



DAKOTA COUNTY

MINNESOTA

2014

FOR FISCAL YEAR ENDED DECEMBER 31, 2014

COMPREHENSIVE ANNUAL FINANCIAL REPORT

A premiere county in which to live and work.

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

For The Year Ended December 31, 2014



Prepared by the Financial Services Department

Stephanie Shawback, Director

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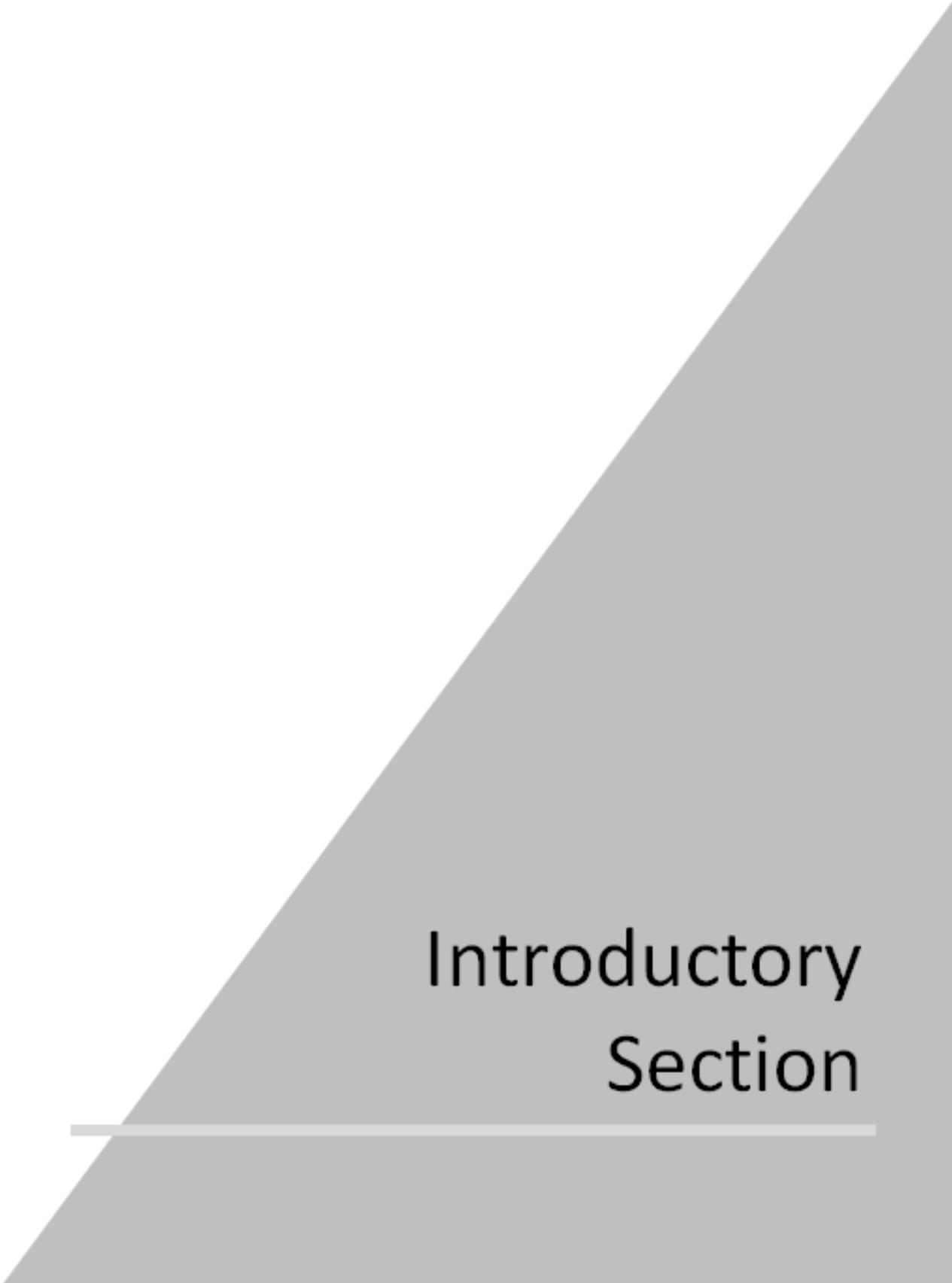
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Introductory
Section

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June 29, 2015

Financial Services

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

SUBJECT: ***2014 COMPREHENSIVE ANNUAL FINANCIAL REPORT***

The Comprehensive Annual Financial Report (CAFR) of Dakota County is submitted for the fiscal year ended December 31, 2014. The County's Financial Services Department prepared this report in conformity with generally accepted accounting principles (GAAP). Responsibility for both the accuracy and completeness of the presented data and the fairness of the presentation, including all disclosures, rests with the County. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and sets forth the financial position and results of operations and cash flows of the County, as measured by the financial activity of its various funds, and all disclosures necessary to enable maximum understanding of the County's financial affairs.

Independent Audit

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

Single Audit

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

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

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

Internal Controls

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

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

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

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

Profile of the Government

Dakota County was organized in 1849 as a county in the State of Minnesota. It has an area of 587 square miles, including 13 townships and 21 full and fractional incorporated municipalities. The 2014 population was 412,529 making it the third most populous county in the State. It is one of seven counties comprising the Twin Cities metropolitan area. The county seat, Hastings, is located on the Mississippi River 18 miles southeast of the state capital, St. Paul.

Dakota County operates under an elected seven-member County Board, each member representing a district of the County. The County Board is responsible, among other things, for passing ordinances, adopting the budget, and the hiring of the County's 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 Board is elected on a non-partisan basis. County Board members serve four-year staggered terms.

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

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

Joint Powers Organization (VRW) is also a discretely presented component unit. 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, keeping in mind general guidelines set by the County Board of Commissioners. The divisions and departments submit their budget requests to the County Manager, who must balance the competing needs against available resources. The County Board makes final adjustments to the budgets, which are then adopted and available for use on January 1 each year.

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

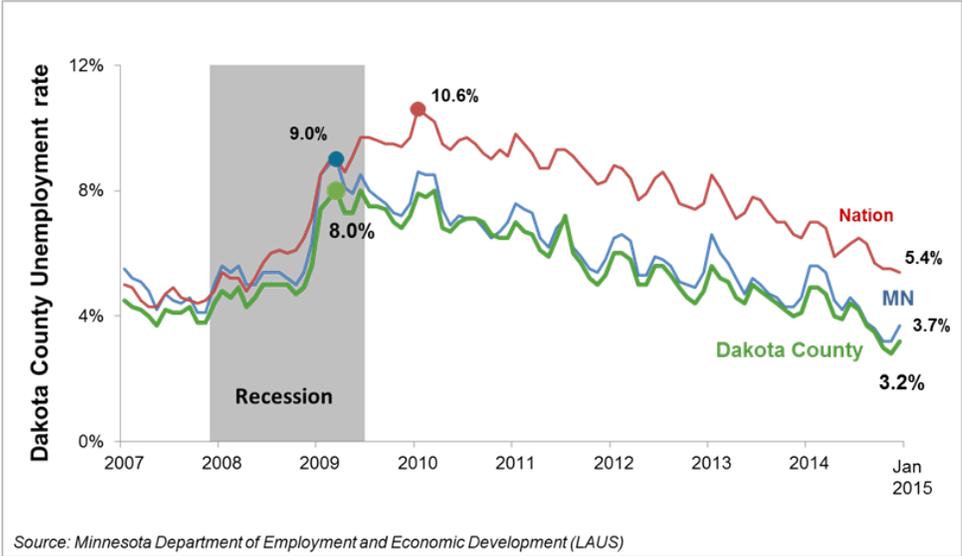
Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the Dakota County Government operates.

Key population, labor force and employment trends:

- Dakota County's population increased from 2000 to 2014 by 14%, adding more than 56,000 people. According to Census estimates, 2008 was the first year since 1977 that Dakota County gained less than 1 percent in population, with the trend continuing through 2014. Over the next 25 years, regional growth is projected to continue at an average rate of slightly under 1% per year. The seven-county metropolitan region is anticipated to increase by 29% (826,000 residents) between 2010 and 2040, to a total population of more than 3.7 million residents. According to recent forecasts from the Metropolitan Council, Dakota County will attain a population of close to 525,000 people by the year 2040. This growth represents a 32% increase in population between 2010 and 2040, and highlights the tremendous development pressure on relatively more outlying communities.
- According to the Minnesota Department of Employment and Economic Development (DEED) there were 9,454 private sector firms and 160,123 private sector employees in Dakota County. The largest employing industry sectors in the county are Trade, Transportation and Utilities (45,619), Education and Health Services (30,970), Manufacturing (19,465), Professional and Business Services (18,625), and Leisure and Hospitality (18,448). The trade and education/health service sectors account for approximately 44.2% of employment in Dakota County.
- Affordable rental housing is in greater demand due to record low vacancy rates, modest job growth and slow income growth for renter households. In Dakota County the growing demand for affordable housing is especially critical for individuals employed in the retail and hospitality service sector and for single head-of-household families with children. Further, the demand for affordable housing is critical for senior citizens, the population of which will increase substantially in Dakota County and metropolitan area in the next 20 years. In fact, by 2035, more than 1 in 4 Dakota County residents will be seniors (age 65+) compared to 1 in 9 Dakota County residents in 2010. (Projections by the state demographer).
- Dakota County maintains the lowest property tax rate 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.

- Recent economic conditions have resulted in challenges for many residents of Dakota County. Since 2003, the unemployment rate in Dakota County generally increased slowly until 2009 and 2010 peaking at 8% during the economic recession, when it began to decline. At the end of 2014, the County's unemployment rate was 2.8%, the lowest it has been since 2001. At the same time, the state's unemployment rate was 3.2% and the national unemployment rate was 5.5%. Typically, the County's unemployment rate tracks with general state and national trends but is consistently below the state and national numbers. In April 2015, Dakota County's unemployment rate was 3.7%, the State's unemployment rate was 4.1% and the national unemployment rate was 6.2%.



The above chart shows unemployment rates from 2007 through 2014. Dakota County maintains a lower average unemployment rate than Minnesota and the U.S.

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

	Dakota County		Distribution		% Change 2013-2014	
	Avg Number of Employees <u>2013</u>	<u>2014</u>	<u>Dakota County</u>	<u>State of Minnesota</u>	<u>County</u>	<u>State</u>
Total, All Industries	177,826	179,086	100.0%	100.0%	0.7%	0.9%
Agricultural, Forestry, Fishing	841	800	0.5%	0.8%	-5.1%	-2.1%
Mining	222	197	0.1%	0.2%	-12.7%	1.8%
Construction	9,810	9,936	5.8%	4.3%	1.3%	4.9%
Manufacturing	19,611	19,386	11.4%	11.9%	-1.2%	1.2%
Utilities	429	422	0.2%	0.5%	-1.7%	-1.2%
Wholesale Trade	9,221	9,323	5.5%	5.1%	1.1%	0.8%
Retail Trade	22,126	22,296	13.1%	11.0%	0.8%	0.0%
Information	8,522	8,046	4.7%	2.2%	-5.9%	-1.1%
Finance, Insurance & Real Estate	13,835	13,819	8.1%	6.8%	-0.1%	-2.0%
Services	40,504	52,069	30.6%	39.2%	22.2%	0.7%
Other	39,840	30,086	17.7%	18.6%	-32.4%	2.0%
Total, All Industries -- Government	16,893	18,963	11.1%	14.1%	10.9%	-0.5%
Total, All Industries -- Private	160,933	160,123	94.0%	90.2%	-0.5%	1.1%

Source: www.deed.state.mn.us

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

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

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Residential	\$149,576	\$146,271	\$149,700	\$202,165	\$321,838
Commercial	26,147	29,959	19,514	41,064	63,131
Industrial	2,023	8,009	3,165	12,546	7,716
Agricultural	1,476	2,038	2,846	2,392	1,564
Apartments	<u>42,451</u>	<u>14,601</u>	<u>22,061</u>	<u>41,855</u>	<u>28,001</u>
Total Value	<u>\$221,673</u>	<u>\$200,878</u>	<u>\$197,286</u>	<u>\$300,022</u>	<u>\$422,250</u>

Source: Dakota County Assessor's Office

Major Initiatives by Dakota County

Dakota County government 2014 highlights:

- The Library completed renovation projects at its Farmington and Inver Glen branches. Both were finished on time and under budget.
- The Sheriff's Office successfully implemented the Data-Driven Approaches to Crime and Traffic Safety program. Because of the program, the number of citations, crashes and injuries from crashes decreased between 2013 and 2014, while the number of crash fatalities was eliminated entirely.
- The North Urban Regional Trail was renamed the River to River Greenway.
- The governing structure of the Library transitioned from a Library Board to a Library Advisory Committee.
- Dakota County transitioned to a modified county manager form of government. This allows the Board autonomy over its citizen advisory committees.
- Attendance at the Library's programs for children, teens and adults surpassed 85,000.
- The Library's summer reading program drew more than 10,700 children and 2,000 teens.
- Communications won a 3CMA Savvy award for the Performance Issue of the spring 2014 Dakota County Newsletter.
- Communications and Environmental Resources teamed up to host a promotional campaign for The Recycling Zone. The campaign helped the hazardous waste collection facility see a 20% increase in the number of visitors from 2013 to 2014. It also resulted in an increase in the collection of batteries, fluorescent bulbs and electronics by more than 220,000 pounds.
- Social Services repurposed more than 200 units of existing housing to supportive housing for adults with significant barriers to safe, affordable and community-integrated housing.
- Risk Management completed a full scale Continuity of Operations Plan (COOP) exercise for the Western Service Center.
- Information Technology conducted two successful IT Disaster Recovery exercises to validate the County's ability to restore IT services in the event of catastrophic failure or damage to County facilities.
- After presenting its annual audit in June, Dakota County Financial Services received the highest opinion from auditors and was recognized with the Excellence in Financial Reporting award from the Governmental Finance Officers Association.
- The County Board transitioned to paperless agenda packets, saving paper, ink and staff time.
- Employee Relations implemented an updated compensation structure, a merit plan and compensation-related policies.

- Participation in myHealthCheck, the County’s outcome-based health and wellness program, increased from 61 percent in 2013 to 75 percent in 2014.
- The County Board joined together with neighboring boards for a five-county meeting that addressed concerns about the Metropolitan Council’s Thrive2040 plan.
- Dakota County Parks opened Whitetail Woods Regional Park and saw more than 3,000 people attend the grand opening celebration.
- More than 1,048,000 people visited a park or trail in the Parks system, representing a 39% increase in visitors during the past seven years.
- Environmental Resources implemented a grant from the Minnesota Department of Agriculture to test private wells in the County for nitrate contamination.

Employee Labor Contracts

The 16 collective bargaining units listed below represent approximately 70% of the County’s employees. The status of the contracts is as of December 31, 2014.

<u>Bargaining Unit</u>	<u>Term of Contract</u>	<u>Status of Contract</u>
AFSCME - Human Services	2014-2015	Settled
AFSCME - Library	2014-2015	Settled
Assessing Services	2014-2015	Settled
Attorney Employees' Assoc.	2014-2015	Settled
Community Corrections	2014-2015	Settled
Human Services Supervisors' Assoc.	2014-2015	Settled
Park Maintenance	2014-2015	Settled
Facilities Management	2014-2015	Settled
Public Health Services/MNA	2014-2015	Settled
Public Health Support	2014-2015	Settled
Road & Bridge Maintenance	2014-2015	Settled
Sheriff Adm/Support	2014-2015	Settled
Sheriff Licensed Deputies	2014-2015	Settled
Sheriff Jail	2014-2015	Settled
Sheriff Supervisor	2014-2015	Settled
Sheriff Non-license Supervisor	2014-2015	Settled

Awards and Acknowledgements

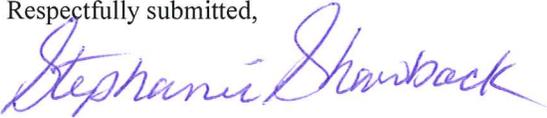
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Dakota County for its comprehensive annual financial report for the fiscal year ended December 31, 2013. This was the 25th consecutive year that the County has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report. This must satisfy both generally accepted accounting principles and applicable legal requirements.

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

Additionally, the GFOA presented an award of Distinguished Budget Presentation to Dakota County for its annual budget for the year 2014. This is the 18th year Dakota County has received the award.

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

Respectfully submitted,



Stephanie Shawback
Director of Financial Services



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

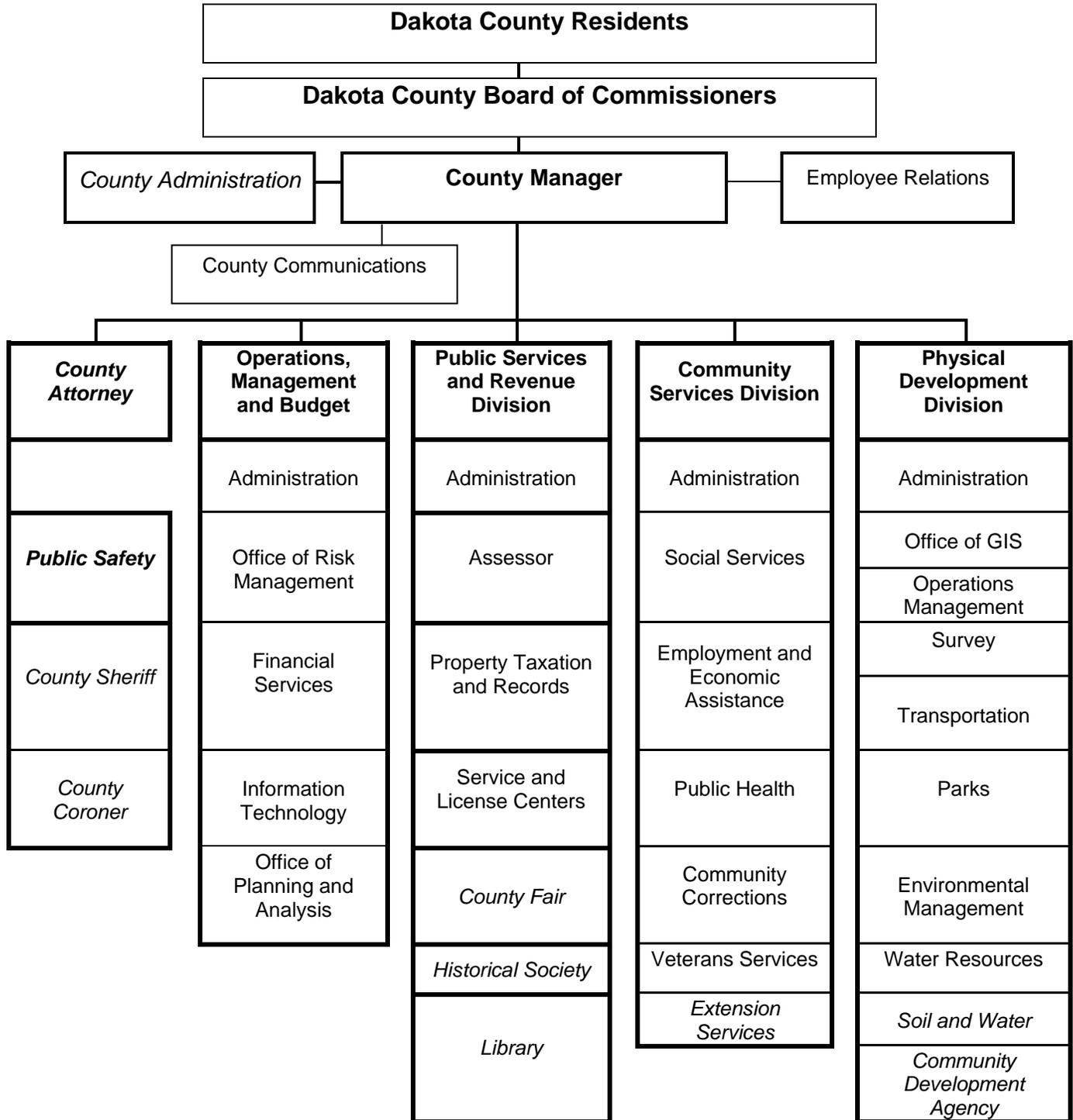
**Dakota County
Minnesota**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2013

Executive Director/CEO

2014 Dakota County Organizational Structure



Notes:

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

Dakota County MINNESOTA

LIST OF ELECTED AND APPOINTED OFFICIALS

2014

Officer	Name	From	Term To
Commissioners:			
1 st District	Mike Slavik	Jan. 2013	Dec. 2018
2 nd District	Kathleen A. Gaylord	Jan. 2003	Dec. 2018
3 rd District	Thomas A. Egan	Jan. 2005	Dec. 2016
4 th District	Nancy Schouweiler	Jan. 1999	Dec. 2016
5 th District	*Liz Workman	Jan. 2009	Dec. 2016
6 th District	Paul J. Krause	Jan. 1995	Dec. 2014
7 th District	Chris Gerlach	Jan. 2013	Dec. 2016
 Officers:			
Elected -			
Attorney	James C. Backstrom	Sep. 1987	Dec. 2014
Sheriff	David Bellows	Feb. 2010	Dec. 2014
 Appointed -			
County Manager	Brandt Richardson	May 1992	Indefinite
Deputy County Manager/Director of Operations, Mgmt. & Budget	Matthew G. Smith	Oct. 2011	Indefinite
Director of Community Services	Kelly Harder	July 2010	Indefinite
Director of Physical Development	Steven Mielke	July 2014	Indefinite
Director of Public Service & Revenue Div.	Thomas V. Novak	July 1998	Indefinite

* Chair



Financial
Section

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REBECCA OTTO
STATE AUDITOR

STATE OF MINNESOTA OFFICE OF THE STATE AUDITOR

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INDEPENDENT AUDITOR'S 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, Minnesota, as of and for the year ended December 31, 2014, including the Dakota County Community Development Agency (CDA) as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the 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.

Auditor's 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 CDA, which is a component unit and 99.4 percent, 99.2 percent, and 98.4 percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Dakota County CDA 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 *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's 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 County'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 County'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 on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Dakota County as of December 31, 2014, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons of the General Fund and the Highway, Environmental Management, and Regional Rail Special Revenue Funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Supplementary and 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 introductory section, the supplementary information, the governmental revenue schedules, and the statistical section as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information and governmental revenue schedules are the responsibility of management and were derived from and relates 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, the information is 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 June 29, 2015, on our consideration of Dakota County’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Dakota County’s internal control over financial reporting and compliance. It does not include the Dakota County CDA, which was audited by other auditors.



REBECCA OTTO
STATE AUDITOR



GREG HIERLINGER, CPA
DEPUTY STATE AUDITOR

June 29, 2015

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Dakota County, Minnesota | December 31, Management's Discussion and Analysis | 2014

Dakota County's Financial Management offers readers this narrative overview and analysis of financial activities for the fiscal year ended December 31, 2014. We encourage readers to consider the information presented here in conjunction with additional information furnished in our letter of transmittal and the notes to the financial statements.

Financial Highlights

- Dakota County's assets exceeded liabilities at the close of 12/31/14 by \$1,018,495,750 (*net position*). Of this amount, \$312,426,136 (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors.
- Dakota County's total net position is an increase of \$62,752,954 over 2013. This increase is primarily the result of timely receipts of local and state shared revenues and investments in infrastructure.
- As of the close of the 2014 fiscal year, Dakota County governmental funds ending fund balance had an increase of \$25,167,644 over 2013. This increase is primarily due to additional federal and state aid for transportation and county programs, and higher interest earnings. Approximately 96.1% or \$295,910,132 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, combined assigned and unassigned fund balance for the General Fund was \$151,958,182 or 81.4% of total General Fund expenditures. Additionally, the General Fund's fund balance includes the results of activity of the Community Services Fund, previously reported as a separate fund.

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 and liabilities, with the difference between the two 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), the Dakota County Criminal Justice Information Integration Network (CJIIN), and the Byllesby Dam.

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

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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 four fund types: General, Special Revenue, Debt Service 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 Management Fund, Regional Rail Fund, Debt Service Fund, and Capital Projects Fund. Data from the other four special revenue non-major governmental funds are combined into a single, aggregated presentation. Individual fund data for each of the non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

Dakota County adopts an annual budget for its six major governmental funds and the County Library and County Parks 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
- County Library
- Regional Rail
- Attorney Forfeiture
- County Parks
- Law Library
- Environmental Management

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

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

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Proprietary Funds. Dakota County maintains two different types of proprietary funds: enterprise funds and an internal service fund. The enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Dakota County uses an enterprise fund to account for its Geographic Information System financial activity including the sale of GIS data/maps and costs of updating the GIS database. In 2009, an additional enterprise fund, the Criminal Justice Information Integration Network (CJIIN) Fund, was created to account for revenue received from criminal justice agencies that use the County's applications. At the close of 2014, CJIIN financial activity was transferred to the General Fund so all operations associated with this fund are combined with general operations. 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 separate information for the GIS Enterprise Fund, the CJIIN 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 49-82 of this report.

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

Combining and individual fund statements and schedules may be found on pages 85-98 of this report.

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 exceeded liabilities by \$1,018,495,750 at the close of 2014, which is an increase of \$62,752,954 over 2013.

Net investment in capital assets, of \$684,138,338 (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 (67.2%). Dakota County uses capital assets to provide services to citizens; consequently, these assets are not available for current spending. Although Dakota County's

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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	
	2014	2013	2014	2013(Restated)	2014	2013(Restated)
Current and other assets	\$ 395,516,876	\$ 377,995,797	\$ 1,968,272	\$ 3,815,456	\$ 397,485,148	\$ 381,811,253
Capital assets	<u>710,553,961</u>	<u>681,421,614</u>	<u>7,245,061</u>	<u>5,031,329</u>	<u>717,799,022</u>	<u>686,452,943</u>
Total assets	<u>1,106,070,837</u>	<u>1,059,417,411</u>	<u>9,213,333</u>	<u>8,846,785</u>	<u>1,115,284,170</u>	<u>1,068,264,196</u>
Long-term liabilities outstanding	61,532,566	73,648,339	-	-	61,532,566	73,648,339
Other liabilities	<u>33,998,226</u>	<u>37,724,269</u>	<u>1,257,628</u>	<u>1,148,792</u>	<u>35,255,854</u>	<u>38,873,061</u>
Total liabilities	<u>95,530,792</u>	<u>111,372,608</u>	<u>1,257,628</u>	<u>1,148,792</u>	<u>96,788,420</u>	<u>112,521,400</u>
Net position:						
Net investment in capital assets	676,893,277	634,927,138	7,245,061	5,031,329	684,138,338	639,958,467
Restricted	21,784,009	27,406,220	147,267	149,306	21,931,276	27,555,526
Unrestricted	<u>311,862,759</u>	<u>285,711,445</u>	<u>563,377</u>	<u>2,517,358</u>	<u>312,426,136</u>	<u>288,228,803</u>
Total net position	<u>\$ 1,010,540,045</u>	<u>\$ 948,044,803</u>	<u>\$ 7,955,705</u>	<u>\$ 7,697,993</u>	<u>\$ 1,018,495,750</u>	<u>\$ 955,742,796</u>

Dakota County's total net position increased by \$62,752,954 from 2013's ending balance. This increase is due to a combination of many factors, but the primary changes are in capital assets (increases in buildings, infrastructure, and the acquisition of land) and additional receipts of local and state shared revenues.

An additional portion of Dakota County's net position of \$21,931,276 or 2.2%, represents resources that are subject to external restrictions on how they may be used. Restricted net position decreased \$5,624,250 during the current fiscal year. The remaining balance of unrestricted net position of \$312,426,136 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 2014, including the government as a whole, and in each type of activity. These results are similar to 2013.

Governmental Activities. Governmental activities increased Dakota County's net position by \$62,495,242 from 2013, thereby accounting for 99.6% of the total growth in the net position of Dakota County. Most of this growth is due to additional investments in infrastructure and capital assets.

Business-type Activities. Business-type activities increased Dakota County's net position by \$257,712 accounting for 0.4% of the total change in the government's net position. Construction in progress for improvements to the Byllesby Spillway accounts for the majority of the increase in activity.

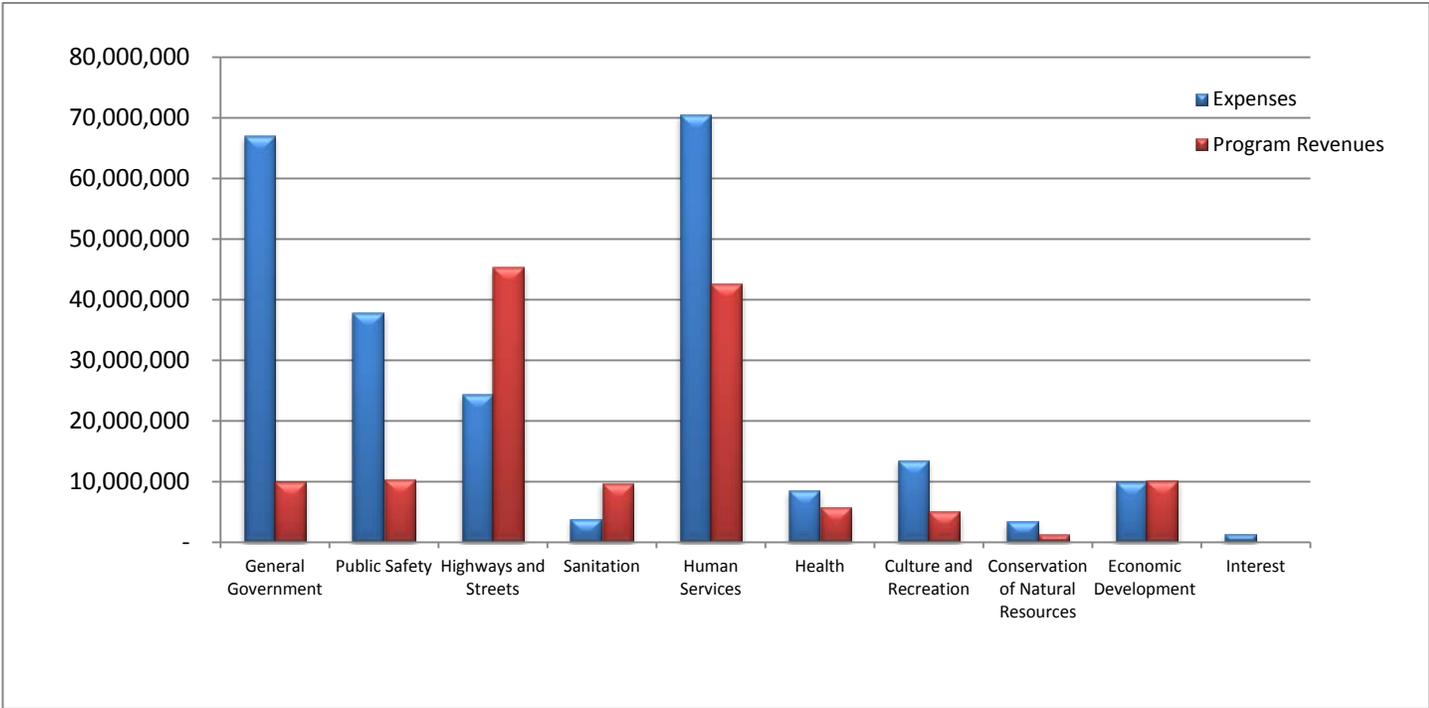
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Dakota County's Changes in Net Position

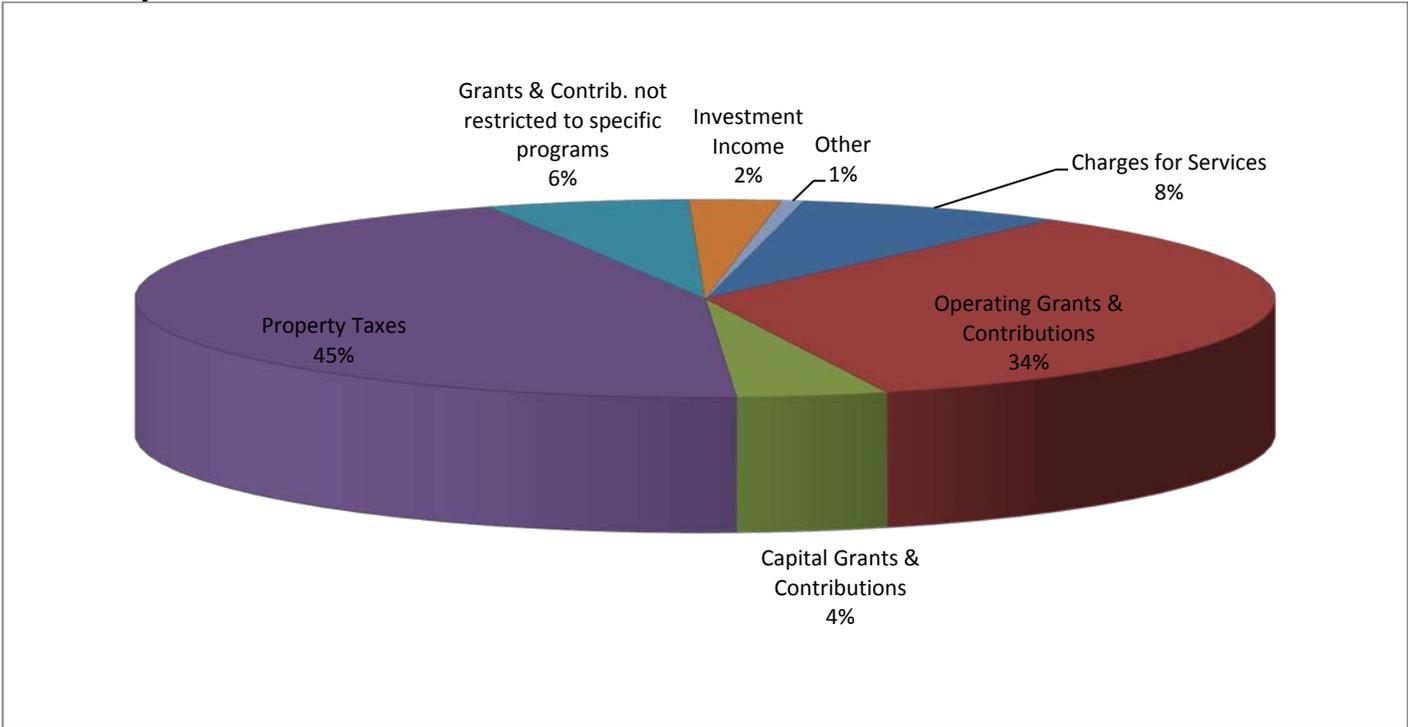
	Governmental activities		Business-type activities		Total	
	2014	2013	2014	2013(Restated)	2014	2013(Restated)
Revenues:						
Program revenues:						
Fees, charges, fines and other	\$ 23,164,043	\$ 33,463,362	\$ 824,994	\$ 786,725	\$ 23,989,037	\$ 34,250,087
Operating grants & contributions	101,533,470	83,871,498	-	2,354,120	101,533,470	86,225,618
Capital grants & contributions	15,951,488	21,450,568	777,414	-	16,728,902	21,450,568
General revenues and transfers:						
Taxes	135,695,116	134,119,552	-	-	135,695,116	134,119,552
Grants & contributions not restricted to specific programs	17,392,414	15,709,430	-	-	17,392,414	15,709,430
Gifts and contributions	-	24,009	-	-	-	24,009
Investment income	7,902,963	(3,034,627)	-	-	7,902,963	(3,034,627)
Other	1,588,309	2,666,042	-	-	1,588,309	2,666,042
Transfers	316,076	(3,024,000)	(316,076)	3,024,000	-	-
Total revenues and transfers	<u>303,543,879</u>	<u>285,245,834</u>	<u>1,286,332</u>	<u>6,164,845</u>	<u>304,830,211</u>	<u>291,410,679</u>
Expenses:						
General government	65,584,363	56,902,146	-	-	65,584,363	56,902,146
Public safety	39,366,008	35,334,573	-	-	39,366,008	35,334,573
Highways and streets	24,441,165	31,617,540	-	-	24,441,165	31,617,540
Sanitation	3,910,489	5,326,179	-	-	3,910,489	5,326,179
Human services	70,662,704	66,211,619	-	-	70,662,704	66,211,619
Health	8,602,529	7,861,046	-	-	8,602,529	7,861,046
Culture and recreation	13,567,104	17,287,925	-	-	13,567,104	17,287,925
Conservation of natural resources	3,520,375	4,276,455	-	-	3,520,375	4,276,455
Economic development	9,946,696	8,079,665	-	-	9,946,696	8,079,665
Interest	1,447,204	1,916,583	-	-	1,447,204	1,916,583
Operating expenses – GIS	-	-	9,100	9,096	9,100	9,096
Operating expenses – Byllesby	-	-	151,656	407,634	151,656	407,634
Operating expenses – CJIIN	-	-	867,864	113,463	867,864	113,463
Total expenses	<u>241,048,637</u>	<u>234,813,731</u>	<u>1,028,620</u>	<u>530,193</u>	<u>242,077,257</u>	<u>235,343,924</u>
Increase (decrease) in net position	62,495,242	50,432,103	257,712	5,634,652	62,752,954	56,066,755
Net position January 1	<u>948,044,083</u>	<u>897,612,700</u>	<u>7,697,993</u>	<u>2,063,341</u>	<u>955,742,796</u>	<u>899,676,041</u>
Net Position December 31	<u>\$ 1,010,540,045</u>	<u>\$ 948,044,803</u>	<u>\$ 7,955,705</u>	<u>\$ 7,697,993</u>	<u>\$ 1,018,495,750</u>	<u>\$ 955,742,796</u>

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Expenses and Program Revenues – Governmental Activities



Revenues by Source – Governmental Activities



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Financial Analysis of the Government's Funds

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

Governmental Funds. The focus of Dakota County *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing Dakota County's financing requirements. In particular, *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 2014, Dakota County's governmental funds reported combined ending fund balances of \$307,769,722 an increase of \$25,167,644 due primarily to a significant increase in intergovernmental revenues and investment earnings. The majority of the fund balance, \$295,910,132 is available for spending at the government's discretion. The remainder of fund balance, \$11,859,590, 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 2014, the General Fund's fund balance was \$160,508,548 of which \$152,976,302 was committed, assigned or unassigned. At the end of 2014, the County Board approved a change in reporting for the Community Services Fund. This fund is now combined with the General Fund, and comprises 58.2% of the total General Fund fund balance. 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 82.0% of total General Fund expenditures of \$186,598,133, while total fund balance represents 86.0% of total expenditures.

Highway Fund. The Highway Fund had total fund balance of \$71,315,062 at the end of 2014. The fund balance of the Highway Fund increased by \$15,040,719 which can be attributed to lower construction costs and matching revenues from state and federal agencies for completed road projects.

Environmental Management. The Environmental Management fund had a total fund balance of \$36,738,260 at the end of 2014, which reflects an increase of \$2,243,687, partly due to additional host fee revenues.

Regional Rail Fund. The Regional Rail Fund had a total fund balance of \$9,230,030 at the end of 2014. The fund balance of the Regional Rail Fund increased by \$1,797,561 from the prior fiscal year for reimbursable receipts on county transit projects.

Debt Service Fund. The Debt Service Fund had a total fund balance of \$832,407 at the end of the current fiscal year, all of which is restricted for the payment of debt service. This fund balance has decreased just over \$5 million for scheduled payments on outstanding bonds.

Capital Projects Fund. The Capital Projects Fund has a total fund balance of \$11,983,519. The fund balance for the Capital Projects Fund decreased by \$5,197,165 from 2013 due to library and judicial center renovations, energy equipment replacements and other capital improvements.

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 \$147,267, which is a slight decrease of \$2,039 compared to 2013. *The Criminal Justice Information Integration Network* operations were transferred to the General Fund at the close of 2014. *The Byllesby Dam Enterprise Fund* had an investment in capital assets net position balance of \$7,245,061 due to the Federal Energy Regulatory Commission mandated spillway upgrade and an unrestricted net position balance at the end of the year of \$563,377. *The Employee Services Reserve Internal Service Fund*, also regarded as a proprietary fund, has a unrestricted net position balance at the end of the year of \$12,728,724. The net position of the internal service fund increased by \$1,735,483 over

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the past year due to the timing of premiums paid versus funds collected for self-insurance costs. 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 original budget and the final amended budget was an increase of \$23,886,158 for expenditures at fiscal year end. The major changes from original to final budget for expenditures may be summarized as follows:

- \$5 million for 2014 carry-over of unspent funds for technology and data systems improvements.
- \$7 million for carry-over of unspent funds from 2013 for the Farmland and Natural Area Program.
- \$3.5 million for unspent funds for fleet and facilities management.

The difference between the original budget and final amended budget for revenue was \$6,561,920. The majority of this increase from original to final budget relates to increases in grant funding and carry-over of 2014 revenues for various programs as follows:

- \$5.9 million in carry-overs of 2014 unspent funds for open space acquisitions.

Comparison of Actual Resources to Final Amended Budget

Actual expenditures were \$33,583,841 less than budgeted at fiscal year end. The variance of final budget versus actual was due to a surplus in salaries and benefits, unspent Capital Equipment Program (CEP) funds, Open Space funds, and grant projects that have not been completed.

Capital Asset and Debt Administration

Capital Assets. Dakota County's investment in capital assets for its government and business-type activities as of December 31, 2014, amounts to \$717,799,022 (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 \$31,346,079, or 4.6%.

Major capital asset events during 2014 included the following:

- Completed the purchase of park land and improvements at White Tail Woods at a cost of \$5,077,795.
- Worked on a variety of county road construction projects, trails, bridges and culvert improvements totaling \$11,439,942.
- Acquired land and easements for parks and road construction at \$5,741,016.

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Dakota County's Capital Assets

	Governmental activities		Business-type activities		Total	
	2014	2013	2014	2013(Restated)	2014	2013(Restated)
Land	\$ 206,847,817	\$ 201,106,801	\$ -	\$ -	\$ 206,847,817	\$ 201,106,801
Buildings	125,047,985	128,080,962	-	-	125,047,985	128,080,962
Machinery and equipment	13,638,270	14,744,001	-	-	13,638,270	14,744,001
Infrastructure	257,126,010	255,611,109	-	-	257,126,010	255,611,109
Improvements other than buildings	19,776,698	13,239,737	-	-	19,776,698	13,239,737
Construction in progress	88,117,181	68,639,004	7,245,061	5,031,329	95,362,242	73,670,333
Total	\$ 710,553,961	\$ 681,421,614	\$ 7,245,061	\$ 5,031,329	\$ 717,799,022	\$ 686,452,943

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

Long-term Debt. At the end of 2014, Dakota County had total bonded debt outstanding of \$33,575,000. This is a decrease of \$12,825,000 for the current fiscal year. This decrease includes the payment of regularly scheduled bond principal and early retirement of two general obligation bonds. Current and future County tax levies plus fund balance are used to finance the entire bond indebtedness.

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

Dakota County's Outstanding Debt

General Obligation Revenue Bonds

	Governmental activities	
	2014	2013
General obligation bonds	\$33,575,000	\$46,400,000
Total	\$33,575,000	\$46,400,000

State statutes limit the amount of general obligation debt a county can incur to no more than 3% of the market value of taxable property in the county. Based on the calculation, the current debt limitation for Dakota County is \$1,131,462,460 which is significantly in excess of Dakota County's outstanding general obligation debt of \$33,575,000. The net bonded debt per capita is \$80.

Additional information on Dakota County's long-term debt may be found in Note III. F. beginning on page 69 of this report.

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Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for Dakota County as of December 2014 was 2.8%, which is a decrease from a rate of 4.7% a year ago. This compares favorably to both the state and national average unemployment rate of 3.2% and 5.5% respectively.
- Dakota County's property tax base is on the rise. The 2015 tax base is 8.3% higher than 2014 and the 2016 tax base is projected to be approximately 4.5% higher than 2015.
- While the State budget forecasts a surplus for the 2015-2016 fiscal year, uncertainty of funding levels in the future remains a reality. Meeting the needs of citizens requiring special services, and providing general services that are enjoyed by all, increases the demand and costs to provide them. The County continues to apply principals of sound financial management when creating a structurally balanced budget and financial projections.

On December 16, 2014, the Dakota County Board of Commissioners approved the 2015 budget for \$353.8 million. This is an overall increase of \$21.1 million or 6.3% over the 2014 budget. Under the Adopted Budget, the total operating budget totals \$245.1 million, an increase of \$11.9 million or 5.1% more than the previous year. Additionally, the Adopted Budget contains the 2015 Capital Improvement Program (CIP) of \$108.7 million, an increase of \$9.2 million, or 9.2% more than the 2014 CIP.

The 2015 total property tax levy is \$129.7 million, which is a 1% increase from the 2014 levy. Additionally, as a means of helping manage the risk of potential state aid reductions, the adopted budget assigns general purpose aid to the County's capital budgets, as opposed to the operating budget.

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.



Basic Financial
Statements

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**DAKOTA COUNTY
MINNESOTA**

**STATEMENT OF NET POSITION
DECEMBER 31, 2014**

	<u>Primary Government</u>			<u>Component Units</u>	
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>	<u>Community Development Agency</u>	<u>Vermillion River Watershed</u>
<u>Assets</u>					
Cash and pooled investments	\$ 353,352,487	\$ 1,964,768	\$ 355,317,255	\$ 38,709,942	\$ 2,083,494
Petty cash and change funds	19,117	-	19,117	-	-
Investments	-	-	-	35,519,541	-
Taxes receivable					
Current	-	-	-	4,028,357	62,019
Prior	1,830,148	-	1,830,148	-	1,508
Accounts receivable	1,857,126	3,504	1,860,630	1,069,453	-
Note receivable	-	-	-	58,748,055	-
Accrued interest receivable	489,580	-	489,580	1,637,015	-
Due from other governments	31,151,925	-	31,151,925	5,597,776	7,904
Inventories	2,046,254	-	2,046,254	-	-
Prepaid items	24,387	-	24,387	479,006	-
Restricted assets					
Cash and pooled investments	-	-	-	25,347,405	-
Investment in joint venture	-	-	-	8,858,013	-
Lease receivable	4,745,852	-	4,745,852	-	-
Capital assets					
Non-depreciable	294,964,998	7,245,061	302,210,059	30,257,994	-
Depreciable - net of accumulated depreciation	415,588,963	-	415,588,963	130,624,108	-
Total Assets	\$ 1,106,070,837	\$ 9,213,333	\$ 1,115,284,170	\$ 340,876,665	\$ 2,154,925
<u>Deferred Outflows of Resources</u>					
Deferred charge on refundings	\$ -	\$ -	\$ -	\$ 481,080	\$ -
Total deferred outflows of resources	\$ -	\$ -	\$ -	\$ 481,080	\$ -
<u>Liabilities</u>					
Accounts payable	\$ 9,891,066	\$ 953,947	\$ 10,845,013	\$ 2,838,697	\$ 229,769
Salaries payable	7,247,585	-	7,247,585	-	-
Contracts payable	1,676,664	303,681	1,980,345	-	-
Due to other governments	604,380	-	604,380	386,441	-
Accrued interest payable	577,302	-	577,302	2,257,714	-
Unearned revenues	14,001,229	-	14,001,229	708,423	-
Compensated absences					
Due within one year	226,498	-	226,498	395,951	-
Due in more than one year	17,161,244	-	17,161,244	390,561	-
Claims and judgments payable					
Due within one year	753,089	-	753,089	-	-
Due in more than one year	2,369,086	-	2,369,086	-	-
General obligation bonds payable					
Due within one year	10,155,000	-	10,155,000	2,860,000	-
Due in more than one year	23,505,684	-	23,505,684	71,057,080	-
OPEB liability					
Due in more than one year	7,361,965	-	7,361,965	-	-
Notes payable					
Due in more than one year	-	-	-	7,888,509	-
Total Liabilities	\$ 95,530,792	\$ 1,257,628	\$ 96,788,420	\$ 88,783,376	\$ 229,769

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

**DAKOTA COUNTY
MINNESOTA**

**STATEMENT OF NET POSITION
DECEMBER 31, 2014**

	<u>Primary Government</u>			<u>Component Units</u>	
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>	<u>Community Development Agency</u>	<u>Vermillion River Watershed</u>
<u>Deferred Inflows of Resources</u>					
Unavailable revenue - property taxes	\$ -	\$ -	\$ -	\$ 8,295,274	\$ -
Total deferred inflows of resources	\$ -	\$ -	\$ -	\$ 8,295,274	\$ -
<u>Net Position</u>					
Net investment in capital assets	\$ 676,893,277	\$ 7,245,061	\$ 684,138,338	\$ 84,988,917	\$ -
Restricted for					
Capital projects	-	-	-	15,811,017	-
General government	1,671,834	-	1,671,834	-	-
Public safety	732,635	-	732,635	-	-
Highways and streets	13,914,459	-	13,914,459	-	-
Culture and recreation	489	-	489	-	-
Sanitation	800,016	-	800,016	-	-
Conservation of natural resources	58,052	-	58,052	-	-
Debt service	832,407	-	832,407	-	-
Equipment replacement	3,774,117	147,267	3,921,384	-	-
Federal grants	-	-	-	17,075,953	-
Tax increment	-	-	-	8,169,958	-
HOPE program	-	-	-	19,323,056	-
Senior Levy	-	-	-	1,871,772	-
Unrestricted	311,862,759	563,377	312,426,136	97,038,422	1,925,156
Total Net Position	\$ 1,010,540,045	\$ 7,955,705	\$ 1,018,495,750	\$ 244,279,095	\$ 1,925,156

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DAKOTA COUNTY
MINNESOTA

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2014

	Program Revenues				Net (Expense) Revenue and Changes in Net Position			Component Units	
	Expenses	Fees, Charges, 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	\$ 65,584,363	\$ 7,536,670	\$ 2,349,541	\$ -	\$ (55,698,152)	\$ -	\$ (55,698,152)		
Public safety	39,366,008	3,021,044	7,463,572	-	(28,881,392)	-	(28,881,392)		
Highways and streets	24,441,165	641,484	29,785,696	14,923,646	20,909,661	-	20,909,661		
Sanitation	3,910,489	7,881,052	1,920,547	-	5,891,110	-	5,891,110		
Human services	70,662,704	940,947	41,818,152	-	(27,903,605)	-	(27,903,605)		
Health	8,602,529	1,211,838	4,574,675	-	(2,816,016)	-	(2,816,016)		
Culture and recreation	13,567,104	1,539,480	2,580,992	1,027,842	(8,418,790)	-	(8,418,790)		
Conservation of natural resources	3,520,375	391,528	877,855	-	(2,250,992)	-	(2,250,992)		
Economic development	9,946,696	-	10,162,440	-	215,744	-	215,744		
Interest	1,447,204	-	-	-	(1,447,204)	-	(1,447,204)		
Total governmental activities	\$ 241,048,637	\$ 23,164,043	\$ 101,533,470	\$ 15,951,488	\$ (100,399,636)	\$ -	\$ (100,399,636)		
Business-type activities									
Geographic Information System	\$ 9,100	\$ 7,061	\$ -	\$ -	\$ -	\$ (2,039)	\$ (2,039)		
Criminal Justice Information Integration Network	151,656	127,058	-	-	-	(24,598)	(24,598)		
Byllesby Dam	867,864	690,875	-	777,414	-	600,425	600,425		
Total business-type activities	\$ 1,028,620	\$ 824,994	\$ -	\$ 777,414	\$ -	\$ 573,788	\$ 573,788		
Total primary government	\$ 242,077,257	\$ 23,989,037	\$ 101,533,470	\$ 16,728,902	\$ (100,399,636)	\$ 573,788	\$ (99,825,848)		
Component units									
Community Development Agency	\$ 45,809,051	\$ 21,418,622	\$ 26,312,388	\$ 4,189,851			\$ 6,111,810	\$ -	
Vermillion River Watershed	988,024	530	74,694	-			-	(912,800)	
Total component units	\$ 46,797,075	\$ 21,419,152	\$ 26,387,082	\$ 4,189,851			\$ 6,111,810	\$ (912,800)	

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, 2014

Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position				
	Fees, Charges, Fines, and Other	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Units	
				Governmental Activities	Business-Type Activities	Total	Community Development Agency	Vermillion River Watershed
General Revenues								
Property taxes				\$ 130,961,310	\$ -	\$ 130,961,310	\$ 6,513,347	\$ 861,518
Gravel taxes				641,711	-	641,711	-	-
Mortgage registry and deed tax				469,380	-	469,380	-	-
Tax increment revenue				-	-	-	1,280,041	-
Taxes - other				3,622,715	-	3,622,715	-	-
Grants and contributions not restricted to specific programs				17,392,414	-	17,392,414	-	-
Investment income				7,902,963	-	7,902,963	606,434	23,253
Miscellaneous				1,543,935	-	1,543,935	-	-
Gain on sale of capital assets				44,374	-	44,374	-	-
Transfers				316,076	(316,076)	-	-	-
Total general revenues and transfers				\$ 162,894,878	\$ (316,076)	\$ 162,578,802	\$ 8,399,822	\$ 884,771
Change in net position				\$ 62,495,242	\$ 257,712	\$ 62,752,954	\$ 14,511,632	\$ (28,029)
Net Position - Beginning (Restated for Bylesby Dam, see Note II.C.)				948,044,803	7,697,993	955,742,796	229,767,463	1,953,185
Net Position - Ending				\$ 1,010,540,045	\$ 7,955,705	\$ 1,018,495,750	\$ 244,279,095	\$ 1,925,156

**DAKOTA COUNTY
MINNESOTA**

**BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2014**

	<u>General</u>	<u>Highway</u>	<u>Environmental Management</u>	<u>Regional Rail</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>Assets</u>								
Cash and pooled investments	\$ 160,977,729	\$ 67,711,252	\$ 38,131,013	\$ 14,543,410	\$ 270,237	\$ 13,145,083	\$ 20,699,860	\$ 315,478,584
Petty cash and change funds	15,385	-	-	-	-	-	3,732	19,117
Taxes receivable								
Prior	1,430,986	93,041	3,765	26,763	19,455	50,216	205,922	1,830,148
Accounts receivable	757,421	209,682	772,083	-	-	-	37,585	1,776,771
Accrued interest receivable	489,580	-	-	-	-	-	-	489,580
Due from other funds	6,832,719	55,934	61,817	505,812	5,000,000	-	862,791	13,319,073
Due from other governments	9,889,366	19,879,865	21,905	-	-	-	1,300,605	31,091,741
Advance to other funds	1,872,670	-	-	-	-	-	-	1,872,670
Prepaid items	18,193	6,194	-	-	-	-	-	24,387
Inventories	731,153	1,315,101	-	-	-	-	-	2,046,254
Lease receivable	4,745,852	-	-	-	-	-	-	4,745,852
Total Assets	\$ 187,761,054	\$ 89,271,069	\$ 38,990,583	\$ 15,075,985	\$ 5,289,692	\$ 13,195,299	\$ 23,110,495	\$ 372,694,177
<u>Liabilities, Deferred Inflows of Resources and Fund Balances</u>								
Liabilities								
Accounts payable	\$ 6,244,632	\$ 1,654,132	\$ 226,896	\$ 320,918	\$ -	\$ 633,864	\$ 314,205	\$ 9,394,647
Salaries payable	6,358,320	312,063	125,850	-	-	-	451,352	7,247,585
Claims and judgments payable-current	44,105	-	-	-	-	-	-	44,105
Contracts payable	-	1,353,672	-	-	-	220,893	102,099	1,676,664
Due to other funds	6,515,604	630,835	1,319,722	2,652	4,443,104	302,212	65,352	13,279,481
Due to other governments	597,333	-	2,978	-	-	-	4,069	604,380
Unearned revenue - other	5,417,210	-	573,815	5,496,071	-	-	2,514,133	14,001,229
Advance from other funds	-	-	-	-	-	-	1,872,670	1,872,670
Total Liabilities	\$ 25,177,204	\$ 3,950,702	\$ 2,249,261	\$ 5,819,641	\$ 4,443,104	\$ 1,156,969	\$ 5,323,880	\$ 48,120,761
Deferred Inflows of Resources								
Unavailable revenue	\$ 2,075,302	\$ 14,005,305	\$ 3,062	\$ 26,314	\$ 14,181	\$ 54,811	\$ 624,719	\$ 16,803,694

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

**BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2014**

	<u>General</u>	<u>Highway</u>	<u>Environmental Management</u>	<u>Regional Rail</u>	<u>Debt Service</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	\$ 731,153	\$ 1,315,101	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,046,254
Prepays	18,193	6,194	-	-	-	-	-	24,387
Advances to other funds	1,872,670	-	-	-	-	-	-	1,872,670
Missing heirs	46,729	-	-	-	-	-	-	46,729
Restricted for:								
Debt service	-	-	-	-	832,407	-	-	832,407
Law library	-	-	-	-	-	-	871,925	871,925
Recorder's equipment purchases	1,687,014	-	-	-	-	-	-	1,687,014
Spring Lake Park	-	-	-	-	-	-	489	489
Victim Witness	36,840	-	-	-	-	-	-	36,840
Sheriff-911	236,531	-	-	-	-	-	-	236,531
Elections-HAVA	2,087,103	-	-	-	-	-	-	2,087,103
Boat and water	290,562	-	-	-	-	-	-	290,562
Attorney-Diversion	97,085	-	-	-	-	-	-	97,085
Sheriff-Alcohol compliance	2,584	-	-	-	-	-	-	2,584
Criminal forfeitures	222,824	-	-	-	-	-	443,160	665,984
Permit to carry	202,958	-	-	-	-	-	-	202,958
Gravel pit restoration	-	-	800,016	-	-	-	-	800,016
Aquatic invasive species	-	-	58,052	-	-	-	-	58,052
Committed to:								
Farmland and Natural Area Program	1,018,120	-	-	-	-	-	-	1,018,120
Investigation and remediation/waste sites	-	-	16,800,000	-	-	-	-	16,800,000
Assigned to:								
General government	2,970,787	-	-	-	-	-	-	2,970,787
Public safety	50,495	-	-	-	-	-	-	50,495
Highways and streets	-	4,982,619	-	-	-	-	-	4,982,619
Sanitation	-	-	19,072,724	-	-	-	-	19,072,724
Human services	92,837,805	-	-	-	-	-	-	92,837,805
Culture and recreation	9,387	-	-	-	-	-	1,518,832	1,528,219
Economic development	-	-	-	9,230,030	-	-	-	9,230,030
Capital improvements	1,322,755	64,989,790	-	-	-	11,983,519	14,050,983	92,347,047
Liability and loss reserve	2,513,686	-	-	-	-	-	-	2,513,686
Budget incentive program	3,457,017	-	-	-	-	-	125,175	3,582,192
Capital equipment	10,582,159	-	-	-	-	-	118,724	10,700,883
Other post employment benefits	364,127	21,358	7,468	-	-	-	32,608	425,561
CJIN RMS	109,457	-	-	-	-	-	-	109,457
CJIN Enterprise	333,126	-	-	-	-	-	-	333,126
Unassigned	37,407,381	-	-	-	-	-	-	37,407,381
Total Fund Balances	\$ 160,508,548	\$ 71,315,062	\$ 36,738,260	\$ 9,230,030	\$ 832,407	\$ 11,983,519	\$ 17,161,896	\$ 307,769,722
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 187,761,054	\$ 89,271,069	\$ 38,990,583	\$ 15,075,985	\$ 5,289,692	\$ 13,195,299	\$ 23,110,495	\$ 372,694,177

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, 2014**

Fund balances - total governmental funds		\$	307,769,722
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.			710,553,961
Other long-term assets are not available to pay for current period expenditures and, therefore, are unavailable in the governmental funds.			16,803,694
Internal service fund is used by management to account for services provided to departments by employees, specifically employee benefits including compensated absences. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.			12,728,724
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds.			
General obligation bonds	\$	(33,575,000)	
Unamortized premiums on G.O. Bonds		(85,684)	
Claims and judgments payable		(3,078,070)	
Accrued interest payable		(577,302)	
		<u> </u>	<u>(37,316,056)</u>
Net position of governmental activities			<u><u>\$ 1,010,540,045</u></u>

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**DAKOTA COUNTY
MINNESOTA**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>General</u>	<u>Highway</u>	<u>Environmental Management</u>	<u>Regional Rail</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues								
Taxes	\$ 106,690,160	\$ 9,141,464	\$ 653,972	\$ 1,624,919	\$ 3,895,275	\$ 592,795	\$ 13,761,146	\$ 136,359,731
Licenses and permits	931,128	210,160	894,685	-	-	-	93,752	2,129,725
Intergovernmental	70,996,272	49,281,822	2,538,684	2,061,699	4,887	2,114,820	13,174,934	140,173,118
Charges for services	11,557,354	397,528	7,082,675	-	-	-	1,505,929	20,543,486
Fines and forfeits	26,826	-	-	-	-	-	54,261	81,087
Gifts and contributions	6,201	-	-	-	-	-	118,415	124,616
Investment earnings	7,666,615	-	-	177,427	-	-	2,339	7,846,381
Miscellaneous	3,888,167	250,195	144,252	-	-	-	218,439	4,501,053
Total Revenues	\$ 201,762,723	\$ 59,281,169	\$ 11,314,268	\$ 3,864,045	\$ 3,900,162	\$ 2,707,615	\$ 28,929,215	\$ 311,759,197
Expenditures								
Current								
General government	\$ 56,515,539	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 379,929	\$ 56,895,468
Public safety	38,118,314	-	-	-	-	-	-	38,118,314
Highways and streets	2,167,535	43,717,251	-	-	-	-	-	45,884,786
Sanitation	-	-	5,900,555	-	-	-	-	5,900,555
Human services	71,073,035	-	-	-	-	-	-	71,073,035
Health	8,729,094	-	-	-	-	-	-	8,729,094
Culture and recreation	405,700	-	-	-	-	-	23,812,282	24,217,982
Conservation of natural resources	1,676,051	-	1,900,424	-	-	-	-	3,576,475
Economic development	7,912,865	-	-	2,572,296	-	-	-	10,485,161
Intergovernmental	-	186,803	-	-	-	-	-	186,803
Capital outlay	-	-	-	-	-	7,604,780	-	7,604,780
Debt service	-	-	-	-	-	-	-	-
Principal	-	-	-	-	12,825,000	-	-	12,825,000
Interest	-	-	-	-	1,655,031	-	-	1,655,031
Administrative - fiscal charges	-	-	-	-	3,350	-	-	3,350
Total Expenditures	\$ 186,598,133	\$ 43,904,054	\$ 7,800,979	\$ 2,572,296	\$ 14,483,381	\$ 7,604,780	\$ 24,192,211	\$ 287,155,834
Excess of Revenues Over (Under)								
Expenditures	\$ 15,164,590	\$ 15,377,115	\$ 3,513,289	\$ 1,291,749	\$ (10,583,219)	\$ (4,897,165)	\$ 4,737,004	\$ 24,603,363

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, 2014**

	<u>General</u>	<u>Highway</u>	<u>Environmental Management</u>	<u>Regional Rail</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Other Financing Sources (Uses)								
Transfers in	\$ 1,896,076	\$ -	\$ 10,398	\$ 505,812	\$ 5,576,672	\$ -	\$ 794,000	\$ 8,782,958
Transfers out	(6,381,070)	(505,812)	(1,280,000)	-	-	(300,000)	-	(8,466,882)
Proceeds from sale of assets	41,678	-	-	-	-	-	2,696	44,374
Total Other Financing Sources (Uses)	\$ (4,443,316)	\$ (505,812)	\$ (1,269,602)	\$ 505,812	\$ 5,576,672	\$ (300,000)	\$ 796,696	\$ 360,450
Change in Fund Balance	\$ 10,721,274	\$ 14,871,303	\$ 2,243,687	\$ 1,797,561	\$ (5,006,547)	\$ (5,197,165)	\$ 5,533,700	\$ 24,963,813
Fund Balance - January 1, Restated (Note I.D.)	149,752,859	56,274,343	34,494,573	7,432,469	5,838,954	17,180,684	11,628,196	282,602,078
Increase (decrease) in inventories	34,415	169,416	-	-	-	-	-	203,831
Fund Balance - December 31	<u>\$ 160,508,548</u>	<u>\$ 71,315,062</u>	<u>\$ 36,738,260</u>	<u>\$ 9,230,030</u>	<u>\$ 832,407</u>	<u>\$ 11,983,519</u>	<u>\$ 17,161,896</u>	<u>\$ 307,769,722</u>

**DAKOTA COUNTY
MINNESOTA**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2014**

Net change in fund balances - total governmental funds	\$	24,963,813
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>		
<p>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.</p>		
Expenditures for general capital assets, infrastructure, and other related capital assets	\$ 46,759,728	
Current year depreciation	<u>(17,357,177)</u>	29,402,551
<p>In the statement of activities, only the gain or loss on the disposal of capital assets is reported, whereas, in the governmental funds, the proceeds from the disposal increase financial resources. Therefore, the change in net assets differs from the change in fund balance by the net book value of the disposed capital assets.</p>		
		(270,204)
<p>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.</p>		
Unavailable revenue - December 31	\$ 16,803,694	
Unavailable revenue - January 1	<u>(22,780,357)</u>	(5,976,663)
<p>Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.</p>		
Principal repayments		
General obligation bonds		12,825,000
<p>Internal service fund is used by management to account for services provided to departments by employees, specifically employee benefits including compensated absences. The net revenue of certain activities of the internal service funds is reported with governmental activities.</p>		
		1,735,483
<p>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.</p>		
Change in accrued interest payable	\$ 211,177	
Amortization of premiums	8,792	
Change in claims and judgments payable	(608,538)	
Change in inventories	<u>203,831</u>	<u>(184,738)</u>
Change in net position of governmental activities	\$	<u>62,495,242</u>

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, 2014**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 106,436,033	\$ 106,339,803	\$ 106,690,160	\$ 350,357
Licenses and permits	862,625	862,625	931,128	68,503
Intergovernmental	53,380,056	68,491,694	70,996,272	2,504,578
Charges for services	27,029,689	18,472,371	11,557,354	(6,915,017)
Fines and forfeits	45,000	45,000	26,826	(18,174)
Gifts and contributions	3,599	3,599	6,201	2,602
Investment earnings	4,000,500	4,000,500	7,666,615	3,666,115
Miscellaneous	4,206,073	4,309,903	3,888,167	(421,736)
Total Revenues	\$ 195,963,575	\$ 202,525,495	\$ 201,762,723	\$ (762,772)
Expenditures				
Current				
General government				
Commissioners	\$ 709,611	\$ 811,609	\$ 668,750	\$ 142,859
Courts services	368,947	368,947	407,138	(38,191)
County administration	1,651,123	2,219,602	1,454,116	765,486
OMB division administration/OPED	1,531,010	1,892,149	1,446,186	445,963
Public service and revenue admin	764,731	805,320	692,160	113,160
Service and license centers	1,710,199	1,762,432	1,675,946	86,486
County treasurer	4,485,616	6,911,909	4,334,223	2,577,686
County assessor	3,266,258	3,408,157	3,027,835	380,322
Accounting and auditing	3,192,806	4,776,954	3,385,398	1,391,556
Information technology	8,923,368	13,961,291	10,943,529	3,017,762
Operations management services	11,774,735	15,303,711	11,202,943	4,100,768
Employee relations	2,408,317	2,628,964	2,212,632	416,332
Attorney	7,286,013	6,132,946	5,730,217	402,729
Risk management	2,576,586	4,246,125	2,954,650	1,291,475
Surveyor	1,071,934	1,080,958	986,352	94,606
Physical development administration	2,212,265	2,923,348	2,359,027	564,321
Communications	779,069	790,487	710,278	80,209
County-wide operations	10,035,174	6,928,801	1,811,979	5,116,822
Veterans service officer	527,006	551,001	512,180	38,821
Total general government	\$ 65,274,768	\$ 77,504,711	\$ 56,515,539	\$ 20,989,172
Public safety				
Sheriff	\$ 18,557,498	\$ 19,835,316	\$ 19,823,622	\$ 11,694
Coroner	1,482,386	1,482,386	1,482,386	-
Community corrections	17,841,818	18,492,860	16,812,306	1,680,554
Total public safety	\$ 37,881,702	\$ 39,810,562	\$ 38,118,314	\$ 1,692,248

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, 2014**

	<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	\$ 1,740,000	\$ 2,363,211	\$ 2,167,535	\$ 195,676
Human services				
Administration	\$ 1,753,672	\$ 2,309,012	\$ 1,852,313	\$ 456,699
Income maintenance	24,048,097	23,736,390	24,025,135	(288,745)
Social services	48,434,703	49,130,914	45,195,587	3,935,327
Total human services	\$ 74,236,472	\$ 75,176,316	\$ 71,073,035	\$ 4,103,281
Health				
Public health	\$ 9,154,932	\$ 9,821,470	\$ 8,729,094	\$ 1,092,376
Culture and recreation				
Historical society	\$ 102,000	\$ 102,000	\$ 127,000	\$ (25,000)
County fair	117,300	143,900	143,900	-
Parks	-	2,571	134,800	(132,229)
Total culture and recreation	\$ 219,300	\$ 248,471	\$ 405,700	\$ (157,229)
Conservation of natural resources				
Soil and water conservation	\$ 288,752	\$ 288,752	\$ 288,751	\$ 1
Farmland and natural area program	2,904,929	9,963,964	1,071,901	8,892,063
County extension	337,056	388,081	315,399	72,682
Total conservation of natural resources	\$ 3,530,737	\$ 10,640,797	\$ 1,676,051	\$ 8,964,746
Economic development				
Administration	\$ -	\$ -	\$ 3,691,267	\$ (3,691,267)
Community development	4,257,905	4,616,436	4,221,598	394,838
Total economic development	\$ 4,257,905	\$ 4,616,436	\$ 7,912,865	\$ (3,296,429)
Total Expenditures	\$ 196,295,816	\$ 220,181,974	\$ 186,598,133	\$ 33,583,841
Excess of Revenues Over (Under) Expenditures	\$ (332,241)	\$ (17,656,479)	\$ 15,164,590	\$ 32,821,069

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, 2014**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Other Financing Sources (Uses)				
Transfers in	\$ 396,307	\$ 1,676,307	\$ 1,896,076	\$ 219,769
Transfers out	(5,603,672)	(6,381,070)	(6,381,070)	-
Proceeds from sale of assets	414,000	425,071	41,678	(383,393)
Total Other Financing Sources (Uses)	<u>\$ (4,793,365)</u>	<u>\$ (4,279,692)</u>	<u>\$ (4,443,316)</u>	<u>\$ (163,624)</u>
Change in Fund Balance	\$ (5,125,606)	\$ (21,936,171)	\$ 10,721,274	\$ 32,657,445
Fund Balance - January 1, Restated (Note I.C.)	149,752,859	149,752,859	149,752,859	-
Increase (decrease) in inventories	<u>-</u>	<u>-</u>	<u>34,415</u>	<u>34,415</u>
Fund Balance - December 31	<u><u>\$ 144,627,253</u></u>	<u><u>\$ 127,816,688</u></u>	<u><u>\$ 160,508,548</u></u>	<u><u>\$ 32,691,860</u></u>

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, 2014**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 8,574,777	\$ 8,635,499	\$ 9,141,464	\$ 505,965
Licenses and permits	160,000	160,000	210,160	50,160
Intergovernmental	32,593,100	96,731,277	49,281,822	(47,449,455)
Charges for services	4,087,964	4,087,964	397,528	(3,690,436)
Miscellaneous	137,560	211,960	250,195	38,235
Total Revenues	\$ 45,553,401	\$ 109,826,700	\$ 59,281,169	\$ (50,545,531)
Expenditures				
Current				
Highway and streets				
Administration	\$ 605,573	\$ 641,934	\$ 531,723	\$ 110,211
Maintenance	5,325,877	5,591,153	5,323,974	267,179
Construction	45,088,863	109,136,053	37,861,554	71,274,499
Total highways and streets	\$ 51,020,313	\$ 115,369,140	\$ 43,717,251	\$ 71,651,889
Intergovernmental				
Town road allotments	\$ 180,000	\$ 180,000	\$ 186,803	\$ (6,803)
Total intergovernmental	\$ 180,000	\$ 180,000	\$ 186,803	\$ (6,803)
Total Expenditures	\$ 51,200,313	\$ 115,549,140	\$ 43,904,054	\$ 71,645,086
Excess of Revenues Over (Under)				
Expenditures	\$ (5,646,912)	\$ (5,722,440)	\$ 15,377,115	\$ 21,099,555
Other Financing Sources (Uses)				
Transfers out	\$ -	\$ (505,812)	\$ (505,812)	\$ -
Total Other Financing Sources (Uses)	\$ -	\$ (505,812)	\$ (505,812)	\$ -
Change in Fund Balance	\$ (5,646,912)	\$ (6,228,252)	\$ 14,871,303	\$ 21,099,555
Fund Balance - January 1	56,274,343	56,274,343	56,274,343	-
Increase (decrease) in inventories	-	-	169,416	169,416
Fund Balance - December 31	\$ 50,627,431	\$ 50,046,091	\$ 71,315,062	\$ 21,268,971

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

**DAKOTA COUNTY
MINNESOTA**

**BUDGETARY COMPARISON STATEMENT
BUDGET AND ACTUAL
ENVIRONMENTAL MANAGEMENT SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 521,023	\$ 521,023	\$ 653,972	\$ 132,949
Licenses and permits	855,542	855,542	894,685	39,143
Intergovernmental	1,824,508	2,337,691	2,538,684	200,993
Charges for services	5,282,760	5,282,760	7,082,675	1,799,915
Miscellaneous	85,000	85,000	144,252	59,252
Total Revenues	<u>\$ 8,568,833</u>	<u>\$ 9,082,016</u>	<u>\$ 11,314,268</u>	<u>\$ 2,232,252</u>
Expenditures				
Current				
Sanitation				
Solid waste	\$ 5,804,975	\$ 5,873,934	\$ 5,900,555	\$ (26,621)
Total Sanitation	<u>\$ 5,804,975</u>	<u>\$ 5,873,934</u>	<u>\$ 5,900,555</u>	<u>\$ (26,621)</u>
Conservation of natural resources				
Water resources	\$ 2,354,424	\$ 2,850,843	\$ 1,900,424	\$ 950,419
Total conservation of natural resources	<u>\$ 2,354,424</u>	<u>\$ 2,850,843</u>	<u>\$ 1,900,424</u>	<u>\$ 950,419</u>
Total Expenditures	<u>\$ 8,159,399</u>	<u>\$ 8,724,777</u>	<u>\$ 7,800,979</u>	<u>\$ 923,798</u>
Excess of Revenues Over (Under)				
Expenditures	<u>\$ 409,434</u>	<u>\$ 357,239</u>	<u>\$ 3,513,289</u>	<u>\$ 3,156,050</u>
Other Financing Sources (Uses)				
Transfers in	\$ -	\$ 10,398	\$ 10,398	\$ -
Transfers out	(1,280,000)	(1,280,000)	(1,280,000)	-
Total Other Financing Sources (Uses)	<u>\$ (1,280,000)</u>	<u>\$ (1,269,602)</u>	<u>\$ (1,269,602)</u>	<u>\$ -</u>
Change in Fund Balance	<u>\$ (870,566)</u>	<u>\$ (912,363)</u>	<u>\$ 2,243,687</u>	<u>\$ 3,156,050</u>
Fund Balance - January 1	<u>34,494,573</u>	<u>34,494,573</u>	<u>34,494,573</u>	<u>-</u>
Fund Balance - December 31	<u><u>\$ 33,624,007</u></u>	<u><u>\$ 33,582,210</u></u>	<u><u>\$ 36,738,260</u></u>	<u><u>\$ 3,156,050</u></u>

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

**DAKOTA COUNTY
MINNESOTA**

**BUDGETARY COMPARISON STATEMENT
BUDGET AND ACTUAL
REGIONAL RAIL SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 1,630,673	\$ 1,630,673	\$ 1,624,919	\$ (5,754)
Intergovernmental	2,733,753	11,245,001	2,061,699	(9,183,302)
Investment earnings	-	-	177,427	177,427
Total Revenues	\$ 4,364,426	\$ 12,875,674	\$ 3,864,045	\$ (9,011,629)
Expenditures				
Current				
Economic development				
Community development	\$ 3,839,467	\$ 13,675,870	\$ 2,081,659	\$ 11,594,211
Administration	345,762	2,323,137	490,637	1,832,500
Total Expenditures	\$ 4,185,229	\$ 15,999,007	\$ 2,572,296	\$ 13,426,711
Excess of Revenues Over (Under) Expenditures	\$ 179,197	\$ (3,123,333)	\$ 1,291,749	\$ 4,415,082
Other Financing Sources (Uses)				
Transfers in	\$ 291,900	\$ 505,812	\$ 505,812	\$ -
Total Other Financing Sources (Uses)	\$ 291,900	\$ 505,812	\$ 505,812	\$ -
Change in Fund Balance	\$ 471,097	\$ (2,617,521)	\$ 1,797,561	\$ 4,415,082
Fund Balance - January 1	7,432,469	7,432,469	7,432,469	-
Fund Balance - December 31	\$ 7,903,566	\$ 4,814,948	\$ 9,230,030	\$ 4,415,082

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

**DAKOTA COUNTY
MINNESOTA**

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2014**

	Nonmajor Enterprise Funds	Governmental Activities - Employee Services Reserve Internal Service Fund
	<u> </u>	<u> </u>
<u>Assets</u>		
Current assets:		
Cash and pooled investments	\$ 1,964,768	\$ 37,873,903
Accounts receivable (net)	3,504	80,355
Due from other funds	-	777,787
Due from other governments	-	60,184
	<u> </u>	<u> </u>
Total current assets	\$ 1,968,272	\$ 38,792,229
Noncurrent assets		
Capital assets:		
Nondepreciable:		
Construction in progress	\$ 7,245,061	\$ -
	<u> </u>	<u> </u>
Total Assets	\$ 9,213,333	\$ 38,792,229
<u>Liabilities</u>		
Current liabilities:		
Accounts payable	\$ 953,947	\$ 496,419
Compensated absences payable - current	-	226,498
Contracts payable	303,681	-
Due to other funds	-	817,379
	<u> </u>	<u> </u>
Total current liabilities	\$ 1,257,628	\$ 1,540,296
Noncurrent liabilities:		
Compensated absences payable - long-term	\$ -	\$ 17,161,244
Net OPEB liability	-	7,361,965
	<u> </u>	<u> </u>
Total noncurrent liabilities	\$ -	\$ 24,523,209
Total Liabilities	\$ 1,257,628	\$ 26,063,505
Net Position		
Investment in capital assets	\$ 7,245,061	\$ -
Restricted for		
Equipment replacement	147,267	-
Unrestricted	563,377	12,728,724
	<u> </u>	<u> </u>
Total Net Position	\$ 7,955,705	\$ 12,728,724

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

**DAKOTA COUNTY
MINNESOTA**

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>Nonmajor Enterprise Funds</u>	<u>Governmental Activities - Employee Services Reserve Internal Service Fund</u>
Operating Revenues		
Charges for services	\$ 821,490	\$ 24,101,156
Miscellaneous	3,504	374,535
	<u> </u>	<u> </u>
Total Operating Revenues	\$ 824,994	\$ 24,475,691
Operating Expenses		
Personal services	\$ -	\$ 404,273
Professional services	-	625,931
Medical claims	-	19,464,462
Repairs and maintenance	867,864	-
Administration and fiscal services	-	1,295,600
OPEB expense	-	955,035
Other services and charges	160,756	7,599
	<u> </u>	<u> </u>
Total Operating Expenses	\$ 1,028,620	\$ 22,752,900
Operating income (loss)	\$ (203,626)	\$ 1,722,791
Nonoperating revenues (expenses)		
Intergovernmental	\$ 777,414	\$ -
Investment earnings	-	12,692
	<u> </u>	<u> </u>
Total Nonoperating revenues (expenses)	\$ 777,414	\$ 12,692
Income before contributions and transfers	\$ 573,788	\$ 1,735,483
Transfers out	(316,076)	-
	<u> </u>	<u> </u>
Change in Net Position	\$ 257,712	\$ 1,735,483
Net Position - January 1, Restated (Note I.I.C.)	7,697,993	10,993,241
	<u> </u>	<u> </u>
Net Position - December 31	\$ 7,955,705	\$ 12,728,724
	<u> </u>	<u> </u>

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

**DAKOTA COUNTY
MINNESOTA**

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2014
Increase (Decrease) in Cash and Cash Equivalents**

	Nonmajor Enterprise Funds	Governmental Activities - Employee Services Reserve Internal Service Fund
Cash Flows from Operating Activities		
Receipts from customers and users	\$ 878,301	\$ 9,460
Receipts from internal services provided	-	24,445,837
Payments to suppliers	(919,784)	(21,346,636)
Payments to internal services used	-	(503,631)
Net cash provided by (used in) operating activities	<u>\$ (41,483)</u>	<u>\$ 2,605,030</u>
Cash Flows from Noncapital Financing Activities		
Transfers out	\$ (316,076)	\$ -
Net cash provided by (used in) noncapital financing activities	<u>\$ (316,076)</u>	<u>\$ -</u>
Cash Flows from Capital and Related Financing Activities		
Intergovernmental	\$ 2,920,504	\$ -
Purchases of capital assets	(2,213,732)	-
Net cash provided by (used in) capital and related financing activities	<u>\$ 706,772</u>	<u>\$ -</u>
Cash Flows from Investing Activities		
Investment earnings	\$ -	\$ 12,692
Net cash provided by (used in) investing activities	<u>\$ -</u>	<u>\$ 12,692</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>\$ 349,213</u>	<u>\$ 2,617,722</u>
Cash and Cash Equivalents at January 1	<u>1,615,555</u>	<u>35,256,181</u>
Cash and Cash Equivalents at December 31	<u><u>\$ 1,964,768</u></u>	<u><u>\$ 37,873,903</u></u>
Reconciliation of Operating Income to Net Cash Provided by (Used in) Operating Activities		
Operating income (loss)	<u>\$ (203,626)</u>	<u>\$ 1,722,791</u>
Adjustments to reconcile operating income to net cash provided by (used in) operating activities		
(Increase) decrease in accounts receivable	\$ 21,342	\$ (80,355)
(Increase) decrease in due from other governments	31,965	27,235
(Increase) decrease in due from other funds	-	32,726
Increase (decrease) in accounts payable	(17,158)	46,956
Increase (decrease) in contracts payable	125,995	-
Increase (decrease) in compensated absences payable	-	(404,273)
Increase (decrease) in due to other funds	-	736,819
Increase (decrease) in due to other governments	(1)	-
Increase (decrease) in OPEB liability	-	523,131
Total adjustments	<u>\$ 162,143</u>	<u>\$ 882,239</u>
Net Cash Provided by (Used in) Operating Activities	<u><u>\$ (41,483)</u></u>	<u><u>\$ 2,605,030</u></u>
Noncash Investing, Capital, and Financing Activities		
Prior year adjustment to construction in progress	\$ 5,031,329	\$ -

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, 2014**

	<u>Private-Purpose Trusts</u>	<u>Agency Fund</u>
<u>Assets</u>		
Cash and pooled investments	\$ 4,522,441	\$ 36,736,172
Accounts receivable	1,453	689
Due from other governments	414,706	277,312
Total Assets	<u>\$ 4,938,600</u>	<u>\$ 37,014,173</u>
<u>Liabilities</u>		
Accounts payable	\$ 104,090	\$ 1,021,978
Due to other governments	4,129,188	35,992,195
Total Liabilities	<u>\$ 4,233,278</u>	<u>\$ 37,014,173</u>
<u>Net Position</u>		
Net position held in trust for other purposes	<u>\$ 705,322</u>	
Total Net Position	<u>\$ 705,322</u>	

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, 2014**

	Private-Purpose Trusts
<u>ADDITIONS:</u>	
State Grants	
Minnesota Dept of Trial Courts	\$ 1,322,036
Minnesota Dept of Public Safety	8,192
Payments from other governments	975,317
Other agencies	143,116
Miscellaneous	1,017
Investment earnings:	
Interest	9,760
	9,760
Total additions	\$ 2,459,438
<u>DEDUCTIONS:</u>	
Judicial District expenses	\$ 1,322,036
Solid waste expenses	862,248
Emergency preparedness expenses	41,354
	41,354
Total deductions	\$ 2,225,638
Change in net position	\$ 233,800
Net position - January 1	471,522
Net position - December 31	\$ 705,322

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

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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Changes in Accounting Principles

The Governmental Accounting Standards Board has issued the following Statements for which the County has not yet implemented or has determined that they will have no effect on the County's financial statements.

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, will be effective for the County beginning with the year ending December 31, 2015 financial statements.

GASB Statement No. 69, *Government Combinations and Disposals of Government Operations* – this statement has no effect on the County's financial statements.

GASB Statement No. 70, *Accounting and Financial Reporting for Non-exchange Financial Guarantees* – this statement has no effect on the County's financial statements.

A. Reporting Entity

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

Blended Component Unit - The 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. 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.

Dakota County, Minnesota

Notes to the Financial Statements

December 31, 2014

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 their 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 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, 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.

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. In 2014, the Community Services Fund was combined with the General 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 Management 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.

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.

Debt Service Fund accounts for the resources restricted, committed or assigned for principal and interest on long-term general obligation debt of the government.

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 nonmajor governmental funds:

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

- County Library Fund accounts for the operating cost of the Dakota County Library. Financing is provided by an annual property tax levy.

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- 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.
- 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.
- Criminal Justice Information Integration Network accounts for revenue received from criminal justice agencies that use the County's applications. Expenses from the fund are used for technical infrastructure purchases and upgrades as well as development of further criminal justice technology applications.
- 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 their subsequent reimbursement from the state. The First Judicial District is a subdivision of the state and is legally separate from the County. This fund also incorporates 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.
- Solid Waste Management Coordinating Board Fund accounts for local and state grant funds provided jointly to participating counties. Funds are used in solid waste environmental activities. The Board is a legally separate entity from the County. The County maintains membership in but not control over the Board, as a member, the County is providing fiscal services to the Board.
- Domestic Preparedness 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.

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

Change in Reporting Entity:

Due to restructuring of two funds, the County has integrated the Community Services Fund and the Criminal Justice Information Network (CJIN) Enterprise Fund into the General Fund. The Community Services Fund was combined effective January 1, 2014 and the CJIN fund balance was transferred at December 31, 2014. The following is a summary of the change in fund balance for these funds, as restated for January 1, 2014:

	Community Services Fund	General Fund
Fund Balance – January 1, as previously reported	\$ 87,343,673	\$ 62,409,186
Restatement after merger	(87,343,673)	87,343,673
Fund Balance – January 1, as restated	\$ -	\$ 149,752,859

The County's financial statements are prepared in accordance with generally accepted accounting principles (GAAP) as of and for the year ended December 31, 2014. The Governmental Accounting Standards Board (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.

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 nonspendable 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 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 estimated fair value at the date of donation. 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. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of assets constructed. During the current period, the County did not have any capitalized interest.

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. Net interest capitalized during the year ended June 30, 2014 was \$152,526.

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 improvement	10-30

For the CDA the estimated useful lives are:

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

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. The government only had one item that qualified for reporting in this category. It is the deferred charge on refundings reported in the government-wide statement of net position for the CDA component unit. A deferred charge on refundings 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. The government has one type of item that arises only under the modified accrual basis of accounting which qualifies for reporting in this category. Accordingly, the item “*unavailable revenue*” is reported only 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, 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. *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.

8. *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.

9. *Long-Term Obligations*

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

10. 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 invested in capital assets, net of related debt.

11. 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 Financial Services Director. In the General Fund, assigned amounts represent budget incentives or other intended uses established by the County Board or the Financial Services 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.

12. 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 Nonexchange Transactions*, revenues for nonexchange transactions are recognized based on the principal characteristics of the revenue. Exchange transactions are recognized as revenue when the exchange occurs. The modified accrual basis of accounting is used by all governmental fund types. Under this basis, revenue is not recognized in the financial statements unless it is available to finance current expenditures.

Imposed Nonexchange Transactions

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

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

Intergovernmental

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

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

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

Exchange Transactions

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

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

The appropriated budget is prepared by fund, function, and department. 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 Financial Services Department by budget revision. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department level.

The Board made several supplemental budgetary appropriations throughout the year. The material supplemental budgetary appropriations were:

<u>Fund</u>	<u>Amount</u>
General	\$ 23,886,158
Highway	\$ 64,348,827
Environmental Management	\$ 565,378
Regional Rail	\$ 11,813,778
Capital Projects	\$ 308,320
County Library	\$ 1,401,632
County Parks	\$ 22,722,549

B. Excess of expenditures over appropriations

For the year ended December 31, 2014, expenditures exceeded appropriations in Courts Services in the General Fund by \$38,191, Income maintenance in the General Fund by \$288,745, Historical society in the General Fund by \$25,000, Parks in the General Fund by \$132,229, Economic Development Administration in the General Fund by \$3,691,267, Town road allotments in the Highway Special Revenue Fund by \$6,803, Solid waste in the Environmental Management Special Revenue Fund by \$26,621, and Administrative - fiscal charges in the Debt Service Fund by \$3,350. These excess expenditures were funded by available fund balance and current year savings.

C. Prior Period Adjustment

1. Proprietary Fund Financial Statements

Prior period adjustments were made to the January 1, 2014 Proprietary net position in the following fund:

Byllesby Dam

Net position – January 1, as previously reported	\$2,176,684
Prior period adjustment	<u>5,031,329</u>
Net position – January 1, as adjusted	<u>\$7,208,013</u>

The prior period adjustment for Byllesby Dam was made to correct the capitalization of construction in progress.

2. Government-Wide Statements – Business-Type Activities

Net position – January 1, as previously reported	\$2,666,664
Prior period adjustment	<u>5,031,329</u>
Net position – January 1, as adjusted	<u>\$7,697,993</u>

III. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

1. Cash and Cash Equivalents

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

2. Deposits and Investments

The cash balances of substantially all funds are pooled and invested by the Director of Financial Services for the purpose of increasing earnings through investment activities. Pooled and fund investments are reported at their fair value at December 31, 2014. Pursuant to Minn. Stat. § 385.07, investment earnings on cash and pooled investments of governmental and fiduciary funds are credited to the General Fund. Other funds received investment earnings based on other state statutes, grant agreements, contracts, and bond covenants. Pooled investment earnings for 2014 were \$7,846,381 which includes adjustments for year end market valuations.

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

Government-wide statement of net position		
Governmental activities		
Cash and pooled investments	\$	353,352,487
Petty cash and change funds		19,117
Business-type activities		
Cash and pooled investments		1,964,768
Discrete component unit		
Vermillion River Watershed		
Cash and pooled investments		2,083,494
Statement of fiduciary net position		
Cash and pooled investments		
Private-purpose trust funds		4,522,441
Agency funds		36,736,172
Total Cash and Investments	\$	<u>398,678,479</u>
Deposits	\$	141,055,413
Petty cash and change funds		19,117
Investments		257,603,949
Total Deposits, Cash on hand, and Investments	\$	<u>398,678,479</u>

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, 2014, 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.04.

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.

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- (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 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, 2014, the County had the following investments at Fair Value:

Type of Security	Credit Risk	Less Than 1 Year	1-5 Years	More Than 5 Years	Total
US Government:					
US Treasuries	N/R	\$1,249,800	\$25,884,115	\$12,996,428	\$40,130,343
US Treasury Inflation Indexed Bonds	N/R	-	1,223,111	-	1,223,111
US Government Instrumentalities:					
Federal Home Loan Bank	Aaa	-	523,651	-	523,651
Federal Home Loan Mortgage Corp	Aaa	3,112,169	12,894,284	9,493,086	25,499,539
Financing Corp	Other	-	4,420,422	-	4,420,422
Federal National Mortgage Assoc.	Aaa	2,922,368	29,013,609	23,149,891	55,085,868
Government National Mortgage Assoc.	Aaa	-	-	3,475,614	3,475,614
US Dept of Housing and Urban Development	Aaa	-	264,815	-	264,815
Jumbo Certificates of Deposit	N/R	4,000,000	3,000,000	-	7,000,000
Municipal Bonds	Aaa	360,909	3,680,754	753,226	4,794,889
Municipal Bonds	Aa1	1,299,630	3,238,374	2,446,349	6,984,353
Municipal Bonds	Aa2	1,015,873	1,099,196	2,049,790	4,164,859
Municipal Bonds	Aa3	806,489	660,215	1,575,483	3,042,187
Municipal Bonds	N/R	899,356	2,374,780	2,699,703	5,973,839
National Credit Union Assoc. Notes	Aaa	-	199,900	383,430	583,330
Negotiable Certificates of Deposit	Aaa	-	2,628,514	-	2,628,514
Overseas Private Investment Corp	Aaa	732,560	155,406	542,861	1,430,827
Resolution Funding Corp	N/R	-	796,080	-	796,080
Small Business Administration	Aaa	-	213,468	445,437	658,905
Tennessee Valley Authority	N/R	-	8,083,783	10,019,437	18,103,220
Government Money Market Funds	N/R	819,583	-	-	819,583
Commercial Paper	P-1	70,000,000	-	-	70,000,000
Total Investments		\$87,218,737	\$100,354,477	\$70,030,735	\$257,603,949

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, 2014, is listed in the table above, which displays rating assignments per Moody's Investors Service.

Dakota County, Minnesota

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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, 2014, all of Dakota County's investments are held by a third party custodian and were not exposed to custodial credit risk.

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

Issuer/Security	Amount Invested	Percentage
Commercial Paper	\$ 70,000,000	27.17%
Federal Home Loan Mortgage Corp	25,499,539	9.90%
Federal National Mortgage Association	55,085,868	21.38%
Tennessee Valley Authority	18,103,220	7.03%
US Treasuries	40,130,343	15.58%
Total	\$208,818,970	81.06%

As of June 30, 2014, the Community Development Agency (CDA) had the following investments:

Investment Type	Reported Amount/ Fair Value	Investment Maturities (in Years)		
		Less Than 1	1-5	More Than 5
U.S. Government Agencies	\$ 17,969,220	\$ 3,003,350	\$ 14,965,870	\$ -
Mortgage Backed Securities	1,572,663	-	-	1,572,663
Money market mutual funds	32,615,854	32,615,854	-	-
Local government investment pool	39,793,798	39,793,798	-	-
	<u>\$ 91,951,535</u>	<u>\$ 75,413,002</u>	<u>\$ 14,965,870</u>	<u>\$ 1,572,663</u>

The CDA's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition that are not specifically restricted as to use.

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

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

All investments except the Minnesota Municipal Money Market Fund (4M Fund) are reported at fair value based on quoted market prices. The Minnesota Municipal Money Market Fund (4M) is reported at the CDA's share of the net position of the pool which is reported at fair value based upon the quoted market prices of the pool's holdings.

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.

Dakota County, Minnesota

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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. All investments in securities of local government complied with State Law requiring general obligations backed by taxing powers to be rated "A" or better and revenue obligations backed by taxing powers to be rated "AA" or better. 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. Commercial paper investments comply with State Law requiring it 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.

Custodial Credit Risk-Deposits - In the case of deposits, this is the risk that in the event of a bank failure, the CDA's deposits may not be returned to it. The CDA follows State law which requires all deposits with financial institutions to be collateralized in an amount equal to 110 percent of deposits in excess of FDIC insurance. At June 30, 2014, the entire amount of the CDA's bank balances was covered by 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, 2014, all investments are held by counterparties, are insured or registered, and are not exposed to custodial risk.

B. Receivables

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

Governmental funds report *deferred inflows of resources* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. 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	\$ 1,945,725	\$ -
Charges for services	81,403	102,235
Grant receivables that do not provide current financial resources	14,335,459	-
Investment earnings	441,107	-
Miscellaneous	-	490,463
Lease Receivable	-	4,745,852
Grant drawdowns prior to meeting all eligibility requirements	-	8,662,679
Total deferred inflows of resources / unearned revenue for governmental funds	\$ 16,803,694	\$ 14,001,229

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Notes to the Financial Statements | **2014**

C. Lease Receivable

Dakota Communications Center Joint Powers Board

Issuing \$6,050,000 of G.O. Capital Improvement Plan Bonds in 2005, the County constructed a new building to be used for a centralized dispatch center, which will be leased by the Dakota Communications Center Joint Powers Board. The term of the lease is for 15 years beginning September 2007 to September 30, 2022. The tenant shall pay rent in the amount of \$48,056 per month, which is equal to 1/180 of the total principal and interest costs incurred by the County, repaid by the tenant over 15 years, with interest at the bond issue rate, to finance the design and construction of the premises. The total principal and interest costs of the bonds to be paid by tenant are \$8,119,410. The base rent payment schedule will result in the tenant repaying the County for the total principal and interest costs of the bond issue approximately two years after the County has retired the bonds, and the 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>
2015	\$ 725,100
2016	725,100
2017	725,100
2018	725,100
2019	725,100
2020-2022	<u>1,933,600</u>
Total Lease Receivable	5,559,100
Less Interest	<u>(813,248)</u>
Present Value of Lease Receivable	<u>\$ 4,745,852</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.

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D. Capital Assets

Capital asset activity for the year ended December 31, 2014, was as follows:

Primary Government

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 201,106,801	\$ 5,741,016	\$ -	\$ 206,847,817
Construction in progress	68,639,004	37,809,229	(18,331,052)	88,117,181
Total capital assets, not being depreciated	269,745,805	43,550,245	(18,331,052)	294,964,998
Capital assets, being depreciated:				
Buildings	191,582,858	861,780	-	192,444,638
Improvements other than buildings	16,851,681	7,683,560	-	24,535,241
Machinery and equipment	38,420,048	2,843,136	(2,758,797)	38,504,387
Infrastructure	411,089,465	10,152,059	-	421,241,524
Total capital assets being depreciated	657,944,052	21,540,535	(2,758,797)	676,725,790
Less accumulated depreciation for:				
Buildings	(63,501,896)	(3,894,757)	-	(67,396,653)
Improvements other than buildings	(3,611,944)	(1,146,599)	-	(4,758,543)
Machinery and equipment	(23,676,047)	(3,678,663)	2,488,593	(24,866,117)
Infrastructure	(155,478,356)	(8,637,158)	-	(164,115,514)
Total accumulated depreciation	(246,268,243)	(17,357,177)	2,488,593	(261,136,827)
Total capital assets, being depreciated, net	411,675,809	4,183,358	(270,204)	415,588,963
Governmental activities capital assets, net	\$ 681,421,614	\$ 47,733,603	\$ (18,601,256)	\$ 710,553,961
	Beginning Balance, Restated	Increases	Decreases	Ending Balance
Business-type Activities:				
Capital assets, not being depreciated:				
Construction in progress	\$ 5,031,329	\$ 2,213,732	\$ -	\$ 7,245,061

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

Governmental activities:	
General Government	\$ 2,941,045
Public Safety	1,904,048
Highways and streets, including depreciation of general infrastructure assets	9,999,124
Human Services	55,686
Health	9,778
Culture and Recreation	2,444,983
Sanitation	2,513
Total depreciation expense--governmental activities	\$ 17,357,177

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Notes to the Financial Statements

December 31, 2014

Construction Commitments

The government has active construction projects as of December 31, 2014. The projects include street construction in areas with newly developed housing, widening and construction of existing streets and bridges. At year-end the government's major commitments with contractors are as follows:

General Government

<u>Project</u>	<u>Spent-to-Date</u>	<u>Remaining Commitment</u>
Street Construction	\$ 66,458,609	\$ 14,646,497
Buildings Construction	5,721,434	7,758,566
Parks Construction	1,940,934	1,791,904
	<u>\$ 74,120,977</u>	<u>\$ 24,196,967</u>

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

Discretely Presented Component Unit

Activity for the CDA for the year ended June 30, 2014, 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	\$ 6,800,155	\$ 1,827,881	\$ (1,516,097)	\$ 7,111,939
Total capital assets, not being depreciated	<u>6,800,155</u>	<u>1,827,881</u>	<u>(1,516,097)</u>	<u>7,111,939</u>
Capital assets, being depreciated:				
Land improvements	149,812	12,605	-	162,417
Buildings	4,918,759	72,671	-	4,991,430
Furniture and equipment	2,367,059	130,562	(70,917)	2,426,704
Total capital assets being depreciated	<u>7,435,630</u>	<u>215,838</u>	<u>(70,917)</u>	<u>7,580,551</u>
Less accumulated depreciation for:				
Land improvements	(103,556)	(9,988)	-	(113,544)
Buildings	(1,125,689)	(121,363)	-	(1,247,052)
Furniture and equipment	(1,972,711)	(177,476)	70,917	(2,079,270)
Total accumulated depreciation	<u>(3,201,956)</u>	<u>(308,827)</u>	<u>70,917</u>	<u>(3,439,866)</u>
Total capital assets, being depreciated, net	<u>4,233,674</u>	<u>(92,989)</u>	<u>-</u>	<u>4,140,685</u>
Governmental activities capital assets, net	<u>\$ 11,033,829</u>	<u>\$ 1,734,892</u>	<u>\$ (1,516,097)</u>	<u>\$ 11,252,624</u>
Business-type activities:				
Capital assets, not being depreciated:				
Land and land improvements	\$ 20,606,998	\$ 1,158,429	\$ -	\$ 21,765,427
Construction in progress	491,054	1,686,040	(796,466)	1,380,628
Total capital assets, not being depreciated	<u>21,098,052</u>	<u>2,844,469</u>	<u>(796,466)</u>	<u>23,146,055</u>

Dakota County, Minnesota | **December 31,**
Notes to the Financial Statements | **2014**

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets, being depreciated:				
Land improvements	\$ 4,261,644	\$ 755,083	\$ (17,975)	\$ 4,998,752
Buildings	164,194,670	10,875,662	(250,119)	174,820,213
Furniture and equipment	<u>5,871,658</u>	<u>193,905</u>	-	<u>6,065,563</u>
Total capital assets being depreciated	<u>174,327,972</u>	<u>11,824,650</u>	<u>(268,094)</u>	<u>185,884,528</u>
Less accumulated depreciation for:				
Land improvements	(2,716,993)	(805,077)	17,975	(3,504,095)
Buildings	(43,183,095)	(7,960,039)	106,158	(51,036,976)
Furniture and equipment	<u>(4,388,579)</u>	<u>(471,455)</u>	-	<u>(4,860,034)</u>
Total accumulated depreciation	<u>(50,288,667)</u>	<u>(9,236,571)</u>	<u>124,133</u>	<u>(59,401,105)</u>
Total capital assets, being depreciated, net	<u>124,039,305</u>	<u>2,588,079</u>	<u>143,961</u>	<u>126,483,423</u>
Business-type activities capital assets, net	<u>\$ 145,137,357</u>	<u>\$ 5,432,548</u>	<u>\$ 940,427</u>	<u>\$ 149,629,478</u>

At year end, 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	<u>\$ 720,951</u>	<u>\$ 7,991,049</u>

The cost and accumulated depreciation of capital assets relating to operating leases and reported as business-type activities is \$952,134 and \$220,670 respectively for a carrying value of \$731,464.

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of December 31, 2014, is as follows:

Due to/from other funds:		
<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Highway	\$ 1,509
	Capital Projects	300,645
	Environmental Management	1,319,722
	Debt Service	4,443,104
	Nonmajor Governmental Funds	60,840
	Proprietary Funds	706,899
	Highway	General
Regional Rail		2,652
Capital Projects		1,567
Environmental Management	General	11,558
	Proprietary Funds	50,259
Debt Service	General	5,000,000
Nonmajor Governmental Funds	General	802,570
	Proprietary Funds	60,221
Regional Rail	Highway	505,812
Proprietary Funds	General	649,761
	Highway	123,514
	Nonmajor Governmental Funds	4,512
Total		<u>\$ 14,096,860</u>

Dakota County, Minnesota | **December 31,**
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All interfund balances result from the time lag between the dates that 1) interfund goods and services are provided or reimbursable expenditures occur, 2) transactions are recorded in the accounting system, and 3) payments between funds are made. All interfund balances are expected to be repaid within one year.

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

Interfund Transfers:

Transfer In	Transfer Out	Amount
General Fund	Environmental Management	\$ 1,280,000
	Capital Projects	300,000
	Proprietary Funds	316,076
Environmental Management	General	10,398
Regional Rail	Highway	505,812
Debt Service	General	5,576,672
Nonmajor Governmental Funds	General	794,000
Total		<u>\$ 8,782,958</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. Examples from above include the transfer of Dakota Communication Center lease payment revenue to fund debt service payments.

F. Long-Term Debt

Primary Government

General Obligation Bonds

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

Bonds payable at December 31, 2014, are composed of the following issues:

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

\$8,265,000

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

\$ 25,310,000

Total Bonds Payable **\$33,575,000**

Dakota County, Minnesota

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

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
Governmental activities	3.50 – 4.30 %	\$ 8,265,000
Governmental activities-refunding	4.00 – 4.25 %	25,310,000
		<u>\$ 33,575,000</u>

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

Year Ending December 31	<u>Principal</u>	<u>Interest</u>
2015	\$ 10,155,000	\$ 1,174,596
2016	1,965,000	924,369
2017	2,050,000	844,069
2018	2,150,000	760,069
2019	2,250,000	672,069
2020-2024	10,360,000	2,066,159
2025-2026	4,645,000	199,856
Total	<u>\$ 33,575,000</u>	<u>\$ 6,641,187</u>

Changes in Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2014, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Bond Payable					
General obligation bonds	\$ 46,400,000	\$ -	\$ (12,825,000)	\$ 33,575,000	\$ 10,155,000
Premium on GO bonds	94,476	-	(8,792)	85,684	8,792
Total bonds payable	<u>46,494,476</u>	<u>-</u>	<u>(12,833,792)</u>	<u>33,660,684</u>	<u>10,163,792</u>
Claims and judgments	2,523,014	1,356,385	(757,224)	3,122,175	753,089
OPEB liability	6,838,834	955,035	(431,904)	7,361,965	-
Compensated absences	17,792,015	11,744,595	(12,148,868)	17,387,742	226,498
Governmental activity					
Long-term liabilities	<u>\$ 73,648,339</u>	<u>\$ 14,056,015</u>	<u>\$ (26,171,788)</u>	<u>\$ 61,532,566</u>	<u>\$ 11,143,379</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, claims and judgments, OPEB liability and compensated absences are generally liquidated by the General Fund. Bonded debt is paid from the Debt Service Fund.

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Discretely Presented Component Unit

Activity for the CDA for the year ended June 30, 2014, 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, a joint venture. 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 (PHOP) 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 PHOP 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.

\$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.

\$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.

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\$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.

\$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.

\$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, 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, 2014. 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.

\$220,000 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 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.

\$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.

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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 Agency's tax levy, and pledged tax increment revenues. Housing development bonds are issued as serial bonds.

Bonds payable at June 30, 2014 are as follows:

Description of Note	Issue Date	Maturity Date	Interest Rate	Original Amount	Outstanding June 30
2005 Housing Development Bonds	04/01/05	01/01/23	3.50 - 5.00%	\$15,040,000	\$ 6,850,000
2007 Housing Development Bonds	09/01/07	01/01/35	4.25 - 5.13%	\$21,335,000	19,825,000
2010 Housing Development Bonds	07/21/10	01/01/40	2.00 - 6.00%	\$46,160,000	38,185,000
2013 Housing Development Bonds	12/18/13	01/01/27	2.00 - 2.85%	\$ 7,630,000	7,630,000
Subtotal					72,490,000
Less current maturities					(2,860,000)
Total					<u>\$ 69,630,000</u>

The annual aggregate principal and interest maturities for the fiscal years subsequent to June 30, 2014 are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 2,860,000	\$ 3,364,794	\$
2016	2,950,000	3,270,407	6,220,407
2017	3,045,000	3,166,844	6,211,844
2018	3,090,000	3,042,244	6,132,244
2019	3,225,000	2,917,344	6,142,344
2020-2024	17,330,000	12,441,626	29,771,626
2025-2029	15,460,000	8,938,640	24,398,640
2030-2034	15,140,000	5,220,237	20,360,237
2035-2039	8,115,000	1,525,458	9,640,458
2040	1,275,000	76,500	1,351,500
Total	<u>\$ 72,490,000</u>	<u>\$ 43,964,094</u>	<u>\$ 116,454,094</u>

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Changes in Long Term Liabilities

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Compensated absences	\$ 495,540	\$ 270,092	\$ (278,502)	\$ 487,130	\$ 223,853
Notes payable	600,000	-	-	600,000	-
	<u>\$ 1,095,540</u>	<u>\$ 270,092</u>	<u>\$ (278,502)</u>	<u>\$ 1,087,130</u>	<u>\$ 223,853</u>
Business-type Activities:					
Compensated absences	\$ 277,443	\$ 210,089	\$ (188,150)	\$ 299,382	\$ 172,098
Notes payable	5,477,029	1,811,480	-	7,288,509	-
Bonds payable	67,575,000	7,630,000	(2,715,000)	72,490,000	2,860,000
Plus deferred amounts:					
For issuance premiums	1,481,460	80,035	(134,415)	1,427,080	-
Total bonds payable	<u>69,056,460</u>	<u>7,710,035</u>	<u>(2,849,415)</u>	<u>73,917,080</u>	<u>2,860,000</u>
	<u>\$ 74,810,932</u>	<u>\$ 9,731,604</u>	<u>\$ (3,037,565)</u>	<u>\$ 81,504,971</u>	<u>\$ 3,032,098</u>

Internal Service Funds predominately serve the governmental funds. Accordingly, long-term liabilities for them are included as part of governmental activities. At year end \$25,984 of internal service funds compensated absences are included in the above amounts. In governmental funds, compensated absences are generally liquidated by the General Fund.

Conduit Debt

The 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, 2014, was \$277,935,535.

IV. OTHER INFORMATION

A. Risk Management

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

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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 12/31/14	Year ended 12/31/13
Unpaid claims, beginning of fiscal year	\$ 2,523,014	\$ 1,831,511
Incurred claims (including IBNR)	1,356,385	1,370,752
Claim payments	(757,224)	(679,249)
Unpaid claims, end of fiscal year	\$ 3,122,175	\$ 2,523,014

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 DCC their pro rata share of cost of operations and maintenance, and capital projects.

On May 1, 2007, the DCC issued Pubic Safety Revenue Bonds, Series 2007 in the amount of \$7,315,000 to provide financing for the acquisition of equipment and reimbursement for conversion costs. The bonds are special obligations of the DCC, payable from revenues to be received from members. Pursuant to the joint powers agreement, members will levy taxes for the payment of their pro rata share of the principal and interest payments due to the bonds. The bonds matured February 1, 2014.

Information regarding the Dakota Communications Center can be obtained at the website www.mn-dcc.org/stats.asp or by contacting Dennis Feller at the City of Lakeville, 20195 Holyoke Avenue, Lakeville, Minnesota 55044. Telephone (952) 985-4482 or email address: dfeller@ci.lakeville.mn.us.

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 \$154,692 in 2014. 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, Minnesota 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 2014. 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, Minnesota 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. Dakota County did not appropriate funds in 2014. 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, Minnesota 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 Private Purpose Trust Fund.
6. Counties Transit Improvement Board (CTIB): CTIB was created on April 1, 2008, as required by Minn. Statute Section 297A.992, by joint powers agreement between the counties of Anoka, Dakota, Hennepin, Ramsey, and Washington. Its purpose is to receive and distribute the ¼ cent transit sales tax for the development, construction and operation of transit ways serving the five-county area. Hennepin County is the fiscal agent. Financial statements are available from Hennepin County, Department of Finance, 300 South Sixth Street, A-2301 Government Center, Minneapolis, Minnesota 55487.

7. 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”), under the laws of the State of Minnesota, and Dakota County 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.myta.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 shown \$362,317 in expenditures in 2014 related to the Collaborative.
2. Dakota County Drug Enforcement Task Force: Pursuant to Minnesota Statutes section 471.59, the Dakota County Sheriff’s Office entered into a joint powers agreement with the police departments of the Cities of Apple Valley, Burnsville, Eagan, Farmington, Hastings, Inver Grove Heights, Lakeville, Rosemount, South Saint Paul, and West Saint Paul. The purpose of this agreement is for apprehending and prosecuting drug offenders in Dakota County. A Board comprised of a representative from each Member City and Dakota County shall govern the Task force. No audited financial statements are available.
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.

F. Employee Retirement Systems and Pension Plans

Plan Description

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

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General Employees Retirement Fund members belong to either the Coordinated Plan or the Basic Plan. Coordinated Plan members are covered by Social Security, and Basic Plan members are not. All new members must participate in the Coordinated Plan and benefits vest after three years of credited service (five years for those first eligible for membership after June 30, 2010).

Police officers, firefighters, and peace officers who qualify for membership by statute are covered by the Public Employees Police and Fire Fund. Members who are employed in a county correctional institution as a correctional guard or officer, a joint jailer/dispatcher, or as a supervisor of correctional guards or officers or of joint jailer/dispatchers and are directly responsible for the direct security, custody, and control of the county correctional institution and its inmates, are covered by the Public Employees Correctional Fund. For members first eligible for membership after June 30, 2010, benefits vest on a graduated schedule starting with 50 percent after five years and increasing 10 percent for each year of service until fully vested after ten years. Members eligible for membership before July 1, 2010, are fully vested after three years of service.

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

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

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

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

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

Funding Policy

Pension benefits are funded from member and employer contributions and income from the investment of fund assets. Rates for employer and employee contributions are set by Minn. Stat. ch. 353. These statutes are established and amended by the State Legislature. The County makes annual contributions to the pension plans equal to the amount required by state statutes. General Employees Retirement Fund Basic Plan members and Coordinated Plan members are required to contribute 9.10 and 6.25 percent, respectively in 2014 of their annual covered salary. Public Employees Police and Fire Fund members are required to contribute 10.2 percent in 2014. Public Employees Correctional Fund members are required to contribute 5.83 percent of their annual covered salary.

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The County is required to contribute the following percentages of annual covered payroll in 2014:

General Employees Retirement Fund	<u>2014</u>
Basic Plan members	11.78%
Coordinated Plan members	7.25%
Public Employees Police and Fire Fund	15.30%
Public Employees Correctional Fund	8.75%

The County's contributions for the years ending December 31, 2014, 2013, and 2012, for the General Employees Retirement Fund, the Public Employees Police and Fire Fund, and the Public Employees Correctional Fund were:

	<u>2014</u>	<u>2013</u>	<u>2012</u>
General Employees Retirement Fund	\$ 6,376,797	\$ 6,481,627	\$ 6,401,444
Public Employees Police and Fire Fund	727,847	740,588	729,240
Public Employees Correctional Fund	444,399	471,500	439,897

These contribution amounts are equal to the contractually required contributions for each year as set by state statute. Contribution rates increased on January 1, 2015, in the General Employees Retirement Fund Coordinated Plan (6.50 percent for members and 7.50 percent for employers) and the Public Employees Police and Fire Fund (10.80 percent for members and 16.20 percent for employers).

Defined Contribution Plan

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

Plan benefits depend solely on amounts contributed to the plan plus investment earnings, less administrative expenses. For those qualified personnel who elect to participate, Minn. Stat. § 353D.03 specifies plan provisions, including the employee and employer contribution rates. An eligible elected official who decides to participate contributes 5.00 percent of salary, which is matched by the employer. Employees may elect to make member contributions in an amount not to exceed the employer share. Employee and employer contributions are combined and used to purchase shares in one or more of the seven accounts of the Minnesota Supplemental Investment Fund. For administering the plan, PERA receives 2.00 percent of employer contributions and 0.25 percent of the assets in each member account annually.

Total contributions by dollar amount and percentage of covered payroll made by the County during the year ended December 31, 2014, were:

	<u>Employee</u>	<u>Employer</u>
Contribution amount	\$15,441	\$15,441
Percentage of covered payroll	5%	5%

Required contribution rates were 5.00 percent.

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G. Other Post-Employment Benefits

Plan Description

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

In addition to providing the pension benefits described above, the County provides post-retirement health care benefits. This benefit is provided based on County Board Resolution #81-519 as part of the Sheriff contract settlement. The eligible participants were employees of the Sheriff Department who have retired. The County currently has 33 eligible participants. Based on this plan, the County contributes \$60 a month per participant for health insurance. The participant contributes either \$470 for single coverage or \$1,678 for family coverage per month. During 2014, the County expended \$23,760 for this benefit.

Annual OPEB Costs and Net OPEB Obligation

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

Retirees are required to pay 100% of the total premium cost. Since the premium is a blended rate determined on the entire active and retiree population, the retirees are receiving an implicit rate subsidy. As of December 31, 2014, there were approximately 252 retirees receiving health benefits from the County's health plan.

Participants of the plan consisted of the following at January 1, 2014, the date of the most recent actuarial valuation:

Active employees	1,361
Retirees and Beneficiaries	65
Total	1,426

The County's annual other post-employment benefit (OPEB) cost is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The following table shows the components of the County's annual OPEB cost for 2014, the amount actually contributed to the plan, and changes in the County's net OPEB obligation:

Annual required contribution	\$ 1,067,131
Interest on net OPEB obligation	307,748
Adjustment to ARC	(419,844)
Annual OPEB Cost	955,035
Contributions during the year	(431,904)
Increase in net OPEB obligation	523,131
Net OPEB beginning of year	6,838,834
Net OPEB End of year	\$ 7,361,965

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The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for 2012, 2013 and 2014 were as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Employer Contribution</u>	<u>Percentage Contributed</u>	<u>Net OPEB Obligation</u>
December 31, 2012	\$1,092,789	\$718,536	65.75%	\$6,202,361
December 31, 2013	\$1,131,026	\$494,553	43.73%	\$6,838,834
December 31, 2014	\$ 955,035	\$431,904	45.22%	\$7,361,965

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

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (b)</u>	<u>Unfunded Actuarial Accrued Liability (b - a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL as a Percentage of Covered Payroll ((b - a)/c)</u>
January 1, 2014	\$0	\$9,204,802	\$9,204,802	0.00%	\$109,500,000	8.41%

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and healthcare cost trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress presented immediately following the financial statements as required supplementary information, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

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

In the January 1, 2014 actuarial valuation, the entry age normal actuarial cost method was used. The actuarial assumptions included a 4.50% discount rate, which is based on the estimated long-term investment yield on the general assets of the County using an underlying long-term inflation assumption of 3.0%. The annual healthcare cost trend rate is 7.70% initially, reduced incrementally to an ultimate rate of 5% after twenty years. The unfunded actuarial accrued liability will be amortized as a level dollar amount over an open 30-year period beginning in 2007.

This actuarial valuation was done with three scenarios, based on 30-year, 10-year and 1-year funding options. In 2014, the County continued with the 30-year model.

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

H. Subsequent Events

On November 25, 2014, the County Board determined it was in the best interest of the County and there existed sufficient monies in the Bond Fund to prepay on February 1, 2015, \$7,010,000 aggregate principal amount of Bonds maturing in the years 2016 through 2020.

On April 7, 2015, the Dakota County Board of Commissioners approved the issuance by the CDA Board of Commissioners the sale and delivery of general obligation bonds in an aggregate principal amount not to exceed \$23,000,000 and refunding bonds in an aggregate principal amount not to exceed \$27,700,000 to finance the construction of multifamily rental housing facilities.

Also for the CDA, on July 23, 2014, the Burnsville Family Housing Limited Partnership joint venture was dissolved and all assets, liabilities and net position were transferred to the Dakota County Workforce Housing LLC.



Required
Supplementary
Information

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**DAKOTA COUNTY
MINNESOTA**

SCHEDULE OF FUNDING PROGRESS - OTHER POST EMPLOYMENT BENEFITS

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (b)	Unfunded Actuarial Accrued Liability (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a) / c)
January 1, 2010	\$0	\$19,866,455	\$19,866,455	0.00%	\$113,111,525	17.56%
January 1, 2012	\$0	\$10,766,761	\$10,766,761	0.00%	\$99,770,000	10.79%
January 1, 2014	\$0	\$9,204,802	\$9,204,802	0.00%	\$109,500,000	8.41%

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

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Supplementary
Information

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**DAKOTA COUNTY
MINNESOTA**

**BUDGETARY COMPARISON SCHEDULE
BUDGET AND ACTUAL
DEBT SERVICE FUND
FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 3,894,351	\$ 3,894,351	\$ 3,895,275	\$ 924
Intergovernmental revenue	-	-	4,887	4,887
Total Revenues	<u>\$ 3,894,351</u>	<u>\$ 3,894,351</u>	<u>\$ 3,900,162</u>	<u>\$ 5,811</u>
Expenditures				
Debt service				
Principal	\$ 13,095,000	\$ 13,095,000	\$ 12,825,000	\$ 270,000
Interest	1,819,996	1,819,996	1,655,031	164,965
Administrative - fiscal charges	-	-	3,350	(3,350)
Total Expenditures	<u>\$ 14,914,996</u>	<u>\$ 14,914,996</u>	<u>\$ 14,483,381</u>	<u>\$ 431,615</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ (11,020,645)</u>	<u>\$ (11,020,645)</u>	<u>\$ (10,583,219)</u>	<u>\$ 437,426</u>
Other Financing Sources (Uses)				
Transfers in	\$ 5,576,672	\$ 5,576,672	\$ 5,576,672	\$ -
Change in Fund Balance	<u>\$ (5,443,973)</u>	<u>\$ (5,443,973)</u>	<u>\$ (5,006,547)</u>	<u>\$ 437,426</u>
Fund Balance - January 1	<u>5,838,954</u>	<u>5,838,954</u>	<u>5,838,954</u>	<u>-</u>
Fund Balance - December 31	<u><u>\$ 394,981</u></u>	<u><u>\$ 394,981</u></u>	<u><u>\$ 832,407</u></u>	<u><u>\$ 437,426</u></u>

**DAKOTA COUNTY
MINNESOTA**

**BUDGETARY COMPARISON SCHEDULE
BUDGET AND ACTUAL
CAPITAL PROJECTS FUND
FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 591,658	\$ 591,658	\$ 592,795	\$ 1,137
Intergovernmental	2,114,102	2,114,102	2,114,820	718
Total Revenues	\$ 2,705,760	\$ 2,705,760	\$ 2,707,615	\$ 1,855
Expenditures				
Current				
Capital outlay				
Capital outlay	\$ 18,242,510	\$ 18,550,830	\$ 7,604,780	\$ 10,946,050
Total Expenditures	\$ 18,242,510	\$ 18,550,830	\$ 7,604,780	\$ 10,946,050
Excess of Revenues Over (Under) Expenditures	\$ (15,536,750)	\$ (15,845,070)	\$ (4,897,165)	\$ 10,947,905
Other Financing Sources (Uses)				
Transfers out	\$ (300,000)	\$ (300,000)	\$ (300,000)	\$ -
Change in Fund Balance	\$ (15,836,750)	\$ (16,145,070)	\$ (5,197,165)	\$ 10,947,905
Fund Balance - January 1	17,180,684	17,180,684	17,180,684	-
Fund Balance - December 31	\$ 1,343,934	\$ 1,035,614	\$ 11,983,519	\$ 10,947,905

**DAKOTA COUNTY
MINNESOTA**

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2014**

	Special Revenue Funds				Total Nonmajor Governmental Funds
	County Library	County Parks	Law Library	Attorney Forfeiture	
Assets					
Cash and pooled investments	\$ 2,232,594	\$ 17,142,343	\$ 869,876	\$ 455,047	\$ 20,699,860
Petty cash and change funds	2,552	1,100	80	-	3,732
Taxes receivable					
Prior	161,136	44,786	-	-	205,922
Accounts receivable	5,205	32,172	-	208	37,585
Due from other funds	4,310	858,445	36	-	862,791
Due from other governments	6,713	1,273,757	20,135	-	1,300,605
Total Assets	\$ 2,412,510	\$ 19,352,603	\$ 890,127	\$ 455,255	\$ 23,110,495
Liabilities, Deferred Inflows of Resources, and Fund Balances					
Liabilities					
Accounts payable	\$ 163,688	\$ 147,372	\$ 3,145	\$ -	\$ 314,205
Salaries payable	396,931	43,902	10,519	-	451,352
Contracts payable	-	102,099	-	-	102,099
Due to other funds	-	48,728	4,529	12,095	65,352
Due to other governments	745	3,315	9	-	4,069
Unearned revenue - other	-	2,514,133	-	-	2,514,133
Advance from other funds	-	1,872,670	-	-	1,872,670
Total Liabilities	\$ 561,364	\$ 4,732,219	\$ 18,202	\$ 12,095	\$ 5,323,880
Deferred Inflows of Resources					
Unavailable revenue	\$ 159,648	\$ 465,071	\$ -	\$ -	\$ 624,719
Fund Balances					
Non-spendable:					
Restricted for:					
Law library	\$ -	\$ -	\$ 871,925	\$ -	\$ 871,925
Spring Lake Park	-	489	-	-	489
Criminal forfeitures	-	-	-	443,160	443,160
Assigned to:					
Culture and recreation	1,420,291	98,541	-	-	1,518,832
Capital improvements	-	14,050,983	-	-	14,050,983
Budget incentive program	125,175	-	-	-	125,175
Capital equipment	118,724	-	-	-	118,724
Other post employment benefits	27,308	5,300	-	-	32,608
Total Fund Balances	\$ 1,691,498	\$ 14,155,313	\$ 871,925	\$ 443,160	\$ 17,161,896
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 2,412,510	\$ 19,352,603	\$ 890,127	\$ 455,255	\$ 23,110,495

**DAKOTA COUNTY
MINNESOTA**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Special Revenue Funds				Total Nonmajor Governmental Funds
	County Library	County Parks	Law Library	Attorney Forfeiture	
Revenues					
Taxes	\$ 10,980,937	\$ 2,780,209	\$ -	\$ -	\$ 13,761,146
License and permits	-	93,752	-	-	93,752
Intergovernmental	468,473	12,706,461	-	-	13,174,934
Charges for services	449,804	790,809	265,316	-	1,505,929
Fines and forfeits	-	9,969	-	44,292	54,261
Gifts and contributions	115,920	2,495	-	-	118,415
Investment earnings	2,339	-	-	-	2,339
Miscellaneous	204,570	1,042	12,827	-	218,439
Total Revenues	\$ 12,222,043	\$ 16,384,737	\$ 278,143	\$ 44,292	\$ 28,929,215
Expenditures					
Current					
General government	\$ -	\$ -	\$ 356,592	\$ 23,337	\$ 379,929
Culture and recreation	12,466,622	11,345,660	-	-	23,812,282
Total Expenditures	\$ 12,466,622	\$ 11,345,660	\$ 356,592	\$ 23,337	\$ 24,192,211
Excess of Revenues Over (Under) Expenditures	\$ (244,579)	\$ 5,039,077	\$ (78,449)	\$ 20,955	\$ 4,737,004
Other Financing Sources (Uses)					
Transfers in	\$ -	\$ 794,000	\$ -	\$ -	\$ 794,000
Proceeds from sale of assets	-	2,696	-	-	2,696
Total Other Financing Sources (Uses)	\$ -	\$ 796,696	\$ -	\$ -	\$ 796,696
Net Change in Fund Balance	\$ (244,579)	\$ 5,835,773	\$ (78,449)	\$ 20,955	\$ 5,533,700
Fund Balance - January 1	1,936,077	8,319,540	950,374	422,205	11,628,196
Fund Balance - December 31	\$ 1,691,498	\$ 14,155,313	\$ 871,925	\$ 443,160	\$ 17,161,896

**DAKOTA COUNTY
MINNESOTA**

**BUDGETARY COMPARISON SCHEDULE
BUDGET AND ACTUAL
COUNTY LIBRARY SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 10,999,566	\$ 11,028,822	\$ 10,980,937	\$ (47,885)
Intergovernmental	116,000	429,242	468,473	39,231
Charges for services	555,000	555,000	449,804	(105,196)
Gifts and contributions	-	104,134	115,920	11,786
Investment earnings	-	-	2,339	2,339
Miscellaneous	130,300	150,068	204,570	54,502
Total Revenues	<u>\$ 11,800,866</u>	<u>\$ 12,267,266</u>	<u>\$ 12,222,043</u>	<u>\$ (45,223)</u>
Expenditures				
Current				
Culture and recreation				
Regional library	\$ 11,800,866	\$ 13,202,498	\$ 12,466,622	\$ 735,876
Total Expenditures	<u>\$ 11,800,866</u>	<u>\$ 13,202,498</u>	<u>\$ 12,466,622</u>	<u>\$ 735,876</u>
Change in Fund Balance	\$ -	\$ (935,232)	\$ (244,579)	\$ 690,653
Fund Balance - January 1	<u>1,936,077</u>	<u>1,936,077</u>	<u>1,936,077</u>	<u>-</u>
Fund Balance - December 31	<u><u>\$ 1,936,077</u></u>	<u><u>\$ 1,000,845</u></u>	<u><u>\$ 1,691,498</u></u>	<u><u>\$ 690,653</u></u>

**DAKOTA COUNTY
MINNESOTA**

**BUDGETARY COMPARISON SCHEDULE
BUDGET AND ACTUAL
COUNTY PARKS SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 2,772,780	\$ 2,779,032	\$ 2,780,209	\$ 1,177
Licenses and permits	71,300	71,300	93,752	22,452
Intergovernmental	19,850,453	35,366,420	12,706,461	(22,659,959)
Charges for services	611,063	611,063	790,809	179,746
Fines and forfeits	10,000	10,000	9,969	(31)
Gifts and contributions	-	-	2,495	2,495
Miscellaneous	2,000	2,000	1,042	(958)
Total Revenues	<u>\$ 23,317,596</u>	<u>\$ 38,839,815</u>	<u>\$ 16,384,737</u>	<u>\$ (22,455,078)</u>
Expenditures				
Current				
Culture and recreation				
Parks	\$ 24,817,579	\$ 47,540,128	\$ 11,345,660	\$ 36,194,468
Total Expenditures	<u>\$ 24,817,579</u>	<u>\$ 47,540,128</u>	<u>\$ 11,345,660</u>	<u>\$ 36,194,468</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ (1,499,983)</u>	<u>\$ (8,700,313)</u>	<u>\$ 5,039,077</u>	<u>\$ 13,739,390</u>
Other Financing Sources (Uses)				
Transfers in	\$ -	\$ 794,000	\$ 794,000	\$ -
Proceeds from sale of assets	-	-	2,696	2,696
Total Other Financing Sources (Uses)	<u>\$ -</u>	<u>\$ 794,000</u>	<u>\$ 796,696</u>	<u>\$ 2,696</u>
Change in Fund Balance	<u>\$ (1,499,983)</u>	<u>\$ (7,906,313)</u>	<u>\$ 5,835,773</u>	<u>\$ 13,742,086</u>
Fund Balance - January 1	<u>8,319,540</u>	<u>8,319,540</u>	<u>8,319,540</u>	<u>-</u>
Fund Balance - December 31	<u>\$ 6,819,557</u>	<u>\$ 413,227</u>	<u>\$ 14,155,313</u>	<u>\$ 13,742,086</u>

**DAKOTA COUNTY
MINNESOTA**

**COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
DECEMBER 31, 2014**

	Geographic Information System Enterprise Fund	Byllesby Dam Enterprise Fund	Totals
	<u> </u>	<u> </u>	<u> </u>
<u>Assets</u>			
Current assets:			
Cash and pooled investments	\$ 155,767	\$ 1,809,001	\$ 1,964,768
Accounts receivable (net)	-	3,504	3,504
	<u> </u>	<u> </u>	<u> </u>
Total current assets	\$ 155,767	\$ 1,812,505	\$ 1,968,272
Noncurrent assets			
Capital assets:			
Nondepreciable			
Construction in progress	\$ -	\$ 7,245,061	\$ 7,245,061
	<u> </u>	<u> </u>	<u> </u>
Total Assets	\$ 155,767	\$ 9,057,566	\$ 9,213,333
<u>Liabilities</u>			
Current liabilities:			
Accounts payable	\$ 8,500	\$ 945,447	\$ 953,947
Contracts payable	-	303,681	303,681
	<u> </u>	<u> </u>	<u> </u>
Total current liabilities	\$ 8,500	\$ 1,249,128	\$ 1,257,628
Total Liabilities	\$ 8,500	\$ 1,249,128	\$ 1,257,628
Net Position			
Investment in capital assets	\$ -	\$ 7,245,061	\$ 7,245,061
Restricted for			
Equipment replacement	147,267	-	147,267
Unrestricted	-	563,377	563,377
	<u> </u>	<u> </u>	<u> </u>
Total Net Position	\$ 147,267	\$ 7,808,438	\$ 7,955,705

**DAKOTA COUNTY
MINNESOTA**

**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Geographic Information System Enterprise Fund	Criminal Justice Information Integration Network	Byllesby Dam Enterprise Fund	Totals
Operating Revenues				
Charges for services	\$ 7,061	\$ 127,058	\$ 687,371	\$ 821,490
Miscellaneous	-	-	3,504	3,504
Total Operating Revenues	\$ 7,061	\$ 127,058	\$ 690,875	\$ 824,994
Operating Expenses				
Repairs and maintenance	\$ -	\$ -	\$ 867,864	\$ 867,864
Other services and charges	9,100	151,656	-	160,756
Total Operating Expenses	\$ 9,100	\$ 151,656	\$ 867,864	\$ 1,028,620
Operating income (loss)	\$ (2,039)	\$ (24,598)	\$ (176,989)	\$ (203,626)
Nonoperating revenues (expenses)				
Intergovernmental	\$ -	\$ -	\$ 777,414	\$ 777,414
Total Nonoperating revenues (expenses)	\$ -	\$ -	\$ 777,414	\$ 777,414
Income before contributions and transfers	\$ (2,039)	\$ (24,598)	\$ 600,425	\$ 573,788
Transfers out	-	(316,076)	-	(316,076)
Change in Net Position	\$ (2,039)	\$ (340,674)	\$ 600,425	\$ 257,712
Net Position - January 1, Restated (Note II.C.)	149,306	340,674	7,208,013	7,697,993
Net Position - December 31	147,267	-	7,808,438	7,955,705

**DAKOTA COUNTY
MINNESOTA**

**COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2014
Increase (Decrease) in Cash and Cash Equivalents**

	<u>Geographic Information System Enterprise Fund</u>	<u>Criminal Justice Information Integration Network</u>	<u>Byllesby Dam Enterprise Fund</u>	<u>Totals</u>
Cash Flows from Operating Activities				
Receipts from customers and users	\$ 11,061	\$ 179,869	\$ 687,371	\$ 878,301
Payments to suppliers	(17,601)	(163,323)	(738,860)	(919,784)
Net cash provided by (used in) operating activities	<u>\$ (6,540)</u>	<u>\$ 16,546</u>	<u>\$ (51,489)</u>	<u>\$ (41,483)</u>
Cash Flows from Noncapital Financing Activities				
Transfers out	\$ -	\$ (316,076)	\$ -	\$ (316,076)
Net cash provided by (used in) noncapital financing activities	<u>\$ -</u>	<u>\$ (316,076)</u>	<u>\$ -</u>	<u>\$ (316,076)</u>
Cash Flows from Capital and Related Financing Activities				
Intergovernmental	\$ -	\$ -	\$ 2,920,504	\$ 2,920,504
Acquisition and construction of capital assets	-	-	(2,213,732)	(2,213,732)
Net cash provided by (used in) capital and related financing activities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 706,772</u>	<u>\$ 706,772</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>\$ (6,540)</u>	<u>\$ (299,530)</u>	<u>\$ 655,283</u>	<u>\$ 349,213</u>
Cash and Cash Equivalents at January 1	<u>162,307</u>	<u>299,530</u>	<u>1,153,718</u>	<u>1,615,555</u>
Cash and Cash Equivalents at December 31	<u><u>\$ 155,767</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,809,001</u></u>	<u><u>\$ 1,964,768</u></u>
Reconciliation of Operating Income to Net Cash Provided by (Used in) Operating Activities				
Operating income (loss)	\$ (2,039)	\$ (24,598)	\$ (176,989)	\$ (203,626)
Adjustments to reconcile operating income to net cash provided by (used in) operating activities				
(Increase) decrease in accounts receivable	\$ -	\$ 24,846	\$ (3,504)	\$ 21,342
(Increase) decrease in due from other governments	4,000	27,965	-	31,965
Increase (decrease) in accounts payable	(8,500)	(11,667)	3,009	(17,158)
Increase (decrease) in contracts payable	-	-	125,995	125,995
Increase (decrease) in due to other governments	(1)	-	-	(1)
Total adjustments	<u>\$ (4,501)</u>	<u>\$ 41,144</u>	<u>\$ 125,500</u>	<u>\$ 162,143</u>
Net Cash Provided by (Used in) Operating Activities	<u><u>\$ (6,540)</u></u>	<u><u>\$ 16,546</u></u>	<u><u>\$ (51,489)</u></u>	<u><u>\$ (41,483)</u></u>
Noncash Investing, Capital, and Financing Activities				
Prior year adjustment to construction in progress	\$ -	\$ -	\$ 5,031,329	\$ 5,031,329

**DAKOTA COUNTY
MINNESOTA**

**COMBINING STATEMENT OF FIDUCIARY NET POSITION
PRIVATE-PURPOSE TRUST FUNDS
DECEMBER 31, 2014**

	First Judicial District Trust Fund	Rural Solid Waste Commission Trust Fund	Solid Waste Management Coordinating Board Trust Fund	Domestic Preparedness Team Trust Fund	Total
<u>Assets</u>					
Cash and pooled investments	\$ 7,907	\$ 25,588	\$ 4,137,139	\$ 351,807	\$ 4,522,441
Accounts receivable	1,453	-	-	-	1,453
Due from other governments	414,706	-	-	-	414,706
Total Assets	\$ 424,066	\$ 25,588	\$ 4,137,139	\$ 351,807	\$ 4,938,600
<u>Liabilities</u>					
Accounts payable	\$ -	\$ 9,010	\$ 85,065	\$ 10,015	\$ 104,090
Due to other governments	424,066	-	3,705,017	105	4,129,188
Total Liabilities	\$ 424,066	\$ 9,010	\$ 3,790,082	\$ 10,120	\$ 4,233,278
<u>Net Position</u>					
Net position held in trust for other purposes	\$ -	\$ 16,578	\$ 347,057	\$ 341,687	\$ 705,322
Total Net Position	\$ -	\$ 16,578	\$ 347,057	\$ 341,687	\$ 705,322

**DAKOTA COUNTY
MINNESOTA**

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PRIVATE-PURPOSE TRUST FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>First Judicial District Trust Fund</u>	<u>Rural Solid Waste Commission Trust Fund</u>	<u>Solid Waste Management Coordinating Board Trust Fund</u>	<u>Domestic Preparedness Team Trust Fund</u>	<u>Total Private- Purpose Trust Fund</u>
<u>ADDITIONS:</u>					
State Grants					
Minnesota Dept of Trial Courts	\$ 1,322,036	\$ -	\$ -	\$ -	\$ 1,322,036
Minnesota Dept of Public Safety	-	-	-	8,192	8,192
Payments from other governments	-	-	975,317	-	975,317
Other agencies	-	18,000	-	125,116	143,116
Miscellaneous	-	-	850	167	1,017
Investment earnings:					
Interest	-	366	9,394	-	9,760
Total additions	<u>\$ 1,322,036</u>	<u>\$ 18,366</u>	<u>\$ 985,561</u>	<u>\$ 133,475</u>	<u>\$ 2,459,438</u>
<u>DEDUCTIONS:</u>					
Judicial District expense	\$ 1,322,036	\$ -	\$ -	\$ -	\$ 1,322,036
Solid waste expenses	-	22,784	839,464	-	862,248
Emergency preparedness expenses	-	-	-	41,354	41,354
Total deductions	<u>\$ 1,322,036</u>	<u>\$ 22,784</u>	<u>\$ 839,464</u>	<u>\$ 41,354</u>	<u>\$ 2,225,638</u>
Change in net position	<u>\$ -</u>	<u>\$ (4,418)</u>	<u>\$ 146,097</u>	<u>\$ 92,121</u>	<u>\$ 233,800</u>
Net position - January 1	<u>-</u>	<u>20,996</u>	<u>200,960</u>	<u>249,566</u>	<u>471,522</u>
Net position - December 31	<u><u>\$ -</u></u>	<u><u>\$ 16,578</u></u>	<u><u>\$ 347,057</u></u>	<u><u>\$ 341,687</u></u>	<u><u>\$ 705,322</u></u>

DAKOTA COUNTY
MINNESOTA

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
FOR THE YEAR ENDED DECEMBER 31, 2014

	Balance January 1	Additions	Deductions	Balance December 31
<u>Assets</u>				
Cash and pooled investments	\$ 35,827,631	\$ 1,468,029,972	\$ 1,467,121,431	\$ 36,736,172
Accounts receivable	128,028	689	128,028	689
Due from other governments	383,212	258,211	364,111	277,312
Total Assets	<u>\$ 36,338,871</u>	<u>\$ 1,468,288,872</u>	<u>\$ 1,467,613,570</u>	<u>\$ 37,014,173</u>
<u>Liabilities</u>				
Accounts payable	\$ 1,067,219	\$ 146,742,787	\$ 146,788,028	\$ 1,021,978
Unapportioned taxes payable	-	129,423,908	129,423,908	-
Due to other funds	-	113,506	113,506	-
Due to other governments	35,271,652	1,045,613,451	1,044,892,908	35,992,195
Total Liabilities	<u>\$ 36,338,871</u>	<u>\$ 1,321,893,652</u>	<u>\$ 1,321,218,350</u>	<u>\$ 37,014,173</u>

**DAKOTA COUNTY
MINNESOTA**

**GOVERNMENTAL FUND BALANCE SHEET AND
GOVERNMENTAL ACTIVITIES - STATEMENT OF NET POSITION
VERMILLION RIVER WATERSHED DISTRICT
DECEMBER 31, 2014**

Assets

Cash and investments	\$ 2,083,494
Taxes receivable	
Current	62,019
Prior	1,508
Due from other governments	<u>7,904</u>
Total Assets	<u><u>\$ 2,154,925</u></u>

Liabilities

Current liabilities	
Accounts payable	<u>\$ 229,769</u>
Total Liabilities	<u>\$ 229,769</u>

Fund Balance/Net Position

Unrestricted	<u>\$ 1,925,156</u>
Total Fund Balance/Net Position	<u>\$ 1,925,156</u>
Total Liabilities and Fund Balance/Net Position	<u><u>\$ 2,154,925</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, 2014**

Revenues	
Taxes	\$ 861,518
License and permits	530
Intergovernmental	74,694
Investment earnings	<u>23,253</u>
Total Revenues	\$ <u>959,995</u>
Expenditures/Expenses	
Current	
Conservation of natural resources	<u>\$ 988,024</u>
Net Change in Fund Balance/ Net Position	\$ (28,029)
Fund Balance/Net Position - January 1	<u>1,953,185</u>
Fund Balance/Net Position - December 31	<u><u>\$ 1,925,156</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.



Governmental
Revenue
Schedules

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**DAKOTA COUNTY
MINNESOTA**

**SCHEDULE OF INTERGOVERNMENTAL REVENUE
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Governmental Funds	Enterprise Funds	Total Primary Government
Shared Revenue			
State			
Highway users tax	\$ 26,107,613	\$ -	\$ 26,107,613
PERA rate reimbursement	333,927	-	333,927
Disparity reduction aid	1,880	-	1,880
Police aid	523,599	-	523,599
Agricultural preserve credit	67,252	-	67,252
County program aid	16,426,253	-	16,426,253
Local performance aid	25,000	-	25,000
Market value credit	96,005	-	96,005
State aid disaster funds	426,439	-	426,439
SCORE	1,612,610	-	1,612,610
Aquatic invasive species	58,052	-	58,052
Total Shared Revenue	\$ 45,678,630	\$ -	\$ 45,678,630
Reimbursement for Services			
State			
Minnesota Department of Human Services	\$ 6,012,549	\$ -	\$ 6,012,549
Total Reimbursement for Services	\$ 6,012,549	\$ -	\$ 6,012,549
Payments			
Local			
County contributions	\$ 844,305	\$ -	\$ 844,305
City contributions	1,321,294	100,058	1,421,352
Metropolitan council	2,198,168	-	2,198,168
City and agency share of construction	5,794,313	-	5,794,313
MELSA	399,336	-	399,336
Other contributions	57,306	-	57,306
Local contributions	2,972,228	-	2,972,228
Payments in lieu of taxes	272,639	-	272,639
Total Payments	\$ 13,859,589	\$ 100,058	\$ 13,959,647
Grants			
State			
Minnesota Department/Board of			
Agriculture	\$ 93,604	\$ -	\$ 93,604
Public Safety	257,599	-	257,599
Transportation	8,002,297	-	8,002,297
Health	1,777,012	-	1,777,012
Natural Resources	31,703	777,414	809,117
Human Services	14,373,182	-	14,373,182
Water and Soil Resources	86,863	-	86,863
Employment and Economic Development	1,001,205	-	1,001,205
Trial courts	30,000	-	30,000
Housing Finance Agency	152,639	-	152,639
Education	14,501	-	14,501
Peace Officers Standards and Training	25,101	-	25,101
Corrections	5,069,909	-	5,069,909
Veterans Affairs	22,500	-	22,500
Pollution Control Agency	300,704	-	300,704
Total State	\$ 31,238,819	\$ 777,414	\$ 32,016,233

**DAKOTA COUNTY
MINNESOTA**

**SCHEDULE OF INTERGOVERNMENTAL REVENUE
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Governmental Funds	Enterprise Funds	Total Primary Government
Grants (Continued)			
Federal			
Department of			
Agriculture	\$ 5,603,534	\$ -	\$ 5,603,534
Housing and Urban Development	4,084,717	-	4,084,717
Justice	128,338	-	128,338
Labor	1,527,264	-	1,527,264
Transportation	8,353,312	-	8,353,312
Environmental Protection Agency	37,419	-	37,419
Education	2,288	-	2,288
Health and Human Services	23,278,124	-	23,278,124
Homeland Security	368,535	-	368,535
	\$ 43,383,531	\$ -	\$ 43,383,531
Total Federal	\$ 43,383,531	\$ -	\$ 43,383,531
Total State and Federal Grants	\$ 74,622,350	\$ 777,414	\$ 75,399,764
Total Intergovernmental Revenue	\$ 140,173,118	\$ 877,472	\$ 141,050,590

**DAKOTA COUNTY
MINNESOTA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2014**

Federal Grantor Pass-Through Agency Grant Program Title	Federal CFDA Number	Expenditures	Passed Through to Subrecipients
U.S. Department of Agriculture			
Direct			
Farm and Ranch Lands Protection Program	10.913	\$ 228,656	\$ -
Passed Through Minnesota Department of Health Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	1,379,742	-
Passed Through Minnesota Department of Agriculture WIC Farmers' Market Nutrition Program (FMNP)	10.572	2,350	-
Passed Through Minnesota Department of Education Child Nutrition Cluster			
School Breakfast Program	10.553	14,893	-
National School Lunch Program	10.555	23,285	-
Passed Through Minnesota Department of Human Services State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	<u>2,152,232</u>	<u>-</u>
Total U.S. Department of Agriculture		<u>\$ 3,801,158</u>	<u>\$ -</u>
U.S. Department of Housing and Urban Development			
Direct			
Community Development Block Grants/Entitlement Grants	14.218	\$ 1,652,782	\$ 1,652,782
Supportive Housing Program	14.235	18,846	-
HOME Investment Partnerships Program	14.239	2,007,164	2,007,164
Passed Through Minnesota Department of Human Services Emergency Solutions Grant Program	14.231	392,332	31,321
Passed Through Minnesota Department of Health Asthma Interventions in Public and Assisted Multifamily Housing	14.914	<u>13,593</u>	<u>-</u>
Total U.S. Department of Housing and Urban Development		<u>\$ 4,084,717</u>	<u>\$ 3,691,267</u>
U.S. Department of Justice			
Direct			
Drug Court Discretionary Grant Program	16.585	\$ 16,979	\$ -
State Criminal Alien Assistance Program	16.606	41,480	-
Bulletproof Vest Partnership Program	16.607	8,025	-
Equitable Sharing Program	16.922	5,656	-
Passed Through City of Eagan Juvenile Accountability Block Grants (Total Juvenile Accountability Block Grants 16.523 \$56,198)	16.523	48,000	-
Passed Through Minnesota Department of Public Safety Juvenile Accountability Block Grants (Total Juvenile Accountability Block Grants 16.523 \$56,198)	16.523	<u>8,198</u>	<u>-</u>
Total U.S. Department of Justice		<u>\$ 128,338</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, 2014**

Federal Grantor Pass-Through Agency Grant Program Title	Federal CFDA Number	Expenditures	Passed Through to Subrecipients
U.S. Department of Labor			
Passed Through Minnesota Department of Employment and and Economic Development			
Workforce Investment Act (WIA) Cluster			
Workforce Investment Act Adult Program	17.258	\$ 487,466	\$ 366,053
Workforce Investment Act Youth Activities	17.259	351,415	292,672
Workforce Investment Act Dislocated Worker Formula Grants	17.278	<u>688,383</u>	<u>537,781</u>
Total U.S. Department of Labor		<u>\$ 1,527,264</u>	<u>\$ 1,196,506</u>
U.S. Department of Transportation			
Passed Through Minnesota Department of Transportation			
Highway Planning and Construction	20.205	\$ 8,127,690	\$ -
Passed Through City of Hastings			
State and Community Highway Safety	20.600	40,328	-
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	18,327	-
National Priority Safety Programs	20.616	9,550	-
Passed Through Metropolitan Council			
Alternatives Analysis	20.522	<u>157,417</u>	<u>-</u>
Total U.S. Department of Transportation		<u>\$ 8,353,312</u>	<u>\$ -</u>
U.S. Environmental Protection Agency			
Passed through Minnesota Pollution Control Agency			
Nonpoint Source Implementation Grants	66.460	<u>\$ 37,419</u>	<u>\$ -</u>
U.S. Department of Education			
Direct			
Special Education-Grants for Infants and Families	84.181	<u>\$ 2,288</u>	<u>\$ -</u>
U.S. Department of Health and Human Services			
Passed Through Minnesota Department of Health			
Public Health Emergency Preparedness	93.069	\$ 290,390	\$ -
Project Grants and Cooperative Agreements for Tuberculosis:			
Control Programs	93.116	3,500	-
Universal Newborn Hearing Screening	93.251	7,500	-
Immunization Cooperative Agreements	93.268	24,540	-
Centers for Disease Control and Prevention - Investigations and Technical Assistance	93.283	1,950	-

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, 2014**

Federal Grantor Pass-Through Agency Grant Program Title	Federal CFDA Number	Expenditures	Passed Through to Subrecipients
U.S. Department of Health and Human Services			
Passed Through Minnesota Department of Health (Continued)			
Early Hearing Detection and Intervention			
Information System (EHDI-IS) Surveillance Program	93.314	\$ 225	\$ -
Affordable Care Act (ACA) Maternal, Infant, and Early Childhood			
Home Visiting Program	93.505	402,379	-
Temporary Assistance for Needy Families	93.558	325,356	-
(Total Temporary Assistance for Needy Families 93.558 \$2,960,925)			
Children's Health Insurance Program	93.767	771	-
Maternal and Child Health Services Block Grant to the States	93.994	240,472	-
Passed Through Minnesota Department of Human Services			
Guardianship Assistance	93.090	72,222	-
Projects for Assistance in Transition from Homelessness (PATH)	93.150	27,383	-
Promoting Safe and Stable Families	93.556	112,835	-
Temporary Assistance for Needy Families	93.558	2,635,569	1,161,594
(Total Temporary Assistance for Needy Families 93.558 \$2,960,925)			
Child Support Enforcement	93.563	7,470,184	-
Child Care and Development Block Grant	93.575	462,457	-
Stephanie Tubbs Jones Child Welfare Services Program	93.645	54,064	-
Foster Care - Title IV-E	93.658	820,006	-
Adoption Assistance	93.659	434,070	-
Social Services Block Grant	93.667	1,425,611	-
Chafee Foster Care Independence Program	93.674	61,646	-
Medical Assistance Program	93.778	8,338,193	-
Passed Through MnSure			
State Planning and Establishment Grants for the Affordable			
Care Act (ACA)'s Exchanges	93.525	66,801	-
Total U.S. Department of Health and Human Services		\$ 23,278,124	\$ 1,161,594
U.S. Department of Homeland Security			
Passed Through Minnesota Department of Natural Resources			
Boating Safety Financial Assistance	97.012	\$ 10,908	\$ -
Passed Through Minnesota Department of Public Safety			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	149,463	-
Emergency Management Performance Grants	97.042	57,576	-
Homeland Security Grant Program	97.067	150,588	-
Total U.S. Department of Homeland Security		\$ 368,535	\$ -
Total Federal Awards		\$ 41,581,155	\$ 6,049,367

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

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**DAKOTA COUNTY
MINNESOTA**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2014**

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 \$21,353,769 in federal awards during the year ended June 30, 2014. 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 includes the federal grant activity of Dakota County under programs of the federal government for the year ended December 31, 2014. The information in this schedule is presented in accordance with the requirements of Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the schedule presents only a selected portion of the operations of Dakota County, it is not intended to and does not present the financial position, changes in net position, or cash flows of Dakota County.

3. Summary of Significant Accounting Policies

Expenditures reported on the schedule are reported on the basis of accounting used by the individual funds of Dakota County. Governmental funds use the modified accrual basis of accounting. Proprietary funds use the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, *Cost Principles for State, Local and Indian Tribal Governments*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through grant numbers were not assigned by the pass-through agencies.

**DAKOTA COUNTY
MINNESOTA**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2014**

4. Clusters

Clusters of programs are groupings of closely related programs that share common compliance requirements. Total expenditures by cluster are:

Child Nutrition Cluster	\$ 38,178
Workforce Investment Act (WIA) Cluster	1,527,264

5. Reconciliation to Schedule of Intergovernmental Revenue

Federal grant revenue per Schedule of Intergovernmental Revenue	\$ 43,383,531
Grants unavailable in 2013, recognized as revenue in 2014 Farm and Ranch Lands Protection Program (CFDA No. 10.913)	<u>(1,802,376)</u>
Expenditures Per Schedule of Expenditures of Federal Awards	<u>\$ 41,581,155</u>



Statistical
Section

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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	109
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	116
These schedules contain information to help the reader assess the factors affecting the County’s ability to generate its property taxes.	
Debt Capacity	122
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	125
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	127
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.

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Dakota County, Minnesota

Net Position by Component

Primary Government

	2005	2006	2007	2008	2009	2010	2011	2012	2013 (Restated)	2014
Governmental Activities										
Net Investment in Capital Assets	\$ 382,932,632	\$ 395,989,603	\$ 435,373,306	\$ 502,664,473	\$ 545,729,953	\$ 567,867,785	\$ 605,455,040	\$ 634,821,240	\$ 634,927,138	\$ 676,893,277
Restricted	4,213,806	12,634,717	7,134,394	8,289,724	5,860,387	6,578,089	12,124,268	12,189,502	27,406,220	21,784,009
Unrestricted	187,453,538	195,395,365	208,158,550	188,220,596	198,144,007	197,822,900	208,305,948	250,601,958	285,711,445	311,862,759
Total Net Position - Governmental Activities	574,599,976	604,019,685	650,666,250	699,174,793	749,734,347	772,268,774	825,885,256	897,612,700	948,044,803	1,010,540,045
Business-Type Activities										
Net Investment in Capital Assets	-	-	-	-	-	-	-	-	5,031,329	7,245,061
Restricted	257,526	244,026	217,240	197,467	166,432	299,704	2,127,270	2,063,341	149,306	147,267
Unrestricted	-	-	-	-	131,714	-	-	-	2,517,358	563,377
Total Net Position - Business-Type Activities	257,526	244,026	217,240	197,467	298,146	299,704	2,127,270	2,063,341	7,697,993	7,955,705
Total Primary Government										
Net Investment in Capital Assets	382,932,632	395,989,603	435,373,306	502,664,473	545,729,953	567,867,785	605,455,040	634,821,240	639,958,467	684,138,338
Restricted	4,471,332	12,878,743	7,351,634	8,487,191	6,026,819	6,877,793	14,251,538	14,252,843	27,555,526	21,931,276
Unrestricted	187,453,538	195,395,365	208,158,550	188,220,596	198,275,721	197,822,900	208,305,948	250,601,958	288,228,803	312,426,136
Total Net Position - Primary Government	\$ 574,857,502	\$ 604,263,711	\$ 650,883,490	\$ 699,372,260	\$ 750,032,493	\$ 772,568,478	\$ 828,012,526	\$ 899,676,041	\$ 955,742,796	\$ 1,018,495,750

Components Units

	2005	2006	2007	2008	2009	2010	2011	2012	2013 (Restated)	2014
Community Development Agency										
Net Investment in Capital Assets	\$ 54,523,397	\$ 56,508,944	\$ 58,430,590	\$ 62,660,057	\$ 67,422,313	\$ 70,836,500	\$ 78,312,202	\$ 82,152,316	\$ 81,612,927	\$ 84,988,917
Restricted	25,110,847	29,434,579	34,964,470	40,927,194	41,172,119	46,029,306	52,565,562	54,930,480	61,288,925	62,251,756
Unrestricted	38,616,727	45,848,454	50,752,896	55,136,226	62,620,611	70,262,376	75,886,912	83,933,498	86,865,611	97,038,422
Total Net Position - Community Development Agency	\$ 118,250,971	\$ 131,791,977	\$ 144,147,956	\$ 158,723,477	\$ 171,215,043	\$ 187,128,182	\$ 206,764,676	\$ 221,016,294	\$ 229,767,463	\$ 244,279,095
Vermillion River Watershed										
Net Investment in Capital Assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	228,945	452,087	836,040	1,172,206	1,113,522	1,140,810	1,179,489	1,646,229	1,953,185	1,925,156
Total Net Position - Vermillion River Watershed	\$ 228,945	\$ 452,087	\$ 836,040	\$ 1,172,206	\$ 1,113,522	\$ 1,140,810	\$ 1,179,489	\$ 1,646,229	\$ 1,953,185	\$ 1,925,156

Dakota County, Minnesota

Changes in Net Position

Expenses	2005	2006	2007	2008	2009	2010	2011	2012	2013 (Restated)	2014
Primary Government										
<i>Governmental Activities</i>										
General Government	\$ 50,717,612	\$ 49,730,842	\$ 55,472,603	\$ 58,446,661	\$ 48,513,659	\$ 61,982,946	\$ 67,066,253	\$ 55,323,557	\$ 56,902,146	\$ 65,584,363
Public Safety	32,521,143	34,919,409	34,912,593	37,499,603	37,363,437	36,396,222	35,447,935	35,409,600	35,334,573	39,366,008
Highways and Streets	26,006,634	20,420,856	20,277,098	20,428,908	24,016,682	23,114,442	31,587,930	22,657,918	31,617,540	24,441,165
Sanitation	4,304,756	4,011,215	3,680,402	3,498,126	5,476,281	5,314,375	4,954,461	5,197,563	5,326,179	3,910,489
Human Services	85,113,843	89,579,810	94,635,381	94,467,561	85,401,690	69,757,126	68,904,678	66,997,873	66,211,619	70,662,704
Health	12,178,902	11,743,390	13,431,633	14,441,444	14,371,483	14,133,323	10,727,236	8,486,409	7,861,046	8,602,529
Culture and Recreation	15,208,101	16,641,571	17,447,398	17,160,436	19,746,598	19,352,705	19,368,747	18,171,501	17,287,925	13,567,104
Conservation of Natural Resources	603,508	5,061,173	4,819,932	4,783,651	4,560,051	2,304,181	3,960,904	4,016,128	4,276,455	3,520,375
Economic Development	6,102,141	7,760,382	12,810,832	7,712,727	10,540,298	12,076,877	8,145,271	8,216,401	8,079,665	9,946,696
Interest	3,644,666	4,317,700	5,509,766	4,910,143	4,360,037	3,947,575	2,919,202	2,212,496	1,916,583	1,447,204
Total Governmental Activities	236,401,306	244,186,348	262,997,638	263,349,260	254,350,216	248,379,772	253,082,617	226,689,446	234,813,731	241,048,637
<i>Business-Type Activities</i>										
Geographic Information Systems	51,166	42,591	47,012	40,082	50,556	24,577	58,164	9,072	9,096	9,100
Criminal Justice Information Integration Network	-	-	-	-	-	81,669	84,192	48,021	113,463	151,656
Byllesby Dam	-	-	-	-	-	-	417,750	928,924	407,634	867,864
Total Business-Type Activities	51,166	42,591	47,012	40,082	50,556	106,246	560,106	986,017	530,193	1,028,620
Total Primary Government Expenses	\$ 236,452,472	\$ 244,228,939	\$ 263,044,650	\$ 263,389,342	\$ 254,400,772	\$ 248,486,018	\$ 253,642,723	\$ 227,675,463	\$ 235,343,924	\$ 242,077,257
Program Revenues										
Primary Government										
<i>Governmental Activities</i>										
Fees, fines, charges and other:										
General Government	\$ 8,926,807	\$ 9,615,154	\$ 11,007,470	\$ 7,867,792	\$ 7,507,730	\$ 7,124,643	\$ 6,784,853	\$ 7,817,635	\$ 7,819,235	\$ 7,536,670
Public Safety	2,554,680	2,922,742	2,808,252	2,731,099	3,214,768	3,127,028	3,532,554	3,491,571	3,331,432	3,021,044
Highways and Streets	999,754	1,203,304	1,281,339	1,495,081	1,528,495	1,589,965	3,777,498	576,243	3,589,979	641,484
Sanitation	4,581,103	5,648,372	5,818,423	6,222,558	6,528,605	8,019,709	8,235,471	8,433,603	7,713,818	7,881,052
Human Services	40,411,091	35,103,513	46,166,824	2,782,157	6,474,404	3,164,919	3,743,711	5,683,801	7,776,989	940,947
Health	5,048,774	3,788,860	4,947,124	5,772,599	5,632,467	3,119,419	1,316,458	1,463,958	1,363,361	1,211,838
Culture and Recreation	1,316,474	1,343,261	1,606,090	1,622,497	1,730,132	1,754,286	1,564,452	1,558,792	1,540,512	1,539,480
Conservation of Natural Resources	37,789	60,388	51,076	43,906	27,492	85,654	47,707	20,021	25,455	391,528
Economic Development	-	-	-	-	-	40,132	1,247	243,643	302,581	-
Total Governmental Fees, Fines, Charges and Other	63,876,472	59,685,594	73,686,598	28,537,689	32,644,093	28,025,755	29,003,951	29,289,267	33,463,362	23,164,043
<i>Business-Type Activities</i>										
Geographic Information Systems	34,905	29,091	20,226	20,309	19,521	21,436	38,149	13,166	11,032	7,061
Criminal Justice Information Integration Network	-	-	-	-	131,714	86,368	183,721	147,584	118,632	127,058
Byllesby Dam	-	-	-	-	-	-	2,148,477	603,569	657,061	690,875
Total Business-Type Program Revenues	34,905	29,091	20,226	20,309	151,235	107,804	2,370,347	764,319	786,725	824,994
Total Primary Government Fees, Fines, Charges and Other	\$ 63,911,377	\$ 59,714,685	\$ 73,706,824	\$ 28,557,998	\$ 32,795,328	\$ 28,133,559	\$ 31,374,298	\$ 30,053,586	\$ 34,250,087	\$ 23,989,037

Dakota County, Minnesota

Changes in Net Position

Program Revenues	2005	2006	2007	2008	2009	2010	2011	2012	2013 (Restated)	2014
Primary Government										
<i>Governmental Activities</i>										
Operating Grants and Contributions:										
General Government	\$ 1,909,154	\$ 628,801	\$ 853,773	\$ 3,893,517	\$ 3,123,481	\$ 3,798,215	\$ 4,080,742	\$ 4,387,424	\$ 3,560,993	\$ 2,349,541
Public Safety	6,953,692	12,777,168	8,395,227	8,533,620	8,948,372	9,127,015	8,183,282	7,460,653	9,773,312	7,463,572
Highways and Streets	3,439,157	5,233,333	7,255,780	6,054,166	24,992,562	4,902,202	18,653,704	17,177,991	20,887,253	29,785,696
Sanitation	1,014,073	1,016,810	2,605	8,341	321,394	276,939	372,933	544,354	450,558	1,920,547
Human Services	19,492,199	21,047,402	23,115,310	59,829,926	47,133,328	35,807,530	40,837,578	28,276,091	29,671,099	41,818,152
Health	3,819,458	3,914,089	3,793,765	5,458,305	5,712,664	7,341,345	6,425,794	4,841,022	5,036,177	4,574,675
Culture and Recreation	3,239,484	434,868	4,499,611	10,126,045	941,566	1,151,534	2,536,834	2,114,445	3,410,363	2,580,992
Conservation of Natural Resources	133,592	96,522	5,412,063	2,153,127	3,827,241	1,656,906	2,981,223	2,289,603	3,491,245	877,855
Economic Development	6,935,833	7,905,728	8,681,447	7,252,218	9,396,842	12,556,252	7,728,144	8,617,863	7,590,498	10,162,440
Total Governmental Operating Grants and Contributions	46,936,642	53,054,721	62,009,581	103,309,265	104,397,450	76,617,938	91,800,234	75,709,446	83,871,498	101,533,470
<i>Business-Type Activities</i>										
Geographic Information Systems	-	-	-	-	-	-	-	-	-	-
Criminal Justice Information Integration Network	-	-	-	-	-	-	-	-	-	-
Byllesby Dam	-	-	-	-	-	-	17,325	157,769	2,354,120	-
Total Business-Type Operating Grants and Contributions	-	-	-	-	-	-	17,325	157,769	2,354,120	-
Total Primary Government Operating Grants and Contributions	\$ 46,936,642	\$ 53,054,721	\$ 62,009,581	\$ 103,309,265	\$ 104,397,450	\$ 76,617,938	\$ 91,817,559	\$ 75,867,215	\$ 86,225,618	\$ 101,533,470

Program Revenues	2005	2006	2007	2008	2009	2010	2011	2012	2013 (Restated)	2014
Primary Government										
<i>Governmental Activities</i>										
Capital Grants and Contributions:										
General Government	\$ -	\$ 964,221	\$ 164,670	\$ -	\$ -	\$ -	\$ 304,216	\$ -	\$ -	\$ -
Public Safety	132,576	-	-	-	-	205,987	55,225	53,349	-	-
Highways and Streets	15,615,808	15,362,204	15,923,156	24,648,824	10,568,802	16,105,736	26,670,592	34,413,883	21,319,833	14,923,646
Sanitation	-	-	-	-	-	-	-	-	-	-
Human Services	-	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-	-	153,585	130,735	1,027,842
Conservation of Natural Resources	-	-	-	-	-	-	-	-	-	-
Economic Development	-	-	-	-	-	-	-	-	-	-
Total Governmental Capital Grants and Contributions	15,748,384	16,326,425	16,087,826	24,648,824	10,568,802	16,311,723	27,030,033	34,620,817	21,450,568	15,951,488
<i>Business-Type Activities</i>										
Geographic Information Systems	-	-	-	-	-	-	-	-	-	-
Criminal Justice Information Integration Network	-	-	-	-	-	-	-	-	-	-
Byllesby Dam	-	-	-	-	-	-	-	-	-	777,414
Total Business-Type Capital Grants and Contributions	-	-	-	-	-	-	-	-	-	777,414
Total Primary Government Capital Grants and Contributions	\$ 15,748,384	\$ 16,326,425	\$ 16,087,826	\$ 24,648,824	\$ 10,568,802	\$ 16,311,723	\$ 27,030,033	\$ 34,620,817	\$ 21,450,568	\$ 16,728,902

Dakota County, Minnesota

Changes in Net Position

<i>Net (Expense) Revenue (a)</i>	2005	2006	2007	2008	2009	2010	2011	2012	2013 (Restated)	2014
Primary Government										
<i>Governmental Activities</i>										
General Government	\$ (39,881,651)	\$ (38,522,666)	\$ (43,446,690)	\$ (46,685,352)	\$ (37,882,448)	\$ (51,060,088)	\$ (55,896,442)	\$ (43,118,498)	\$ (45,521,918)	\$ (55,698,152)
Public Safety	(22,880,195)	(19,219,499)	(23,709,114)	(26,234,884)	(25,200,297)	(23,936,192)	(23,676,874)	(24,404,027)	(22,229,829)	(28,881,392)
Highways and Streets	(5,951,915)	1,377,985	4,183,177	11,769,163	13,073,177	(516,539)	17,513,864	29,510,199	14,179,525	20,909,661
Sanitation	1,290,420	2,653,967	2,140,626	2,732,773	1,373,718	2,982,273	3,653,943	3,780,394	2,838,197	5,891,110
Human Services	(25,210,553)	(33,428,895)	(25,353,247)	(31,855,478)	(31,793,958)	(30,784,677)	(24,323,389)	(33,037,981)	(28,763,531)	(27,903,605)
Health	(3,310,670)	(4,040,441)	(4,690,744)	(3,210,540)	(3,026,352)	(3,672,559)	(2,984,984)	(2,181,429)	(1,461,508)	(2,816,016)
Culture and Recreation	(10,652,143)	(14,863,442)	(11,341,697)	(5,411,894)	(17,074,900)	(16,446,885)	(15,267,461)	(14,344,679)	(12,206,315)	(8,418,790)
Conservation of Natural Resources	(432,127)	(4,904,263)	643,207	(2,586,618)	(705,318)	(561,621)	(931,974)	(1,706,504)	(759,755)	(2,250,992)
Economic Development	833,692	145,346	(4,129,385)	(460,509)	(1,143,456)	519,507	(415,880)	645,105	(186,586)	215,744
Interest	(3,644,666)	(4,317,700)	(5,509,766)	(4,910,143)	(4,360,037)	(3,947,575)	(2,919,202)	(2,212,496)	(1,916,583)	(1,447,204)
Total Governmental Net (Expense) Revenue	(109,839,808)	(115,119,608)	(111,213,633)	(106,853,482)	(106,739,871)	(127,424,356)	(105,248,399)	(87,069,916)	(96,028,303)	(100,399,636)
<i>Business-Type Activities</i>										
Geographic Information Systems	(16,261)	(13,500)	(26,786)	(19,773)	(31,035)	(3,141)	(20,015)	4,094	1,936	(2,039)
Criminal Justice Information Integration Network	-	-	-	-	131,714	4,699	99,529	99,563	5,169	(24,598)
Byllesby Dam	-	-	-	-	-	-	1,748,052	(167,586)	2,603,547	600,425
Total Business-Type Net (Expense) Revenue	(16,261)	(13,500)	(26,786)	(19,773)	100,679	1,558	1,827,566	(63,929)	2,610,652	573,788
Total Primary Government Net (Expense) Revenue	\$ (109,856,069)	\$ (115,133,108)	\$ (111,240,419)	\$ (106,873,255)	\$ (106,639,192)	\$ (127,422,798)	\$ (103,420,833)	\$ (87,133,845)	\$ (93,417,651)	\$ (99,825,848)

General Revenues, Transfers, and Special Items

Primary Government	2005	2006	2007	2008	2009	2010	2011	2012	2013 (Restated)	2014
<i>Governmental Activities</i>										
Property Taxes	\$ 104,106,046	\$ 109,728,835	\$ 115,987,757	\$ 121,557,986	\$ 126,986,839	\$ 126,012,038	\$ 126,588,398	\$ 132,725,693	\$ 131,085,200	\$ 130,961,310
Gravel Taxes	469,396	447,678	384,320	356,562	451,950	322,788	448,585	571,663	616,104	641,711
Mortgage Registry and Deed Tax	909,765	648,912	599,797	431,561	408,750	378,235	358,521	481,980	541,012	469,380
Payment in lieu of Tax	-	14,895	1,531,322	1,684,323	1,698,801	1,714,530	1,709,980	1,736,049	1,877,236	-
Taxes - Other	NA	3,622,715								
Gift and Contributions (unrestricted)	50,934	-	37,065	34,890	54,260	63,531	22,614	38,595	24,009	-
Grants and Contributions (unrestricted)	19,455,306	19,135,474	18,642,707	15,950,219	21,681,301	17,134,726	16,346,749	15,293,028	15,709,430	17,392,414
Investment Income	7,216,182	13,224,287	18,436,886	13,764,069	3,981,969	2,274,346	11,348,301	6,212,921	(3,034,627)	7,902,963
Miscellaneous	1,479,465	1,655,869	2,032,541	1,516,087	1,951,035	1,875,304	1,825,569	1,633,838	2,475,734	1,543,935
Gain on Sale of Capital Assets	70,023	16,267	35,653	66,328	84,520	183,285	216,164	103,593	190,308	44,374
Transfers	-	-	-	-	-	-	-	-	(3,024,000)	316,076
Special items	-	(160,750)	-	-	-	-	-	-	-	-
Governmental Activities General Revenues, Transfers, and Special Items	133,757,117	144,711,467	157,688,048	155,362,025	157,299,425	149,958,783	158,864,881	158,797,360	146,460,406	162,894,878
Total Change in Net Position - Governmental Activities	23,917,309	29,591,859	46,474,415	48,508,543	50,559,554	22,534,427	53,616,482	71,727,444	50,432,103	62,495,242
<i>Business-Type Activities</i>										
Property Taxes	-	-	-	-	-	-	-	-	-	-
Gravel Taxes	-	-	-	-	-	-	-	-	-	-
Mortgage Registry and Deed Tax	-	-	-	-	-	-	-	-	-	-
Tax Increment Financing	-	-	-	-	-	-	-	-	-	-
Payment in lieu of Tax	-	-	-	-	-	-	-	-	-	-
Gift and Contributions (unrestricted)	-	-	-	-	-	-	-	-	-	-
Grants and Contributions (unrestricted)	-	-	-	-	-	-	-	-	-	-
Investment Income	-	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-	-
Gain on Sale of Capital Assets	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	3,024,000	(316,076)
Total General Revenues - Business-Type Activities	-	3,024,000	(316,076)							
Total Change in Net Position - Business-Type Activities	(16,261)	(13,500)	(26,786)	(19,773)	100,679	1,558	1,827,566	(63,929)	5,634,652	257,712
Total Change in Net Position - Primary Government	\$ 23,901,048	\$ 29,578,359	\$ 46,447,629	\$ 48,488,770	\$ 50,660,233	\$ 22,535,985	\$ 55,444,048	\$ 71,663,515	\$ 56,066,755	\$ 62,752,954

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

Dakota County, Minnesota

Changes in Net Position - Component Units

Expenses	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Component Unit										
Community Development Agency	\$ 32,973,947	\$ 32,757,874	\$ 34,009,760	\$ 34,618,320	\$ 38,099,898	\$ 42,276,141	\$ 43,100,632	\$ 38,850,422	\$ 45,690,723	\$ 45,809,051
Vermillion River Watershed	325,209	759,557	1,157,625	1,017,956	1,245,246	1,105,654	987,828	908,946	883,232	988,024
Total Component Unit	33,299,156	33,517,431	35,167,385	35,636,276	39,345,144	43,381,795	44,088,460	39,759,368	46,573,955	46,797,075
Program Revenues										
Component Unit										
Community Development Agency	33,470,667	36,142,256	34,403,242	36,440,889	38,353,283	46,562,618	51,619,585	43,888,022	46,279,218	51,920,861
Vermillion River Watershed	-	-	434,567	196,434	53,997	95,540	77,874	70,084	342,979	75,224
Total Component Unit	33,470,667	36,142,256	34,837,809	36,637,323	38,407,280	46,658,158	51,697,459	43,958,106	46,622,197	51,996,085
General Revenues - Community Development Agency										
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Property Taxes	\$ 5,278,362	\$ 6,097,282	\$ 6,742,029	\$ 7,512,146	\$ 7,848,758	\$ 7,829,702	\$ 7,566,507	\$ 7,261,674	\$ 7,092,062	\$ 6,513,347
Gravel Taxes	-	-	-	-	-	-	-	-	-	-
Mortgage Registry and Deed Tax	-	-	-	-	-	-	-	-	-	-
Tax Increment Financing	2,154,606	2,792,582	3,034,382	3,288,340	3,384,616	3,303,413	3,207,383	1,635,537	1,659,474	1,280,041
Gift and Contributions (unrestricted)	-	-	-	-	-	-	-	-	-	-
Grants and Contributions (unrestricted)	-	-	-	-	-	-	-	-	-	-
Investment Income	407,008	1,262,710	2,186,086	1,952,466	1,004,807	493,547	343,651	316,807	105,064	606,434
Miscellaneous	-	4,050	-	-	-	-	-	-	-	-
Gain on Sale of Capital Assets	174,841	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-
Total General Revenues - Community Development Agency	8,014,817	10,156,624	11,962,497	12,752,952	12,238,181	11,626,662	11,117,541	9,214,018	8,856,600	8,399,822
Total Change in Net Position - Community Development Agency	\$ 8,511,537	\$ 13,541,006	\$ 12,355,979	\$ 14,575,521	\$ 12,491,566	\$ 15,913,139	\$ 19,636,494	\$ 14,251,618	\$ 9,445,095	\$ 14,511,632
General Revenues - Vermillion River Watershed										
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Property Taxes	\$ 376,609	\$ 886,480	\$ 982,967	\$ 1,032,731	\$ 1,023,239	\$ 939,533	\$ 850,408	\$ 1,257,737	\$ 835,041	\$ 861,518
Gravel Taxes	-	-	-	-	-	-	-	-	-	-
Mortgage Registry and Deed Tax	-	-	-	-	-	-	-	-	-	-
Tax Increment Financing	-	-	-	-	-	-	-	-	-	-
Grants and Contributions (unrestricted)	40,391	84,622	85,293	88,235	87,084	84,066	81,866	33,337	-	-
Gift and Contributions (unrestricted)	-	-	-	-	-	-	-	-	-	-
Investment Income	2,787	11,595	31,526	36,722	20,541	13,569	16,359	14,528	12,168	23,253
Miscellaneous	24	2	7,225	-	-	234	-	-	-	-
Gain on Sale of Capital Assets	-	-	-	-	1,701	-	-	-	-	-
Total General Revenues - Vermillion River Watershed	419,811	982,699	1,107,011	1,157,688	1,132,565	1,037,402	948,633	1,305,602	847,209	884,771
Total Change in Net Position - Vermillion River Watershed	94,602	223,142	383,953	336,166	(58,684)	27,288	38,679	466,740	306,956	(28,029)
Total Change in Net Position - Component Units	\$ 8,606,139	\$ 13,764,148	\$ 12,739,932	\$ 14,911,687	\$ 12,432,882	\$ 15,940,427	\$ 19,675,173	\$ 14,718,358	\$ 9,752,051	\$ 14,483,603

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

Dakota County, Minnesota

*Fund Balances
Governmental Funds*

	2005	2006	2007	2008	2009	2010	2011*	2012	2013	2014
General Fund										
Reserved	\$ 16,038,637	\$ 13,200,485	\$ 15,182,375	\$ 13,449,225	\$ 8,491,434	\$ 8,837,070	\$ -	\$ -	\$ -	\$ -
Unreserved	71,088,338	80,646,902	81,962,712	67,923,464	65,165,879	62,365,602	-	-	-	-
Nonspendable	-	-	-	-	-	-	2,650,815	2,642,011	2,715,339	2,668,745
Restricted	-	-	-	-	-	-	2,847,559	2,891,453	2,737,517	4,863,501
Committed	-	-	-	-	-	-	3,180,168	509,796	292,387	1,018,120
Assigned	-	-	-	-	-	-	34,233,198	30,525,901	25,488,970	114,550,801
Unassigned	-	-	-	-	-	-	29,176,838	33,158,235	31,174,973	37,407,381
Total General Fund	\$ 87,126,975	\$ 93,847,387	\$ 97,145,087	\$ 81,372,689	\$ 73,657,313	\$ 71,202,672	\$ 72,088,578	\$ 69,727,396	\$ 62,409,186	\$ 160,508,548
All Other Governmental Funds										
Reserved	\$ 24,848,723	\$ 18,311,212	\$ 46,784,920	\$ 41,065,067	\$ 38,726,557	\$ 30,582,499	\$ -	\$ -	\$ -	\$ -
Unreserved reported in:										
Special Revenue Funds	76,161,184	78,958,047	80,887,248	77,377,250	100,638,992	107,570,290	-	-	-	-
Debt Services	-	-	-	-	-	7,199,602	-	-	-	-
Capital Projects	26,712,667	29,997,591	27,661,764	19,379,182	16,721,855	9,044,323	-	-	-	-
Nonspendable	-	-	-	-	-	-	881,636	1,266,666	1,152,899	1,321,295
Restricted	-	-	-	-	-	-	9,276,709	9,298,049	7,211,942	3,006,049
Committed	-	-	-	-	-	-	16,800,000	16,800,000	16,800,000	16,800,000
Assigned	-	-	-	-	-	-	137,519,162	180,051,459	195,028,051	126,133,830
Total Unreserved	102,873,851	108,955,638	108,549,012	96,756,432	117,360,847	123,814,215	-	-	-	-
Total All Other Governmental Funds	\$ 127,722,574	\$ 127,266,850	\$ 155,333,932	\$ 137,821,499	\$ 156,087,404	\$ 154,396,714	\$ 164,477,507	\$ 207,416,174	\$ 220,192,892	\$ 147,261,174

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*

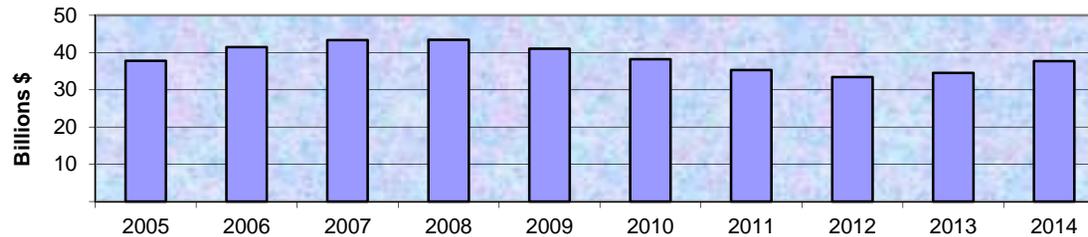
<i>Revenues</i>	<i>2005</i>	<i>2006</i>	<i>2007</i>	<i>2008</i>	<i>2009</i>	<i>2010</i>	<i>2011</i>	<i>2012</i>	<i>2013</i>	<i>2014</i>
Taxes	\$ 105,343,232	\$ 110,455,812	\$ 118,197,095	\$ 123,486,583	\$ 129,194,994	\$ 128,338,549	\$ 129,126,978	\$ 135,267,764	\$ 134,665,766	\$ 136,359,731
Licenses and Permits	871,760	977,836	1,046,379	954,087	1,131,419	1,122,733	1,109,853	1,208,683	1,254,978	2,129,725
Intergovernmental	83,801,670	84,160,902	100,882,470	139,767,926	143,779,937	105,592,284	131,231,830	131,281,021	110,790,958	140,173,118
Charges for Services	64,104,712	66,063,636	72,759,043	30,198,174	33,427,184	28,647,199	30,650,575	30,362,450	34,425,251	20,543,486
Fines and Forfeits	98,247	96,947	123,472	114,356	152,843	120,965	122,031	153,638	113,171	81,087
Gifts and Contributions	43,238	33,161	37,065	34,890	54,760	69,210	28,426	39,756	24,652	124,616
Investment Earnings	7,216,182	13,000,684	18,208,836	13,536,019	3,751,959	2,046,447	11,120,407	5,597,900	(3,057,304)	7,846,381
Miscellaneous	4,221,623	4,561,191	3,941,346	5,792,583	5,263,181	5,696,272	4,897,082	4,845,230	4,495,180	4,501,053
Total Revenues	\$ 265,700,664	\$ 279,350,169	\$ 315,195,706	\$ 313,884,618	\$ 316,756,277	\$ 271,633,659	\$ 308,287,182	\$ 308,756,442	\$ 282,712,652	\$ 311,759,197
<i>Expenditures</i>	<i>2005</i>	<i>2006</i>	<i>2007</i>	<i>2008</i>	<i>2009</i>	<i>2010</i>	<i>2011</i>	<i>2012</i>	<i>2013</i>	<i>2014</i>
Current										
General Government	\$ 46,495,009	\$ 53,676,685	\$ 61,188,552	\$ 63,074,376	\$ 61,359,073	\$ 59,696,613	\$ 61,322,951	\$ 57,123,212	\$ 56,842,557	\$ 56,895,468
Public Safety	32,866,822	35,053,472	35,291,843	36,927,178	37,394,836	35,413,298	35,507,606	35,365,244	36,676,226	38,118,314
Highways and Streets	43,262,177	29,351,870	43,854,429	56,543,277	45,174,737	35,501,940	39,862,672	43,150,384	50,801,833	45,884,786
Sanitation	7,095,465	7,216,642	7,147,093	6,660,486	7,304,309	7,408,981	6,976,314	7,028,601	7,398,443	5,900,555
Human Services	87,468,346	92,009,151	96,888,230	96,753,204	87,426,542	72,523,762	71,697,720	69,426,226	70,193,719	71,073,035
Health	12,194,868	11,769,743	13,389,063	14,344,511	14,379,616	14,158,886	10,721,018	8,476,575	8,162,589	8,729,094
Culture and Recreation	16,093,344	16,463,667	18,550,559	32,511,779	19,225,249	18,944,918	22,195,346	21,350,343	21,450,861	24,217,982
Conservation	5,211,738	5,053,963	4,814,414	4,739,047	4,567,193	2,289,934	3,956,833	4,013,593	4,274,132	3,576,475
Economic Development	6,083,685	7,766,719	13,028,818	7,652,018	10,464,108	12,048,642	8,411,523	8,597,724	8,947,128	10,485,161
Intergovernmental										
Highways and Streets	-	-	-	-	-	-	-	-	-	186,803
Capital Outlay	4,271,226	11,561,479	9,224,104	8,561,029	2,153,718	5,419,530	2,823,748	1,268,782	1,727,246	7,604,780
Debt Service										
Principal Retirement	6,920,000	7,185,000	7,825,000	14,155,000	12,650,000	8,715,000	31,180,000	5,625,000	5,855,000	12,825,000
Interest	3,931,502	4,096,008	4,952,325	5,103,038	4,519,421	4,052,158	3,122,794	2,270,450	2,020,059	1,655,031
Bond Issuance Costs	68,489	26,699	191,801	-	-	-	-	-	-	-
Administrative Charges	-	-	-	4,900	2,100	350	-	3,200	2,950	3,350
Total Expenditures	\$ 271,962,671	\$ 281,231,098	\$ 316,346,231	\$ 347,029,843	\$ 306,620,902	\$ 276,174,012	\$ 297,778,525	\$ 263,699,334	\$ 274,352,743	\$ 287,155,834
Excess of Revenues Over/ (Under) Expenditures	\$ (6,262,007)	\$ (1,880,929)	\$ (1,150,525)	\$ (33,145,225)	\$ 10,135,375	\$ (4,540,353)	\$ 10,508,657	\$ 45,057,108	\$ 8,359,909	\$ 24,603,363
<i>Other Financing Sources</i>	<i>2005</i>	<i>2006</i>	<i>2007</i>	<i>2008</i>	<i>2009</i>	<i>2010</i>	<i>2011</i>	<i>2012</i>	<i>2013</i>	<i>2014</i>
Transfers In	\$ 14,557,146	\$ 11,751,473	\$ 14,442,981	\$ 23,917,624	\$ 9,555,030	\$ 6,768,955	\$ 3,018,902	\$ 14,372,584	\$ 4,147,314	\$ 8,782,958
Transfers Out	(14,557,146)	(11,751,473)	(14,442,981)	(23,917,624)	(9,555,030)	(6,768,955)	(3,018,902)	(19,372,584)	(7,171,314)	(8,466,882)
Bonds Issued	16,800,000	7,300,000	-	-	-	-	-	-	-	-
Proceeds from sale of refunding bonds	-	-	31,695,000	-	-	-	-	-	-	-
Premium/(Discount) on Bond Issuance	(18,248)	26,620	88,934	-	-	-	-	-	-	-
Proceeds from Sale of Capital Assets	1,792,420	583,421	710,185	75,589	100,919	189,664	218,082	104,196	187,815	44,374
Total Other Financing Sources	\$ 18,574,172	\$ 7,910,041	\$ 32,494,119	\$ 75,589	\$ 100,919	\$ 189,664	\$ 218,082	\$ (4,895,804)	\$ (2,836,185)	\$ 360,450
Net Change in Fund Balance	\$ 12,312,165	\$ 6,029,112	\$ 31,343,594	\$ (33,069,636)	\$ 10,236,294	\$ (4,350,689)	\$ 10,726,739	\$ 40,161,304	\$ 5,523,724	\$ 24,963,813
Debt Service Expenditures as Percent of Non-Capital Expenditures	4.71%	4.59%	4.89%	7.08%	6.20%	5.18%	13.17%	3.58%	3.38%	6.02%

Dakota County, Minnesota

ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY LAST TEN YEARS

Fiscal Year Assessed	Real Property		Personal Property		Total		% of Total Assessed to Total Estimated Market Value	Total Direct County Tax Rate
	Assessed* Value	Estimated Market Value	Assessed Value	Estimated Market Value	Assessed Value	Estimated Market Value		
2005	\$ 427,133,158	\$ 37,531,168,000	\$ 5,875,141	\$ 302,403,100	\$ 433,008,299	\$ 37,833,571,100	1.1	0.28267
2006	471,234,957	41,167,642,300	6,196,860	319,020,400	477,431,817	41,486,662,700	1.2	0.26318
2007	495,383,991	43,049,023,300	6,286,380	324,904,600	501,670,371	43,373,927,900	1.2	0.25127
2008	499,594,005	43,061,778,400	6,868,328	355,081,700	506,462,333	43,416,860,100	1.2	0.25184
2009	475,008,140	40,648,278,700	6,916,149	358,042,600	481,924,289	41,006,321,300	1.2	0.25821
2010	442,537,353	37,854,672,500	7,877,537	405,057,500	450,414,890	38,259,730,000	1.2	0.27269
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

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

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Dakota County, Minnesota

DIRECT AND OVERLAPPING GOVERNMENTS TAX CAPACITY RATES LAST TEN YEARS

<u>Governments</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
<u>DAKOTA COUNTY</u>										
Revenue	0.08367	0.07746	0.06932	0.07502	0.07389	0.10362	0.12084	0.13467	0.14353	0.14759
Highway	0.02721	0.02850	0.02754	0.02504	0.02467	0.01191	0.01211	0.01186	0.01094	0.01311
Community Services	0.11565	0.10536	0.10614	0.10340	0.10745	0.10629	0.11052	0.11654	0.12475	0.12475
Environmental Management	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00122	0.00129	0.00130
Parks	0.00738	0.00699	0.00709	0.00779	0.00808	0.00656	0.00641	0.00689	0.00721	0.00722
County Library	0.02313	0.02102	0.02026	0.02004	0.02285	0.02415	0.02476	0.02638	0.02840	0.02864
County Building	0.01774	0.01679	0.01511	0.01517	0.01557	0.00119	0.00088	0.00141	0.00152	0.00154
Debt Services	0.00000	0.00000	0.00000	0.00000	0.00000	0.01274	0.00940	0.00806	0.01371	0.01014
DCLLR	0.00212	0.00191	0.00133	0.00130	0.00167	0.00198	0.00204	0.00237	0.00286	0.00316
County Referendum	0.00577	0.00515	0.00448	0.00408	0.00403	0.00425	0.00451	0.00486	0.00000	0.00000
Total	0.28267	0.26318	0.25127	0.25184	0.25821	0.27269	0.29149	0.31426	0.33421	0.33745
<u>OVERLAPPING RATES:</u>										
<u>CITIES</u>										
Apple Valley	0.36753	0.35690	0.34891	0.35537	0.37086	0.39867	0.42388	0.44110	0.49210	0.47891
Burnsville	0.38004	0.35414	0.34564	0.35005	0.36121	0.38566	0.42598	0.43213	0.47021	0.4667
Coates	0.19117	0.17908	0.16971	0.15252	0.13587	0.16605	0.14343	0.18984	0.22842	0.19507
Eagan	0.28186	0.26704	0.25232	0.25892	0.26886	0.30408	0.33675	0.34553	0.38272	0.3825
Farmington	0.43767	0.42770	0.41883	0.43821	0.44186	0.49274	0.55733	0.63093	0.66821	0.65876
Hampton	0.22029	0.20224	0.24064	0.22742	0.24038	0.32859	0.34774	0.48625	0.47055	0.44221
Hastings	0.50515	0.50010	0.49235	0.49475	0.49732	0.52677	0.55195	0.66083	0.68547	0.66246
Inver Grove Heights	0.37347	0.35546	0.36514	0.37403	0.37878	0.41757	0.43169	0.44883	0.46312	0.46128
Lakeville	0.31326	0.31610	0.31583	0.34195	0.33973	0.36624	0.38250	0.39051	0.41234	0.40696
Lilydale	0.29238	0.36721	0.41386	0.41239	0.44291	0.47297	0.31115	0.35128	0.35556	0.3457
Mendota	0.49717	0.38234	0.42969	0.37178	0.35265	0.38429	0.45860	0.46652	0.47239	0.46518
Mendota Heights	0.26898	0.28027	0.27633	0.24142	0.26165	0.28061	0.29758	0.32057	0.34479	0.34737
Miesville	0.26831	0.24494	0.21512	0.23654	0.23116	0.24904	0.27223	0.33151	0.34670	0.32952
New Trier	0.26535	0.28778	0.24418	0.32119	0.36932	0.44344	0.47895	0.54663	0.56659	0.61658
Northfield	0.37004	0.34227	0.35691	0.36648	0.38536	0.40370	0.43889	0.50947	0.61901	0.59785
Randolph	0.09358	0.11127	0.11643	0.12512	0.15832	0.17773	0.25048	0.30476	0.32743	0.36865
Rosemount	0.46041	0.43755	0.42521	0.42440	0.42323	0.43358	0.44661	0.46994	0.48862	0.47676
South St. Paul	0.36913	0.34999	0.34143	0.36142	0.38532	0.41428	0.48374	0.56466	0.63280	0.60901
Sunfish Lake	0.18259	0.16817	0.18090	0.17847	0.18967	0.18625	0.20671	0.23677	0.27800	0.26775
Vermillion	0.44767	0.40697	0.32507	0.32429	0.37706	0.38845	0.40864	0.48251	0.51193	0.47656
West St. Paul	0.42289	0.42671	0.42082	0.43706	0.44608	0.50873	0.56078	0.62205	0.69447	0.71249

Unaudited

Dakota County, Minnesota

DIRECT AND OVERLAPPING GOVERNMENTS TAX CAPACITY RATES LAST TEN YEARS

<u>Governments</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
<u>TOWNSHIPS</u>										
Castle Rock	0.15468	0.12776	0.11738	0.11215	0.11484	0.12109	0.13187	0.14779	0.15622	0.1431
Douglas	0.22325	0.18861	0.20097	0.18389	0.18500	0.17439	0.15358	0.20791	0.22376	0.18733
Empire	0.29553	0.24473	0.28244	0.25452	0.26113	0.27764	0.27953	0.30845	0.31746	0.31164
Eureka	0.18655	0.16951	0.18163	0.17001	0.16854	0.17262	0.16951	0.18544	0.16861	0.15362
Greenvale	0.13007	0.13739	0.13014	0.13433	0.14124	0.11828	0.12597	0.12507	0.19220	0.17982
Hampton	0.09895	0.09222	0.10796	0.13156	0.13187	0.12496	0.17815	0.18002	0.17613	0.15415
Marshan	0.18137	0.17730	0.18121	0.17902	0.17435	0.13143	0.13837	0.16292	0.14877	0.13995
Nininger	0.11492	0.10185	0.08972	0.11577	0.12550	0.13430	0.14261	0.15208	0.15121	0.16384
Randolph	0.07425	0.06682	0.05783	0.04988	0.05437	0.05304	0.05576	0.06626	0.07444	0.08004
Ravenna	0.16812	0.14355	0.14268	0.10474	0.13014	0.13610	0.13756	0.15104	0.17773	0.20128
Sciota	0.10836	0.14939	0.19194	0.17116	0.16661	0.15830	0.17164	0.17412	0.17239	0.15021
Vermillion	0.14339	0.12468	0.11052	0.17820	0.17147	0.16629	0.17605	0.18664	0.19555	0.17466
Waterford	0.09692	0.08685	0.08155	0.07109	0.09209	0.09456	0.11311	0.13769	0.13640	0.13493
<u>SCHOOL DISTRICTS</u>										
6	0.26194	0.25900	0.23765	0.27640	0.26907	0.26807	0.30681	0.32306	0.35478	0.44522
191	0.17729	0.18315	0.18185	0.19374	0.19842	0.20668	0.21854	0.21881	0.26168	0.25661
192	0.36540	0.43708	0.44190	0.45831	0.49238	0.53452	0.52157	0.55308	0.57226	0.56326
194	0.25411	0.25670	0.25252	0.26272	0.27062	0.27714	0.32138	0.32061	0.33535	0.33048
195	0.22065	0.22632	0.22492	0.19031	0.20022	0.18547	0.20126	0.20823	0.19114	0.18001
196	0.26251	0.27554	0.23607	0.21136	0.21109	0.25391	0.26959	0.28440	0.27956	0.27606
197	0.21878	0.21428	0.19838	0.18914	0.18051	0.18850	0.19692	0.21857	0.24429	0.23863
199	0.07793	0.17796	0.16607	0.19764	0.19303	0.21795	0.24679	0.28363	0.27556	0.33418
200	0.22126	0.18683	0.18157	0.16676	0.16735	0.20206	0.22140	0.25435	0.23932	0.23052
252	0.16143	0.16555	0.13827	0.20580	0.17642	0.18868	0.20850	0.22379	0.24555	0.23940
659	0.32590	0.32272	0.31463	0.29579	0.28549	0.30528	0.34380	0.34166	0.38435	0.36410
<u>SPECIAL DISTRICTS</u>										
Watershed M	0.00358	0.00296	0.00290	0.00448	0.00911	0.00531	0.00266	0.00440	0.00642	0.00748
Watershed V	0.00309	0.00640	0.00608	0.00603	0.00588	0.00566	0.00555	0.00541	0.00543	0.00545
Transit District	0.01464	0.01476	0.01253	0.01247	0.01223	0.01166	0.01215	0.01375	0.01458	0.01377
Transit District Lakeville	---	---	---	---	0.00608	---	---	---	---	---
Mosquito Control	0.00545	0.00483	0.00483	0.00490	0.00474	0.00481	0.00493	0.00553	0.00573	0.00548
Metro Council	0.01010	0.00834	0.00847	0.00817	0.00792	0.00826	0.00829	0.00968	0.01223	0.01015
Dakota County CDA	0.01637	0.01615	0.01635	0.01622	0.01594	0.01692	0.01718	0.01724	0.01664	0.01650
Burnsville EDA	0.00155	0.00397	0.00615	0.00565	0.00566	0.00607	0.00722	0.00806	0.00906	0.00889
Hastings HRA	0.01207	0.01216	0.01183	0.01169	0.01141	0.01510	0.01487	0.01640	0.01428	0.01613
Northfield EDA	---	0.01616	0.01646	0.01560	0.01539	0.01651	0.01761	0.01728	0.01801	0.01716
Northfield HRA	0.01295	0.01226	0.01307	0.01268	0.01251	0.01431	0.01528	0.01844	0.01838	0.01751
South St Paul HRA	0.01015	0.01294	0.01268	0.01267	0.01686	0.01463	0.01518	0.01618	0.01351	0.01450
Light Transit Rail	0.00251	0.00208	0.00198	0.00217	0.00245	0.00256	0.00389	0.00401	0.00432	0.00403

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>2005 Tax Capacity Value</u>	<u>% of Total County Tax Capacity</u>	<u>Name</u>	<u>Type of Business</u>	<u>2014 Tax Capacity Value</u>	<u>% of Total County Tax Capacity</u>
Northern States Power Co	Electric Utility	\$ 5,326,922	1.2 %	Northern States Power Co	Electric Utility	\$ 7,063,259	1.6 %
Burnsville Minnesota LLC	Burnsville Center	1,889,250	0.4	Flint Hills Resources Pine Bend LLC	Refinery	3,360,312	0.8
Dakota Electric Assn	Electric Utility	1,734,814	0.4	Burnsville Center Spe LP	Burnsville Center	2,079,250	0.5
West Publishing Co	Book Publishing	1,567,542	0.4	Dakota Electric Assn.	Electric Utility	1,621,092	0.4
Great Northern Oil Co	Refinery	1,266,910	0.3	West Publishing Co.	Book Publishing	1,463,533	0.3
Haight, Stephen E & Roberta	Property Management	606,250	0.1	Northern Natural Gas Co.	Natural Gas Utility	1,354,432	0.3
Koch Refining Co	Refinery	775,542	0.2	Health Landlord (MN) LLC	Commercial	1,198,446	0.3
BCBSM Inc	Health Care	823,718	0.2	Minnegasco Inc.	Natural Gas Utility	1,153,554	0.3
Minnegasco Inc	Natural Gas Utility	886,067	0.2	Eagan Promenade Inc	Health Care	780,284	0.2
IRET Properties	Investment Real Estate	677,271	0.2	Wal-Mart Real Estate Business Trust	Retail	716,226	0.2
Total		<u>\$ 15,554,286</u>	<u>3.6 %</u>	Total		<u>\$ 20,790,388</u>	<u>4.9 %</u>

Source: Dakota County Property Taxation and Records Department

Dakota County, Minnesota
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN YEARS

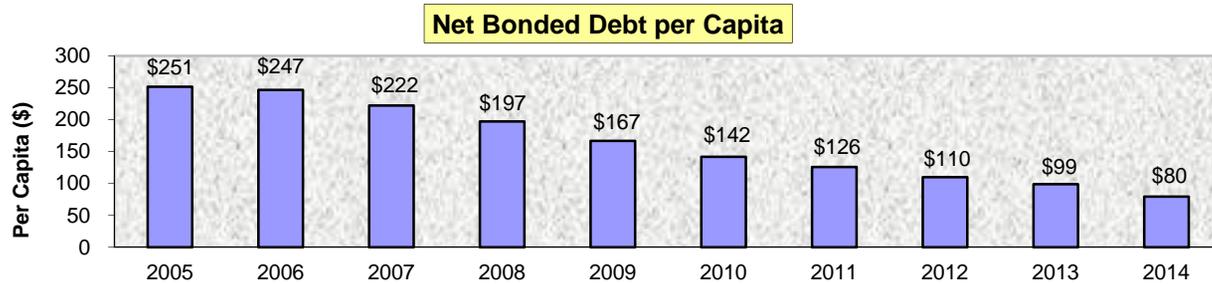
Fiscal Year	Total Tax Levy	Current Collections		Delinquent Collections	Total Collections	% of Current Levy	Outstanding Delinquent Taxes	Total Delinquent Taxes as a % of Current Levy
		Amount	% of Levy					
2005	\$ 107,794,839	\$ 106,745,857	99.0	\$ 922,621	\$ 107,668,478	99.9	\$ 1,053,565	1.0
2006	112,427,346	111,040,475	98.8	1,118,912	112,159,387	99.8	1,412,980	1.3
2007	117,897,237	116,273,805	98.6	1,444,306	117,718,111	99.8	1,660,437	1.4
2008	123,561,877	121,561,943	98.4	1,486,006	123,047,949	99.6	2,064,492	1.7
2009	128,375,073	126,149,491	98.3	1,955,030	128,104,521	99.8	2,347,957	1.8
2010	128,379,149	121,255,472	94.5	1,984,095	123,239,567	96.0	2,587,586	2.0
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

*Includes tax adjustments, tax credits and Fiscal Disparity adjustments
Source: Dakota County Property Taxation and Records Department

Dakota County, Minnesota

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

Fiscal Year Assessed	Population	Assessed Value	Gross Bonded Debt	Less Debt Service Funds	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita	Percentage of Personal Income
2005	381,027	\$ 433,008,299	\$ 101,840,359	\$ 6,071,069	\$ 95,769,290	22.12	251	0.60%
2006	385,076	477,431,817	101,775,164	6,783,501	94,991,663	19.90	247	0.57%
2007	389,418	501,670,371	125,522,836	39,109,079	86,413,757	17.23	222	0.49%
2008	393,528	506,462,333	111,156,574	33,675,182	77,481,392	15.30	197	0.42%
2009	390,478	481,924,289	98,293,352	33,266,623	65,026,729	13.49	167	0.37%
2010	397,650	450,414,890	89,367,241	33,044,992	56,322,249	12.50	142	0.31%
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	46,275,369	5,838,954	40,436,415	9.84	99	0.20%
2014	412,529	443,661,858	33,660,684	832,407	32,828,277	7.40	80	N/A



Dakota County, Minnesota

COMPUTATION OF DIRECT, UNDERLYING AND OVERLAPPING BONDED DEBT GENERAL OBLIGATION BONDS DECEMBER 31, 2014

<u>Government Unit</u>	<u>Gross GO Debt Outstanding¹</u>	<u>Applicable to Dakota County</u>	
		<u>Percent²</u>	<u>Amount</u>
<u>Direct:</u>			
Dakota County	\$ 33,575,000	100.0 %	\$ 33,575,000
<u>Underlying:</u>			
Dakota County CDA	\$ 253,888,363	100.0 %	\$ 253,888,363
City of Apple Valley	45,850,000	100.0	45,850,000
City of Burnsville	58,130,000	100.0	58,130,000
City of Eagan	23,510,000	100.0	23,510,000
City of Farmington	30,935,696	100.0	30,935,696
City of Hampton	2,064,000	100.0	2,064,000
City of Hastings	27,645,000	99.9	27,617,355
Hastings EDA	2,505,000	100.0	2,505,000
City of Inver Grove Hts	40,340,000	100.0	40,340,000
City of Lakeville	113,430,000	100.0	113,430,000
City of Lilydale	2,578,000	100.0	2,578,000
City of Mendota Heights	15,975,000	100.0	15,975,000
City of Northfield	40,997,364	7.9	3,238,792
City of Rosemount	17,515,000	100.0	17,515,000
City of South St. Paul	20,410,000	100.0	20,410,000
City of Sunfish Lake	549,000	100.0	549,000
City of Vermillion	200,000	100.0	200,000
City of West St. Paul	38,185,000	100.0	38,185,000
Empire Township	880,000	100.0	880,000
Randolph Township	250,000	100.0	250,000
Ravenna Township	176,165	100.0	176,165
Special S.D. #6 (South St Paul)	38,585,000	100.0	38,585,000
Ind. S.D. #191 (Burnsville)	103,355,000	75.8	78,343,090
Ind. S.D. #192 (Farmington)	277,935,199	100.0	277,935,199
Ind. S.D. #194 (Lakeville)	155,085,000	80.0	124,068,000
Ind. S.D. #195 (Randolph)	6,185,000	88.2	5,455,170
Ind. S.D. #196 (Rosemount)	97,380,000	100.0	97,380,000
Ind. S.D. #197 (W. St. Paul)	12,540,000	100.0	12,540,000
Ind. S.D. #199 (Inver Grove Hts.)	93,460,000	100.0	93,460,000
Ind. S.D. #200 (Hastings)	61,780,000	87.2	53,872,160
Ind. S.D. #252 (Cannon Falls)	18,210,000	4.9	892,290
Ind. S.D. #659 (Northfield)	44,465,000	14.8	6,580,820
Total underlying debt	\$ 1,644,993,787		\$ 1,487,339,100
<u>Overlapping:</u>			
Metropolitan Council (Pks & Solid Waste)	\$ 12,470,000 ³	13.4 %	\$ 1,670,980
Metropolitan Transit Commission	1,274,019,257	13.4	170,718,580
Total overlapping debt	\$ 1,286,489,257		\$ 172,389,560
Total debt	\$ 2,965,058,044		\$ 1,693,303,660

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 \$394,105,000 of general obligation sanitary sewer bonds and loans which are supported by system revenues.

Dakota County, Minnesota

**Legal Debt Margin
Last Ten Fiscal Years**

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Estimated Market Value	\$ 37,833,571,100	\$ 41,486,662,700	\$ 43,373,927,900	\$ 43,416,860,100	\$ 41,006,321,300	\$ 38,259,730,000	\$ 35,311,186,696	\$ 33,469,297,136	\$ 34,555,160,677	\$ 37,715,415,325
Legal Debt Margin										
Debt Limit (3% of assessed value)*	756,671,422	829,733,254	867,478,558	1,302,505,803	1,230,189,639	1,147,791,900	1,059,335,601	1,004,078,914	1,036,654,820	1,131,462,460
Debt Applicable to limit:										
General Obligation Bonds	100,595,000	100,710,000	124,580,000	110,425,000	97,775,000	89,060,000	57,880,000	52,255,000	46,275,369	33,660,684
Less: amount reserved for repayment of general obligation debt	(6,098,546)	(6,783,501)	(39,109,079)	(33,675,182)	(33,266,623)	(25,845,390)	(7,865,698)	(7,873,365)	(5,838,954)	(832,407)
Total Debt Applicable to Limit	94,496,454	93,926,499	85,470,921	76,749,818	64,508,377	63,214,610	50,014,302	44,381,635	40,436,415	32,828,277
Legal Debt Margin	\$ 662,174,968	\$ 735,806,755	\$ 782,007,637	\$ 1,225,755,985	\$ 1,165,681,262	\$ 1,084,577,290	\$ 1,009,321,299	\$ 959,697,279	\$ 996,218,405	\$ 1,098,634,183
Total debt applicable to the limit as a percent of debt limit	12.5%	11.3%	9.9%	5.9%	5.2%	5.5%	4.7%	4.4%	3.9%	3.0%

*Debt Limit was 2% of assessed value for years 2005 - 2007.

Minn. Stat. Section 475.53, subd. 1 states that except as otherwise provided in Minn. Stat. Sections 475.51 to 475.74, no municipality 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

<u>Fiscal Year</u>	<u>Population¹</u>	<u>Personal Income¹</u>	<u>Per Capita Income¹</u>	<u>Median Age²</u>	<u>School Enrollment K through 12³</u>	<u>Annual Average Unemployment Rate⁴</u>
2005	381,027	\$ 15,915,188,000	\$ 41,706	35.2	74,033	3.7
2006	385,076	16,627,273,000	43,095	35.7	74,382	3.6
2007	389,418	17,541,174,000	45,045	35.9	73,342	4.1
2008	393,528	18,242,899,000	46,357	36.1	73,324	4.9
2009	390,478	17,594,416,000	44,374	36.2	73,033	7.3
2010	397,650	17,970,760,000	45,192	36.7	73,792	7.0
2011	400,480	18,612,486,000	46,475	37.2	73,193	6.1
2012	405,088	20,192,381,000	49,847	37.5	73,222	5.2
2013	408,509	20,706,256,000	50,687	37.4	72,263	4.5
2014	412,529	NA	NA	NA	74,448	3.7

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 & Charter school enrollment (does not include Private school enrollment numbers)

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

Dakota County, Minnesota

PRINCIPAL EMPLOYERS CURRENT YEAR AND NINE YEARS AGO

<u>Employer</u>	2005 <u>Employees</u>	Percentage of Total County <u>Employment</u>	<u>Employer</u>	2014 <u>Employees</u>	Percentage of Total County <u>Employment</u>
West Group	5,700	2.50%	Thomson West	7,000	3.02%
Independent School District 196	4,000	1.75%	Independent School District 196	4,000	1.73%
Burnsville Center	3,100	1.36%	Blue Cross-Blue Shield of MN	3,120	1.35%
Northwest Airlines	2,400	1.05%	Burnsville Center	3,000	1.29%
Blue Cross-Blue Shield	2,200	0.97%	Prime Therapeutics	2,700	1.17%
Dakota County	1,722	0.76%	Dakota County	1,776	0.77%
Fairview Ridges Hospital	1,700	0.75%	Independent School District 191	1,500	0.65%
Independent School District 191	1,500	0.66%	Sun Country Airlines	1,500	0.65%
Lockheed Martin	1,450	0.64%	Fairview Ridges Hospital	1,500	0.65%
US Postal Service	1,300	0.57%	UTC Aerospace	1,500	0.65%
Total County Employment	227,941	11.01%	Total County Employment	231,677	11.93%

Source: Department of Employment and Economic Development

Dakota County, Minnesota

COUNTY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM LAST TEN FISCAL YEARS

<u>Function/program</u>	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
County Wide										
County Wide	2.0	-	-	-	0.5	-	4.0	3.0	3.0	2.0
Public Service										
Public Service	10.4	10.1	10.1	10.1	10.3	10.3	9.3	10.3	10.3	9.3
Assessor	37.0	37.0	37.0	38.0	38.0	36.0	36.0	35.0	35.0	35.0
Property Records	22.3	23.3	23.3	-	-	-	-	0.0	0.0	44.6
Treasurer-Auditor	27.7	28.1	28.1	51.4	50.7	48.1	-	43.6	43.6	0.0
Service & Licensing	19.3	19.3	19.3	23.3	23.8	22.8	22.8	23.8	23.8	23.8
Library	142.6	148.9	148.9	158.9	158.9	150.9	143.4	135.9	135.9	135.9
Operations Management										
Risk Management								5.7	5.7	5.7
Information Technology	56.3	59.3	59.3	62.3	61.3	58.3	55.8	51.8	58.8	64.0
Financial Services	31.5	30.5	30.3	29.3	30.2	29.0	29.0	33.5	33.5	34.2
OMB Division Administration	3.0	6.0	8.0	9.0	11.0	4.0	2.0	0.0	0.0	0.0
Planning, Evaluation	6.0	6.0	6.5	6.5	13.8	13.8	12.0	12.0	12.0	8.0
CJIN	-	-	-	-	-	5.0	6.0	6.0	6.0	6.0
Administration										
County Administration	8.5	8.0	11.0	8.0	8.0	7.5	8.0	10.0	10.0	10.0
County Board	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0
County Communications	-	-	-	8.0	8.0	7.6	7.1	6.1	6.1	6.4
Employee Relations	20.7	21.2	21.2	21.2	21.2	20.7	19.1	19.1	19.1	19.1
Community Services										
Community Services Administration	18.0	18.0	18.0	17.0	13.0	13.0	12.0	14.0	15.0	15.0
Social Services	269.6	263.7	264.5	276.5	285.5	279.5	268.0	297.5	298.5	299.2
Employment & Economic Assistance	243.7	244.7	243.7	248.7	250.7	252.7	243.0	245.5	244.6	255.5
Public Health	122.9	126.8	134.0	145.9	146.3	144.8	142.7	95.2	94.3	90.7
Veterans Services	7.0	7.0	7.0	8.0	8.0	8.0	6.0	6.0	6.0	6.0
Community Corrections	168.5	175.3	177.3	179.0	180.6	174.6	168.6	169.7	171.2	169.3
Extension	-	-	-	-	-	-	-	-	-	-
Public Safety										
Sheriff	170.7	180.2	169.3	175.3	176.3	173.3	171.3	171.3	171.3	172.7
County Attorney										
County Attorney	80.2	82.7	83.7	85.1	85.1	82.5	84.0	84.0	84.0	86.0
Courts										
District Court	-	-	-	-	-	-	-	-	-	-
Physical Development										
Office of GIS	8.0	10.0	10.0	10.0	8.0	8.0	7.0	7.0	0.0	0.0
Physical Development	15.8	18.0	24.6	22.4	20.9	16.9	16.9	20.5	20.5	25.8
Transportation	85.0	86.7	87.7	83.5	82.7	83.7	81.4	82.4	82.4	87.4
Operations Management	45.1	46.7	48.2	63.0	64.1	61.0	60.7	46.5	46.5	43.5
Parks	43.5	45.0	47.8	48.2	50.8	48.3	46.0	44.3	45.3	43.5
Water Resources	-	-	13.3	17.2	16.9	17.6	16.0	16.0	-	-
Physical Development Planning	11.8	10.8	-	-	-	-	-	-	-	-
Environmental	28.9	29.0	21.5	16.5	16.5	13.4	13.4	14.7	30.7	31.5
Survey	9.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0
Total	1,722.0	1,757.3	1,768.6	1,837.3	1,856.1	1,806.3	1,706.5	1,725.2	1,728.0	1,745.1

Source: Dakota County Departmental documents

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Government										
Property Documents Recorded	138,479	113,202	107,507	90,531	95,015	92,340	88,904	98,546	98,215	73,232
Employment Applications	7,718	15,558	14,160	10,699	6,526	6,565	14,080	15,035	15,392	16,129
County Veterans Population	30,987	31,000	30,500	29,974	29,854	29,671	29,481	27,617	27,067	N/A
New Adult Criminal Court Cases	4,821	4,815	4,836	3,970	3,773	3,660	3,712	3,799	3,664	3,812
Juvenile Delinquency Referrals	3,927	4,095	3,848	3,315	3,164	2,612	2,497	2,377	2,013	1,891
Commitment Referrals	237	246	277	258	254	218	188	243	249	250
Plat Reviews	261	202	157	84	54	37	55	51	62	83
Public Safety										
Probation Offenders Served	18,219	19,858	20,327	20,576	22,405	19,649	18,665	11,902	11,503	10,903
Community Restoration Hours Served	92,984	98,961	105,592	97,809	96,967	86,518	72,316	85,762	66,676	60,606
Driving While Impaired Arrests	282	307	269	249	247	215	162	209	144	127
Applications for Permit to Carry Handguns	566	741	756	1,541	1,263	1,323	1,701	2,765	4,394	2,868
Daily Inmate Responsibility Average	301	308	334	291	239	263	254	247	211	229
Highways and Streets										
Fuel Used (Diesel and Unleaded)	123,601	105,096	120,086	136,865	120,602	132,317	121,207	92,342	117,978	127,653
Sanitation										
Pounds of Household Hazardous Waste Collected	1,484,000	1,525,000	2,150,000	3,017,291	2,032,791	3,393,183	3,412,859	3,569,518	3,726,818	4,196,000
Human Services										
Intake and Crisis Calls	42,956	44,800	45,687	44,410	41,326	36,911	34,034	40,470	44,903	47,730
Average Monthly # of Children in Out-of-Home Placement	220	230	213	188	139	122	102	121	110	103
Chemical Health Assessments Completed	1,172	1,260	1,304	1,535	1,858	1,103	988	847	787	779
Public Assistance Caseload	13,593	14,513	15,000	16,075	17,850	19,635	21,173	21,979	22,700	25,819
Child Support Collections	\$46,592,308	\$47,584,658	\$47,890,683	\$49,497,925	48,324,209	47,243,560	47,385,912	47,316,219	46,646,864	45,957,834
Average # Families served - Child Care Assistance Programs	1,763	1,878	1,900	1,121	1,273	1,310	1,285	1,264	1,230	1,202
Health										
Family Health Referrals	765	863	812	1,011	842	618	693	651	582	857
WIC Clients	11,146	11,988	12,366	12,730	12,752	12,256	10,560	11,098	10,567	11,651
Long Term Care Clients on Medicaid Waiver	2,013	2,160	2,247	2,431	2,782	2,970	2,872	3,151	3,009	3,097
Number of Confirmed Tuberculosis Cases	29	31	27	21	23	15	14	16	25	33
Health Alerts Issued	27	19	30	24	68	27	18	35	24	21
Vaccinations Administered	3,693	2,745	3,630	3,596	4,895	4,952	4,585	3,236	3,045	2,812
Culture and Recreation										
Visitors to Library (Gate Counts)	1,665,874	1,918,538	1,809,828	1,942,459	2,193,975	2,114,952	2,074,789	1,930,725	2,057,720	2,057,720
Master Gardener Education Events	30	87	99	114	104	100	-	-	-	-
Economic Development										
Employment and Training Caseload	3,875	3,660	4,199	4,959	6,566	5,700	5,275	5,544	4,907	4,639
Number of Adults Program Participants Placed in Employment	920	1,025	1,084	1,300	1,201	1,035	1,429	1,167	1,445	1,444

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

Dakota County, Minnesota

CAPITAL ASSET AND INFRASTRUCTURE STATISTICS BY FUNCTION/PROGRAM

<u>Function/Program</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
General Government										
Government Centers	3	3	3	3	3	3	3	3	3	3
Public Safety										
Justice Center	1	1	1	1	1	1	1	1	1	1
Patrol Units ¹	85	72	74	84	95	105	105	105	105	31
Bituminous (miles)	352.7	354.7	353.2	352.8	350.1	356.2	356.2	356.2	359.7	359.7
Concrete (miles)	1.8	1.8	1.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8
Gravel (miles)	72.4	70.4	70.4	67.9	67.5	65	65	61.5	56.5	56.5
Bridges	27	27	29	29	32	34	34	34	34	34
Traffic signals	111	113	132	133	134	134	134	134	134	134
Culverts	51	51	51	51	47	47	47	47	48	48
Highway Shops	4	4	3	3	3	2	2	2	2	2
Culture & Recreation										
Acreage	4698	4698	4698	5200	5900	5320	5044	5322	5382	5539
County Parks	1	1	1	1	1	1	1	1	1	1
Regional parks & trails	5	5	5	5	6	8	8	8	8	8
Libraries	8	8	8	8	9	9	9	9	9	9

Data Sources: Various county departments

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

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