

Annual Comprehensive Financial Report

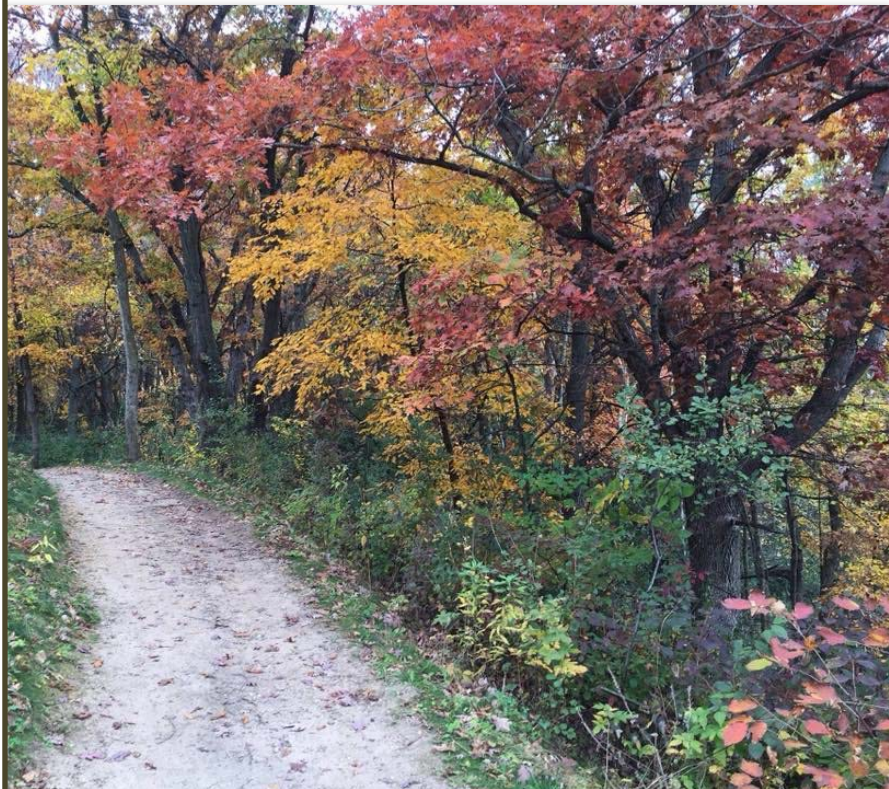
Dakota County, Minnesota
Fiscal Year Ended
December 31, 2020



2020

Dakota
COUNTY

*A premiere county in
which to live and work.*



This page was left blank intentionally.

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

For The Year Ended December 31, 2020



Prepared by the Finance Department

This page was left blank intentionally.

TABLE OF CONTENTS

	Page
INTRODUCTORY SECTION	
Letter of Transmittal	1
GFOA Certificate of Achievement	7
Organizational Structure	8
List of Elected and Appointed Officials.....	9
FINANCIAL SECTION	
Independent Auditors' Report.....	11
Management's Discussion and Analysis.....	15
BASIC FINANCIAL STATEMENTS	
Government-wide Financial Statements:	
Statement of Net Position	25
Statement of Activities	28
Fund Financial Statements:	
Balance Sheet – Governmental Funds	30
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position.....	32
Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds	34
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds to the Statement of Activities.....	36
Budgetary Comparison Statement:	
General Fund	37
Highway Special Revenue Fund.....	40
Environmental Legacy Special Revenue Fund	41
DC Transportation Sales Tax Special Revenue Fund.....	42
Statement of Net Position – Proprietary Funds.....	43
Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds.....	44
Statement of Cash Flows – Proprietary Funds.....	45
Statement of Fiduciary Net Position – Fiduciary Funds	46
Statement of Changes in Fiduciary Net Position – Fiduciary Funds	47
Notes to the Financial Statements.....	49
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of Funding Progress – Other Post Employment Benefits	97
Schedule of Proportionate Share of Net Pension Liability – PERA General Employees Retirement Plan.....	98
Schedule of Contributions – PERA General Employees Retirement Plan.....	98
Schedule of Proportionate Share of Net Pension Liability – PERA Public Employees Police and Fire Plan.....	99
Schedule of Contributions – PERA Public Employees Police and Fire Plan.....	99
Schedule of Proportionate Share of Net Pension Liability – PERA Public Employees Correctional Plan.....	100
Schedule of Contributions – PERA Public Employees Correctional Plan.....	100
Notes to the Schedules of Proportionate Share of Net Pension Liability and Schedules of Contributions.....	101
SUPPLEMENTARY INFORMATION	
Combining and Individual Fund Statements and Schedules:	
Budgetary Comparison Schedule:	
Capital Projects Fund.....	109
Combining Balance Sheet – Nonmajor Governmental Funds	110
Combining Statement of Revenues, Expenditures and Changes in Fund Balance – Nonmajor Governmental Funds.....	112

Budgetary Comparison Schedule:	
County Library Special Revenue Fund	114
County Parks Special Revenue Fund.....	115
Regional Rail Special Revenue Fund	116
Combining Statement of Net Position – Nonmajor Enterprise Funds	117
Combining Statement of Revenues, Expenses, and	
Changes in Fund Net Position – Nonmajor Enterprise Funds	118
Combining Statement of Cash Flows – Nonmajor Enterprise Funds.....	119
Combining Statement of Fiduciary Net Position – Private Purpose Trust Funds	120
Combining Statement of Changes in Fiduciary Net Position – Private Purpose Trust Funds.....	121
Combining Statement of Fiduciary Net Position – Fiduciary Funds – Other Custodial Funds.....	122
Combining Statement of Changes in Fiduciary Net Position – Fiduciary Funds – Other Custodial Funds.....	124
Discretely Presented Component Units Statements:	
Vermillion River Watershed District:	
Governmental Fund Balance Sheet and Governmental Activities – Statement of Net Position	126
Governmental Fund Statement of Revenues, Expenditures, and	
Changes in Fund Balance and Governmental Activities – Statement of Activities	127
 GOVERNMENTAL REVENUE SCHEDULES	
Schedule of Intergovernmental Revenue	129
Schedule of Expenditures of Federal Awards	131
Notes to the Schedule of Expenditures of Federal Awards.....	135

STATISTICAL SECTION

Government-wide information:	
Net Position by Component	139
Changes in Net Position.....	140
Changes in Net Position – Component Units.....	143
Fund information:	
Fund Balances – Governmental Funds	144
Changes in Fund Balances – Governmental Funds.....	145
Assessed and Estimated Actual Value of Taxable Property	146
Direct and Overlapping Governments – Tax Capacity Rates	148
Principal Taxpayers	150
Property Tax Levies and Collections	151
Ratio of Net General Obligation Bonded Debt to Assessed Value and	
Net General Obligation Bonded Debt Per Capita	152
Computation of Direct, Underlying and Overlapping Bonded Debt	153
Legal Debt Margin.....	154
Demographic Statistics	155
Principal Employers.....	156
County Government Employees by Function/Program	157
Operating Indicators by Governmental Function.....	158
Capital Assets and Infrastructure Statistics by Function/Program	159



Introductory Section

This page was left blank intentionally.



August 5, 2021

Finance Department

Dakota County
Administration Center
1590 Highway 55
Hastings, MN 55033

651.438.4585
Fax 651.438.4603
www.dakotacounty.us

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

SUBJECT: ***2020 ANNUAL COMPREHENSIVE FINANCIAL REPORT***

The Annual Comprehensive Financial Report (ACFR) of Dakota County is submitted for the fiscal year ended December 31, 2020. The County's Finance 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 statutes require an annual audit of the books of account, financial records, and transactions of the County. The CPA firm of CliftonLarsonAllen LLP, was chosen through a RFP process to conduct the County's audit for 2020. The audit was designed to meet the requirements of state statutes and the federal Single Audit Act Amendments of 1996 and related Uniform Guidance. The independent auditor's report has been included in this report.

CliftonLarsonAllen, LLP will issue management and compliance letters covering the review made as a part of its audit of the County's system of internal control and compliance with applicable legal provisions. The management and compliance letters will not modify or affect, in any way, their 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 comply 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.

The Single Audit Act Amendments of 1996 and Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* sets the audit requirements for state and local governments receiving federal assistance. They require 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. Applicable federal grants are identified in the Schedule of Expenditures of Federal Awards.

The single audit includes tests to determine the adequacy of the internal controls, and the County's compliance with applicable laws and statutes.

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. County management believes the 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 Finance staff have 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.

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 the 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 587 square miles, including 13 townships and 21 full and fractional incorporated municipalities. The 2020 population was 431,807 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 elected on a non-partisan basis. County Board members serve four-year staggered terms. County Board responsibilities include passing ordinances, adopting the budget, and the hiring of the County Manager. The County Manager 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 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.

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 in instances where the County was financially accountable for the entity or where 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. The 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. The divisions and departments submit their budget requests to the County Manager, who in turn, presents a budget to the County Board. 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. 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 adjust 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.

Each year, as part of its annual budget process, Dakota County prepares a five-year Capital Improvement Program (CIP) that includes a one-year capital budget. The CIP identifies projects that will support existing and projected needs in transportation, parks, and buildings. It is based on numerous long-range planning documents that are updated regularly and on projected capital needs as identified by county staff, cities, and townships.

Fiscal Policies

The County maintains a Fund Balance Policy that guides the County Board with a minimum threshold for working capital and allowing for a margin of safety. The minimum target balance for unassigned funds in the General Fund is 20% of the operating expenditures at the end of each fiscal year.

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:

- Dakota County's population increased from 2000 to 2020 by 20.5%, adding slightly fewer than 73,000 people. According to U.S. Census Bureau estimates, 2008 was the first year since 1977 that Dakota County's population growth slowed to 1% or less; that steady growth trend has continued in almost every year since then continuing through 2019. Between 2020 and 2040, regional growth is projected to continue at an average rate of just under 1% per year. The total population in the seven-county metropolitan region is anticipated to increase by 15.3% between 2020 and 2040, to more than 3.65 million residents. The Metropolitan Council projects the County will attain a population of about 516,000 people by the year 2040, an increase of close to 90,000 people (between 2019 and 2040).
- According to the Minnesota Department of Employment and Economic Development (DEED) there were 10,300 private sector firms and 157,200 private sector employees in Dakota County. The largest employing industry sectors in the county are trade, transportation, & utilities (47,206), education and health services (35,334), leisure and hospitality (15,283), professional and business services (19,877), and manufacturing (18,204).
- Dakota County maintains one of the lowest per capita property tax rates in the State of Minnesota. This means that for each unit of value for a property, property owners in Dakota County pay the least amount. The price of government in Dakota County (taxes versus personal income) has declined over the last ten years.

- Subsequent to year end, the World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic. The COVID-19 pandemic is having significant effects on global markets, supply chains, businesses, and communities. Specific to Dakota County COVID-19 has impacted various parts of its 2020 operations and financial results including, but not limited to, costs for emergency preparedness, technology investments for remote work, new expenditures for cleaning and modifying facilities, costs for COVID-19 related housing needs, and revenue loss. Management believes Dakota County is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as these events occurred subsequent to year end and are still developing. County staff continue to monitor the economic and programmatic impacts. The County Board is updated regularly with current COVID-19 status, economic impact, programmatic impact, and budgetary implications.

Key Economic Indicators

In 2020, Dakota County's unemployment rate (5.9%) continues to maintain a lower average unemployment rate than the State of Minnesota (6.2%) and the U.S. (8.1%).

<u>Economic Indicators</u>	<u>Amount</u>	<u>Annual Percentage Change</u>
Unemployment Rate (2020)	5.9%	+3.0%
Number of Households (2019)	162,895	.25%
Population (2020)	431,807	0.65%

Sources: MN Department of Employment & Economic Development, American Community Survey and United States Census Bureau

The following chart is an analysis of wage and salary employment in Dakota County by industry:

	Dakota County		2020 Distribution		% Change 2019-2020	
	Avg Number of Employees		Dakota	State of	<u>County</u>	<u>State</u>
	<u>2019</u>	<u>2020</u>	<u>County</u>	<u>Minnesota</u>		
Total, All Industries	190,151	177,866	100.0%	100.00%	-6.5%	-6.7%
Agricultural, Forestry, Fishing	860	886	0.5%	0.8%	3.0%	1.7%
Mining	107	112	0.1%	0.2%	4.7%	-6.2%
Construction	10,354	9,596	5.4%	4.8%	-7.3%	-2.4%
Manufacturing	18,937	18,204	10.0%	11.4%	-3.9%	-4.6%
Utilities	544	528	0.3%	0.5%	-3.0%	-1.6%
Wholesale Trade	8,690	8,747	4.6%	4.6%	0.7%	-2.8%
Retail Trade	23,918	23,406	12.6%	10.2%	-2.1%	-5.7%
Information	6,393	5,026	3.4%	1.7%	-21.4%	-7.8%
Finance, Insurance & Real Estate	15,111	14,753	7.9%	6.7%	-2.4%	-1.7%
Services	56,986	51,145	30.0%	30.9%	-10.2%	-11.4%
Other	48,242	45,459	25.4%	28.1%	-5.8%	-5.2%
Total, All Industries -- Government	21,500	20,710	11.3%	13.5%	-3.7%	-5.2%
Total, All Industries -- Private	168,650	157,156	88.7%	86.5%	-6.8%	-6.9%

Source: MN Department of Employment & Economic Development

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>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Residential	\$324,200	\$377,812	\$396,328	\$428,034	\$380,207
Commercial	45,019	75,553	113,426	87,771	87,457
Industrial	14,401	27,277	49,196	24,898	37,441
Agricultural	2,529	1,637	1,939	3,168	2,126
Apartments	83,177	45,713	125,067	134,186	118,226
Total Value	<u>\$469,326</u>	<u>\$527,992</u>	<u>\$685,956</u>	<u>\$678,057</u>	<u>\$625,457</u>

Source: Dakota County Assessor's Office

Major Initiatives by Dakota County

Dakota County government 2020 highlights:

- Provided visitor services to approximately 2.1 million annual park and greenway visitors.
- Maintained and improved our roads, restored natural lands, tested, and protected water, reduced trash, assessed and collected taxes, and surveyed property lines.
- Assisted the elderly and disabled, helped motorists and families and jobseekers, protected kids, supported the victims of crime, and held people accountable when they did wrong.
- Worked to reduce the jail population and ensure a safe environment for inmates housed during the pandemic.
- Provided elections services for over 250,000 voters during the 2020 Presidential Election.
- Processed nearly 2,000 passport applications.

Technology that Connects the County to Residents

- Continued to expand the countywide fiber telecommunications network through partnerships with cities.

Library

- In 2020, over 3.6 million digital and physical items were checked out.
- Maintained services throughout the pandemic by providing nearly 72,000 curbside appointments.
- Experienced a 76% increase in the use of the online Homework Help service.

CARES Act Funding

- Utilized over \$52 million in CARES Act funding to provide services and assistance to Dakota County residents and businesses.
- Provided no cost COVID-19 testing to people who were underinsured or uninsured.
- Helped persons experiencing homelessness through the provision of 90 emergency sheltering units.
- Ensured safe interactions through the purchase of self-service scanning stations for the drop-off of public assistance documents.

Parks and Natural Resources

- In 2020, over 7,300 people participated in outdoor education programs, school field trips, and other major events
- During the pandemic, offered virtual programming to engage park users.
- Opened over 1.5 miles of trails for public use.

County Facilities

- Continued to review space needs and piloted various shared workspace arrangements.

Supporting our Staff

- Ensured safe work alternatives and transitioned a large portion of staff to remote work during the start of the pandemic.

Employee Labor Contracts

The 13 collective bargaining units listed below represent approximately 70% of the County's employees. The status of the contracts is as of December 31, 2020.

<u>Bargaining Unit</u>	<u>Term of Contract</u>	<u>Status of Contract</u>
AFSCME - Human Services	2018-2020	Settled
AFSCME - Library	2018-2020	Settled
Assessing Services	2018-2020	Settled
Attorney Employees' Assoc.	2018-2020	Settled
Community Corrections	2018-2020	Settled
Human Services Supervisors' Assoc.	2018-2020	Settled
Public Health Services/MNA	2018-2020	Settled
Public Health Support	2018-2020	Settled
Road & Bridge Maintenance	2018-2020	Settled
Sheriff Licensed Deputies	2018-2020	Settled
Sheriff Jail	2018-2020	Settled
Sheriff Supervisor	2018-2020	Settled
Sheriff Non-license Supervisor	2018-2020	Settled

Awards and Acknowledgements

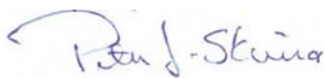
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Dakota County for its annual comprehensive financial report for the fiscal year ended December 31, 2019. This was the 31st consecutive year 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 annual comprehensive 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. 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 2020. This is the 24th 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 Finance Department. In addition, cooperation was essential from many other departments, especially the County's Property Taxation and Records Department and Office of Performance and Analysis. We wish to express our appreciation to all 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,



Peter Skwira
Director of Finance



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Dakota County
Minnesota**

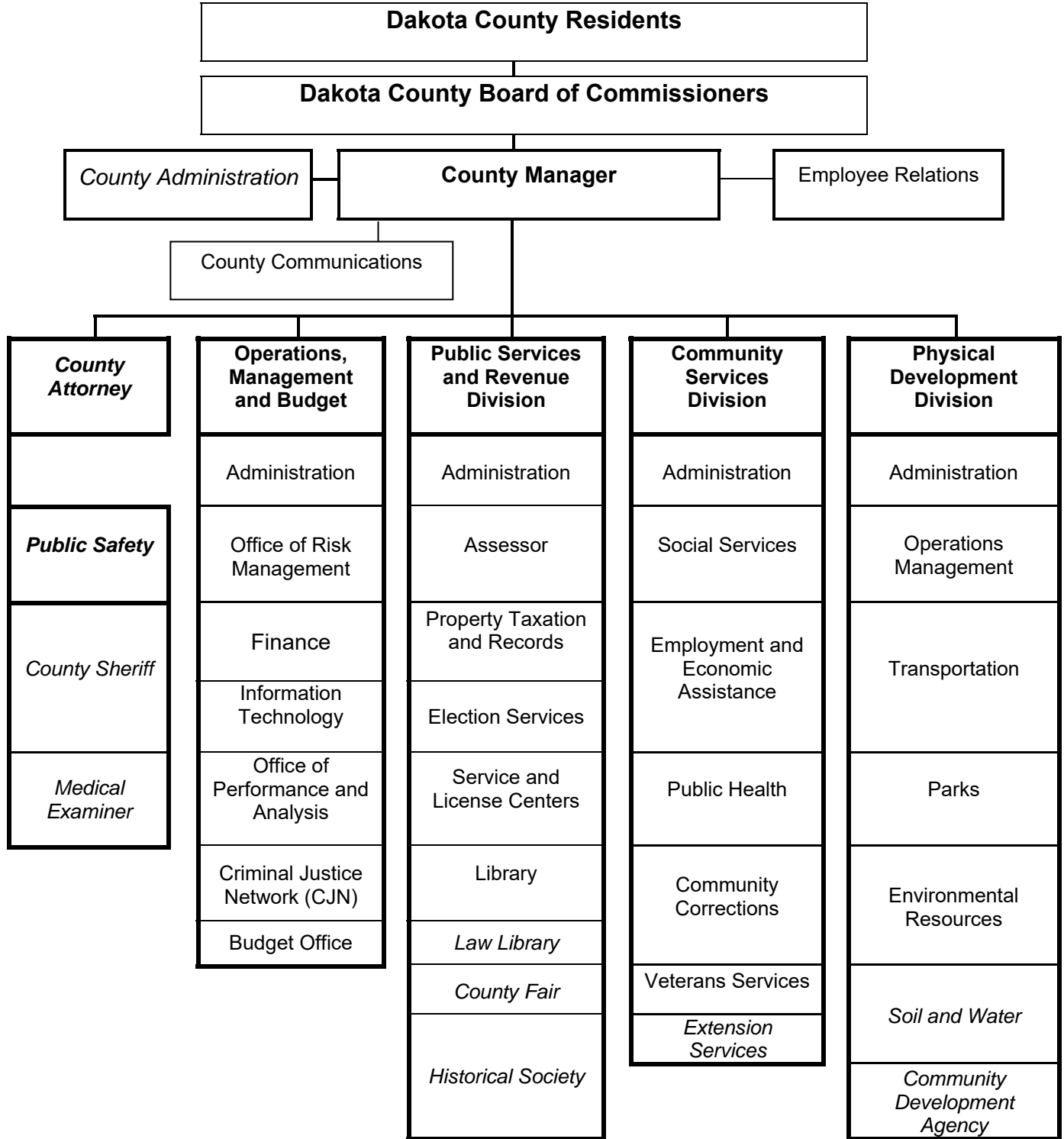
For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

December 31, 2019

Christopher P. Morill

Executive Director/CEO

2020 Dakota County Organizational Structure



Notes:

- The County Board has a funding liaison role with departments listed in *italics* (*County Attorney; County Sheriff; Medical Examiner; 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

LIST OF ELECTED AND APPOINTED OFFICIALS

2020

Officer	Name	Term	To
		From	
Commissioners:			
1 st District	Mike Slavik*	Jan. 2013	Dec. 2022
2 nd District	Kathleen A. Gaylord	Jan. 2003	Dec. 2022
3 rd District	Thomas A. Egan	Jan. 2005	Dec. 2020
4 th District	Joe Atkins	Jan. 2017	Dec. 2020
5 th District	Liz Workman	Jan. 2009	Dec. 2020
6 th District	Mary Liz Holberg	Jan. 2015	Dec. 2022
7 th District	Chris Gerlach	Jan. 2013	Dec. 2020
 Officers:			
Elected -			
Attorney	James C. Backstrom	Sep. 1987	Dec. 2022
Sheriff	Timothy J. Leslie	Jan. 2015	Dec. 2022
 Appointed -			
County Manager	Matthew G. Smith	May 2016	Indefinite
Deputy County Manager/Director of Operations, Mgmt. & Budget	Jean M. Erickson	August 2016	Indefinite
Director of Community Services	Marti Fischbach	June 2020	Indefinite
Director of Physical Development	Steven Mielke	July 2014	Indefinite
Director of Public Service & Revenue Div.	Thomas V. Novak	July 1998	Indefinite

* Chair

This page was left blank intentionally.



Financial Section

This page was left blank intentionally.



INDEPENDENT AUDITORS' REPORT

Board of County Commissioners
Dakota County
Hastings, Minnesota

Report on the Financial Statements

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, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise Dakota County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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 Community Development Agency, which represents 99% of the assets, net position, and revenues of the 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 Community Development Agency discretely presented component unit, 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 *Governmental 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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based upon 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, 2020, and the respective changes in financial position and the respective cash flows, where applicable and the budgetary comparisons for the general fund, highway fund, environmental legacy fund, and the DC transportation sales tax special revenue fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matters

During the year ended December 31, 2020, the County adopted the provisions of Governmental Accounting Standards Board Statement (GASB) No. 84, *Fiduciary Activities*. As a result of the implementation of this standard, the County reported a restatement for a change in accounting principle (see Note I). In addition, as discussed in Note 2C, beginning net position of governmental activities and fund balance of the DC Sales Tax special revenue fund were restated to account for an error in the previously issued financial statements. Our auditors' opinion was not modified with respect to the restatements.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of changes in the county's total OPEB liability and related ratios, schedule of proportionate share of net pension liability – GERS, PEPFF and PECF plans, and schedule of pension contributions – GERS, PEPFF and PECF plans, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Dakota County's basic financial statements. The combining and individual fund statements and schedules and the schedule of intergovernmental revenues collectively the supplementary information on pages 121 through 146, the introductory section on pages 1 through 10, and the statistical section on pages 127 through 149, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards on pages 147 through 152 is presented for purposes of additional analysis as required by U.S. Office of Management and Budget and Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and is also not a required part of the basic financial statements.

Other Matters (Continued)

Other Information (Continued)

The supplementary information and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit and the report of other auditors, the supplementary information and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 5, 2021, 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 this report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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.



CliftonLarsonAllen LLP

Minneapolis, Minnesota
August 5, 2021

This page was left blank intentionally.

Dakota County, Minnesota | December 31, Management's Discussion and Analysis | 2020

Dakota County offers readers this narrative overview and analysis of unaudited financial activities, which is required supplementary information, for the fiscal year ended December 31, 2020. 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 and deferred outflows exceeded liabilities and deferred inflows at the close of 12/31/2020 by \$1,226,135,369 (*net position*). Of this amount, \$178,205,424 (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors.
- Dakota County's total net position improved by \$60,917,713 for the year ended December 31, 2020. This positive change is a combination of increases in grant receipts for general government, public safety and human services programs, as well as investments in capital assets.
- As of the close of the 2020 fiscal year, Dakota County governmental funds' ending fund balance had a decrease of \$15,845,004, before the \$363,523 increase in inventories, from 2019. This reduction in fund balance is primarily due to an increase in expenditures for improvements in buildings, roads and infrastructure. Approximately 75.1% or \$255,323,131 of the total fund balance is available for spending at Dakota County's discretion (committed, assigned, and unassigned fund balances).
- At the end of the current fiscal year, the committed, assigned and unassigned fund balance for the General Fund was \$130,370,834 or 48.2% of total General Fund expenditures.

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 Position* presents information on all of Dakota County's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference between them (assets plus deferred outflows of resources less liabilities and deferred inflows of resources) reported as *net position*. Over time, increases or decreases in net position 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 position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the *timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will 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 the Byllesby Dam.

Dakota County, Minnesota | December 31, Management's Discussion and Analysis | 2020

The government-wide financial statements include not only Dakota County (known as the *primary government*), but also the legally separate Dakota County Community Development Agency (CDA) and the legally separate Vermillion River Watershed Joint Power Organization (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 Dakota County 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 balance provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

Within the governmental funds, Dakota County maintains three fund types: General, Special Revenue 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 balance for the major funds. Major funds include: General Fund, Highway Fund, Environmental Legacy Fund, DC Transportation Sales Tax 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 five major governmental funds and the County Library, County Parks and Regional Rail non-major special revenue funds. A budgetary comparison schedule has been provided for these funds to demonstrate compliance with their budgets.

The basic governmental fund financial statements may be found on pages 30-42 of this report.

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

Special Revenue Fund. Special Revenue funds account for the proceeds of specific revenue sources that are restricted to expenditures for specified purposes other than debt service or capital projects. The Special Revenue Funds include:

- Highway
- Attorney Forfeiture
- DC Transportation Sales Tax
- County Library
- County Parks
- Environmental Legacy
- Regional Rail
- Law Library

Dakota County, Minnesota | December 31, Management's Discussion and Analysis | 2020

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. The County made the final payment for its general obligation bonds in 2016 so there was no activity in 2020.

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 2011, the Byllesby Dam Fund was added to account for the net revenue generated from producing electricity at the Byllesby Dam Hydro-electric facility and subsequently sold to Xcel Energy. Expenses are paid to a third-party contractor to operate the turbines and generators.

The internal service fund is used to accumulate and allocate costs internally among Dakota County's various functions. In 1997, Dakota County created the Employee Services Reserve Fund to maintain all compensated absences and related activity. Each year an adjustment is made to reflect the current value of vacation and sick balances. In 2007, the activity for "other post-employment benefits" was included in this fund. Additionally, at the beginning of 2013 a reserve was established for a self-funded health care program. Because this program primarily benefits governmental rather than business-type functions it is 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 information for the GIS Enterprise Fund and the Byllesby Dam 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 49-96 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, non-major enterprise 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 109-127 of this report.

Dakota County, Minnesota | December 31, Management's Discussion and Analysis | 2020

Government-wide Financial Analysis

As noted in the financial highlights, the changes in net position may be a useful indicator of a government's financial position. Dakota County's assets and deferred outflows exceeded liabilities and deferred inflows of resources by \$1,226,135,369 at the close of 2020, which is an increase of \$60,917,713 for the year ended December 31, 2020.

Net investment in capital assets, of \$936,144,101 (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 the total net position (76.3%). 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 Position					
	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$ 467,268,776	\$ 443,104,333	\$ 1,395,576	\$ 2,769,815	\$ 468,664,352	\$ 445,874,148
Capital assets	922,594,784	876,350,137	16,537,939	15,391,857	939,132,723	891,741,994
Total assets	<u>\$ 1,389,863,560</u>	<u>\$ 1,319,454,470</u>	<u>\$ 17,933,515</u>	<u>\$ 18,161,672</u>	<u>\$ 1,407,797,075</u>	<u>\$ 1,337,616,142</u>
Deferred outflows of resources	\$ 17,909,346	\$ 16,958,605	\$ -	\$ -	\$ 17,909,346	\$ 16,958,605
Long-term liabilities outstanding	\$ 148,816,007	\$ 130,022,938	\$ -	\$ -	\$ 148,816,007	\$ 130,022,938
Other liabilities	36,009,450	26,540,202	388,610	11,789	36,398,060	26,551,991
Total liabilities	<u>\$ 184,825,457</u>	<u>\$ 156,563,140</u>	<u>\$ 388,610</u>	<u>\$ 11,789</u>	<u>\$ 185,214,067</u>	<u>\$ 156,574,929</u>
Deferred inflows of resources	\$ 14,356,985	\$ 34,639,619	\$ -	\$ -	\$ 14,356,985	\$ 34,639,619
Net position:						
Net investment in capital assets	\$ 919,606,162	\$ 874,497,312	\$ 16,537,939	\$ 15,391,857	\$ 936,144,101	\$ 889,889,169
Restricted	111,648,309	81,033,992	137,535	151,177	111,785,844	81,185,169
Unrestricted	177,335,993	189,679,012	869,431	2,606,849	178,205,424	192,285,861
Total net position	<u>\$ 1,208,590,464</u>	<u>\$ 1,145,210,316</u>	<u>\$ 17,544,905</u>	<u>\$ 18,149,883</u>	<u>\$ 1,226,135,369</u>	<u>\$ 1,163,360,199</u>

Dakota County's total net position increased by \$60,917,713 from 2019's ending balance. This change can be attributed to a combination of factors, with the primary change occurring in additional reimbursements for grants for highway projects and investment earnings.

A portion of Dakota County's net position, \$111,785,844 or 9.12% represents resources that are subject to external restrictions on how they may be used. Restricted net position increased \$30,600,675 during the current fiscal year. The remaining balance of unrestricted net position of \$178,205,424 may be used to meet Dakota County's obligations to citizens and creditors.

As indicated above, Dakota County had positive balances in all three categories of net position at the end of 2020, including the government as a whole, and in each type of activity.

Dakota County, Minnesota | December 31, Management's Discussion and Analysis | 2020

Governmental Activities. The Governmental activities' net position makes up the majority of the County's total net position. These activities increased by \$61,522,691 from 2019 due to increases in grant reimbursements for transportation projects and investment earnings.

Business-type Activities. Business-type activities incurred a decrease from 2020's net position by \$604,978 accounting for (0.95)% of the total change in the government's net position. Infrastructure improvements and transfers from governmental activities make up the majority of the increase in activity.

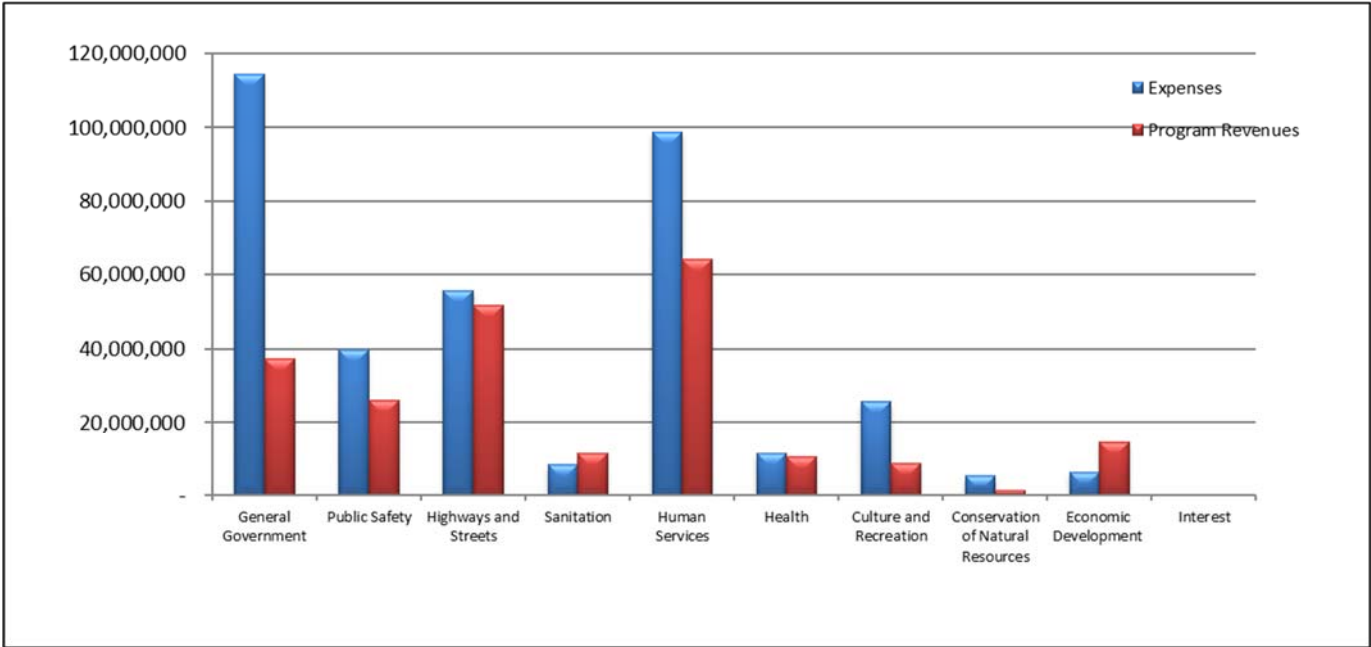
Dakota County's Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program revenues:						
Fees, charges, fines and other	\$ 25,260,934	\$ 28,103,989	\$ 640,757	\$ 709,361	\$ 25,901,691	\$ 28,813,350
Operating grants & contributions	183,952,498	115,690,261	-	1,149,604	183,952,498	116,839,865
Capital grants & contributions	16,586,747	7,650,349	-	-	16,586,747	7,650,349
General revenues and transfers:						
Taxes	169,183,390	165,722,510	-	-	169,183,390	165,722,510
Grants & contributions not restricted to specific programs	20,408,983	18,963,824	-	-	20,408,983	18,963,824
Investment income	10,633,812	15,343,510	-	-	10,633,812	15,343,510
Other	1,233,097	1,222,619	-	-	1,233,097	1,222,619
Total revenues	\$ 427,259,461	\$ 352,697,062	\$ 640,757	\$ 1,858,965	\$ 427,900,218	\$ 354,556,027
Expenses:						
General government	\$ 114,244,168	\$ 85,859,668	\$ -	\$ -	\$ 114,244,168	\$ 85,859,668
Public safety	39,898,807	46,082,194	-	-	39,898,807	46,082,194
Highways and streets	55,598,564	36,977,152	-	-	55,598,564	36,977,152
Sanitation	8,296,785	7,012,878	-	-	8,296,785	7,012,878
Human services	98,788,720	91,577,154	-	-	98,788,720	91,577,154
Health	11,424,919	11,370,593	-	-	11,424,919	11,370,593
Culture and recreation	25,730,014	19,838,959	-	-	25,730,014	19,838,959
Conservation of natural resources	5,349,827	4,452,761	-	-	5,349,827	4,452,761
Economic development	6,404,966	10,349,954	-	-	6,404,966	10,349,954
Interest	-	4,758	-	-	-	4,758
Operating expenses – GIS	-	-	17,642	672	17,642	672
Operating expenses – Byllesby	-	-	1,228,093	851,568	1,228,093	851,568
Total expenses	\$ 365,736,770	\$ 313,526,071	\$ 1,245,735	\$ 852,240	\$ 366,982,505	\$ 314,378,311
Increase (decrease) in net position	\$ 61,522,691	\$ 39,170,991	\$ (604,978)	\$ 1,006,725	\$ 60,917,713	\$ 40,177,716
Transfers	-	(5,602,279)	-	5,602,279	-	-
Net position January 1	1,145,210,316	1,111,641,604	18,149,883	11,540,879	1,163,360,199	1,123,182,483
Prior period adjustment	1,857,457	-	-	-	1,857,457	-
Net position January 1, restated	\$ 1,147,067,773	\$ 1,111,641,604	\$ 18,149,883	\$ 11,540,879	\$ 1,165,217,656	\$ 1,123,182,483
Net Position December 31	\$ 1,208,590,464	\$ 1,145,210,316	\$ 17,544,905	\$ 18,149,883	\$ 1,226,135,369	\$ 1,163,360,199

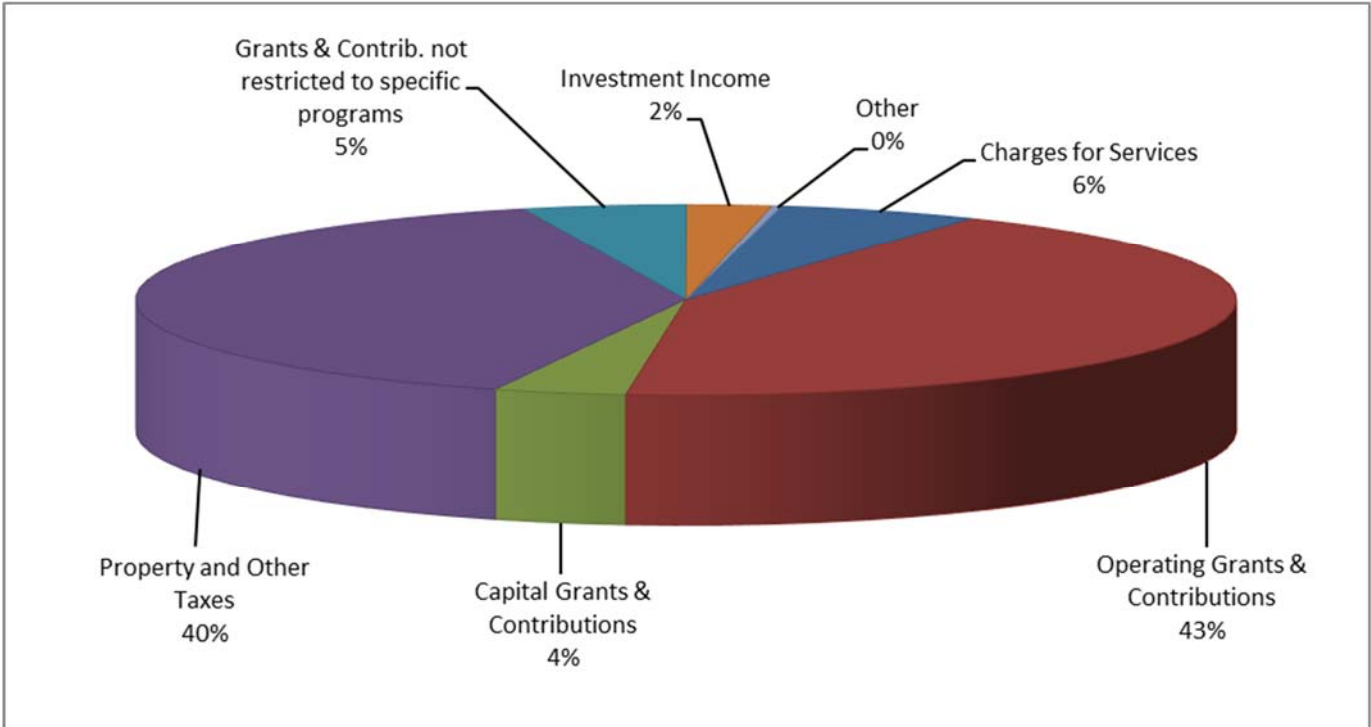
Dakota County, Minnesota Management's Discussion and Analysis

December 31,
2020

Expenses and Program Revenues – Governmental Activities



Revenues by Source – Governmental Activities



Dakota County, Minnesota | December 31, Management's Discussion and Analysis | 2020

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, *committed, assigned and unassigned 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 2020, Dakota County's governmental funds reported combined ending fund balances of \$339,941,838 a net decrease of \$15,481,481 due primarily to additional federal and state aid for transportation and the receipt of the County's Greater Minnesota Transportation Sales and Use Tax. The majority of the fund balance, \$255,323,131, is available for spending at the government's discretion. The remainder of fund balance, \$84,618,707, is not available for general spending due to restrictions for specific purposes or is considered non-spendable.

General Fund. The General Fund is the chief operating fund of Dakota County. At the end of 2020, the General Fund's fund balance was \$142,658,690 of which \$130,370,834 was committed, assigned or unassigned. As a measure of the General Fund's liquidity, it may be useful to compare committed, assigned and unassigned fund balance and total fund balance to total fund expenditures. Committed, assigned and unassigned fund balance represents 48.2% of the 2020 total General Fund expenditures of \$270,465,084, while total fund balance represents 52.7% of total expenditures.

Highway Fund. The Highway Fund's total fund balance at 2020 was \$52,726,803 which is a \$31.6 million decrease from 2019 due to a decrease in grant reimbursements. The reconstruction of County State Aid Highway 78 from Trunk Highway 3 to County Road 79 in Castle Rock Township, of County State-Aid Highway 70 from Kensington Boulevard to CSAH 23 in Lakeville, of County State-Aid Highway 43 at CSAH 26 (Lone Oak Road) in the City of Eagan and of County State-Aid Highway 62 at CSAH 47 (Northfield Boulevard) in Vermillion Township are some of the major projects the Highway staff has been working on.

Environmental Legacy. The Environmental Legacy Fund was established in 2015 from the transfer of activities originally organized within the Environmental Management Fund. These activities represent fees collected for the protection and preservation of the environment. Although the proceeds reported in this fund are from specific revenue sources, the use of these funds are for costs related to environmental projects. The 2020 net fund balance of \$54,938,656 is reported as *committed and restricted fund* balances.

DC Transportation Sales Tax Fund. The DC Transportation Sales Tax Fund was established in 2017. The purpose of this fund is the regional highway and transit investment as part of the broader county transportation system. The DC Transportation Sales Tax Fund's total fund balance at 2020 was \$68,521,967 which is restricted for statutorily defined transportation and transit projects.

Debt Service Fund. The Debt Service Fund has a zero fund balance at the end of the current fiscal year, as all payments for outstanding bonds were paid in full as of February 2016. There are no plans in the near future for new bond issuances.

Capital Projects Fund. The Capital Projects Fund has a zero fund balance. The major projects in 2020 were the construction of the Safety and Mental Health Alternative Response Training (SMART) Center which is scheduled to open late 2021; new point-of-entry screening equipment and building configurations at the Northern and Western Service Center locations; Law Enforcement Center generator replacement; and the maintenance facility optimization project on the Empire Maintenance Facility campus. The majority of the funding for the capital project funds is from transfers from the general fund.

Dakota County, Minnesota | December 31, Management's Discussion and Analysis | 2020

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

Net position restricted for equipment replacement of the *Geographic Information Systems Enterprise Fund* at the end of the year totaled \$137,535, a decrease of \$13,642 from 2019. *The Byllesby Dam Enterprise Fund* increased its investment in capital assets net position balance to \$16,537,939 for the purpose of maintaining the Federal Energy Regulatory Commission mandated spillway upgrade and likewise, decreased the unrestricted net position balance at the end of the year to \$869,431. The *Employee Services Reserve Internal Service Fund*, also regarded as a proprietary fund, has an unrestricted net position balance at the end of the year of \$12,701,168. The net position of the internal service fund increased by \$3,764,844 over the past year due to the increased funds collected for self-insurance costs versus costs in claims paid. Other factors concerning the finances of these 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 General Fund's original budget and the final amended budget shows an increase of \$76,313,639 for expenditures at fiscal year-end. The major changes from original to final budget for expenditures may be summarized as follows:

- \$52.3 million for Coronavirus Aid, Relief, and Economic Security Act (CARES Act)
- \$6.9 million for non-CARES COVID-19 expenditures
- \$1.7 million for 2019 carry-over of unspent funds for data upgrades and expansion of network systems.
- \$10.8 million for carry-over of unspent funds for farmland conservation and matching grant funds.
- \$0.8 million for emergency management grants and 800MHz equipment.
- \$4.2 million in human services for carry-over of unspent funds and increases in grant programs.

The difference between the original budget and final amended budget for revenues was \$66,328,435. The majority of this increase from original to final budget relates to increases in grant funding and carry-overs of 2019 revenues for various programs identified above.

Comparison of Actual Resources to Final Amended Budget

Actual expenditures were \$49,994,715 less than budgeted at fiscal year-end. The variance of final budget versus actual was due to a surplus in salaries and benefits and grant funded projects that have not been completed.

Capital Asset and Debt Administration

Capital Assets. Dakota County's investment in capital assets for its governmental and business-type activities as of December 31, 2020, amounts to \$939,132,723 (net of accumulated depreciation). 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's investment in capital assets for the current fiscal year was \$47,390,729, or 5.3%.

Major capital asset events during 2020 included the following:

- Worked on a variety of county road construction projects, trails, bridges and transit improvements totaling over \$76.8 million.
- Over \$2.4 million in investments of fleet and maintenance vehicles, and software and fiber upgrades.

Dakota County, Minnesota | December 31, Management's Discussion and Analysis | 2020

Dakota County's Capital Assets

	Governmental		Business-type		Total	
	Activities		Activities			
	2020	2019	2020	2019	2020	2019
Land	\$ 274,295,141	\$ 265,098,874	\$ -	\$ -	\$ 274,295,141	\$ 265,098,874
Buildings	146,823,606	134,631,512	-	-	146,823,606	134,631,512
Machinery and equipment	11,218,749	11,430,315	-	-	11,218,749	11,430,315
Infrastructure	399,721,535	365,863,266	9,893,751	10,047,806	409,615,286	375,911,072
Improvements other than buildings	57,436,490	49,146,182	-	-	57,436,490	49,146,182
Construction in progress	33,099,263	50,179,988	6,644,188	5,344,051	39,743,451	55,524,039
Total	\$ 922,594,784	\$ 876,350,137	\$ 16,537,939	\$ 15,391,857	\$ 939,132,723	\$ 891,741,994

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

Long-term Debt. At the end of 2020, Dakota County had zero bonded debt outstanding.

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

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. With the final settlement of outstanding debt in 2016, the debt limitation for the County is not relevant for this report.

Additional information on Dakota County's long-term debt may be found in Note III. G. beginning on page 73 of this report.

Economic Factors and Next Year's Budgets and Rates

- For the sixth year in a row, Dakota County has the lowest property tax rate among the Metropolitan counties. The County has continued to provide services with little increase in overall cost of government to residents. Property tax increases remain below the Consumer Price Index inflation rate.
- Dakota County's property tax values continue to rise, mostly due to appreciation in values. The 2021 total County property tax on a median home is expected to decrease by 1.7% or \$11.02.

On December 15, 2020, the Dakota County Board of Commissioners approved the 2021 budget for \$425.8 million, a decrease of \$27.7 million or 6.1% from the 2020 budget. Under the Adopted Budget, the total operating budget totals \$293.5 million, an increase of \$15.5 million or 5.6% more than the previous year. Additionally, the Adopted Budget includes \$132.3 million for the 2021 Capital Improvement Program (CIP), a decrease of \$43.2 million, or 24.6% less than the 2020 CIP.

The 2021 total property tax levy is \$144.6 million, which is a zero increase over the 2020 levy. Additionally, as a means of helping manage the risk of potential state aid reductions, the adopted budget assigns a portion of general purpose aid to the County's capital budgets.

Dakota County, Minnesota | December 31, Management's Discussion and Analysis | 2020

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 or visit our web site at www.dakotacounty.us.

Complete financial statements for the Dakota County Community Development Agency may be obtained at the CDA's website or in its administrative offices. Questions concerning any of the information should be addressed to the Finance Director of the Dakota County Community Development Agency, 1228 Town Centre Drive, Eagan, Minnesota 55123 or visit their web site at www.dakotacda.org



Basic Financial Statements

This page was left blank intentionally.

**DAKOTA COUNTY
MINNESOTA**

**STATEMENT OF NET POSITION
DECEMBER 31, 2020**

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Community Development Agency	Vermillion River Watershed
<u>Assets</u>					
Cash and pooled investments	\$ 385,029,993	\$ 1,818,081	\$ 386,848,074	\$ 120,608,621	\$ 1,268,336
Petty cash and change funds	20,398	-	20,398	-	-
Investments	-	-	-	17,586,201	-
Taxes receivable					
Current	-	-	-	5,493,172	61,242
Prior	1,401,076	-	1,401,076	-	469
Special assessments receivable	-	-	-	644,941	-
Accounts receivable	2,751,016	-	2,751,016	1,698,903	-
Note receivable	-	-	-	62,742,147	-
Accrued interest receivable	2,226,112	-	2,226,112	2,409,786	-
Loan receivable	-	-	-	-	-
Contracts receivable	-	-	-	-	-
Internal balances	422,505	(422,505)	-	-	-
Due from other governments	71,956,708	-	71,956,708	2,330,028	1,850
Inventories	2,075,738	-	2,075,738	-	-
Prepaid items	220,026	-	220,026	1,017,614	-
Restricted assets					
Cash and pooled investments	-	-	-	29,668,038	-
Investment in joint venture	-	-	-	7,192,608	-
Lease receivable	1,165,204	-	1,165,204	-	-
Capital assets					
Non-depreciable	307,394,404	6,644,188	314,038,592	46,466,759	-
Depreciable - net of accumulated depreciation	615,200,380	9,893,751	625,094,131	226,363,322	-
Total Assets	\$ 1,389,863,560	\$ 17,933,515	\$ 1,407,797,075	\$ 524,222,140	\$ 1,331,897
<u>Deferred Outflows of Resources</u>					
Deferred OPEB outflows	\$ 1,897,000	\$ -	\$ 1,897,000	\$ -	\$ -
Deferred pension outflows	16,012,346	-	16,012,346	-	-
Deferred charge on refundings	-	-	-	11,753	-
Total deferred outflows of resources	\$ 17,909,346	\$ -	\$ 17,909,346	\$ 11,753	\$ -
<u>Liabilities</u>					
Accounts payable	\$ 15,304,181	\$ 383,448	\$ 15,687,629	\$ 4,043,791	\$ 187,337
Salaries payable	7,087,266	-	7,087,266	364,318	-
Contracts payable	2,988,622	5,162	2,993,784	-	-
Due to other governments	3,233,859	-	3,233,859	810,031	-
Accrued interest payable	-	-	-	4,875,549	-
Unearned revenue	4,015,320	-	4,015,320	358,080	-
Compensated absences					
Due within one year	1,199,974	-	1,199,974	560,377	-
Due in more than one year	22,576,596	-	22,576,596	551,292	-
Claims and judgments payable					
Due within one year	2,180,228	-	2,180,228	-	-
Due in more than one year	2,996,511	-	2,996,511	-	-
General obligation bonds payable					
Due within one year	-	-	-	3,490,000	-
Due in more than one year	-	-	-	73,599,030	-
Total OPEB liability					
Due in more than one year	12,108,677	-	12,108,677	-	-

**DAKOTA COUNTY
MINNESOTA**

**STATEMENT OF NET POSITION
DECEMBER 31, 2020**

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Community Development Agency	Vermillion River Watershed
<u>Liabilities (Cont.)</u>					
Net pension liability					
Due in more than one year	\$ 111,134,223	\$ -	\$ 111,134,223	\$ -	\$ -
Notes payable					
Due within one year	-	-	-	1,268,191	-
Due in more than one year	-	-	-	46,478,540	-
Total Liabilities	\$ 184,825,457	\$ 388,610	\$ 185,214,067	\$ 136,399,199	\$ 187,337
<u>Deferred Inflows of Resources</u>					
Deferred pension inflows	\$ 12,942,675	\$ -	\$ 12,942,675	\$ -	\$ -
Deferred OPEB inflows	237,939	-	237,939	-	-
Leases	1,176,371	-	1,176,371	-	-
Deferred property taxes inflow	-	-	-	11,333,306	-
Total deferred inflows of resources	\$ 14,356,985	\$ -	\$ 14,356,985	\$ 11,333,306	\$ -
<u>Net Position</u>					
Net investment in capital assets	\$ 919,606,162	\$ 16,537,939	\$ 936,144,101	\$ 153,603,277	\$ -
Restricted for					
Capital projects	-	-	-	28,902,866	-
General government	839,815	-	839,815	-	-
Public safety	773,022	-	773,022	-	-
Highways and streets	97,955,820	-	97,955,820	-	-
Sanitation	1,854,717	-	1,854,717	-	-
Conservation of natural resources	192,201	-	192,201	-	-
Economic development	8,551,447	-	8,551,447	-	-
Debt service	-	-	-	44,875,321	-
Equipment replacement	1,481,287	137,535	1,618,822	-	-
Federal grants	-	-	-	1,400,630	-
Tax increment	-	-	-	8,381,584	-
HOPE program	-	-	-	4,206,019	-
Unrestricted	177,335,993	869,431	178,205,424	135,131,691	1,144,560
Total Net Position	\$ 1,208,590,464	\$ 17,544,905	\$ 1,226,135,369	\$ 376,501,388	\$ 1,144,560

This page was left blank intentionally.

DAKOTA COUNTY
MINNESOTA

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020

	Program Revenues				Net (Expense) Revenue and Changes in Net Position			Component Units	
	Expenses	Fees, Charges for Services, Fines, and Other	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Community Development Agency	Vermillion River Watershed
					Governmental Activities	Business-Type Activities	Total		
Functions/Programs									
Primary government									
Governmental activities									
General government	\$ 114,244,168	\$ 7,592,650	\$ 29,838,081	\$ -	\$ (76,813,437)	\$ -	\$ (76,813,437)		
Public safety	39,898,807	2,159,857	23,826,050	-	(13,912,900)	-	(13,912,900)		
Highways and streets	55,598,564	627,804	34,866,037	16,232,689	(3,872,034)	-	(3,872,034)		
Sanitation	8,296,785	9,707,364	1,696,560	-	3,107,139	-	3,107,139		
Human services	98,788,720	2,571,490	61,505,763	-	(34,711,467)	-	(34,711,467)		
Health	11,424,919	937,179	9,499,341	-	(988,399)	-	(988,399)		
Culture and recreation	25,730,014	1,083,883	7,292,899	354,058	(16,999,174)	-	(16,999,174)		
Conservation of natural resources	5,349,827	580,707	783,884	-	(3,985,236)	-	(3,985,236)		
Economic development	6,404,966	-	14,643,883	-	8,238,917	-	8,238,917		
Total governmental activities	\$ 365,736,770	\$ 25,260,934	\$ 183,952,498	\$ 16,586,747	\$ (139,936,591)	\$ -	\$ (139,936,591)		
Business-type activities									
Geographic Information System	\$ 17,642	\$ 4,000	\$ -	\$ -	\$ -	\$ (13,642)	\$ (13,642)		
Byllesby Dam	1,228,093	636,757	-	-	-	(591,336)	(591,336)		
Total business-type activities	\$ 1,245,735	\$ 640,757	\$ -	\$ -	\$ -	\$ (604,978)	\$ (604,978)		
Total primary government	\$ 366,982,505	\$ 25,901,691	\$ 183,952,498	\$ 16,586,747	\$ (139,936,591)	\$ (604,978)	\$ (140,541,569)		
Component units									
Community Development Agency	\$ 62,298,076	\$ 33,052,162	\$ 29,640,974	\$ 3,944,374			\$ 4,339,434	\$ -	
Vermillion River Watershed	1,411,767	2,531	452,200	-			-	(957,036)	
Total component units	\$ 63,709,843	\$ 33,054,693	\$ 30,093,174	\$ 3,944,374			\$ 4,339,434	\$ (957,036)	

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, 2020

Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position				
	Fees, Charges for Services, 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
General Revenues								
Property taxes				\$ 144,969,549	\$ -	\$ 144,969,549	\$ 10,312,761	\$ 966,568
Gravel taxes				866,369	-	866,369	-	-
Mortgage registry and deed tax				896,215	-	896,215	-	-
Wheelage tax				3,969,104	-	3,969,104	-	-
Transit tax				18,482,153	-	18,482,153	-	-
Grants and contributions not restricted to specific programs				20,408,983	-	20,408,983	-	-
Investment earnings				10,633,812	-	10,633,812	1,733,151	16,123
Miscellaneous				1,216,610	-	1,216,610	-	-
Gain on sale of capital assets				16,487	-	16,487	-	-
Total general revenues				\$ 201,459,282	\$ -	\$ 201,459,282	\$ 12,045,912	\$ 982,691
Change in net position				\$ 61,522,691	\$ (604,978)	\$ 60,917,713	\$ 16,385,346	\$ 25,655
Net Position - Beginning, as previously reported				\$ 1,145,210,316	\$ 18,149,883	\$ 1,163,360,199	\$ 360,116,042	\$ 1,118,905
Prior period adjustment (Note I.C.)				1,857,457	-	1,857,457	-	-
Net Position - Beginning				1,147,067,773	18,149,883	1,165,217,656	360,116,042	1,118,905
Net Position - Ending				\$ 1,208,590,464	\$ 17,544,905	\$ 1,226,135,369	\$ 376,501,388	\$ 1,144,560

**DAKOTA COUNTY
MINNESOTA**

**BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2020**

	<u>General</u>	<u>Highway</u>	<u>Environmental Legacy</u>	<u>DC Transportation Sales Tax</u>	<u>Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>Assets</u>							
Cash and pooled investments	\$ 149,239,410	\$ 54,619,485	\$ 55,043,363	\$ 67,949,329	\$ -	\$ 12,833,711	\$ 339,685,298
Petty cash and change funds	15,760	-	-	-	-	4,638	20,398
Taxes receivable							
Prior	1,190,141	43,613	1,221	-	27,108	138,993	1,401,076
Accounts receivable	960,024	413,927	1,054,064	-	792	322,155	2,750,962
Accrued interest receivable	2,226,112	-	-	-	-	-	2,226,112
Due from other funds	21,819,530	674,271	3,020,703	-	21,588,991	5,840,396	52,943,891
Due from other governments	20,968,119	43,328,352	-	3,395,433	-	4,264,750	71,956,654
Prepaid items	220,026	-	-	-	-	-	220,026
Inventories	808,515	1,267,223	-	-	-	-	2,075,738
Lease receivable	1,165,204	-	-	-	-	-	1,165,204
Total Assets	\$ 198,612,841	\$ 100,346,871	\$ 59,119,351	\$ 71,344,762	\$ 21,616,891	\$ 23,404,643	\$ 474,445,359
<u>Liabilities, Deferred Inflows of Resources and Fund Balances</u>							
Liabilities							
Accounts payable	\$ 8,240,872	\$ 1,339,816	\$ 685,412	\$ 1,440,499	\$ 1,519,984	\$ 795,750	\$ 14,022,333
Salaries payable	6,230,804	318,937	127,942	-	-	409,583	7,087,266
Claims and judgments payable - current	32,900	-	-	-	-	-	32,900
Contracts payable	28,369	1,355,343	-	466,520	827,287	311,103	2,988,622
Due to other funds	33,063,369	927,813	2,543,408	900,075	19,246,018	514,102	57,194,785
Due to other governments	3,215,167	-	1,206	15,701	-	1,785	3,233,859
Unearned revenue - other	2,035,281	1,003,118	821,530	-	-	155,391	4,015,320
Total Liabilities	\$ 52,846,762	\$ 4,945,027	\$ 4,179,498	\$ 2,822,795	\$ 21,593,289	\$ 2,187,714	\$ 88,575,085
Deferred Inflows of Resources							
Unavailable revenue	\$ 1,931,018	\$ 13,241,188	\$ 1,197	\$ -	\$ 23,602	\$ 121,207	\$ 15,318,212
Leases	1,176,371	-	-	-	-	-	1,176,371
Revenues deferred for highway allotments	-	29,433,853	-	-	-	-	29,433,853
Total Deferred Inflows of Resources	\$ 3,107,389	\$ 42,675,041	\$ 1,197	\$ -	\$ 23,602	\$ 121,207	\$ 45,928,436

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

**BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2020**

	<u>General</u>	<u>Highway</u>	<u>Environmental Legacy</u>	<u>DC Transportation Sales Tax</u>	<u>Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>Liabilities, Deferred Inflows of Resources and Fund Balances (Continued)</u>							
Fund Balances							
Non-spendable:							
Inventories	\$ 808,515	\$ 1,267,223	\$ -	\$ -	\$ -	\$ -	\$ 2,075,738
Prepays	220,026	-	-	-	-	-	220,026
Missing heirs	108,487	-	-	-	-	-	108,487
Restricted for:							
Law library	-	-	-	-	-	365,482	365,482
Recorder's equipment purchases	1,481,287	-	-	-	-	-	1,481,287
Victim Witness	103,215	-	-	-	-	-	103,215
Boat and water	493,200	-	-	-	-	-	493,200
Attorney-Diversion	129,350	-	-	-	-	-	129,350
Sheriff-Alcohol compliance	2,522	-	-	-	-	-	2,522
Criminal forfeitures	65,708	-	-	-	-	129,261	194,969
Permit to carry	277,300	-	-	-	-	-	277,300
Gravel pit restoration	-	-	1,854,717	-	-	-	1,854,717
Aquatic invasive species	-	-	192,201	-	-	-	192,201
Transportation and transit	-	-	-	68,521,967	-	-	68,521,967
Child support fees	46,799	-	-	-	-	-	46,799
Pandemic response	8,551,447	-	-	-	-	-	8,551,447
Committed to:							
Protection, preservation or enhancement of environment	-	-	52,891,738	-	-	-	52,891,738
Assigned to:							
Public safety	20,842	-	-	-	-	-	20,842
Highways and streets	-	51,459,580	-	-	-	-	51,459,580
Culture and recreation	-	-	-	-	-	9,604,276	9,604,276
Economic development	-	-	-	-	-	10,996,703	10,996,703
Liability and loss reserve	1,746,595	-	-	-	-	-	1,746,595
CJIN RMS	211,020	-	-	-	-	-	211,020
CJIN Enterprise	945,994	-	-	-	-	-	945,994
Unassigned	127,446,383	-	-	-	-	-	127,446,383
Total Fund Balances	\$ 142,658,690	\$ 52,726,803	\$ 54,938,656	\$ 68,521,967	\$ -	\$ 21,095,722	\$ 339,941,838
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 198,612,841	\$ 100,346,871	\$ 59,119,351	\$ 71,344,762	\$ 21,616,891	\$ 23,404,643	\$ 474,445,359

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

**DAKOTA COUNTY
MINNESOTA**

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2020**

Fund balances - total governmental funds	\$	339,941,838
Amounts reported for governmental activities in the statement of net position 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.		922,594,784
Other long-term assets are not available to pay for current period expenditures and, therefore, are unavailable in the governmental funds.		44,752,065
Deferred outflows of resources resulting from pension obligations are not available resources and, therefore, are not reported in governmental funds.		16,012,346
An internal service fund is used by management to account for services provided to departments by employees, specifically employee benefits including compensated absences and other post employment benefits. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.		12,701,168
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds.		
Claims and judgments payable	\$ (3,334,839)	
Net pension liability	<u>(111,134,223)</u>	(114,469,062)
Deferred inflows resulting from pension obligations are not due and payable in the current period, and, therefore, are not reported in the governmental funds.		<u>(12,942,675)</u>
Net position of governmental activities	\$	<u>1,208,590,464</u>

This page was left blank intentionally.

**DAKOTA COUNTY
MINNESOTA**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>General</u>	<u>Highway</u>	<u>Environmental Legacy</u>	<u>DC Transportation Sales Tax</u>	<u>Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues							
Taxes	\$ 123,624,403	\$ 8,480,784	\$ 208,996	\$ 18,482,153	\$ 3,328,509	\$ 14,834,199	\$ 168,959,044
Licenses and permits	762,058	281,267	1,019,136	-	-	129,312	2,191,773
Intergovernmental	158,273,245	28,867,203	2,441,808	318,712	316,194	8,771,609	198,988,771
Charges for services	11,044,824	818,191	8,469,600	100,000	-	1,061,850	21,494,465
Fines and forfeits	10,038	-	-	-	-	56,714	66,752
Gifts and contributions	15,783	-	-	-	-	38,553	54,336
Investment earnings	9,998,663	-	-	-	-	437,499	10,436,162
Miscellaneous	3,678,722	182,693	620,750	-	5,110	105,204	4,592,479
Total Revenues	\$ 307,407,736	\$ 38,630,138	\$ 12,760,290	\$ 18,900,865	\$ 3,649,813	\$ 25,434,940	\$ 406,783,782
Expenditures							
Current							
General government	\$ 98,698,070	\$ -	\$ -	\$ -	\$ -	\$ 481,137	\$ 99,179,207
Public safety	47,978,646	-	-	-	-	-	47,978,646
Highways and streets	247,824	70,571,653	-	12,116,734	-	-	82,936,211
Sanitation	-	-	8,427,367	-	-	-	8,427,367
Human services	101,739,931	-	-	-	-	-	101,739,931
Health	12,100,456	-	-	-	-	-	12,100,456
Culture and recreation	712,294	-	-	-	-	32,939,810	33,652,104
Conservation of natural resources	2,636,404	-	2,864,901	-	-	-	5,501,305
Economic development	6,351,459	-	-	-	-	147,063	6,498,522
Capital outlay	-	-	-	-	25,427,764	-	25,427,764
Total Expenditures	\$ 270,465,084	\$ 70,571,653	\$ 11,292,268	\$ 12,116,734	\$ 25,427,764	\$ 33,568,010	\$ 423,441,513
Excess of Revenues Over (Under) Expenditures	\$ 36,942,652	\$ (31,941,515)	\$ 1,468,022	\$ 6,784,131	\$ (21,777,951)	\$ (8,133,070)	\$ (16,657,731)

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, 2020**

	<u>General</u>	<u>Highway</u>	<u>Environmental Legacy</u>	<u>DC Transportation Sales Tax</u>	<u>Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Other Financing Sources (Uses)							
Transfers in	\$ 1,191,113	\$ -	\$ 3,000,000	\$ -	\$ 21,497,381	\$ 4,193,869	\$ 29,882,363
Transfers out	(26,466,947)	-	(2,485,335)	(308,828)	-	-	(29,261,110)
Proceeds from sale of assets	191,474	-	-	-	-	-	191,474
Total Other Financing Sources (Uses)	\$ (25,084,360)	\$ -	\$ 514,665	\$ (308,828)	\$ 21,497,381	\$ 4,193,869	\$ 812,727
Net Change in Fund Balance	\$ 11,858,292	\$ (31,941,515)	\$ 1,982,687	\$ 6,475,303	\$ (280,570)	\$ (3,939,201)	\$ (15,845,004)
Fund Balance - January 1, Restated (Note I.C.)	130,744,367	84,360,826	52,955,969	62,046,664	280,570	25,034,923	355,423,319
Increase (decrease) in inventories	56,031	307,492	-	-	-	-	363,523
Fund Balance - December 31	<u>\$ 142,658,690</u>	<u>\$ 52,726,803</u>	<u>\$ 54,938,656</u>	<u>\$ 68,521,967</u>	<u>\$ -</u>	<u>\$ 21,095,722</u>	<u>\$ 339,941,838</u>

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

**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, 2020**

Net change in fund balances - total governmental funds **\$ (15,845,004)**

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	\$ 71,920,254	
Current year depreciation	<u>(25,653,659)</u>	46,266,595

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 position differs from the change in fund balance by the net book value of the disposed capital assets. (21,948)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. The adjustment to revenue is the increase or decrease in unavailable revenue.

Unavailable revenue - December 31	\$ 44,752,065	
Unavailable revenue - January 1	<u>(23,138,269)</u>	21,613,796

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

An internal service fund is used by management to account for services provided to departments by employees, specifically employee benefits including compensated absences and other post employment benefits. The net revenue of certain activities of the internal service fund is reported with governmental activities. 3,764,844

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 claims and judgments payable	\$ (559,242)	
Change in net pension liability	(13,424,387)	
Change in deferred outflows of resources	(202,259)	
Change in deferred inflows of resources	19,566,773	
Change in inventories	<u>363,523</u>	<u>5,744,408</u>

Change in net position of governmental activities **\$ 61,522,691**

**DAKOTA COUNTY
MINNESOTA**

**BUDGETARY COMPARISON STATEMENT
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 124,602,697	\$ 124,497,474	\$ 123,624,403	\$ (873,071)
Licenses and permits	929,250	929,250	762,058	(167,192)
Intergovernmental	81,259,526	157,216,376	158,273,245	1,056,869
Charges for services	21,720,144	11,627,644	11,044,824	(582,820)
Fines and forfeits	20,000	20,000	10,038	(9,962)
Gifts and contributions	2,500	2,500	15,783	13,283
Investment earnings	8,266,969	8,519,925	9,998,663	1,478,738
Miscellaneous	3,631,675	3,948,027	3,678,722	(269,305)
Total Revenues	\$ 240,432,761	\$ 306,761,196	\$ 307,407,736	\$ 646,540
Expenditures				
Current				
General government				
Commissioners	\$ 871,265	\$ 887,447	\$ 837,116	\$ 50,331
Courts services	457,413	457,413	587,117	(129,704)
County administration	2,143,158	2,377,089	1,655,059	722,030
OMB division administration	3,226,088	3,992,227	3,502,144	490,083
Public service and revenue admin	648,391	928,399	803,397	125,002
Service and license centers	2,457,607	2,654,235	2,510,724	143,511
Property taxation and records	4,515,953	4,542,696	4,037,201	505,495
County assessor	4,152,590	4,190,853	4,126,031	64,822
Elections	786,361	2,250,212	2,232,169	18,043
Accounting and auditing	3,099,488	3,254,048	3,155,577	98,471
Information technology	14,942,981	22,045,104	19,450,200	2,594,904
Operations management services	16,296,288	18,087,886	15,468,093	2,619,793
Employee relations	3,001,230	3,384,692	3,002,115	382,577
Attorney	8,293,214	9,222,336	8,118,899	1,103,437
Risk management	3,107,039	5,481,665	4,489,938	991,727
Physical development administration	2,898,058	3,412,189	2,843,320	568,869
Communications	952,472	1,111,089	929,165	181,924
County-wide operations	8,206,968	21,825,345	20,141,973	1,683,372
Veterans service officer	785,242	880,043	807,832	72,211
Total general government	\$ 80,841,806	\$ 110,984,968	\$ 98,698,070	\$ 12,286,898
Public safety				
Sheriff	\$ 25,012,233	\$ 40,504,790	\$ 25,443,145	\$ 15,061,645
Coroner	1,469,828	1,469,828	1,469,828	-
Community corrections	21,634,076	22,945,469	21,065,673	1,879,796
Total public safety	\$ 48,116,137	\$ 64,920,087	\$ 47,978,646	\$ 16,941,441

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, 2020**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Expenditures				
Current (Continued)				
Highway and streets				
Other-highway and streets	\$ 1,680	\$ 359,879	\$ 247,824	\$ 112,055
Human services				
Administration	\$ 2,470,986	\$ 3,000,973	\$ 2,005,151	\$ 995,822
Income maintenance	30,285,718	31,809,005	29,382,302	2,426,703
Social services	63,599,859	76,119,711	70,352,478	5,767,233
Total human services	\$ 96,356,563	\$ 110,929,689	\$ 101,739,931	\$ 9,189,758
Health				
Public health	\$ 11,786,812	\$ 16,748,019	\$ 12,100,456	\$ 4,647,563
Culture and recreation				
Historical society	\$ 107,185	\$ 132,185	\$ 132,185	\$ -
County fair	191,117	191,117	191,117	-
Parks	243,000	303,487	388,758	(85,271)
County library	-	-	234	(234)
Total culture and recreation	\$ 541,302	\$ 626,789	\$ 712,294	\$ (85,505)
Conservation of natural resources				
Soil and water conservation	\$ 331,302	\$ 331,302	\$ 331,302	\$ -
Farmland and natural area program	1,900,000	10,788,214	1,939,794	8,848,420
County extension	370,441	389,412	332,112	57,300
Other conservaton	-	-	33,196	(33,196)
Total conservation of natural resources	\$ 2,601,743	\$ 11,508,928	\$ 2,636,404	\$ 8,872,524
Economic development				
Administration	\$ -	\$ -	\$ 3,074,377	\$ (3,074,377)
Community development	3,900,117	4,381,440	3,277,082	1,104,358
Total economic development	\$ 3,900,117	\$ 4,381,440	\$ 6,351,459	\$ (1,970,019)
Total Expenditures	\$ 244,146,160	\$ 320,459,799	\$ 270,465,084	\$ 49,994,715

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, 2020**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Excess of Revenues Over (Under) Expenditures	\$ (3,713,399)	\$ (13,698,603)	\$ 36,942,652	\$ 50,641,255
Other Financing Sources (Uses)				
Transfers in	\$ 621,253	\$ 1,191,113	\$ 1,191,113	\$ -
Transfers out	(12,464,928)	(26,466,947)	(26,466,947)	-
Proceeds from sale of assets	298,500	298,500	191,474	(107,026)
Total Other Financing Sources (Uses)	\$ (11,545,175)	\$ (24,977,334)	\$ (25,084,360)	\$ (107,026)
Net Change in Fund Balance	\$ (15,258,574)	\$ (38,675,937)	\$ 11,858,292	\$ 50,534,229
Fund Balance - January 1	130,744,367	130,744,367	130,744,367	-
Increase (decrease) in inventories	-	-	56,031	56,031
Fund Balance - December 31	\$ 115,485,793	\$ 92,068,430	\$ 142,658,690	\$ 50,590,260

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, 2020**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 8,439,608	\$ 8,383,608	\$ 8,480,784	\$ 97,176
Licenses and permits	226,534	226,534	281,267	54,733
Intergovernmental	65,944,106	158,489,699	28,867,203	(129,622,496)
Charges for services	1,341,497	1,394,547	818,191	(576,356)
Miscellaneous	254,020	254,020	182,693	(71,327)
Total Revenues	\$ 76,205,765	\$ 168,748,408	\$ 38,630,138	\$ (130,118,270)
Expenditures				
Current				
Highway and streets				
Administration	\$ 1,286,220	\$ 1,292,169	\$ 1,639,978	\$ (347,809)
Maintenance	7,356,238	7,356,238	7,114,768	241,470
Construction	76,963,875	144,351,434	61,046,508	83,304,926
Survey	747,837	747,837	770,399	(22,562)
Total Expenditures	\$ 86,354,170	\$ 153,747,678	\$ 70,571,653	\$ 83,176,025
Excess of Revenues Over (Under) Expenditures	\$ (10,148,405)	\$ 15,000,730	\$ (31,941,515)	\$ (46,942,245)
Net Change in Fund Balance	\$ (10,148,405)	\$ 15,000,730	\$ (31,941,515)	\$ (46,942,245)
Fund Balance - January 1	84,360,826	84,360,826	84,360,826	-
Increase (decrease) in inventories	-	-	307,492	307,492
Fund Balance - December 31	\$ 74,212,421	\$ 99,361,556	\$ 52,726,803	\$ (46,634,753)

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

**DAKOTA COUNTY
MINNESOTA**

**BUDGETARY COMPARISON STATEMENT
BUDGET AND ACTUAL
ENVIRONMENTAL LEGACY SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 160,000	\$ 230,000	\$ 208,996	\$ (21,004)
Licenses and permits	1,020,272	1,020,272	1,019,136	(1,136)
Intergovernmental	2,436,944	2,443,631	2,441,808	(1,823)
Charges for services	7,521,676	7,521,676	8,469,600	947,924
Miscellaneous	608,902	608,902	620,750	11,848
Total Revenues	\$ 11,747,794	\$ 11,824,481	\$ 12,760,290	\$ 935,809
Expenditures				
Current				
Sanitation				
Solid waste	\$ 6,683,394	\$ 12,749,905	\$ 8,427,367	\$ 4,322,538
Total Sanitation	\$ 6,683,394	\$ 12,749,905	\$ 8,427,367	\$ 4,322,538
Conservation of natural resources				
Water resources	\$ 3,090,940	\$ 3,635,969	\$ 2,864,901	\$ 771,068
Total conservation of natural resources	\$ 3,090,940	\$ 3,635,969	\$ 2,864,901	\$ 771,068
Total Expenditures	\$ 9,774,334	\$ 16,385,874	\$ 11,292,268	\$ 5,093,606
Excess of Revenues Over (Under) Expenditures	\$ 1,973,460	\$ (4,561,393)	\$ 1,468,022	\$ 6,029,415
Other Financing Sources (Uses)				
Transfers in	\$ -	\$ 3,000,000	\$ 3,000,000	\$ -
Transfers out	(5,243,480)	(7,517,401)	(2,485,335)	5,032,066
Total Other Financing Sources (Uses)	\$ (5,243,480)	\$ (4,517,401)	\$ 514,665	\$ 5,032,066
Change in Fund Balance	\$ (3,270,020)	\$ (9,078,794)	\$ 1,982,687	\$ 11,061,481
Fund Balance - January 1	52,955,969	52,955,969	52,955,969	-
Fund Balance - December 31	\$ 49,685,949	\$ 43,877,175	\$ 54,938,656	\$ 11,061,481

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

**DAKOTA COUNTY
MINNESOTA**

**BUDGETARY COMPARISON STATEMENT
BUDGET AND ACTUAL
DC TRANSPORTATION SALES TAX SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 14,644,476	\$ 14,644,476	\$ 18,482,153	\$ 3,837,677
Intergovernmental	17,907,000	21,072,497	318,712	(20,753,785)
Charges for services	-	-	100,000	100,000
Total Revenues	<u>\$ 32,551,476</u>	<u>\$ 35,716,973</u>	<u>\$ 18,900,865</u>	<u>\$ (16,816,108)</u>
Expenditures				
Current				
Highway and streets				
Administration	\$ 32,551,476	\$ 40,643,080	\$ 12,116,734	\$ 28,526,346
Total Expenditures	<u>\$ 32,551,476</u>	<u>\$ 40,643,080</u>	<u>\$ 12,116,734</u>	<u>\$ 28,526,346</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ (4,926,107)</u>	<u>\$ 6,784,131</u>	<u>\$ 11,710,238</u>
Other Financing Sources (Uses)				
Transfers out	\$ (1,000,000)	\$ (1,000,000)	\$ (308,828)	\$ 691,172
Total Other Financing Sources (Uses)	<u>\$ (1,000,000)</u>	<u>\$ (1,000,000)</u>	<u>\$ (308,828)</u>	<u>\$ 691,172</u>
Net Change in Fund Balance	<u>\$ (1,000,000)</u>	<u>\$ (5,926,107)</u>	<u>\$ 6,475,303</u>	<u>\$ 12,401,410</u>
Fund Balance - January 1, Restated (Note I.C.)	<u>60,189,207</u>	<u>60,189,207</u>	<u>60,189,207</u>	<u>-</u>
Fund Balance - December 31	<u><u>\$ 59,189,207</u></u>	<u><u>\$ 54,263,100</u></u>	<u><u>\$ 66,664,510</u></u>	<u><u>\$ 12,401,410</u></u>

DAKOTA COUNTY
MINNESOTA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2020

	Nonmajor Enterprise Funds	Governmental Activities - Employee Services Reserve Internal Service Fund
<u>Assets</u>		
Current assets:		
Cash and pooled investments	\$ 1,818,081	\$ 45,344,695
Accounts receivable (net)	-	54
Due from other funds	-	5,304,944
Due from other governments	-	54
Total current assets	<u>\$ 1,818,081</u>	<u>\$ 50,649,747</u>
Noncurrent assets		
Capital assets:		
Nondepreciable:		
Construction in progress	\$ 6,644,188	\$ -
Depreciable (net)	9,893,751	-
Total noncurrent assets	<u>\$ 16,537,939</u>	<u>\$ -</u>
Total Assets	<u>\$ 18,356,020</u>	<u>\$ 50,649,747</u>
<u>Deferred Outflows of Resources</u>		
Deferred outflows - OPEB	<u>\$ -</u>	<u>\$ 1,897,000</u>
Total deferred outflows of resources	<u>\$ -</u>	<u>\$ 1,897,000</u>
<u>Liabilities</u>		
Current liabilities:		
Accounts payable	\$ 383,448	\$ 1,281,848
Claims and judgements payable - current	-	1,809,000
Compensated absences payable - current	-	1,199,974
Contracts payable	5,162	-
Due to other funds	422,505	631,545
Total current liabilities	<u>\$ 811,115</u>	<u>\$ 4,922,367</u>
Noncurrent liabilities:		
Compensated absences payable - long-term	\$ -	\$ 22,576,596
Total OPEB liability	-	12,108,677
Total noncurrent liabilities	<u>\$ -</u>	<u>\$ 34,685,273</u>
Total Liabilities	<u>\$ 811,115</u>	<u>\$ 39,607,640</u>
<u>Deferred Inflows of Resources</u>		
Deferred inflows - OPEB	<u>\$ -</u>	<u>\$ 237,939</u>
Net Position		
Investment in capital assets	\$ 16,537,939	\$ -
Restricted for		
Equipment replacement	137,535	-
Unrestricted	869,431	12,701,168
Total Net Position	<u>\$ 17,544,905</u>	<u>\$ 12,701,168</u>

**DAKOTA COUNTY
MINNESOTA**

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Nonmajor Enterprise Funds	Governmental Activities - Employee Services Reserve Internal Service Fund
	<u> </u>	<u> </u>
Operating Revenues		
Charges for services	\$ 640,757	\$ 35,244,614
Miscellaneous	-	8,125
	<u> </u>	<u> </u>
Total Operating Revenues	\$ 640,757	\$ 35,252,739
Operating Expenses		
Personal services	\$ -	\$ 3,906,944
Professional services	-	187,939
Medical claims	-	24,406,177
Repairs and maintenance	1,074,038	-
Administration and fiscal services	-	1,646,081
OPEB expense	-	760,000
Depreciation	154,055	-
Other services and charges	17,642	10,351
	<u> </u>	<u> </u>
Total Operating Expenses	\$ 1,245,735	\$ 30,917,492
Operating income (loss)	\$ (604,978)	\$ 4,335,247
Nonoperating revenues (expenses)		
Investment earnings	\$ -	\$ 50,850
	<u> </u>	<u> </u>
Total Nonoperating revenues (expenses)	\$ -	\$ 50,850
Income before contributions and transfers	\$ (604,978)	\$ 4,386,097
Transfers out	<u> </u>	<u> </u>
	-	(621,253)
Change in Net Position	\$ (604,978)	\$ 3,764,844
Net Position - January 1	<u> </u>	<u> </u>
	\$ 18,149,883	\$ 8,936,324
Net Position - December 31	<u> </u>	<u> </u>
	\$ 17,544,905	\$ 12,701,168

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, 2020
Increase (Decrease) in Cash and Cash Equivalents**

	Nonmajor Enterprise Funds	Governmental Activities - Employee Services Reserve Internal Service Fund
	Funds	Service Fund
Cash Flows from Operating Activities		
Receipts from customers and users	\$ 640,757	\$ 8,125
Receipts from internal services provided	-	30,542,593
Payments to suppliers	(714,816)	(25,172,953)
Payments to internal services used	-	450,058
	\$ (74,059)	\$ 5,827,823
Cash Flows from Noncapital Financing Activities		
Due to other funds	\$ (2,561,136)	\$ -
Due from other funds	5,602,279	-
Transfers out	-	(621,253)
	\$ 3,041,143	\$ (621,253)
Cash Flows from Capital and Related Financing Activities		
Intergovernmental	\$ (43)	\$ -
Purchases of capital assets	(1,300,137)	-
	\$ (1,300,180)	\$ -
Cash Flows from Investing Activities		
Investment earnings	\$ -	\$ 50,850
	\$ -	\$ 50,850
Net Increase (Decrease) in Cash and Cash Equivalents	\$ 1,666,904	\$ 5,257,420
Cash and Cash Equivalents at January 1	151,177	40,087,275
Cash and Cash Equivalents at December 31	\$ 1,818,081	\$ 45,344,695
Reconciliation of Operating Income to Net Cash Provided by (Used in) Operating Activities		
Operating income (loss)	\$ (604,978)	\$ 4,335,247
Adjustments to reconcile operating income to net cash provided by (used in) operating activities		
Depreciation expense	\$ 154,055	\$ -
(Increase) decrease in accounts receivable	-	(54)
(Increase) decrease in due from other governments	-	108,915
(Increase) decrease in due from other funds	-	(3,657,882)
Increase (decrease) in accounts payable	371,702	321,595
Increase (decrease) in claims and judgements payable	5,162	(397,000)
Increase (decrease) in compensated absences payable	-	3,896,653
Increase (decrease) in due to other funds	-	460,349
Increase (decrease) in OPEB liability	-	760,000
	\$ 530,919	\$ 1,492,576
Total adjustments	\$ 530,919	\$ 1,492,576
Net Cash Provided by (Used in) Operating Activities	\$ (74,059)	\$ 5,827,823

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

**DAKOTA COUNTY
MINNESOTA**

**STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2020**

	Private-Purpose Trusts	Custodial Funds
<u>Assets</u>		
Cash and pooled investments	\$ 768,455	\$ 46,061,826
Accounts receivable	-	186,065
Due from other governments	110,464	1,253,997
Taxes receivable for other governments	-	1,833,298
	\$ 878,919	\$ 49,335,186
<u>Liabilities</u>		
Accounts payable	\$ 2,102	\$ 1,128,313
Due to other governments	110,464	1,830,382
	\$ 112,566	\$ 2,958,695
<u>Deferred Inflows of Resources</u>		
Unavailable revenue	\$ -	\$ 1,833,298
Taxes collected for future periods	-	37,843,885
	\$ -	\$ 39,677,183
<u>Net Position</u>		
Net position held in trust for other purposes	\$ 749,890	\$ -
Restricted for Individuals, organizations, other governments	16,463	6,753,382
	\$ 766,353	\$ 6,753,382

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

**DAKOTA COUNTY
MINNESOTA**

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Private-Purpose Trusts	Custodial Funds
<u>ADDITIONS:</u>		
Federal Grants	\$ -	\$ 1,720,262
State Grants	623,503	2,099,564
Other agencies	125,116	3,287,143
Contributions	-	
Individuals	-	1,483,794
Property tax collections for other governments	-	658,862,782
Other taxes and fees for other governments	-	593,119
License and fees collected for State	-	33,421,495
Miscellaneous	-	11,959,487
Investment earnings:		
Interest	469	8,134
	\$ 893,111	\$ 713,435,780
<u>DEDUCTIONS:</u>		
Judicial District expenses	\$ 622,420	\$ -
Solid waste expenses	2,460	-
Emergency preparedness expenses	75,103	-
Beneficiary payments to individuals	134,453	4,027,204
Payments of property tax to other governments	-	658,862,782
Payments to state	-	33,556,786
Administrative expense	-	1,071,084
I-Net expenses	-	1,906,540
Payments to other entities	-	13,011,873
	\$ 834,436	\$ 712,436,269
Change in net position	\$ 58,675	\$ 999,511
Net position - January 1, Restated (Note I)	707,678	5,699,797
Net position - December 31	\$ 766,353	\$ 6,699,308

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

This page was left blank intentionally.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Changes in Accounting Principles

The GASB has issued the following Statements that are relevant to the county since the previous Annual Comprehensive Financial Report submission for which the County has not yet implemented.

GASB Statement No. 87 *Leases* – this statement will be effective for the County beginning with the year ending December 31, 2022.

GASB Statement No. 91, *Conduit Debt Obligations* – this statement will be effective for the County beginning with the year ending December 31, 2022.

GASB Statement No. 96, *Subscription-based Information Technology Arrangements* – this statement will be effective beginning with the year ending December 31, 2023.

Implementation Guide No. 2019-1, *Implementation Guidance Update – 2019* – the requirements of this guide will take effect for the County beginning with the year ending December 31, 2021.

Implementation Guide No. 2019-3, *Leases* – the requirements of this guide will take effect for the County beginning with the year ending December 31, 2022.

During the year ended December 31, 2020, the County adopted new accounting guidance by implementing the provisions of GASB Statement No. 84, *Fiduciary Activities*, which establishes criteria for identifying and reporting fiduciary activities. The implementation of this statement has resulted in changing the presentation of the financial statements by recording the Social Welfare Private Purpose Trust Fund that was not previously reported, and including accruals and ending net position to custodial funds not previously required. Beginning net position has been restated to reflect this change.

	Social Welfare Private Purpose Trust Fund	Custodial Funds
Fund Balance - January 1, 2020, as previously reported	\$ -	\$ -
Restatement after separated	6,893	7,742,967
Fund Balance - January 1, 2020 as restated	\$ 6,893	\$ 7,742,967

A. Reporting Entity

Dakota County (County) was established October 27, 1849, and is an organized county having the powers, duties and privileges granted to 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

Dakota County, Minnesota

Notes to the Financial Statements

December 31, 2020

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 Dakota County 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. Dakota County has operational responsibility for the Authority and includes its activity as a blended component unit since there is a mutual financial benefit. 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.

The 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 because of the significance of the relationship between the CDA and the County.

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

Dakota County Community Development Agency
1228 Town Centre Drive
Eagan, Minnesota 55123
www.dakotacda.org

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 because of the significance of the relationship between the VRW and the County. Separate financial statements for the VRW are not available.

Joint Ventures – The County also participates in several joint ventures described in Note IV.D., and in jointly-governed organizations described in Note IV.E.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) 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.

In the government-wide statement of net position, both the governmental and business-type activities columns: (a) are presented on a consolidated basis by column; and (b) are reported on a full-accrual, economic resources basis that recognizes all long-term assets, deferred outflows, deferred inflows and receivables as well as long-term debt and obligations. The County's net position is reported in three parts: (1) net investment in capital assets; (2) restricted net position; and (3) unrestricted net position. The County first utilizes restricted resources to finance qualifying activities.

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, the blended component unit, 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. Proceeds of long-term debt and acquisitions under capital leases are reported as other financing sources.

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, Minnesota

Notes to the Financial Statements

December 31, 2020

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 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 restricted intergovernmental revenue from local, state and federal governments.

Environmental Legacy Special Revenue Fund accounts for environmental management activities within the county including waste reduction, planning, administration, regulation and education. These activities are primarily funded by restricted, committed or assigned revenue from state and federal governments.

DC Transportation Sales Tax Fund accounts for the transit sales and use tax and vehicle excise tax and the expenditures of the qualified projects.

Debt Service Fund accounts for the resources restricted, committed or assigned for principal and interest on long-term general obligation debt of the government. The County made the final payment for its general obligation bonds in 2016 so there was no activity in 2019.

Capital Projects Fund accounts for financial resources, restricted, committed or assigned, to be used for the acquisition or construction of major capital facilities.

The government reports the following non-major governmental funds:

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

- County Library Fund accounts for the operating cost of the Dakota County Library. Financing is provided by an annual property tax levy.
- County Parks Special Revenue Fund accounts for park acquisition, development and operating costs. Financing is provided by an annual property tax levy and restricted grants from Metropolitan Council.
- Regional Rail Special Revenue Fund accounts 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 accounts 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 accounts 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.

- *Geographic Information System Fund* accounts for the sale of geographic information such as data and maps.
- *Byllesby Dam Fund* accounts for the net revenue generated from producing electricity at the Byllesby Dam Hydro-electric facility and subsequently sold to Xcel Energy after expenses paid to a third-party operator contracted to operate the turbines and generators.

Employee Services Reserve Internal Service Fund accounts for the employee insurance and 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 Fund* accounts for certain expenses of the District and its 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 expenses for Dakota County District Court which is reimbursed by the state.
- *Rural Solid Waste Commission Fund* 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 the Commission.
- *Domestic Preparedness Team 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.
- *Social Welfare Fund* accounts for clients' receipts from Social Security and maternity support, legal settlements, and Veterans Administration used for personal needs of the client.

Custodial Funds are used to account for assets held by the County as an agent for individuals, private organizations, other governments, or other funds. Custodial funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The custodial fund accounts for the proceeds from the sales of vehicles forfeited for DUI, for all monies collected per State statute for sale of lands forfeited for unpaid taxes, for the State's share of funding for agricultural preserve property tax credit, for monies deducted from employees' salaries for benefits and payments on their behalf, for collection and payments of civil fees due to different municipalities and agencies, for cash seized as evidence or pending forfeiture action, for funds received from individuals booked into the County jail and returned to the individual upon their release, for receipts from redemption's, executions, sheriff sales and subsequently paid out, for clients' receipts from Social Security and maternity support, legal settlements, and Veterans Administration used for personal needs of the client, for the fees and fines collected which are to be remitted to the State and for the collection and payment of tax and penalties to various taxing districts.

During 2020 it was determined that transportation tax revenues were not recognized as revenue in the proper period. In accordance with the provisions of GASB Statement No. 33, derived tax revenue should be recognized when both the exchange transaction on which the tax is imposed has occurred and the resources are available.

Dakota County, Minnesota

Notes to the Financial Statements

December 31, 2020

The effect of the adjustment was to increase the net position of governmental activities and beginning fund balance of the DC Transportation Sales Tax Fund by \$1,857,457.

	DC Transportation Sales Tax
Fund Balance - January 1, 2020, as previously reported	\$ 60,189,207
Prior Period Adjustment	1,857,457
Fund Balance - January 1, 2020, as restated	\$ 62,046,664

The County's financial statements are prepared in accordance with GAAP as of and for the year ended December 31, 2020. The GASB is responsible for establishing GAAP for state and local governments through its pronouncements (statements and interpretations). The more significant accounting policies established in GAAP and used by the County are discussed below.

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 Byllesby Dam's primary source of revenue is the sale of electricity it generates from its hydro-electric facility. 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, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

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. State statutes authorize the County and the CDA 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 or amortized cost.

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 non-spendable 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 1st on property values assessed as of the prior year. The tax levy is divided into two billings: the first half is due May 15th; the second half is due either October 15th or November 15th. 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 31st are considered delinquent. The CDA's property tax levy is certified in December of each year to finance the budgeted expenditures of the subsequent fiscal year beginning on July 1st.

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 the 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 and are evaluated based on the consumption method.

4. *Restricted Assets*

Certain funds of the County are classified as restricted assets on the statement of net position 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 one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value. Computer software has a threshold of \$50,000 and is included in the category of Machinery and Equipment. Infrastructure has a threshold of \$50,000, Buildings and Building Improvements have a \$50,000 threshold, and Land has no minimum threshold; while Land Improvements have a \$50,000 threshold. Machinery and Equipment has a \$5,000 threshold and Controllable Items have no minimum threshold.

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, Minnesota

Notes to the Financial Statements

December 31, 2020

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.

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	1-10
Land Improvements	10-30

For the CDA the estimated useful lives are:

<u>Assets</u>	<u>Years</u>
Land Improvements	15
Buildings & Improvements	10-40
Furniture & Equipment	3-10

6. *Deferred Outflows/Inflows of Resources*

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Currently, the County has two items, deferred pension outflows and deferred OPEB outflows that qualify for reporting in this category. These outflows arise only under the full accrual basis of accounting and consist of changes in actuarial assumptions, pension plan contributions paid subsequent to the measurement date and also the differences between projected and actual earnings on pension plan investments, and accordingly, are reported only in the statement of net position. The CDA also reports a deferred charge on refunding in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Both the County and the CDA have items that qualify for reporting in this category. The County has deferred OPEB inflows and deferred pension inflows, which arise only under the full accrual basis of accounting. Deferred OPEB inflow consist of changes in actuarial assumptions and deferred pension inflows consist of differences between expected and actual pension plan economic experience and also pension plan changes in proportionate share, and accordingly are reported only in the statement of net position. Additionally, the County has unavailable revenue which is reported in the governmental funds balance sheet. The governmental funds report unavailable revenues from the following sources: property taxes, charges for services, grants receivable and miscellaneous revenue. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become

available. For the CDA, unavailable revenue is reported from property taxes, loan repayments and special assessments. Because taxes are levied for subsequent periods, such amounts are reported as a deferred inflow of resources in both the government-wide and the fund financial statements at June 30th.

7. Pension Plan

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

8. Net Position Flow Assumption

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

9. 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 position. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements. The current portion consists of those payments made to post-employment health care on behalf of the employees within 60 days of the year-end.

10. Long-Term Obligations

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

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

11. Classification of Net Position

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

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

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

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

12. Classification of Fund Balances

Fund balance is divided into five classifications based primarily on the extent to which Dakota County is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

Non-spendable - this fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash.

Restricted - fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions or enabling legislation.

Committed - the committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (resolution) of the County Board. Those committed amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts.

Assigned - amounts in the assigned fund balance classification the County intends to use for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents items set aside for capital projects or grant programs unspent in the current year which are approved by the County Board or the Finance Director. In the General Fund, assigned amounts represent budget incentives or other intended uses established by the County Board or the Finance Director who has been delegated that authority by Board resolution.

Unassigned - Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other fund balance classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted or committed.

Dakota County applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then

unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

13. Minimum Fund Balance Policy

The Minnesota State Auditor's Office recommends that local governments determine, establish and maintain a desired minimum level of unrestricted fund balance of their governmental funds that is sufficient to provide cash flow until the first tax collections are received, to support self-insurance activities, and fund legal obligations that will be paid out of cash at a later date. Also, local governments need to maintain a prudent level of financial resources to protect against a forced service level reduction or having to raise taxes or fees because of unpredicted one-time expenditures. It is the policy of Dakota County that it will follow the State Auditor's recommendation as stated above. Accordingly, Dakota County policy requires a minimum unrestricted fund balance, in the General Fund, at the end of the fiscal year equivalent to 20% of the total operating budget of the General Fund. The Board will be notified if fund balance levels fall below this stated level.

E. Revenues

In accordance with GASB Statement No. 33, *Accounting and Financial Reporting for Non-exchange Transactions*, revenues for non-exchange 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 unavailable 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.

Dakota County, Minnesota | **December 31,**
Notes to the Financial Statements | **2020**

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.

F. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, deferred outflows, deferred inflows and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

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 the Law Library and Attorney Forfeiture Special Revenue 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 Manager 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. This appropriated budget is adopted at the department level. Budgets may be amended during the year with the approval of the County Manager or County Board as required by the County Budget Compliance Policy. The County Manager is authorized to transfer budgeted amounts between departments or appropriate certain revenues received in excess of the original budget estimate. Supplemental appropriations are reviewed by the County Manager and submitted to the County Board for their approval. If approved, the adjustments are implemented by the Finance Department by budget revision. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is at 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	\$ 76,313,639
Highway	\$ 67,393,508
Environmental Legacy	\$ 6,611,540
DC Transportation Sales Tax	\$ 8,901,604
Capital Projects	\$ 33,627,462
County Library	\$ 1,452,785
County Parks	\$ 45,315,670
Regional Rail	\$ 3,987,070

Dakota County, Minnesota | **December 31,**
Notes to the Financial Statements | **2020**

B. Excess of Expenditures Over Appropriations

For the year ended December 31, 2019, expenditures exceeded appropriations in Court Services in the General Fund by \$129,704, Parks in the General Fund by \$85,271, County Library in the General Fund by \$234, Other Conservation in the General Fund by \$33,196, Economic Development-Administration in the General Fund by \$3,074,377, Administration in Highway Special Revenue Fund by \$347,809, Survey in Highway Special Revenue Fund by \$22,562. 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. In addition, because the Treasury Pool is sufficiently liquid to permit withdrawal of cash at any time without prior notice or penalty, equity in the pool is also deemed to be a cash equivalent.

2. Deposits and Investments

The cash balances of substantially all funds are pooled and invested by the County for the purpose of increasing earnings through investment activities. Pooled and fund investments are reported at their fair value. A market approach is used to value all investments other than external investment pools, which are measured at the net asset value. Pursuant to Minn. Stat. § 385.07, investment earnings on cash and pooled investments are credited to the General Fund. Other funds received investment earnings based on state statutes, grant agreements, contracts, and bond covenants.

Dakota County invests in an external investment pool, the Minnesota Association of Governments Investing for Counties (MAGIC) Fund, which is created under a joint powers agreement pursuant to Minn. Stat. § 471.59. Investments in the MAGIC portfolio pool are valued at amortized cost, per GASB 79, while investments in MAGIC Term Investments are valued at net asset value per share because, by design, they do not meet the required liquidity criteria of GASB 79.

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

Government-wide statement of net position	
Governmental Activities	
Cash and pooled investments	\$ 385,029,993
Petty cash and change funds	20,398
Business-type activities	
Cash and pooled investments	1,818,081
Discrete Component Unit	
Vermillion River Watershed	
Cash and pooled investments	1,268,336
Statement of fiduciary net position	
Cash and pooled investments	
Private-purpose trust funds	768,455
Custodial funds	46,061,826
Total Cash and Investments	\$ 434,967,089

Dakota County, Minnesota

Notes to the Financial Statements

December 31, 2020

Deposits	\$	164,154,797
Petty cash and change funds		20,398
Investments		270,791,894
Total Deposits, Cash on hand, and Investments	\$	434,967,089

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 standby 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, 2020, the County's deposits were not exposed to custodial credit risk. The County policy is that all cash certificates of deposit, and other depository accounts shall be collateralized by pledged securities as specified in Minn. Stat. § 118A.03.

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 structure the portfolio so that securities mature to meet cash requirements for ongoing operations and to invest operating

Dakota County, Minnesota

Notes to the Financial Statements

December 31, 2020

funds primarily in shorter term securities, money market mutual funds, or similar investing pools and limits the average maturity of the portfolio. The investment maturities are as follows:

At December 31, 2020, the County had the following investments:

Type of Security	Credit Risk	Less Than 1 Year	1-5 Years	More Than 5 Years	Total
US Government:					
US Treasury Securities	Aaa	\$ 6,803,818	\$ 17,604,065	\$ 12,097,047	\$ 36,504,929
US Government Instrumentalities:					
Federal Agric Mortgage	N/R	7,685,400			\$ 7,685,400
Federal Farm Credit Bank	Aaa	2,615,304	9,336,524		\$ 11,951,828
Federal Home Loan Bank	Aaa	4,130,625	6,236,397		\$ 10,367,021
Federal Home Loan Mortgage Corp	Aaa	1,102,946	23,940,658	2,465,620	\$ 27,509,224
Federal National Mortgage Assoc	Aaa	127,594	29,736,763	10,031,893	\$ 39,896,250
Government National Mortgage Assn	Aaa			219,674	\$ 219,674
Small Business Administration	Aaa		141,338	2,329,892	\$ 2,471,230
Tennessee Valley Authority	N/R	3,265,084		3,637,816	\$ 6,902,900
Certificates of Deposit	N/R		\$ 259,514.64		\$ 259,515
Municipal Bonds	Aaa	615,849	10,369,834	2,391,553	\$ 13,377,236
Municipal Bonds	Aa1	1,541,137	8,076,203	2,300,253	\$ 11,917,593
Municipal Bonds	Aa2	851,558	9,510,619	4,299,915	\$ 14,662,092
Municipal Bonds	Aa3	260,303	3,065,795	1,532,646	\$ 4,858,743
Municipal Bonds	A1	509,240	520,389		\$ 1,029,629
Municipal Bonds	N/R	120,313	1,085,778		\$ 1,206,092
MAGIC Investment Portfolio					
Investment Term Portfolio	N/R	26,000,000			\$ 26,000,000
Investment Portfolio	N/R	5,170,506			\$ 5,170,506
Government Money Market Funds	N/R	1,558,609			\$ 1,558,609
Commercial Paper	P-1	12,889,717			\$ 12,889,717
Invesco - Government & Agency Portfolio	Aaa	34,353,707			\$ 34,353,707
Total		\$ 109,601,708	\$ 119,883,878	\$ 41,306,309	\$ 270,791,894

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. Generally, it is the County's policy to invest in securities that meet the ratings requirements set by state statute, which has established a minimum rating of "A" or better by at least one national bond rating agency.

The County's exposure to credit risk as of December 31, 2020 is listed in the table above, which displays rating assignments per Moody's Investors Service.

Custodial Credit Risk-Investments - 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. As required by County policy, at December 31, 2020, all of Dakota County's investments are held by a third party custodian and were not exposed to custodial credit risk.

Dakota County, Minnesota

Notes to the Financial Statements

December 31, 2020

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 category that represent 5% or more of the County's investments are as follows:

Issuer/Security	Amount Invested	Percentage
MAGIC Investment Term Portfolio	\$ 31,170,506	12%
Federal Home Loan Mortgage Corp	27,509,224	10%
Federal National Mortgage Assoc.	39,896,250	15%
Invesco - Government & Agency Portfolio	34,353,707	13%
Total	\$ 132,929,687	49%

Dakota County measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- *Level 1:* Quoted prices for identical investments in active markets;
- *Level 2:* Observable inputs other than quoted market prices; and,
- *Level 3:* Unobservable inputs.

Debt securities classified in Level 1 are valued using a market approach quoted in active markets for those securities. All Level 2 debt securities are valued using a matrix pricing technique based on the securities' relationship to benchmark quoted prices.

The MAGIC Portfolio is valued using amortized cost. Shares of the MAGIC Portfolio are available to be redeemed upon proper notice without restrictions under normal operating conditions. There are no limits to the number of redemptions that can be made as long as the County has a sufficient number of shares to meet their redemption request. The MAGIC Fund's Board of Trustees can suspend the right of withdrawal or postpone the date of payment if the Trustees determine that there is an emergency that makes the sale of a Portfolio's securities or determination of its new asset value not reasonably practical.

The MAGIC term investment pool is valued at net asset value (NAV) as it does not meet the liquidity criteria to be valued at amortized cost. The County would face penalties if early redemptions were made from the term investment pool. There are no unfunded commitments related to this investment. The County reports its investment in the term investment pool at the NAV per share, the fair value established by the pool.

Shares of MAGIC Term Series are purchased to mature upon pre-determined maturity dates selected by the County at the time of purchase. Should the County need to redeem shares in a MAGIC Term Series prematurely they must provide notice at least 7 days prior to premature redemption date. The value of a premature redemption is equal to the original price for such share, plus dividends thereon, at the projected yield less such share's allocation of any losses incurred by the series, less a premature redemption penalty, if any.

At December 31, 2020, the County had the following recurring fair value measurements:

Dakota County, Minnesota

Notes to the Financial Statements

December 31, 2020

Investment Type	Total	Fair Value Measurements:		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
US Government:				
US Treasury Securities	\$ 36,504,929	\$ 36,504,929	\$ -	\$ -
US Government Instrumentalities:				
Federal Agric Mortgage	7,685,400	-	7,685,400.00	-
Federal Farm Credit Bank	11,951,828	-	11,951,828.12	-
Federal Home Loan Bank	10,367,021	-	10,367,021.37	-
Federal Home Loan Mortgage Corp	27,509,224	-	27,509,224.01	-
Federal National Mortgage Assoc	39,896,250	-	39,896,250.01	-
Government National Mortgage Assn	219,674	-	219,673.94	-
Small Business Administration	2,471,230	-	2,471,229.88	-
Tennessee Valley Authority	6,902,900	-	6,902,900.37	-
Certificates of Deposit	259,515	-	259,514.64	-
Municipal Bonds	46,542,144	-	46,542,144.05	-
	<u>\$ 190,310,116</u>	<u>\$ 36,504,929</u>	<u>\$ 153,805,186</u>	<u>\$ -</u>

A reconciliation of the CDA's total deposits, cash on hand, and investments to the basic financial statements is as follows:

Statement of Net Position	
Cash and Cash Equivalents	\$ 120,608,621
Investments	17,586,201
Restricted Cash and Cash Equivalents	29,668,038
Total Cash, Cash Equivalents and Investments	<u>\$ 167,862,860</u>
Deposits	\$ 24,498,638
Petty Cash	250
Investments	143,363,972
Total Deposits and Investments	<u>\$ 167,862,860</u>

As of June 30, 2020, the Community Development Agency (CDA) had the following investments:

Investment Type	Carrying Amount/ Fair Value	Investment Maturities (in Years)		
		Less Than 1	1-5	More Than 5
U.S. Government Agencies:				
Federal Farm Credit Banks	\$ 4,011,320	\$ -	\$ 4,011,320	\$ -
Federal Home Loan Mortgage Corp.	9,024,921	-	9,005,970	18,951
Federal National Mortgage Assoc.	3,167,372	-	2,999,790	167,582
Government Nat'l Mortgage Assoc.	117,446	-	-	117,446
Money market funds	41,764,219	41,764,219	-	-
4M Fund	85,278,694	85,278,694	-	-
	<u>\$ 143,363,972</u>	<u>\$ 127,042,913</u>	<u>\$ 16,017,080</u>	<u>\$ 303,979</u>

Interest Rate Risk - Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the fair values of investments with longer maturities are more sensitive to changes in market interest rates. In accordance with its investment policy, the CDA manages its exposure to declines in fair values by limiting non-bond reserve investment maturities to five years or less. The mortgage backed securities held by the CDA have maturities exceeding five years and were obtained through the Board-approved defeasance of several single family bond issues and are expected to be held until maturity.

Credit Risk - Generally, credit risk is the risk that an insurer 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. The CDA's investment policy places no restrictions on credit risk other than requiring compliance with State Law. State Law does not limit investments in securities of U.S. Government Agencies including mortgaged backed securities by credit quality. The local government investment pool and money market mutual funds are unrated. Investments held by the local government investment pool conform to state restrictions while the investments in money market mutual funds comply with state requirements for being rated in one of the highest two categories by a NRSRO. The money market funds include commercial paper investments which comply with state requirements to be rated in the highest quality category by two nationally recognized rating agencies and having maturities of 270 days or less.

Concentration of Credit Risk - The CDA places no limit on the amount that may be invested in any one issuer. At June 30, 2020, the CDA had more than five percent of its total investments with the Federal Home Loan Bank, Federal National Mortgage Association, money market funds, and the 4M Fund.

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 MN State Statutes which require 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, 2019, all CDA's deposits were adequately protected by pledged collateral and federal depository insurance.

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, 2020, all investments were held by counterparties, were insured or registered, and were not exposed to custodial risk.

Fair value reporting. The CDA's investments that are not recorded at amortized cost are recorded at fair value as of June 30, 2020. GASB Statement No. 72, *Fair Value Measurement and Application*, defines fair value as the price that would be received to sell an asset between market participants at the measure date. This statement establishes a hierarchy of valuation inputs based on the extent to which the inputs are observable in the market place.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The following describes the hierarchy of inputs used to measure fair value and primary valuation methodologies used for financial instruments measured at fair value on a recurring basis:

- Level 1: Investments whose values are based on quoted prices (unadjusted) for identical assets (liabilities) in active markets that a government can access at measurement date.
- Level 2: Investments with inputs, other than quoted prices included within Level 1, that are observable for an asset (liability), either directly or indirectly.
- Level 3: Investments classified as Level 3 have unobservable inputs for an asset (liability) and may require a degree of professional judgment.

Dakota County, Minnesota | December 31, Notes to the Financial Statements | 2020

At June 30, 2020, of the U.S. Government Agencies totaling \$16,321,059, were classified as Level 2 by a third party using either bid evaluations or a matrix-based pricing technique. Bid evaluations are typically based on market quotations, yields, maturities, call features and ratings. Matrix pricing is used to value securities' relationship to benchmark quoted prices. Money market funds and a local government investment pool of \$41,764,219 and \$85,278,694 were not subject to leveling as these investments were carried at amortized cost.

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 inflows of resources* 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 inflows of resources* and *unearned revenue* reported in the governmental funds were as follows:

	Deferred inflows of resources	Unearned
Property taxes receivable	\$ 1,159,529	\$ -
Charges for services	-	132,629
Grant receivables that do not provide current financial resources	29,433,853	-
Reimbursement from other governments	13,201,553	-
Miscellaneous	957,130	862,695
Lease receivable	1,176,371	-
Grant drawdowns prior to meeting all eligibility requirements	-	3,019,996
Total deferred inflows of resources/ unearned revenue for governmental funds	\$ 45,928,436	\$ 4,015,320

C. Notes Receivable

The CDA has issued various notes to individuals, businesses, not-for-profits, governmental units, and joint ventures. These notes are generally secured by liens on real and personal property and allowances for uncollectible loans are generally not recorded as such amounts are not expected to be material. Notes receivable at June 30, 2020 consist of the following:

Loan Description	Loan Balance
Homebuyer loans	\$ 3,301,651
Homeowner rehab loans - deferred	16,141,421
Discretely Presented Component Units:	
First Mortgage	\$ 5,158,159
Other	13,722,471
Revolving	6,213
	\$ 18,886,843
Multifamily loans:	
Deferred	\$ 13,308,235
Installment	8,276,792
	\$ 21,585,027
Tenants	39,979
Supportive housing	2,767,192
Commercial	20,034
	\$ 62,742,147

Dakota County, Minnesota | **December 31,**
Notes to the Financial Statements | **2020**

D. 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 is 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 the 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 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.

The annual lease requirement payments to maturity are as follows:

<u>Year Ended December 31</u>	<u>Lease Receivable</u>
2021	\$ 725,100
2022	<u>483,400</u>
Total Lease Receivable	\$ 1,208,500
Less Interest	<u>(43,296)</u>
Present Value of Lease Receivable	<u>\$ 1,165,204</u>

After the 60th 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 73rd 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.

E. Capital Assets

Capital asset activity for the year ended December 31, 2020, was as follows:

Dakota County, Minnesota

Notes to the Financial Statements

December 31, 2020

Primary Government

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 265,098,874	\$ 9,196,267	\$ -	\$ 274,295,141
Construction in progress	50,179,988	67,712,269	(84,792,994)	33,099,263
Total capital assets, not being depreciated	\$ 315,278,862	\$ 76,908,536	\$ (84,792,994)	\$ 307,394,404
Capital assets, being depreciated:				
Buildings	\$ 223,436,892	\$ 17,104,368	\$ -	\$ 240,541,260
Improvements other than buildings	65,268,104	12,053,748	-	77,321,852
Machinery and equipment	46,380,698	3,951,695	(1,484,118)	48,848,275
Infrastructure	585,695,959	46,694,901	-	632,390,860
Total capital assets, being depreciated	\$ 920,781,653	\$ 79,804,712	\$ (1,484,118)	\$ 999,102,247
Less accumulated depreciation for:				
Buildings	\$ (88,805,380)	\$ (4,912,274)	\$ -	\$ (93,717,654)
Improvements other than buildings	(16,121,922)	(3,763,440)	-	(19,885,362)
Machinery and equipment	(34,950,383)	(4,141,313)	1,462,170	(37,629,526)
Infrastructure	(219,832,693)	(12,836,632)	-	(232,669,325)
Total accumulated depreciation	\$ (359,710,378)	\$ (25,653,659)	\$ 1,462,170	\$ (383,901,867)
Total capital assets, being depreciated, net	\$ 561,071,275	\$ 54,151,053	\$ (21,948)	\$ 615,200,380
Governmental activities capital assets, net	\$ 876,350,137	\$ 131,059,589	\$ (84,814,942)	\$ 922,594,784
	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Construction /development in progress	\$ 5,344,051	\$ 1,300,138	\$ -	\$ 6,644,189
Total capital assets, not being depreciated	\$ 5,344,051	\$ 1,300,138	\$ -	\$ 6,644,189
Capital assets, being depreciated:				
Infrastructure	\$ 10,783,855	\$ -	\$ -	\$ 10,783,855
Total capital assets, being depreciated	\$ 10,783,855	\$ -	\$ -	\$ 10,783,855
Less accumulated depreciation for:				
Infrastructure	\$ (736,049)	\$ (154,055)	\$ -	\$ (890,104)
Total accumulated depreciation	\$ (736,049)	\$ (154,055)	\$ -	\$ (890,104)
Total capital assets, being depreciated, net	\$ 10,047,806	\$ (154,055)	\$ -	\$ 9,893,751
Business-type activities:				
Capital assets, net	\$ 15,391,857	\$ 1,146,083	\$ -	\$ 16,537,940

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

Governmental Activities:		
General Government		\$ 3,926,018
Public Safety		1,441,711
Highways and Streets, including depreciation of general infrastructure		15,432,430
Human Services		36,867
Health		4,001
Economic Development		-
Culture and Recreation		4,796,008
Conservation of Natural Resources		15,602
Sanitation		1,022
Total depreciation expense - governmental activities		\$25,653,659
Business-type activities:		
Infrastructure		\$ 154,055
Total depreciation expense--business-type activities		\$ 154,055

Dakota County, Minnesota

Notes to the Financial Statements

December 31, 2020

Construction Commitments

The County has active construction projects as of December 31, 2020. The projects include street construction in areas with newly developed housing, widening and construction of existing streets and bridges, and prairie restoration, culverts, sewer, landscaping and lighting for parks and trails. At year-end the government's major commitments with contractors are as follows:

<u>Project</u>	<u>Spent-to-Date</u>	<u>Remaining Commitment</u>
Transportation Construction	\$ 78,439,576	\$ 4,057,079
Transportation-Sales Tax Construction	7,619,602	20,395,588
Parks Construction	15,370,961	3,721,185
Buildings Construction	29,207,289	6,522,971
	<u>\$ 130,637,428</u>	<u>\$ 34,696,823</u>

Street, parks, and buildings construction are being financed by County taxes and intergovernmental revenue from Local, State and Federal Governments.

Discretely Presented Component Unit

Activity for the CDA for the year ended June 30, 2020, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Government activities:				
Capital assets, not being depreciated:				
Land	\$ 32,470,223	\$ 1,973,324	\$ 766,499	\$ 33,677,048
Construction in progress	-	241,106	-	241,106
Total capital assets, not being depreciated:	<u>\$ 32,470,223</u>	<u>\$ 2,214,430</u>	<u>\$ 766,499</u>	<u>\$ 33,918,154</u>
Capital assets, being depreciated:				
Land improvements	\$ 6,562,765	\$ 508,604	\$ 32,950	\$ 7,038,419
Buildings	231,806,039	11,954,212	481,341	243,278,910
Furniture and equipment	9,064,660	246,807	11,250	9,300,217
Total capital assets, being depreciated	<u>\$ 247,433,464</u>	<u>\$ 12,709,623</u>	<u>\$ 525,541</u>	<u>\$ 259,617,546</u>
Less accumulated depreciation for:				
Land improvements	\$ (5,153,594)	\$ (531,269)	\$ (32,951)	\$ (5,651,912)
Buildings	(83,103,892)	(9,670,540)	(257,480)	(92,516,952)
Furniture and equipment	(8,216,171)	(333,836)	(11,250)	(8,538,757)
Total accumulated depreciation	<u>\$ (96,473,657)</u>	<u>\$(10,535,645)</u>	<u>\$(301,681)</u>	<u>\$ (106,707,621)</u>
Total capital assets, being depreciated, net	<u>150,959,807</u>	<u>2,173,978</u>	<u>223,860</u>	<u>152,909,925</u>
Governmental activities capital assets, net	<u>\$ 183,430,030</u>	<u>\$ 4,388,408</u>	<u>\$ 990,359</u>	<u>\$ 186,828,079</u>

Dakota County, Minnesota

Notes to the Financial Statements

December 31, 2020

Business-type activities:

Capital assets, not being depreciated:

Land and land improvements	\$ 12,382,448	\$ 166,157	\$ -	\$ 12,548,605
Construction in progress	3,155,294	-	3,155,294	-
Total capital assets, not being depreciated	\$ 15,537,742	\$ 166,157	\$ 3,155,294	\$ 12,548,605

Capital assets, being depreciated:

Land improvements	\$ 4,993,110	\$ 604,770	\$ -	\$ 5,597,880
Buildings	78,643,238	9,338,415	-	87,981,653
Residential equipment	1,357,343	111,230	-	1,468,573
Furniture and equipment	25,523	1,837	-	27,360
Total capital assets being depreciated	\$ 85,019,214	\$ 10,056,252	\$ -	\$ 95,075,466

Less accumulated depreciation for:

Land improvements	\$ (2,367,159)	\$ (324,448)	\$ -	\$ (2,691,607)
Buildings	(15,672,840)	(1,946,744)	-	(17,619,584)
Residential equipment	(1,210,375)	(76,250)	-	(1,286,625)
Furniture and equipment	(22,755)	(1,498)	-	(24,253)
Total accumulated depreciation	\$ (19,273,129)	\$ (2,348,940)	\$ -	\$ (21,622,069)

Total capital assets, being depreciated, net	65,746,085	7,707,312	-	73,453,397
Business-type activities, capital assets, net	\$ 81,283,827	\$ 7,873,469	\$ 3,155,294	\$ 86,002,002

As of June 30, 2020, the CDA's commitments with contractors are as follows:

Component Unit

<u>Project</u>	<u>Spent-to-Date</u>	<u>Remaining Commitment</u>
Senior housing development	\$ 280,250	\$ 14,750

The cost and accumulated depreciation of capital assets relating to operating leases is \$956,692 and \$481,987 respectively for a carrying value of \$474,705.

Dakota County, Minnesota | **December 31,**
Notes to the Financial Statements | **2020**

F. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of December 31, 2020, is as follows:

Receivable Fund	Payable Fund	Amount
General	Highway	\$ 753,741
	Environmental Legacy	569,860
	DC Transportation Sales Tax	1,238
	Capital Projects	19,221,018
	Nonmajor Governmental Funds	235,095
	Internal Service Fund	621,254
	Byllesby Dam	417,324
Highway	General	6,073
	Environmental Legacy	2,425
	DC Transportation Sales Tax	590,009
	Nonmajor Governmental Funds	75,764
Environmental Legacy	General	3,020,703
Capital Projects	General	21,501,886
Nonmajor Governmental Funds	Nonmajor Governmental Funds	87,105
	General	3,578,748
	Environmental Legacy	1,915,475
	DC Transportation Sales Tax	308,828
	Capital Projects	25,000
	Nonmajor Governmental Funds	2,054
	Internal Service Fund	10,291
Internal Service Fund	General	4,979,404
	Highway	174,072
	Environmental Legacy	55,648
	Nonmajor Governmental Funds	90,639
	Byllesby Dam	5,181
Total		<u>\$ 58,248,835</u>

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.

Interfund Transfers:

Transfer In	Transfer Out	Amount
General	Environmental Legacy	\$ 569,860
	Internal Service Fund	621,253
Environmental Legacy	General	3,000,000
Capital Projects	General	21,497,381
Nonmajor Governmental Funds	General	1,969,566
	Environmental Legacy	1,915,475
	DC Transportation Sales/Use Tax	308,828
Total		<u>\$ 29,882,363</u>

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.

Dakota County, Minnesota | **December 31,**
Notes to the Financial Statements | **2020**

G. 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, 2020 are zero as the County paid the final amount due on the General Obligation Refunding Bonds issued in 2007. These bonds refunded outstanding General Obligation Capital Improvement Bonds, series 1999A and 2001A. On February 1, 2016 the County chose to make an early payoff of \$23,420,000 to satisfy all outstanding bond obligations.

Changes in Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2020, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
Claims and judgments	\$ 5,644,911	\$ 26,882,553	\$(27,350,725)	\$ 5,176,739	\$ 2,180,228
Compensated absences	19,879,917	17,235,133	(13,338,480)	23,776,570	1,199,974
Long-term liabilities	<u>\$ 25,524,828</u>	<u>\$ 44,117,686</u>	<u>\$(40,689,205)</u>	<u>\$ 28,953,309</u>	<u>\$ 3,380,202</u>

The internal service fund predominantly serves the governmental funds. Accordingly, its long-term liabilities are included as part of the above totals for governmental activities. Also, for the governmental activities, capital leases, 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, 2020, was as follows:

Notes Payable

Governmental Activities:

\$600,000 General Fund, Housing Resources Performance Pilot Loan payable to the Minnesota Housing Finance Agency. This non-interest-bearing note is dated December 21, 2006 and it provided financing for a \$600,000 note receivable dated September 14, 2007 to the Rosemount Family Housing Limited Partnership. This note receivable requires 1% simple interest on the unpaid balance with accrued interest and principal due in one lump sum on September 1, 2043.

Business-Type Activities:

\$3,523,380 Youth Housing Enterprise Fund, Publicly Owned Housing Program (POHP) note payable to the Minnesota Housing Finance Agency (MHFA). MHFA provided funds in the form of an interest free, deferred loan for a term of twenty years. There is no amortization requirement on the POHP loan. The loan will be forgiven on the twenty-first (21st) anniversary from the effective date of June, 2009. The purpose of the loan was to provide financing for the construction of a 25-unit housing development.

Dakota County, Minnesota

Notes to the Financial Statements

December 31, 2020

\$697,649 Youth Housing Enterprise Fund, Ending Long-term Homelessness Initiative Fund (ELHIF) note payable to the MHFA. The loan is for a term of thirty years with zero percent (0%) interest per year. The principal is due and payable in one lump sum on June 1, 2039. The purpose of the loan was to provide financing for the construction of a 25-unit housing development.

\$466,000 Public Housing enterprise fund, Publicly Owned Housing Program (POHP) note payable to the Minnesota Housing Finance Agency (MHFA). MHFA provided funds in the form of an interest free, deferred loan for a term of twenty years. There is no amortization requirement on the POHP loan. The loan will be forgiven on the twenty-first (21st) anniversary from the effective date of February, 2018. The purpose of the loan was to provide financing for the exterior improvements of public housing units in Apple Valley and Hastings.

\$315,000 Dakota County Workforce Housing LLC, a blended component unit, note payable to the Family Housing Fund. The loan is for a term of 30 years with simple interest of one percent (1%) on the unpaid principal amount until the maturity date of December 14, 2025. The loan was initially made to the Eagan Family Housing Limited Partnership, a joint venture, to provide financing for a portion of construction. Upon dissolution in 2012, the liabilities of the joint venture were transferred to the Dakota County Workforce Housing LLC.

\$456,000 Dakota County Workforce Housing LLC, a blended component unit, Low Income Large Family note payable to MHFA. The loan is for a term of 30 years with interest of one percent (1%) per year accruing on the unpaid amount. The principal and all accrued interest shall be due and payable in one lump sum on December 14, 2025. The loan was initially made to the Eagan Family Housing Limited Partnership, a joint venture, to provide financing for a portion of the construction. Upon dissolution in 2012, the liabilities of the joint venture were transferred to the Dakota County Workforce Housing LLC.

\$125,000 Dakota County Workforce Housing LLC, a blended component unit, note payable to the Family Housing Fund. The loan is for a term of 30 years with simple interest of one percent (1%) on the unpaid principal amount until the maturity date of January 4, 2025. The loan was initially made to the Inver Grove Heights Family Housing Limited Partnership, a joint venture, to provide financing for a portion of the construction. Upon dissolution in 2012, the liabilities of the joint venture were transferred to the Dakota County Workforce Housing LLC.

\$360,000 Dakota County Workforce Housing LLC, a blended component unit, Low Income Large Family note payable to MHFA. The loan is for a term of 30 years with interest of one percent (1%) per year accruing on the unpaid amount. The principal and all accrued interest shall be due and payable in one lump sum on January 4, 2025. The loan was initially made to the Inver Grove Heights Family Housing Limited Partnership, a joint venture, to provide financing for a portion of the construction. Upon dissolution in 2012, the liabilities of the joint venture were transferred to the Dakota County Workforce Housing LLC.

\$170,000 Dakota County Workforce Housing LLC, a blended component unit, note payable to the Family Housing Fund. The loan is for a term of 30 years with simple interest of one percent (1%) on the unpaid principal amount until the maturity date of June 18, 2023. The loan was initially made to the Apple Valley Family Housing Limited Partnership, a joint venture, to provide financing for a portion of the construction. Upon dissolution in 2013, the liabilities of the joint venture were transferred to the Dakota County Workforce Housing LLC.

\$360,000 Dakota County Workforce Housing LLC, a blended component unit, Low Income Large Family note payable to MHFA. The loan is for a term of 30 years with interest of one percent (1%) per year accruing on the unpaid amount. The principal and all accrued interest shall be due and payable in one lump sum on June 18, 2023. The loan was initially made to the Apple Valley Family Housing Limited Partnership, a joint venture, to provide financing for a portion of the construction. Upon dissolution in 2013, the liabilities of the joint venture were transferred to the Dakota County Workforce Housing LLC.

\$396,000 Dakota County Workforce Housing LLC, a blended component unit, Low Income Large Family note payable to MHFA. The loan is for a term of 30 years with interest of one percent (1%) per year accruing on the unpaid amount. The principal and all accrued interest shall be due and payable in one lump sum on February 25,

Dakota County, Minnesota

Notes to the Financial Statements

December 31, 2020

2027. The loan was initially made to the Hastings Family Housing Limited Partnership, a joint venture, to provide financing for a portion of the construction. Upon dissolution in 2013, the liabilities of the joint venture were transferred to the Dakota County Workforce Housing LLC.

\$175,000 Dakota County Workforce Housing LLC, a blended component unit, note payable to the Family Housing Fund. The loan is simple interest of one percent (1%) on the unpaid principal amount until the maturity date of October 1, 2029. The loan was initially made to the Hastings Family Housing Limited Partnership, a joint venture, to provide financing for a portion of the construction. Upon dissolution in 2013, the liabilities of the joint venture were transferred to the Dakota County Workforce Housing LLC.

\$210,480 Dakota County Workforce Housing LLC, a blended component unit, Affordable Rental Investment Fund note payable to MHFA. The loan is for a term of 30 years with interest of one percent (1%) per year accruing on the unpaid amount. The principal and all accrued interest shall be due and payable in one lump sum on February 25, 2027. The loan was initially made to the Hastings Family Housing Limited Partnership, a joint venture, to provide financing for a portion of the construction. Upon dissolution in 2013, the liabilities of the joint venture were transferred to the Dakota County Workforce Housing LLC.

\$176,000 Dakota County Workforce Housing LLC, a blended component unit, Affordable Rental Investment Fund note payable to MHFA. The loan is for a term of 30 years with interest of one percent (1%) per year accruing on the unpaid amount. The principal and all accrued interest shall be due and payable in one lump sum on June 30, 2024. The loan was initially made to the Lakeville Family Housing Limited Partnership, a joint venture, to provide financing for a portion of the construction. Upon dissolution in 2013, the liabilities of the joint venture were transferred to the Dakota County Workforce Housing LLC.

\$280,000 Dakota County Workforce Housing LLC, a blended component unit, note payable to the Family Housing Fund. The loan is for a term of 30 years with simple interest of one percent (1%) on the unpaid principal amount until the maturity date of June 26, 2028. The loan was initially made to the Lakeville Family Housing Limited Partnership, a joint venture, to provide financing for a portion of the construction. Upon dissolution in 2013, the liabilities of the joint venture were transferred to the Dakota County Workforce Housing LLC.

\$5,257 Dakota County Workforce Housing LLC, a blended component unit, note payable to Family Housing Fund. The loan is for a term of 30 years with interest of one percent (1%) per year accruing on the unpaid amount. Annual payment of \$2,790 with balance of principal and interest due and payable on September 25, 2021. The loan was initially made to the Burnsville Family Housing Limited Partnership, a joint venture, to provide financing for a portion of the construction. Upon dissolution in 2014, the liabilities of the joint venture were transferred to the Dakota County Workforce Housing LLC.

\$360,000 Dakota County Workforce Housing LLC, a blended component unit, Low Income Large Family note payable to MHFA. The loan is for a term of 30 years with interest of one percent (1%) per year accruing on the unpaid amount. The principal and all accrued interest shall be due and payable in one lump sum on September 22, 2022. The loan was initially made to the Burnsville Family Housing Limited Partnership, a joint venture, to provide financing for a portion of the construction. Upon dissolution in 2014, the liabilities of the joint venture were transferred to the Dakota County Workforce Housing LLC.

\$290,000 Dakota County Workforce Housing LLC, a blended component unit, note payable to Family Housing Fund. The loan is for a term of 30 years with simple interest of one percent (1%) on the unpaid principal amount until the maturity date of May 27, 2029. The loan was initially made to the Chasewood Family Housing Limited Partnership, a joint venture, to provide financing for a portion of the construction. Upon dissolution in 2014, the liabilities of the joint venture were transferred to the Dakota County Workforce Housing LLC.

\$319,591 Dakota County Workforce Housing LLC, a blended component unit, Affordable Rental Investment Fund, note payable to MHFA. The loan is for a term of 30 years with simple interest of one percent (1%) on the unpaid amount until the maturity date of May 27, 2029. The loan was initially made to the Chasewood Family Housing

Limited Partnership, a joint venture, to provide financing for a portion of the construction. Upon dissolution in 2014, the liabilities of the joint venture were transferred to the Dakota County Workforce Housing LLC.

\$230,000 Dakota County Workforce Housing LLC, a blended component unit, note payable to Family Housing Fund. The loan is for a term of 30 years with simple interest of one percent (1%) on the unpaid amount until the maturity date of October 26, 2030. The loan was initially made to the Lakeville Family Housing Limited Partnership 2, a joint venture, to provide financing for a portion of the construction. Upon dissolution in 2016, the liabilities of the joint venture were transferred to the Dakota County Workforce Housing LLC.

\$555,000 Dakota County Workforce Housing LLC, a blended component unit, note payable to MHFA ARIF Fund. The loan is for a term of 30 years with simple interest of one percent (1%) on the unpaid amount until the maturity date of October 26, 2030. The loan was initially made to the Lakeville Family Housing Limited Partnership 2, a joint venture, to provide financing for a portion of the construction. Upon dissolution in 2016, the liabilities of the joint venture were transferred to the Dakota County Workforce Housing LLC.

\$230,000 Dakota County Workforce Housing LLC, a blended component unit, note payable to Family Housing Fund. The loan is for a term of 30 years with simple interest of one percent (1%) on the unpaid amount until the maturity date of January 24, 2031. The loan was initially made to the Mendota Heights Family Housing Limited Partnership, a joint venture, to provide financing for a portion of the construction. Upon dissolution in 2016, the liabilities of the joint venture were transferred to the Dakota County Workforce Housing LLC.

\$358,427 Dakota County Workforce Housing LLC, a blended component unit, note payable to MHFA ARIF Fund. The loan is for a term of 30 years with simple interest of one percent (1%) on the unpaid amount until the maturity date January 24, 2031. The loan was initially made to the Mendota Heights Family Housing Limited Partnership, to provide financing for a portion of the construction. Upon dissolution in 2016, the liabilities of the joint venture were transferred to the Dakota County Workforce Housing LLC.

\$300,000 Dakota County Workforce Housing LLC, a blended component unit, note payable to Family Housing Fund. The loan is for a term of 30 years with zero percent interest (0%). The principal is due and payable at the maturity date of September 6, 2032. The loan was initially made to the Hastings Marketplace Family Housing Limited Partnership, to provide financing for a portion of the construction. Upon dissolution in 2018, the liabilities of the partnership were transferred to the LLC.

\$219,526 Dakota County Workforce Housing LLC, note payable to MHFA ARIF Fund. The loan is for a term of 30 years with a simple interest of one percent (1%) on the unpaid principal amount until the maturity date of January 27, 2033. The loan was initially made to the Hastings Marketplace Family Housing Limited Partnership, to provide financing for a portion of the construction. Upon dissolution in 2018, the liabilities of the partnership were transferred to the LLC.

\$225,000 Dakota County Workforce Housing LLC, note payable to the Family Housing Fund. The loan is for a term of 30 years with zero percent interest (0%). The principal is due and payable at the maturity date of October 1, 2033. The loan was initially made to the Burnsville Heart of the City Family Housing Limited Partnership, to provide financing for a portion of the construction. Upon dissolution in 2019, the liabilities of the partnership were transferred to the LLC.

\$200,000 Dakota County Workforce Housing LLC, note payable to the MHFA ARIF Fund. The loan is for a term of 30 years with simple interest of one percent (1%) on the unpaid principal amount until the maturity date of June 22, 2034. The loan was initially made to the Burnsville Heart of the City Family Housing Limited Partnership, to provide financing for a portion of the construction. Upon dissolution in 2019, the liabilities of the partnership were transferred to the LLC.

\$500,000 Dakota County Workforce Housing LLC, note payable to the MHFA EDHC Fund. The loan is for a term of 30 years with simple interest of one percent (1%) on the unpaid principal amount until the maturity date of

Dakota County, Minnesota

Notes to the Financial Statements

December 31, 2020

June 22, 2034. The loan was initially made to the Burnsville Heart of the City Family Housing Limited Partnership, to provide financing for a portion of the construction. Upon dissolution in 2019, the liabilities of the partnership were transferred to the LLC.

\$300,000 Dakota County Workforce Housing LLC, note payable to the Family Housing Fund. The loan is for a term of 30 years with zero percent interest (0%). The principal is due and payable at the maturity date of October 1, 2034. The loan was initially made to the Eagan Cedar Family Housing Limited Partnership, to provide financing for a portion of the construction. Upon dissolution in 2019, the liabilities of the partnership were transferred to the LLC.

\$226,335 Dakota County Workforce Housing LLC, note payable to the MHFA ARIF Fund. The loan is for a term of 30 years with simple interest of one percent (1%) on the unpaid principal amount until the maturity date of October 1, 2034. The loan was initially made to the Eagan Cedar Family Housing Limited Partnership, to provide financing for a portion of the construction. Upon dissolution in 2019, the liabilities of the partnership were transferred to the LLC.

\$597,483 Dakota County Workforce Housing LLC, note payable to the MHFA EDHC Fund. The loan is for a term of 30 years with simple interest of one percent (1%) on the unpaid principal amount until the maturity date of October 1, 2034. The loan was initially made to the Eagan Cedar Family Housing Limited Partnership, to provide financing for a portion of the construction. Upon dissolution in 2019, the liabilities of the partnership were transferred to the LLC.

The annual principal and interest maturities for notes payable in business-type activities for fiscal years subsequent to June 30, 2020 are as follows:

	Principal	Interest	Total
2021	\$ 46,737	\$ 32	\$ 46,769
2022	46,520	6	46,526
2023	934,000	280,715	1,214,715
2024	44,000	46,176	90,176
2025	485,000	139,989	624,989
2026-2030	5,965,451	681,280	6,646,731
2031-2035	3,941,771	948,437	4,890,208
2036-2040	1,163,649	-	1,163,649
2041-2044	600,000	-	600,000
	\$ 13,227,128	\$ 2,096,635	\$ 15,323,763

Housing Development Bonds

The CDA issues housing development bonds to finance the acquisition and construction of senior housing developments. These bonds are limited obligations of the government but are secured by the pledge of the full faith and credit and power of Dakota County, Minnesota to levy direct general ad valorem taxes. 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 \$5,600,000 from the CDA's tax levy. Housing development bonds are issued as serial bonds.

Dakota County, Minnesota

Notes to the Financial Statements

December 31, 2020

Bonds payable at June 30, 2020 are as follows:

Description of Note	Issue Date	Maturity Date	Interest Rate	Original Amount	Outstanding June 30
2010 Housing Development Bonds	7/21/10	01/01/40	2.00 - 6.00%	\$46,160,000	\$ 27,455,000
2013 Housing Development Bonds	12/18/13	01/01/27	2.00 - 2.85%	\$ 7,630,000	6,205,000
2015A Housing Development Bonds	5/27/15	01/01/42	3.00 - 5.00%	\$21,745,000	21,445,000
2015B Housing Development Bonds	5/27/15	01/01/35	3.00 - 5.00%	\$24,025,000	19,685,000
Subtotal					<u>\$ 74,790,000</u>
Less current maturities					<u>(3,460,000)</u>
Total					<u>\$ 71,330,000</u>

The annual principal and interest maturities for the fiscal years subsequent to June 30, 2020 are as follows:

	Principal	Interest	Total
2021	\$ 3,490,000	\$ 3,237,670	\$ 6,727,670
2022	3,670,000	3,096,194	6,766,194
2023	3,755,000	2,936,495	6,691,495
2024	3,750,000	2,773,193	6,523,193
2025	3,680,000	2,618,758	6,298,758
2026-2030	18,545,000	10,774,219	29,319,219
2030-2035	19,640,000	6,737,167	26,377,167
2036-2040	13,160,000	2,793,881	15,953,881
2041-2042	5,100,000	308,000	5,408,000
Total	<u>\$ 74,790,000</u>	<u>\$ 35,275,577</u>	<u>\$ 110,065,577</u>

Pledged Revenue

The CDA has pledged as security for the \$74,790,000 of outstanding Housing Development bonds, a portion of its annual tax levy (special benefit tax) that is levied pursuant to Minnesota Statutes, Section 469.033, Subd. 6. These bonds were used to finance the acquisition and construction of senior housing developments. The CDA is currently committed, to the extent it is within its power to do so, to levy and collect \$5,600,000 for the payment and debt service on these bonds. The total principal and interest remaining on this debt is \$110,065,577 with annual requirements ranging from \$6,727,670 in 2021 to \$2,704,000 in the final year. The tax levy has averaged over \$7 million per year for the last ten years and the amount of tax proceeds pledged towards Housing Development bond debt service is \$5,600,000. For the current year, \$5,600,000 of tax levy was paid on the debt service for the bonds.

Changes in Long Term Liabilities:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Compensated absences	\$ 1,014,161	\$ 742,123	\$ (644,615)	\$ 1,111,669	\$ 560,377
Notes payable	44,501,212	3,346,967	(101,448)	47,746,731	1,268,191
Bonds payable	78,250,000	-	(3,460,000)	74,790,000	3,490,000
Plus deferred amounts:					
For issuance premiums	2,584,441	-	(285,411)	2,299,030	-
Total bonds payable	<u>\$ 80,834,441</u>	<u>\$ -</u>	<u>\$ (3,745,411)</u>	<u>\$ 77,089,030</u>	<u>\$ 3,490,000</u>
	<u>\$ 126,349,814</u>	<u>\$ 4,089,090</u>	<u>\$ (4,491,474)</u>	<u>\$ 125,947,430</u>	<u>\$ 5,318,568</u>

Conduit Debt

The CDA 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 is payable solely from payments received on the underlying loans. The CDA 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, 2020 was \$173,856,919.

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 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. There were no settlements in excess of insurance coverage for any of the past three fiscal years.

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

	Year ended 12/31/20	Year ended 12/31/19
Unpaid claims, beginning of fiscal year	\$ 5,644,911	\$ 5,499,561
Incurred claims (including IBNR)	26,882,551	27,806,465
Claim payments	(27,350,723)	(27,661,115)
Unpaid claims, end of fiscal year	\$ 5,176,739	\$ 5,644,911

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, and West St. Paul, 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 the DCC their pro rata share of cost of operations and maintenance, and capital projects.

Information regarding the Dakota Communications Center can be obtained at the website www.mn-dcc.org or by contacting Jerilyn Erickson at the City of Lakeville, 20195 Holyoke Avenue, Lakeville, Minnesota 55044. Telephone (952) 985-4481 or email address: jerickson@lakevillemn.gov.

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 \$166,151 in 2020. 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 did not provide any gifts to MELSA in 2020. 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. 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. The CDA will administer the fund.
4. 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.

5. 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, and 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 Team Private Purpose Trust Fund.
6. The Minnesota Valley Transit Authority (MVTA): Dakota County entered into a joint powers agreement with the Cities of Apple Valley, Burnsville, Eagan, Rosemount, and Savage ("Cities"), and Scott County to provide public transit service in and for persons within the Cities and within the Metropolitan Area pursuant to Minnesota Statutes, Sections 473.388, 473.384, 471.59 and related statutes.

The governing body of the MVTA shall be its Board which will consist of seven voting commissioners. Each party shall appoint one commissioner, one alternate commissioner, and a staff member who shall serve on the Technical Work Group. In the event of the termination of this agreement of all parties from the MVTA, all of the assets which remain after payment of debts and obligations shall be distributed among the parties to this agreement immediately prior to its termination, subject to the terms and requirements of obligations issued by one or more municipalities pursuant to Minnesota Statute 473.388, Subd.7. Financial statements are available on the internet at www.mvta.com or by calling 952-882-7500.

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 are defined in Minnesota Statutes Sections 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 made \$860,695 in expenditures in 2020 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

Dakota County, Minnesota

Notes to the Financial Statements

December 31, 2020

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.

3. **Mental Health Crisis Alliance:** A Cooperative Agreement was established with Ramsey County to provide funding to increase mental health crisis services for adults. A Cooperative Agreement was created with a governing board which will be referred to as the East Metropolitan Adult Crisis Stabilization Collaborative ("EMACS"). Ramsey County is the fiscal agent. Dakota County has no operational or financial control over the collaborative.
4. **Dakota County Electronic Crimes Task Force:** A joint powers board made pursuant to Minnesota Statute Section 471.59 between Dakota County and the cities of Apple Valley, Burnsville, Farmington, Hastings, Mendota Heights, Rosemount, South St. Paul and West St. Paul, to coordinate efforts investigating illegal activities related to the use of electronic devices, the internet and materials transmitted or used in electronic form. The Administrative Board consists of one member from each law enforcement unit of government that participates in the Task Force, and may include attorneys from the Dakota County Attorney's Office as advisories. Dakota County serves as the fiscal agent, accounting for member contributions of \$18,000 per city and grant funds or restitution if available.

F. Pension Plans

1. *Defined Benefit Pension Plans*

a. Plan Description

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

1. **General Employees Retirement Plan**

The General Employees Retirement Plan covers certain full time and part-time employees of the Dakota County. General Employees Plan members belong to the Coordinated Plan. Coordinated Plan members are covered by Social Security.

2. **Public Employees Police and Fire Plan**

The Police and Fire Plan, originally established for police officers and firefighters not covered by a local relief association, now covers all police officers and firefighters hired since 1980. Effective July 1, 1999, the Police and Fire Plan also covers police officers and firefighters belonging to local relief associations that elected to merge with and transfer assets and administration to PERA.

3. **Local Government Correctional Plan**

The Correctional Plan was established for correctional officers serving in county and regional corrections facilities. Eligible participants must be responsible for the security, custody, and control of the facilities and their inmates.

b. Benefits Provided

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

1. General Employees Retirement Plan

General Employees Plan benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service. Two methods are used to compute benefits for PERA's Coordinated Plan members. Members hired prior to July 1, 1989, receive the higher of Method 1 or Method 2 formulas. Only Method 2 is used for members hired after June 30, 1989. Under Method 1, the accrual rate for Coordinated members is 1.2% for each of the first 10 years of service and 1.7% for each additional year. Under Method 2, the accrual rate for Coordinated members is 1.7% for all years of service. For members hired prior to July 1, 1989 a full annuity is available when age plus years of service equal 90 and normal retirement age is 65. For members hired on or after July 1, 1989, normal retirement age is the age for unreduced Social Security benefits capped at 66.

Benefit increases are provided to benefit recipients each January. The postretirement increase is equal to 50% of the cost-of-living adjustment (COLA) announced by the SSA, with a minimum increase of at least 1% and a maximum of 1.5%. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase will receive the full increase. Recipients receiving the annuity or benefit for at least one month but less than a full year as of the June 30 before the effective date of the increase will receive a reduced prorated increase. For members retiring on January 1, 2024, or later, the increase will be delayed until normal retirement age (age 65 if hired prior to July 1, 1989, or age 66 for individuals hired on or after July 1, 1989). Members retiring under Rule of 90 are exempt from the delay to normal retirement.

2. Police and Fire Plan Benefits

Benefits for Police and Fire Plan members first hired after June 30, 2010, but before July 1, 2014, vest on a prorated basis from 50% after five years up to 100% after 10 years of credited service. Benefits for Police and Fire Plan members first hired after June 30, 2014, vest on a prorated basis from 50% after 10 years up to 100% after 20 years of credited service. The annuity accrual rate is 3% of average salary for each year of service. For Police and Fire Plan members who were first hired prior to July 1, 1989, a full annuity is available when age plus years of service equal at least 90.

Benefit increases are provided to benefit recipients each January. The postretirement increase will be fixed at 1%. Recipients that have been receiving the annuity or benefit for at least 36 months as of the June 30 before the effective date of the increase will receive the full increase. Recipients receiving the annuity or benefit for at least 25 months but less than 36 months as of the June 30 before the effective date of the increase will receive a reduced prorated increase.

3. Correctional Plan Benefits

Benefits for Correctional Plan members first hired after June 30, 2010, vest on a prorated basis from 50% after five years up to 100% after 10 years of credited service. The annuity accrual rate is 1.9% of average salary for each year of service in that plan. For Correctional Plan members who were first hired prior to July 1, 1989, a full annuity is available when age plus years of service equal at least 90.

Benefit increases are provided to benefit recipients each January. The postretirement increase will be equal to 100% of the COLA announced by SSA, with a minimum increase of at least 1% and a maximum of 2.5%. If the plan's funding status declines to 85% or below for two consecutive years or 80% for one year, the maximum will be lowered from 2.5% to 1.5%. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase will receive the full increase. Recipients receiving the annuity or benefit for at least one month but less than a full year as of the June 30 before the effective date of the increase will receive a reduced prorated increase.

c. Contributions

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

1. General Employees Fund Contributions

Coordinated Plan members were required to contribute 6.50% of their annual covered salary in fiscal year 2020 and the Dakota County was required to contribute 7.50% for Coordinated Plan members. The Dakota County contributions to the General Employees Fund for the year ended December 31, 2020, were \$9,259,844. The Dakota County contributions were equal to the required contributions as set by state statute.

2. Police and Fire Fund Contributions

Police and Fire member's contribution rates increased from 11.3% of their annual covered salary to 11.8% and employer rates increased from 16.95% to 17.70% on January 1, 2020. The Dakota County contributions to the Police and Fire Fund for the year ended December 31, 2020, were \$1,360,235. The Dakota County contributions were equal to the required contributions as set by state statute.

3. Correctional Fund Contributions

Plan members were required to contribute 5.83% of their annual covered salary and the Dakota County was required to contribute 8.75% of pay for plan members in fiscal year 2020. The Dakota County contributions to the Correctional Fund for the year ended December 31, 2020, were \$635,396. The Dakota County contributions were equal to the required contributions as set by state statute.

d. Pension Costs

1. General Employees Fund Pension Costs

At December 31, 2020, the Dakota County reported a liability of \$101,419,151 for its proportionate share of the General Employees Fund's net pension liability. The Dakota County net pension liability reflected a reduction due to the state of Minnesota's contribution of \$16 million. The state of Minnesota is considered a non-employer contributing entity and the state's contribution meets the definition of a special funding situation. The state of Minnesota's proportionate share of the net pension liability associated with the Dakota County totaled \$3,127,472. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Dakota County proportionate share of the net pension liability was based on the Dakota County contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2019 through June 30, 2020, relative to the total employer contributions received from all of PERA's participating

Dakota County, Minnesota Notes to the Financial Statements

December 31, 2020

employers. The Dakota County proportionate share was 1.6916% at the end of the measurement period and 1.6335% for the beginning of the period.

Dakota County's proportionate share of the net pension liability	\$101,419,151
State of Minnesota's proportionate share of the net pension liability associated with Dakota County	<u>3,127,472</u>
Total	<u>\$104,546,623</u>

There were no provision changes during the measurement period.

For the year ended December 31, 2020, the Dakota County recognized pension expense of \$5,564,965 for its proportionate share of the General Employees Plan's pension expense. In addition, the Dakota County recognized \$272,185 as grant revenue for its proportionate share of the state of Minnesota's pension expense for the annual \$16 million contribution.

At December 31, 2020, the Dakota County reported its proportionate share of the General Employees Plan's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$924,692	\$383,718
Changes in actuarial assumptions		\$3,760,000
Net collective difference between projected and actual investment earnings	\$1,752,085	
Changes in proportion	\$2,943,973	\$647,520
Contributions paid to PERA subsequent to the measurement date [to be calculated by employer]	\$4,651,752	
Total	\$10,272,502	\$4,791,238

The \$4,651,752 reported as deferred outflows of resources related to pensions resulting from Dakota County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2021. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:	Pension Expense Amount
2021	\$(5,388,885)
2022	\$914,535
2023	\$2,853,542
2024	\$2,450,320

2. Police and Fire Fund Pension Costs

At December 31, 2020, the Dakota County reported a liability of \$8,797,046 for its proportionate share of the Police and Fire Fund's net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was

Dakota County, Minnesota

Notes to the Financial Statements

December 31, 2020

determined by an actuarial valuation as of that date. The Dakota County proportionate share of the net pension liability was based on the Dakota County contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2019 through June 30, 2020, relative to the total employer contributions received from all of PERA's participating employers. The Dakota County proportionate share was .6674% at the end of the measurement period and .6539% for the beginning of the period.

The state of Minnesota contributed \$13.5 million to the Police and Fire Fund in the plan fiscal year ended June 30, 2020. The contribution consisted of \$4.5 million in direct state aid that does meet the definition of a special funding situation and \$9.0 million in supplemental state aid that does not meet the definition of a special funding situation. The \$4.5 million direct state was paid on October 1, 2019. Thereafter, by October 1 of each year, the state will pay \$9 million to the Police and Fire Fund until full funding is reached or July 1, 2048, whichever is earlier. The \$9 million in supplemental state aid will continue until the fund is 90% funded, or until the State Patrol Plan (administered by the Minnesota State Retirement System) is 90% funded, whichever occurs later.

The state of Minnesota is included as a non-employer contributing entity in the Police and Fire Retirement Plan Schedule of Employer Allocations and Schedule of Pension Amounts by Employer, Current Reporting Period Only (pension allocation schedules) for the \$4.5 million in direct state aid. Police and Fire Plan employers need to recognize their proportionate share of the state of Minnesota's pension expense (and grant revenue) under GASB 68 special funding situation accounting and financial reporting requirements. For the year ended December 31, 2020, the Dakota County recognized pension expense of \$1,229,084 for its proportionate share of the Police and Fire Plan's pension expense. The Dakota County recognized \$60,066 as grant revenue for its proportionate share of the state of Minnesota's pension expense for the contribution of \$4.5 million to the Police and Fire Fund.

The state of Minnesota is not included as a non-employer contributing entity in the Police and Fire Pension Plan pension allocation schedules for the \$9 million in supplemental state aid. The Dakota County recognized \$60,066 for the year ended December 31, 2020 as revenue and an offsetting reduction of net pension liability for its proportionate share of the state of Minnesota's on-behalf contributions to the Police and Fire Fund.

Dakota County proportionate share of the net pension liability	\$8,797,046
State of Minnesota's proportionate share of the net pension liability associated with the Dakota County	<u>207,266</u>
Total	<u>\$9,004,312</u>

There were no provision changes during the measurement period

At December 31, 2020, the Dakota County reported its proportionate share of the Police and Fire Plan's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Dakota County, Minnesota
Notes to the Financial Statements

December 31,
2020

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$388,703	\$417,765
Changes in actuarial assumptions	\$2,948,073	\$5,486,406
Net collective difference between projected and actual investment earnings	\$267,207	
Changes in proportion	\$578,212	
Contributions paid to PERA subsequent to the measurement date [to be calculated by employer]	\$689,946	
Total	\$4,872,141	\$5,904,171

The \$689,946 reported as deferred outflows of resources related to pensions resulting from Dakota County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2021. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:	Pension Expense Amount
2021	\$(398,600)
2022	\$(2,223,456)
2023	\$434,437
2024	\$420,867
2025	\$44,776

3. Correctional Plan Pension Costs

At December 31, 2020, the Dakota County reported a liability of \$918,026 for its proportionate share of the Correctional Plan's net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Dakota County proportionate share of the net pension liability was based on the Dakota County contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2019 through June 30, 2020, relative to the total employer contributions received from all of PERA's participating employers. The Dakota County proportionate share was 3.383% at the end of the measurement period and 3.148% for the beginning of the period.

There were no provision changes during the measurement period.

For the year ended December 31, 2020 the Dakota County recognized pension expense of \$(1,542,714) for its proportionate share of the Correctional Plan's pension expense.

At December 31, 2020, the Dakota County reported its proportionate share of the Correctional Plan's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Dakota County, Minnesota
Notes to the Financial Statements

December 31,
2020

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$8,609	\$337,831
Changes in actuarial assumptions		\$1,859,123
Net collective difference between projected and actual investment earnings	\$174,666	
Changes in proportion	\$362,331	\$50,305
Contributions paid to PERA subsequent to the measurement date [to be calculated by employer]	\$322,093	
Total	\$867,699	\$2,247,259

The \$322,093 reported as deferred outflows of resources related to pensions resulting from Dakota County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2021. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:	Pension Expense Amount
2021	\$(2,046,087)
2022	\$35,668
2023	\$143,156
2024	\$165,610

4. Total Pension Expense

The total pension expense for all plans recognized by the county for the year ended December 31, 2020 was \$5,251,335

e. Actuarial Assumptions

The total pension liability in the June 30, 2020, actuarial valuation was determined using an individual entry-age normal actuarial cost method and the following actuarial assumptions:

	General Employees Fund	Police and Fire Fund	Correctional Fund
Inflation	2.25% per year	2.50% per year	2.50% per year
Active Member Payroll Growth	3.00% per year	3.25% per year	3.25% per year
Investment Rate of Return	7.50%	7.50%	7.50%

Salary increases were based on a service-related table. Mortality rates for active members, retirees, survivors, and disabilitants were based on Pub-2010 General Employee Mortality table for the General Employees Plan and RP 2014 tables for the Police and Fire and the Correctional Plans for males or females, as appropriate, with slight adjustments to fit PERA's experience. Cost of living benefit increases after retirement for retirees are assumed to be 1.25% per year for the General Employees Plan and 2.0% per year for the Correctional Plan. For the Police and Fire Plan, cost of living benefit increases for retirees are 1.0% per year as set by state statute.

Actuarial assumptions used in the June 30, 2020 valuation were based on the results of actuarial experience studies. The most recent four-year experience study for the General Employees Plan was completed in 2019. The assumption changes were adopted by the Board and became effective with the July 1, 2020 actuarial valuation. The four-year experience study used for the Police and Fire Plan was completed in 2016. The five-year experience study used for the Correctional Plan, prepared by a former

actuary, was completed in 2012. The mortality assumption for the Correctional Plan is based on the Police and Fire Plan experience study completed in 2016. Inflation and investment return assumptions for the Police and Fire Plan and the Correctional Plan are based on the General Employees Retirement Plan experience study completed in 2019. The most recent four-year experience studies for the Police and Fire Plan and the Correctional Plan were completed in 2020. The recommended assumptions for those plans were adopted by the Board and will be effective with the July 1, 2021 actuarial valuations if approved by the Legislature.

The following changes in actuarial assumptions and plan provisions occurred in 2020:

General Employees Fund

Changes in Actuarial Assumptions:

- The price inflation assumption was decreased from 2.50% to 2.25%.
- The payroll growth assumption was decreased from 3.25% to 3.00%.
- Assumed salary increase rates were changed as recommended in the June 30, 2019 experience study. The net effect is assumed rates that average 0.25% less than previous rates.
- Assumed rates of retirement were changed as recommended in the June 30, 2019 experience study. The changes result in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements.
- Assumed rates of termination were changed as recommended in the June 30, 2019 experience study. The new rates are based on service and are generally lower than the previous rates for years 2-5 and slightly higher thereafter.
- Assumed rates of disability were changed as recommended in the June 30, 2019 experience study. The change results in fewer predicted disability retirements for males and females.
- The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 General Mortality table, with adjustments. The base mortality table for disabled annuitants was changed from the RP-2014 disabled annuitant mortality table to the PUB-2010 General/Teacher disabled annuitant mortality table, with adjustments.
- The mortality improvement scale was changed from Scale MP-2018 to Scale MP-2019.
- The assumed spouse age difference was changed from two years older for females to one year older.
- The assumed number of married male new retirees electing the 100% Joint & Survivor option changed from 35% to 45%. The assumed number of married female new retirees electing the 100% Joint & Survivor option changed from 15% to 30%. The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.

Changes in Plan Provisions:

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

Police and Fire Fund

Changes in Actuarial Assumptions:

- The mortality projection scale was changed from MP-2018 to MP-2019.

Changes in Plan Provisions:

- There have been no changes since the prior valuation.

Correctional Fund

Changes in Actuarial Assumptions:

- The mortality projection scale was changed from MP-2018 to MP-2019.

Changes in Plan Provisions:

- There have been no changes since the prior valuation.

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Stocks	35.5%	5.10%
International Stocks	17.5%	5.30%
Bonds (Fixed Income)	20.0%	0.75%
Alternative Assets (Private Markets)	25.0%	5.90%
Cash	2.0%	0.00%
Total	100%	

f. Discount Rate

The discount rate used to measure the total pension liability in 2020 was 7.50%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at rates set in Minnesota Statutes. Based on these assumptions, the fiduciary net positions of the General Employees Fund, the Police and Fire Fund, and the Correctional Fund were projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

g. Pension Liability Sensitivity

The following presents the Dakota County proportionate share of the net pension liability for all plans it participates in, calculated using the discount rate disclosed in the preceding paragraph, as well as what the Dakota County proportionate share of the net pension liability would be if it were calculated using a discount rate one percentage point lower or one percentage point higher than the current discount rate:

Sensitivity Analysis (In Thousands)						
<i>Net Pension Liability (Asset) at Different Discount Rates</i>						
	General Employees Fund		Police and Fire Fund		Correctional Fund	
1% Lower	6.50%	\$162,539,720	6.50%	\$17,533,779	6.50%	\$5,705,428
Current Discount Rate	7.50%	\$101,419,151	7.50%	\$8,797,046	7.50%	\$918,025
1% Higher	8.50%	\$50,999,592	8.50%	\$1,568,931	8.50%	\$(2,915,017)

h. Pension Plan Fiduciary Net Position

Detailed information about each pension plan’s fiduciary net position is available in a separately-issued PERA financial report that includes financial statements and required supplementary information. That report may be obtained on the Internet at www.mnpera.org.

2. Defined Contribution Plan

Seven employees of Dakota County are covered by the Defined Contribution Plan, a multiple-employer deferred compensation plan administered by PERA. The Defined Contribution 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. *Minnesota Statutes*, Chapter 353D.03, specifies plan provisions, including the employee and employer contribution rates for those qualified personnel who elect to participate. An eligible elected official who decides to participate contributes 5% of salary which is matched by the elected official’s employer. For ambulance service personnel, employer contributions are determined by the employer, and for salaried employees contributions must be a fixed percentage of salary. Employer contributions for volunteer personnel may be a unit value for each call or period of alert duty. Employees who are paid for their services may elect to make member contributions in an amount not to exceed the employer share. Employer and employee 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% of employer contributions and twenty-five hundredths of 1% (0.25%) of the assets in each member’s account annually.

Total contributions made by the Dakota County during fiscal year 2020 were:

Contribution Amount		Percentage of Covered Payroll		Required
Employee	Employer	Employee	Employer	Rate
\$34,405	\$34,405	5%	5%	5%

Dakota County, Minnesota | **December 31,**
Notes to the Financial Statements | **2020**

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 the 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. The County does not have any assets accumulated in a GASB compliant irrevocable trust.

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's contract settlement. The eligible participants were employees of the Sheriff Department who have retired. The County currently has 23 eligible participants. Based on this plan, the county contributes \$60 a month per participant for health insurance. The participant contributes either \$662 for single coverage or \$2,106 for family coverage per month. During 2020, the County expended \$16,800 for this benefit.

Employees covered by benefit terms. At December 31, 2020, the following employees were covered by the benefit terms:

Retirees and Beneficiaries	68
Inactive Employees Entitled to but not yet receiving benefit payments	-
Active Plan Members	1,572
	1,640

Contributions

The County funds its OPEB obligation on a pay as you go basis. The County contributes none of the cost of current year premiums for eligible retired plan members and their spouses, except for the implicit rate subsidy, described below. For fiscal year 2020, the County contributed \$0.00 to the plan. Plan members receiving benefit contribute 100% of their premium costs. As of December 31, 2020 there were 68 beneficiaries and retirees receiving health benefits from the County's health plans.

Total OPEB Liability

The County's total OPEB liability was measured as of December 31, 2020, and the total OPEB liability used to calculate the total OPEB liability was determined by an actuarial valuation as of that date.

Actuarial assumptions

The total OPEB liability in the January 1, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate	2.12%
Inflation	2.25%
Initial Medical Trend Rate	6.25%
Ultimate Medical Trend Rate	3.80%
Year Ultimate Trend Rate Reached	2069

Dakota County, Minnesota

Notes to the Financial Statements

December 31, 2020

The mortality assumption was updated from the assumption used in the January 1, 2020 actuarial report to reflect mortality improvements using Scale MP-2019, the most recently published mortality scale available as of the Measurement Date.

Each of these assumptions are based on the assumptions used for the most recent Minnesota PERA Coordinated Plan Valuation Report as of July 1, 2019, which were recommended through an experience study dated June 27, 2019, which would cover the period from July 1, 2014 through June 30, 2018.

Discount rate

A single discount rate of 2.12% was used to measure the Total OPEB Liability as of December 31, 2020. This Single discount rate was based on a municipal bond rate of 2.12% (based on the 20-year Bond Buyer GO Index as of the end of December 2020). Since Dakota County's retiree health benefits are funded on a pay-as-you go cash cost basis, plan assets at the beginning of each year will always be insufficient to meet the projected benefit payments. Therefore, the municipal bond rate was applied to all periods of the projected benefit payments to determine the Total OPEB Liability. The previous Discount rate used for the December 31, 2019 reporting year was 2.74%.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at 12/31/2019	\$ 10,129,677
Changes for the year:	
Service cost	\$ 788,000
Interest	290,000
Changes in Assumptions - Discount Rate	503,000
Changes in Assumptions - Other	56,000
Benefit Payments - Employer - Implicit Subsidy	(638,000)
Difference between projected and actual investment income	980,000
Net Changes	\$ 1,979,000
Balance at 12/31/2020	\$ 12,108,677

Changes in assumptions for the Actuarial Report with a measurement date of December 31, 2020 are as follows:

- Inflation was updated to 2.25% from 2.50%.
- The salary increase assumption was updated to reflect the reduction in inflation;
- The medical trend rate assumption was updated to reflect the reduction in inflation;
- The morality assumption was updated from the assumption used in the January 1, 2020 actuarial report to reflect mortality improvements using Scale MP-2019, the most recently published mortality improvement scale available as of the Measurement Date.
- The Discount Rate was also updated from 2.74% to 2.12%.

Sensitivity of the Total OPEB liability to changes in the discount rate and healthcare cost trend rates. The following presents the Total OPEB liability of the County, as well as what the County's Total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.1 percent) or 1-percentage-point higher (3.1 percent) than the current discount rate:

Dakota County, Minnesota

Notes to the Financial Statements

December 31, 2020

	<u>1% Decrease (1.1)%</u>	<u>Discount Rate (2.7)%</u>	<u>1% Increase (3.1)%</u>
Total OPEB liability (asset)	\$ 12,951,000	\$ 12,109,000	\$ 11,306,000

Sensitivity of the Total OPEB liability to changes in the healthcare cost trend rates. The following presents the Total OPEB liability of the County, as well as what the County's Total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (5.3 percent decreasing to 3.0 percent) or 1-percentage-point higher (7.3 percent decreasing to 5.0 percent) than the current healthcare cost trend rates:

	<u>1% Decrease (5.3% decreasing to 2.8%)</u>	<u>Healthcare Cost Trend Rates (6.6% decreasing to 4.3%)</u>	<u>1% In 7.3% decreasing to 4.8%)</u>
Total OPEB liability (asset)	\$ 10,831,000	\$ 12,109,000	\$ 13,609,000

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2020, the County recognized OPEB expense of \$1,398,000. At December 31, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 819,000	\$ -
Changes of assumptions	1,078,000	237,939
Total	<u>\$ 1,897,000</u>	<u>\$ 237,939</u>


Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	
2021	\$ 319,113
2022	319,113
2023	319,113
2024	345,538
2025	332,022
Thereafter	25,230

G. Subsequent Event

In March of 2020, the World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic. The COVID-19 pandemic has had significant effects on global markets, supply chains, businesses, and communities. COVID-19 has impacted various parts of Dakota County's 2020 operations and financial results including, but not limited to, costs for emergency preparedness, reversion of work duties, supply chain availability, and cost of construction material. Management believes Dakota County has taken appropriate actions to mitigate the negative impact. Federal funding has helped mitigate impacts. The full impact of COVID-19 remains unknown and cannot be reasonably estimated.

This page was left blank intentionally.



Required Supplementary Information

This page was left blank intentionally.

**DAKOTA COUNTY
MINNESOTA**

**SCHEDULE OF CHANGES IN THE
COUNTY'S TOTAL OPEB LIABILITY AND RELATED RATIOS**

December 31, 2020

	2018	2019	2020
Total OPEB Liability			
Service cost	\$ 626,000	\$ 572,000	\$ 788,000
Interest	315,000	374,000	290,000
Changes in Assumptions - Discount Rate	(403,000)	877,000	503,000
Changes in Assumptions - Other	(33,000)	-	56,000
Benefit Payments - Employer - Implicit Subsidy	(461,000)	(485,000)	(638,000)
Difference between projected and actual investment income	-	-	980,000
Net Change in total OPEB Liability	\$ 44,000	\$ 1,338,000	1,979,000
Total OPEB liability - beginning	8,747,677	8,791,677	10,129,677
Total OPEB liability - ending	<u>\$ 8,791,677</u>	<u>\$ 10,129,677</u>	<u>\$ 12,108,677</u>
Covered employee payroll	\$ 131,815,000	\$ 139,031,000	\$ 145,134,000
County's total OPEB liability as a percentage of the covered employee payroll	6.67%	7.29%	8.34%

Notes to Schedule:

Benefit changes: None

The County does not have any assets accumulated in a GASB compliant irrevocable trust.

2020 assumptions:

- The mortality assumption was updated to be consistent with the assumptions used in the 2014-2018 experience study for the PERA General plan with the exception of using the Pub-2010 General Headcount-Weighted Mortality Table instead of the Pub-2010 General Amount-Weighted Mortality Table. Adjustment factors were consistent with those recommended in the experience study.
- The withdrawal and retirement assumptions were updated to be consistent with the assumptions used in the 2014-2018 experience study for the PERA General plan, after adjustment from benefit-weighting to headcount-weighting.
- The salary increase assumption was updated to be consistent with the assumptions used in the 2014-2018 experience study for the PERA General plan.
- The spouse age assumption was updated to be consistent with the assumptions used in the 2014-2018 experience study for the PERA General plan.
- The inflation rate decreased from 2.75% to 2.25%.
- The payroll growth rate decreased from 3.50% to 3.00%.
- The annual medical claims costs and premiums were updated based on recent experience.
- The annual medical trend was updated based on recent trend surveys, short-term expectations specific to Dakota County, and the current version of the SOA-Getzen trend model.

2019 assumptions:

- Inflation was updated to 2.50% (from 2.75%)
- The Salary Increase Assumption was updated to reflect the reduction in inflation;
- The medical trend rate assumption was updated to reflect the reduction in inflation;
- The mortality assumption was updated from the assumption used in the January 1, 2018 actuarial report to reflect mortality improvements using Scale MP-2018, the most recently published mortality improvement scale available as of the Measurement Date.
- In addition to the assumptions changes above, a single discount rate of 2.74% was used to measure the Total OPEB Liability as of December 31, 2019. This single discount rate was based on municipal bond rate of 2.74% (based on the 20-year Bond Buyer GO Index as of the end of December 2019).

2018 assumptions:

- Inflation was updated to 2.50% (from 2.75%)
- The Salary Increase Assumption was updated to reflect the reduction in inflation;
- The medical trend rate assumption was updated to reflect the reduction in inflation;
- The mortality assumption was updated from the assumption used in the January 1, 2018 actuarial report to reflect mortality improvements using Scale MP-2018, the most recently published mortality improvement scale available as of the Measurement Date.
- In addition to the assumptions changes above, a single discount rate of 4.10% was used to measure the Total OPEB Liability as of December 31, 2018. This single discount rate was based on municipal bond rate of 4.10% (based on the 20-year Bond Buyer GO Index as of the end of December 2018).

This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

**DAKOTA COUNTY
MINNESOTA**

**SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
PERA GENERAL EMPLOYEES RETIREMENT PLAN
DECEMBER 31, 2020**

Measurement Date	Employer's Proportion of the Net Pension Liability (Asset)	Employer's Proportionate Share of the Net Pension Liability (Asset) (a)	State's Proportionate Share of the Net Pension Liability Associated With Dakota County (b)	Employer's Proportionate Share of the Net Pension Liability and the State's Related Share of the Net Pension Liability (Asset) (a+b)	Covered Payroll (c)	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll (a/c)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	1.5957%	\$ 82,697,456	\$ N/A	\$ 82,697,456	\$ 93,797,985	88.17%	78.19%
2016	1.5864	128,807,811	501,636	129,309,447	98,563,497	130.69	68.91
2017	1.6704	106,637,234	1,340,859	107,978,093	107,526,176	99.17	75.90
2018	1.6281	90,320,313	2,962,659	93,282,972	109,767,382	82.28	79.53
2019	1.6335	90,312,556	2,807,045	93,119,601	115,251,630	78.36	80.23
2020	1.6916	101,419,151	3,127,472	104,546,623	120,802,803	83.95	79.06

This schedule is intended to show information for ten years. Additional years will be displayed as they become available. The measurement date for each year is June 30.

**DAKOTA COUNTY
MINNESOTA**

**SCHEDULE OF CONTRIBUTIONS
PERA GENERAL EMPLOYEES RETIREMENT PLAN
DECEMBER 31, 2020**

Year Ending	Statutorily Required Contributions (a)	Actual Contributions in Relation to Statutorily Required Contributions (b)	Contribution (Deficiency) Excess (b-a)	Covered Payroll (c)	Actual Contributions as a Percentage of Covered Payroll (b/c)
2015	\$ 7,424,949	\$ 7,424,949	\$ -	\$ 98,998,921	7.50%
2016	7,609,115	7,609,115	-	101,454,465	7.50
2017	8,020,074	8,020,074	-	106,934,320	7.50
2018	8,403,716	8,403,716	-	112,049,547	7.50
2019	8,878,920	8,878,920	-	118,385,600	7.50
2020	9,259,844	9,259,844	-	123,464,587	7.50

This schedule is intended to show information for ten years. Additional years will be displayed as they become available. The County's year-end is December 31.

The notes to the schedules of proportionate share of net pension liability and schedules of contributions are an integral part of this schedule.

**DAKOTA COUNTY
MINNESOTA**

**SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
PERA PUBLIC EMPLOYEES POLICE AND FIRE PLAN
DECEMBER 31, 2020**

Measurement Date	Employer's Proportion of the Net Pension Liability (Asset)	Employer's Proportionate Share of the Net Pension Liability (Asset) (a)	Covered Payroll (b)	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll (a/b)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	0.584%	\$ 6,635,607	\$ 5,349,904	124.03%	86.61%
2016	0.589	23,637,595	5,556,937	425.37	63.88
2017	0.649	8,762,272	6,658,474	131.60	85.43
2018	0.654	6,965,637	6,887,800	101.13	88.84
2019	0.654	6,961,426	6,896,956	100.93	89.26
2020	0.667	8,797,046	7,513,126	117.09	87.19

This schedule is intended to show information for ten years. Additional years will be displayed as they become available. The measurement date for each year is June 30.

**DAKOTA COUNTY
MINNESOTA**

**SCHEDULE OF CONTRIBUTIONS
PERA PUBLIC EMPLOYEES POLICE AND FIRE PLAN
DECEMBER 31, 2020**

Year Ending	Statutorily Required Contributions (a)	Actual Contributions in Relation to Statutorily Required Contributions (b)	Contribution (Deficiency) Excess (b-a)	Covered Payroll (c)	Actual Contributions as a Percentage of Covered Payroll (b/c)
2015	\$ 906,079	\$ 906,079	\$ -	\$ 5,531,350	16.38%
2016	979,649	979,649	-	6,047,220	16.20
2017	1,090,710	1,090,710	-	6,732,778	16.20
2018	1,116,024	1,116,024	-	6,889,037	16.20
2019	1,219,927	1,219,927	-	7,197,209	16.95
2020	1,360,235	1,360,235	-	7,684,942	17.70

This schedule is intended to show information for ten years. Additional years will be displayed as they become available. The County's year-end is December 31.

The notes to the schedules of proportionate share of net pension liability and schedules of contributions are an integral part of this schedule.

**DAKOTA COUNTY
MINNESOTA**

**SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
PERA PUBLIC EMPLOYEES CORRECTIONAL PLAN
DECEMBER 31, 2020**

Measurement Date	Employer's Proportion of the Net Pension Liability (Asset)	Employer's Proportionate Share of the Net Pension Liability (Asset) (a)	Covered Payroll (b)	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll (a/b)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	3.14%	\$ 485,444	\$ 5,619,220	8.64%	96.95%
2016	2.96	10,813,294	5,575,906	193.93	58.16
2017	3.14	8,949,031	6,183,626	144.72	67.89
2018	3.03	498,607	6,191,632	8.05	97.64
2019	3.15	435,854	6,714,968	6.49	98.17
2020	3.38	918,025	7,102,592	12.93	96.67

This schedule is intended to show information for ten years. Additional years will be displayed as they become available. The measurement date for each year is June 30.

**DAKOTA COUNTY
MINNESOTA**

**SCHEDULE OF CONTRIBUTIONS
PERA PUBLIC EMPLOYEES CORRECTIONAL PLAN
DECEMBER 31, 2020**

Year Ending	Statutorily Required Contributions (a)	Actual Contributions in Relation to Statutorily Required Contributions (b)	Contribution (Deficiency) Excess (b-a)	Covered Payroll (c)	Actual Contributions as a Percentage of Covered Payroll (b/c)
2015	\$ 494,252	\$ 494,252	\$ -	\$ 5,648,593	8.75%
2016	504,457	504,457	-	5,765,217	8.75
2017	527,045	527,045	-	6,023,371	8.75
2018	568,248	568,248	-	6,494,263	8.75
2019	605,148	605,148	-	6,915,977	8.75
2020	635,396	635,396	-	7,261,663	8.75

This schedule is intended to show information for ten years. Additional years will be displayed as they become available. The County's year-end is December 31.

The notes to the schedules of proportionate share of net pension liability and schedules of contributions are an integral part of this schedule.

**DAKOTA COUNTY
MINNESOTA**

NOTES TO THE SCHEDULES OF PROPORTIONATE SHARE OF NET PENSION
LIABILITY AND SCHEDULES OF CONTRIBUTIONS
FOR THE YEAR ENDED DECEMBER 31, 2020

CHANGES IN SIGNIFICANT PENSION PLAN PROVISIONS, ACTUARIAL METHODS, AND ASSUMPTIONS

The following changes were reflected in the valuation performed on behalf of the Public Employees Retirement Association for the year ended June 30:

General Employees Fund

2020 Changes

Changes in Actuarial Assumptions

- The price inflation assumption was decreased from 2.50% to 2.25%.
- The payroll growth assumption was decreased from 3.25% to 3.00%.
- Assumed salary increase rates were changed as recommended in the June 30, 2019 experience study. The net effect is assumed rates that average 0.25% less than previous rates.
- Assumed rates of retirement were changed as recommended in the June 30, 2019 experience study. The changes result in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements.
- Assumed rates of termination were changed as recommended in the June 30, 2019 experience study. The new rates are based on service and are generally lower than the previous rates for years 2-5 and slightly higher thereafter.
- Assumed rates of disability were changed as recommended in the June 30, 2019 experience study. The change results in fewer predicted disability retirements for males and females.
- The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 General Mortality table, with adjustments. The base mortality table for disabled annuitants was changed from the RP-2014 disabled annuitant mortality table to the PUB-2010 General/Teacher disabled annuitant mortality table, with adjustments.
- The mortality improvement scale was changed from Scale MP-2018 to Scale MP-2019.
- The assumed spouse age difference was changed from two years older for females to one year older.
- The assumed number of married male new retirees electing the 100% Joint & Survivor option changed from 35% to 45%. The assumed number of married female new retirees electing the 100% Joint & Survivor option changed from 15% to 30%. The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.

**DAKOTA COUNTY
MINNESOTA**

**NOTES TO THE SCHEDULES OF PROPORTIONATE SHARE OF NET PENSION
LIABILITY AND SCHEDULES OF CONTRIBUTIONS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Changes in Plan Provisions

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

2019 Changes

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

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

2018 Changes

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- The augmentation adjustment in early retirement factors is eliminated over a five-year period starting July 1, 2019, resulting in actuarial equivalence after June 30, 2024.
- Interest credited on member contributions decreased from 4.00 percent to 3.00 percent, beginning July 1, 2018.
- Deferred augmentation was changed to 0.00 percent, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Contribution stabilizer provisions were repealed.
- Postretirement benefit increases were changed from 1.00 percent per year with a provision to increase to 2.50 percent upon attainment of 90.00 percent funding ratio to 50.00 percent of the Social Security Cost of Living Adjustment, not less than 1.00 percent and not more than 1.50 percent, beginning January 1, 2019.
- For retirements on or after January 1, 2024, the first benefit increase is delayed until the retiree reaches normal retirement age; does not apply to Rule of 90 retirees, disability benefit recipients, or survivors.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

**DAKOTA COUNTY
MINNESOTA**

NOTES TO THE SCHEDULES OF PROPORTIONATE SHARE OF NET PENSION
LIABILITY AND SCHEDULES OF CONTRIBUTIONS
FOR THE YEAR ENDED DECEMBER 31, 2020

2017 Changes

Changes in Actuarial Assumptions

- The combined service annuity (CSA) loads were changed from 0.80 percent for active members and 60.00 percent for vested and non-vested deferred members. The revised CSA load are now 0.00 percent for active member liability, 15.00 percent for vested deferred member liability, and 3.00 percent for non-vested deferred member liability.
- The assumed postretirement benefit increase rate was changed for 1.00 percent per year for all years to 1.00 percent per year through 2044 and 2.50 percent per year thereafter.

Changes in Plan Provisions

- The State's contribution for the Minneapolis Employees Retirement Fund equals \$16,000,000 in 2017 and 2018, and \$6,000,000 thereafter.
- The Employer Supplemental Contribution for the Minneapolis Employees Retirement Fund changed from \$21,000,000 to \$31,000,000 in calendar years 2019 to 2031. The state's contribution changed from \$16,000,000 to \$6,000,000 in calendar years 2019 to 2031.

2016 Changes:

Changes in Actuarial Assumptions

- The assumed postretirement benefit increase rate was changed from 1.00 percent per year through 2035 and 2.50 percent per year thereafter to 1.00 percent per year for all years.
- The assumed investment return was changed from 7.90 percent to 7.50 percent. The single discount rate changed from 7.90 percent to 7.50 percent.
- Other assumptions were changed pursuant to the experience study June 30, 2015. The assumed future salary increases, payroll growth, and inflation were decreased by 0.25 percent to 3.25 percent for payroll growth and 2.50 percent for inflation.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2015 Changes:

Changes in Actuarial Assumptions

- The assumed postretirement benefit increase rate was changed from 1.00 percent per year through 2030 and 2.50 percent per year thereafter to 1.00 percent per year through 2035 and 2.50 percent per year thereafter.

Changes in Plan Provisions:

- On January 1, 2015, the Minneapolis Employees Retirement Fund was merged into the General Employees Fund, which increased the total pension liability by \$1.1 billion and increase the fiduciary

**DAKOTA COUNTY
MINNESOTA**

NOTES TO THE SCHEDULES OF PROPORTIONATE SHARE OF NET PENSION
LIABILITY AND SCHEDULES OF CONTRIBUTIONS
FOR THE YEAR ENDED DECEMBER 31, 2020

plan net position by \$892 million. Upon consolidation, state and employer contributions were revised; the State's contribution of \$6.0 million, which meets the special funding situation definition, was due September 2015.

Police and Fire Fund

2020 Changes

Changes in Actuarial Assumptions

- The morality projection scale was changed from MP-2018 to MP-2019.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2019 Changes

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2018 Changes

Changes in Actuarial Assumptions

- The morality projection scale was changed from MP-2016 to MP-2017.

Changes in Plan Provisions

- Postretirement benefit increases were changed to 1.00 percent for all years, with no trigger.
- An end date of July 1, 2048 was added to the existing \$9.0 million state contribution.
- New annual state aid will equal \$4.5 million in fiscal years 2019 and 2020, and \$9.0 million thereafter until the plan reaches 100 percent funding, or July 1, 2048, if earlier, which meets the special funding situation definition.
- Member contributions were changed from 10.80 percent to 11.30 percent of pay, effective January 1, 2019 and 11.80 percent of pay, effective January 1, 2020.
- Employer contributions were changed from 16.20 percent to 16.95 percent of pay, effective January 1, 2019 and 17.70 percent of pay, effective January 1, 2020.
- Interest credited on member contributions decreased from 4.00 percent to 3.00 percent, beginning July 1, 2018.

**DAKOTA COUNTY
MINNESOTA**

NOTES TO THE SCHEDULES OF PROPORTIONATE SHARE OF NET PENSION
LIABILITY AND SCHEDULES OF CONTRIBUTIONS
FOR THE YEAR ENDED DECEMBER 31, 2020

- Deferred augmentation was changed to 0.00 percent, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

2017 Changes

Changes in Actuarial Assumptions

- Assumed salary increases were changed as recommended in the June 30, 2016 experience study. The net effect is proposed rates that average 0.34 percent lower than the previous rates.
- Assumed rates of retirement were changed, resulting in fewer retirements.
- The combined service annuity (CSA) load was 30.00 percent for vested and non-vested, deferred members. The CSA has been changed to 33.00 percent for vested members and 2.00 percent for non-vested members.
- The base mortality table for healthy annuitants was changed from the RP-2000 fully generational table to the RP-2014 fully generational table (with a base year of 2006), with male rates adjusted by a factor of 0.96. The mortality improvement scale was changed from Scale AA to Scale MP-2016. The base mortality table for disabled annuitants was changed from the RP-2000 disabled mortality table to the mortality tables assumed for healthy retirees.
- Assumed termination rates were decreased to 3.00 percent for the first three years of service. Rates beyond the select period of three years were adjusted, resulting in more expected terminations overall.
- Assumed percentage of married female members was decreased from 65.00 percent to 60.00 percent.
- Assumed age difference was changed from separate assumptions for male members (wives assumed to be three years younger) and female members (husbands assumed to be four years older) to the assumption that males are two years older than females.
- The assumed percentage of female members electing joint and survivor annuities was increased.
- The assumed postretirement benefit increase rate was changed from 1.00 percent for all years to 1.00 percent per year through 2064 and 2.50 percent thereafter.
- The single discount rate was changed from 5.60 percent per annum to 7.50 percent per annum.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

**DAKOTA COUNTY
MINNESOTA**

NOTES TO THE SCHEDULES OF PROPORTIONATE SHARE OF NET PENSION
LIABILITY AND SCHEDULES OF CONTRIBUTIONS
FOR THE YEAR ENDED DECEMBER 31, 2020

2016 Changes:

Changes in Actuarial Assumptions

- The assumed postretirement benefit increase rate was changed from 1.00 percent per year through 2037 and 2.50 percent per year thereafter to 1.00 percent per year for all future years.
- The assumed investment return was changed from 7.90 percent to 7.50 percent.
- The single discount rate changed from 7.90 percent to 5.60 percent.
- The assumed future salary increases, payroll growth, and inflation were decreased by 0.25 percent to 3.25 percent for payroll growth and 2.50 percent for inflation.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2015 Changes:

Changes in Actuarial Assumptions

- The assumed postretirement benefit increase rate was changed from 1.00 percent per year through 2030 and 2.50 percent per year thereafter to 1.00 percent per year through 2037 and 2.50 percent per year thereafter.

Changes in Plan Provisions:

- The postretirement benefit increase to be paid after the attainment of the 90.00 percent funding threshold was changed from inflation up to 2.50 percent, to a fixed rate of 2.50 percent

Correctional Fund

2020 Changes

Changes in Actuarial Assumptions

- The morality projection scale was changed from MP-2018 to MP-2019.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2019 Changes

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- There have been no changes since the prior valuation.

**DAKOTA COUNTY
MINNESOTA**

**NOTES TO THE SCHEDULES OF PROPORTIONATE SHARE OF NET PENSION
LIABILITY AND SCHEDULES OF CONTRIBUTIONS
FOR THE YEAR ENDED DECEMBER 31, 2020**

2018 Changes

Changes in Actuarial Assumptions

- The single discount rate was changed from 5.96 percent per annum to 7.50 percent per annum.
- The morality projection scale was changed from MP-2016 to MP-2017.
- The assumed post-retirement benefit increase was changed from 2.50 percent per year to 2.00 percent per year.

Changes in Plan Provisions

- The augmentation adjustment in early retirement factors is eliminated over a five-year period starting July 1, 2019, resulting in actuarial equivalence after June 30, 2024.
- Interest credited on member contributions decreased from 4.00 percent to 3.00 percent, beginning July 1, 2018.
- Deferred augmentation was changed to 0.00 percent, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Postretirement benefit increases were changed from 2.50 percent per year with a provision to reduce to 1.00 percent if the funding status declines to a certain level, to 100 percent of the Social Security Cost of Living Adjustment, not less than 1.00 percent and not more than 2.50 percent, beginning January 1, 2019. If the funding status declines to 85.00 percent for two consecutive years or 80.00 percent for one year, the maximum increase will be lowered to 1.50 percent.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

2017 Changes

Changes in Actuarial Assumptions

- The base mortality table for healthy annuitants was changed from the RP-2000 fully generational table to the RP-2014 fully generational table (with a base year of 2006), with male rates adjusted by a factor of 0.96. The mortality improvement scale was changed from Scale AA to Scale MP-2016, and is applied to healthy and disabled members. The base mortality table for disabled annuitants was changed from the RP-2000 disabled mortality table to the RP-2014 disabled annuitant mortality table (with future mortality improvement according to MP-2016).
- The combined service annuity (CSA) load was 30.00 percent for vested and non-vested, deferred members. The CSA has been changed to 35.00 percent for vested members and 1.00 percent for non-vested members.
- The single discount rate was changed from 5.31 percent per annum to 5.96 percent per annum.

**DAKOTA COUNTY
MINNESOTA**

NOTES TO THE SCHEDULES OF PROPORTIONATE SHARE OF NET PENSION
LIABILITY AND SCHEDULES OF CONTRIBUTIONS
FOR THE YEAR ENDED DECEMBER 31, 2020

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2016 Changes:

Changes in Actuarial Assumptions

- The assumed investment return was changed from 7.90 percent to 7.50 percent. The single discount rate changed from 7.90 percent to 5.31 percent.
- The assumed future salary increases, payroll growth, and inflation were decreased by 0.25 percent to 3.25 percent for payroll growth and 2.5 percent for inflation.

Changes in Plan Provisions

There have been no changes since the prior valuation.

2015 Changes

Changes in Actuarial Assumptions

- There have been no changes since the prior valuation.

Changes in Plan Provisions

- There have been no changes since the prior valuation.



Supplementary Information

This page was left blank intentionally.

**DAKOTA COUNTY
MINNESOTA**

**BUDGETARY COMPARISON SCHEDULE
BUDGET AND ACTUAL
CAPITAL PROJECTS FUND
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 3,338,405	\$ 3,342,905	\$ 3,328,509	\$ (14,396)
Intergovernmental	3,832,420	8,621,844	316,194	(8,305,650)
Miscellaneous	-	-	5,110	5,110
Total Revenues	\$ 7,170,825	\$ 11,964,749	\$ 3,649,813	\$ (8,314,936)
Expenditures				
Capital outlay				
Capital outlay	18,502,420	52,129,882	25,427,764	26,702,118
Excess of Revenues Over (Under) Expenditures	\$ (11,331,595)	\$ (40,165,133)	\$ (21,777,951)	\$ 18,387,182
Other Financing Sources (Uses)				
Transfers in	\$ 11,331,595	\$ 21,497,381	\$ 21,497,381	\$ -
Net Change in Fund Balance	\$ -	\$ (18,667,752)	\$ (280,570)	\$ 18,387,182
Fund Balance - January 1	280,570	280,570	280,570	-
Fund Balance - December 31	\$ 280,570	\$ (18,387,182)	\$ -	\$ 18,387,182

**DAKOTA COUNTY
MINNESOTA**

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2020**

	<u>Special Revenue Funds</u>					<u>Total Nonmajor Governmental Funds</u>
	<u>County Library</u>	<u>County Parks</u>	<u>Regional Rail</u>	<u>Law Library</u>	<u>Attorney Forfeiture</u>	
<u>Assets</u>						
Cash and pooled investments	\$ 1,047,591	\$ 143,653	\$ 11,088,213	\$ 354,176	\$ 200,078	\$ 12,833,711
Petty cash and change funds	2,858	1,700	-	80	-	4,638
Taxes receivable						
Prior	122,572	14,375	2,046	-	-	138,993
Accounts receivable	24,181	296,836	-	1,138	-	322,155
Due from other funds	1,015,884	4,814,221	-	10,291	-	5,840,396
Due from other governments	3,298	4,248,107	-	13,345	-	4,264,750
Total Assets	<u>\$ 2,216,384</u>	<u>\$ 9,518,892</u>	<u>\$ 11,090,259</u>	<u>\$ 379,030</u>	<u>\$ 200,078</u>	<u>\$ 23,404,643</u>
<u>Liabilities, Deferred Inflows of Resources, and Fund Balances</u>						
Liabilities						
Accounts payable	\$ 58,472	\$ 735,216	\$ -	\$ 1,056	\$ 1,006	\$ 795,750
Salaries payable	334,365	63,150	-	12,068	-	409,583
Contracts payable	-	311,103	-	-	-	311,103
Due to other funds	103,387	246,928	93,556	420	69,811	514,102
Due to other governments	497	1,284	-	4	-	1,785
Unearned revenue - other	-	155,391	-	-	-	155,391
Total Liabilities	<u>\$ 496,721</u>	<u>\$ 1,513,072</u>	<u>\$ 93,556</u>	<u>\$ 13,548</u>	<u>\$ 70,817</u>	<u>\$ 2,187,714</u>
Deferred Inflows of Resources						
Unavailable revenue	\$ 108,374	\$ 12,833	\$ -	\$ -	\$ -	\$ 121,207
Total deferred inflows of resources	<u>\$ 108,374</u>	<u>\$ 12,833</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 121,207</u>

**DAKOTA COUNTY
MINNESOTA**

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2020**

	<u>Special Revenue Funds</u>					<u>Total Nonmajor Governmental Funds</u>
	<u>County Library</u>	<u>County Parks</u>	<u>Regional Rail</u>	<u>Law Library</u>	<u>Attorney Forfeiture</u>	
Fund Balances						
Restricted for:						
Law library	\$ -	\$ -	\$ -	\$ 365,482	\$ -	\$ 365,482
Criminal forfeitures	-	-	-	-	129,261	129,261
Assigned to:						
Culture and recreation	1,611,289	7,992,987	-	-	-	9,604,276
Economic development	-	-	10,996,703	-	-	10,996,703
Total Fund Balances	<u>\$ 1,611,289</u>	<u>\$ 7,992,987</u>	<u>\$ 10,996,703</u>	<u>\$ 365,482</u>	<u>\$ 129,261</u>	<u>\$ 21,095,722</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 2,216,384</u>	<u>\$ 9,518,892</u>	<u>\$ 11,090,259</u>	<u>\$ 379,030</u>	<u>\$ 200,078</u>	<u>\$ 23,404,643</u>

**DAKOTA COUNTY
MINNESOTA**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>Special Revenue Funds</u>					<u>Total Nonmajor Governmental Funds</u>
	<u>County Library</u>	<u>County Parks</u>	<u>Regional Rail</u>	<u>Law Library</u>	<u>Attorney Forfeiture</u>	
Revenues						
Taxes	\$ 13,305,698	\$ 1,527,692	\$ 809	\$ -	\$ -	\$ 14,834,199
License and permits	-	129,312	-	-	-	129,312
Intergovernmental	1,341,124	7,430,484	1	-	-	8,771,609
Charges for services	91,172	763,810	-	206,868	-	1,061,850
Fines and forfeits	-	6,845	-	-	49,869	56,714
Gifts and contributions	38,402	151	-	-	-	38,553
Investment earnings	1,691	277,761	158,047	-	-	437,499
Miscellaneous	95,771	725	-	8,708	-	105,204
Total Revenues	\$ 14,873,858	\$ 10,136,780	\$ 158,857	\$ 215,576	\$ 49,869	\$ 25,434,940
Expenditures						
Current						
General government	\$ -	\$ -	\$ -	\$ 400,006	\$ 81,131	\$ 481,137
Culture and recreation	14,493,130	18,446,680	-	-	-	32,939,810
Economic development	-	-	147,063	-	-	147,063
Total Expenditures	\$ 14,493,130	\$ 18,446,680	\$ 147,063	\$ 400,006	\$ 81,131	\$ 33,568,010
Excess of Revenues Over (Under) Expenditures	\$ 380,728	\$ (8,309,900)	\$ 11,794	\$ (184,430)	\$ (31,262)	\$ (8,133,070)

**DAKOTA COUNTY
MINNESOTA**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>Special Revenue Funds</u>					<u>Total Nonmajor Governmental Funds</u>
	<u>County Library</u>	<u>County Parks</u>	<u>Regional Rail</u>	<u>Law Library</u>	<u>Attorney Forfeiture</u>	
Other Financing Sources (Uses)						
Transfers in	\$ -	\$ 4,193,869	\$ -	\$ -	\$ -	\$ 4,193,869
Total Other Financing Sources (Uses)	<u>\$ -</u>	<u>\$ 4,193,869</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,193,869</u>
Net Change in Fund Balance	\$ 380,728	\$ (4,116,031)	\$ 11,794	\$ (184,430)	\$ (31,262)	\$ (3,939,201)
Fund Balance - January 1	<u>1,230,561</u>	<u>12,109,018</u>	<u>10,984,909</u>	<u>549,912</u>	<u>160,523</u>	<u>25,034,923</u>
Fund Balance - December 31	<u><u>\$ 1,611,289</u></u>	<u><u>\$ 7,992,987</u></u>	<u><u>\$ 10,996,703</u></u>	<u><u>\$ 365,482</u></u>	<u><u>\$ 129,261</u></u>	<u><u>\$ 21,095,722</u></u>

**DAKOTA COUNTY
MINNESOTA**

**BUDGETARY COMPARISON SCHEDULE
BUDGET AND ACTUAL
COUNTY LIBRARY SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 13,360,447	\$ 13,337,006	\$ 13,305,698	\$ (31,308)
Intergovernmental	145,000	1,175,246	1,341,124	165,878
Charges for services	400,000	400,000	91,172	(308,828)
Gifts and contributions	-	8,700	38,402	29,702
Investment earnings	-	-	1,691	1,691
Miscellaneous	179,000	179,000	95,771	(83,229)
Total Revenues	\$ 14,084,447	\$ 15,099,952	\$ 14,873,858	\$ (226,094)
Expenditures				
Current				
Culture and recreation				
Regional library	14,084,447	15,537,232	14,493,130	1,044,102
Net Change in Fund Balance	\$ -	\$ (437,280)	\$ 380,728	\$ 818,008
Fund Balance - January 1	1,230,561	1,230,561	1,230,561	-
Fund Balance - December 31	\$ 1,230,561	\$ 793,281	\$ 1,611,289	\$ 818,008

**DAKOTA COUNTY
MINNESOTA**

**BUDGETARY COMPARISON SCHEDULE
BUDGET AND ACTUAL
COUNTY PARKS SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 1,404,740	\$ 1,528,904	\$ 1,527,692	\$ (1,212)
Licenses and permits	94,500	94,500	129,312	34,812
Intergovernmental	35,905,560	51,486,120	7,430,484	(44,055,636)
Charges for services	1,061,374	1,061,374	763,810	(297,564)
Fines and forfeits	10,000	10,000	6,845	(3,155)
Gifts and contributions	-	-	151	151
Miscellaneous	2,000	2,000	725	(1,275)
Total Revenues	\$ 38,478,174	\$ 54,182,898	\$ 9,859,019	\$ (44,323,879)
Expenditures				
Current				
Culture and recreation				
Parks	47,249,336	92,565,006	18,446,680	74,118,326
Excess of Revenues Over (Under)				
Expenditures	\$ (8,771,162)	\$ (38,382,108)	\$ (8,587,661)	\$ 29,794,447
Other Financing Sources (Uses)				
Transfers in	\$ 7,376,813	\$ 8,203,046	\$ 4,193,869	\$ (4,009,177)
Net Change in Fund Balance	\$ (1,394,349)	\$ (30,179,062)	\$ (4,393,792)	\$ 25,785,270
Fund Balance - January 1	12,109,018	12,109,018	12,109,018	-
Fund Balance - December 31	\$ 10,714,669	\$ (18,070,044)	\$ 7,715,226	\$ 25,785,270

**DAKOTA COUNTY
MINNESOTA**

**BUDGETARY COMPARISON SCHEDULE
BUDGET AND ACTUAL
REGIONAL RAIL SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ -	\$ -	\$ 809	\$ 809
Intergovernmental	-	45,000	1	(44,999)
Investment earnings	165,223	165,223	158,047	(7,176)
Total Revenues	\$ 165,223	\$ 210,223	\$ 158,857	\$ (51,366)
Expenditures				
Economic development				
Community development	\$ 2,367,053	\$ 6,354,123	\$ 47,111	\$ 6,307,012
Administration	139,419	139,419	99,952	39,467
Total Expenditures	\$ 2,506,472	\$ 6,493,542	\$ 147,063	\$ 6,346,479
Net Change in Fund Balance	\$ (2,341,249)	\$ (6,283,319)	\$ 11,794	\$ 6,295,113
Fund Balance - January 1	10,984,909	10,984,909	10,984,909	-
Fund Balance - December 31	\$ 8,643,660	\$ 4,701,590	\$ 10,996,703	\$ 6,295,113

**DAKOTA COUNTY
MINNESOTA**

**COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
DECEMBER 31, 2020**

	Geographic Information System Enterprise Fund	Byllesby Dam Enterprise Fund	Totals
<u>Assets</u>			
Current assets:			
Cash and pooled investments	\$ 137,535	\$ 1,680,546	\$ 1,818,081
Total current assets	\$ 137,535	\$ 1,680,546	\$ 1,818,081
Noncurrent assets			
Capital assets:			
Nondepreciable			
Construction in progress	\$ -	\$ 6,644,188	\$ 6,644,188
Depreciable (net)	-	9,893,751	9,893,751
Total noncurrent assets	\$ -	\$ 16,537,939	\$ 16,537,939
Total Assets	\$ 137,535	\$ 18,218,485	\$ 18,356,020
<u>Liabilities</u>			
Current liabilities:			
Accounts payable	\$ -	\$ 383,448	\$ 383,448
Contracts payable	-	5,162	5,162
Due to other funds	-	422,505	422,505
Total current liabilities	\$ -	\$ 811,115	\$ 811,115
Total Liabilities	\$ -	\$ 811,115	\$ 811,115
Net Position			
Investment in capital assets	\$ -	\$ 16,537,939	\$ 16,537,939
Restricted for			
Equipment replacement	137,535	-	137,535
Unrestricted	-	869,431	869,431
Total Net Position	\$ 137,535	\$ 17,407,370	\$ 17,544,905

**DAKOTA COUNTY
MINNESOTA**

**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Geographic Information System Enterprise Fund	Byllesby Dam Enterprise Fund	Totals
Operating Revenues			
Charges for services	\$ 4,000	\$ 636,757	\$ 640,757
Total Operating Revenues	\$ 4,000	\$ 636,757	\$ 640,757
Operating Expenses			
Repairs and maintenance	\$ -	\$ 1,074,038	\$ 1,074,038
Depreciation	-	154,055	154,055
Other services and charges	17,642	-	17,642
Total Operating Expenses	\$ 17,642	\$ 1,228,093	\$ 1,245,735
Operating income (loss)	\$ (13,642)	\$ (591,336)	\$ (604,978)
Change in Net Position	\$ (13,642)	\$ (591,336)	\$ (604,978)
Net Position - January 1	151,177	17,998,706	18,149,883
Net Position - December 31	\$ 137,535	\$ 17,407,370	\$ 17,544,905

**DAKOTA COUNTY
MINNESOTA**

**COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020
Increase (Decrease) in Cash and Cash Equivalents**

	Geographic Information System Enterprise Fund	Byllesby Dam Enterprise Fund	Totals
Cash Flows from Operating Activities			
Receipts from customers and users	\$ 4,000	\$ 636,757	\$ 640,757
Payments to suppliers	(17,642)	(697,174)	(714,816)
Net cash provided by (used in) operating activities	\$ (13,642)	\$ (60,417)	\$ (74,059)
Cash Flows from Noncapital Financing Activities			
Due to other fund	\$ -	\$ (2,561,136)	\$ (2,561,136)
Contributions	-	5,602,279	5,602,279
Net cash provided by (used in) noncapital financing activities	\$ -	\$ 3,041,143	\$ 3,041,143
Cash Flows from Capital and Related Financing Activities			
Intergovernmental	\$ -	\$ (43)	\$ (43)
Acquisition and construction of capital assets	-	(1,300,137)	(1,300,137)
Net cash provided by (used in) capital and related financing activities	\$ -	\$ (1,300,180)	\$ (1,300,180)
Net Increase (Decrease) in Cash and Cash Equivalents	\$ (13,642)	\$ 1,680,546	\$ 1,666,904
Cash and Cash Equivalents at January 1	151,177	-	151,177
Cash and Cash Equivalents at December 31	\$ 137,535	\$ 1,680,546	\$ 1,818,081
Reconciliation of Operating Income to Net Cash Provided by (Used in) Operating Activities			
Operating income (loss)	\$ (13,642)	\$ (591,336)	\$ (604,978)
Adjustments to reconcile operating income to net cash provided by (used in) operating activities			
Depreciation expense	\$ -	\$ 154,055	\$ 154,055
Increase (decrease) in accounts payable	-	371,702	371,702
Increase (decrease) in contracts payable	-	5,162	5,162
Total adjustments	\$ -	\$ 530,919	\$ 530,919
Net Cash Provided by (Used in) Operating Activities	\$ (13,642)	\$ (60,417)	\$ (74,059)

**DAKOTA COUNTY
MINNESOTA**

**COMBINING STATEMENT OF FIDUCIARY NET POSITION
PRIVATE-PURPOSE TRUST FUNDS
DECEMBER 31, 2020**

	<u>First Judicial District Trust Fund</u>	<u>Rural Solid Waste Commission Trust Fund</u>	<u>Domestic Preparedness Team Trust Fund</u>	<u>Social Welfare Trust Fund</u>	<u>Total</u>
<u>Assets</u>					
Cash and pooled investments	\$ -	\$ 30,381	\$ 721,611	\$ 16,463	\$ 768,455
Due from other governments	110,464	-	-	-	110,464
Total Assets	\$ 110,464	\$ 30,381	\$ 721,611	\$ 16,463	\$ 878,919
<u>Liabilities</u>					
Accounts payable	\$ -	\$ -	\$ 2,102	\$ -	\$ 2,102
Due to other governments	110,464	-	-	-	110,464
Total Liabilities	\$ 110,464	\$ -	\$ 2,102	\$ -	\$ 112,566
<u>Net Position</u>					
Net position held in trust for other purposes	\$ -	\$ 30,381	\$ 719,509	\$ -	\$ 749,890
Restricted for Individuals, organizations, other governments	-	-	-	16,463	16,463
Total Net Position	\$ -	\$ 30,381	\$ 719,509	\$ 16,463	\$ 766,353

**DAKOTA COUNTY
MINNESOTA**

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PRIVATE-PURPOSE TRUST FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>First Judicial District Trust Fund</u>	<u>Rural Solid Waste Commission Trust Fund</u>	<u>Domestic Preparedness Team Trust Fund</u>	<u>Social Welfare Trust Fund</u>	<u>Total Private- Purpose Trust Fund</u>
<u>ADDITIONS:</u>					
State Grants					
Minnesota Dept of Trial Courts	\$ 622,420	\$ -	\$ -	\$ -	\$ 622,420
Minnesota Dept of Public Safety	-	-	1,083	-	1,083
Other agencies	-	-	125,116	-	125,116
Contributions:					
Individuals	-	-	-	144,023	144,023
Investment earnings:					
Interest	-	469	-	-	469
Total additions	\$ 622,420	\$ 469	\$ 126,199	\$ 144,023	\$ 893,111
<u>DEDUCTIONS:</u>					
Judicial District expense	\$ 622,420	\$ -	\$ -	\$ -	\$ 622,420
Solid waste expenses	-	2,460	-	-	2,460
Emergency preparedness expenses	-	-	75,103	-	75,103
Beneficiary payments to individuals	-	-	-	134,453	134,453
Total deductions	\$ 622,420	\$ 2,460	\$ 75,103	\$ 134,453	\$ 834,436
Change in net position	\$ -	\$ (1,991)	\$ 51,096	\$ 9,570	\$ 58,675
Net position - January 1	-	32,372	668,413	6,893	707,678
Net position - December 31	\$ -	\$ 30,381	\$ 719,509	\$ 16,463	\$ 766,353

**DAKOTA COUNTY
HASTINGS, MINNESOTA**

**COMBINING STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS - OTHER CUSTODIAL FUNDS
DECEMBER 31, 2020**

	Custodial Funds							
	Agricultural Conservation	Dakota Broadband Board	Dakota-Scott WSA	Electronic Crimes Unit	Forfeited Tax	Historical Society	Local Collaboratives	Metro Alliance for Healthy Families
Assets								
Cash and pooled investments	\$ 253,741	\$ 449,242	\$ 14,899	\$ 143,954	\$ 3,137,502	\$ -	\$ 1,565,273	\$ 164,358
Due from other governments	-	97,698	2,369	59,207	418,883	-	-	443,720
Accounts receivable	-	103,012	-	-	-	-	-	-
Taxes receivable for other governments	-	-	-	-	-	-	-	-
Total Assets	\$ 253,741	\$ 649,952	\$ 17,268	\$ 203,161	\$ 3,556,385	\$ -	\$ 1,565,273	\$ 608,078
Liabilities								
Accounts payable	\$ -	\$ 344,996	\$ -	\$ 185,170	\$ 86,307	\$ -	\$ 302	\$ 348,542
Due to other governments	-	-	17,268	-	-	246,422	-	48,118
Total Liabilities	\$ -	\$ 344,996	\$ 17,268	\$ 185,170	\$ 86,307	\$ 246,422	\$ 302	\$ 396,660
Net Position								
Restricted for Individuals, organizations, other governments	\$ 253,741	\$ 304,956	\$ -	\$ 17,991	\$ 3,470,078	\$ (246,422)	\$ 1,564,971	\$ 211,418

**DAKOTA COUNTY
HASTINGS, MINNESOTA**

**COMBINING STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS - OTHER CUSTODIAL FUNDS
DECEMBER 31, 2020**

Cont.

	Custodial Funds						Total Other Custodial Funds
	Metropolitan Emergency Services Board	Metropolitan Inter-County Association	Sheriff Funds	Sheriff Inmate Funds	State Revenue	Taxes and Penalties	
<u>Assets</u>							
Cash and pooled investments	\$ -	\$ 324,328	\$ 737,882	\$ 60,356	\$ 709,345	\$ 38,500,946	\$ 46,061,826
Due from other governments	79,952	-	-	-	-	152,168	1,253,997
Accounts receivable	83,053	-	-	-	-	-	186,065
Taxes receivable for other governments	-	-	-	-	-	1,833,298	1,833,298
Total Assets	\$ 163,005	\$ 324,328	\$ 737,882	\$ 60,356	\$ 709,345	\$ 40,486,412	\$ 49,335,186
<u>Liabilities</u>							
Accounts payable	\$ 162,114	\$ -	\$ 882	\$ -	\$ -	\$ -	\$ 1,128,313
Due to other governments	-	-	-	-	709,345	38,500,946	39,522,099
Total Liabilities	\$ 162,114	\$ -	\$ 882	\$ -	\$ 709,345	\$ 38,500,946	\$ 40,650,412
<u>Net Position</u>							
Restricted for Individuals, organizations, other governments	\$ 891	\$ 324,328	\$ 737,000	\$ 60,356	\$ -	\$ 1,985,466	\$ 8,684,774

**DAKOTA COUNTY
HASTINGS, MINNESOTA**

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS - OTHER CUSTODIAL FUNDS
DECEMBER 31, 2020**

	Custodial Funds							
	Agricultural Conservation	Dakota Broadband Board	Dakota-Scott WSA	Electronic Crimes Unit	Forfeited Tax	Historical Society	Local Collaboratives	
Additions								
Federal Grants	\$ -	\$ -	\$ 517,032	\$ 126,806	\$ -	\$ -	\$ 1,076,424	\$ -
State Grants	-	-	-	-	-	-	-	2,099,564
From other agencies	-	1,965,669	-	144,000	-	-	2,140	-
Contributions:								
Individuals	106,885	-	-	-	-	-	-	-
Property tax collections for other governments	-	-	-	-	-	-	-	-
Other taxes and fees for other governments	-	-	-	-	179,313	-	-	-
License and fees collected for State	-	-	-	-	-	-	-	-
Miscellaneous	-	905,670	-	-	-	216,215	-	5,778
Investment earnings:								
Interest, dividends, other	-	-	-	-	-	-	-	-
Total Additions	\$ 106,885	\$ 2,871,339	\$ 517,032	\$ 270,806	\$ 179,313	\$ 216,215	\$ 1,078,564	\$ 2,105,342
Deductions								
Beneficiary payments to individuals	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,992,264
Payments of property tax to other governments	-	-	-	-	-	-	-	-
Payments to state	-	-	-	-	-	-	-	-
Administrative expense	-	841,572	-	-	-	226,422	-	540
I-Net expenses	-	1,906,540	-	-	-	-	-	-
Payments to other entities	49,233	-	517,032	270,749	52,607	-	860,795	5,778
Total Deductions	\$ 49,233	\$ 2,748,112	\$ 517,032	\$ 270,749	\$ 52,607	\$ 226,422	\$ 860,795	\$ 1,998,582
Change in net position	\$ 57,652	\$ 123,227	\$ -	\$ 57	\$ 126,706	\$ (10,207)	\$ 217,769	\$ 106,760
Net Position – January 1, Restated (Note I)	196,089	181,729	-	17,934	3,343,372	(236,215)	1,347,202	104,658
Net Position – December 31	\$ 253,741	\$ 304,956	\$ -	\$ 17,991	\$ 3,470,078	\$ (246,422)	\$ 1,564,971	\$ 211,418

**DAKOTA COUNTY
HASTINGS, MINNESOTA**

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS - OTHER CUSTODIAL FUNDS
DECEMBER 31, 2020**

Cont.

	Custodial Funds						Total Other Custodial Funds
	Metropolitan Emergency Services Board	Metropolitan Inter-County Association	Sheriff Funds	Sheriff Inmate Funds	State Revenue	Taxes and Penalties	
Additions							
Federal Grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,720,262
State Grants	-	-	-	-	-	-	2,099,564
From other agencies	1,164,069	-	11,265	-	-	-	3,287,143
Contributions:							
Individuals	-	-	276,675	964,943	135,291	-	1,483,794
Property tax collections for other governments	-	-	-	-	-	658,862,782	658,862,782
Other taxes and fees for other governments	-	413,806	-	-	-	-	593,119
License and fees collected for State	-	-	-	-	33,421,495	-	33,421,495
Miscellaneous	-	-	10,831,824	-	-	-	11,959,487
Investment earnings:							
Interest, dividends, other	-	8,134	-	-	-	-	8,134
Total Additions	\$ 1,164,069	\$ 421,940	\$ 11,119,764	\$ 964,943	\$ 33,556,786	\$ 658,862,782	\$ 713,435,780
Deductions							
Beneficiary payments to individuals	\$ 1,055,011	\$ -	\$ -	\$ 979,929	\$ -	\$ -	\$ 4,027,204
Payments of property tax to other governments	-	-	-	-	-	658,920,486	658,920,486
Payments to state	-	-	-	-	33,556,786	-	33,556,786
Administrative expense	-	-	2,550	-	-	-	1,071,084
I-Net expenses	-	-	-	-	-	-	1,906,540
Payments to other entities	-	415,000	10,840,679	-	-	-	13,011,873
Total Deductions	\$ 1,055,011	\$ 415,000	\$ 10,843,229	\$ 979,929	\$ 33,556,786	\$ 658,920,486	\$ 712,493,973
Change in net position	\$ 109,058	\$ 6,940	\$ 276,535	\$ (14,986)	\$ -	\$ (57,704)	\$ 941,807
Net Position – January 1, Restated (Note 1)	(108,167)	317,388	460,465	75,342	-	2,043,170	7,742,967
Net Position – December 31	\$ 891	\$ 324,328	\$ 737,000	\$ 60,356	\$ -	\$ 1,985,466	\$ 8,684,774

**DAKOTA COUNTY
MINNESOTA**

**GOVERNMENTAL FUND BALANCE SHEET AND
GOVERNMENTAL ACTIVITIES - STATEMENT OF NET POSITION
VERMILLION RIVER WATERSHED DISTRICT
DECEMBER 31, 2020**

Assets

Cash and investments	\$ 1,268,336
Taxes receivable	
Current	61,242
Prior - net	469
Due from other governments	<u>1,850</u>
Total Assets	<u><u>\$ 1,331,897</u></u>

Liabilities

Current liabilities	
Accounts payable	<u>\$ 187,337</u>
Total Liabilities	<u>\$ 187,337</u>

Fund Balance/Net Position

Unrestricted	<u>\$ 1,144,560</u>
Total Fund Balance/Net Position	<u>\$ 1,144,560</u>
Total Liabilities and Fund Balance/Net Position	<u><u>\$ 1,331,897</u></u>

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, 2020**

Revenues	
Taxes	\$ 968,414
License and permits	20
Intergovernmental	450,354
Investment earnings	16,123
Miscellaneous	<u>2,511</u>
Total Revenues	<u>\$ 1,437,422</u>
Expenditures/Expenses	
Current	
Conservation of natural resources	<u>\$ 1,411,767</u>
Net Change in Fund Balance/ Net Position	\$ 25,655
Fund Balance/Net Position - January 1	<u>1,118,905</u>
Fund Balance/Net Position - December 31	<u><u>\$ 1,144,560</u></u>

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

This page was left blank intentionally.



Governmental Revenue Schedules

This page was left blank intentionally.

**DAKOTA COUNTY
MINNESOTA**

**SCHEDULE OF INTERGOVERNMENTAL REVENUE
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>Governmental Funds</u>	<u>Enterprise Funds</u>	<u>Total Primary Government</u>
Appropriations and Shared Revenue			
State			
Highway users tax	\$ 21,199,197	\$ -	\$ 21,199,197
PERA - state aid	390,788	-	390,788
Disparity reduction aid	1,681	-	1,681
Police aid	721,429	-	721,429
Agricultural preserve credit	31,306	-	31,306
County program aid	20,201,292	-	20,201,292
Local performance aid	25,000	-	25,000
Market value credit	146,294	-	146,294
SCORE	1,230,165	-	1,230,165
Aquatic invasive species	119,720	-	119,720
Total Appropriations and Shared Revenue	\$ 44,066,872	\$ -	\$ 44,066,872
Reimbursement for Services			
State			
Minnesota Department of Human Services	\$ 10,676,544	\$ -	\$ 10,676,544
Payments			
Local			
County contributions	\$ 1,120,415	\$ -	\$ 1,120,415
City contributions	1,104,999	-	1,104,999
Metropolitan Council	5,405,765	-	5,405,765
City and agency share of construction	3,493,642	-	3,493,642
MELSA	225,284	-	225,284
Other contributions	392,960	-	392,960
Local contributions	3,139,595	-	3,139,595
Payments in lieu of taxes	3,410	-	3,410
Total Payments	\$ 14,886,070	\$ -	\$ 14,886,070
Grants			
State			
Minnesota Department/Board of			
Public Safety	\$ 325,222	\$ -	\$ 325,222
Transportation	9,908	-	9,908
Health	2,081,521	-	2,081,521
Commerce	4,939	-	4,939
Natural Resources	71,610	-	71,610
Human Services	15,117,435	-	15,117,435
Water and Soil Resources	276,366	-	276,366
Employment and Economic Development	802,286	-	802,286
Revenue	8,551,447	-	8,551,447
Trial Courts	236,379	-	236,379
Education	5,313	-	5,313
Historical Society	5,000	-	5,000
Secretary of State	120,387	-	120,387
Peace Officer Standards and Training	79,977	-	79,977
Corrections	5,482,654	-	5,482,654
Veterans Affairs	28,257	-	28,257
Housing Finance Agency	348,578	-	348,578
Pollution Control Agency	388,694	-	388,694
Total State	\$ 33,935,973	\$ -	\$ 33,935,973

**DAKOTA COUNTY
MINNESOTA**

**SCHEDULE OF INTERGOVERNMENTAL REVENUE
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Governmental Funds	Enterprise Funds	Total Primary Government
Grants (Continued)			
Federal			
Department of			
Agriculture	\$ 4,220,401	\$ -	\$ 4,220,401
Housing and Urban Development	3,452,916	-	3,452,916
Interior	156,292	-	156,292
Justice	265,811	-	265,811
Labor	496,533	-	496,533
Transportation	4,657,862	-	4,657,862
Revenue	54,409,472	-	54,409,472
Elections Assistance Commission	348,254	-	348,254
Health and Human Services	27,253,044	-	27,253,044
Elections Assistance Commission	77,491	-	77,491
Homeland Security	85,236	-	85,236
	\$ 95,423,312	\$ -	\$ 95,423,312
Total Federal			
	\$ 129,359,285	\$ -	\$ 129,359,285
Total State and Federal Grants			
	\$ 198,988,771	\$ -	\$ 198,988,771
Total Intergovernmental Revenue	\$ 198,988,771	\$ -	\$ 198,988,771

**DAKOTA COUNTY
MINNESOTA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Federal Grantor Pass-Through Agency Program or Cluster Title	Federal CFDA Number	Pass-Through Grant Numbers	Expenditures	Passed Through to Subrecipients
U.S. Department of Agriculture				
Passed Through Minnesota Department of Education				
Child Nutrition Cluster				
School Breakfast Program	10.553	E3704520	\$ 12,277	\$ -
National School Lunch Program	10.555	E3704620	20,357	-
(Total expenditures for Child Nutrition Cluster \$32,634)				
Passed Through Minnesota Department of Health				
Special Supplemental Nutrition Program for Women, Infants, and Children				
	10.557	H12H302	1,470,580	-
Passed Through Minnesota Department of Agriculture				
WIC Farmers' Market Nutrition Program (FMNP)				
	10.572	B0420F172614	3,600	-
Passed Through Minnesota Department of Human Services				
State Administrative Matching Grants for Supplemental Nutrition Assistance Program (SNAP) Cluster				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program				
	10.561	15152MN10152514	<u>2,713,587</u>	<u>-</u>
Total U.S. Department of Agriculture			<u>\$ 4,220,401</u>	<u>\$ -</u>
U.S. Department of Housing and Urban Development				
Direct				
Community Development Block Grants - Entitlement Grants Cluster				
Community Development Block Grants/Entitlement Grants	14.218	B-18-UC-27-0003	\$ 1,699,511	\$ 1,699,511
HOME Investment Partnerships Program	14.239	M-17-DC-27-0203	1,247,998	1,247,998
Continuum of Care Program	14.267	MN0077L5K031811	378,539	-
Passed Through Minnesota Department of Human Services				
Emergency Solutions Grant Program				
	14.231	E-18-UC-27-0003	<u>126,868</u>	<u>126,868</u>
Total U.S. Department of Housing and Urban Development			<u>\$ 3,452,916</u>	<u>\$ 3,074,377</u>
U.S. Department of Interior				
Direct				
Mississippi National River and Recreation Area State and Local Assistance	15.941	Not Provided	<u>\$ 156,292</u>	<u>\$ -</u>
Total U.S. Department of Interior			<u>\$ 156,292</u>	<u>\$ -</u>
U.S. Department of Justice				
Direct				
Edward Byrne Memorial Formula Grant Program	16.579	Not Provided	\$ 65,205	\$ -
Equitable Sharing Program	16.922	Not Provided	16,619	-
Passed Through Minnesota Department of Corrections				
COVID-19 Coronavirus Emergency Supplemental Funding Program				
	16.034	Not Provided	3,297	-
Passed Through Minnesota Department of Public Safety				
Crime Victim Assistance				
	16.575	P0760VOCAFFY19	<u>180,690</u>	<u>-</u>
Total U.S. Department of Justice			<u>\$ 265,811</u>	<u>\$ -</u>

The notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

**DAKOTA COUNTY
MINNESOTA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Federal Grantor Pass-Through Agency Program or Cluster Title	Federal CFDA Number	Pass-Through Grant Numbers	Expenditures	Passed Through to Subrecipients
U.S. Department of Labor				
Passed Through Minnesota Department of Employment and and Economic Development				
WIA/WIOA Cluster				
WIA/WIOA Adult Program	17.258	7143100	\$ 1,248	\$ -
WIA/WIOA Adult Program	17.258	8143100	56,192	-
WIA/WIOA Adult Program	17.258	9143100	110,836	-
WIA/WIOA Adult Program	17.258	0143100	12,606	-
(Total expenditures for WIA/WIOA Adult Program 17.258 \$180,882)				
WIA/WIOA Youth Activities	17.259	7143600	2,482	-
WIA/WIOA Youth Activities	17.259	9143600	129,022	-
WIA/WIOA Youth Activities	17.259	0143600	97,676	-
(Total expenditures for WIA/WIOA Youth Activities 17.259 \$229,180)				
WIA/WIOA Dislocated Worker Formula Grants	17.278	7148000	4,247	-
WIA/WIOA Dislocated Worker Formula Grants	17.278	8148000	755	-
WIA/WIOA Dislocated Worker Formula Grants	17.278	9148000	315,238	-
WIA/WIOA Dislocated Worker Formula Grants	17.278	0148000	44,293	-
(Total expenditures for WIA/WIOA Dislocated Worker Formula Grants 17.278 \$364,533)				
(Total expenditures for WIA Cluster \$774,595)				
Total U.S. Department of Labor			\$ 774,595	\$ -
U.S. Department of Transportation				
Passed Through Minnesota Department of Transportation				
Highway Planning and Construction Cluster				
Highway Planning and Construction	20.205	1915182	\$ 5,000	\$ -
Highway Planning and Construction	20.205	1916161	62,983	-
Highway Planning and Construction	20.205	1917132	197,541	-
Highway Planning and Construction	20.205	1918126	2,120,000	-
Highway Planning and Construction	20.205	1918186	82,488	-
Highway Planning and Construction	20.205	1918248	207,865	-
Highway Planning and Construction	20.205	1918265	47,952	-
Highway Planning and Construction	20.205	1919147	3,198,800	-
Highway Planning and Construction	20.205	1919155	125,038	-
Highway Planning and Construction	20.205	1920071	7,000,000	-
Highway Planning and Construction	20.205	1920180	291,074	-
Highway Planning and Construction	20.205	1920183	388,800	-
(Total expenditures for Highway Planning and Construction 20.205 \$13,727,541)				
Formula Grants for Rural Areas	20.509	TMN20509-201701	4,431	-
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	TMN20513-201714	193,711	-
Highway Safety Cluster				
National Priority Safety Programs	20.616	P079220405D	15,868	-
Passed Through City of Mendota Heights				
State and Community Highway Safety	20.600	Not Provided	19,519	-
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	Not Provided	6,633	-
(Total expenditures for Highway Safety Cluster \$26,152)				
Total U.S. Department of Transportation			\$ 13,967,703	\$ -

The notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

**DAKOTA COUNTY
MINNESOTA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Federal Grantor Pass-Through Agency Program or Cluster Title	Federal CFDA Number	Pass-Through Grant Numbers	Expenditures	Passed Through to Subrecipients
U.S. Department of Treasury				
Passed through Minnesota Department of Revenue COVID-19 Coronavirus Relief Fund	21.019C	G90CARESIST	\$ 54,409,472	\$ 5,931,236
Total U.S. Department of Treasury			\$ 54,409,472	\$ 5,931,236
U.S. Elections Assistance Commission				
Passed through Minnesota Secretary of State COVID-19 Help America Vote Act Requirements Payments (HAVA Election Security)	90.404	G53HAVACARES	\$ 348,254	\$ -
Total U.S. Elections Assistance Commission			\$ 348,254	\$ -
U.S. Department of Health and Human Services				
Passed Through Minnesota Department of Health Public Health Emergency Preparedness	93.069	H12H675J	\$ 267,843	\$ -
Universal Newborn Hearing Screening	93.251	H12H671	3,425	-
Immunization Cooperative Agreements	93.268	H12H715H	8,250	-
Early Hearing Detection and Intervention Information System (EHDI-IS) Surveillance Program	93.314	12-700-00068	1,650	-
Temporary Assistance for Needy Families Cluster Temporary Assistance for Needy Families (Total expenditures for Temporary Assistance for Needy Families 93.558 \$2,646,453)	93.558	2001MNTANF	325,356	-
Maternal, Infant, and Early Childhood Home Visiting Cluster ACA Maternal, Infant, and Early Childhood Home Visiting Program	93.870	Not Provided	431,110	-
Maternal and Child Health Services Block Grant to the States	93.994	12-700-00068	280,201	-
Passed Through Minnesota Department of Human Services Guardianship Assistance	93.090	H55201409	28,413	-
Comprehensive Community Mental Health Services for Children w/Serious Emotional Disturbances	93.104	H55178015	105,462	-
Promoting Safe and Stable Families Temporary Assistance for Needy Families Cluster Temporary Assistance for Needy Families (Total expenditures for Temporary Assistance for Needy Families 93.558 \$2,646,453)	93.558	2001MNFPS	115,726	-
Child Support Enforcement	93.563	2004MNCES	6,995,938	-
Community-Based Child Abuse Prevention Grants	93.590	2002MNFPRG	80,244	-
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596		462,627	-
Stephanie Tubbs Jones Child Welfare Services Program	93.645	2001MNCWSS	61,769	-
Foster Care - Title IV-E	93.658	2001MNFOS	2,128,529	-
Adoption Assistance	93.659	2001MNAAPT	303,795	-
Social Services Block Grant	93.667	2001MNSOSR	1,544,466	-
Chafee Foster Care Independence Program	93.674	2001MNCILP	81,700	-
Medicaid Cluster Medical Assistance Program	93.778	2005MN5ADM	12,781,867	-
Total U.S. Department of Health and Human Services			\$ 28,329,468	\$ -
Executive Office of the President				
Direct High Intensity Drug Trafficking Areas Program	95.001	Not Provided	\$ 77,491	\$ -
Total Executive Office of the President			\$ 77,491	\$ -

The notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

**DAKOTA COUNTY
MINNESOTA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Federal Grantor Pass-Through Agency Program or Cluster Title	Federal CFDA Number	Pass-Through Grant Numbers	Expenditures	Passed Through to Subrecipients
U.S. Department of Homeland Security				
Passed Through Minnesota Department of Natural Resources Boating Safety Financial Assistance	97.012	R29G70CGFFY18	\$ 12,474	\$ -
Passed Through Minnesota Department of Public Safety Emergency Management Performance Grants	97.042	F-EMPG-2018-DAKOTACO	<u>72,762</u>	<u>-</u>
Total U.S. Department of Homeland Security			<u>\$ 85,236</u>	<u>\$ -</u>
Total Federal Awards			<u>\$ 106,087,639</u>	<u>\$ 9,005,613</u>

**DAKOTA COUNTY
MINNESOTA**

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2020

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 I 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 \$27,999,324 in federal awards during the year ended June 30, 2020. Those expenditures are not included in the County's Schedule of Expenditures of Federal Awards, because the CDA had a separate single audit.

2. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Dakota County under programs of the federal government for the year ended December 31, 2020. The information in this Schedule is presented in accordance with the requirements of 2 CFR Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of 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 accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance for all awards with the exception of CFDA 21.019, which follows criteria determined by the Department of Treasury for allowability of costs. Under these principles, certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

4. Indirect Cost Rate

Dakota County has elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**DAKOTA COUNTY
MINNESOTA**

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2020

5. Reconciliation to Schedule of Intergovernmental Revenue

Federal grant revenue per Schedule of Intergovernmental Revenue	\$ 95,423,312
Grants held in the Agency Fund	
WIA/WIOA Cluster	
WIA/WIOA Adult Program	72,728
WIA/WIOA Youth Activities	69,336
WIA/WIOA Dislocated Worker Formula Grants	135,998
Highway Planning and Construction (Additional Expenditures)	9,309,841
Foster Care – Title IV-E	323,828
Medical Assistance Program	<u>752,596</u>
Expenditures Per Schedule of Expenditures of Federal Awards	<u>\$ 106,087,639</u>

The graphic consists of a central grey horizontal bar containing the text "Statistical Section". To the left of the bar, a teal-colored vertical rectangle extends upwards. To the right of the bar, a tan-colored vertical rectangle extends downwards. The overall composition is minimalist and modern.

Statistical Section

This page was left blank intentionally.

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>
Financial Trends	139
These schedules contain trend information to help the reader understand how the County’s financial performance and well-being have changed over time.	
Revenue Capacity	146
These schedules contain information to help the reader assess the factors affecting the County’s ability to generate its property taxes.	
Debt Capacity	152
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.	
Demographic and Economic Information	155
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.	
Operating Information	157
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.

This page was left blank intentionally.

Dakota County, Minnesota

Net Position by Component

Primary Government

	2011	2012	2013 (Restated)	2014	2015	2016	2017	2018	2019 (Restated)	2020
Governmental Activities										
Net Investment in Capital Assets	\$ 605,455,040	\$ 634,821,240	\$ 634,927,138	\$ 676,893,277	\$ 728,602,522	\$ 792,116,539	\$ 818,225,255	\$ 838,737,456	\$ 874,497,312	\$ 919,606,162
Restricted	12,124,268	12,189,502	27,406,220	21,784,009	25,176,075	32,212,249	53,245,122	75,360,146	82,891,449	111,648,309
Unrestricted	208,305,948	250,601,958	285,711,445	311,862,759	224,447,938	178,894,978	183,692,007	197,544,002	189,679,012	177,335,993
Total Net Position - Governmental Activities	\$ 825,885,256	\$ 897,612,700	\$ 948,044,803	\$ 1,010,540,045	\$ 978,226,535	\$ 1,003,223,766	\$ 1,055,162,384	\$ 1,111,641,604	\$ 1,147,067,773	\$ 1,208,590,464
Business-Type Activities										
Net Investment in Capital Assets	\$ -	\$ -	\$ 5,031,329	\$ 7,245,061	\$ 8,826,272	\$ 10,643,733	\$ 10,665,893	\$ 12,640,982	\$ 15,391,857	\$ 16,537,939
Restricted	2,127,270	2,063,341	149,306	147,267	149,531	149,030	147,414	147,849	151,177	137,535
Unrestricted	-	-	2,517,358	563,377	2,165,111	883,264	778,232	(1,247,952)	2,606,849	869,431
Total Net Position - Business-Type Activities	\$ 2,127,270	\$ 2,063,341	\$ 7,697,993	\$ 7,955,705	\$ 11,140,914	\$ 11,676,027	\$ 11,591,539	\$ 11,540,879	\$ 18,149,883	\$ 17,544,905
Total Primary Government										
Net Investment in Capital Assets	\$ 605,455,040	\$ 634,821,240	\$ 639,958,467	\$ 684,138,338	\$ 737,428,794	\$ 802,760,272	\$ 828,891,148	\$ 851,378,438	\$ 889,889,169	\$ 936,144,101
Restricted	14,251,538	14,252,843	27,555,526	21,931,276	25,325,606	32,361,279	53,392,536	75,507,995	83,042,626	111,785,844
Unrestricted	208,305,948	250,601,958	288,228,803	312,426,136	226,613,049	179,778,242	184,470,239	196,467,633	192,285,861	178,205,424
Total Net Position - Primary Government	\$ 828,012,526	\$ 899,676,041	\$ 955,742,796	\$ 1,018,495,750	\$ 989,367,449	\$ 1,014,899,793	\$ 1,066,753,923	\$ 1,123,182,483	\$ 1,165,217,656	\$ 1,226,135,369

Components Units

	2011	2012	2013 (Restated)	2014	2015	2016	2017	2018	2019	2020
Community Development Agency										
Net Investment in Capital Assets	\$ 78,312,202	\$ 82,152,316	\$ 81,612,927	\$ 84,988,917	\$ 89,380,592	\$ 92,249,133	\$ 97,672,468	\$ 154,077,941	\$ 151,591,709	\$ 153,603,277
Restricted	52,565,562	54,930,480	61,288,925	62,251,756	60,449,437	58,413,028	64,440,381	77,931,026	83,594,582	87,766,420
Unrestricted	75,886,912	83,933,498	86,865,611	97,038,422	103,144,207	110,772,169	112,797,004	118,198,799	124,929,751	135,131,691
Total Net Position - Community Development Agency	\$ 206,764,676	\$ 221,016,294	\$ 229,767,463	\$ 244,279,095	\$ 252,974,236	\$ 261,434,330	\$ 274,909,853	\$ 350,207,766	\$ 360,116,042	\$ 376,501,388
Vermillion River Watershed										
Net Investment in Capital Assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	1,179,489	1,646,229	1,953,185	1,925,156	1,885,377	1,269,938	1,932,414	1,165,425	1,118,905	1,144,560
Total Net Position - Vermillion River Watershed	\$ 1,179,489	\$ 1,646,229	\$ 1,953,185	\$ 1,925,156	\$ 1,885,377	\$ 1,269,938	\$ 1,932,414	\$ 1,165,425	\$ 1,118,905	\$ 1,144,560

The County implemented GASB Statements 68 and 71 in 2015. Years prior to 2015 were not restated to show these changes.

Dakota County, Minnesota

Changes in Net Position

Expenses	2011	2012	2013 (Restated)	2014	2015	2016	2017	2018	2019 (Restated)	2020
Primary Government										
<i>Governmental Activities</i>										
General Government	\$ 67,066,253	\$ 55,323,557	\$ 56,902,146	\$ 65,584,363	\$ 66,920,647	\$ 69,769,800	\$ 72,720,526	\$ 84,613,959	\$ 85,859,668	\$ 114,244,168
Public Safety	35,447,935	35,409,600	35,334,573	39,366,008	39,590,503	46,842,871	47,468,787	44,040,881	46,082,194	39,898,807
Highways and Streets	31,587,930	22,657,918	31,617,540	24,441,165	25,151,932	33,382,078	42,360,176	44,100,007	36,977,152	55,598,564
Sanitation	4,954,461	5,197,563	5,326,179	3,910,489	4,535,062	5,050,371	5,433,200	5,406,632	7,012,878	8,296,785
Human Services	68,904,678	66,997,873	66,211,619	70,662,704	72,053,369	81,202,624	83,935,657	87,735,585	91,577,154	98,788,720
Health	10,727,236	8,486,409	7,861,046	8,602,529	9,377,952	9,976,992	10,230,313	10,202,972	11,370,593	11,424,919
Culture and Recreation	19,368,747	18,171,501	17,287,925	13,567,104	18,114,323	20,365,261	22,611,807	18,452,909	19,838,959	25,730,014
Conservation of Natural Resources	3,960,904	4,016,128	4,276,455	3,520,375	4,852,937	4,093,572	7,387,706	3,470,791	4,452,761	5,349,827
Economic Development	8,145,271	8,216,401	8,079,665	9,946,696	11,715,865	9,073,780	9,032,938	9,774,538	10,349,954	6,404,966
Interest	2,919,202	2,212,496	1,916,583	1,447,204	1,013,259	64,536	13,828	9,366	4,758	-
Total Governmental Activities	\$ 253,082,617	\$ 226,689,446	\$ 234,813,731	\$ 241,048,637	\$ 253,325,849	\$ 279,821,885	\$ 301,194,938	\$ 307,807,640	\$ 313,526,071	\$ 365,736,770
<i>Business-Type Activities</i>										
Geographic Information Systems	\$ 58,164	\$ 9,072	\$ 9,096	\$ 9,100	\$ 44,123	\$ 624	\$ 5,647	\$ 3,565	\$ 672	\$ 17,642
Criminal Justice Information Integration Network	84,192	48,021	113,463	151,656	-	-	-	-	-	-
Byllesby Dam	417,750	928,924	407,634	867,864	753,762	1,495,120	1,116,690	755,385	851,568	1,228,093
Total Business-Type Activities	\$ 560,106	\$ 986,017	\$ 530,193	\$ 1,028,620	\$ 797,885	\$ 1,495,744	\$ 1,122,337	\$ 758,950	\$ 852,240	\$ 1,245,735
Total Primary Government Expenses	\$ 253,642,723	\$ 227,675,463	\$ 235,343,924	\$ 242,077,257	\$ 254,123,734	\$ 281,317,629	\$ 302,317,275	\$ 308,566,590	\$ 314,378,311	\$ 366,982,505
Program Revenues										
Primary Government										
<i>Governmental Activities</i>										
Fees, fines, charges and other:										
General Government	\$ 6,784,853	\$ 7,817,635	\$ 7,819,235	\$ 7,536,670	\$ 7,434,589	\$ 8,659,515	\$ 7,329,162	\$ 7,893,302	\$ 8,856,120	\$ 7,592,650
Public Safety	3,532,554	3,491,571	3,331,432	3,021,044	2,763,775	3,059,881	2,775,730	2,418,920	2,606,891	2,159,857
Highways and Streets	3,777,498	576,243	3,589,979	641,484	532,360	969,540	676,328	789,920	1,763,077	627,804
Sanitation	8,235,471	8,433,603	7,713,818	7,881,052	9,012,270	8,975,849	9,609,107	10,643,605	9,959,911	9,707,364
Human Services	3,743,711	5,683,801	7,776,989	940,947	2,341,929	2,195,204	2,154,736	1,913,574	1,483,044	2,571,490
Health	1,316,458	1,463,958	1,363,361	1,211,838	1,738,043	887,883	899,157	871,760	1,065,750	937,179
Culture and Recreation	1,564,452	1,558,792	1,540,512	1,539,480	1,570,060	1,712,736	1,787,799	1,842,587	1,726,198	1,083,883
Conservation of Natural Resources	47,707	20,021	25,455	391,528	378,424	414,241	599,109	513,655	642,998	580,707
Economic Development	1,247	243,643	302,581	-	-	-	13,863	-	-	-
Total Governmental Fees, Fines, Charges and Other	\$ 29,003,951	\$ 29,289,267	\$ 33,463,362	\$ 23,164,043	\$ 25,771,450	\$ 26,874,849	\$ 25,844,991	\$ 26,887,323	\$ 28,103,989	\$ 25,260,934
<i>Business-Type Activities</i>										
Geographic Information Systems	\$ 38,149	\$ 13,166	\$ 11,032	\$ 7,061	\$ 46,387	\$ 123	\$ 4,031	\$ 4,000	\$ 4,000	\$ 4,000
Criminal Justice Information Integration Network	183,721	147,584	118,632	127,058	-	-	-	-	-	-
Byllesby Dam	2,148,477	603,569	657,061	690,875	578,688	702,190	840,710	704,290	705,361	636,757
Total Business-Type Program Revenues	\$ 2,370,347	\$ 764,319	\$ 786,725	\$ 824,994	\$ 625,075	\$ 702,313	\$ 844,741	\$ 708,290	\$ 709,361	\$ 640,757
Total Primary Government Fees, Fines, Charges and Other	\$ 31,374,298	\$ 30,053,586	\$ 34,250,087	\$ 23,989,037	\$ 26,396,525	\$ 27,577,162	\$ 26,689,732	\$ 27,595,613	\$ 28,813,350	\$ 25,901,691

Dakota County, Minnesota

Changes in Net Position

(Continued)

Program Revenues	2011	2012	2013 (Restated)	2014	2015	2016	2017	2018	2019 (Restated)	2020
Primary Government										
<i>Governmental Activities</i>										
Operating Grants and Contributions:										
General Government	\$ 4,080,742	\$ 4,387,424	\$ 3,560,993	\$ 2,349,541	\$ 2,431,014	\$ 3,563,340	\$ 4,432,346	\$ 4,902,994	\$ 4,571,663	\$ 29,838,081
Public Safety	8,183,282	7,460,653	9,773,312	7,463,572	7,809,033	8,118,248	8,634,623	8,868,822	8,935,228	23,826,050
Highways and Streets	18,653,704	17,177,991	20,887,253	29,785,696	25,031,461	29,004,308	56,386,910	36,629,521	32,716,101	34,866,037
Sanitation	372,933	544,354	450,558	1,920,547	1,526,796	1,527,686	1,529,470	1,530,301	1,588,869	1,696,560
Human Services	40,837,578	28,276,091	29,671,099	41,818,152	39,216,444	42,920,353	45,210,891	50,180,826	49,556,440	61,505,763
Health	6,425,794	4,841,022	5,036,177	4,574,675	4,805,213	4,317,792	4,596,981	4,420,029	5,081,288	9,499,341
Culture and Recreation	2,536,834	2,114,445	3,410,363	2,580,992	4,869,406	3,382,097	8,106,626	1,383,441	4,714,178	7,292,899
Conservation of Natural Resources	2,981,223	2,289,603	3,491,245	877,855	2,139,007	2,168,548	3,938,542	1,662,649	819,948	783,884
Economic Development	7,728,144	8,617,863	7,590,498	10,162,440	11,585,829	8,882,185	10,963,998	6,380,251	7,706,546	14,643,883
Total Governmental Operating Grants and Contributions	\$ 91,800,234	\$ 75,709,446	\$ 83,871,498	\$ 101,533,470	\$ 99,414,203	\$ 103,884,557	\$ 143,800,387	\$ 115,958,834	\$ 115,690,261	\$ 183,952,498
<i>Business-Type Activities</i>										
Geographic Information Systems	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Criminal Justice Information Integration Network	-	-	-	-	-	-	-	-	-	-
Byllesby Dam	17,325	157,769	2,354,120	-	-	1,328,544	193,108	-	1,149,604	-
Total Business-Type Operating Grants and Contributions	\$ 17,325	\$ 157,769	\$ 2,354,120	\$ -	\$ -	\$ 1,328,544	\$ 193,108	\$ -	\$ 1,149,604	\$ -
Total Primary Government Operating Grants and Contributions	\$ 91,817,559	\$ 75,867,215	\$ 86,225,618	\$ 101,533,470	\$ 99,414,203	\$ 105,213,101	\$ 143,993,495	\$ 115,958,834	\$ 116,839,865	\$ 183,952,498
Program Revenues										
Primary Government										
<i>Governmental Activities</i>										
Capital Grants and Contributions:										
General Government	\$ 304,216	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public Safety	55,225	53,349	-	-	-	-	-	-	-	-
Highways and Streets	26,670,592	34,413,883	21,319,833	14,923,646	17,803,674	12,486,120	15,019,326	31,272,243	7,644,775	16,232,689
Sanitation	-	-	-	-	-	-	-	-	-	-
Human Services	-	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-	-
Culture and Recreation	-	153,585	130,735	1,027,842	3,630,509	1,493,529	1,451,949	1,616,402	5,574	354,058
Conservation of Natural Resources	-	-	-	-	-	-	-	-	-	-
Economic Development	-	-	-	-	-	-	-	-	-	-
Total Governmental Capital Grants and Contributions	\$ 27,030,033	\$ 34,620,817	\$ 21,450,568	\$ 15,951,488	\$ 21,434,183	\$ 13,979,649	\$ 16,471,275	\$ 32,888,645	\$ 7,650,349	\$ 16,586,747
<i>Business-Type Activities</i>										
Geographic Information Systems	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Criminal Justice Information Integration Network	-	-	-	-	-	-	-	-	-	-
Byllesby Dam	-	-	-	777,414	1,310,519	-	-	-	-	-
Total Business-Type Capital Grants and Contributions	\$ -	\$ -	\$ -	\$ 777,414	\$ 1,310,519	\$ -	\$ -	\$ -	\$ -	\$ -
Total Primary Government Capital Grants and Contributions	\$ 27,030,033	\$ 34,620,817	\$ 21,450,568	\$ 16,728,902	\$ 22,744,702	\$ 13,979,649	\$ 16,471,275	\$ 32,888,645	\$ 7,650,349	\$ 16,586,747

Dakota County, Minnesota

Changes in Net Position

(Continued)

<i>Net (Expense) Revenue (a)</i>	<i>2011</i>	<i>2012</i>	<i>2013 (Restated)</i>	<i>2014</i>	<i>2015</i>	<i>2016</i>	<i>2017</i>	<i>2018</i>	<i>2019 (Restated)</i>	<i>2020</i>
Primary Government										
<i>Governmental Activities</i>										
General Government	\$ (55,896,442)	\$ (43,118,498)	\$ (45,521,918)	\$ (55,698,152)	\$ (57,055,044)	\$ (57,546,945)	\$ (60,959,018)	\$ (71,817,663)	\$ (72,431,885)	\$ (76,813,437)
Public Safety	(23,676,874)	(24,404,027)	(22,229,829)	(28,881,392)	(29,017,695)	(35,664,742)	(36,058,434)	(32,753,139)	(34,540,075)	(13,912,900)
Highways and Streets	17,513,864	29,510,199	14,179,525	20,909,661	18,215,563	9,077,890	29,722,388	24,591,677	5,146,801	(3,872,034)
Sanitation	3,653,943	3,780,394	2,838,197	5,891,110	6,004,004	5,453,164	5,705,377	6,767,274	4,535,902	3,107,139
Human Services	(24,323,389)	(33,037,981)	(28,763,531)	(27,903,605)	(30,494,996)	(36,087,067)	(36,570,030)	(35,641,185)	(40,537,670)	(34,711,467)
Health	(2,984,984)	(2,181,429)	(1,461,508)	(2,816,016)	(2,834,696)	(4,771,317)	(4,734,175)	(4,911,183)	(5,223,555)	(988,399)
Culture and Recreation	(15,267,461)	(14,344,679)	(12,206,315)	(8,418,790)	(8,044,348)	(13,776,899)	(11,265,433)	(13,610,479)	(13,393,009)	(16,999,174)
Conservation of Natural Resources	(931,974)	(1,706,504)	(759,755)	(2,250,992)	(2,335,506)	(1,510,783)	(2,850,055)	(1,294,487)	(2,989,815)	(3,985,236)
Economic Development	(415,880)	645,105	(186,586)	215,744	(130,036)	(191,595)	1,944,923	(3,394,287)	(2,643,408)	8,238,917
Interest	(2,919,202)	(2,212,496)	(1,916,583)	(1,447,204)	(1,013,259)	(64,536)	(13,828)	(9,366)	(4,758)	-
Total Governmental Net (Expense) Revenue	\$ (105,248,399)	\$ (87,069,916)	\$ (96,028,303)	\$ (100,399,636)	\$ (106,706,013)	\$ (135,082,830)	\$ (115,078,285)	\$ (132,072,838)	\$ (162,081,472)	\$ (139,936,591)
<i>Business-Type Activities</i>										
Geographic Information Systems	\$ (20,015)	\$ 4,094	\$ 1,936	\$ (2,039)	\$ 2,264	\$ (501)	\$ (1,616)	\$ 435	\$ 3,328	\$ (13,642)
Criminal Justice Information Integration Network	99,529	99,563	5,169	(24,598)	-	-	-	-	-	-
Byllesby Dam	1,748,052	(167,586)	2,603,547	600,425	1,135,445	535,614	(82,872)	(51,095)	1,003,397	(591,336)
Total Business-Type Net (Expense) Revenue	\$ 1,827,566	\$ (63,929)	\$ 2,610,652	\$ 573,788	\$ 1,137,709	\$ 535,113	\$ (84,488)	\$ (50,660)	\$ 1,006,725	\$ (604,978)
Total Primary Government Net (Expense) Revenue	\$ (103,420,833)	\$ (87,133,845)	\$ (93,417,651)	\$ (99,825,848)	\$ (105,568,304)	\$ (134,547,717)	\$ (115,162,773)	\$ (132,123,498)	\$ (161,074,747)	\$ (140,541,569)
General Revenues, Transfers, and Special Items										
<i>Primary Government</i>										
<i>Governmental Activities</i>										
Property Taxes	\$ 126,588,398	\$ 132,725,693	\$ 131,085,200	\$ 130,961,310	\$ 131,291,226	\$ 132,104,314	\$ 134,913,760	\$ 137,667,064	\$ 141,178,006	\$ 144,969,549
Gravel Taxes	448,585	571,663	616,104	641,711	648,871	702,699	681,057	758,483	755,599	866,369
Mortgage Registry and Deed Tax	358,521	481,980	541,012	469,380	620,763	644,838	662,588	632,849	756,387	896,215
Wheeleage Tax (1st year collected was 2014)	-	-	-	3,622,715	3,882,501	4,121,216	3,880,323	4,060,282	4,150,519	3,969,104
Transit Tax (1st year collected was 2017)	-	-	-	-	-	-	2,634,283	18,092,372	20,739,456	18,482,153
Payment in lieu of Tax	1,709,980	1,736,049	1,877,236	-	-	-	-	-	-	-
Gift and Contributions (unrestricted)	22,614	38,595	24,009	-	-	-	-	-	-	-
Grants and Contributions (unrestricted)	16,346,749	15,293,028	15,709,430	17,392,414	17,729,391	18,310,891	17,366,297	19,152,689	18,963,824	20,408,983
Investment Earnings	11,348,301	6,212,921	(3,034,627)	7,902,963	3,027,128	2,678,241	5,349,627	8,500,619	15,343,510	10,633,812
Miscellaneous	1,825,569	1,633,838	2,475,734	1,543,935	1,658,116	1,210,534	1,329,806	1,259,350	1,152,925	1,216,610
Gain on Sale of Capital Assets	216,164	103,593	190,308	44,374	170,593	307,328	199,162	301,350	69,694	16,487
Transfers	-	-	(3,024,000)	316,076	(2,047,500)	-	-	-	(5,602,279)	-
Governmental Activities General Revenues, Transfers, and Special Items	\$ 158,864,881	\$ 158,797,360	\$ 146,460,406	\$ 162,894,878	\$ 156,981,089	\$ 160,080,061	\$ 167,016,903	\$ 190,425,058	\$ 197,507,641	\$ 201,459,282
Total Change in Net Position - Governmental Activities	\$ 53,616,482	\$ 71,727,444	\$ 50,432,103	\$ 62,495,242	\$ 50,275,076	\$ 24,997,231	\$ 51,938,618	\$ 58,352,220	\$ 35,426,169	\$ 61,522,691
<i>Business-Type Activities</i>										
Transfers	\$ -	\$ -	\$ 3,024,000	\$ (316,076)	\$ 2,047,500	\$ -	\$ -	\$ -	\$ 5,602,279	\$ -
Total General Revenues - Business-Type Activities	\$ -	\$ -	\$ 3,024,000	\$ (316,076)	\$ 2,047,500	\$ -	\$ -	\$ -	\$ 5,602,279	\$ -
Total Change in Net Position - Business-Type Activities	\$ 1,827,566	\$ (63,929)	\$ 5,634,652	\$ 257,712	\$ 3,185,209	\$ 535,113	\$ (84,488)	\$ (50,660)	\$ 6,609,004	\$ (604,978)
Total Change in Net Position - Primary Government	\$ 55,444,048	\$ 71,663,515	\$ 56,066,755	\$ 62,752,954	\$ 53,460,285	\$ 25,532,344	\$ 51,854,130	\$ 58,301,560	\$ 42,035,173	\$ 60,917,713

(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 revenues were needed to finance that function or program. Numbers without parentheses mean that program

The County implemented GASB Statements 68 and 71 in 2015. Years prior to 2015 were not restated to show these changes.

Dakota County, Minnesota

Changes in Net Position - Component Units

Expenses	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Component Unit										
Community Development Agency	\$ 43,100,632	\$ 38,850,422	\$ 45,690,723	\$ 45,809,051	\$ 48,779,121	\$ 50,192,082	\$ 54,180,692	\$ 61,783,314	\$ 62,328,777	\$ 62,298,076
Vermillion River Watershed	987,828	908,946	883,232	988,024	937,527	1,778,826	1,425,151	2,021,279	1,360,526	1,411,767
Total Component Unit	\$ 44,088,460	\$ 39,759,368	\$ 46,573,955	\$ 46,797,075	\$ 49,716,648	\$ 51,970,908	\$ 55,605,843	\$ 63,804,593	\$ 63,689,303	\$ 63,709,843
Program Revenues										
Component Unit										
Community Development Agency	\$ 51,619,585	\$ 43,888,022	\$ 46,279,218	\$ 51,920,861	\$ 48,824,536	\$ 49,592,155	\$ 58,450,581	\$ 63,308,990	\$ 60,142,109	\$ 66,637,510
Vermillion River Watershed	77,874	70,084	342,979	75,224	58,206	319,291	1,196,933	332,945	372,496	454,731
Total Component Unit	\$ 51,697,459	\$ 43,958,106	\$ 46,622,197	\$ 51,996,085	\$ 48,882,742	\$ 49,911,446	\$ 59,647,514	\$ 63,641,935	\$ 60,514,605	\$ 67,092,241
General Revenues - Community Development Agency										
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Property Taxes	\$ 7,566,507	\$ 7,261,674	\$ 7,092,062	\$ 6,513,347	\$ 6,612,923	\$ 6,807,677	\$ 7,010,940	\$ 9,125,928	\$ 9,532,762	\$ 10,312,761
Tax Increment Financing Revenue	3,207,383	1,635,537	1,659,474	1,280,041	1,510,242	1,434,707	1,532,006	-	-	-
Investment Earnings	343,651	316,807	105,064	606,434	526,561	817,637	662,688	1,326,251	2,562,182	1,733,151
Miscellaneous	-	-	-	-	-	-	-	-	-	-
Total General Revenues - Community Development Agency	\$ 11,117,541	\$ 9,214,018	\$ 8,856,600	\$ 8,399,822	\$ 8,649,726	\$ 9,060,021	\$ 9,205,634	\$ 10,452,179	\$ 12,094,944	\$ 12,045,912
Total Change in Net Position - Community Development Agency	\$ 19,636,494	\$ 14,251,618	\$ 9,445,095	\$ 14,511,632	\$ 8,695,141	\$ 8,460,094	\$ 13,475,523	\$ 11,977,855	\$ 9,908,276	\$ 16,385,346
General Revenues - Vermillion River Watershed										
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Property Taxes	\$ 850,408	\$ 1,257,737	\$ 835,041	\$ 861,518	\$ 816,583	\$ 819,669	\$ 863,702	\$ 890,963	\$ 911,947	\$ 966,568
Grants and Contributions (unrestricted)	81,866	33,337	-	-	-	-	-	-	-	-
Investment Earnings	16,359	14,528	12,168	23,253	22,959	24,427	26,992	30,382	29,563	16,123
Miscellaneous	-	-	-	-	-	-	-	-	-	-
Gain on Sale of Capital Assets	-	-	-	-	-	-	-	-	-	-
Total General Revenues - Vermillion River Watershed	\$ 948,633	\$ 1,305,602	\$ 847,209	\$ 884,771	\$ 839,542	\$ 844,096	\$ 890,694	\$ 921,345	\$ 941,510	\$ 982,691
Total Change in Net Position - Vermillion River Watershed	\$ 38,679	\$ 466,740	\$ 306,956	\$ (28,029)	\$ (39,779)	\$ (615,439)	\$ 662,476	\$ (766,989)	\$ (46,520)	\$ 25,655
Total Change in Net Position - Component Units	\$ 19,675,173	\$ 14,718,358	\$ 9,752,051	\$ 14,483,603	\$ 8,655,362	\$ 7,844,655	\$ 14,137,999	\$ 11,210,866	\$ 9,861,756	\$ 16,411,001

(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 revenues were needed to finance that function or program. Numbers without parentheses mean that program revenues were more than sufficient to cover expenses.

Dakota County, Minnesota

*Fund Balances
Governmental Funds*

	2011*	2012	2013	2014	2015	2016	2017	2018	2019 (Restated)	2020
General Fund:										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-	-	-	-	-	-
Nonspendable	2,650,815	2,642,011	2,715,339	2,668,745	918,924	590,622	903,399	1,142,119	1,037,914	1,137,028
Restricted	2,847,559	2,891,453	2,737,517	4,863,501	2,411,854	3,422,516	3,574,610	3,767,272	2,061,693	11,150,828
Committed	3,180,168	509,796	292,387	1,018,120	-	40,601,526	48,010,163	49,455,436	-	-
Assigned	34,233,198	30,525,901	25,488,970	114,550,801	15,991,647	12,212,149	12,091,582	14,760,382	13,472,166	2,924,451
Unassigned	29,176,838	33,158,235	31,174,973	37,407,381	136,384,503	121,527,661	122,585,397	124,293,814	114,172,594	127,446,383
Total General Fund	\$ 72,088,578	\$ 69,727,396	\$ 62,409,186	\$ 160,508,548	\$ 155,706,928	\$ 178,354,474	\$ 187,165,151	\$ 193,419,023	\$ 130,744,367	\$ 142,658,690
All Other Governmental Funds										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved reported in:										
Special Revenue Funds	-	-	-	-	-	-	-	-	-	-
Debt Services	-	-	-	-	-	-	-	-	-	-
Capital Projects	-	-	-	-	-	-	-	-	-	-
Nonspendable	881,636	1,266,666	1,152,899	1,321,295	1,951,000	1,837,540	1,218,877	1,254,552	972,331	1,267,223
Restricted	9,276,709	9,298,049	7,211,942	3,006,049	2,116,826	1,053,347	24,992,184	43,514,584	64,620,388	71,063,628
Committed	16,800,000	16,800,000	16,800,000	16,800,000	33,903,045	-	-	-	51,092,680	52,891,738
Assigned	137,519,162	180,051,459	195,028,051	126,133,830	106,849,172	89,054,808	97,638,134	103,076,851	107,993,553	72,060,559
Unassigned	-	-	-	-	(596,278)	-	(585,420)	-	-	-
Total Unreserved	-	-	-	-	-	-	-	-	-	-
Total All Other Governmental Funds	\$ 164,477,507	\$ 207,416,174	\$ 220,192,892	\$ 147,261,174	\$ 144,223,765	\$ 91,945,695	\$ 123,263,775	\$ 147,845,987	\$ 224,678,952	\$ 197,283,148

Note: As of December 31, 2011, Dakota County has adopted GASB Statement No. 54: Fund Balance Reporting and Governmental Fund Type Definitions

Dakota County, Minnesota

Changes in Fund Balances Governmental Funds

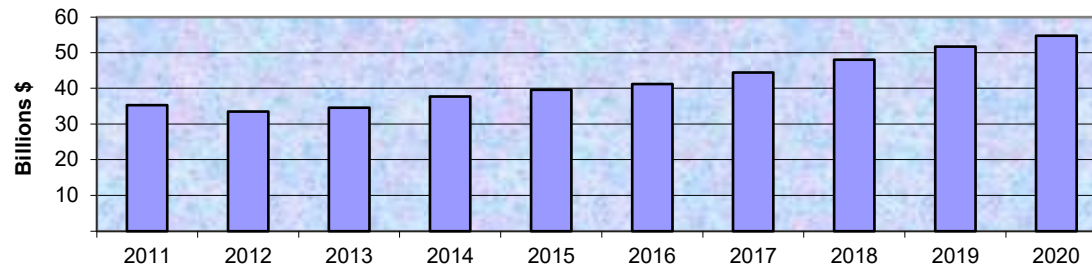
	2011	2012	2013	2014	2015	2016	2017	2018	2019 (Restated)	2020
Revenues										
Taxes	\$ 129,126,978	\$ 135,267,764	\$ 134,665,766	\$ 136,359,731	\$ 136,989,719	\$ 137,648,397	\$ 142,973,021	\$ 161,251,560	\$ 167,727,301	\$ 168,959,044
Licenses and Permits	1,109,853	1,208,683	1,254,978	2,129,725	2,311,817	2,199,311	2,256,683	2,250,783	2,525,678	2,191,773
Intergovernmental	131,231,830	131,281,021	110,790,958	140,173,118	131,962,034	129,148,654	180,266,276	159,220,862	155,163,215	198,988,771
Charges for Services	30,650,575	30,362,450	34,425,251	20,543,486	20,848,708	20,977,000	20,817,024	21,674,944	21,713,363	21,494,465
Fines and Forfeits	122,031	153,638	113,171	81,087	112,460	84,343	98,239	86,600	86,443	66,752
Gifts and Contributions	28,426	39,756	24,652	124,616	12,676	23,694	30,509	73,419	62,530	54,336
Investment Earnings	11,120,407	5,597,900	(3,057,304)	7,846,381	2,886,545	3,210,132	5,349,627	7,792,530	15,292,119	10,436,162
Miscellaneous	4,897,082	4,845,230	4,495,180	4,501,053	4,552,892	5,001,712	5,109,882	5,137,299	4,919,350	4,592,479
Total Revenues	\$ 308,287,182	\$ 308,756,442	\$ 282,712,652	\$ 311,759,197	\$ 299,676,851	\$ 298,293,243	\$ 356,901,261	\$ 357,487,997	\$ 367,489,999	\$ 406,783,782
Expenditures										
Current										
General Government	\$ 61,322,951	\$ 57,123,212	\$ 56,842,557	\$ 56,895,468	\$ 66,437,160	\$ 61,998,869	\$ 66,332,612	\$ 67,587,263	\$ 73,357,603	\$ 99,179,207
Public Safety	35,507,606	35,365,244	36,676,226	38,118,314	38,732,137	40,331,218	41,898,007	44,122,644	45,401,308	47,978,646
Highways and Streets	39,862,672	43,150,384	50,801,833	45,884,786	53,273,832	59,981,844	65,207,585	59,501,236	60,248,651	82,936,211
Sanitation	6,976,314	7,028,601	7,398,443	5,900,555	4,628,357	4,972,357	5,314,937	5,351,296	6,983,842	8,427,367
Human Services	71,697,720	69,426,226	70,193,719	71,073,035	71,867,015	76,989,354	80,280,668	86,751,403	90,791,578	101,739,931
Health	10,721,018	8,476,575	8,162,589	8,729,094	9,356,123	9,338,776	9,709,710	10,070,410	11,304,671	12,100,456
Culture and Recreation	22,195,346	21,350,343	21,450,861	24,217,982	25,272,217	28,326,858	25,965,503	27,891,578	27,328,953	33,652,104
Conservation of natural resources	3,956,833	4,013,593	4,274,132	3,576,475	4,935,421	3,980,145	7,261,105	3,455,271	4,387,366	5,501,305
Economic Development	8,411,523	8,597,724	8,947,128	10,485,161	11,995,645	9,408,698	9,378,042	10,056,935	10,456,088	6,498,522
Intergovernmental										
Highways and Streets	-	-	-	186,803	199,461	-	-	-	-	-
Capital Outlay	2,823,748	1,268,782	1,727,246	7,604,780	8,825,960	8,416,595	5,262,334	12,272,244	17,129,719	25,427,764
Debt Service										
Principal Retirement	31,180,000	5,625,000	5,855,000	12,825,000	10,299,591	23,556,611	136,449	140,911	145,518	-
Interest	3,122,794	2,270,450	2,020,059	1,655,031	1,180,282	495,500	13,828	9,366	4,758	-
Bond Issuance Costs	-	-	-	-	-	-	-	-	-	-
Administrative Charges	-	3,200	2,950	3,350	8,750	6,450	-	-	-	-
Total Expenditures	\$ 297,778,525	\$ 263,699,334	\$ 274,352,743	\$ 287,155,834	\$ 307,011,951	\$ 327,803,275	\$ 316,760,780	\$ 327,210,557	\$ 347,540,055	\$ 423,441,513
Excess of Revenues Over/ (Under) Expenditures	\$ 10,508,657	\$ 45,057,108	\$ 8,359,909	\$ 24,603,363	\$ (7,335,100)	\$ (29,510,032)	\$ 40,140,481	\$ 30,277,440	\$ 19,949,944	\$ (16,657,731)
Other Financing Sources										
Transfers In	\$ 3,018,902	\$ 14,372,584	\$ 4,147,314	\$ 8,782,958	\$ 53,670,221	\$ 26,639,436	\$ 3,195,718	\$ 14,079,834	\$ 18,301,058	\$ 29,882,363
Transfers Out	(3,018,902)	(19,372,584)	(7,171,314)	(8,466,882)	(55,717,721)	(26,639,436)	(3,092,144)	(13,966,718)	(23,785,252)	(29,261,110)
Bonds Issued	-	-	-	-	-	-	-	-	-	-
Proceeds From Sale of Refunding Bonds	-	-	-	-	-	-	-	-	-	-
Premium/(Discount) on Bond Issuance	-	-	-	-	-	-	-	-	-	-
Proceeds from Capital Lease	-	-	-	-	704,080	-	-	-	-	-
Proceeds from Sale of Capital Assets	218,082	104,196	187,815	44,374	190,994	314,626	199,162	301,350	69,694	191,474
Total Other Financing Sources	\$ 218,082	\$ (4,895,804)	\$ (2,836,185)	\$ 360,450	\$ (1,152,426)	\$ 314,626	\$ 302,736	\$ 414,466	\$ (5,414,500)	\$ 812,727
Net Change in Fund Balance	\$ 10,726,739	\$ 40,161,304	\$ 5,523,724	\$ 24,963,813	\$ (8,487,526)	\$ (29,195,406)	\$ 40,443,217	\$ 30,691,906	\$ 14,535,444	\$ (15,845,004)
Debt Service Expenditures as Percent of Non-Capital Expenditures	13.17%	3.58%	3.38%	6.02%	4.67%	9.03%	0.06%	0.05%	0.05%	0.00%

Dakota County, Minnesota

ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY LAST TEN YEARS

Year Assessed	Real Property		Personal Property		Total		Assessed to % of Total Total Estimated Market Value	Total Direct County Tax Rate
	Assessed* Value	Estimated Market Value	Assessed Value	Estimated Market Value	Assessed Value	Estimated Market Value		
2011	\$ 411,472,047	\$ 34,893,431,896	\$ 8,111,805	\$ 417,754,800	\$ 419,583,852	\$ 35,311,186,696	1.2 %	0.29149
2012	391,453,804	33,032,629,112	8,488,045	436,668,024	399,941,849	33,469,297,136	1.2	0.31426
2013	402,125,071	34,109,574,007	8,665,752	445,586,670	410,790,823	34,555,160,677	1.2	0.33421
2014	434,588,066	37,249,751,955	9,073,792	465,663,370	443,661,858	37,715,415,325	1.2	0.33745
2015	454,661,066	39,093,256,221	9,845,321	504,162,445	464,506,387	39,597,418,666	1.2	0.29633
2016	471,286,219	40,645,907,860	10,787,023	552,044,681	482,073,242	41,197,952,541	1.2	0.28570
2017	507,139,039	43,796,489,603	11,400,448	582,982,924	518,539,487	44,379,472,527	1.2	0.28004
2018	547,666,437	47,405,446,930	11,603,384	593,137,563	559,269,821	47,998,584,493	1.2	0.26580
2019	589,610,832	51,055,156,039	11,572,869	591,828,463	601,183,701	51,646,984,502	1.2	0.25386
2020	626,417,610	54,081,034,984	12,229,486	624,354,483	638,647,096	54,705,389,467	1.2	0.25386

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

This page was left blank intentionally.

Dakota County, Minnesota

DIRECT AND OVERLAPPING GOVERNMENTS
TAX CAPACITY RATES
LAST TEN YEARS

<u>Governments</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
<u>DAKOTA COUNTY</u>										
Revenue	0.12084	0.13467	0.14353	0.14759	0.13473	0.13825	0.12761	0.11444	0.10520	0.10057
Highway	0.01211	0.01186	0.01094	0.01311	0.01094	0.01144	0.01255	0.01140	0.01049	0.11232
Community Services	0.11052	0.11654	0.12475	0.12475	0.11073	0.10290	0.10708	0.10795	0.10715	0.00689
Environmental Management	0.00000	0.00122	0.00129	0.00130	0.00124	0.00094	0.00092	0.00085	0.00079	0.00000
Parks	0.00641	0.00689	0.00721	0.00722	0.00249	0.00257	0.00275	0.00241	0.00258	0.00247
County Library	0.02476	0.02638	0.02840	0.02864	0.02649	0.02528	0.02495	0.02400	0.02300	0.00586
County Building	0.00088	0.00141	0.00152	0.00154	0.00137	0.00132	0.00129	0.00217	0.00212	0.02345
Debt Services	0.00940	0.00806	0.01371	0.01014	0.00528	0.00000	0.00000	0.00000	0.00000	0.00000
DCLLR	0.00204	0.00237	0.00286	0.00316	0.00306	0.00299	0.00289	0.00258	0.00253	0.00230
County Referendum	0.00451	0.00486	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
Total	0.29149	0.31426	0.33421	0.33745	0.29633	0.28570	0.28004	0.26580	0.25386	0.24133
<u>OVERLAPPING RATES:</u>										
<u>CITIES</u>										
Apple Valley	0.42388	0.44110	0.49210	0.47891	0.45274	0.44721	0.44473	0.42475	0.39603	0.38782
Burnsville	0.42598	0.43213	0.47021	0.46670	0.44790	0.46525	0.46557	0.43552	0.43595	0.43148
Coates	0.14343	0.18984	0.22842	0.19507	0.20081	0.17482	0.17490	0.17399	0.15688	0.17196
Eagan	0.33675	0.34553	0.38272	0.38250	0.36525	0.37097	0.37385	0.36378	0.35227	0.35262
Farmington	0.55733	0.63093	0.66821	0.65876	0.61455	0.59239	0.58760	0.57161	0.54372	0.50971
Hampton	0.34774	0.48625	0.47055	0.44221	0.46932	0.42776	0.45342	0.40813	0.34468	0.44044
Hastings	0.55195	0.66083	0.68547	0.66246	0.62581	0.63577	0.62518	0.60864	0.59612	0.57391
Inver Grove Heights	0.43169	0.44883	0.46312	0.46128	0.48131	0.49266	0.51644	0.51112	0.53537	0.51037
Lakeville	0.38250	0.39051	0.41234	0.40696	0.38948	0.38669	0.37510	0.36419	0.35607	0.34615
Lilydale	0.31115	0.35128	0.35556	0.34570	0.32619	0.30133	0.30276	0.28772	0.27155	0.26130
Mendota	0.45860	0.46652	0.47239	0.46518	0.46806	0.49808	0.44384	0.51502	0.27453	0.30252
Mendota Heights	0.29758	0.32057	0.34479	0.34737	0.34964	0.35247	0.37487	0.37826	0.39294	0.38315
Miesville	0.27223	0.33151	0.34670	0.32952	0.32255	0.31950	0.31635	0.30821	0.29797	0.31106
New Trier	0.47895	0.54663	0.56659	0.61658	0.55227	0.52333	0.67619	0.53348	0.58132	0.52669
Northfield	0.43889	0.50947	0.61901	0.59785	0.56750	0.57552	0.55667	0.57164	0.56216	0.58161
Randolph	0.25048	0.30476	0.32743	0.36865	0.26076	0.26284	0.28171	0.24722	0.21488	0.31845
Rosemount	0.44661	0.46994	0.48862	0.47676	0.45152	0.43149	0.41832	0.40961	0.39355	0.38580
South St. Paul	0.48374	0.56466	0.63280	0.60901	0.60405	0.64693	0.63853	0.64041	0.64582	0.60847
Sunfish Lake	0.20671	0.23677	0.27800	0.26775	0.23869	0.25558	0.26178	0.26168	0.26206	0.28528
Vermillion	0.40864	0.48251	0.51193	0.47656	0.47954	0.41978	0.48789	0.41866	0.46032	0.41116
West St. Paul	0.56078	0.62205	0.69447	0.71249	0.70642	0.69795	0.71412	0.69287	0.28780	0.70106

Unaudited

Dakota County, Minnesota

DIRECT AND OVERLAPPING GOVERNMENTS
TAX CAPACITY RATES
LAST TEN YEARS

(Continued)

<u>Governments</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
<u>TOWNSHIPS</u>										
Castle Rock	0.13187	0.14779	0.15622	0.14310	0.12364	0.12161	0.12145	0.12259	0.39603	0.11248
Douglas	0.15358	0.20791	0.22376	0.18733	0.18509	0.15701	0.15190	0.22048	0.16226	0.16392
Empire	0.27953	0.30845	0.31746	0.31164	0.29823	0.29445	0.29462	0.29892	0.27430	0.29131
Eureka	0.16951	0.18544	0.16861	0.15362	0.14688	0.13672	0.14463	0.14534	0.13685	0.20183
Greenvale	0.12597	0.12507	0.19220	0.17982	0.18013	0.17263	0.17123	0.16966	0.16868	0.16215
Hampton	0.17815	0.18002	0.17613	0.15415	0.14439	0.14581	0.13322	0.13514	0.12713	0.11824
Marshan	0.13837	0.16292	0.14877	0.13995	0.12860	0.12635	0.16613	0.16708	0.15110	0.19431
Nininger	0.14261	0.15208	0.15121	0.16384	0.16495	0.15829	0.16477	0.15484	0.15261	0.14610
Randolph	0.05576	0.06626	0.07444	0.08004	0.08665	0.08940	0.07345	0.09617	0.08630	0.08779
Ravenna	0.13756	0.15104	0.17773	0.20128	0.17452	0.18196	0.18164	0.17242	0.16870	0.15964
Sciota	0.17164	0.17412	0.17239	0.15021	0.13745	0.10887	0.07750	0.11892	0.13674	0.14562
Vermillion	0.17605	0.18664	0.19555	0.17466	0.17214	0.16724	0.16279	0.16282	0.15723	0.14728
Waterford	0.11311	0.13769	0.13640	0.13493	0.11909	0.16816	0.17375	0.28812	0.28780	0.28368
<u>SCHOOL DISTRICTS</u>										
6	0.30681	0.32306	0.35478	0.44522	0.35881	0.36719	0.35868	0.31367	0.29622	0.28878
191	0.21854	0.21881	0.26168	0.25661	0.24554	0.31065	0.27529	0.25759	0.26202	0.23765
192	0.52157	0.55308	0.57226	0.56326	0.53474	0.57584	0.54269	0.52825	0.51401	0.53105
194	0.32138	0.32061	0.33535	0.33048	0.31459	0.35319	0.32914	0.32992	0.32535	0.34851
195	0.20126	0.20823	0.19114	0.18001	0.16685	0.18661	0.17065	0.17509	0.19879	0.20376
196	0.26959	0.28440	0.27956	0.27606	0.23271	0.24317	0.23336	0.21352	0.20613	0.19860
197	0.19692	0.21857	0.24429	0.23863	0.24063	0.22170	0.22295	0.21224	0.24246	0.22125
199	0.24679	0.28363	0.27556	0.33418	0.34864	0.30272	0.28572	0.26680	0.26537	0.22896
200	0.22140	0.25435	0.23932	0.23052	0.20965	0.20938	0.20305	0.20545	0.19079	0.17924
252	0.20850	0.22379	0.24555	0.23940	0.24900	0.28498	0.26310	0.24453	0.24663	0.20806
659	0.34380	0.34166	0.38435	0.36410	0.34064	0.32847	0.30937	0.33150	0.31216	0.30468
<u>SPECIAL DISTRICTS</u>										
Watershed M	0.00266	0.00440	0.00642	0.00748	0.00679	0.00691	0.00745	0.00712	0.00664	0.00540
Watershed V	0.00555	0.00541	0.00543	0.00545	0.00466	0.00449	0.00449	0.00429	0.00403	0.00399
Transit District	0.01215	0.01375	0.01458	0.01377	0.01292	0.01261	0.01215	0.01104	0.01244	0.01150
Mosquito Control	0.00493	0.00553	0.00573	0.00548	0.00518	0.00491	0.00475	0.00443	0.00435	0.00406
Metropolitan Council	0.00829	0.00968	0.01223	0.01015	0.00827	0.00958	0.00878	0.00821	0.00666	0.00606
Dakota County CDA	0.01718	0.01724	0.01664	0.01650	0.01559	0.01547	0.01548	0.01479	0.01479	0.01469
Burnsville EDA	0.00722	0.00806	0.00906	0.00889	0.00860	0.00891	0.00897	0.00955	0.00924	0.00136
Hastings HRA	0.01487	0.01640	0.01428	0.01613	0.01379	0.01551	0.01500	0.01454	0.01453	0.01455
Northfield EDA	0.01761	0.01728	0.01801	0.01716	0.01697	0.01702	0.01638	0.01624	0.01599	0.01572
Northfield HRA	0.01528	0.01844	0.01838	0.01751	0.01732	0.01763	0.01670	0.01655	0.01629	0.01602
South St. Paul EDA	---	---	---	---	---	0.01363	0.01685	0.01358	0.01516	0.01383
South St. Paul HRA	0.01518	0.01618	0.01351	0.01450	0.01468	0.01649	0.01492	0.01453	0.01527	0.01417
South Metro EMS	---	---	0.01774	0.01249	0.01264	0.01784	0.01541	0.01402	0.01333	0.01200
Light Transit Rail	0.00389	0.00401	0.00432	0.00403	0.00371	0.00357	0.00342	0.00031	---	-

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

<u>Name</u>	<u>Type of Business</u>	<u>2011 Tax Capacity Value</u>	<u>% of Total County Tax Capacity</u>	<u>Name</u>	<u>Type of Business</u>	<u>2020 Tax Capacity Value</u>	<u>% of Total County Tax Capacity</u>
Northern States Power Co	Electric Utility	\$ 9,707,804	2.5 %	Xcel Energy	Utility	\$ 13,765,201	2.5 %
Flint Hills	Refinery	3,359,613	0.9	Flint Hills Resources Pine Bend LLC	Industrial	6,495,371	1.2
Burnsville Center Spe LP	Burnsville Center	2,079,250	0.5	Dakota Electric Association	Utility	3,043,830	0.5
Dakota Electric Assn.	Electric Utility	1,910,588	0.5	Paragon Outlets Eagan LLC	Commercial	2,578,953	0.5
West Publishing Co.	Book Publishing	1,466,271	0.4	West Publishing Co	Industrial	2,546,267	0.5
Northern Natural Gas Co.	Natural Gas Utility	1,335,750	0.3	SVC CPC Eagan LLC	Commercial	2,244,312	0.4
Minnegasco Inc.	Natural Gas Utility	1,237,058	0.3	Northern Natural Gas Co.	Utility	2,393,114	0.4
BCBSM Inc.	Health Care	896,293	0.2	Health Landlord (MN) LLC	Commercial	1,832,162	0.3
AMB Property LP	Property Management	814,770	0.2	MV Eagan Ventures LLC	Commercial	1,598,277	0.3
Duke Realty LTD Prtnshp	Eagan Commerce Center	703,838	0.2	Chicago & NW Trans Co	RR	1,744,707	0.3
TOTAL		<u>\$ 23,511,235</u>	<u>6.0 %</u>	TOTAL		<u>\$ 38,242,194</u>	<u>6.9 %</u>

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					
2011	\$ 129,402,318	\$ 121,654,460	94.0 %	\$ 1,869,863	\$ 123,524,323	95.5 %	\$ 2,422,429	1.9 %
2012	129,407,276	127,976,767	98.9	1,297,520	129,274,287	99.9	1,406,033	1.1
2013	129,152,073	127,962,335	99.1	755,531	128,717,866	99.7	1,694,382	1.3
2014	128,377,938	127,389,352	99.2	892,658	128,282,010	99.9	1,342,028	1.0
2015	129,661,717	128,723,340	99.3	650,201	129,373,541	99.8	1,154,427	0.9
2016	130,196,625	129,468,269	99.4	430,689	129,898,958	99.8	1,198,369	0.9
2017	132,800,558	132,001,073	99.4	722,237	132,723,310	99.9	1,031,027	0.8
2018	136,651,774	135,904,206	99.5	757,616	136,661,822	100.0	1,009,680	0.7
2019	140,614,675	139,882,554	99.5	554,633	140,437,187	99.9	867,022	0.6
2020	144,613,647	143,544,446	99.3	1,016,467	144,560,913	100.0	414,365	0.3

*Includes tax adjustments, tax credits and fiscal disparity adjustments

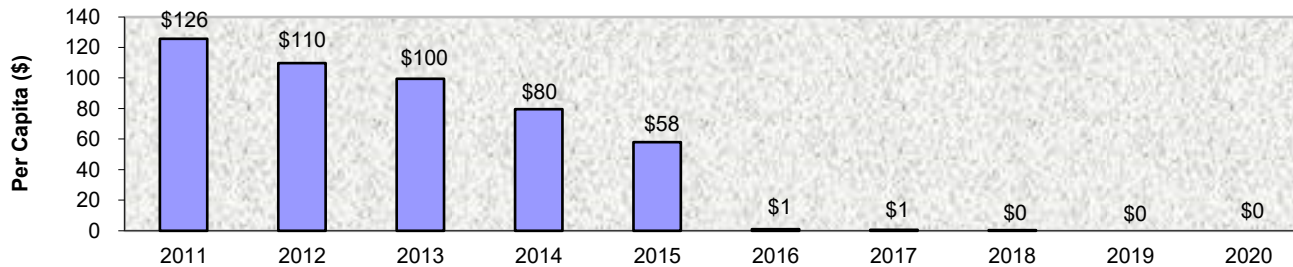
Source: Dakota County Property Taxation and Records Department

Dakota County, Minnesota

RATIOS OF OUTSTANDING NET DEBT TO ASSESSED VALUE AND PER CAPITA, AND DEBT PER CAPITA LAST TEN YEARS

Year Assessed	Population	Assessed Value	Gross Bonded Debt	Capital Leases	Debt Service Funds	Net Debt	Ratio of Net Debt to Assessed Value*	Net Debt Per Capita**	Ratio of Net Debt to Personal Income
2011	400,480	\$ 419,583,852	\$ 58,211,167	\$ -	\$ 7,865,698	\$ 50,345,469	12.00 %	\$ 126	0.27%
2012	405,088	399,941,849	52,358,268	-	7,873,365	44,484,903	11.12	110	0.22%
2013	408,509	410,790,823	46,494,476	-	5,838,954	40,655,522	9.90	100	0.20%
2014	412,529	443,661,858	33,660,684	-	832,407	32,828,277	7.40	80	0.15%
2015	414,686	464,506,387	23,468,911	559,489	-	24,028,400	5.17	58	0.11%
2016	417,487	482,073,242	-	422,878	-	422,878	0.09	1	0.00%
2017	421,751	518,539,487	-	286,429	-	286,429	0.06	1	0.00%
2018	425,423	559,269,821	-	145,518	-	145,518	0.03	0	N/A***
2019	429,021	601,183,701	-	-	-	-	-	-	N/A***
2020	431,807	638,647,096	-	-	-	-	-	-	N/A***

Net Bonded Debt per Capita



* Prior years restated to reflect change in Ratio of Net Debt to Assessed Value vs. Ratio of Gross Bonded Debt to Assessed Value

**Prior years restated to reflect change in Net Debt per Capita vs. Gross Bonded Debt per Capita

***Personal Income information was not available for current year at the time of publication.

Dakota County, Minnesota

COMPUTATION OF DIRECT, UNDERLYING AND OVERLAPPING BONDED DEBT GENERAL OBLIGATION BONDS DECEMBER 31, 2020

<u>Government Unit</u>	Gross GO Debt	<u>Applicable to Dakota County</u>	
	<u>Outstanding¹</u>	<u>Percent²</u>	<u>Amount</u>
<u>Direct:</u>			
Dakota County	\$ 0	0.0 %	\$ -
<u>Underlying:</u>			
Dakota County CDA	\$ 262,883,240	100.0 %	\$ 262,883,240
City of Apple Valley	21,809,840	100.0	21,809,840
City of Burnsville	74,030,083	100.0	74,030,083
City of Eagan	42,445,000	100.0	42,445,000
City of Farmington	12,070,000	100.0	12,070,000
City of Hampton	3,380,000	100.0	3,380,000
City of Hastings	22,890,000	99.9	22,867,110
City of Inver Grove Hts	43,980,000	100.0	43,980,000
City of Lakeville	123,350,000	100.0	123,350,000
City of Lilydale	1,965,000	100.0	1,965,000
City of Mendota	0	100.0	0
City of Mendota Heights	23,865,000	100.0	23,865,000
City of Northfield	51,151,235	7.9	4,040,948
City of Rosemount	8,030,000	100.0	8,030,000
City of South St. Paul	25,929,000	100.0	25,929,000
City of Sunfish Lake	1,505,000	100.0	1,505,000
City of West St. Paul	55,660,000	100.0	55,660,000
Empire Township	2,460,000	100.0	2,460,000
Randolph Township	38,494	100.0	38,494
Ravenna Township	0	100.0	0
Special S.D. #6 (South St Paul)	34,375,000	100.0	34,375,000
Ind. S.D. #191 (Burnsville)	142,835,000	75.8	108,268,930
Ind. S.D. #192 (Farmington)	166,590,000	100.0	166,590,000
Ind. S.D. #194 (Lakeville)	159,785,000	80.0	127,828,000
Ind. S.D. #195 (Randolph)	11,070,000	88.2	9,763,740
Ind. S.D. #196 (Rosemount)	122,785,000	100.0	122,785,000
Ind. S.D. #197 (W. St. Paul)	119,035,000	100.0	119,035,000
Ind. S.D. #199 (Inver Grove Hts.)	54,225,000	100.0	54,225,000
Ind. S.D. #200 (Hastings)	75,082,524	87.2	65,471,961
Ind. S.D. #252 (Cannon Falls)	20,535,000	4.9	1,006,215
Ind. S.D. #659 (Northfield)	67,005,000	14.8	9,916,740
Total underlying debt	<u>\$ 1,750,764,416</u>		<u>\$ 1,549,574,301</u>
<u>Overlapping:</u>			
Metropolitan Council (Parks & Solid Waste)	\$ 8,800,000 ³	13.4 %	\$ 1,179,200
Metropolitan Transit Commission	361,740,000	13.4 %	48,473,160
Total overlapping debt	<u>\$ 370,540,000</u>		<u>\$ 49,652,360</u>
Total debt	<u><u>\$ 2,121,304,416</u></u>		<u><u>\$ 1,599,226,661</u></u>

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

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

³ The Metropolitan Council also has outstanding \$1,301,233,995 of general obligation sanitary sewer bonds and loans which are supported by system revenues.

Dakota County, Minnesota

**Legal Debt Margin
Last Ten Fiscal Years**

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Estimated Market Value	\$ 35,311,186,696	\$ 33,469,297,136	\$ 34,555,160,677	\$ 37,715,415,325	\$ 39,597,418,666	\$ 41,197,952,541	\$ 44,379,472,527	\$ 47,998,584,493	\$ 51,646,984,502	\$ 54,705,389,467
Legal Debt Margin										
Debt Limit (3% of assessed value)*	\$ 1,059,335,601	\$ 1,004,078,914	\$ 1,036,654,820	\$ 1,131,462,460	\$ 1,187,922,560	\$ 1,235,938,576	\$ 1,331,384,176	\$ 1,439,957,535	\$ 1,549,409,535	\$ 1,641,161,684
Debt Applicable to limit:										
General Obligation Bonds	\$ 57,880,000	\$ 52,255,000	\$ 46,275,369	\$ 33,660,684	\$ 23,420,000	\$ -	\$ -	\$ -	\$ -	\$ -
Less: amount reserved for repayment of general obligation debt	(7,865,698)	(7,873,365)	(5,838,954)	(832,407)	-	-	-	-	-	-
Total Debt Applicable to Limit	\$ 50,014,302	\$ 44,381,635	\$ 40,436,415	\$ 32,828,277	\$ 23,420,000	\$ -	\$ -	\$ -	\$ -	\$ -
Legal Debt Margin	\$ 1,009,321,299	\$ 959,697,279	\$ 996,218,405	\$ 1,098,634,183	\$ 1,164,502,560	\$ 1,235,938,576	\$ 1,331,384,176	\$ 1,439,957,535	\$ 1,549,409,535	\$ 1,641,161,684
Total debt applicable to the limit as a percent of debt limit	4.7%	4.4%	3.9%	3.0%	2.0%	-	-	-	-	-

*Minn. Stat. Section 475.53, subd. 1 states that
or a city of the first class, shall incur or be subject to a net debt in excess of three percent of the estimated market value.*

Dakota County, Minnesota

DEMOGRAPHIC STATISTICS LAST TEN YEARS

Fiscal Year	Population¹	Personal Income¹	Per Capita Income¹	Median Age²	School Enrollment K through 12³	Annual Average Unemployment Rate⁴
2011	400,480	\$ 18,612,486,000	\$ 46,475	37.2	78,513	6.1%
2012	405,088	20,192,381,000	49,847	37.5	77,823	5.2
2013	408,509	20,706,256,000	50,687	37.4	77,716	4.5
2014	412,529	21,524,339,000	52,177	36.8	75,226	3.8
2015	414,686	22,272,614,000	53,710	37.3	75,336	3.3
2016	417,487	22,951,451,000	54,975	37.6	75,123	3.4
2017	421,751	24,308,945,000	57,638	37.8	76,323	3.1
2018	425,423	25,802,276,000	60,651	38.2	76,821	2.5
2019	429,021	26,562,417,000	61,914	38.3	77,228	2.9
2020	431,807	NA*	NA*	NA*	77,711	5.9

Data Sources:

¹ US Dept Of Commerce, Bureau of Economic Analysis

² US Census Bureau; Note: Data for years 2007 - 2013 have been updated to reflect current data

³ State Department of Education; Public, Private, & Charter school enrollment;

Note: 2009 - 2018 data has been updated to reflect Public, Private, & Charter school enrollment. Previously, only Public & Charter school enrollment was reported.

⁴ State Department of Employment and Economic Development; Note: data has been updated for years 2010 - 2014

*Information for current year was not available at time of publication.

Dakota County, Minnesota

PRINCIPAL EMPLOYERS CURRENT YEAR AND NINE YEARS AGO

<u>Employer</u>	<u>2011</u> <u>Employees</u>	<u>Percentage</u> <u>of Total County</u> <u>Employment</u>	<u>Employer</u>	<u>2020</u> <u>Employees</u>	<u>Percentage</u> <u>of Total County</u> <u>Employment</u>
Reuters Thomson West	7,500	3.24%	Thomson West	6,000	2.50%
Independent School District 196	4,160	1.80%	Independent School District 196	4,500	1.87%
Blue Cross-Blue Shield	3,500	1.51%	Blue Cross-Blue Shield of MN	3,000	1.25%
Red-D-Arc Welderentals	2,000	0.86%	Burnsville Center*	3,000	1.25%
Dakota County	1,706	0.74%	US Postal Service (Eagan)	2,400	1.00%
UTC Aerospace	1,600	0.69%	Dakota County	1,912	0.80%
US Postal Service	1,570	0.68%	CHS Incorporated	2,000	0.83%
Independent School District 191	1,500	0.65%	UTC Aerospace	1,800	0.75%
Fairview Ridges Hospital	1,400	0.61%	Prime Therapeutics	1,591	0.66%
State Farm Operations Ctr	1,300	0.56%	Independent School District 194	1,555	0.65%
Total County Employment	231,267	<u>11.34%</u>	Total County Employment	240,319	<u>11.56%</u>

**Includes part-time employees*

Source: Department of Employment and Economic Development

Note: This does not purport to be a comprehensive list and is based on a March

Dakota County, Minnesota

COUNTY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM LAST TEN FISCAL YEARS

Function/program	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Function/program										
County Wide	4.00	3.00	3.00	2.00	3.00	2.00	2.00	2.00	2.00	2.00
Public Service										
Public Service	9.30	10.25	10.25	9.25	9.25	8.56	7.00	7.06	5.31	3.50
Assessor	36.00	35.00	35.00	35.00	37.00	38.00	38.50	38.50	40.00	40.00
Elections	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5.00	5.00	5.00
Property Records	0.00	0.00	0.00	44.60	44.50	44.80	45.30	36.30	34.30	34.30
Treasurer-Auditor	0.00	43.60	43.60	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Service & Licensing	22.80	23.75	23.75	23.75	23.75	23.75	24.81	28.75	28.44	30.00
Library	143.40	135.93	135.93	135.93	135.93	135.92	134.86	134.86	130.48	130.81
Operations Management										
Risk Management	0.00	5.70	5.70	5.70	7.00	7.00	6.00	6.00	7.00	7.00
Information Technology	55.80	51.75	58.80	64.00	65.00	65.00	65.00	66.00	68.00	69.00
Financial Services	29.00	33.50	33.50	34.24	35.00	35.00	35.00	28.00	28.00	28.00
Budget	0.00	0.00	0.00	0.00	0.00	0.00	0.00	8.00	8.00	8.00
OMB Division Administration	2.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Office of Performance & Analysis	12.00	12.00	12.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00
CJN	6.00	6.00	6.00	6.00	6.90	6.90	6.90	6.90	6.90	8.00
Administration										
County Administration	8.00	10.00	10.00	10.00	11.00	11.00	11.00	11.00	11.00	11.00
County Board	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
County Communications	7.10	6.10	6.10	6.10	7.00	7.00	8.00	8.00	8.00	8.00
Employee Relations	19.10	19.05	19.05	19.05	19.05	19.05	19.05	19.05	19.45	19.45
Community Services										
Community Services Administration	12.00	14.00	15.00	15.00	17.00	17.00	18.00	18.00	18.00	17.00
Social Services	268.00	297.52	298.50	299.22	313.52	333.52	355.20	363.20	372.75	382.35
Employment & Economic Assistance	243.00	245.50	244.60	255.50	248.10	254.10	267.15	268.12	267.20	271.20
Public Health	142.70	95.19	94.30	90.72	91.52	93.12	94.02	98.42	110.02	110.02
Veterans Services	6.00	6.00	6.00	6.00	6.00	6.00	7.00	7.00	7.00	7.00
Community Corrections	168.60	169.69	171.20	169.29	171.22	171.52	173.92	174.92	176.92	176.92
Extension	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Public Safety										
Sheriff	171.30	171.30	171.30	172.71	174.09	179.09	182.59	186.09	183.25	188.25
County Attorney										
County Attorney	84.00	84.00	84.00	85.99	88.99	87.87	90.87	94.87	94.00	94.00
Physical Development										
Office of GIS	7.00	7.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Physical Development	16.90	20.50	20.50	25.75	25.75	25.35	25.35	26.35	25.35	26.35
Transportation	81.40	82.43	82.43	87.43	87.43	90.43	98.43	102.43	98.00	97.00
Operations Management	60.70	46.50	46.50	43.50	70.57	70.07	71.07	71.07	65.00	66.00
Parks	46.00	44.28	45.30	43.48	23.08	23.08	25.08	28.78	20.70	21.70
Water Resources	16.00	16.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Physical Development Planning	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Environmental Management/Resources	13.40	14.70	30.70	31.50	32.50	33.60	33.50	33.50	34.00	35.00
Survey	8.00	8.00	8.00	8.00	8.00	8.00	0.00	0.00	0.00	0.00
Byllesby Dam	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00	2.00
Total	1706.50	1725.24	1728.01	1744.71	1777.15	1811.73	1860.60	1893.17	1890.07	1913.85

Source: Dakota County Departmental documents

Dakota County, Minnesota
Operating Indicators by Governmental Function
Last Ten Fiscal Years

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Government										
Property Documents Recorded	88,904	98,546	98,215	73,232	78,517	80,652	75,564	70,130	74,001	99,794
County Veterans Population	29,481	27,617	27,067	27,550	27,048	25,689	25,094	24,496	23,900	23,900
New Adult Criminal Court Cases	3,712	3,799	3,664	3,812	4,069	4,253	4,784	4,851	4,918	4,450
Juvenile Delinquency Referrals	2,497	2,377	2,013	1,891	1,784	1,731	1,796	1,587	1,450	961
Commitment Referrals	188	243	249	250	252	233	253	270	255	323
Plat Reviews	55	51	62	83	86	92	74	93	74	86
Public Safety										
Probation Offenders Served ¹	18,665	11,902	11,503	10,903	10,642	10,566	12,192	12,349	12,270	10,869
Community Restoration Hours Served ³	72,316	85,762	66,676	60,606	57,634	58,124	54,523	52,235	52,299	2,212
Driving While Impaired Arrests	162	209	144	127	144	138	134	119	146	91
Applications for Permit to Carry Handguns	1,701	2,765	4,394	2,868	3,632	4,754	3,870	4,423	3,373	8,249
Daily Inmate Responsibility Average	254	247	211	229	214	225	215	208	203	125
Highways and Streets										
Fuel Used (Diesel and Unleaded)	121,207	92,342	117,978	127,653	103,998 ²	106,885	97,349	126,696	139,002	107,069
Sanitation										
Pounds of Household Hazardous Waste Collected	3,412,859	3,569,518	3,726,818	4,176,000	4,180,000	4,295,619	3,800,936	3,584,356	3,335,313	3,528,793
Human Services										
Intake and Crisis Calls	34,034	40,470	44,903	47,730	52,929	65,614	58,945	59,702	54,376	61,240
Average Monthly # of Children in Out-of-Home Placement	102	121	110	103	128	173	299	240	278	215
Chemical Health Assessments Completed	988	847	787	779	637	569	606	563	596	321
Public Assistance Caseload	21,173	21,979	22,700	25,819	36,575	40,110	40,346	42,570	41,180	46,237
Child Support Collections	\$47,385,912	\$47,316,219	\$46,646,864	\$45,957,834	\$44,973,145	\$44,531,574	\$43,208,675	\$42,849,581	\$42,057,930	\$44,910,870
Average # of Families Served - Child Care Assistance Programs	1,285	1,264	1,230	1,202	1,323	1,132	1,053	1,290	1,326	208
Long Term Care Clients on Medicaid Waiver	2,872	3,151	3,009	3,097	3,520	3,817	3,883	4,479	4,763	4,701
Health										
Family Health Referrals	693	651	582	857	1,131	1,146	1,282	1,446	1,263	896
WIC Clients	10,560	11,098	10,567	10,680	10,246	10,177	9,859	9,638	9,079	8,857
Number of Confirmed Tuberculosis Cases	14	16	25	41	30	17	21	29	33	16
Health Alerts Issued	18	35	24	21	13	20	13	16	11	26
Vaccinations Administered	4,585	3,236	3,045	2,812	1,615	1,604	1,684	1,696	2,380	872
Economic Development										
Employment and Training Caseload	5,275	5,544	4,907	4,639	4,223	4,192	4,303	4,306	4,023	3,157
Number of Adults Program Participants Placed in Employment	1,429	1,167	1,445	1,444	1,238	1,493	1,397	1,373	1,307	604

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

¹ Previous years' data reflected the number of cases served, which duplicated the client count. As of 2016, the data shows the number of clients/offenders served.

² 2015 data included all gallons used Countywide, not just for Highways and Streets

³ Previous years' data did not include juvenile community restoration hours. As of 2016, the data reflects all community restoration hours.

Dakota County, Minnesota

CAPITAL ASSET AND INFRASTRUCTURE STATISTICS BY FUNCTION/PROGRAM

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
General Government										
Government Centers	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Public Safety										
Justice Center	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Patrol Units ¹	105.00	105.00	105.00	31.00	29.00	35.00	39.00	38.00	37.00	38.00
Transportation										
Bituminous (miles)	356.20	356.20	359.70	359.70	359.70	359.70	362.55	362.55	362.55	368.60
Concrete (miles)	2.80	2.80	2.80	2.80	2.80	2.80	2.80	2.80	2.80	2.80
Gravel (miles)	65.00	61.50	56.50	56.50	55.50	55.50	53.25	53.25	53.25	47.20
Bridges	34.00	34.00	34.00	34.00	34.00	34.00	34.00	34.00	34.00	34.00
Traffic signals	134.00	134.00	134.00	134.00	134.00	134.00	134.00	134.00	136.00	136.00
Culverts	47.00	47.00	48.00	48.00	48.00	48.00	48.00	48.00	48.00	28.00
Highway Shops	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Culture & Recreation										
Acreage	5,044.00	5,322.00	5,382.00	5,539.00	5,602.00	5,653.00	5,653.00	5,611.00	5,611.00	5,653.00
County Parks	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Regional parks & trails	8.00	8.00	8.00	8.00	8.00	8.00	11.00	11.00	11.00	11.00
Libraries	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00

Data Sources: Various county departments

¹ Previous years' data included all units. Data for 2014 (and subsequent years) includes only Patrol Units.

This page was left blank intentionally.