBER 31, 2009**

<b>Revenues</b>	
Taxes	\$ 1,023,239
Intergovernmental	141,081
Investment earnings	20,541
Miscellaneous	<u>1,701</u>
<b>Total Revenues</b>	<b><u>\$ 1,186,562</u></b>
<b>Expenditures/Expenses</b>	
<b>Current</b>	
Conservation of natural resources	<u>\$ 1,245,246</u>
<b>Net Change in Fund Balance/ Net Assets</b>	<b>\$ (58,684)</b>
<b>Fund Balance/Net Assets - January 1</b>	<b><u>1,172,206</u></b>
<b>Fund Balance/Net Assets - December 31</b>	<b><u><u>\$ 1,113,522</u></u></b>

There are no capital outlays nor revenues that are not current financial resources. There is no difference to reconcile between modified and full accrual.

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# Governmental Revenue Schedules

**DAKOTA COUNTY  
MINNESOTA**

**SCHEDULE OF INTERGOVERNMENTAL REVENUE  
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u><b>Governmental Funds</b></u>
<b>Shared Revenue</b>	
<b>State</b>	
Highway users tax	\$ 31,826,859
PERA rate reimbursement	333,927
Disparity reduction aid	1,681
Police aid	516,464
Agricultural preserve credit	49,583
County program aid	13,556,369
Market value credit	<u>4,855,598</u>
<b>Total Shared Revenue</b>	<b><u>\$ 51,140,481</u></b>
<b>Reimbursement for Services</b>	
<b>State</b>	
Minnesota Department of Human Services	<b><u>\$ 21,549,865</u></b>
<b>Payments</b>	
<b>Local</b>	
County contributions	\$ 33,320
City contributions	604,306
Metropolitan council	3,591,475
City and agency share of construction	3,927,994
MELSA	174,240
Other contributions	937,250
Local contributions	523,453
Payments in lieu of taxes	<u>65,277</u>
<b>Total Payments</b>	<b><u>\$ 9,857,315</u></b>
<b>Grants</b>	
<b>State</b>	
Minnesota Department of Public Safety	\$ 223,462
Transportation	4,813,028
Health	1,557,654
Natural Resources	18,041
Human Services	7,036,661
Water and Soil Resources Board	102,623
Employment and Economic Development	1,940,660
Pollution Control Agency	1,236,171
Trial courts	47,670
Housing Finance Agency	160,000
Secretary of State	7,129
Board of Peace Officers Standards and Training	34,092
Corrections	5,594,110
Veterans Affairs	<u>81,564</u>
<b>Total State</b>	<b><u>\$ 22,852,865</u></b>



**DAKOTA COUNTY  
MINNESOTA**

**SCHEDULE OF INTERGOVERNMENTAL REVENUE  
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>Governmental Funds</u>
<b>Grants (Continued)</b>	
<b>Federal</b>	
Department of	
Agriculture	\$ 5,353,322
Housing and Urban Development	3,112,510
Justice	349,984
Labor	2,670,248
Transportation	944,733
National Foundation on Arts and Humanities	25,414
Environmental Protection Agency	6,949
Energy	99,280
Education	92,226
Health and Human Services	24,564,438
Homeland Security	1,160,307
	<hr/>
<b>Total Federal</b>	<b>\$ 38,379,411</b>
	<hr/>
<b>Total State and Federal Grants</b>	<b>\$ 61,232,276</b>
	<hr/>
<b>Total Intergovernmental Revenue</b>	<b>\$ 143,779,937</b>
	<hr/> <hr/>

**DAKOTA COUNTY  
MINNESOTA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2009**

<b>Federal Grantor Pass-Through Agency Grant Program Title</b>	<b>Federal CFDA Number</b>	<b>Expenditures</b>	<b>Passed Through to Subrecipients</b>
<b>U.S. Department of Agriculture</b>			
Direct			
Farm and Ranch Lands Protection Program	10.913	\$ 2,483,447	\$ -
Passed Through Minnesota Department of Health Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	1,135,343	-
Passed Through Minnesota Department of Education School Breakfast Program	10.553	13,604	-
National School Lunch Program	10.555	18,332	-
Passed Through Minnesota Department of Human Services State Administrative Matching Grants for Supplemental Nutrition Assistance Program	10.561	1,658,306	-
State Administrative Matching Grants for Supplemental Nutrition Assistance Program -- ARRA	10.561	44,290	-
		<u>\$ 5,353,322</u>	<u>\$ -</u>
<b>Total U.S. Department of Agriculture</b>			
<b>U.S. Department of Housing and Urban Development</b>			
Direct			
Community Development Block Grant	14.218	\$ 1,594,809	\$ 1,594,809
Supportive Housing Demonstrative Program	14.235	429,690	-
HOME Investment Partnerships Program	14.239	1,082,746	1,082,746
Homelessness Prevention-Rapid Re-Housing Program -- ARRA	14.257	5,265	-
		<u>\$ 3,112,510</u>	<u>\$ 2,677,555</u>
<b>Total U.S. Department of Housing and Urban Development</b>			
<b>U.S. Department of Justice</b>			
Passed Through Minnesota Department of Public Safety Juvenile Accountability Incentive Block Grant	16.523	\$ 21,917	\$ -
Edward Byrne Memorial Justice Assistance Grant Program	16.738	77,143	-
Direct			
Edward Byrne Memorial Formula Grant Program	16.579	171,963	-
State Criminal Alien Assistance Program (SCAAP)	16.606	69,770	-
Public Safety Partnership and Community Policing Grant -- ARRA	16.710	9,191	-
		<u>\$ 349,984</u>	<u>\$ -</u>
<b>Total U.S. Department of Justice</b>			

**DAKOTA COUNTY  
MINNESOTA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2009**

<b>Federal Grantor Pass-Through Agency Grant Program Title</b>	<b>Federal CFDA Number</b>	<b>Expenditures</b>	<b>Passed Through to Subrecipients</b>
<b>U.S. Department of Labor</b>			
Passed Through Minnesota Department of Employment and Economic Development			
Unemployment Insurance - Grants to States	17.225	\$ 100,363	\$ -
Special Programs and Activities for the Disadvantaged	17.243	1,088	-
WIA Adult Program	17.258	271,966	-
WIA Adult Program -- ARRA	17.258	68,703	-
WIA Youth Activities	17.259	358,840	-
WIA Youth Activities -- ARRA	17.259	260,131	-
WIA Dislocated Workers	17.260	797,942	-
WIA Dislocated Workers -- ARRA	17.260	811,215	-
		<u>2,670,248</u>	<u>-</u>
<b>Total U.S. Department of Labor</b>		<b>\$ 2,670,248</b>	<b>\$ -</b>
<b>U.S. Department of Transportation</b>			
Passed Through Minnesota Department of Transportation			
Highway Planning and Construction	20.205	\$ 837,508	\$ -
Highway Planning and Construction -- ARRA	20.205	22,477	-
Passed Through Minnesota Department of Public Safety			
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	5,945	-
Passed Through Met Council			
Federal Transit Capital Assistance Grant	20.500	78,803	-
		<u>944,733</u>	<u>-</u>
<b>Total U.S. Department of Transportation</b>		<b>\$ 944,733</b>	<b>\$ -</b>
<b>U.S. National Foundation on Arts and Humanities</b>			
Passed through Minnesota Department of Education			
Grants to States	45.310	\$ 25,414	\$ -
		<u>25,414</u>	<u>-</u>
<b>Total U.S. Department of Energy</b>		<b>\$ 25,414</b>	<b>\$ -</b>
<b>U.S. Department of Environmental Protection Agency</b>			
Passed through Minnesota Pollution Control Agency			
Nonpoint Source Implementation Grants	66.460	\$ 6,949	\$ -
		<u>6,949</u>	<u>-</u>
<b>Total U.S. Department of Education</b>		<b>\$ 6,949</b>	<b>\$ -</b>
<b>U.S. Department of Energy</b>			
Direct			
Energy Efficiency and Conservation Block Grant Program -- ARRA	81.128	\$ 99,280	\$ -
		<u>99,280</u>	<u>-</u>
<b>Total U.S. Department of Energy</b>		<b>\$ 99,280</b>	<b>\$ -</b>

**DAKOTA COUNTY  
MINNESOTA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2009**

<b>Federal Grantor Pass-Through Agency Grant Program Title</b>	<b>Federal CFDA Number</b>	<b>Expenditures</b>	<b>Passed Through to Subrecipients</b>
<b>U.S. Department of Education</b>			
Direct			
Special Education-Grants for Infants and Families with Disabilities	84.181	\$ 92,226	\$ -
<b>Total U.S. Department of Education</b>		<b>\$ 92,226</b>	<b>\$ -</b>
<b>U.S. Department of Health and Human Services</b>			
Passed Through Minnesota Department of Health			
Public Health Emergency Preparedness	93.069	\$ 66,720	\$ -
Immunization Research, Demonstration, Public Information and Education-Training and Clinical Skills Improvement Projects	93.185	68,973	-
Immunization Grants	93.268	25,980	-
Centers for Disease Control and Prevention - Investigations and Technical Assistance	93.283	437,371	-
Temporary Assistance for Needy Families (TANF)	93.558	325,367	-
Refugee and Entrant Assistance	93.576	10,822	-
State Children's Insurance Program	93.767	213	-
Maternal and Child Health Services Block Grant	93.994	278,668	-
Passed Through Minnesota Department of Human Services			
Family Preservation and Support Services	93.556	205,340	-
Temporary Assistance for Needy Families (TANF)	93.558	3,634,370	-
Child Support Enforcement Title IV-D	93.563	7,646,246	-
Child Support Enforcement Title IV-D -- ARRA	93.563	713,339	-
Community Based Child Abuse Prevention Grant	93.590	41,710	-
Child Care Mandatory and Matching Funds	93.596	486,132	-
Foster Care Title IV-E	93.658	1,983,949	-
Foster Care Title IV-E -- ARRA	93.658	105,509	-
Adoption Assistance -- ARRA	93.659	108,708	-
Social Services Block Grant Title XX	93.667	1,550,000	-
Chafee Foster Care Independence Program	93.674	84,852	-
Medical Assistance Program	93.778	6,390,450	-
Block Grant for Community Mental Health Services	93.958	232,440	-
Block Grant for Prevention and Treatment of Substance Abuse	93.959	67,492	-
Direct			
Transitional Living for Homeless Youth	93.550	99,787	-
<b>Total U.S. Department of Health and Human Services</b>		<b>\$ 24,564,438</b>	<b>\$ -</b>

**DAKOTA COUNTY  
MINNESOTA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2009**

<b>Federal Grantor Pass-Through Agency Grant Program Title</b>	<b>Federal CFDA Number</b>	<b>Expenditures</b>	<b>Passed Through to Subrecipients</b>
<b>U.S. Department of Homeland Security</b>			
Passed Through Minnesota Department of Public Safety			
Boating Safety Financial Assistance	97.012	\$ 38,068	\$ -
Emergency Management Performance	97.042	56,500	-
Homeland Security Grant Program	97.067	<u>1,065,739</u>	<u>-</u>
<b>Total U.S. Department of Homeland Security</b>		<b><u>\$ 1,160,307</u></b>	<b><u>\$ -</u></b>
<b>Total Federal Awards</b>		<b><u>\$ 38,379,411</u></b>	<b><u>\$ 2,677,555</u></b>

**DAKOTA COUNTY  
MINNESOTA**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2009**

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1. Reporting Entity

The Schedule of Expenditures of Federal Awards presents the activities of federal award programs expended by Dakota County. The County's reporting entity is defined in Note 1 to the financial statements. Dakota County's financial statements include the operations of the Dakota County Community Development Agency (the CDA) component unit, which expended \$20,928,521 in federal awards during the year ended December 31, 2009, which are not included in the schedule of expenditures of federal awards. The CDA has its own single audit.

2. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Dakota County under programs of the federal government for the year ended December 31, 2009. The information in this schedule is presented in accordance with the requirements of Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the schedule presents only a selected portion of the operations of Dakota County, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Dakota County.

3. 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 OMB Circular A-87, *Cost Principles for State, Local and Indian Tribal Governments*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through grant numbers were not assigned by the pass-through agencies.

4. American Recovery and Reinvestment Act

The American Recovery and Reinvestment Act of 2009 (ARRA) requires recipients to clearly distinguish ARRA funds from non-ARRA funding. In the schedule, ARRA funds are denoted by the addition of ARRA to the program name.

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The image features the text "Statistical Section" centered within a white rectangular box. This box is set against a background of three overlapping black rectangular frames. The innermost frame is the largest, followed by a slightly smaller one, and then the smallest one, creating a layered effect. The text is in a bold, black, serif font.

# Statistical Section



# Statistical Section

This part of Dakota County’s comprehensive annual 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 the County’s overall financial health.

## Contents

	<u>Page</u>
<b>Financial Trends</b>	115
These schedules contain trend information to help the reader understand how the County’s financial performance and well-being have changed over time.	
<b>Revenue Capacity</b>	124
These schedules contain information to help the reader assess the factors affecting the county’s ability to generate its property taxes.	
<b>Debt Capacity</b>	128
These schedules present information to help the reader assess the affordability to the County’s current levels of outstanding debt and the County’s ability to issue additional debt in the future.	
<b>Demographic and Economic Information</b>	131
These schedules offer demographic and economic indicators to help the reader understand the environment within which the County’s financial activities take place and to help make comparisons over time and with other governments.	
<b>Operating Information</b>	133
These schedules contain information about the County’s operations and resources to help the reader understand how the County provides the activities it performs.	

**Sources:** Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The County implemented GASB Statement 34 in 2001; therefore, schedules that present entity-wide information begin in that year.

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**Dakota County, Minnesota**

**Net Assets by Component**

**Primary Government**

	2001	2002	2003	2004	2005	2006	2007	2008	2009
<b>Governmental Activities</b>									
Invested in Capital Assets, net of related debt	\$ 314,326,218	\$ 335,676,562	\$ 321,795,149	\$ 362,641,327	\$ 382,932,632	\$ 395,989,603	\$ 435,373,306	\$ 502,664,473	\$ 545,729,953
Restricted	341,040	204,204	22,337,752	20,087,946	4,213,806	12,634,717	7,134,394	8,289,724	5,860,387
Unrestricted	173,739,229	178,363,479	185,637,223	168,674,094	187,453,538	195,395,365	208,158,550	188,220,596	198,144,007
<b>Total Net Assets - Governmental Activities</b>	<b>488,406,487</b>	<b>514,244,245</b>	<b>529,770,124</b>	<b>551,403,367</b>	<b>574,599,976</b>	<b>604,019,685</b>	<b>650,666,250</b>	<b>699,174,793</b>	<b>749,734,347</b>
<b>Business-Type Activities</b>									
Invested in Capital Assets, net of related debt	13,605	5,442	-	-	-	-	-	-	-
Restricted	314,166	280,606	267,292	273,787	257,526	244,026	217,240	197,467	166,432
Unrestricted	-	-	-	-	-	-	-	-	131,714
<b>Total Net Assets - Business-Type Activities</b>	<b>327,771</b>	<b>286,048</b>	<b>267,292</b>	<b>273,787</b>	<b>257,526</b>	<b>244,026</b>	<b>217,240</b>	<b>197,467</b>	<b>298,146</b>
<b>Total Primary Government</b>									
Invested in Capital Assets, net of related debt	314,339,823	335,682,004	321,795,149	362,641,327	382,932,632	395,989,603	435,373,306	502,664,473	545,729,953
Restricted	655,206	484,810	22,605,044	20,361,733	4,471,332	12,878,743	7,351,634	8,487,191	6,026,819
Unrestricted	173,739,229	178,363,479	185,637,223	168,674,094	187,453,538	195,395,365	208,158,550	188,220,596	198,275,721
<b>Total Net Assets - Primary Government</b>	<b>\$ 488,734,258</b>	<b>\$ 514,530,293</b>	<b>\$ 530,037,416</b>	<b>\$ 551,677,154</b>	<b>\$ 574,857,502</b>	<b>\$ 604,263,711</b>	<b>\$ 650,883,490</b>	<b>\$ 699,372,260</b>	<b>\$ 750,032,493</b>

**Components Units**

	2001	2002	2003	2004	2005	2006	2007	2008	2009
<b>Community Development Agency</b>									
Invested in Capital Assets, net of related debt	\$ 34,930,672	\$ 46,611,279	\$ 49,981,807	\$ 50,062,357	\$ 54,523,397	\$ 56,508,944	\$ 58,430,590	\$ 62,660,057	\$ 67,422,313
Restricted	9,919,536	14,465,003	18,993,737	22,552,239	25,110,847	29,434,579	34,964,470	40,927,194	41,172,119
Unrestricted	43,047,666	27,133,258	30,373,937	37,124,838	38,616,727	45,848,454	50,752,896	55,136,226	62,620,611
<b>Total Net Assets - Community Development Agency</b>	<b>\$ 87,897,874</b>	<b>\$ 88,209,540</b>	<b>\$ 99,349,481</b>	<b>\$ 109,739,434</b>	<b>\$ 118,250,971</b>	<b>\$ 131,791,977</b>	<b>\$ 144,147,956</b>	<b>\$ 158,723,477</b>	<b>\$ 171,215,043</b>
<b>Vermillion River Watershed</b>									
Invested in Capital Assets, net of related debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-	-	-	-	-	-
Unrestricted	-	-	-	-	228,945	452,087	836,040	1,172,206	1,113,522
<b>Total Net Assets - Vermillion River Watershed</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 228,945</b>	<b>\$ 452,087</b>	<b>\$ 836,040</b>	<b>\$ 1,172,206</b>	<b>\$ 1,113,522</b>

The County implemented GASB Statement 34 in 2001. Therefore, years prior to 2001 are not available.

**Dakota County, Minnesota**

**Changes in Net Assets**

<b>Expenses</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
<b>Primary Government</b>									
<i>Governmental Activities</i>									
General Government	\$ 37,908,226	\$ 45,342,380	\$ 52,882,439	\$ 49,207,103	\$ 50,717,612	\$ 49,730,842	\$ 55,472,603	\$ 58,446,661	\$ 48,513,659
Public Safety	26,970,843	30,523,481	33,079,209	30,944,558	32,521,143	34,919,409	34,912,593	37,499,603	37,363,437
Highways and Streets	15,966,207	17,350,300	14,549,489	16,304,900	26,006,634	20,420,856	20,277,098	20,428,908	24,016,682
Sanitation	4,448,583	4,396,621	4,322,330	4,604,620	4,304,756	4,011,215	3,680,402	3,498,126	5,476,281
Human Services	74,389,731	82,897,196	82,227,949	76,680,727	85,113,843	89,579,810	94,635,381	94,467,561	85,401,690
Health	9,738,114	11,065,807	11,885,420	11,390,101	12,178,902	11,743,390	13,431,633	14,441,444	14,371,483
Culture and Recreation	13,728,425	15,499,000	15,102,985	15,802,865	15,208,101	16,641,571	17,447,398	17,160,436	19,746,598
Conservation of Natural Resources	1,308,699	1,281,240	1,441,578	634,311	603,508	5,061,173	4,819,932	4,783,651	4,560,051
Economic Development	6,670,268	7,070,031	6,330,521	7,609,962	6,102,141	7,760,382	12,810,832	7,712,727	10,540,298
Interest	3,468,103	3,206,856	3,732,525	4,178,776	3,644,666	4,317,700	5,509,766	4,910,143	4,360,037
<b>Total Governmental Activities</b>	<b>194,597,199</b>	<b>218,632,912</b>	<b>225,554,445</b>	<b>217,357,923</b>	<b>236,401,306</b>	<b>244,186,348</b>	<b>262,997,638</b>	<b>263,349,260</b>	<b>254,350,216</b>
<i>Business-Type Activities</i>									
Geographic Information Systems	51,121	65,052	59,429	45,355	51,166	42,591	47,012	40,082	50,556
Criminal Justice Information Integration Network	-	-	-	-	-	-	-	-	-
<b>Total Business-Type Activities</b>	<b>51,121</b>	<b>65,052</b>	<b>59,429</b>	<b>45,355</b>	<b>51,166</b>	<b>42,591</b>	<b>47,012</b>	<b>40,082</b>	<b>50,556</b>
<b>Total Primary Government Expenses</b>	<b>\$ 194,648,320</b>	<b>\$ 218,697,964</b>	<b>\$ 225,613,874</b>	<b>\$ 217,403,278</b>	<b>\$ 236,452,472</b>	<b>\$ 244,228,939</b>	<b>\$ 263,044,650</b>	<b>\$ 263,389,342</b>	<b>\$ 254,400,772</b>
<b>Program Revenues</b>									
<b>Primary Government</b>									
<i>Governmental Activities</i>									
Fees, fines, charges and other:									
General Government	\$ 6,716,442	\$ 7,705,629	\$ 10,113,324	\$ 9,781,610	\$ 8,926,807	\$ 9,615,154	\$ 11,007,470	\$ 7,867,792	\$ 7,507,730
Public Safety	1,902,074	1,977,624	2,333,435	2,663,212	2,554,680	2,922,742	2,808,252	2,731,099	3,214,768
Highways and Streets	651,390	708,101	792,432	847,893	999,754	1,203,304	1,281,339	1,495,081	1,528,495
Sanitation	5,161,588	5,179,568	5,146,562	4,981,322	4,581,103	5,648,372	5,818,423	6,222,558	6,528,605
Human Services	25,707,768	29,781,624	38,213,785	34,389,557	40,411,091	35,103,513	46,166,824	2,782,157	6,474,404
Health	3,376,751	5,150,701	5,641,178	4,666,247	5,048,774	3,788,860	4,947,124	5,772,599	5,632,467
Culture and Recreation	866,664	728,329	922,694	1,180,256	1,316,474	1,343,261	1,606,090	1,622,497	1,730,132
Conservation of Natural Resources	-	-	94,167	65,666	37,789	60,388	51,076	43,906	27,492
Economic Development	-	182,944	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
<b>Total Governmental Program Revenues</b>	<b>44,382,677</b>	<b>51,414,520</b>	<b>63,257,577</b>	<b>58,575,763</b>	<b>63,876,472</b>	<b>59,685,594</b>	<b>73,686,598</b>	<b>28,537,689</b>	<b>32,644,093</b>
<i>Business-Type Activities</i>									
Geographic Information Systems	38,194	23,329	40,673	51,850	34,905	29,091	20,226	20,309	19,521
Criminal Justice Information Integration Network	-	-	-	-	-	-	-	-	131,714
<b>Total Business-Type Program Revenues</b>	<b>38,194</b>	<b>23,329</b>	<b>40,673</b>	<b>51,850</b>	<b>34,905</b>	<b>29,091</b>	<b>20,226</b>	<b>20,309</b>	<b>151,235</b>
<b>Total Primary Government Program Revenues</b>	<b>\$ 44,420,871</b>	<b>\$ 51,437,849</b>	<b>\$ 63,298,250</b>	<b>\$ 58,627,613</b>	<b>\$ 63,911,377</b>	<b>\$ 59,714,685</b>	<b>\$ 73,706,824</b>	<b>\$ 28,557,998</b>	<b>\$ 32,795,328</b>

**Dakota County, Minnesota**

*Changes in Net Assets*

<b>Program Revenues</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
<b>Primary Government</b>									
<i>Governmental Activities</i>									
Operating Grants and Contributions:									
General Government	\$ 2,762,186	\$ 3,983,546	\$ 565,292	\$ 1,411,311	\$ 1,909,154	\$ 628,801	\$ 853,773	\$ 3,893,517	\$ 3,123,481
Public Safety	7,293,336	7,938,187	9,847,307	6,763,295	6,953,692	12,777,168	8,395,227	8,533,620	8,948,372
Highways and Streets	13,764,056	7,093,068	2,888,460	5,013,888	3,439,157	5,233,333	7,255,780	6,054,166	24,992,562
Sanitation	1,199,240	1,253,470	1,133,123	1,154,986	1,014,073	1,016,810	2,605	8,341	321,394
Human Services	18,960,120	20,533,390	17,388,737	18,634,901	19,492,199	21,047,402	23,115,310	59,829,926	47,133,328
Health	8,758,860	10,011,695	10,070,275	3,864,966	3,819,458	3,914,089	3,793,765	5,458,305	5,712,664
Culture and Recreation	2,424,371	3,415,582	363,748	842,998	3,239,484	434,868	4,499,611	10,126,045	941,566
Conservation of Natural Resources	391,425	109,003	90,785	37,248	133,592	96,522	5,412,063	2,153,127	3,827,241
Economic Development	5,934,463	5,607,121	6,403,015	7,894,503	6,935,833	7,905,728	8,681,447	7,252,218	9,396,842
Interest	-	-	-	-	-	-	-	-	-
<b>Total Governmental Program Revenues</b>	<b>61,488,057</b>	<b>59,945,062</b>	<b>48,750,742</b>	<b>45,618,096</b>	<b>46,936,642</b>	<b>53,054,721</b>	<b>62,009,581</b>	<b>103,309,265</b>	<b>104,397,450</b>
<i>Business-Type Activities</i>									
Geographic Information Systems	-	-	-	-	-	-	-	-	-
Criminal Justice Information Integration Network	-	-	-	-	-	-	-	-	-
<b>Total Business-Type Program Revenues</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Primary Government Program Revenues</b>	<b>\$ 61,488,057</b>	<b>\$ 59,945,062</b>	<b>\$ 48,750,742</b>	<b>\$ 45,618,096</b>	<b>\$ 46,936,642</b>	<b>\$ 53,054,721</b>	<b>\$ 62,009,581</b>	<b>\$ 103,309,265</b>	<b>\$ 104,397,450</b>

<b>Program Revenues</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
<b>Primary Government</b>									
<i>Governmental Activities</i>									
Capital Grants and Contributions:									
General Government	\$ 689,071	\$ 120,838	\$ -	\$ -	\$ -	\$ 964,221	\$ 164,670	\$ -	\$ -
Public Safety	-	68,978	439,703	346,184	132,576	-	-	-	-
Highways and Streets	12,429,667	18,622,321	10,519,399	14,927,590	15,615,808	15,362,204	15,923,156	24,648,824	10,568,802
Sanitation	-	-	-	-	-	-	-	-	-
Human Services	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Culture and Recreation	-	1,354,772	622,287	-	-	-	-	-	-
Conservation of Natural Resources	-	-	-	-	-	-	-	-	-
Economic Development	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
<b>Total Governmental Program Revenues</b>	<b>13,118,738</b>	<b>20,166,909</b>	<b>11,581,389</b>	<b>15,273,774</b>	<b>15,748,384</b>	<b>16,326,425</b>	<b>16,087,826</b>	<b>24,648,824</b>	<b>10,568,802</b>
<i>Business-Type Activities</i>									
Geographic Information Systems	-	-	-	-	-	-	-	-	-
Criminal Justice Information Integration Network	-	-	-	-	-	-	-	-	-
<b>Total Business-Type Program Revenues</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Primary Government Program Revenues</b>	<b>\$ 13,118,738</b>	<b>\$ 20,166,909</b>	<b>\$ 11,581,389</b>	<b>\$ 15,273,774</b>	<b>\$ 15,748,384</b>	<b>\$ 16,326,425</b>	<b>\$ 16,087,826</b>	<b>\$ 24,648,824</b>	<b>\$ 10,568,802</b>

**Dakota County, Minnesota**

**Changes in Net Assets**

<b>Net (Expense) Revenue (a)</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
<b>Primary Government</b>									
<i>Governmental Activities</i>									
General Government	\$ (27,740,527)	\$ (33,532,367)	\$ (42,203,823)	\$ (38,014,182)	\$ (39,881,651)	\$ (38,522,666)	\$ (43,446,690)	\$ (46,685,352)	\$ (37,882,448)
Public Safety	(17,775,433)	(20,538,692)	(20,458,764)	(21,171,867)	(22,880,195)	(19,219,499)	(23,709,114)	(26,234,884)	(25,200,297)
Highways and Streets	10,878,906	9,073,190	(349,198)	4,484,471	(5,951,915)	1,377,985	4,183,177	11,769,163	13,073,177
Sanitation	1,912,245	2,036,417	1,957,355	1,531,688	1,290,420	2,653,967	2,140,626	2,732,773	1,373,718
Human Services	(29,721,843)	(32,582,182)	(26,625,427)	(23,656,269)	(25,210,553)	(33,428,895)	(25,353,247)	(31,855,478)	(31,793,958)
Health	2,397,497	4,096,589	3,826,033	(2,858,888)	(3,310,670)	(4,040,441)	(4,690,744)	(3,210,540)	(3,026,352)
Culture and Recreation	(10,437,390)	(10,000,317)	(13,194,256)	(13,779,611)	(10,652,143)	(14,863,442)	(11,341,697)	(5,411,894)	(17,074,900)
Conservation of Natural Resources	(917,274)	(1,172,237)	(1,256,626)	(531,397)	(432,127)	(4,904,263)	643,207	(2,586,618)	(705,318)
Economic Development	(735,805)	(1,279,966)	72,494	284,541	833,692	145,346	(4,129,385)	(460,509)	(1,143,456)
Interest	(3,468,103)	(3,206,856)	(3,732,525)	(4,178,776)	(3,644,666)	(4,317,700)	(5,509,766)	(4,910,143)	(4,360,037)
<b>Total Governmental Net (Expense) Revenue</b>	<b>(75,607,727)</b>	<b>(87,106,421)</b>	<b>(101,964,737)</b>	<b>(97,890,290)</b>	<b>(109,839,808)</b>	<b>(115,119,608)</b>	<b>(111,213,633)</b>	<b>(106,853,482)</b>	<b>(106,739,871)</b>
<i>Business-Type Activities</i>									
Geographic Information Systems	(12,927)	(41,723)	(18,756)	6,495	(16,261)	(13,500)	(26,786)	(19,773)	(31,035)
Criminal Justice Information Integration Network	-	-	-	-	-	-	-	-	131,714
<b>Total Business-Type Net (Expense) Revenue</b>	<b>(12,927)</b>	<b>(41,723)</b>	<b>(18,756)</b>	<b>6,495</b>	<b>(16,261)</b>	<b>(13,500)</b>	<b>(26,786)</b>	<b>(19,773)</b>	<b>100,679</b>
<b>Total Primary Government Net (Expense) Revenue</b>	<b>\$ (75,620,654)</b>	<b>\$ (87,148,144)</b>	<b>\$ (101,983,493)</b>	<b>\$ (97,883,795)</b>	<b>\$ (109,856,069)</b>	<b>\$ (115,133,108)</b>	<b>\$ (111,240,419)</b>	<b>\$ (106,873,255)</b>	<b>\$ (106,639,192)</b>
<b>General Revenues</b>									
<b>Primary Government</b>									
<i>Governmental Activities</i>									
Property Taxes	\$ 88,875,021	\$ 85,709,861	\$ 92,595,635	\$ 97,937,477	\$ 104,106,046	\$ 109,728,835	\$ 115,987,757	\$ 121,557,986	\$ 126,986,839
Gravel Taxes	-	-	446,802	524,688	469,396	447,678	384,320	356,562	451,950
Mortgage Registry and Deed Tax	-	-	1,129,220	885,223	909,765	648,912	599,797	431,561	408,750
Tax Increment Financing	-	-	-	-	-	-	-	-	-
Payment in lieu of Tax	-	-	-	-	-	14,895	1,531,322	1,684,323	1,698,801
Grants and Contributions (unrestricted)	13,777,771	21,112,656	18,263,496	15,413,836	19,455,306	19,135,474	37,065	34,890	54,260
Gift and Contributions (unrestricted)	19,274	74,068	74,062	28,810	50,934	-	18,642,707	15,950,219	21,681,301
Investment Income	12,441,705	6,643,048	3,905,500	3,391,277	7,216,182	13,224,287	18,436,886	13,764,069	3,981,969
Miscellaneous	4,515,449	3,841,039	687,389	1,270,329	1,479,465	1,655,869	2,032,541	1,516,087	1,951,035
Gain on Sale of Capital Assets	348,402	487,717	388,512	71,893	70,023	16,267	35,653	66,328	84,520
Special items	-	-	-	-	-	(160,750)	-	-	-
<b>Governmental Activities General Revenues</b>	<b>119,977,622</b>	<b>117,868,389</b>	<b>117,490,616</b>	<b>119,523,533</b>	<b>133,757,117</b>	<b>144,711,467</b>	<b>157,688,048</b>	<b>155,362,025</b>	<b>157,299,425</b>
<b>Total Change in Net Assets - Governmental Activities</b>	<b>44,369,895</b>	<b>30,761,968</b>	<b>15,525,879</b>	<b>21,633,243</b>	<b>23,917,309</b>	<b>29,591,859</b>	<b>46,474,415</b>	<b>48,508,543</b>	<b>50,559,554</b>
<i>Business-Type Activities</i>									
<b>Total General Revenues - Business-Type Activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Change in Net Assets - Business-Type Activities</b>	<b>(12,927)</b>	<b>(41,723)</b>	<b>(18,756)</b>	<b>6,495</b>	<b>(16,261)</b>	<b>(13,500)</b>	<b>(26,786)</b>	<b>(19,773)</b>	<b>100,679</b>
<b>Total Change in Net Assets - Primary Government</b>	<b>\$ 44,356,968</b>	<b>\$ 30,720,245</b>	<b>\$ 15,507,123</b>	<b>\$ 21,639,738</b>	<b>\$ 23,901,048</b>	<b>\$ 29,578,359</b>	<b>\$ 46,447,629</b>	<b>\$ 48,488,770</b>	<b>\$ 50,660,233</b>

(a) Net revenue (expense) is the difference between the expenses and program revenue of a function or program. It indicates the degree to which a function or program is supported with its own fees and program-specific grants versus its reliance upon funding from taxes and other government revenues. Numbers in parentheses indicate that expenses were greater than program revenues and therefore general revenue were needed to finance that function or program. Numbers without parentheses mean that program revenues were more than sufficient to cover expenses.

The County implemented GASB Statement 34 in 2001. Therefore, years prior to 2001 are not available.

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**Dakota County, Minnesota**

**Changes in Net Assets - Component Units**

**Expenses**

	2001	2002	2003	2004	2005	2006	2007	2008	2009
Component Unit									
Community Development Agency	\$ 24,488,706	\$ 26,349,314	\$ 29,534,299	\$ 31,257,253	\$ 32,973,947	\$ 32,757,874	\$ 34,009,760	\$ 34,618,320	\$ 38,099,898
Vermillion River Watershed	-	-	-	-	325,209	759,557	1,157,625	1,017,956	1,245,246
<b>Total Component Unit</b>	<b>24,488,706</b>	<b>26,349,314</b>	<b>29,534,299</b>	<b>31,257,253</b>	<b>33,299,156</b>	<b>33,517,431</b>	<b>35,167,385</b>	<b>35,636,276</b>	<b>39,345,144</b>

**Program Revenues**

Component Unit									
Community Development Agency	24,307,971	26,533,216	34,830,910	34,263,892	33,470,667	36,142,256	34,403,242	36,440,889	38,353,283
Vermillion River Watershed	-	-	-	-	-	-	434,567	196,434	53,997
<b>Total Component Unit</b>	<b>24,307,971</b>	<b>26,533,216</b>	<b>34,830,910</b>	<b>34,263,892</b>	<b>33,470,667</b>	<b>36,142,256</b>	<b>34,837,809</b>	<b>36,637,323</b>	<b>38,407,280</b>

**General Revenues - Community Development Agency**

	2001	2002	2003	2004	2005	2006	2007	2008	2009
Property Taxes	\$ 9,977,930	\$ 5,020,422	\$ 3,339,917	\$ 4,694,249	\$ 5,278,362	\$ 6,097,282	\$ 6,742,029	\$ 7,512,146	\$ 7,848,758
Gravel Taxes	-	-	-	-	-	-	-	-	-
Mortgage Registry and Deed Tax	-	-	-	-	-	-	-	-	-
Tax Increment Financing	-	-	1,903,356	2,047,034	2,154,606	2,792,582	3,034,382	3,288,340	3,384,616
Grants and Contributions (unrestricted)	-	-	-	-	-	-	-	-	-
Gift and Contributions (unrestricted)	-	-	-	-	-	-	-	-	-
Investment Income	1,838,281	677,896	411,190	180,027	407,008	1,262,710	2,186,086	1,952,466	1,004,807
Miscellaneous	494,811	198,735	-	-	-	4,050	-	-	-
Gain on Sale of Capital Assets	7,163	(410,098)	188,867	462,004	174,841	-	-	-	-
<b>Total General Revenues - Community Development Agency</b>	<b>12,318,185</b>	<b>5,486,955</b>	<b>5,843,330</b>	<b>7,383,314</b>	<b>8,014,817</b>	<b>10,156,624</b>	<b>11,962,497</b>	<b>12,752,952</b>	<b>12,238,181</b>
<b>Total Change in Net Assets - Community Development Agency</b>	<b>\$ 12,137,450</b>	<b>\$ 5,670,857</b>	<b>\$ 11,139,941</b>	<b>\$ 10,389,953</b>	<b>\$ 8,511,537</b>	<b>\$ 13,541,006</b>	<b>\$ 12,355,979</b>	<b>\$ 14,575,521</b>	<b>\$ 12,491,566</b>



**Dakota County, Minnesota**

**Changes in Net Assets - Component Units**

<i>General Revenues - Vermillion River Watershed</i>	<i>2001</i>	<i>2002</i>	<i>2003</i>	<i>2004</i>	<i>2005</i>	<i>2006</i>	<i>2007</i>	<i>2008</i>	<i>2009</i>
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ 376,609	\$ 886,480	\$ 982,967	\$ 1,032,731	\$ 1,023,239
Gravel Taxes	-	-	-	-	-	-	-	-	-
Mortgage Registry and Deed Tax	-	-	-	-	-	-	-	-	-
Tax Increment Financing	-	-	-	-	-	-	-	-	-
Grants and Contributions (unrestricted)	-	-	-	-	40,391	84,622	85,293	88,235	87,084
Gift and Contributions (unrestricted)	-	-	-	-	-	-	-	-	-
Investment Income	-	-	-	-	2,787	11,595	31,526	36,722	20,541
Miscellaneous	-	-	-	-	24	2	7,225	-	-
Gain on Sale of Capital Assets	-	-	-	-	-	-	-	-	1,701
<b>Total General Revenues - Vermillion River Watershed</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>419,811</b>	<b>982,699</b>	<b>1,107,011</b>	<b>1,157,688</b>	<b>1,132,565</b>
<b>Total Change in Net Assets - Vermillion River Watershed</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>94,602</b>	<b>223,142</b>	<b>383,953</b>	<b>336,166</b>	<b>(58,684)</b>
<b>Total Change in Net Assets - Component Units</b>	<b>\$ 12,137,450</b>	<b>\$ 5,670,857</b>	<b>\$ 11,139,941</b>	<b>\$ 10,389,953</b>	<b>\$ 8,606,139</b>	<b>\$ 13,764,148</b>	<b>\$ 12,739,932</b>	<b>\$ 14,911,687</b>	<b>\$ 12,432,882</b>

(a) Net revenue (expense) is the difference between the expenses and program revenue of a function or program. It indicates the degree to which a function or program is supported with its own fees and program-specific grants versus its reliance upon funding from taxes and other government revenues. Numbers in parentheses indicate that expenses were greater than program revenues and therefore general revenue were needed to finance that function or program. Numbers without parentheses mean that program revenues were more than sufficient to cover expenses.

The County implemented GASB Statement 34 in 2001. Therefore, years prior to 2001 are not available.

**Dakota County, Minnesota**

*Fund Balances  
Governmental Funds*

	2001	2002	2003	2004	2005	2006	2007	2008	2009
General Fund									
Reserved	\$ 409,520	\$ 419,928	\$ 23,064,024	\$ 22,341,956	\$ 16,038,637	\$ 13,200,485	\$ 15,182,375	\$ 13,449,225	\$ 8,491,434
Unreserved	66,780,697	65,136,385	63,799,931	64,530,381	71,088,338	80,646,902	81,962,712	67,923,464	65,165,879
Total General Fund	\$ 67,190,217	\$ 65,556,313	\$ 86,863,955	\$ 86,872,337	\$ 87,126,975	\$ 93,847,387	\$ 97,145,087	\$ 81,372,689	\$ 73,657,313
All Other Governmental Funds									
Reserved	\$ 21,158,832	\$ 12,753,392	\$ 27,733,952	\$ 17,247,019	\$ 24,848,723	\$ 18,311,212	\$ 46,784,920	\$ 41,065,067	\$ 38,726,557
Unreserved reported in:									
Special Revenue Funds	58,765,837	70,426,604	73,353,496	76,322,254	76,161,184	78,958,047	80,887,248	77,377,250	100,638,992
Debt Services	(960)	-	-	-	-	-	-	-	-
Capital Projects	37,085,908	21,998,679	15,914,591	22,917,240	26,712,667	29,997,591	27,661,764	19,379,182	16,721,855
Total Unreserved	95,850,785	92,425,283	89,268,087	99,239,494	102,873,851	108,955,638	108,549,012	96,756,432	117,360,847
Total All Other Governmental Funds	\$ 117,009,617	\$ 105,178,675	\$ 117,002,039	\$ 116,486,513	\$ 127,722,574	\$ 127,266,850	\$ 155,333,932	\$ 137,821,499	\$ 156,087,404

The County implemented GASB Statement 34 in 2001. Therefore, years prior to 2001 are not available.

**Dakota County, Minnesota**

*Changes in Fund Balances  
Governmental Funds*

<i>Revenues</i>	<i>2001</i>	<i>2002</i>	<i>2003</i>	<i>2004</i>	<i>2005</i>	<i>2006</i>	<i>2007</i>	<i>2008</i>	<i>2009</i>
Taxes	\$ 78,520,118	\$ 85,856,927	\$ 94,143,653	\$ 99,225,750	\$ 105,343,232	\$ 110,455,812	\$ 118,197,095	\$ 123,486,583	\$ 129,194,994
Licenses and Permits	632,217	781,615	660,334	781,824	871,760	977,836	1,046,379	954,087	1,131,419
Intergovernmental	84,847,328	96,309,522	83,481,558	74,459,048	83,801,670	84,160,902	100,882,470	139,767,926	143,779,937
Charges for Services	44,817,714	52,003,203	60,161,179	60,199,754	64,104,712	66,063,636	72,759,043	30,198,174	33,427,184
Fines and Forfeits	1,415,946	1,539,738	1,509,902	795,137	98,247	96,947	123,472	114,356	152,843
Gifts and Contributions	6,680	74,068	74,062	28,810	43,238	33,161	37,065	34,890	54,760
Insurance Proceeds	7,569	3,268	-	-	-	-	-	-	-
Sales	324,019	300,067	-	-	-	-	-	-	-
Interest on Investments	12,311,038	6,643,048	3,685,371	3,171,148	7,216,182	13,000,684	18,208,836	13,536,019	3,751,959
Miscellaneous	4,283,786	3,517,103	4,204,157	4,146,032	4,221,623	4,561,191	3,941,346	5,792,583	5,263,181
<b>Total Revenues</b>	<b>\$ 227,166,415</b>	<b>\$ 247,028,559</b>	<b>\$ 247,920,216</b>	<b>\$ 242,807,503</b>	<b>\$ 265,700,664</b>	<b>\$ 279,350,169</b>	<b>\$ 315,195,706</b>	<b>\$ 313,884,618</b>	<b>\$ 316,756,277</b>
<i>Expenditures</i>	<i>2001</i>	<i>2002</i>	<i>2003</i>	<i>2004</i>	<i>2005</i>	<i>2006</i>	<i>2007</i>	<i>2008</i>	<i>2009</i>
<b>Current</b>									
General Government	38,897,903	\$ 45,203,995	\$ 47,253,568	\$ 45,270,908	\$ 46,495,009	\$ 53,676,685	\$ 61,188,552	\$ 63,074,376	\$ 61,359,073
Public Safety	27,040,968	30,693,607	33,246,286	31,239,407	32,866,822	35,053,472	35,291,843	36,927,178	37,394,836
Highways and Streets	36,565,271	29,165,140	27,225,783	29,712,978	43,262,177	29,351,870	43,854,429	56,543,277	45,174,737
Sanitation	4,435,314	4,421,074	5,221,481	7,063,958	7,095,465	7,216,642	7,147,093	6,660,486	7,304,309
Human Services	73,676,674	82,929,871	83,077,177	79,078,525	87,468,346	92,009,151	96,888,230	96,753,204	87,426,542
Health	10,036,933	11,929,348	11,812,290	11,380,088	12,194,868	11,769,743	13,389,263	14,344,511	14,379,616
Culture and Recreation	446,817	19,110,237	16,957,429	14,968,314	16,093,344	16,463,667	18,550,559	32,511,779	19,225,249
Conservation	1,375,803	1,454,163	1,407,858	643,200	5,211,738	5,053,963	4,814,414	4,739,047	4,567,193
Economic Development	6,484,780	7,020,420	7,922,971	7,610,568	6,083,685	7,766,719	13,028,818	7,652,018	10,464,108
Capital Outlay	29,242,055	20,646,814	7,586,673	5,365,162	4,271,226	11,561,479	9,224,104	8,561,029	2,153,718
Debt Service	8,415,445	-	-	-	-	-	-	-	-
Principal Retirement	-	5,424,442	4,294,871	6,708,778	6,920,000	7,185,000	7,825,000	14,155,000	12,650,000
Interest	-	3,284,260	3,075,658	4,424,848	3,931,502	4,096,008	4,952,325	5,103,038	4,519,421
Bond Issuance Costs	-	-	125,235	-	68,489	26,699	191,801	-	-
Administrative Charges	-	500	-	-	-	-	-	4,900	2,100
<b>Total Expenditures</b>	<b>\$ 236,617,963</b>	<b>\$ 261,283,871</b>	<b>\$ 249,207,280</b>	<b>\$ 243,466,734</b>	<b>\$ 271,962,671</b>	<b>\$ 281,231,098</b>	<b>\$ 316,346,231</b>	<b>\$ 347,029,843</b>	<b>\$ 306,620,902</b>
<i>Excess of Revenues Over/ (Under) Expenditures</i>	<i>\$ (9,451,548)</i>	<i>\$ (14,255,312)</i>	<i>\$ (1,287,064)</i>	<i>\$ (659,231)</i>	<i>\$ (6,262,007)</i>	<i>\$ (1,880,929)</i>	<i>\$ (1,150,525)</i>	<i>\$ (33,145,225)</i>	<i>\$ 10,135,375</i>
<i>Other Financing Sources</i>	<i>2001</i>	<i>2002</i>	<i>2003</i>	<i>2004</i>	<i>2005</i>	<i>2006</i>	<i>2007</i>	<i>2008</i>	<i>2009</i>
Transfers In	13,231,810	\$ 14,897,647	\$ 8,998,226	\$ 9,649,930	\$ 14,557,146	\$ 11,751,473	\$ 14,442,981	\$ 23,917,624	\$ 9,555,030
Transfers Out	(13,477,120)	(14,897,647)	(8,998,226)	(9,649,930)	(14,557,146)	(11,751,473)	(14,442,981)	(23,917,624)	(9,555,030)
Bonds Issued	34,555,300	-	32,335,000	-	16,800,000	7,300,000	-	-	-
Proceeds from sale of refunding bonds	-	-	-	-	-	-	31,695,000	-	-
Premium/(Discount) on Bond Issuance	-	-	2,044,813	-	(18,248)	26,620	88,934	-	-
Proceeds from Sale of Capital	22,467	862,649	100,387	77,370	1,792,420	583,421	710,185	75,589	100,919
<b>Total Other Financing Sources</b>	<b>\$ 34,332,457</b>	<b>\$ 862,649</b>	<b>\$ 34,480,200</b>	<b>\$ 77,370</b>	<b>\$ 18,574,172</b>	<b>\$ 7,910,041</b>	<b>\$ 32,494,119</b>	<b>\$ 75,589</b>	<b>\$ 100,919</b>
<b>Net Change in Fund Balance</b>	<b>\$ 24,880,909</b>	<b>\$ (13,392,663)</b>	<b>\$ 33,193,136</b>	<b>\$ (581,861)</b>	<b>\$ 12,312,165</b>	<b>\$ 6,029,112</b>	<b>\$ 31,343,594</b>	<b>\$ (33,069,636)</b>	<b>\$ 10,236,294</b>
Debt Service Expenditures as Percent of Non-Capital Expenditures	4.48%	3.82%	3.36%	5.08%	4.71%	4.59%	4.89%	7.08%	6.59%

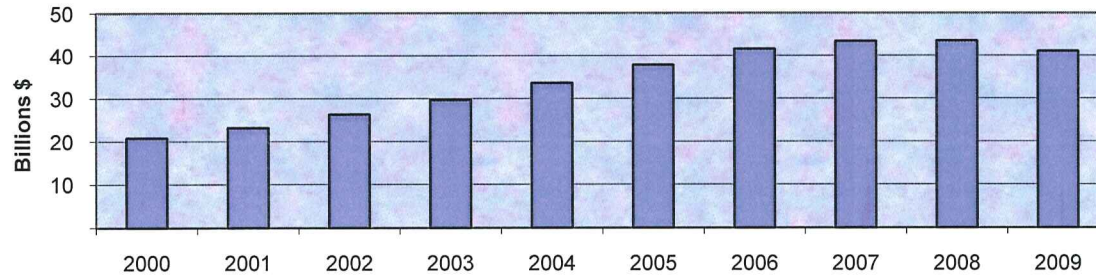
The County implemented GASB Statement 34 in 2001. Therefore, years prior to 2001 are not available.

# Dakota County, Minnesota

## ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY LAST TEN YEARS

Fiscal Year	Real Property		Personal Property		Total		% of Total Assessed to Total Estimated Market Value	Total Direct County Tax Rate
	Assessed Value	Estimated Market Value	Assessed Value	Estimated Market Value	Assessed Value	Estimated Market Value		
2000	\$ 348,016,071	\$ 20,556,037,138	\$ 8,381,597	\$ 252,910,300	\$ 356,397,668	\$ 20,808,947,438	1.7	0.27247
2001	272,591,835	22,921,579,100	5,089,348	260,367,400	277,681,183	23,181,946,500	1.2	0.25320
2002	303,246,273	25,936,773,800	5,228,097	267,987,400	308,474,370	26,204,761,200	1.2	0.33102
2003	338,159,517	29,375,690,500	5,544,992	284,642,600	343,704,509	29,660,333,100	1.2	0.32463
2004	379,955,145	33,272,415,600	5,859,007	300,730,500	385,814,152	33,573,146,100	1.1	0.30300
2005	427,133,158	37,531,168,000	5,875,141	302,403,100	433,008,299	37,833,571,100	1.1	0.28267
2006	471,234,957	41,167,642,300	6,196,860	319,020,400	477,431,817	41,486,662,700	1.2	0.26318
2007	495,383,991	43,049,023,300	6,286,380	324,904,600	501,670,371	43,373,927,900	1.2	0.25127
2008	499,594,005	43,061,778,400	6,868,328	355,081,700	506,462,333	43,416,860,100	1.2	0.25184
2009	475,008,140	40,648,278,700	6,916,149	358,042,600	481,924,289	41,006,321,300	1.2	0.25821

**Estimated Market Value-Real and Personal Property**



\*Valuations are determined as of January 1 of the year preceding the tax collection year. Amounts are shown for the year in which taxes are payable. Assessed value is prior to Fiscal Disparity and Tax Increment District Adjustments. Total County Direct Tax Rate available only in %.

Source: Dakota County Property Taxation and Records Department

## Dakota County, Minnesota

### DIRECT AND OVERLAPPING GOVERNMENTS TAX CAPACITY RATES LAST TEN YEARS

<u>Governments</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
<u>COUNTY</u>										
Dakota County	0.27247	0.25320	0.33102	0.32463	0.30300	0.28267	0.26318	0.25127	0.25184	0.25821
<u>CITIES</u>										
Apple Valley	0.29019	0.31320	0.45942	0.41578	0.39610	0.36753	0.35690	0.34891	0.35537	0.37086
Burnsville	0.29075	0.29204	0.43296	0.41074	0.38928	0.38004	0.35414	0.34564	0.35005	0.36121
Coates	0.22560	0.23929	0.28405	0.25287	0.23476	0.19117	0.17908	0.16971	0.15252	0.13587
Eagan	0.24458	0.23441	0.31715	0.29912	0.28702	0.28186	0.26704	0.25232	0.25892	0.26886
Farmington	0.30592	0.29953	0.48892	0.46894	0.41174	0.43767	0.42770	0.41883	0.43821	0.44186
Hampton	0.12822	0.11688	0.24767	0.25138	0.24248	0.22029	0.20224	0.24064	0.22742	0.24038
Hastings	0.38088	0.33147	0.58661	0.50077	0.50110	0.50515	0.50010	0.49235	0.49475	0.49732
Inver Grove Heights	0.25215	0.25098	0.44637	0.40890	0.39904	0.37347	0.35546	0.36514	0.37403	0.37878
Lakeville	0.19466	0.20079	0.34545	0.32944	0.30050	0.31326	0.31610	0.31583	0.34195	0.33973
Lilydale	0.15629	0.15112	0.21838	0.24679	0.28927	0.29238	0.36721	0.41386	0.41239	0.44291
Mendota	0.47031	0.42942	0.58069	0.57538	0.52357	0.49717	0.38234	0.42969	0.37178	0.35265
Mendota Heights	0.20860	0.19392	0.30180	0.28287	0.27030	0.26898	0.28027	0.27633	0.24142	0.26165
Miesville	0.17290	0.15381	0.24843	0.29835	0.26124	0.26831	0.24494	0.21512	0.23654	0.23116
New Trier	0.19360	0.19621	0.22208	0.22851	0.22851	0.26535	0.28778	0.24418	0.32119	0.36932
Northfield	0.31583	0.33565	0.41524	0.39833	0.38841	0.37004	0.34227	0.35691	0.36648	0.38536
Randolph	0.14761	0.12746	0.19517	0.17541	0.16142	0.09358	0.11127	0.11643	0.12512	0.15832
Rosemount	0.39335	0.36553	0.59546	0.57123	0.52368	0.46041	0.43755	0.42521	0.42440	0.42323
South St. Paul	0.27842	0.28244	0.44889	0.41264	0.39452	0.36913	0.34999	0.34143	0.36142	0.38532
Sunfish Lake	0.14773	0.13593	0.21436	0.20896	0.20377	0.18259	0.16817	0.18090	0.17847	0.18967
Vermillion	0.20246	0.21928	0.42449	0.54447	0.51224	0.44767	0.40697	0.32507	0.32429	0.37706
West St. Paul	0.25012	0.25205	0.44516	0.38716	0.41679	0.42289	0.42671	0.42082	0.43706	0.44608
<u>TOWNSHIPS</u>										
Castle Rock	0.20559	0.19025	0.23315	0.21069	0.17038	0.15468	0.12776	0.11738	0.11215	0.11484
Douglas	0.14056	0.18049	0.29011	0.26932	0.23536	0.22325	0.18861	0.20097	0.18389	0.18500
Empire	0.29121	0.34230	0.38108	0.38114	0.30439	0.29553	0.24473	0.28244	0.25452	0.26113
Eureka	0.13422	0.15167	0.20492	0.18955	0.18350	0.18655	0.16951	0.18163	0.17001	0.16854
Greenvale	0.08847	0.08789	0.13889	0.13036	0.13396	0.13007	0.13739	0.13014	0.13433	0.14124
Hampton	0.09269	0.08425	0.11031	0.1238	0.10701	0.09895	0.09222	0.10796	0.13156	0.13187
Marshan	0.15440	0.16864	0.24612	0.24535	0.19263	0.18137	0.17730	0.18121	0.17902	0.17435
Nininger	0.13124	0.13113	0.16377	0.15026	0.13109	0.11492	0.10185	0.08972	0.11577	0.12550
Randolph	0.06017	0.06801	0.09788	0.09240	0.08128	0.07425	0.06682	0.05783	0.04988	0.05437
Ravenna	0.11073	0.11358	0.18329	0.18596	0.16694	0.16812	0.14355	0.14268	0.10474	0.13014
Sciota	0.10009	0.08882	0.12748	0.13770	0.12145	0.10836	0.14939	0.19194	0.17116	0.16661
Vermillion	0.14614	0.14587	0.21329	0.18299	0.16449	0.14339	0.12468	0.11052	0.17820	0.17147
Waterford	0.07622	0.16651	0.20588	0.11195	0.10587	0.09692	0.08685	0.08155	0.07109	0.09209
<u>SCHOOL DISTRICTS</u>										
6	0.56281	0.57939	0.38406	0.38735	0.29199	0.26194	0.25900	0.23765	0.27640	0.26907
191	0.53546	0.45095	0.24120	0.21226	0.18955	0.17729	0.18315	0.18185	0.19374	0.19842
192	0.63513	0.60936	0.34095	0.39614	0.35599	0.36540	0.43708	0.44190	0.45831	0.49238
194	0.58045	0.56209	0.25984	0.30962	0.26901	0.25411	0.25670	0.25252	0.26272	0.27062
195	0.81530	0.59228	0.34185	0.36679	0.29347	0.22065	0.22632	0.22492	0.19031	0.20022
196	0.53231	0.53249	0.28883	0.27638	0.26074	0.26251	0.27554	0.23607	0.21136	0.21109
197	0.44240	0.43088	0.15272	0.14401	0.12917	0.21878	0.21428	0.19838	0.18914	0.18051
199	0.43385	0.44570	0.16824	0.14565	0.10032	0.07793	0.17796	0.16607	0.19764	0.19303
200	0.54881	0.51024	0.22943	0.22906	0.22050	0.22126	0.18683	0.18157	0.16676	0.16735
252	0.57359	0.46390	0.14471	0.25253	0.23727	0.16143	0.16555	0.13827	0.20580	0.17642
659	0.53354	0.53783	0.36023	0.32944	0.33521	0.32590	0.32272	0.31463	0.29579	0.28549
<u>SPECIAL DISTRICTS</u>										
Watershed M	0.00288	0.00279	0.00515	0.00390	0.00390	0.00358	0.00296	0.00290	0.00448	0.00911
Watershed V				0.00338	0.00203	0.00309	0.00640	0.00608	0.00603	0.00588
Transit District	0.04454	0.04424	0.01471	0.01659	0.01610	0.01464	0.01476	0.01253	0.01247	0.01223
Transit District Lakeville	0.00388	0.00402	---	---	---	---	---	---	---	0.00608
Mosquito Control	0.00328	0.00312	0.00478	0.00529	0.00527	0.00545	0.00483	0.00483	0.00490	0.00474
Metro Council	0.00808	0.00782	0.01408	0.01370	0.01124	0.01010	0.00834	0.00847	0.00817	0.00792
Dakota County CDA	0.00821	0.00402	0.01598	0.01604	0.01617	0.01637	0.01615	0.01635	0.01622	0.01594
Burnsville EDA	---	---	---	0.01222	0.01150	0.00155	0.00397	0.00615	0.00565	0.00566
Hastings HRA	0.00938	0.00796	0.01107	0.01177	0.01174	0.01207	0.01216	0.01183	0.01169	0.01141
Northfield EDA							0.01616	0.01646	0.01560	0.01539
Northfield HRA	---	---	---	0.01199	0.01397	0.01295	0.01226	0.01307	0.01268	0.01251
South St Paul HRA	0.00759	0.00798	0.01906	0.01047	0.01066	0.01015	0.01294	0.01268	0.01267	0.01686
Light Transit Rail	0.00044	0.00039	0.00066	0.00063	0.00047	0.00251	0.00208	0.00198	0.00217	0.00245

The Tax Capacity Rate is determined by dividing a taxing district's property tax levy amount by the taxing district's total tax capacity.

Source: Dakota County Property Taxation and Records Department

Unaudited

## Dakota County, Minnesota

### PRINCIPAL TAXPAYERS CURRENT YEAR AND NINE YEARS AGO

Name	Type of Business	2000 Tax Capacity Value	% of Total County Tax Capacity	Name	Type of Business	2009 Tax Capacity Value	% of Total County Tax Capacity
Northern States Power Co.	Electric Utility	\$ 8,850,368	2.5 %	Xcel Energy	Electric Utility	\$ 5,532,331	1.4 %
Burnsville Minnesota LLC	Burnsville Center	2,786,500	0.8	Flint Hills	Refinery	3,451,329	0.9
Dakota Electric Assn.	Electric Utility	2,769,295	0.8	Burnsville Minnesota LLC	Burnsville Mall	2,000,000	0.5
West Publishing Co.	Book Publishing	2,488,800	0.7	Dakota Electric Assn.	Electric Utility	1,785,506	0.5
Great Northern Oil Co.	Refinery	1,745,219	0.5	West Publishing Co.	Book Publishing	1,552,252	0.4
AMB Property	Property Mangement	1,133,493	0.3	Northern Natural Gas Co.	Natural Gas Utility	1,289,665	0.3
Minnegaso Inc.	Natural Gas Utility	1,128,031	0.3	BCBSM Inc.	Health Care	984,924	0.3
Koch Refinery Co.	Refinery	1,014,996	0.3	AMB Property LP	Burnsville Center	897,494	0.2
Duke Realty LTD Prtnshp	Eagan Commerce Center	998,089	0.3	Minnegasco Inc.	Natural Gas Utility	841,996	0.2
CCPRE - Cray Research	Computers	984,500	0.3	Duke Realty LTD Prtnshp	Eagan Commerce Center	818,802	0.2
<b>Total</b>		<b>\$ 23,899,291</b>	<b>6.8 %</b>	<b>Total</b>		<b>\$ 19,154,299</b>	<b>4.9 %</b>

Source: Dakota County Property Taxation and Records Department

# Dakota County, Minnesota

## PROPERTY TAX LEVIES AND COLLECTIONS LAST TEN YEARS

Fiscal Year	Total Tax Levy	Current Collections		Delinquent Collections	Total Collections	% of Current Levy	Outstanding Delinquent Taxes	Total Delinquent Taxes as a % of Current Levy
		Amount	% of Levy					
2000	82,903,427	82,124,343	99.1	789,411	82,913,754	100.0	984,824	1.2
2001	86,831,352	85,996,569	99.0	790,525	86,787,094	99.9	968,760	1.1
2002	90,675,753	89,938,648	99.2	949,884	90,888,532	100.2	835,917	0.9
2003	98,435,625	97,587,990	99.1	871,280	98,459,270	100.0	841,405	0.9
2004	103,400,325	102,481,424	99.1	878,779	103,360,203	100.0	931,291	0.9
2005	107,794,839	106,745,857	99.0	922,621	107,668,478	99.9	1,053,565	1.0
2006	112,427,346	111,040,475	98.8	1,118,912	112,159,387	99.8	1,412,980	1.3
2007	117,897,237	116,273,805	98.6	1,444,306	117,718,111	99.8	1,660,437	1.4
2008	123,561,877	121,561,943	98.4	1,486,006	123,047,949	99.6	2,064,492	1.7
2009	128,375,073	126,149,491	98.3	1,955,030	128,104,521	99.8	2,347,957	1.8

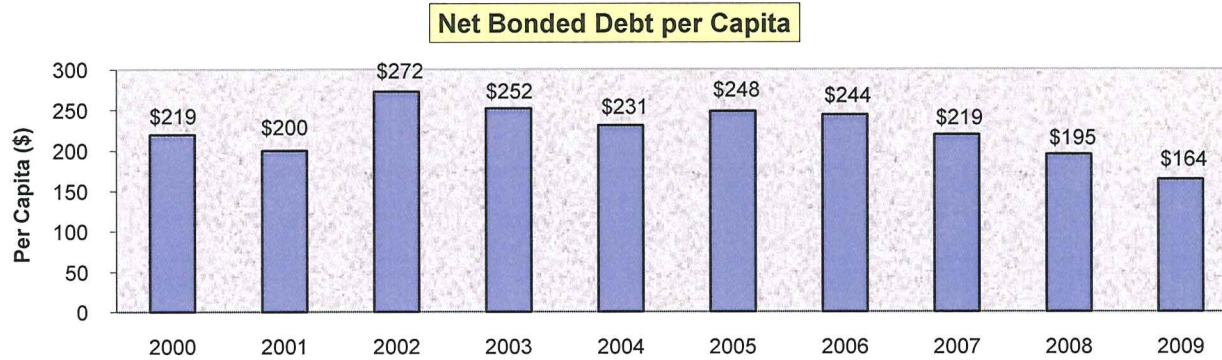
\*Includes tax adjustments, tax credits and Fiscal Disparity adjustments

Source: Dakota County Property Taxation and Records Department

# Dakota County, Minnesota

## RATIO OF NET GENERAL OBLIGATION BONDED DEBT TO ASSESSED VALUE AND NET GENERAL OBLIGATION BONDED DEBT PER CAPITA LAST TEN YEARS

Fiscal Year Assessed	Population	Assessed Value	Gross Bonded Debt	Less Debt Service Funds	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita	Percentage of Personal Income
2000	357,850	356,397,668	80,050,000	1,578,827	78,471,173	22.02	219	0.60%
2001	363,509	277,681,183	74,685,000	2,115,263	72,569,737	26.13	200	0.54%
2002	368,028	308,474,370	101,670,000	1,441,409	100,228,591	32.49	272	0.72%
2003	371,759	343,705,509	97,415,000	3,910,970	93,504,030	27.20	252	0.65%
2004	376,537	385,814,152	90,715,000	3,793,808	86,921,192	22.53	231	0.57%
2005	381,027	433,008,299	100,595,000	6,071,069	94,523,931	21.83	248	0.59%
2006	385,076	477,431,817	100,710,000	6,783,501	93,926,499	19.67	244	0.57%
2007	389,418	501,670,371	124,580,000	39,109,079	85,470,921	17.04	219	0.49%
2008	393,528	506,462,333	110,425,000	33,675,182	76,749,818	15.15	195	0.42%
2009	392,755	481,924,289	97,775,000	33,266,623	64,508,377	13.39	164	N/A





# Dakota County, Minnesota

## COMPUTATION OF DIRECT, UNDERLYING AND OVERLAPPING BONDED DEBT GENERAL OBLIGATION BONDS DECEMBER 31, 2009

<u>Government Unit</u>	Gross GO Debt	Applicable to Dakota County	
	Outstanding <sup>1</sup>	Percent <sup>2</sup>	Amount
<b>Direct:</b>			
Dakota County	\$ 97,775,000	100.0 %	\$ 97,775,000
<b>Underlying:</b>			
Dakota County CDA	\$ 401,676,588	100.0 %	\$ 401,676,588
City of Apple Valley	46,595,000	100.0	46,595,000
City of Burnsville	52,705,624	100.0	52,705,624
City of Eagan	26,660,000	100.0	26,660,000
City of Farmington	40,650,000	100.0	40,650,000
City of Hampton	1,895,000	100.0	1,895,000
City of Hastings	37,780,000	99.9	37,742,220
City of Inver Grove Hts	53,018,913	100.0	53,018,913
City of Lakeville	103,160,000	100.0	103,160,000
City of Lilydale	1,680,000	100.0	1,680,000
City of Mendota	0	100.0	0
City of Mendota Heights	12,660,000	100.0	12,660,000
City of Northfield	66,878,912	7.9	5,283,434
City of Rosemount	22,415,000	100.0	22,415,000
City of South St. Paul	11,900,000	100.0	11,900,000
City of Sunfish Lake	480,000	100.0	480,000
City of Vermillion	475,000	100.0	475,000
City of West St. Paul	21,940,500	100.0	21,940,500
Empire Township	1,754,849	100.0	1,754,849
Greenvale Township	142,500	100.0	142,500
Special S.D. #6 (South St Paul)	14,670,000	100.0	14,670,000
Ind. S.D. #191 (Burnsville)	93,005,000	75.8	70,497,790
Ind. S.D. #192 (Farmington)	286,536,677	100.0	286,536,677
Ind. S.D. #194 (Lakeville)	182,559,973	80.0	146,047,978
Ind. S.D. #195 (Randolph)	5,050,000	88.2	4,454,100
Ind. S.D. #196 (Rosemount)	166,746,644	100.0	166,746,644
Ind. S.D. #197 (W. St. Paul)	58,175,000	100.0	58,175,000
Ind. S.D. #199 (Inver Grove Hts.)	46,530,000	100.0	46,530,000
Ind. S.D. #200 (Hastings)	53,925,000	87.2	47,022,600
Ind. S.D. #252 (Cannon Falls)	21,805,000	4.9	1,068,445
Ind. S.D. #659 (Northfield)	61,040,000	14.8	9,033,920
<b>Total underlying debt</b>	<b>\$ 1,894,511,180</b>		<b>\$ 1,693,617,782</b>
<b>Overlapping:</b>			
Metropolitan Council (Pks & Solid Waste)	\$ 15,130,000 <sup>3</sup>	13.4 %	\$ 2,027,420
Metropolitan Transit Commission	214,290,000	13.4	28,714,860
<b>Total overlapping debt</b>	<b>\$ 229,420,000</b>		<b>\$ 30,742,280</b>
<b>Total debt</b>	<b>\$ 2,221,706,180</b>		<b>\$ 1,822,135,062</b>

<sup>1</sup> The Gross G.O. Debt Outstanding includes that portion of debt which is secured by the authority to levy taxes on real estate.

<sup>2</sup> Determined by ratio of assessed valuation of property subject to taxation in overlapping unit to valuation of property subject to taxation in reporting unit.

<sup>3</sup> The Metropolitan Council also has outstanding \$929,654,876 of general obligation sanitary sewer bonds and loans which are supported by system revenues.

**Dakota County, Minnesota**

**Legal Debt Margin  
Last Ten Fiscal Years**

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
<b>Assessed Value</b>	\$ 20,808,947,438	\$ 23,181,946,500	\$ 26,204,761,200	\$ 29,660,333,100	\$ 33,573,146,100	\$ 37,833,571,100	\$ 41,486,662,700	\$ 43,373,927,900	\$ 43,416,860,100	\$ 41,006,321,300
<b>Legal Debt Margin</b>										
Debt Limit (3% of assessed value)*	416,178,949	463,638,930	524,095,224	593,206,662	671,462,922	756,671,422	829,733,254	867,478,558	1,302,505,803	1,230,189,639
Debt Applicable to limit:										
General Obligation Bonds	80,050,000	74,685,000	101,670,000	97,415,000	90,715,000	100,595,000	100,710,000	124,580,000	110,425,000	97,775,000
Less: amount reserved for repayment of general obligation debt	(1,578,827)	(2,115,263)	(1,441,409)	(3,910,970)	(3,793,808)	(6,098,546)	(6,783,501)	(39,109,079)	(33,675,182)	(33,266,623)
<b>Total Debt Applicable to Limit</b>	<b>78,471,173</b>	<b>72,569,737</b>	<b>100,228,591</b>	<b>93,504,030</b>	<b>86,921,192</b>	<b>94,496,454</b>	<b>93,926,499</b>	<b>85,470,921</b>	<b>76,749,818</b>	<b>64,508,377</b>
<b>Legal Debt Margin</b>	<b>\$ 337,707,776</b>	<b>\$ 391,069,193</b>	<b>\$ 423,866,633</b>	<b>\$ 499,702,632</b>	<b>\$ 584,541,730</b>	<b>\$ 662,174,968</b>	<b>\$ 735,806,755</b>	<b>\$ 782,007,637</b>	<b>\$ 1,225,755,985</b>	<b>\$ 1,165,681,262</b>
Total debt applicable to the limit as a percent of debt limit	18.9%	15.7%	19.1%	15.8%	12.9%	12.5%	11.3%	9.9%	5.9%	5.2%

\*Debt Limit was 2% of assessed value for years 2000 - 2007.

*Minn. Stat. Section 475.53, subd. 1 states that except as otherwise provided in Minn. Stat. Sections 474.74 to 475.51, no municipality except a school district or a city of the first class, shall incur or be subject to a net debt in excess of two percent of the estimated market value.*

# Dakota County, Minnesota

## DEMOGRAPHIC STATISTICS LAST TEN YEARS

<b>Fiscal Year</b>	<b>Population<sup>1</sup></b>	<b>Personal Income</b>	<b>Per Capita Income</b>	<b>Median Age<sup>2</sup></b>	<b>School Enrollment K thru 12<sup>3</sup></b>	<b>Annual Average Unemployment Rate<sup>4</sup></b>
2000	357,873	13,089,975,000	36,577	33.7	71,845	2.4
2001	363,610	13,372,750,000	36,788	N/A	72,818	3.1
2002	368,275	13,843,891,000	37,591	N/A	72,493	4.0
2003	372,100	14,458,266,000	38,856	N/A	73,760	4.3
2004	377,009	15,286,872,000	40,548	34.7	74,281	4.0
2005	381,608	15,915,188,000	41,706	35.2	74,033	3.7
2006	385,827	16,627,273,000	43,095	35.7	74,382	3.6
2007	389,418	17,541,174,000	45,045	34.6	73,342	4.1
2008	393,528	18,242,899,000	46,357	36.0	73,324	4.9
2009	390,478	N/A	N/A	34.6	73,033	7.3

*Data Sources:*

<sup>1</sup> US Dept Of Commerce, Bureau of Economic Analysis

<sup>2</sup> US Dept Of Commerce, Bureau of Economic Analysis

<sup>3</sup> State Department of Education

<sup>4</sup> State Department of Employment and Economic Development

## *Dakota County, Minnesota*

### PRINCIPAL EMPLOYERS CURRENT YEAR AND NINE YEARS AGO

<u>Employer (1)</u>	2000 <u>Employees</u>	Percentage of Total County <u>Employment</u>
West Group	5,396	2.55%
Blue Cross-Blue Shield	2,916	1.38%
School District #196	2,773	1.31%
Burnsville Center	2,950	1.39%
UNISYS	2,150	1.02%
Land O lakes	2,003	0.95%
Dakota County	1,673	0.79%
Lockheed Martin	1,600	0.76%
Independent School District 194	1,488	0.70%
U.S. Postal Service	1,435	0.68%
Total County Employment (2)	<u><u>211,589</u></u>	<u><u>11.53%</u></u>

<u>Employer</u>	2009 <u>Employees</u>	Percentage of Total County <u>Employment</u>
Reuters Thomson West	7,000	4.24%
Independent School District 196	4,300	2.60%
Blue Cross-Blue Shield	3,500	2.12%
Northwest/Delta Airlines	2,500	1.51%
Dakota County	1,849	1.12%
Independent School District 191	1,600	0.97%
Independent School District 194	1,596	0.97%
US Postal Service	1,570	0.95%
Sun Country	1,200	0.73%
Flint Hills Resources	1,200	0.73%
Total County Employment	<u><u>165,262</u></u>	<u><u>15.94%</u></u>

*Source: Department of Employment and Economic Development*

## Dakota County, Minnesota

### COUNTY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM LAST TEN FISCAL YEARS

Function/program	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
<b>County Wide</b>										
County Wide	1.0	-	-	-	-	2.00	-	-	-	0.50
<b>Public Service</b>										
Public Service	5.0	6.0	7.0	7.0	10.9	10.4	10.1	10.1	10.1	10.3
Assessor	38.0	38.0	38.0	38.5	37.0	37.0	37.0	37.0	38.0	38.0
Property Records	22.0	22.0	22.3	22.3	22.3	22.3	23.3	23.3	-	-
Treasurer-Auditor	35.7	34.7	34.7	34.7	27.7	27.7	28.1	28.1	51.4	50.7
Service & Licensing	14.5	14.5	19.5	19.3	19.3	19.3	19.3	19.3	23.3	23.8
Library	146.9	147.9	147.9	148.1	141.8	142.6	148.9	148.9	158.9	158.9
<b>Operations Management</b>										
Operations Management	36.6	38.6	42.6	43.1	41.6	45.1	46.7	48.2	63.0	64.1
Information Technology	48.0	54.0	57.0	59.0	54.3	56.3	59.3	59.3	62.3	61.3
Financial Services	28.0	29.0	29.0	32.5	32.0	31.5	30.5	30.3	29.3	30.2
OMB Division Administration	7.3	7.3	6.3	6.9	4.9	3.0	6.0	8.0	9.0	11.0
Planning, Evaluation	6.0	5.2	6.0	6.0	6.0	6.0	6.0	6.5	6.5	13.8
<b>Administration</b>										
County Administration	8.0	9.8	9.0	8.3	8.0	8.5	8.0	11.0	8.0	8.0
County Board	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0
County Communications	-	-	-	-	-	-	-	-	8.0	8.0
Employee Relations	18.7	20.6	21.6	21.6	20.2	20.7	21.2	21.2	21.2	21.2
<b>Community Services</b>										
Community Services Administration	19.3	19.0	20.0	21.0	20.0	18.0	18.0	18.0	17.0	13.0
Social Services	231.1	243.1	259.6	270.6	266.6	269.6	263.7	264.5	276.5	285.5
Employment & Economic Assistance	233.5	238.0	243.7	248.7	242.7	243.7	244.7	243.7	248.7	250.7
Public Health	117.2	129.1	136.0	126.3	123.1	122.9	126.8	134.0	145.9	146.3
Veterans Services	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	8.0	8.0
Community Corrections	156.2	164.1	165.8	167.8	165.8	168.5	175.3	177.3	179.0	180.6
Extension	7.5	7.5	7.3	7.3	1.5	-	-	-	-	-
<b>Public Safety</b>										
Sheriff	157.8	158.8	163.8	164.5	161.5	170.7	180.2	169.3	175.3	176.3
<b>County Attorney</b>										
County Attorney	79.6	81.1	81.1	81.6	79.4	80.2	82.7	83.7	85.1	85.1
<b>Courts</b>										
District Court	77.9	77.9	80.3	80.3	80.4	-	-	-	-	-
<b>Physical Development</b>										
Office of GIS	-	-	-	8.0	8.0	8.0	10.0	10.0	10.0	8.0
Physical Development	4.0	4.0	4.0	5.0	5.0	15.8	18.0	24.6	22.4	20.9
Transportation	78.1	80.1	82.1	83.1	82.0	85.0	86.7	87.7	83.5	82.7
Parks	54.9	56.0	56.1	58.0	54.1	43.5	45.0	47.8	48.2	50.8
Water Resources	-	-	-	-	-	-	-	13.3	17.2	16.9
Physical Development Planning	13.0	12.0	10.8	11.8	12.8	11.8	10.8	-	-	-
Environmental	33.3	33.3	31.8	32.0	32.7	28.9	29.0	21.5	16.5	16.5
Survey	18.5	18.5	19.0	10.0	9.0	9.0	8.0	8.0	8.0	8.0
<b>Total</b>	<b>1,711.6</b>	<b>1,764.1</b>	<b>1,816.3</b>	<b>1,837.3</b>	<b>1,784.6</b>	<b>1,722.0</b>	<b>1,757.3</b>	<b>1,768.6</b>	<b>1,837.3</b>	<b>1,856.1</b>

Source: Dakota County Departmental documents

**Dakota County, Minnesota**

**Operating Indicators**

**By Governmental Function**

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
<b>General Government</b>										
Property Documents Recorded	100,731	131,281	161,798	221,216	151,980	138,479	113,202	107,507	90,531	95,015
Employment Applications	7,273	8,916	12,390	3,253	8,810	7,718	15,558	14,160	10,699	6,526
County Veterans Population	28,210	29,368	27,900	32,040	31,776	30,987	31,000	30,500	29,974	29,854
New Adult Criminal Court Cases	3,695	4,195	4,679	4,785	4,636	4,821	4,815	4,836	4,310	4,444
Juvenile Delinquency Referrals	4,403	4,540	4,438	4,323	4,093	3,927	4,095	3,848	3,315	3,164
Commitment Referrals	174	239	264	220	232	237	246	277	258	254
Plat Reviews	195	204	256	249	251	261	202	157	84	54
<b>Public Safety</b>										
Probation Offenders Served	15,757	17,490	16,585	17,383	17,757	18,219	19,858	20,327	20,576	22,405
Community Restoration Hours Served	na	na	91,785	92,429	93,985	92,984	98,961	105,592	97,809	96,967
Driving While Impaired Arrests	149	192	274	292	193	282	307	269	249	247
Applications for Permit to Carry Handguns	na	na	na	1,147	572	566	741	756	1,541	1,263
Daily Inmate Responsibility Average	196	212	232	251	263	301	308	334	291	239
<b>Highways and Streets</b>										
Fuel Used (Diesel and Unleaded)	154,117	155,700	144,360	144,126	120,560	123,601	105,096	120,086	136,865	120,602
<b>Sanitation</b>										
Pounds of Household Hazardous Waste Collected	955,000	966,000	1,256,000	1,356,000	1,390,000	1,484,000	1,525,000	2,150,000	3,017,291	2,032,791
<b>Human Services</b>										
Intake and Crisis Calls	40,360	42,317	40,483	37,365	39,716	42,956	44,800	45,687	44,410	41,326
Average Monthly # of Children in Out-of-Home Placement	na	na	293	213	204	220	230	213	188	139
Chemical Health Assessments Completed	na	na	na	na	1,065	1,172	1,260	1,304	1,535	1,858
Public Assistance Caseload	6,540	10,183	11,663	12,420	13,311	14,036	14,684	15,418	16,189	18,870
Child Support Collections	\$38,388,529	\$41,914,403	\$42,954,071	\$44,688,674	\$45,827,907	\$46,592,308	\$47,584,658	\$47,890,683	\$49,497,925	48,324,209
Average # Families served - Child Care Assistance Programs	2,105	1,865	2,108	2,116	1,783	1,763	1,878	1,900	1,121	1,273
<b>Health</b>										
Family Health Referrals	1,880	1,930	1,658	1,607	915	765	863	812	1,011	842
WIC Clients	7,406	8,215	9,022	9,052	10,146	11,146	11,988	12,366	12,730	12,752
Long Term Care Clients on Medicaid Waiver	1,087	1,207	1,500	1,742	1,826	2,013	2,160	2,247	2,431	2,782
Number of Confirmed Tuberculosis Cases	7	11	18	18	20	29	31	27	21	23
Health Alerts Issued	18	21	13	29	31	27	19	30	24	68
Vaccinations Administered	3,481	3,348	3,538	4,655	3,701	3,693	2,745	3,630	3,596	4,895
<b>Culture and Recreation</b>										
Visitors to Library (Gate Counts)	1,496,734	1,547,881	1,613,931	1,604,406	1,625,621	1,665,874	1,918,538	1,809,828	1,942,459	2,193,975
Master Gardener Education Events	na	na	4	15	25	30	87	99	114	104
<b>Economic Development</b>										
Employment and Training Caseload	2,462	2,850	3,884	4,814	4,300	3,875	3,660	4,199	4,959	752,128
Number of Adults Program Participants Placed in Employment	842	596	663	1,096	1,596	920	1,025	1,084	1,300	798,241

Source: County Departmental budget documents, web-sites, and staff.

## Dakota County, Minnesota

### CAPITAL ASSET AND INFRASTRUCTURE STATISTICS BY FUNCTION/PROGRAM

<u>Function/Program</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
<b>General Government</b>									
Government Centers	2	3	3	3	3	3	3	3	3
<b>Public Safety</b>									
Justice Center	1	1	1	1	1	1	1	1	1
Patrol Units	64	67	72	84	85	72	74	84	88
<b>Highways &amp; Streets</b>									
Bituminous (miles)	346	354.8	354.8	353.3	352.7	354.7	353.2	352.8	350.1
Concrete (miles)	1.3	1.9	1.9	1.8	1.8	1.8	1.8	2.8	2.8
Gravel (miles)	83	81	81	77.5	72.4	70.4	70.4	67.9	67.5
Bridges	29	29	29	27	27	27	29	29	32
Traffic signals	103	105	106	107	111	113	132	133	134
Culverts	49	49	49	51	51	51	51	51	47
Highway Shops	3	4	4	4	4	4	3	3	3
<b>Culture &amp; Recreation</b>									
Acreage	4509	4509	4698	4698	4698	4698	4698	5200	5900
County Parks	1	1	1	1	1	1	1	1	1
Regional parks & trails	5	5	5	5	5	5	5	5	6
Libraries	9	9	9	9	9	9	9	9	9

*Data Sources: Various county departments*

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