

# DAKOTA COUNTY

MINNESOTA

# 2017

FOR FISCAL YEAR ENDED DECEMBER 31, 2017



## 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, 2017**



**Prepared by the Financial Services Department**

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# Introductory Section

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June 29, 2018

**Financial Services**

Dakota County  
Administration Center  
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Hastings, MN 55033

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

SUBJECT: ***2017 COMPREHENSIVE ANNUAL FINANCIAL REPORT***

The Comprehensive Annual Financial Report (CAFR) of Dakota County is submitted for the fiscal year ended December 31, 2017. 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 statutes require an annual audit of the books of account, financial records and transactions of the County. The CPA firm of CliftonLarsonAllen LLP, was chosen through a RFP process to conduct the County's audit for 2017. In addition to meeting the requirements in state statutes, the audit also was designed to meet the requirements of the federal Single Audit Act Amendments of 1996 and related Uniform Guidance. These requirements have been complied with, and the independent auditors' report has been included in this report.

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

**Single Audit**

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

The Single Audit Act Amendments of 1996 and Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* sets the audit requirements for state and local governments receiving federal assistance. They require a single independent audit of the financial operations, including compliance with certain provisions of federal laws and regulations. The requirements have been established to ensure that audits are made on an organizational wide basis rather than a grant-by-grant basis. Applicable federal grants are identified in the Schedule of Expenditures of Federal Awards.

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

### **Internal Controls**

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

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

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

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

### **Profile of the Government**

Dakota County was organized in 1849 as a county in the State of Minnesota. It has an area of 587 square miles, including 13 townships and 21 full and fractional incorporated municipalities. The 2017 population was 421,751 making it the third most populous county in the State. It is one of seven counties comprising the Twin Cities metropolitan area. The county seat, Hastings, is located on the Mississippi River 18 miles southeast of the state capital, St. Paul.

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

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

Component units were evaluated to determine whether they should be reported in the County's financial report. A component unit was considered part of the County's reporting entity in instances where the County was financially accountable for the entity or where the relationship between the County and the entity was such that exclusion would cause the County's financial statements to be misleading or incomplete.

Dakota County has one blended component unit, the Dakota County Regional Rail Authority (Authority). The Authority was created pursuant to Minnesota Statutes. The Dakota County Board of Commissioners appoints the Authority's seven-member board.

The Dakota County Community Development Agency (Agency) is a discretely presented component unit. The Agency was established in 1971 pursuant to special Minnesota legislation. The Dakota County Board of Commissioners also appoints its seven-member board.

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

### **Budgetary Controls**

The annual budget serves as the foundation for the Dakota County Government financial planning and control. The County budgets at a more detailed level than required by Minnesota law or for federal programs. Divisions and departments develop their budget requests to cover their clients' needs. The divisions and departments submit their budget requests to the County Manager, who in turn, presents a budget to the County Board. The County Board makes final adjustments to the budgets, which are then adopted and available for use on January 1 each year.

Division and department managers are held responsible for their budget performance. Authority for County staff to spend and amend the budget is identified in the Budget Compliance Policy, 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 adjust spending below the "Budget Accountability Points" to help achieve their desired outcomes. The Budget Compliance Policy provides managers the ability to respond efficiently and effectively to changes..

### **Fiscal Policies**

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

## **Factors Affecting Financial Condition**

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

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

- Dakota County's population increased from 2000 to 2017 by 19.9%, adding more than 70,000 people. According to Census estimates, 2008 was the first year since 1977 that Dakota County's population growth slowed to 1% or less, which continued each year through 2017. Between 2020 and 2040, regional growth is projected to continue at an average rate of just under 1% per year. The total population in the seven-county metropolitan region is anticipated to increase by 18.3% between 2020 and 2040, to more than 3.7 million residents. The Metropolitan Council projects the County will attain a population of about 515,000 people by the year 2040, an increase of close to 95,000 people.
- According to the Minnesota Department of Employment and Economic Development (DEED) there were 9,835 private sector firms and 189,281 private sector employees in Dakota County. The largest employing industry sectors in the County are trade, transportation, & utilities (49,349), education and health services (38,927), retail trade (24,332), manufacturing (19,600), and leisure and hospitality (18,653).
- Dakota County maintains one of the lowest per capita property tax rates in the State of Minnesota. This means that for each unit of value for a property, property owners in Dakota County pay the least amount. The price of government in Dakota County (taxes versus personal income) has declined over the last ten years.

**Key Economic Indicators**

Dakota County’s unemployment rate of 3.1% continues to maintain a lower average unemployment rate than the State of Minnesota’s rate of 3.5% and the U.S. rate of 4.4%.

<u>Economic Indicators</u>	<u>Amount</u>	<u>Annual Percentage Change</u>
Unemployment Rate (2017)	3.1%	-0.30%
Number of Households (2016)	164,740	.67%
Population (2017)	421,751	0.66%

*Sources: MN Department of Employment & Economic Development and American Community Survey*

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

	Dakota County		Distribution		% Change 2016-2017	
	Avg. Number of Employees		Dakota	State of	County	State
	<u>2016</u>	<u>2017</u>	<u>County</u>	<u>Minnesota</u>		
Total, All Industries	189,139	189,281	100.0%	100.0%	0.1%	1.1%
Agricultural, Forestry, Fishing	727	775	0.4%	0.8%	6.2%	2.3%
Mining	189	197	0.1%	0.2%	4.1%	4.5%
Construction	10,307	9,958	5.3%	4.5%	-3.5%	3.1%
Manufacturing	19,717	19,600	11.5%	11.1%	-0.6%	1.0%
Utilities	516	532	0.3%	0.5%	3.0%	-0.1%
Wholesale Trade	9,929	9,786	5.2%	4.6%	-1.5%	0.9%
Retail Trade	24,765	24,332	12.9%	10.5%	-1.8%	-0.2%
Information	6,853	6,408	3.4%	1.9%	-6.9%	-0.8%
Finance, Insurance & Real Estate	14,714	15,017	7.9%	6.1%	2.0%	1.1%
Services	55,701	56,994	30.1%	38.7%	2.3%	1.3%
Other	25,662	30,978	16.4%	22.3%	17.2%	0.9%
Total, All Industries -- Government	21,048	22,965	12.1%	13.8%	8.3%	1.5%
Total, All Industries -- Private	165,765	166,315	87.9%	86.2%	0.3%	1.1%

*Source: MN Department of Employment & Economic Development*

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

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

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Residential	\$202,165	\$321,838	\$334,521	\$324,200	\$377,812
Commercial	41,064	63,131	86,512	45,019	75,553
Industrial	12,546	7,716	36,908	14,401	27,277
Agricultural	2,392	1,564	2,847	2,529	1,637
Apartments	41,855	28,001	4,739	83,177	45,713
Total Value	<u>\$300,022</u>	<u>\$422,250</u>	<u>\$465,527</u>	<u>\$469,326</u>	<u>\$527,992</u>

*Source: Dakota County Assessor’s Office*

## Major Initiatives by Dakota County

Dakota County government 2017 highlights:

### *Technology that Connects the County to Residents*

- Implemented an online payment portal, improving our customer service for residents and visitors.
- Received the Digital County Award from the Center for Digital Government.
- Released an iPhone app, connecting residents to services.
- Launched Facebook, Twitter, and LinkedIn pages.

### *Library*

- Completed the first Library Strategic Plan that guides future content acquisition and programming to help ensure that our libraries are best serving our community.
- Began offering Sunday summer hours at Robert Trail, Wentworth, and Wescott Libraries.
- Expanded the iLab makerspace to other library locations, allowing people across the County to be able to unleash their creativity with a 3-D printer and other tools and materials.

### *Supporting Those in Need*

- Implemented a Birth to Age Eight pilot project in South St. Paul, Burnsville, and Inver Grove Heights/West St. Paul, Eagan/Mendota Heights schools to help kids read at grade-level by third grade.
- Established a temporary winter shelter to protect homeless from the cold; the program began in January 2017 and continued throughout the winter months.
- Launched a partnership between Corrections and Social Services to serve the mental health needs of minors at the Juvenile Services Center.

### *Parks and Natural Resources*

- Restored 834 acres of parkland and 86 acres of conservation areas.
- Constructed a new bridge and A-Frame at Lebanon Hills Regional Park.
- Welcomed more than 16,000 campers at Lebanon Hills and Lake Byllesby campgrounds (a 10 percent increase from last year).
- Implemented a Business Recycling Program.
- Completed the Natural Resources Management Systems Plan (and plan to restore 1,434 acres by 2022).
- Completed the Mississippi River Regional Trail Pine Bend Trailhead.
- Acquired a 108-acre conservation easement in Inver Grove Heights that will permanently protect the unique natural area around the Marcott Lakes.

### *Transportation and Transit*

- Dissolved the Counties Transit Improvement Board (CTIB) and implemented a replacement County sales tax with 100 percent of the proceeds going to meet our local transportation and transit needs.
- Dakota County Fleet was named the #1 Small Fleet in North America by Government Fleet Magazine and the American Public Works Association.
- Completed a major construction project at the intersection of Highway 52 and County 42 in Rosemount that significantly improves safety and ease of use.

### *County Facilities*

- Managed 52 building projects, including the Maintenance Facility Optimization Study (which helps determine how best to manage existing and planned County facilities).
- Completed a major remodel of the Judicial Center to increase security and improve ease of use.

### *Supporting our Staff*

- Selected a Learning Management System for better planning and tracking of employee training.
- Settled three-year agreements with 11 of 13 (85 percent) of our bargaining units prior to current contract expiration.
- Developed a new more cost-effective third medical plan option for employees.
- Implemented enhanced strategies to address attraction/retention challenges.

### *Public Safety*

- Joined with other entities in a lawsuit against opioid manufacturers for their part in rising rates of opioid addiction in the County.
- Conducted an Integrated Emergency Management Course at Camp Ripley in order to make us more prepared to respond in the event of a crisis.
- Hired a Mental Health Coordinator for the Jail to assist inmates with mental health challenges.
- Awarded a \$450,000 grant to investigate allegations of domestic violence committed via technology.
- The Sheriff's Office was honored as the agency of the year for performance by the Department of Public Safety's Office of Traffic Safety.
- The Sheriff's Office received federal designation and funding under the High Intensity Drug Trafficking Area program.
- Selected as one of 14 counties in the nation to attend the Data Driven Justice and Behavioral Health Design Institute in Rockville, Maryland

### *Financial Excellence*

- Had the lowest tax levy per capita in the state in 2017, and will in 2018 as well.
- Received a Certificate of Excellence in Financial Reporting and Distinguished Budget Award from the Government Finance Officers Association.
- Remained debt-free in 2017.

### *Other Accomplishments*

- Successfully advocated for County positions in the Legislature, including:
  - \$6 million in State bond funding for upgrades to our hydroelectric Byllesby Dam, which will make energy production more efficient and allow us to offset the taxpayer cost of maintaining the Dam's safety.
  - An increase in funding and stabilization of the formula for County Program Aid, state funding that offsets the cost of unfunded mandates.
- More than 2,000 volunteers donated nearly 30,000 hours of their time to the County, helping with vital projects and saving us hundreds of thousands of dollars.

## **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, 2017.

<b><u>Bargaining Unit</u></b>	<b><u>Term of Contract</u></b>	<b><u>Status of Contract</u></b>
AFSCME - Human Services	2016-2017	Settled
AFSCME - Library	2016-2017	Settled
Assessing Services	2016-2017	Settled
Attorney Employees' Assoc.	2016-2017	Settled
Community Corrections	2016-2017	Settled
Human Services Supervisors' Assoc.	2016-2017	Settled
Park Maintenance	2016-2017	Settled
Public Health Services/MNA	2016-2017	Settled
Public Health Support	2016-2017	Settled
Road & Bridge Maintenance	2016-2017	Settled
Sheriff Licensed Deputies	2016-2017	Settled
Sheriff Jail	2016-2017	Settled
Sheriff Supervisor	2016-2017	Settled
Sheriff Non-license Supervisor	2016-2017	Settled

## Awards and Acknowledgements

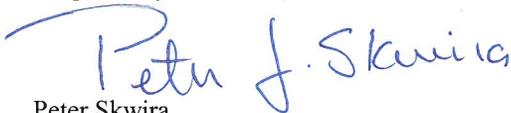
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Dakota County for its comprehensive annual financial report for the fiscal year ended December 31, 2016. This was the 28<sup>th</sup> consecutive 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. 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 2017. This is the 21<sup>st</sup> 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's Property Taxation and Records Department and Communications. 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,



Peter Skwira  
Director of Financial Services



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Dakota County**  
**Minnesota**

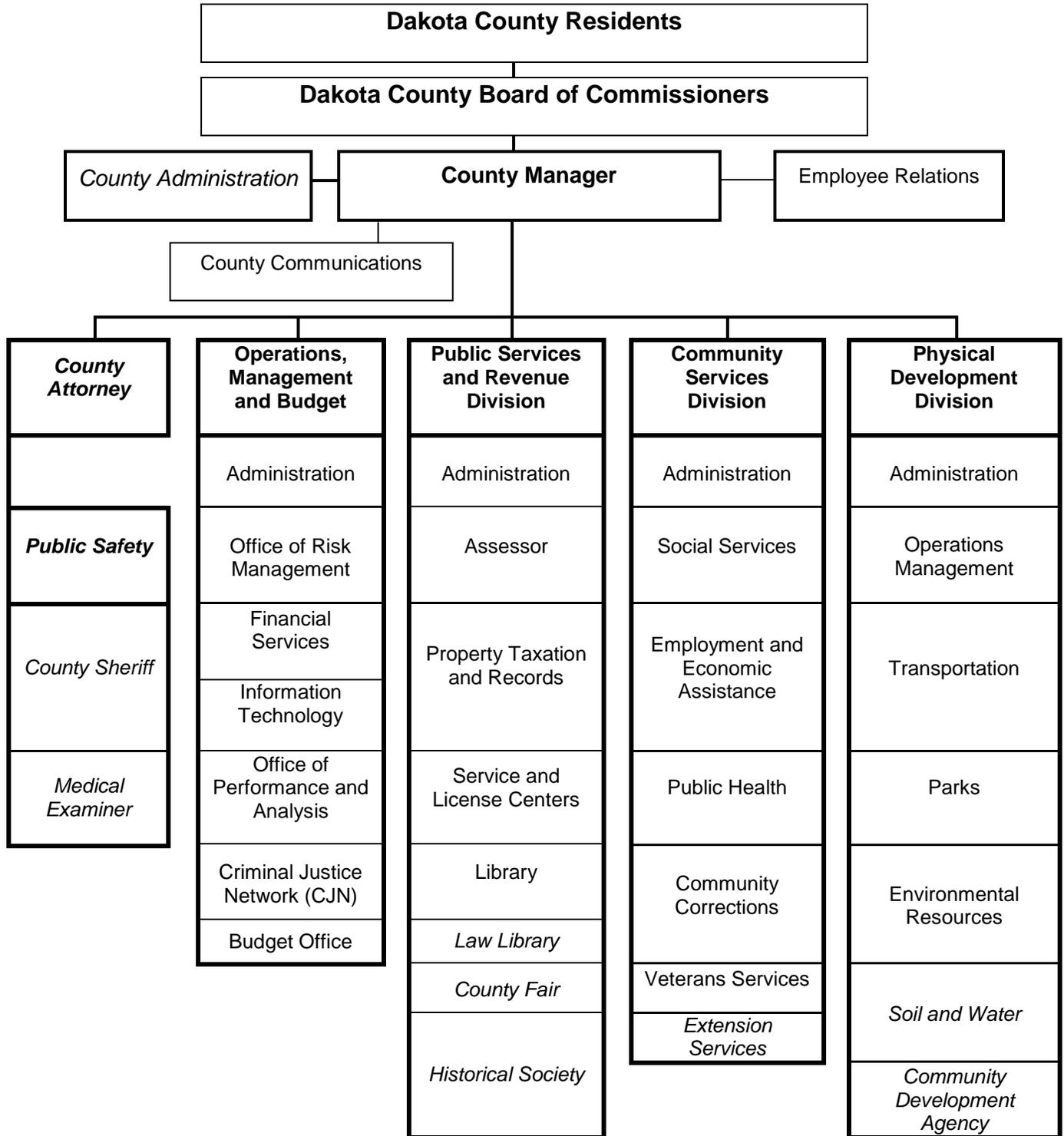
For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2016**

*Christopher P. Morill*

Executive Director/CEO

## 2017 Dakota County Organizational Structure



**Notes:**

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

# Dakota County MINNESOTA

## LIST OF ELECTED AND APPOINTED OFFICIALS

2017

<b>Officer</b>	<b>Name</b>	<b>From</b>	<b>Term To</b>
<b>Commissioners:</b>			
1 <sup>st</sup> District	*Mike Slavik	Jan. 2013	Dec. 2018
2 <sup>nd</sup> District	Kathleen A. Gaylord	Jan. 2003	Dec. 2018
3 <sup>rd</sup> District	Thomas A. Egan	Jan. 2005	Dec. 2020
4 <sup>th</sup> District	Joe Atkins	Jan. 2017	Dec. 2020
5 <sup>th</sup> District	Liz Workman	Jan. 2009	Dec. 2020
6 <sup>th</sup> District	Mary Liz Holberg	Jan. 2015	Dec. 2018
7 <sup>th</sup> District	Chris Gerlach	Jan. 2013	Dec. 2020
<b>Officers:</b>			
<b>Elected -</b>			
Attorney	James C. Backstrom	Sep. 1987	Dec. 2018
Sheriff	Timothy J. Leslie	Jan. 2015	Dec. 2018
<b>Appointed -</b>			
County Manager	Matthew G. Smith	May 2016	Indefinite
Deputy County Manager/Director of Operations, Mgmt. & Budget	Jean M. Erickson	August 2016	Indefinite
Director of Community Services	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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## INDEPENDENT AUDITORS' REPORT

Board of County Commissioners  
Dakota County  
Hastings, Minnesota

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Dakota County, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise Dakota County's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Dakota County Community Development Agency, which represents 99% of the assets, net position, and revenues of the discretely presented component units. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Dakota County Community Development Agency discretely presented component unit, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

### **Opinions**

In our opinion, based upon our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Dakota County as of December 31, 2017, and the respective changes in financial position and the budgetary comparisons for the general fund and highway fund, 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, schedule of funding progress – other postemployment benefit plan, schedule of proportionate share of net pension liability – GERS, PEPFF and PECF plans, and schedule of pension contributions – GERS, PEPFF and PECF plans, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Dakota County's basic financial statements. The supplementary information on pages 95 through 112, the introductory section on pages 1 through 10, and the statistical section on pages 121 through 141, 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 schedule of expenditures of federal awards on pages 113 through 118 is presented for purposes of additional analysis as required by U.S. Office of Management and Budget and Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and is also not a required part of the basic financial statements.

The supplementary information, the governmental revenue schedules, and the schedule of expenditures of federal awards 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 supplementary information and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Matters (Continued)**

*Other Information (Continued)*

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, 2018, on our consideration of Dakota County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of this report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.



**CliftonLarsonAllen LLP**

Minneapolis, Minnesota  
June 29, 2018

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# Dakota County, Minnesota | December 31, Management's Discussion and Analysis | 2017

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Dakota County offers readers this narrative overview and analysis of unaudited financial activities, which is required supplementary information, for the fiscal year ended December 31, 2017. We encourage readers to consider the information presented here in conjunction with additional information furnished in our letter of transmittal and the notes to the financial statements.

## Financial Highlights

- Dakota County's assets and deferred outflows exceeded liabilities and deferred inflows at the close of 12/31/17 by \$1,066,753,923 (*net position*). Of this amount, \$184,470,239 (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors.
- Dakota County's total net position improved by \$51,854,130 for the year ended December 31, 2017. This positive change is a combination of increases in grant receipts for highway projects and human services programs.
- As of the close of the 2017 fiscal year, Dakota County governmental funds' ending fund balance had an increase of \$40,128,757 from 2016. This increase is primarily due to additional federal and state aid for transportation and the receipt of the County's wind-down payment following the dissolution of the Counties Transit Improvement Board (CTIB). Approximately 90.1% or \$279,739,856 of the total fund balance is available for spending at Dakota County's discretion (committed, assigned, and unassigned fund balances).
- At the end of the current fiscal year, the committed, assigned and unassigned fund balance for the General Fund was \$182,687,142 or 82.6% of total General Fund expenditures.

## Overview of the Financial Statements

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

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

The *Statement of Net Position* presents information on all of Dakota County's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference between them (assets plus deferred outflows of resources less liabilities and deferred inflows of resources) reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of Dakota County is improving or deteriorating.

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

Both of the government-wide financial statements distinguish functions of Dakota County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their cost through user fees and charges (*business-type activities*). The governmental activities of Dakota County include general government, public safety, highways and streets, sanitation, human services, health, culture and recreation, conservation of natural resources, and economic development. The business-type activities of Dakota County include the Dakota County Geographic Information System (GIS), and the Byllesby Dam.

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

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Watershed Joint Power Organization (VRW), for which Dakota County is financially accountable (known as *component units*). Financial information for the CDA and the VRW are reported separately from the financial information presented for the primary government itself. The Dakota County Regional Rail Authority, although also legally separate, functions for all practical purposes as a department of Dakota County, and therefore has been included as an integral part of the primary government.

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

**Fund Financial Statements.** A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. Dakota County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of Dakota County may be divided into three broad categories: *governmental funds, proprietary funds, and fiduciary funds.*

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

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

Within the governmental funds, Dakota County maintains three fund types: General, Special Revenue and Capital Projects. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance for the major funds. Major funds include: General Fund, Highway Fund, and Capital Projects Fund. Data from the other six 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 three major governmental funds and the County Library, County Parks and Regional Rail non-major special revenue funds. A budgetary comparison schedule has been provided for these funds to demonstrate compliance with their budgets.

The basic governmental fund financial statements may be found on pages 30-40 of this report.

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

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

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

*Debt Service Fund.* The Debt Service Fund accounts for the payment of principal, interest and fiscal charges on long-term debt obligations of Dakota County. The County made the final payment for its general obligation bonds in 2016 so there was no activity in 2017.

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

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

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide information for the GIS Enterprise Fund and the Byllesby Dam Fund. The Employee Services Reserve Internal Service Fund is reported separately on the proprietary fund financial statements.

The basic proprietary fund financial statements may be found on pages 41-43 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 44-45 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 47-90 of this report.

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

Combining and individual fund statements and schedules may be found on pages 95-108 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 and deferred outflows exceeded liabilities by \$1,066,753,923 at the close of 2017, which is an increase of \$51,854,130 for the year ended December 31, 2017.

Net investment in capital assets, of \$828,891,148 (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 (77.7%). 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	
	2017	2016	2017	2016	2017	2016
Current and other assets	\$ 403,108,263	\$ 366,792,989	\$ 1,008,101	\$ 1,036,907	\$ 404,116,364	\$ 367,829,896
Capital assets	820,792,917	792,539,417	10,665,893	10,643,733	831,458,810	803,183,150
Total assets	<u>\$ 1,223,901,180</u>	<u>\$ 1,159,332,406</u>	<u>\$ 11,673,994</u>	<u>\$ 11,680,640</u>	<u>\$ 1,235,575,174</u>	<u>\$ 1,171,013,046</u>
Deferred outflows of resources	<u>\$ 48,078,072</u>	<u>\$ 79,406,253</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 48,078,072</u>	<u>\$ 79,406,253</u>
Long-term liabilities outstanding	\$ 153,796,861	\$ 191,398,101	\$ -	\$ -	\$ 153,796,861	\$ 191,398,101
Other liabilities	18,513,975	27,828,093	82,455	4,613	18,596,430	27,832,706
Total liabilities	<u>\$ 172,310,836</u>	<u>\$ 219,226,194</u>	<u>\$ 82,455</u>	<u>\$ 4,613</u>	<u>\$ 172,393,291</u>	<u>\$ 219,230,807</u>
Deferred inflows of resources	<u>\$ 44,506,032</u>	<u>\$ 16,288,699</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 44,506,032</u>	<u>\$ 16,288,699</u>
Net position:						
Net investment in capital assets	\$ 818,225,255	\$ 792,116,539	\$ 10,665,893	\$ 10,643,733	\$ 828,891,148	\$ 802,760,272
Restricted	53,245,122	32,212,249	147,414	149,030	53,392,536	32,361,279
Unrestricted	183,692,007	178,894,978	778,232	883,264	184,470,239	179,778,242
Total net position	<u>\$ 1,055,162,384</u>	<u>\$ 1,003,223,766</u>	<u>\$ 11,591,539</u>	<u>\$ 11,676,027</u>	<u>\$ 1,066,753,923</u>	<u>\$ 1,014,899,793</u>

Dakota County's total net position increased by \$51,854,130 from 2016's ending balance. This change can be attributed to a combination of factors, with the primary change occurring in additional reimbursements for grants for highway projects and human services programs.

A portion of Dakota County's net position, \$53,392,536 or 5.0%, represents resources that are subject to external restrictions on how they may be used. Restricted net position increased \$21,031,257 during the current fiscal year. The remaining balance of unrestricted net position of \$184,470,239 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 2017, including the government as a whole, and in each type of activity.

**Governmental Activities.** The Governmental activities' net position makes up the majority of the County's total net position. These activities increased by \$51,938,618 from 2016 due to increases in grant reimbursements for transportation and human services' programs.

**Business-type Activities.** Business-type activities incurred a slight decrease from 2016's net position by \$84,488 accounting for (0.1)% of the total change in the government's net position. Major structural repairs to the Byllesby Spillway make up the majority of the decrease in activity.

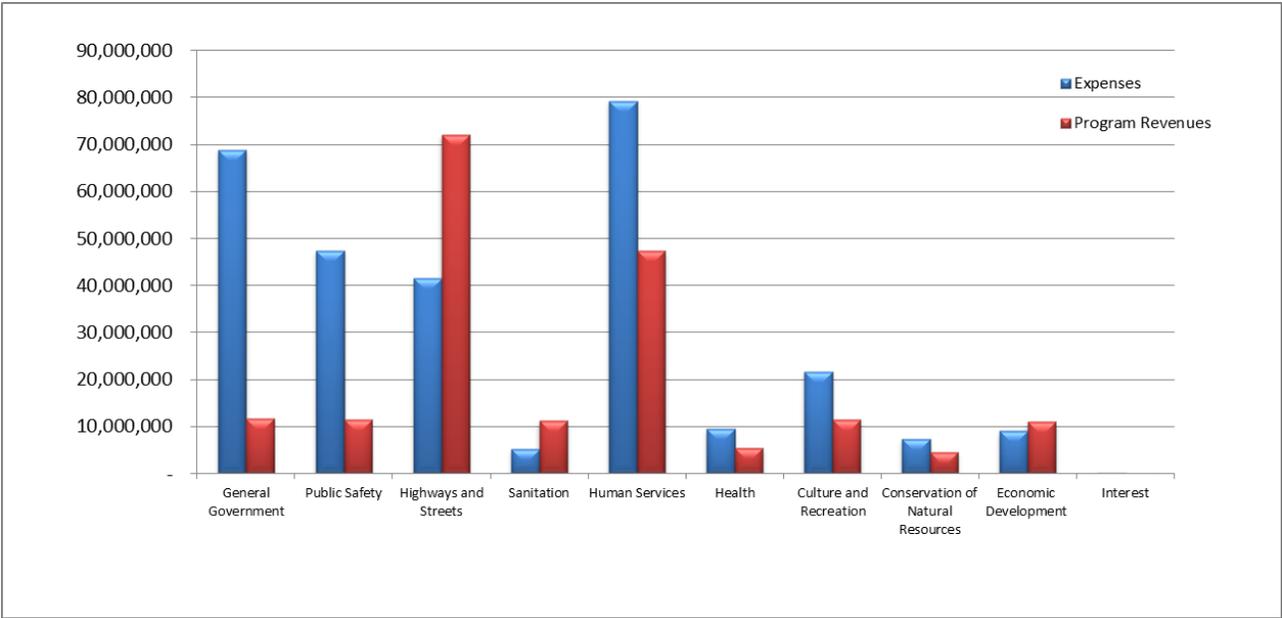
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## Dakota County's Changes in Net Position

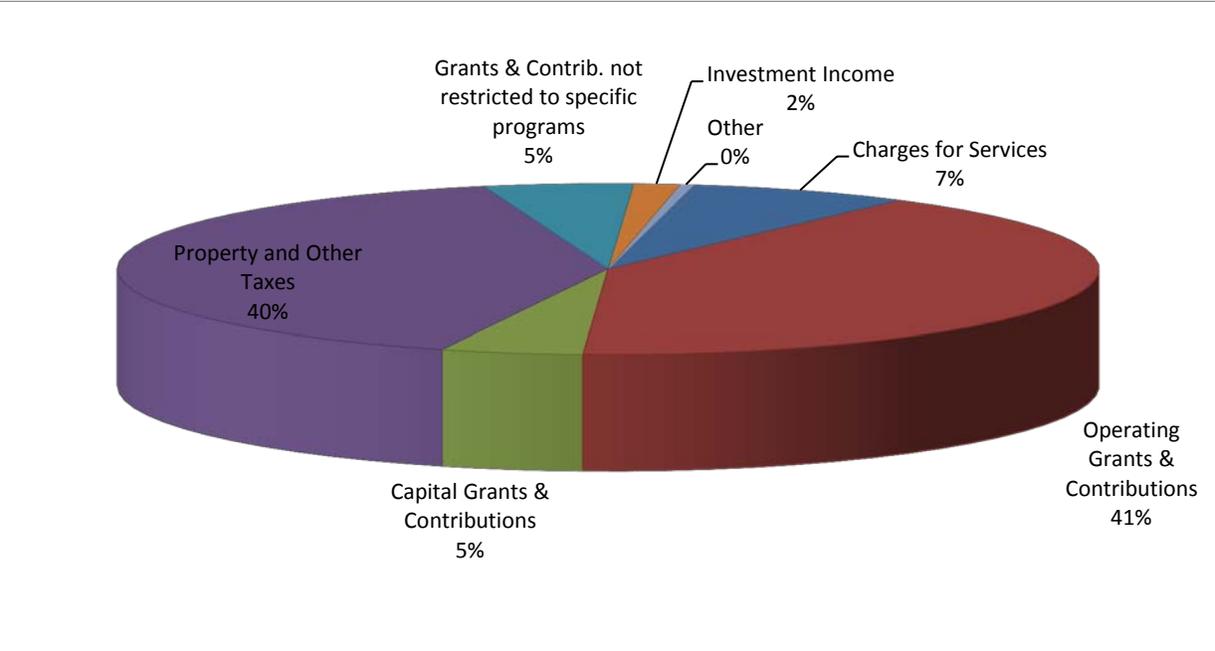
	Governmental		Business-type		Total	
	activities		activities			
	2017	2016	2017	2016	2017	2016
<b>Revenues:</b>						
<b>Program revenues:</b>						
Fees, charges, fines and other	\$ 25,844,991	\$ 26,876,819	\$ 844,741	\$ 702,313	\$ 26,689,732	\$ 27,579,132
Operating grants & contributions	143,800,387	104,254,448	193,108	-	143,993,495	104,254,448
Capital grants & contributions	16,471,275	13,547,308	-	1,328,544	16,471,275	14,875,852
<b>General revenues and transfers:</b>						
Taxes	142,772,011	137,573,067	-	-	142,772,011	137,573,067
<b>Grants &amp; contributions not</b>						
restricted to specific programs	17,366,297	18,310,891	-	-	17,366,297	18,310,891
Investment income	5,349,627	2,678,241	-	-	5,349,627	2,678,241
Other	1,528,968	1,578,342	-	-	1,528,968	1,578,342
<b>Total revenues and transfers</b>	<b>\$ 353,133,556</b>	<b>\$ 304,819,116</b>	<b>\$ 1,037,849</b>	<b>\$ 2,030,857</b>	<b>\$ 354,171,405</b>	<b>\$ 306,849,973</b>
<b>Expenses:</b>						
General government	\$ 72,720,526	\$ 69,769,800	\$ -	\$ -	\$ 72,720,526	\$ 69,769,800
Public safety	47,468,787	46,842,871	-	-	47,468,787	46,842,871
Highways and streets	42,360,176	33,382,078	-	-	42,360,176	33,382,078
Sanitation	5,433,200	5,050,371	-	-	5,433,200	5,050,371
Human services	83,935,657	81,202,624	-	-	83,935,657	81,202,624
Health	10,230,313	9,976,992	-	-	10,230,313	9,976,992
Culture and recreation	22,611,807	20,365,261	-	-	22,611,807	20,365,261
Conservation of natural resources	7,387,706	4,093,572	-	-	7,387,706	4,093,572
Economic development	9,032,938	9,073,780	-	-	9,032,938	9,073,780
Interest	13,828	64,536	-	-	13,828	64,536
Operating expenses – GIS	-	-	5,647	624	5,647	624
Operating expenses – Byllesby	-	-	1,116,690	1,495,120	1,116,690	1,495,120
<b>Total expenses</b>	<b>\$ 301,194,938</b>	<b>\$ 279,821,885</b>	<b>\$ 1,122,337</b>	<b>\$ 1,495,744</b>	<b>\$ 302,317,275</b>	<b>\$ 281,317,629</b>
Increase (decrease) in net position	\$ 51,938,618	\$ 24,997,231	\$ (84,488)	\$ 535,113	\$ 51,854,130	\$ 25,532,344
Net position January 1	1,003,223,766	978,226,535	11,676,027	11,140,914	1,014,899,793	989,367,449
<b>Net Position December 31</b>	<b>\$ 1,055,162,384</b>	<b>\$ 1,003,223,766</b>	<b>\$ 11,591,539</b>	<b>\$ 11,676,027</b>	<b>\$ 1,066,753,923</b>	<b>\$ 1,014,899,793</b>

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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 2017, Dakota County's governmental funds reported combined ending fund balances of \$310,428,926 a net increase of \$40,128,757 due primarily to additional federal and state aid for transportation and the receipt of the County's wind-down payment following the dissolution of the Counties Transit Improvement Board (CTIB). The majority of the fund balance, \$279,739,856, is available for spending at the government's discretion. The remainder of fund balance, \$30,689,070, 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 2017, the General Fund's fund balance was \$187,165,151 of which \$182,687,142 was committed, assigned or unassigned. At the end of 2016, due to the nature of activity in the Environmental Legacy Fund, this fund was combined with the General Fund. The Environmental Legacy Fund's unrestricted fund balance is *committed* for environmental enhancements and comprises 25.7%, of the total General Fund fund balance. See additional notes below, under Environmental Legacy.

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 82.6% of the 2017 total General Fund expenditures of \$221,326,528, while total fund balance represents 84.6% of total expenditures.

*Highway Fund.* The Highway Fund's total fund balance at 2017 was \$64,365,966 which is an \$0.6 million increase from 2016 due to an increase in grant reimbursements. The realignment and reconstruction of Argenta Trail in Inver Grove Heights, the County Road 42 interchange of Trunk Highway 52 in Rosemount, and the reconstruction of County State-Aid Highway 86 are some of the major projects the Highway staff has been working on.

*Environmental Legacy.* The Environmental Legacy Fund was established in 2015 from the transfer of activities originally organized within the Environmental Management Fund. These activities represent fees collected for the protection and preservation of the environment. Although the proceeds reported in this fund are from specific revenue sources, the use of these funds are reported as transfers to the General Fund or Special Revenue funds as costs related to environmental projects occur. The 2017 net fund balance of \$49,295,967 is now reported within the General Fund as *committed and restricted fund* balances.

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

*Capital Projects Fund.* The Capital Projects Fund has a total fund balance of \$(585,420), this is a decrease of \$1,737,196 from 2016 mainly due to finalizing the security improvements in the Law Enforcement Center and Juvenile Detention Center and the replacement of pneumatic controls in the Government Center.

**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 \$147,414, a slight decrease of \$1,616 from 2016. *The Bylesby Dam Enterprise Fund* increased its investment in capital assets net position balance to \$10,665,892 for the purpose of maintaining the Federal Energy

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Regulatory Commission mandated spillway upgrade and likewise, this reduced the unrestricted net position balance at the end of the year to \$778,232. The *Employee Services Reserve Internal Service Fund*, also regarded as a proprietary fund, has an unrestricted net position balance at the end of the year of \$12,038,172. The net position of the internal service fund decreased by \$1,610,533 over the past year due to the increased costs in 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 General Fund's original budget and the final amended budget shows an increase of \$19,787,499 for expenditures at fiscal year end. The major changes from original to final budget for expenditures may be summarized as follows:

- \$2.5 million for 2016 carry-over of unspent funds for data upgrades and expansion of network systems.
- \$6.5 million for carry-over of unspent funds for farmland conservation and matching grant funds.
- \$1.0 million for unspent funds for facilities maintenance and capital equipment.
- \$1.6 million for emergency management grants and 800MHz equipment.
- \$4.2 for public safety capital equipment, carry-over of unspent funds and program reallocations.
- \$3.0 million in human services for carry-over of unspent funds and increases in grant programs.

The difference between the original budget and final amended budget for revenues was \$10,097,452. The majority of this increase from original to final budget relates to increases in grant funding and carry-overs of 2016 revenues for various programs identified above.

### Comparison of Actual Resources to Final Amended Budget

Actual expenditures were \$24,512,460 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 Improvement Program (CIP) funds, and grant funded projects that have not been completed.

## Capital Asset and Debt Administration

**Capital Assets.** Dakota County's investment in capital assets for its governmental and business-type activities as of December 31, 2017, amounts to \$831,458,810 (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 \$28,275,659, or 3.5%.

Major capital asset events during 2017 included the following:

- Worked on a variety of county road construction projects, trails, bridges and transit improvements totaling over \$32.5 million.
- Over \$3.5 million in investments of fleet and maintenance vehicles, and software and fiber upgrades.

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## Dakota County's Capital Assets

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Land	\$ 245,764,885	\$ 232,324,957	\$ -	\$ -	\$ 245,764,885	\$ 232,324,957
Buildings	131,030,072	134,288,543	-	-	131,030,072	134,288,543
Machinery and equipment	14,495,689	15,638,435	-	-	14,495,689	15,638,435
Infrastructure Improvements other than buildings	348,951,691	349,671,629	10,355,916	10,509,971	359,307,607	360,181,600
Construction in progress	37,360,485	31,580,750	-	-	37,360,485	31,580,750
	43,190,095	29,035,103	309,977	133,762	43,500,072	29,168,865
<b>Total</b>	<b>\$ 820,792,917</b>	<b>\$ 792,539,417</b>	<b>\$ 10,665,893</b>	<b>\$ 10,643,733</b>	<b>\$ 831,458,810</b>	<b>\$ 803,183,150</b>

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

**Long-term Debt.** At the end of 2017, Dakota County had zero bonded debt outstanding.

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

State statutes limit the amount of general obligation debt a county can incur to no more than 3% of the market value of taxable property in the county. With the final settlement of outstanding debt in 2016, the debt limitation for the County is not relevant for this report.

Additional information on Dakota County's long-term debt may be found in Note III. G. beginning on page 71 of this report.

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

- For the third year in a row, Dakota County has the lowest property tax rate among the Metropolitan counties. The County has continued to provide services with little increase in overall cost of government to residents. Property tax increases remain below the Consumer Price Index inflation rate.
- Dakota County's property tax values continue to rise, mostly due to appreciation in values. The 2018 total County property tax on a median home is expected to increase by 2.3% or \$13.32.
- The State forecasts another budget surplus for the next 2018-2019 fiscal year, however, uncertainty of funding levels for specific programs is yet to be determined by lawmakers. Meeting the needs of citizens requiring special services, and providing general services to the public increases the demand to provide them, and inflation adds pressure to overall costs for both County and State services. The County continues to apply principals of sound financial management when creating a structurally balanced budget and financial projections.

On December 12, 2017, the Dakota County Board of Commissioners approved the 2018 budget for \$371.6 million, an increase of \$14.8 million or 4.2% from the 2017 budget. Under the Adopted Budget, the total operating budget totals \$248.6 million, a decrease of \$15.8 million or 6.0% less than the previous year. Additionally, the Adopted Budget includes \$123.0 million for the 2018 Capital Improvement Program (CIP), an increase of \$12.6 million, or 11.4% more than the 2017 CIP.

# Dakota County, Minnesota | December 31, Management's Discussion and Analysis | 2017

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The 2018 total property tax levy is \$136.7 million, which is a \$3.9 million increase over the 2017 levy. Additionally, as a means of helping manage the risk of potential state aid reductions, the adopted budget assigns a portion of general purpose aid to the County's capital budgets.

## **Requests for Information**

This financial report is designed to provide a general overview of Dakota County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Financial Services Department, 1590 Highway 55, Hastings, MN 55033 or contact us via email at [finance@co.dakota.mn.us](mailto:finance@co.dakota.mn.us) or visit our web site at [www.dakotacounty.us](http://www.dakotacounty.us).

# Basic Financial Statements

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**DAKOTA COUNTY  
MINNESOTA**

**STATEMENT OF NET POSITION  
DECEMBER 31, 2017**

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Community Development Agency	Vermillion River Watershed
<b><u>Assets</u></b>					
Cash and pooled investments	\$ 342,879,329	\$ 814,631	\$ 343,693,960	\$ 39,604,287	\$ 1,791,168
Petty cash and change funds	19,996	-	19,996	-	-
Undistributed cash in agency funds	5,725,353	-	5,725,353	-	-
Investments	-	-	-	53,659,196	-
Taxes receivable					
Current	-	-	-	4,401,901	55,879
Prior	1,216,427	-	1,216,427	-	4,484
Special assessments receivable	-	-	-	618,462	-
Accounts receivable	3,264,472	362	3,264,834	2,640,315	32,915
Note receivable	-	-	-	63,525,556	-
Accrued interest receivable	778,803	-	778,803	2,080,186	-
Due from other governments	44,080,362	193,108	44,273,470	6,892,989	166,459
Inventories	1,945,172	-	1,945,172	-	-
Prepaid items	130,375	-	130,375	629,269	-
Restricted assets					
Cash and pooled investments	-	-	-	39,955,552	-
Investment in joint venture	-	-	-	8,139,845	-
Lease receivable	3,067,974	-	3,067,974	-	-
Capital assets					
Non-depreciable	288,954,980	309,977	289,264,957	32,647,663	-
Depreciable - net of accumulated depreciation	531,837,937	10,355,916	542,193,853	157,894,039	-
<b>Total Assets</b>	<b>\$ 1,223,901,180</b>	<b>\$ 11,673,994</b>	<b>\$ 1,235,575,174</b>	<b>\$ 412,689,260</b>	<b>\$ 2,050,905</b>
<b><u>Deferred Outflows of Resources</u></b>					
Deferred pension outflows	\$ 48,078,072	\$ -	\$ 48,078,072	\$ -	\$ -
Deferred charge on refundings	-	-	-	155,772	-
<b>Total deferred outflows of resources</b>	<b>\$ 48,078,072</b>	<b>\$ -</b>	<b>\$ 48,078,072</b>	<b>\$ 155,772</b>	<b>\$ -</b>
<b><u>Liabilities</u></b>					
Accounts payable	\$ 8,126,063	\$ 82,438	\$ 8,208,501	\$ 4,833,007	\$ 55,850
Salaries payable	3,969,512	-	3,969,512	-	-
Contracts payable	2,281,233	-	2,281,233	-	-
Due to other governments	900,603	17	900,620	462,401	62,641
Accrued interest payable	-	-	-	3,334,753	-
Unearned revenue	2,634,666	-	2,634,666	822,774	-
Capital leases payable					
Due within one year	140,911	-	140,911	-	-
Due in more than one year	145,518	-	145,518	-	-
Compensated absences					
Due within one year	168,990	-	168,990	462,883	-
Due in more than one year	18,562,738	-	18,562,738	391,522	-
Claims and judgments payable					
Due within one year	291,997	-	291,997	-	-
Due in more than one year	2,292,485	-	2,292,485	-	-
General obligation bonds payable					
Due within one year	-	-	-	22,360,000	-
Due in more than one year	-	-	-	84,805,863	-
OPEB liability					
Due in more than one year	8,447,584	-	8,447,584	-	-

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

**DAKOTA COUNTY  
MINNESOTA**

**STATEMENT OF NET POSITION  
DECEMBER 31, 2017**

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Community Development Agency	Vermillion River Watershed
<b><u>Liabilities (Cont.)</u></b>					
Net pension liability					
Due in more than one year	\$ 124,348,536	\$ -	\$ 124,348,536	\$ -	\$ -
Notes payable					
Due in more than one year	-	-	-	10,710,835	-
<b>Total Liabilities</b>	<b>\$ 172,310,836</b>	<b>\$ 82,455</b>	<b>\$ 172,393,291</b>	<b>\$ 128,184,038</b>	<b>\$ 118,491</b>
<b><u>Deferred Inflows of Resources</u></b>					
Deferred pension inflows	\$ 35,712,705	\$ -	\$ 35,712,705	\$ -	\$ -
Property taxes collected for subsequent period	5,725,353	-	5,725,353	-	-
Leases	3,067,974	-	3,067,974	-	-
Unavailable revenue - property taxes	-	-	-	9,751,141	-
<b>Total deferred inflows of resources</b>	<b>\$ 44,506,032</b>	<b>\$ -</b>	<b>\$ 44,506,032</b>	<b>\$ 9,751,141</b>	<b>\$ -</b>
<b><u>Net Position</u></b>					
Net investment in capital assets	\$ 818,225,255	\$ 10,665,893	\$ 828,891,148	\$ 97,672,468	\$ -
Restricted for					
Capital projects	-	-	-	12,795,714	-
General government	1,441,078	-	1,441,078	-	-
Public safety	672,433	-	672,433	-	-
Highways and streets	48,602,387	-	48,602,387	-	-
Sanitation	1,285,804	-	1,285,804	-	-
Conservation of natural resources	227,037	-	227,037	-	-
Equipment replacement	1,016,383	147,414	1,163,797	-	-
Federal grants	-	-	-	20,696,216	-
Tax increment	-	-	-	6,623,777	-
HOPE program	-	-	-	22,560,042	-
Senior Levy	-	-	-	1,764,632	-
Unrestricted	183,692,007	778,232	184,470,239	112,797,004	1,932,414
<b>Total Net Position</b>	<b>\$ 1,055,162,384</b>	<b>\$ 11,591,539</b>	<b>\$ 1,066,753,923</b>	<b>\$ 274,909,853</b>	<b>\$ 1,932,414</b>

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

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DAKOTA COUNTY  
MINNESOTA

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2017

	Program Revenues				Net (Expense) Revenue and Changes in Net Position			Component Units	
	Expenses	Fees, Charges for Services, Fines, and Other	Operating Grants and Contributions	Capital Grants and Contributions	Governmental	Primary Government	Total	Community	Vermillion
					Activities	Business-Type Activities		Development Agency	River Watershed
<b>Functions/Programs</b>									
<b>Primary government</b>									
<b>Governmental activities</b>									
General government	\$ 72,720,526	\$ 7,329,162	\$ 4,432,346	\$ -	\$ (60,959,018)	\$ -	\$ (60,959,018)		
Public safety	47,468,787	2,775,730	8,634,623	-	(36,058,434)	-	(36,058,434)		
Highways and streets	42,360,176	676,328	56,386,910	15,019,326	29,722,388	-	29,722,388		
Sanitation	5,433,200	9,609,107	1,529,470	-	5,705,377	-	5,705,377		
Human services	83,935,657	2,154,736	45,210,891	-	(36,570,030)	-	(36,570,030)		
Health	10,230,313	899,157	4,596,981	-	(4,734,175)	-	(4,734,175)		
Culture and recreation	22,611,807	1,787,799	8,106,626	1,451,949	(11,265,433)	-	(11,265,433)		
Conservation of natural resources	7,387,706	599,109	3,938,542	-	(2,850,055)	-	(2,850,055)		
Economic development	9,032,938	13,863	10,963,998	-	1,944,923	-	1,944,923		
Interest	13,828	-	-	-	(13,828)	-	(13,828)		
<b>Total governmental activities</b>	<b>\$ 301,194,938</b>	<b>\$ 25,844,991</b>	<b>\$ 143,800,387</b>	<b>\$ 16,471,275</b>	<b>\$ (115,078,285)</b>	<b>\$ -</b>	<b>\$ (115,078,285)</b>		
<b>Business-type activities</b>									
Geographic Information System	\$ 5,647	\$ 4,031	\$ -	\$ -	\$ -	\$ (1,616)	\$ (1,616)		
Byllesby Dam	1,116,690	840,710	193,108	-	-	(82,872)	(82,872)		
<b>Total business-type activities</b>	<b>\$ 1,122,337</b>	<b>\$ 844,741</b>	<b>\$ 193,108</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (84,488)</b>	<b>\$ (84,488)</b>		
<b>Total primary government</b>	<b>\$ 302,317,275</b>	<b>\$ 26,689,732</b>	<b>\$ 143,993,495</b>	<b>\$ 16,471,275</b>	<b>\$ (115,078,285)</b>	<b>\$ (84,488)</b>	<b>\$ (115,162,773)</b>		
<b>Component units</b>									
Community Development Agency	\$ 54,180,692	\$ 24,781,740	\$ 29,440,325	\$ 4,228,516			\$ 4,269,889	\$ -	
Vermillion River Watershed	1,425,151	36,593	1,160,340	-			-	(228,218)	
<b>Total component units</b>	<b>\$ 55,605,843</b>	<b>\$ 24,818,333</b>	<b>\$ 30,600,665</b>	<b>\$ 4,228,516</b>			<b>\$ 4,269,889</b>	<b>\$ (228,218)</b>	

DAKOTA COUNTY  
MINNESOTA

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2017

Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position				
	Fees, Charges for Services, Fines, and Other	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Units	
				Governmental Activities	Business-Type Activities	Total	Community Development Agency	Vermillion River Watershed
<b>General Revenues</b>								
Property taxes				\$ 134,913,760	\$ -	\$ 134,913,760	\$ 7,010,940	\$ 863,702
Gravel taxes				681,057	-	681,057	-	-
Mortgage registry and deed tax				662,588	-	662,588	-	-
Tax increment revenue				-	-	-	1,532,006	-
Wheelage tax				3,880,323	-	3,880,323	-	-
Transit tax				2,634,283	-	2,634,283	-	-
Grants and contributions not restricted to specific programs				17,366,297	-	17,366,297	-	-
Investment earnings				5,349,627	-	5,349,627	662,688	26,992
Miscellaneous				1,329,806	-	1,329,806	-	-
Gain on sale of capital assets				199,162	-	199,162	-	-
<b>Total general revenues</b>				<b>\$ 167,016,903</b>	<b>\$ -</b>	<b>\$ 167,016,903</b>	<b>\$ 9,205,634</b>	<b>\$ 890,694</b>
<b>Change in net position</b>				<b>\$ 51,938,618</b>	<b>\$ (84,488)</b>	<b>\$ 51,854,130</b>	<b>\$ 13,475,523</b>	<b>\$ 662,476</b>
<b>Net Position - Beginning</b>				<b>1,003,223,766</b>	<b>11,676,027</b>	<b>1,014,899,793</b>	<b>261,434,330</b>	<b>1,269,938</b>
<b>Net Position - Ending</b>				<b>\$ 1,055,162,384</b>	<b>\$ 11,591,539</b>	<b>\$ 1,066,753,923</b>	<b>\$ 274,909,853</b>	<b>\$ 1,932,414</b>

**DAKOTA COUNTY  
MINNESOTA**

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2017**

	<u>General</u>	<u>Highway</u>	<u>Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b><u>Assets</u></b>					
Cash and pooled investments	\$ 187,461,525	\$ 64,076,122	\$ -	\$ 52,603,075	\$ 304,140,722
Petty cash and change funds	15,460	-	-	4,536	19,996
Undistributed cash in agency funds	4,849,970	244,966	46,534	583,883	5,725,353
Taxes receivable					
Prior	1,002,816	56,932	12,314	144,365	1,216,427
Accounts receivable	1,820,542	504,451	-	939,479	3,264,472
Accrued interest receivable	778,803	-	-	-	778,803
Due from other funds	2,548,835	516,193	1,759,224	3,464,613	8,288,865
Due from other governments	10,687,307	28,839,680	-	4,553,327	44,080,314
Prepaid items	130,375	-	-	-	130,375
Inventories	726,295	1,218,877	-	-	1,945,172
Lease receivable	3,067,974	-	-	-	3,067,974
<b>Total Assets</b>	<b>\$ 213,089,902</b>	<b>\$ 95,457,221</b>	<b>\$ 1,818,072</b>	<b>\$ 62,293,278</b>	<b>\$ 372,658,473</b>
<b><u>Liabilities, Deferred Inflows of Resources and Fund Balances</u></b>					
<b>Liabilities</b>					
Accounts payable	\$ 5,598,621	\$ 982,040	\$ 200,043	\$ 713,917	\$ 7,494,621
Salaries payable	3,631,243	145,920	-	192,349	3,969,512
Claims and judgments payable - current	4,399	-	-	-	4,399
Contracts payable	-	1,946,584	181,112	153,537	2,281,233
Due to other funds	4,151,827	3,041,889	1,964,024	241,396	9,399,136
Due to other governments	898,510	-	-	2,093	900,603
Unearned revenue - other	2,470,054	-	-	164,612	2,634,666
<b>Total Liabilities</b>	<b>\$ 16,754,654</b>	<b>\$ 6,116,433</b>	<b>\$ 2,345,179</b>	<b>\$ 1,467,904</b>	<b>\$ 26,684,170</b>
<b>Deferred Inflows of Resources</b>					
Unavailable revenue	\$ 1,252,153	\$ 51,528	\$ 11,779	\$ 758,262	\$ 2,073,722
Property taxes collected for subsequent period	4,849,970	244,966	46,534	583,883	5,725,353
Leases	3,067,974	-	-	-	3,067,974
Revenues deferred for highway allotments	-	24,678,328	-	-	24,678,328
<b>Total Deferred Inflows of Resources</b>	<b>\$ 9,170,097</b>	<b>\$ 24,974,822</b>	<b>\$ 58,313</b>	<b>\$ 1,342,145</b>	<b>\$ 35,545,377</b>

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

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2017**

	<u>General</u>	<u>Highway</u>	<u>Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b><u>Liabilities, Deferred Inflows of Resources and Fund Balances (Continued)</u></b>					
<b>Fund Balances</b>					
Non-spendable:					
Inventories	\$ 726,295	\$ 1,218,877	\$ -	\$ -	\$ 1,945,172
Prepays	130,375	-	-	-	130,375
Missing heirs	46,729	-	-	-	46,729
Restricted for:					
Law library	-	-	-	674,557	674,557
Recorder's equipment purchases	1,016,383	-	-	-	1,016,383
Victim Witness	83,430	-	-	-	83,430
Boat and water	394,427	-	-	-	394,427
Attorney-Diversion	119,553	-	-	-	119,553
Sheriff-Alcohol compliance	2,584	-	-	-	2,584
Criminal forfeitures	129,359	-	-	393,568	522,927
Permit to carry	275,422	-	-	-	275,422
Gravel pit restoration	1,285,804	-	-	-	1,285,804
Aquatic invasive species	227,037	-	-	-	227,037
Transportation and transit	-	-	-	23,924,059	23,924,059
Child support fees	40,611	-	-	-	40,611
Committed to:					
Protection, preservation or enhancement of environment	48,010,163	-	-	-	48,010,163
Assigned to:					
General government	449,507	-	-	-	449,507
Public safety	5,000	-	-	-	5,000
Human services	134,001	-	-	-	134,001
Culture and recreation	22,607	-	-	1,389,201	1,411,808
Economic development	-	-	-	16,125,208	16,125,208
Capital improvements	759,360	63,147,089	-	16,901,521	80,807,970
Liability and loss reserve	2,020,996	-	-	-	2,020,996
Capital equipment	7,973,876	-	-	75,115	8,048,991
CJIN RMS	251,375	-	-	-	251,375
CJIN Enterprise	474,860	-	-	-	474,860
Unassigned	122,585,397	-	(585,420)	-	121,999,977
<b>Total Fund Balances</b>	<b>\$ 187,165,151</b>	<b>\$ 64,365,966</b>	<b>\$ (585,420)</b>	<b>\$ 59,483,229</b>	<b>\$ 310,428,926</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 213,089,902</b>	<b>\$ 95,457,221</b>	<b>\$ 1,818,072</b>	<b>\$ 62,293,278</b>	<b>\$ 372,658,473</b>

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, 2017**

<b>Fund balances - total governmental funds</b>		<b>\$ 310,428,926</b>
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.		820,792,917
Other long-term assets are not available to pay for current period expenditures and, therefore, are unavailable in the governmental funds.		26,752,050
Deferred outflows of resources resulting from pension obligations are not available resources and, therefore, are not reported in governmental funds.		48,078,072
An internal service fund is used by management to account for services provided to departments by employees, specifically employee benefits including compensated absences and other post employment benefits. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.		12,038,172
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds.		
Capital leases payable	\$ (286,429)	
Claims and judgments payable	(2,580,083)	
Net pension liability	<u>(124,348,536)</u>	(127,215,048)
Deferred inflows resulting from pension obligations are not due and payable in the current period, and, therefore, are not reported in the governmental funds.		<u>(35,712,705)</u>
<b>Net position of governmental activities</b>		<b><u><u>\$ 1,055,162,384</u></u></b>

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**DAKOTA COUNTY  
MINNESOTA**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>General</u>	<u>Highway</u>	<u>Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Revenues</b>					
Taxes	\$ 114,712,054	\$ 10,284,345	\$ 609,917	\$ 17,366,705	\$ 142,973,021
Licenses and permits	1,931,978	247,770	-	76,935	2,256,683
Intergovernmental	87,213,624	53,172,705	2,115,258	37,764,689	180,266,276
Charges for services	18,687,027	445,700	-	1,684,297	20,817,024
Fines and forfeits	22,496	-	-	75,743	98,239
Gifts and contributions	4,093	-	-	26,416	30,509
Investment earnings	5,080,566	-	-	269,061	5,349,627
Miscellaneous	4,472,250	254,658	14,000	368,974	5,109,882
<b>Total Revenues</b>	<b>\$ 232,124,088</b>	<b>\$ 64,405,178</b>	<b>\$ 2,739,175</b>	<b>\$ 57,632,820</b>	<b>\$ 356,901,261</b>
<b>Expenditures</b>					
<b>Current</b>					
General government	\$ 65,962,111	\$ -	\$ -	\$ 370,501	\$ 66,332,612
Public safety	41,898,007	-	-	-	41,898,007
Highways and streets	1,791,021	63,406,340	-	10,224	65,207,585
Sanitation	5,314,937	-	-	-	5,314,937
Human services	80,280,668	-	-	-	80,280,668
Health	9,709,710	-	-	-	9,709,710
Culture and recreation	542,383	-	-	25,423,120	25,965,503
Conservation of natural resources	7,261,105	-	-	-	7,261,105
Economic development	8,416,309	-	-	961,733	9,378,042
<b>Capital outlay</b>	-	-	5,262,334	-	5,262,334
<b>Debt service</b>					
Principal	136,449	-	-	-	136,449
Interest	13,828	-	-	-	13,828
<b>Total Expenditures</b>	<b>\$ 221,326,528</b>	<b>\$ 63,406,340</b>	<b>\$ 5,262,334</b>	<b>\$ 26,765,578</b>	<b>\$ 316,760,780</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>\$ 10,797,560</b>	<b>\$ 998,838</b>	<b>\$ (2,523,159)</b>	<b>\$ 30,867,242</b>	<b>\$ 40,140,481</b>

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

**DAKOTA COUNTY  
MINNESOTA**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>General</u>	<u>Highway</u>	<u>Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Other Financing Sources (Uses)</b>					
Transfers in	\$ 350,123	\$ 498,425	\$ 785,963	\$ 1,561,207	\$ 3,195,718
Transfers out	(2,759,012)	(314,879)	-	(18,253)	(3,092,144)
Proceeds from sale of assets	199,162	-	-	-	199,162
<b>Total Other Financing Sources (Uses)</b>	<u>\$ (2,209,727)</u>	<u>\$ 183,546</u>	<u>\$ 785,963</u>	<u>\$ 1,542,954</u>	<u>\$ 302,736</u>
<b>Net Change in Fund Balance</b>	<b>\$ 8,587,833</b>	<b>\$ 1,182,384</b>	<b>\$ (1,737,196)</b>	<b>\$ 32,410,196</b>	<b>\$ 40,443,217</b>
<b>Fund Balance - January 1</b>	<b>178,354,474</b>	<b>63,720,886</b>	<b>1,151,776</b>	<b>27,073,033</b>	<b>270,300,169</b>
<b>Increase (decrease) in inventories</b>	<u>222,844</u>	<u>(537,304)</u>	<u>-</u>	<u>-</u>	<u>(314,460)</u>
<b>Fund Balance - December 31</b>	<u><u>\$ 187,165,151</u></u>	<u><u>\$ 64,365,966</u></u>	<u><u>\$ (585,420)</u></u>	<u><u>\$ 59,483,229</u></u>	<u><u>\$ 310,428,926</u></u>

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

**DAKOTA COUNTY  
MINNESOTA**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2017**

<b>Net change in fund balances - total governmental funds</b>		<b>\$ 40,443,217</b>
<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	\$ 50,662,910	
Current year depreciation	<u>(22,323,838)</u>	28,339,072
<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 position differs from the change in fund balance by the net book value of the disposed capital assets.</p>		
		(85,572)
<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	\$ 26,752,050	
Unavailable revenue - January 1	<u>(29,787,754)</u>	(3,035,704)
<p>Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.</p>		
Principal repayments		
Capital lease		136,449
<p>An internal service fund is used by management to account for services provided to departments by employees, specifically employee benefits including compensated absences and other post employment benefits. The net revenue of certain activities of the internal service fund is reported with governmental activities.</p>		
		(1,610,533)
<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 claims and judgments payable	\$ (91,828)	
Change in net pension liability	38,910,164	
Change in deferred outflows of resources	(31,328,181)	
Change in deferred inflows of resources	(19,424,006)	
Change in inventories	<u>(314,460)</u>	<u>(12,248,311)</u>
<b>Change in net position of governmental activities</b>		<b><u>\$ 51,938,618</u></b>

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

**DAKOTA COUNTY  
MINNESOTA**

**BUDGETARY COMPARISON STATEMENT  
BUDGET AND ACTUAL  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Taxes	\$ 115,149,063	\$ 114,855,411	\$ 114,712,054	\$ (143,357)
Licenses and permits	1,845,563	1,809,563	1,931,978	122,415
Intergovernmental	67,354,955	77,447,931	87,213,624	9,765,693
Charges for services	26,494,455	26,703,442	18,687,027	(8,016,415)
Fines and forfeits	20,000	28,441	22,496	(5,945)
Gifts and contributions	4,099	4,099	4,093	(6)
Investment earnings	2,566,969	2,566,969	5,080,566	2,513,597
Miscellaneous	4,170,676	4,287,376	4,472,250	184,874
<b>Total Revenues</b>	<b>\$ 217,605,780</b>	<b>\$ 227,703,232</b>	<b>\$ 232,124,088</b>	<b>\$ 4,420,856</b>
<b>Expenditures</b>				
<b>Current</b>				
<b>General government</b>				
Commissioners	\$ 863,680	\$ 889,211	\$ 751,533	\$ 137,678
Courts services	387,698	434,698	430,255	4,443
County administration	2,011,704	2,175,288	1,700,196	475,092
OMB division administration	2,453,887	3,344,213	2,158,334	1,185,879
Public service and revenue admin	1,189,096	1,322,811	795,471	527,340
Service and license centers	1,823,968	2,130,334	2,153,812	(23,478)
County treasurer	3,777,523	3,469,001	4,371,156	(902,155)
County assessor	3,653,636	3,732,745	3,713,561	19,184
Elections	-	247,850	98,667	149,183
Accounting and auditing	3,527,975	3,181,288	3,011,182	170,106
Information technology	15,200,916	18,936,357	15,434,761	3,501,596
Operations management services	17,260,552	16,104,626	13,231,911	2,872,715
Employee relations	2,817,945	2,867,188	2,570,497	296,691
Attorney	6,639,253	7,563,140	7,191,144	371,996
Risk management	2,664,143	4,251,114	2,818,778	1,432,336
Physical development administration	2,967,296	3,630,098	2,809,762	820,336
Communications	954,260	971,401	784,279	187,122
County-wide operations	10,008,826	6,674,375	1,284,472	5,389,903
Veterans service officer	692,316	726,588	652,340	74,248
<b>Total general government</b>	<b>\$ 78,894,674</b>	<b>\$ 82,652,326</b>	<b>\$ 65,962,111</b>	<b>\$ 16,690,215</b>
<b>Public safety</b>				
Sheriff	\$ 20,265,278	\$ 22,040,109	\$ 21,669,801	\$ 370,308
Coroner	1,196,916	1,196,916	1,196,916	-
Community corrections	18,625,154	19,377,492	19,031,290	346,202
<b>Total public safety</b>	<b>\$ 40,087,348</b>	<b>\$ 42,614,517</b>	<b>\$ 41,898,007</b>	<b>\$ 716,510</b>

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

**DAKOTA COUNTY  
MINNESOTA**

**BUDGETARY COMPARISON STATEMENT  
BUDGET AND ACTUAL  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Expenditures</b>				
<b>Current (Continued)</b>				
<b>Highway and streets</b>				
Other-highway and streets	\$ -	\$ 1,653,000	\$ 1,791,021	\$ (138,021)
<b>Sanitation</b>				
Environmental management	\$ 5,721,861	\$ 6,164,980	\$ 5,242,247	\$ 922,733
Other - Sanitation	72,690	72,690	72,690	-
<b>Total Sanitation</b>	<b>\$ 5,794,551</b>	<b>\$ 6,237,670</b>	<b>\$ 5,314,937</b>	<b>\$ 922,733</b>
<b>Human services</b>				
Administration	\$ 3,691,302	\$ 3,591,527	\$ 2,279,081	\$ 1,312,446
Income maintenance	26,948,376	27,609,194	25,801,131	1,808,063
Social services	52,479,700	55,128,610	52,200,456	2,928,154
<b>Total human services</b>	<b>\$ 83,119,378</b>	<b>\$ 86,329,331</b>	<b>\$ 80,280,668</b>	<b>\$ 6,048,663</b>
<b>Health</b>				
Public health	\$ 10,033,415	\$ 10,407,015	\$ 9,709,710	\$ 697,305
<b>Culture and recreation</b>				
Historical society	\$ 107,185	\$ 132,185	\$ 132,185	\$ -
County fair	641,117	691,117	191,117	500,000
Parks	-	118,000	219,081	(101,081)
<b>Total culture and recreation</b>	<b>\$ 748,302</b>	<b>\$ 941,302</b>	<b>\$ 542,383</b>	<b>\$ 398,919</b>
<b>Conservation of natural resources</b>				
Soil and water conservation	\$ 313,731	\$ 313,731	\$ 313,731	\$ -
Farmland and natural area program	78,000	6,580,199	4,309,579	2,270,620
County extension	344,738	355,711	318,840	36,871
Water resources	2,513,850	3,028,162	2,318,955	709,207
<b>Total conservation of natural resources</b>	<b>\$ 3,250,319</b>	<b>\$ 10,277,803</b>	<b>\$ 7,261,105</b>	<b>\$ 3,016,698</b>
<b>Economic development</b>				
Administration	\$ -	\$ -	\$ 4,532,921	\$ (4,532,921)
Community development	4,123,502	4,726,024	3,883,388	842,636
<b>Total economic development</b>	<b>\$ 4,123,502</b>	<b>\$ 4,726,024</b>	<b>\$ 8,416,309</b>	<b>\$ (3,690,285)</b>

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

**DAKOTA COUNTY  
MINNESOTA**

**BUDGETARY COMPARISON STATEMENT  
BUDGET AND ACTUAL  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Expenditures</b>				
<b>Current (Continued)</b>				
<b>Expenditures</b>				
<b>Debt service</b>				
Principal	\$ -	\$ -	\$ 136,449	\$ (136,449)
Interest	-	-	13,828	(13,828)
<b>Total debt service</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 150,277</u>	<u>\$ (150,277)</u>
<b>Total Expenditures</b>	<u>\$ 226,051,489</u>	<u>\$ 245,838,988</u>	<u>\$ 221,326,528</u>	<u>\$ 24,512,460</u>
<b>Excess of Revenues Over (Under)</b>				
<b>Expenditures</b>	<u>\$ (8,445,709)</u>	<u>\$ (18,135,756)</u>	<u>\$ 10,797,560</u>	<u>\$ 28,933,316</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	\$ 345,679	\$ 345,679	\$ 350,123	\$ 4,444
Transfers out	(2,572,724)	(2,676,104)	(2,759,012)	(82,908)
Proceeds from sale of assets	399,500	399,500	199,162	(200,338)
<b>Total Other Financing Sources   (Uses)</b>	<u>\$ (1,827,545)</u>	<u>\$ (1,930,925)</u>	<u>\$ (2,209,727)</u>	<u>\$ (278,802)</u>
<b>Net Change in Fund Balance</b>	<u>\$ (10,273,254)</u>	<u>\$ (20,066,681)</u>	<u>\$ 8,587,833</u>	<u>\$ 28,654,514</u>
<b>Fund Balance - January 1</b>	178,354,474	178,354,474	178,354,474	-
<b>Increase (decrease) in inventories</b>	<u>-</u>	<u>-</u>	<u>222,844</u>	<u>222,844</u>
<b>Fund Balance - December 31</b>	<u>\$ 168,081,220</u>	<u>\$ 158,287,793</u>	<u>\$ 187,165,151</u>	<u>\$ 28,877,358</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, 2017**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Taxes	\$ 9,566,606	\$ 9,636,804	\$ 10,284,345	\$ 647,541
Licenses and permits	205,000	205,000	247,770	42,770
Intergovernmental	57,885,128	133,504,790	53,172,705	(80,332,085)
Charges for services	443,409	496,459	445,700	(50,759)
Miscellaneous	213,860	107,525	254,658	147,133
<b>Total Revenues</b>	<b>\$ 68,314,003</b>	<b>\$ 143,950,578</b>	<b>\$ 64,405,178</b>	<b>\$ (79,545,400)</b>
<b>Expenditures</b>				
<b>Current</b>				
<b>Highway and streets</b>				
Administration	\$ 638,213	\$ 774,667	\$ 888,828	\$ (114,161)
Maintenance	5,204,170	5,204,170	5,009,311	194,859
Construction	72,624,582	117,399,655	56,985,035	60,414,620
Survey	607,609	609,087	523,166	85,921
<b>Total Expenditures</b>	<b>\$ 79,074,574</b>	<b>\$ 123,987,579</b>	<b>\$ 63,406,340</b>	<b>\$ 60,581,239</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>\$ (10,760,571)</b>	<b>\$ 19,962,999</b>	<b>\$ 998,838</b>	<b>\$ (18,964,161)</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in	\$ -	\$ -	\$ 498,425	\$ 498,425
Transfers out	(444,915)	(444,915)	(314,879)	130,036
<b>Total Other Financing Sources (Uses)</b>	<b>\$ (444,915)</b>	<b>\$ (444,915)</b>	<b>\$ 183,546</b>	<b>\$ 628,461</b>
<b>Net Change in Fund Balance</b>	<b>\$ (11,205,486)</b>	<b>\$ 19,518,084</b>	<b>\$ 1,182,384</b>	<b>\$ (18,335,700)</b>
<b>Fund Balance - January 1</b>	<b>63,720,886</b>	<b>63,720,886</b>	<b>63,720,886</b>	<b>-</b>
<b>Increase (decrease) in inventories</b>	<b>-</b>	<b>-</b>	<b>(537,304)</b>	<b>(537,304)</b>
<b>Fund Balance - December 31</b>	<b>\$ 52,515,400</b>	<b>\$ 83,238,970</b>	<b>\$ 64,365,966</b>	<b>\$ (18,873,004)</b>

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

**DAKOTA COUNTY  
MINNESOTA**

**STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
DECEMBER 31, 2017**

	<u>Nonmajor Enterprise Funds</u>	<u>Governmental Activities - Employee Services Reserve Internal Service Fund</u>
<b><u>Assets</u></b>		
Current assets:		
Cash and pooled investments	\$ 814,631	\$ 38,738,607
Accounts receivable (net)	362	-
Due from other funds	-	1,317,997
Due from other governments	193,108	48
<b>Total current assets</b>	<b><u>\$ 1,008,101</u></b>	<b><u>\$ 40,056,652</u></b>
Noncurrent assets		
Capital assets:		
Nondepreciable:		
Construction in progress	\$ 309,977	\$ -
Depreciable (net)	10,355,916	-
<b>Total noncurrent assets</b>	<b><u>\$ 10,665,893</u></b>	<b><u>\$ -</u></b>
<b>Total Assets</b>	<b><u>\$ 11,673,994</u></b>	<b><u>\$ 40,056,652</u></b>
<b><u>Liabilities</u></b>		
Current liabilities:		
Accounts payable	\$ 82,438	\$ 631,442
Compensated absences payable - current	-	168,990
Due to other funds	-	207,726
Due to other governments	17	-
<b>Total current liabilities</b>	<b><u>\$ 82,455</u></b>	<b><u>\$ 1,008,158</u></b>
Noncurrent liabilities:		
Compensated absences payable - long-term	\$ -	\$ 18,562,738
Net OPEB liability	-	8,447,584
<b>Total noncurrent liabilities</b>	<b><u>\$ -</u></b>	<b><u>\$ 27,010,322</u></b>
<b>Total Liabilities</b>	<b><u>\$ 82,455</u></b>	<b><u>\$ 28,018,480</u></b>
<b>Net Position</b>		
Investment in capital assets	\$ 10,665,893	\$ -
Restricted for		
Equipment replacement	147,414	-
Unrestricted	778,232	12,038,172
<b>Total Net Position</b>	<b><u>\$ 11,591,539</u></b>	<b><u>\$ 12,038,172</u></b>

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

**DAKOTA COUNTY  
MINNESOTA**

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<b>Nonmajor Enterprise Funds</b>	<b>Governmental Activities - Employee Services Reserve Internal Service Fund</b>
	<u>          </u>	<u>          </u>
<b>Operating Revenues</b>		
Charges for services	\$ 744,256	\$ 24,866,809
Miscellaneous	100,485	113,506
	<u>          </u>	<u>          </u>
<b>Total Operating Revenues</b>	<b>\$ 844,741</b>	<b>\$ 24,980,315</b>
<b>Operating Expenses</b>		
Personal services	\$ -	\$ 1,054,183
Professional services	-	191,933
Medical claims	-	22,737,226
Repairs and maintenance	962,635	-
Administration and fiscal services	-	1,719,903
OPEB expense	-	691,653
Depreciation	154,055	-
Other services and charges	5,647	106,083
	<u>          </u>	<u>          </u>
<b>Total Operating Expenses</b>	<b>\$ 1,122,337</b>	<b>\$ 26,500,981</b>
<b>Operating income (loss)</b>	<b>\$ (277,596)</b>	<b>\$ (1,520,666)</b>
<b>Nonoperating revenues (expenses)</b>		
Intergovernmental	\$ 193,108	\$ -
Investment earnings	-	13,707
	<u>          </u>	<u>          </u>
<b>Total Nonoperating revenues (expenses)</b>	<b>\$ 193,108</b>	<b>\$ 13,707</b>
<b>Income before contributions and transfers</b>	<b>\$ (84,488)</b>	<b>\$ (1,506,959)</b>
<b>Transfers out</b>	<u>          </u>	<u>          </u>
	-	(103,574)
<b>Change in Net Position</b>	<b>\$ (84,488)</b>	<b>\$ (1,610,533)</b>
<b>Net Position - January 1</b>	<u>          </u>	<u>          </u>
	11,676,027	13,648,705
<b>Net Position - December 31</b>	<b>\$ 11,591,539</b>	<b>\$ 12,038,172</b>

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, 2017  
Increase (Decrease) in Cash and Cash Equivalents**

	<u>Nonmajor Enterprise Funds</u>	<u>Governmental Activities - Employee Services Reserve Internal Service Fund</u>
<b>Cash Flows from Operating Activities</b>		
Receipts from customers and users	\$ 844,379	\$ 782
Receipts from internal services provided	-	24,223,926
Payments to suppliers	(890,441)	(25,089,170)
Payments to internal services used	-	(59,217)
	<u>                    </u>	<u>                    </u>
<b>Net cash provided by (used in) operating activities</b>	<b><u>\$ (46,062)</u></b>	<b><u>\$ (923,679)</u></b>
<b>Cash Flows from Noncapital Financing Activities</b>		
Transfers out	\$ -	\$ (103,574)
	<u>                    </u>	<u>                    </u>
<b>Net cash provided by (used in) noncapital financing activities</b>	<b><u>\$ -</u></b>	<b><u>\$ (103,574)</u></b>
<b>Cash Flows from Capital and Related Financing Activities</b>		
Purchases of capital assets	\$ (176,214)	\$ -
	<u>                    </u>	<u>                    </u>
<b>Net cash provided by (used in) capital and related financing activities</b>	<b><u>\$ (176,214)</u></b>	<b><u>\$ -</u></b>
<b>Cash Flows from Investing Activities</b>		
Investment earnings	\$ -	\$ 13,707
	<u>                    </u>	<u>                    </u>
<b>Net cash provided by (used in) investing activities</b>	<b><u>\$ -</u></b>	<b><u>\$ 13,707</u></b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b><u>\$ (222,276)</u></b>	<b><u>\$ (1,013,546)</u></b>
<b>Cash and Cash Equivalents at January 1</b>	<b><u>1,036,907</u></b>	<b><u>39,752,153</u></b>
<b>Cash and Cash Equivalents at December 31</b>	<b><u>\$ 814,631</u></b>	<b><u>\$ 38,738,607</u></b>
<b>Reconciliation of Operating Income to Net Cash Provided by (Used in) Operating Activities</b>		
Operating income (loss)	<u>\$ (277,597)</u>	<u>\$ (1,520,666)</u>
Adjustments to reconcile operating income to net cash provided by (used in) operating activities		
Depreciation expense	\$ 154,055	\$ -
(Increase) decrease in accounts receivable	(362)	-
(Increase) decrease in due from other governments	-	(48)
(Increase) decrease in due from other funds	-	(755,559)
Increase (decrease) in accounts payable	77,849	93,814
Increase (decrease) in compensated absences payable	-	950,031
Increase (decrease) in due to other funds	-	44,935
Increase (decrease) in due to other governments	(7)	-
Increase (decrease) in OPEB liability	-	263,814
	<u>                    </u>	<u>                    </u>
<b>Total adjustments</b>	<b><u>\$ 231,535</u></b>	<b><u>\$ 596,987</u></b>
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b><u>\$ (46,062)</u></b>	<b><u>\$ (923,679)</u></b>

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, 2017**

	<b>Private-Purpose Trusts</b>	<b>Agency Fund</b>
<b><u>Assets</u></b>		
Cash and pooled investments	\$ 813,646	\$ 61,937,683
Accounts receivable	648	10,920
Due from other governments	169,480	311,246
<b>Total Assets</b>	<b>\$ 983,774</b>	<b>\$ 62,259,849</b>
<b><u>Liabilities</u></b>		
Accounts payable	\$ 91,526	\$ 2,319,041
Due to other governments	169,480	59,940,808
<b>Total Liabilities</b>	<b>\$ 261,006</b>	<b>\$ 62,259,849</b>
<b><u>Net Position</u></b>		
Net position held in trust for other purposes	\$ 722,768	
<b>Total Net Position</b>	<b>\$ 722,768</b>	

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, 2017**

	<u>Private-Purpose Trusts</u>
<b><u>ADDITIONS:</u></b>	
State Grants	
Minnesota Dept of Trial Courts	\$ 734,363
Minnesota Dept of Public Safety	79,159
Payments from other governments	595,502
Other agencies	156,267
Investment earnings:	
Interest	4,788
<b>Total additions</b>	<b><u>\$ 1,570,079</u></b>
<b><u>DEDUCTIONS:</u></b>	
Judicial District expenses	\$ 734,363
Solid waste expenses	581,995
Emergency preparedness expenses	109,090
<b>Total deductions</b>	<b><u>\$ 1,425,448</u></b>
<b>Change in net position</b>	<b>\$ 144,631</b>
<b>Net position - January 1</b>	<b><u>578,137</u></b>
<b>Net position - December 31</b>	<b><u><u>\$ 722,768</u></u></b>

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 (GAAP). This financial report has been prepared in conformity with Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments*, issued in June 1999.

### Changes in Accounting Principles

The GASB has issued the following Statements since the previous Comprehensive Annual Financial Report submission 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. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* – this statement will be effective for the County beginning with the year ending December 31, 2018.

GASB Statement No. 85, *Omnibus 2017* addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]) – this statement will be effective for the County beginning with the year ending December 31, 2018.

GASB Statement No. 86, *Certain Debt Extinguishment Issues* – this statement will be effective for the County beginning with the year ending December 31, 2018.

GASB Statement No. 84, *Fiduciary Activities* – this statement will be effective for the County beginning with the year ending December 31, 2020.

GASB Statement No. 87, *Leases* – this statement will be effective for the County beginning with the year ending December 31, 2020.

### A. Reporting Entity

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

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

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

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

The County appoints all seven members of the CDA's Board of Commissioners. Additionally the County has underwritten several of the bond issues of the CDA. The CDA is therefore included as a discretely presented unit because of the significance of the relationship between the CDA and the County.

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

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

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

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

**B. Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely significantly on fees and charges for support. Likewise, the *primary government* is reported separately from the legally separate *component units* for which the primary government is financially accountable.

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

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

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

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period for taxes, charges for services, and reimbursements for services and 90 days for intergovernmental grants. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. Proceeds of long-term debt and acquisitions under capital leases are reported as other financing sources.

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

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 2016, the Environmental Legacy 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.

Debt Service Fund accounts for the resources restricted, committed or assigned for principal and interest on long-term general obligation debt of the government. The County made the final payment for its general obligation bonds in 2016 so there was no activity in 2017.

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

# Dakota County, Minnesota

## Notes to the Financial Statements

### December 31, 2017

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The government reports the following non-major governmental funds:

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

- County Library Fund accounts for the operating cost of the Dakota County Library. Financing is provided by an annual property tax levy.
- County Parks Special Revenue Fund accounts for park acquisition, development and operating costs. Financing is provided by an annual property tax levy and restricted grants from Metropolitan Council.
- Regional Rail Special Revenue Fund accounts for revenues and expenditures of the Regional Rail Authority established by the Dakota County Board of Commissioners to plan and develop light rail and other transit alternatives within the County.
- DC Transportation Sales Tax Fund accounts for the transit sales and use tax and vehicle excise tax and the expenditures of the qualified projects.
- Law Library Fund accounts for revenues and expenditures of the Law Library. Revenues are derived from fees collected from certain litigants and expenditures are primarily law books and minor administrative and personal service costs.
- Attorney Forfeiture Fund accounts for the 20 percent of the proceeds from the sale of forfeited property which is distributed to the County Attorney as a supplement to operating monies for prosecutorial purposes.

Additionally, the government reports the following fund types:

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

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

Employee Services Reserve Internal Service Fund accounts for the employee insurance and services provided to departments by employees, specifically employee benefits including compensated absences.

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

- First Judicial District Fund accounts for certain expenses of the District and its subsequent reimbursement from the state. The First Judicial District is a subdivision of the state and is legally separate from the County. This fund also incorporates expenses for Dakota County District Court which is reimbursed by the state.

- Rural Solid Waste Commission Fund accounts for 13 townships and six rural communities in Dakota County who have pooled their resources to provide solid waste abatement activities for the rural areas. It is a legally separate entity for which the County is the fiscal agent. The County maintains membership in but not control over the Commission.
- 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.

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.

The County's financial statements are prepared in accordance with GAAP as of and for the year ended December 31, 2017. The GASB is responsible for establishing GAAP for state and local governments through its pronouncements (statements and interpretations). The more significant accounting policies established in GAAP and used by the County are discussed below.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments for direct interfund services provided. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. Amounts reported as *program revenues* include: 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's ongoing operations. The principal operating revenue of the Geographic Information System (GIS) enterprise fund is the sale of geographic information. The Byllesby Dam's primary source of revenue is the sale of electricity it generates from its Hydro-electric facility. The Employee Services Reserve Internal Service Fund's primary revenue is derived from charges for services to departments for employee benefits. Operating expenses for the enterprise funds and the internal service fund include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

**D. Assets, Liabilities, Deferred Outflows/Inflows Of Resources, and Net Position/Fund Balance**

**1. Deposits and Investments**

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

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

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

**2. Receivables and Payables**

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

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

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

**3. Inventories and Prepaid Items**

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

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

**4. Restricted Assets**

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

**5. Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The government defines capital assets as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value. Computer software has a threshold of \$50,000 and is included in the category of Machinery and Equipment. Infrastructure has a threshold of \$50,000, Buildings and Building Improvements have a \$50,000 threshold, and Land has no minimum threshold; while Land Improvements have a \$50,000 threshold. Machinery and Equipment has a \$5,000 threshold and Controllable Items have no minimum threshold.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. 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, 2017 was \$374,506.

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

For the County the estimated useful lives are:

<u>Assets</u>	<u>Years</u>
Buildings	50-100
Building Improvements	10-30
Infrastructure	50-70
Machinery & Equipment	1-10
Land Improvements	10-30

For the CDA the estimated useful lives are:

<u>Assets</u>	<u>Years</u>
Buildings & Improvements	10-40
Furniture & Equipment	3-10
Land Improvements	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. Currently, the County has one item, deferred pension outflows that qualifies for reporting in this category. These outflows arise only under the full accrual basis of accounting and consist of changes in actuarial assumptions, pension plan contributions paid subsequent to the measurement date and also the differences between projected and actual earnings on pension plan investments, and accordingly, are reported only in the statement of net position. The CDA also reports a deferred charge on refunding in the government-wide statement of net position. A deferred

charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Both the County and the CDA have items that qualify for reporting in this category. The County has deferred pension inflows, which arise only under the full accrual basis of accounting and consist of differences between expected and actual pension plan economic experience and also pension plan changes in proportionate share, and accordingly are reported only in the statement of net position. Additionally, the County has unavailable revenue which is reported in the governmental funds balance sheet. The governmental funds report unavailable revenues from the following sources: property taxes, charges for services, grants receivable and miscellaneous revenue. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. For the CDA, unavailable revenue is reported from property taxes, loan repayments and special assessments. Because taxes are levied for subsequent periods, such amounts are reported as a deferred inflow of resources in both the government-wide and the fund financial statements at June 30th.

**7. Pension Plan**

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

**8. Net Position Flow Assumption**

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

**9. Compensated Absences**

It is the government's policy to permit employees to accumulate earned but unused flex leave, vacation and sick pay benefits. Under the County's personnel policies and union contracts, County employees are granted flex leave or vacation and sick leave in varying amounts based on length of service. Certain County employees are also granted compensatory time. Unused accumulated flex leave, vacation leave, compensatory time, and sick leave, are paid to employees upon termination. Vacation and sick leave accruals vary from 12 to 20 days per year. Flextime accruals vary from 20 to 40 days per year. A liability for the compensated absences is reported in the internal service fund and the governmental activities column of the government-wide statement of net position. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements. The current portion consists of those payments made to post-employment health care on behalf of the employees within 60 days of the year-end.

**10. Long-Term Obligations**

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

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

**11. Classification of Net Position**

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

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

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

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

**12. Classification of Fund Balances**

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

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

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

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

Assigned - amounts in the assigned fund balance classification the County intends to use for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents items set aside for capital projects or grant programs unspent in the current year which are approved by the County Board or the 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.

### **13. Minimum Fund Balance Policy**

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

## **E. Revenues**

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

### Imposed Nonexchange Transactions

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

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

Intergovernmental

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

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

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

Exchange Transactions

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

**F. Use of Estimates**

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

**II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**A. Budgetary Information**

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

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

The appropriated budget is prepared by fund, function, and department. This appropriated budget is adopted at the department level. Budgets may be amended during the year with the approval of the County Manager or County Board as required by the County Budget Compliance Policy. The County Manager is authorized to transfer budgeted amounts between departments or appropriate certain revenues received in excess of the original budget estimate. Supplemental appropriations are reviewed by the County Manager and submitted to

# Dakota County, Minnesota

## Notes to the Financial Statements

# December 31, 2017

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 at the department level.

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

<u>Fund</u>	<u>Amount</u>
General	\$ 19,787,499
Highway	\$ 44,911,527
Regional Rail	\$ 7,878,037
Capital Projects	\$ 6,683,604
County Library	\$ 722,839
County Parks	\$ 20,745,718

### B. Excess of Expenditures Over Appropriations

For the year ended December 31, 2017, expenditures exceeded appropriations in County Treasurer in the General Fund by \$902,155, Other-Highway and Streets in the General Fund by \$138,021, Parks in the General Fund by \$101,081, Economic Development-Administration in the General Fund by \$4,532,921, Debt Service-Principal in the General Fund by \$136,449, Debt Service-Interest in the General Fund by \$13,828, and Highway – Administration by \$114,161. These excess expenditures were funded by available fund balance and current year savings.

## III. DETAILED NOTES ON ALL FUNDS

### A. Deposits and Investments

#### 1. Cash and Cash Equivalents

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

#### 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 or amortized cost at December 31, 2017. 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 state statutes, grant agreements, contracts, and bond covenants. Pooled investment earnings for 2017 were \$5,349,627 which includes adjustments for year-end market valuations.

# Dakota County, Minnesota

## Notes to the Financial Statements

# December 31, 2017

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

Government-wide statement of net position	
Governmental Activities	
Cash and pooled investments	\$ 342,879,329
Petty cash and change funds	19,996
Business-type activities	
Cash and pooled investments	814,631
Discrete Component Unit	
Vermillion River Watershed	
Cash and pooled investments	1,791,168
Statement of fiduciary net position	
Cash and pooled investments	
Private-purpose trust funds	813,646
Agency funds	61,937,683
Total Cash and Investments	\$ 408,256,453
Deposits	\$ 38,505,721
Petty cash and change funds	19,996
Investments	369,730,736
Total Deposits, Cash on hand, and Investments	\$ 408,256,453

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, 2017, the County's deposits were not exposed to custodial credit risk. The County policy is that all cash certificates of deposit, and other depository accounts shall be collateralized by pledged securities as specified in Minn. Stat. § 118A.03.

# Dakota County, Minnesota

## Notes to the Financial Statements

# December 31, 2017

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

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

*Interest Rate Risk* - Interest rate risk is the risk that changes in the market interest rates will adversely affect the fair value of an investment. To limit exposure to interest rate risk, the County's investment policy is to 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:

# Dakota County, Minnesota

## Notes to the Financial Statements

# December 31, 2017

At December 31, 2017, the County had the following investments:

Type of Security	Credit Risk	Less Than 1 Year	1-5 Years	More Than 5 Years	Total
US Government:					
US Treasury Securities	AAA	\$ 21,966,980	\$ -	\$ 9,037,967	\$ 31,004,947
US Government Instrumentalities:					
Federal Home Loan Bank	Aaa	19,921,875	-	-	19,921,875
Federal Home Loan Mortgage Corp	Aaa	636,417	5,432,316	3,840,152	9,908,885
Financing Corp	N/R	677,098			677,098
Federal National Mortgage Assoc.	Aaa	21,302,871	22,588,543	14,068,727	57,960,140
Government National Mortgage Assoc.	Aaa	-	-	1,653,701	1,653,701
Small Business Administration	Aaa	-	-	3,571,356	3,571,356
Tennessee Valley Authority	N/R	5,853,365	7,793,642	3,038,176	16,685,184
Certificates of Deposit	N/R	2,454,034	1,468,916	246,698	4,169,648
Municipal Bonds	Aaa	1,125,982	5,769,653	1,212,278	8,107,913
Municipal Bonds	Aa1	2,681,980	8,238,114	2,922,382	13,842,476
Municipal Bonds	Aa2	796,752	6,743,044	2,733,359	10,273,155
Municipal Bonds	Aa3	2,000,020	3,094,957	-	5,094,977
Municipal Bonds	A2	948,272	-	-	948,272
Municipal Bonds	A1	-	1,566,496	-	1,566,496
Municipal Bonds	N/R	764,857	6,448,256	486,933	7,700,046
National Credit Union Assoc. Notes	Aaa	-	46,096	-	46,096
Government Money Market Funds	N/R	147,001,761	-	-	147,001,761
Commercial Paper	P-1	29,596,709	-	-	29,596,709
<b>Total Investments:</b>		\$ 257,728,973	\$ 69,190,033	\$ 42,811,730	\$ 369,730,736

**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, 2017 is listed in the table above, which displays rating assignments per Moody's Investors Service.

**Custodial Credit Risk-Investments** - The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. As required by County policy, at December 31, 2017, all of Dakota County's investments are held by a third party custodian and were not exposed to custodial credit risk.

**Dakota County, Minnesota**  
**Notes to the Financial Statements**

**December 31,**  
**2017**

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
U.S. Bank Commercial Paper	\$ 20,020,444	5.41%
Federal Home Loan Bank	19,921,875	5.39%
Federal National Mortgage Assoc.	57,960,140	15.68%
Total	\$ 97,902,460	26.48%

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

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

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

# Dakota County, Minnesota

## Notes to the Financial Statements

# December 31, 2017

At December 31, 2017, the County had the following recurring fair value measurements:

Investment Type	As of 12/31/2017	Fair Value Measurements:		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>US Government:</b>				
US Treasury Securities	\$ 9,037,967	\$ 9,037,967	\$ -	\$ -
<b>US Government Instrumentalities:</b>				
Federal Home Loan Bank	12,438,500	-	12,438,500	-
Federal Home Loan Mortgage Corp	9,908,885	-	9,908,885	-
Financing Corp	677,098	-	677,098	-
Federal National Mortgage Assoc.	36,721,058	-	36,721,058	-
Government National Mortgage Assoc.	1,653,701	-	1,653,701	-
Small Business Administration	3,571,356	-	3,571,356	-
Tennessee Valley Authority	16,685,184	-	16,685,184	-
Certificates of Deposit	4,169,648	-	4,169,648	-
Municipal Bonds	47,533,336	-	47,533,336	-
National Credit Union Assoc. Notes	46,096	-	46,096	-
Total Debt Securities	\$ 142,442,829	\$ 9,037,967	\$ 133,404,862	\$ -
Total Investments Measured at Fair Value				
Levels	\$ 142,442,829	\$ 9,037,967	\$ 133,404,862	\$ -

As of June 30, 2017, 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:				
U.S. Treasury Notes	\$ 9,989,600	\$ 9,989,600	\$ -	\$ -
U.S. Government Agencies:				
Federal Home Loan Bank	13,945,200	11,958,700	1,986,500	-
Federal Home Loan Mortgage Corp.	5,986,684	-	5,956,760	29,924
Federal National Mortgage Assoc.	589,642	-	-	589,642
Government Nat'l Mortgage Assoc.	211,485	-	-	211,485
Money market funds	27,386,285	27,386,285	-	-
Local government investment pool	48,541,964	48,541,964	-	-
	\$ 106,650,860	\$ 97,876,549	\$ 7,943,260	\$ 831,051

# Dakota County, Minnesota

## Notes to the Financial Statements

# December 31, 2017

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

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

Concentration of Credit Risk - The CDA places no limit on the amount that may be invested in any one issuer. At June 30, 2016, the CDA had more than five percent of its total investments with the Federal Home Loan Bank, Federal National Mortgage Association, money market funds, and the local government investment pool.

Custodial Credit Risk-Deposits - In the case of deposits, this is the risk that in the event of a bank failure, the CDA's deposits may not be returned to it. The CDA follows MN State Statutes which require all deposits with financial institutions to be collateralized in an amount equal to 110 percent of deposits in excess of FDIC insurance. At June 30, 2016, all CDA's deposits were adequately protected by pledged collateral and federal depository insurance.

Custodial Credit Risk-Investments - For an investment, this is the risk that, in the event of the failure of the counterparty, the CDA will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. At June 30, 2016, all investments were held by counterparties, were insured or registered, and were not exposed to custodial risk.

Fair value reporting. The CDA's investments that are not recorded at amortized cost or using the equity method are recorded at fair value as of June 30, 2016. GASB Statement No. 72, *Fair Value Measurement and Application*, defines fair value as the price that would be received to sell an asset between market participants at the measure date. This statement establishes a hierarchy of valuation inputs based on the extent to which the inputs are observable in the market place.

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

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

At June 30, 2017, of the U.S. Government Agencies totaling \$30,722,611, \$9,898,600 were classified as Level 1 and \$20,733,011 was classified as Level 2. Money market funds and a local government investment pool of \$27,386,285 and \$48,541,964 were not subject to leveling.

**Dakota County, Minnesota**  
**Notes to the Financial Statements**

**December 31,**  
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**B. Receivables**

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

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

	Deferred inflows of resources	Unearned
Property taxes receivable	\$ 1,123,027	\$ -
Property taxes collected for subsequent period	5,725,353	-
Charges for services	-	115,984
Grant receivables that do not provide current financial resources	25,306,099	-
Miscellaneous	322,924	468,799
Lease receivable	3,067,974	-
Grant drawdowns prior to meeting all eligibility requirements	-	2,049,883
Total deferred inflows of resources/ unearned revenue for governmental funds	\$ 35,545,377	\$ 2,634,666

**C. Notes Receivable**

The CDA has issued various notes to individuals, businesses, not-for-profits, governmental units, and joint ventures. These notes are generally secured by liens on real and personal property and allowances for uncollectible loans are generally not recorded as such amounts are not expected to be material. Notes receivable at June 30, 2017 consist of the following:

Loan Description	Loan Balance
Homebuyer loans	\$ 3,843,287
Homeowner rehab loans:	
Deferred	\$ 14,471,302
Joint venture loans:	
Bridge	\$ 4,296,345
First Mortgage	5,203,070
Other	13,731,260
Revolving	119,912
	\$ 23,350,587
Multifamily loans:	
Deferred	\$ 12,377,138
Installment	9,173,801
	\$ 21,550,939
Supportive housing	\$ 309,441
	\$ 63,525,556

**Dakota County, Minnesota** | **December 31,**  
**Notes to the Financial Statements** | **2017**

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**D. Lease Receivable**

**Dakota Communications Center Joint Powers Board**

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

The annual lease requirement payments to maturity are as follows:

<u>Year Ended December 31</u>	<u>Lease Receivable</u>
2018	\$ 725,100
2019	725,100
2020	725,100
2021	725,100
2022	<u>483,400</u>
Total Lease Receivable	\$ 3,383,800
Less Interest	<u>(315,826)</u>
Present Value of Lease Receivable	<u>\$ 3,067,974</u>

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

**Dakota County, Minnesota** | **December 31,**  
**Notes to the Financial Statements** | **2017**

**E. Capital Assets**

Capital asset activity for the year ended December 31, 2017, was as follows:

**Primary Government**

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 232,324,957	\$ 13,439,928	\$ -	\$ 245,764,885
Construction in progress	29,035,103	34,063,424	(19,908,432)	43,190,095
Total capital assets, not being depreciated	<u>\$ 261,360,060</u>	<u>\$ 47,503,352</u>	<u>\$ (19,908,432)</u>	<u>\$ 288,954,980</u>
Capital assets, being depreciated:				
Buildings	\$ 209,810,785	\$ 1,055,275	\$ -	\$ 210,866,060
Improvements other than buildings	39,438,265	8,059,824	-	47,498,089
Machinery and equipment	44,004,024	3,580,545	(3,043,327)	44,541,242
Infrastructure	534,801,086	10,372,346	-	545,173,432
Total capital assets, being depreciated	<u>\$ 828,054,160</u>	<u>\$ 23,067,990</u>	<u>\$ (3,043,327)</u>	<u>\$ 848,078,823</u>
Less accumulated depreciation for:				
Buildings	\$ (75,522,242)	\$ (4,313,746)	\$ -	\$ (79,835,988)
Improvements other than buildings	(7,857,515)	(2,280,089)	-	(10,137,604)
Machinery and equipment	(28,365,589)	(4,637,719)	2,957,755	(30,045,553)
Infrastructure	(185,129,457)	(11,092,284)	-	(196,221,741)
Total accumulated depreciation	<u>\$ (296,874,803)</u>	<u>\$ (22,323,838)</u>	<u>\$ 2,957,755</u>	<u>\$ (316,240,886)</u>
Total capital assets, being depreciated, net	<u>\$ 531,179,357</u>	<u>\$ 744,152</u>	<u>\$ (85,572)</u>	<u>\$ 531,837,937</u>
Governmental activities capital assets, net	<u><u>\$ 792,539,417</u></u>	<u><u>\$ 48,247,504</u></u>	<u><u>\$ (19,994,004)</u></u>	<u><u>\$ 820,792,917</u></u>
	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Construction /development in progress	\$ 133,762	\$ 176,215	\$ -	\$ 309,977
Total capital assets, not being depreciated	<u>\$ 133,762</u>	<u>\$ 176,215</u>	<u>\$ -</u>	<u>\$ 309,977</u>
Capital assets, being depreciated:				
Infrastructure	\$ 10,783,855	\$ -	\$ -	\$ 10,783,855
Total capital assets, being depreciated	<u>\$ 10,783,855</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,783,855</u>
Less accumulated depreciation for:				
Infrastructure	\$ (273,884)	\$ (154,055)	\$ -	\$ (427,939)
Total accumulated depreciation	<u>\$ (273,884)</u>	<u>\$ (154,055)</u>	<u>\$ -</u>	<u>\$ (427,939)</u>
Total capital assets, being depreciated, net	<u>\$ 10,509,971</u>	<u>\$ (154,055)</u>	<u>\$ -</u>	<u>\$ 10,355,916</u>
Business-type activities:				
Capital assets, net	<u><u>\$ 10,643,733</u></u>	<u><u>\$ 22,160</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 10,665,893</u></u>

# Dakota County, Minnesota

## Notes to the Financial Statements

# December 31, 2017

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

**Depreciation Expense:**

Governmental Activities:

General Government	\$ 3,699,592
Public Safety	2,060,087
Highways and Streets, including depreciation of general infrastructure	13,379,005
Human Services	41,601
Health	5,382
Culture and Recreation	3,106,832
Conservation of Natural Resources	31,254
Sanitation	85
Total depreciation expense - governmental activities	\$ 22,323,838

Business-type activities:

Infrastructure	\$ 154,055
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**Construction Commitments**

The County has active construction projects as of December 31, 2017. The projects include street construction in areas with newly developed housing, widening and construction of existing streets and bridges, and prairie restoration, culverts, sewer, landscaping and lighting for parks and trails. At year-end the government's major commitments with contractors are as follows:

Project	Spent-to-Date	Remaining Commitment
Street Construction	\$ 36,985,286	\$ 8,987,925
Parks Construction	3,152,359	1,944,628
	\$ 40,137,645	\$ 10,932,553

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

# Dakota County, Minnesota

## Notes to the Financial Statements

# December 31, 2017

### Discretely Presented Component Unit

Activity for the CDA for the year ended June 30, 2017, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Government activities:				
Capital assets, not being depreciated:				
Land	\$ 6,863,280	\$ 1,800	\$ 22,786	\$ 6,842,294
Total capital assets, not being depreciated:	\$ 6,863,280	\$ 1,800	\$ 22,786	\$ 6,842,294
Capital assets, being depreciated:				
Land improvements	\$ 149,812	\$ -	\$ -	\$ 149,812
Buildings	4,877,593	-	-	4,877,593
Furniture and equipment	2,463,382	88,991	52,713	2,499,660
Total capital assets, being depreciated	\$ 7,490,787	\$ 88,991	\$ 52,713	\$ 7,527,065
Less accumulated depreciation for:				
Land improvements	\$ (133,518)	\$ (9,988)	\$ -	\$ (143,506)
Buildings	(1,490,195)	(122,364)	-	(1,612,559)
Furniture and equipment	(1,961,957)	(161,219)	(52,713)	(2,070,463)
Total accumulated depreciation	\$ (3,585,670)	\$ (293,571)	\$ (52,713)	\$ (3,826,528)
Total capital assets, being depreciated, net	3,905,117	(204,580)	-	3,700,537
Governmental activities capital assets, net	\$ 10,768,397	\$ (202,780)	\$ 22,786	\$ 10,542,831
Business-type activities:				
Capital assets, not being depreciated:				
Land and land improvements	\$ 24,470,533	\$ 1,156,599	\$ -	\$ 25,627,132
Construction in progress	1,459,539	9,888,080	11,169,382	178,237
Total capital assets, not being depreciated	\$ 25,930,072	\$ 11,044,679	\$ 11,169,382	\$ 25,805,369
Capital assets, being depreciated:				
Land improvements	\$ 5,710,371	\$ 461,526	\$ -	\$ 6,171,897
Buildings	201,122,557	19,846,618	621,700	220,347,475
Furniture and equipment	6,671,986	263,078	-	6,935,064
Total capital assets being depreciated	\$ 213,504,914	\$ 20,571,222	\$ 621,700	\$ 233,454,436
Less accumulated depreciation for:				
Land improvements	\$ (4,034,368)	\$ (482,131)	\$ -	\$ (4,516,499)
Buildings	(61,624,057)	(7,669,107)	(313,373)	(68,979,791)
Furniture and equipment	(5,432,618)	(332,026)	-	(5,764,644)
Total accumulated depreciation	\$ (71,091,043)	\$ (8,483,264)	\$ (313,373)	\$ (79,260,934)
Total capital assets, being depreciated, net	142,413,871	12,087,958	308,327	154,193,502
Business-type activities, capital assets, net	\$ 168,343,943	\$ 23,132,637	\$ 11,477,709	\$ 179,998,871

**Dakota County, Minnesota**  
**Notes to the Financial Statements**

**December 31,**  
**2017**

As of June 30, 2017, the CDA's commitments with contractors are as follows:

Component Unit

Project	Spent-to-Date	Remaining Commitment
Senior housing development	\$ 8,940,196	\$ 549,648

The cost and accumulated depreciation of capital assets relating to operating leases and reported as business-type activities is \$949,624 and \$356,805 respectively for a carrying value of \$592,819.

**F. Interfund Receivables, Payables, and Transfers**

The composition of interfund balances as of December 31, 2017, is as follows:

Receivable Fund	Payable Fund	Amount
General	Highway	\$ 498,425
	Capital Projects	617,844
	Nonmajor Governmental Funds	1,761,580
	Proprietary Funds	1,273,978
Highway	General	264,509
	Capital Projects	1,141,380
	Nonmajor Governmental Funds	1,598,881
	Proprietary Funds	37,119
Capital Projects	General	1,959,978
	Highway	4,046
Nonmajor Governmental Funds	General	220,774
	Highway	13,722
	Proprietary Funds	6,900
Proprietary Funds	General	103,574
	Nonmajor Governmental Funds	104,152
Total		\$ 9,606,862

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

Interfund Transfers:

Transfer In	Transfer Out	Amount
General	Highway	\$ 228,296
	Nonmajor Governmental Funds	18,253
	Proprietary Funds	103,574
Highway	General	498,425
Capital Projects	General	699,380
	Highway	86,583
Nonmajor Governmental Funds	General	1,561,207
		\$ 3,195,718

# Dakota County, Minnesota

## Notes to the Financial Statements

# December 31, 2017

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.

### G. Long-Term Debt

#### Primary Government

##### General Obligation Bonds

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

Bonds payable at December 31, 2017 are zero as the County paid the final amount due on the General Obligation Refunding Bonds issued in 2007. These bonds refunded outstanding General Obligation Capital Improvement Bonds, series 1999A and 2001A. On February 1, 2016 the County chose to make an early payoff of \$23,420,000 to satisfy all outstanding bond obligations.

##### Capital Lease

In 2015, the County entered into a capital lease agreement for network switches. This agreement qualifies as a capital lease for accounting purposes. The network switches are recorded by the County as capital assets as machinery and equipment at the present value of the future minimum lease payments as of the inception of the lease.

<u>Lease</u>	<u>Maturity</u>	<u>Installment</u>	<u>Payment Amount</u>	<u>Original</u>	<u>Balance</u>
Network Switches	2019	Annually	\$ 150,277	\$ 704,080	\$ 286,429

Future minimum lease obligation and the net present value of the minimum lease payments as of December 31, 2017, were as follows:

<u>Year Ending December 31</u>	
2018	\$ 150,277
2019	<u>150,276</u>
Total minimum lease payments	300,553
Less amount representing interest	<u>(14,124)</u>
Present value of minimum lease payments	<u><u>\$ 286,429</u></u>

# Dakota County, Minnesota

## Notes to the Financial Statements

# December 31, 2017

### Changes in Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2017, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental Activities:</b>					
Capital leases payable	\$ 422,878	\$ -	\$ (136,449)	\$ 286,429	\$ 140,911
Claims and judgments	2,551,344	329,315	(296,177)	2,584,482	291,997
Compensated absences	17,781,697	14,427,529	(13,477,498)	18,731,728	168,990
Governmental activity					
Long-term liabilities	<u>\$ 20,755,919</u>	<u>\$ 14,756,844</u>	<u>\$ (13,910,124)</u>	<u>\$ 21,602,639</u>	<u>\$ 601,898</u>

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

### **Discretely Presented Component Unit**

Activity for the CDA for the year ended June 30, 2017, 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 (POHP) note payable to the Minnesota Housing Finance Agency (MHFA). MHFA provided funds in the form of an interest free, deferred loan for a term of twenty years. There is no amortization requirement on the POHP loan. The loan will be forgiven on the twenty-first (21st) anniversary from the effective date of June, 2009. The purpose of the loan was to provide financing for the construction of a 25-unit housing development.

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

\$466,000 Public Housing enterprise fund, Publicly Owned Housing Program (POHP) note payable to the Minnesota Housing Finance Agency (MHFA). MHFA provided funds in the form of an interest free, deferred loan for a term of twenty years. There is no amortization requirement on the POHP loan. The loan will be forgiven on the twenty-first (21st) anniversary from the effective date of February, 2017. The purpose of the loan was to provide financing for the exterior improvements of public housing units in Apple Valley and Hastings.

# Dakota County, Minnesota

## Notes to the Financial Statements

# December 31, 2017

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

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

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

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

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

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

\$396,000 Dakota County Workforce Housing LLC, a blended component unit, Low Income Large Family note payable to MHFA. The loan is for a term of 30 years with interest of one percent (1%) per year accruing on the unpaid amount. The principal and all accrued interest shall be due and payable in one lump sum on February 25, 2027. The loan was initially made to the Hastings Family Housing Limited Partnership, a joint venture, to provide financing for a portion of the construction. Upon dissolution in 2013, the liabilities of the joint venture were transferred to the Dakota County Workforce Housing LLC.

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

\$210,480 Dakota County Workforce Housing LLC, a blended component unit, Affordable Rental Investment Fund note payable to MHFA. The loan is for a term of 30 years with interest of one percent (1%) per year accruing on the unpaid amount. The principal and all accrued interest shall be due and payable in one lump sum on February

25, 2027. The loan was initially made to the Hastings Family Housing Limited Partnership, a joint venture, to provide financing for a portion of the construction. Upon dissolution in 2013, the liabilities of the joint venture were transferred to the Dakota County Workforce Housing LLC.

\$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.

\$13,308 Dakota County Workforce Housing LLC, a blended component unit, note payable to Family Housing Fund. The loan is for a term of 30 years with interest of one percent (1%) per year accruing on the unpaid amount. Annual payment of \$2,790 with balance of principal and interest due and payable on September 25, 2021. The loan was initially made to the Burnsville Family Housing Limited Partnership, a joint venture, to provide financing for a portion of the construction. Upon dissolution in 2014, the liabilities of the joint venture were transferred to the Dakota County Workforce Housing LLC.

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

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

\$319,591 Dakota County Workforce Housing LLC, a blended component unit, Affordable Rental Investment Fund, note payable to MHFA. The loan is for a term of 30 years with simple interest of one percent (1%) on the unpaid amount until the maturity date of May 27, 2029. The loan was initially made to the Chasewood Family Housing Limited Partnership, a joint venture, to provide financing for a portion of the construction. Upon dissolution in 2014, the liabilities of the joint venture were transferred to the Dakota County Workforce Housing LLC.

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

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

# Dakota County, Minnesota

## Notes to the Financial Statements

# December 31, 2017

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

\$358,427 Dakota County Workforce Housing LLC, a blended component unit, note payable to Family Housing Fund. The loan is for a term of 30 years with simple interest of one percent (1%) on the unpaid amount until the maturity date January 24, 2031. The loan was initially made to the Lakeville Family Housing Limited Partnership 2, a joint venture, to provide financing for a portion of the construction. Upon dissolution in 2016, the liabilities of the joint venture were transferred to the Dakota County Workforce Housing LLC.

The annual principal and interest maturities for notes payable in business-type activities for fiscal years subsequent to June 30, 2017 are as follows:

	Principal	Interest	Total
2018 - 2022	\$ 13,308	\$ 369	\$ 13,677
thereafter	10,097,527	1,050,909	11,148,436
	<u>\$ 10,110,835</u>	<u>\$ 1,051,278</u>	<u>\$ 11,162,113</u>

### Housing Development Bonds

The CDA issues housing development bonds to finance the acquisition and construction of senior housing developments. These bonds are limited obligations of the government but are secured by the pledge of the full faith and credit and power of Dakota County, Minnesota to levy direct general ad valorem taxes. These bonds are secured by and payable from the pooled gross rent receipts and other operating revenues related to the operation of housing developments financed by these bonds and an annual pledge of \$5,600,000 from the CDA's tax levy. Housing development bonds are issued as serial bonds.

Bonds payable at June 30, 2017 are as follows:

Description of Note	Issue Date	Maturity Date	Interest Rate	Original Amount	Outstanding June 30
2007 Housing Development Bonds	9/1/07	01/01/35	4.25 - 5.13%	\$ 21,335,000	\$ 19,275,000
2010 Housing Development Bonds	7/21/10	01/01/40	2.00 - 6.00%	46,160,000	33,180,000
2013 Housing Development Bonds	12/18/13	01/01/27	2.00 - 2.85%	7,630,000	7,380,000
2015A Housing Development Bonds	5/27/15	01/01/42	3.00 - 5.00%	21,745,000	21,745,000
2015B Housing Development Bonds**	5/27/15	01/01/35	3.00 - 5.00%	24,025,000	22,390,000
Subtotal					\$ 103,970,000
Less current maturities					(22,360,000)
Total					<u>\$ 81,610,000</u>

\*\* Refunding Bonds

# Dakota County, Minnesota

## Notes to the Financial Statements

# December 31, 2017

### Advance Crossover Refunding Bonds

On May 27, 2015, the CDA issued \$24,025,000 in Governmental Housing Development Refunding Bonds (Dakota County, Minnesota General Obligation) Series 2015B with an average interest rate of 3.9155%. The proceeds of these bonds along with available CDA funds were used to refund \$5,850,000 of outstanding Series 2005 Housing Development Bonds with an average interest rate of 4.7835% on July 1, 2015 and will be used to refund \$19,275,000 of outstanding Series 2007 Housing Development Bonds with an average interest rate of 5.0286% on July 1, 2016. On May 27, 2015, \$5,850,000 was deposited into a refunding account held with the trustee to provide for repayment of the outstanding principal of the Series 2005 bonds on July 1, 2015 and \$20,578,430 was used to purchase U.S. Government securities. These securities were deposited into an irrevocable trust with an escrow agent to provide for interest on the refunding bonds before the crossover date and called principal on the refunded bonds on July 1, 2017. The CDA refunded the Series 2005 Housing Development bonds to reduce its total debt service over the last eight years of the bond by \$740,909 and to obtain an economic gain (difference between the present value of the debt service payments on the old and the new debt) of \$647,838. The CDA is advance refunding the Series 2007 Housing Development bonds to reduce its total debt service over the last twenty years of the bond by \$2,826,304 and to obtain an economic gain (difference between the present value of the debt service payments on the old and the new debt) of \$2,231,453. The CDA is responsible for the debt service of the refunded bonds until the crossover date and the debt service of the refunding bonds after the crossover date. The debt service of the refunding bonds before the crossover date is payable from the escrow account. Assets held with the escrow agent total \$19,656,362.50.

The annual aggregate principal and interest maturities for the fiscal years subsequent to June 30, 2017 are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 22,360,000	\$ 4,088,811	\$ 26,448,811
2019	3,360,000	3,503,918	6,863,918
2020	3,460,000	3,377,418	6,837,418
2021	3,490,000	3,237,670	6,727,670
2022	3,670,000	3,096,194	6,766,194
2023-2027	18,950,000	13,109,597	32,059,597
2028-2032	18,475,000	9,206,226	27,681,226
2033-2037	17,705,000	5,011,796	22,716,796
2038-2042	12,500,000	1,614,094	14,114,094
Total	<u>\$ 103,970,000</u>	<u>\$ 46,245,724</u>	<u>\$ 150,215,724</u>

### Advance Crossover Refunding Bonds

The CDA has pledged as security for the \$103,970,000 of outstanding Housing Development bonds, a portion of its annual tax levy (special benefit tax) that is levied pursuant to Minnesota Statutes, Section 469.033, Subd. 6. These bonds were used to finance the acquisition and construction of senior housing developments. The CDA is currently committed, to the extent it is within its power to do so, to levy and collect \$5,600,000 for the payment and debt service on these bonds. The total principal and interest remaining on this debt is \$150,215,724 with annual requirements ranging from \$8,620,199 in 2019 to \$2,704,000 in the final year. The tax levy has averaged \$7,253,872 per year for the last ten years and the amount of tax proceeds paid towards Housing Development bond debt service has averaged \$5,232,182. For the current year, \$5,600,000 of tax levy was paid on the debt service for the bonds.

# Dakota County, Minnesota

## Notes to the Financial Statements

### December 31, 2017

Changes in Long Term Liabilities:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental Activities:</b>					
Compensated absences	\$ 394,979	\$ 327,624	\$ (287,256)	\$ 435,347	\$ 234,533
Notes payable	600,000	-	-	600,000	-
	<u>\$ 994,979</u>	<u>\$ 327,624</u>	<u>\$ (287,256)</u>	<u>\$ 1,035,347</u>	<u>\$ 234,533</u>
<b>Business-type activities:</b>					
Compensated absences	\$ 361,925	\$ 289,916	\$ (232,783)	\$ 419,058	\$ 228,350
Notes payable	8,274,039	1,839,427	(2,631)	10,110,835	-
Bonds payable	106,940,000	-	(2,970,000)	103,970,000	22,360,000
Plus deferred amounts:					
For issuance premiums	3,526,516	-	(330,653)	3,195,863	-
Total bonds payable	<u>\$ 110,466,516</u>	<u>\$ -</u>	<u>\$ (3,300,653)</u>	<u>\$ 107,165,863</u>	<u>\$ 22,360,000</u>
	<u>\$ 119,102,480</u>	<u>\$ 2,129,343</u>	<u>\$ (3,536,067)</u>	<u>\$ 117,695,756</u>	<u>\$ 22,588,350</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 \$33,331 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, 2017 was \$305,945,862.

## IV. OTHER INFORMATION

### A. Risk Management

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

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

# Dakota County, Minnesota

## Notes to the Financial Statements

# December 31, 2017

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 12/31/17	Year ended 12/31/16
Unpaid claims, beginning of fiscal year	\$ 2,551,344	\$ 2,534,865
Incurred claims (including IBNR)	329,315	676,334
Claim payments	(296,177)	(659,855)
Unpaid claims, end of fiscal year	\$ 2,584,482	\$ 2,551,344

### B. Contingent Liabilities

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

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

### C. Joint Powers Debt Commitment

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

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

### D. Joint Ventures

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

1. Metropolitan Emergency Services Board: Dakota County entered into a joint powers agreement with the Counties of Anoka, Carver, Chisago, Hennepin, Isanti, Ramsey, Scott, Washington, and the City of Minneapolis, pursuant to Minnesota Statutes section 471.59 to comply with the mandate of Minnesota Statutes, Chapter 403, for the implementation and administration of a regional 911 system and encourage the development of new resources and the coordination of emergency medical services. Dakota County paid annual dues of \$169,484 in 2017. Except for annual dues the County has no other financial obligations. Current financial statements are available at the 911 Board Office, 2099 University Avenue West, St. Paul, MN 55104-3431.
2. Metropolitan Library Service Agency (MELSA): Dakota County entered into a joint powers agreement with the other six metropolitan area counties and the Cities of Saint Paul and Minneapolis to improve

public library services within the various jurisdictions. The Board of Directors of MELSA consists of one representative from each member entity. Financing is provided by gifts, grants, and other property of assistance from the federal government, the State of Minnesota, or any person or agency for MELSA. Dakota County did not provide any gifts to MELSA in 2017. The MELSA agency handles the accounting function for the Board. Current financial statements are available from the MELSA office, 1619 Dayton Avenue, Suite 314, Saint Paul, MN 55104-6276.

3. HOPE Fund: Dakota County entered into a joint powers agreement with the Dakota County Community Development Agency (CDA) to provide a source of gap financing used to leverage public and private sector funds for the construction of affordable housing in Dakota County. The County will appropriate funds, as the County Board deems appropriate. The CDA will administer the fund.
4. Dakota Communications Center: Dakota County entered into a joint powers agreement with the Cities of Apple Valley, Burnsville, Eagan, Farmington, Hastings, Inver Grove Heights, Lakeville, Mendota Heights, Rosemount, South St. Paul and West St. Paul to acquire and provide the facilities, infrastructure, hardware, software, services and other items necessary for the establishment and operation of a joint law enforcement, fire, emergency medical services and other emergency communications system. The Board of Directors consists of an elected official from each Member. Financing is provided by member contributions determined by pro-rating the costs according to proportion of total county population served by each member and call volume. The fiscal agent is the City of Lakeville. Current financial statements are available from the City of Lakeville Finance Department, City Hall, 20195 Holyoke Avenue, Lakeville, MN 55044.
5. Domestic Preparedness Agency: Dakota County entered into a joint powers agreement with the Cities of Apple Valley, Burnsville, Eagan, Farmington, Hastings, Inver Grove Heights, Lakeville, Mendota Heights, Rosemount, South St. Paul and West St. Paul to provide for the joint exercise of the parties' powers to plan for and to respond to the need of the first responders for special response operations caused by the occurrence of large-scale disasters and emergencies. The Board of Directors consists of an appointed individual from each Member, one city manager, and the Dakota County Emergency Coordinator. Financing is provided by member contributions determined by pro-rating the costs according to proportion of total county population served by each member less any grants received. This agency is presented as the Domestic Preparedness Team Private Purpose Trust Fund.
6. 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"), and Scott County to provide public transit service in and for persons within the Cities and within the Metropolitan Area pursuant to Minnesota Statutes, Sections 473.388, 473.384, 471.59 and related statutes.

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

**E. Jointly-Governed Organizations**

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

1. **Dakota County Collaborative:** The Dakota County Collaborative is an integrated Children’s Mental Health and Family Services Collaborative. The duties and membership of collaboratives are defined in Minnesota Statutes Sections 124D.23 and 245.493. By resolution No. 05-601 (November 29, 2005), the County Board approved execution of a new Joint Powers Agreement between Dakota County, Scott-Carver Dakota CAP Agency, and the ten school districts in Dakota County to establish the Dakota County Collaborative, which combined the Children’s Mental Health Collaborative and Family Service Collaborative into one integrated collaborative in January 2006. The Collaborative Governing Board, which includes three Dakota County members, oversees the Collaborative’s integrated fund. Dakota County serves as the fiscal agent for the Collaborative. The County has made \$925,234 in expenditures in 2017 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.
4. **Dakota County Electronic Crimes Task Force:** A joint powers board made pursuant to Minnesota Statute Section 471.59 between Dakota County and the cities of Apple Valley, Burnsville, Farmington, Hastings, Mendota Heights, Rosemount, South St. Paul and West St. Paul, to coordinate efforts investigating illegal activities related to the use of electronic devices, the internet and materials transmitted or used in electronic form. The Administrative Board consists of one member from each law enforcement unit of government that participates in the Task Force, and may include attorneys from the Dakota County Attorney’s Office as advisories. Dakota County serves as the fiscal agent, accounting for member contributions of \$15,000 per city and grant funds or restitution if available.

**F. Pension Plans**

**1. Defined Benefit Pension Plans**

a. 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 Plan, the Public Employees Police and Fire Plan, and the Local Government Correctional Service Retirement Plan (the Public Employees Correctional Plan), which are cost-sharing, multiple-employer retirement plans. These plans are established and administered in accordance with Minn. Stat. chs. 353 and 356. PERA’s defined benefit pension plans are tax qualified plans under Section 401(a) of the Internal Revenue Code.

General Employees Retirement Plan (General Employees Plan (accounted for in the General Employees Fund)) has multiple benefit structures with members belonging to the Coordinated Plan or the Basic Plan. Coordinated Plan members are covered by Social Security and Basic Plan members are not. The Basic Plan was closed to new members in 1967. All new members must participate in the Coordinated Plan.

Police officers, firefighters, and peace officers who qualify for membership by statute are covered by the Public Employees Police and Fire Plan (Police and Fire Plan (accounted for in the Police and Fire Fund)). The Police and Fire Plan, originally established for police officers and firefighters not covered by a local relief association, now covers all police officers and firefighters hired since 1980. Effective July 1, 1999 the Police and Fire Plan also covers police officers and firefighters belonging to local relief associations that elected to merge with and transfer assets and administration to PERA.

Local government employees of a county-administered facility who are responsible for the direct security, custody, and control of the county correctional facility and its inmates are covered by the Local Government Correctional Plan (Correctional Plan (accounted for in the Correctional Fund)). The Correctional Plan was established for correctional officers serving in county and regional corrections facilities. Eligible participants must be responsible for the security, custody, and control of the facilities and their inmates.

b. Benefits Provided

PERA provides retirement benefits as well as disability benefits to members and benefits to survivors upon death of eligible members. Benefit provisions are established by state statute and can be modified only by the state legislature. Benefit increases are provided to benefit recipients each January. Increases are related to the funding ratio of the plan. Benefit recipients receive a future annual 1.0 percent post-retirement benefit increase. If the funding ratio reaches 90 percent for two consecutive years, the benefit increase will revert to 2.5 percent. If, after reverting to a 2.5 percent benefit increase, the funding ratio declines to less than 80 percent for one year or less than 85 percent for two consecutive years, the benefit increase will decrease to 1.0 percent.

The benefit provisions stated in the following paragraph 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 their public service.

General Employees Plan benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service. Two methods are used to compute benefits for PERA's Coordinated 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 remaining year. The annuity accrual rate for a Coordinated Plan member 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 members hired prior to July 1, 1989 a full annuity is available when age plus years of service equal 90 and normal retirement age is 65. For members hired on or after July 1, 1989 normal retirement age is the age for unreduced Social Security benefits capped at 66.

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

# Dakota County, Minnesota

## Notes to the Financial Statements

# December 31, 2017

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

### c. Contributions

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 *Minnesota Statutes* Chapter 353. These statutes are established and amended by the state legislature. General Employees Retirement Plan Basic members and Coordinated members were required to contribute 9.10 percent and 6.50 percent, respectively, of their annual covered salary in calendar year 2017. Public Employees Police and Fire Plan members were required to contribute 10.80 percent of their annual covered salary in calendar year 2017. Public Employees Correctional Plan members were required to contribute 5.83 percent of their annual covered salary in calendar year 2017.

In 2017, the County was required to contribute the following percentages of annual covered salary:

General Employees Retirement Plan	
Basic Plan members	11.78%
Coordinated Plan members	7.50
Public Employees Police and Fire Plan	16.20
Public Employees Correctional Plan	8.75

The employee and employer contribution rates did not change from the previous year.

The County's contributions for the year ended December 31, 2017, to the pension plans were:

General Employees Retirement Plan	\$8,020,074
Public Employees Police and Fire Plan	1,090,710
Public Employees Correctional Plan	527,045

The contributions are equal to the contractually required contributions as set by state statute.

### d. Pension Costs

#### General Employees Retirement Plan

At December 31, 2017, the County reported a liability of \$106,637,233 for its proportionate share of the General Employees Retirement Plan's net pension liability. The County's net pension liability reflected a reduction due to the State of Minnesota's contribution of \$6 million to the fund during PERA's fiscal year ending June 30, 2017. The State of Minnesota is considered a non-employer contributing entity and the state's contribution meets the definition of a special funding situation. The State of Minnesota's proportionate share of the net pension liability associated with the County totaled \$1,340,859. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability was based on the County's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2016, through June 30, 2017, relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2017, the County's proportion was 1.6704 percent. It was 1.5864 percent measured as of June 30, 2016. The County recognized pension expense of \$15,857,830 for its proportionate share of the General Employees Retirement Plan's pension expense.

# Dakota County, Minnesota

## Notes to the Financial Statements

# December 31, 2017

The County also recognized \$267,264 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of \$16 million during the calendar year of 2017 to the General Employees Fund.

There were no provision changes during the measurement period.

At December 31, 2017, the County reported its proportionate share of the General Employees Retirement Plan's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 3,514,442	\$ 6,860,237
Changes in actuarial assumptions	17,704,085	10,690,393
Difference between projected and actual investment earnings	688,733	-
Changes in proportion	3,558,343	1,459,891
Contributions paid to PERA subsequent to the measurement date	4,045,996	-
Total	\$ 29,511,599	\$ 19,010,521

The \$4,045,996 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2018.

Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31	Pension Expense Amount
2018	\$ 4,565,249
2019	7,249,665
2020	(833,285)
2021	(4,526,547)

### Public Employees Police and Fire Plan

At December 31, 2017, the County reported a liability of \$8,762,272 for its proportionate share of the Public Employees Police and Fire Plan's net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability was based on the County's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2016, through June 30, 2017, relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2017, the County's proportion was 0.6490 percent. It was 0.5890 percent measured as of June 30, 2016. The County recognized pension expense of \$2,309,380 for its proportionate share of the Public Employees Police and Fire Plan's pension expense.

# Dakota County, Minnesota

## Notes to the Financial Statements

# December 31, 2017

The County also recognized \$58,410 for the year ended December 31, 2017 as revenue and an offsetting reduction of net pension liability for its proportionate share of the State of Minnesota's on-behalf contributions to the Police and Fire Fund. Legislation passed in 2013 required the State of Minnesota to begin contributing \$9 million to the Police and Fire Fund each year, starting in fiscal year 2014.

There were no provision changes during the measurement period.

The County reported its proportionate share of the Public Employees Police and Fire Plan's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 201,688	\$ 2,342,496
Changes in actuarial assumptions	11,467,181	12,440,254
Difference between projected and actual investment earnings	120,341	-
Changes in proportion	863,669	102,604
Contributions paid to PERA subsequent to the measurement date	557,749	-
Total	\$ 13,210,628	\$ 14,885,354

The \$557,749 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2018. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31	Pension Expense Amount
2018	\$ 292,951
2019	292,951
2020	(28,255)
2021	(507,661)
2022	(2,282,461)

### Public Employees Correctional Plan

At December 31, 2017, the County reported a liability of \$8,949,031 for its proportionate share of the Public Employees Correctional Plan's net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability was based on the County's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2016, through June 30, 2017, relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2017, the County's proportion was 3.14 percent. It was 2.96 percent measured as of June 30, 2016. The County recognized pension expense of \$3,392,222 for its proportionate share of the Public Employees Correctional Plan's pension expense.

There were no provision changes during the measurement period.

# Dakota County, Minnesota

## Notes to the Financial Statements

# December 31, 2017

The County reported its proportionate share of the Public Employees Correctional Plan's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 5,654	\$ 141,203
Changes in actuarial assumptions	4,592,914	1,557,762
Difference between projected and actual investment earnings	-	109,111
Changes in proportion	493,173	8,754
Contributions paid to PERA subsequent to the measurement date	264,104	-
Total	\$ 5,355,845	\$ 1,816,830

The \$264,104 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2018.

Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31	Pension Expense Amount
2018	\$ 1,931,923
2019	1,991,475
2020	(399,372)
2021	(249,115)

### Total Pension Expense

The total pension expense for all plans recognized by the County for the year ended December 31, 2017, was \$23,644,653.

#### e. Actuarial Assumptions

The total pension liability in the June 30, 2017, actuarial valuation was determined using the individual entry-age normal actuarial cost method and the following additional actuarial assumptions:

Inflation	2.50 percent per year
Active member payroll growth	3.25 percent per year
Investment rate of return	7.50 percent

Salary increases were based on a service-related table. Mortality rates for active members, retirees, survivors and disabilitants were based on RP 2014 tables for all plans for males or females, as appropriate, with slight adjustments to fit PERA's experience. Cost of living benefit increases for retirees are assumed to be one percent per year for the General Employees Plan through 2044 and Police and Fire Plan through 2064 and then 2.5 percent thereafter for both plans, and 2.5 percent for all years for the Correctional Plan.

Actuarial assumptions used in the June 30, 2017 valuation were based on the results of actuarial experience studies. The most recent four-year experience study in the General Employees Plan was

completed in 2015. The most recent five-year experience study for Police and Fire Plan was completed in 2016. Experience studies have not been prepared for the Correctional Plan, but assumptions are reviewed annually.

The following changes in actuarial assumptions occurred in 2017:

**General Employees Fund**

- The Combined Service Annuity (CSA) loads were changed from 0.8 percent for active members and 60 percent for vested and non-vested deferred members. The revised CSA loads are now 0.0 percent for active member liability, 15.0 percent for vested deferred member liability and 3.0 percent for non-vested deferred member liability.
- The assumed post-retirement benefit increase rate was changed from 1.0 percent per year for all years to 1.0 percent per year through 2044 and 2.5 percent per year thereafter.

**Police and Fire Fund**

- Assumed salary increases were changed as recommended in the June 30, 2016 experience study. The net effect is proposed rates that average 0.34 percent lower than the previous rates.
- Assumed rates of retirement were changed, resulting in fewer retirements.
- The Combined Service Annuity (CSA) load was 30 percent for vested and non-vested deferred members. The CSA has been changed to 33 percent for vested members and 2 percent for non-vested members.
- The base mortality table for healthy annuitants was changed from the RP-2000 fully generational table to the RP-2014 fully generational table (with a base year of 2006), with male rates adjusted by a factor of 0.96. The mortality improvement scale was changed from Scale AA to Scale MP-2016. The base mortality table for disabled annuitants was changed from the RP-2000 disabled mortality table to the mortality tables assumed for healthy retirees.
- Assumed termination rates were decreased to 3.0 percent for the first three years of service. Rates beyond the select period of three years were adjusted, resulting in more expected terminations overall.
- Assumed percentage of married female members was decreased from 65 percent to 60 percent.
- Assumed age difference was changed from separate assumptions for male members (wives assumed to be three years younger) and female members (husbands assumed to be four years older) to the assumption that males are two years older than females.
- The assumed percentage of female members electing Joint and Survivor annuities was increased.
- The assumed post-retirement benefit increase rate was changed from 1.00 percent for all years to 1.00 percent per year through 2064 and 2.50 percent thereafter.

**Correctional Fund**

- The base mortality table for healthy annuitants was changed from the RP-2000 fully generational table to the RP-2014 fully generational table (with a base year of 2006), with male rates adjusted by a factor of 0.96. The mortality improvement scale was changed from Scale AA to Scale MP-2016 and is applied to healthy and disabled members. The base mortality table for disabled annuitants was changed from the RP-2000 disabled mortality table to the RP-2014 disabled annuitant mortality table (with future mortality improvement according to MP-2016).
- The Combined Service Annuity (CSA) load was 30 percent for vested and non-vested, deferred members. The CSA has been changed to 35 percent for vested members and 1 percent for non-vested members.
- The Single Discount Rate was changed from 5.31 percent per annum to 5.96 percent per annum.

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

# Dakota County, Minnesota

## Notes to the Financial Statements

# December 31, 2017

The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic stocks	39%	5.10%
International stocks	19	5.30
Bonds	20	0.75
Alternative assets	20	5.90
Cash	2	0.00

f. Discount Rate

The discount rate used to measure the total pension liability in 2017 was 7.50%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at rates set in Minnesota Statutes. Based on these assumptions, the fiduciary net positions of the General Employees Fund and the Police and Fire Fund was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

In the Correctional Fund, the fiduciary net position was projected to be available to make all projected future benefit payments of current plan members through June 30, 2061. Beginning in fiscal year ended June 30, 2062, when projected benefit payments exceed the fund's projected fiduciary net position, benefit payments were discounted at the municipal bond rate of 3.56% based on an index of 20-year general obligation bonds with an average AA credit rating at the measurement date. An equivalent single discount rate of 5.96% for the Correctional Fund was determined that produced approximately the same present value of projected benefits when applied to all years of projected benefits as the present value of projected benefits using 7.50% applied to all years of projected benefits through the point of asset depletion and 3.56% after.

h. Pension Liability Sensitivity

The following presents the County's proportionate share of the net pension liability calculated using the discount rate disclosed in the preceding paragraph, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate 1.0 percentage point lower or 1.0 percentage point higher than the current discount rate:

	Proportionate Share of the					
	General Employees Retirement Plan		Public Employees Police and Fire Plan		Public Employees Correctional Plan	
	Discount Rate	Net Pension Liability	Discount Rate	Net Pension Liability	Discount Rate	Net Pension Liability
1% Decrease	6.50%	\$ 165,402,273	6.50%	\$ 16,501,915	4.96%	\$ 14,746,844
Current	7.50	106,637,234	7.50	8,762,272	5.96	8,949,031
1% Increase	8.50	58,527,375	8.50	2,372,770	6.96	4,423,726

i. Pension Plan Fiduciary Net Position

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

**2. Defined Contribution Plan**

Seven 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, therefore, there is no future liability to the employer. 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. 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.

Pension expense for the year is equal to contributions made. Total contributions by dollar amount and percentage of covered payroll made by Dakota County during the year ended December 31, 2017, were:

	Employee	Employer
Contribution amount	\$ 30,883	\$ 30,883
Percentage of covered payroll	5%	5%

**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’s contract settlement. The eligible participants were employees of the Sheriff Department who have retired. The County currently has 26 eligible participants. Based on this plan, the County contributes \$60 a month per participant for health insurance. The participant contributes either \$492 for single coverage or \$1,154 for family coverage per month. During 2017, the County expended \$18,600 for this benefit.

Annual OPEB Costs and Net OPEB Obligation

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, 2017, there were approximately 289 COBRA participants receiving health benefits from the County’s health plan.

# Dakota County, Minnesota

## Notes to the Financial Statements

December 31,  
2017

Participants of the plan consisted of the following at January 1, 2016, the date of the most recent actuarial valuation:

Active employees	1,345
Retirees and beneficiaries	71
Total	1,416

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 2017, the amount actually contributed to the plan, and changes in the County's net OPEB obligation:

Annual required contribution	\$	825,777
Interest on net OPEB obligation		368,947
Adjustment to ARC		(502,347)
Annual OPEB cost	\$	692,377
Contributions during the year		(428,563)
Increase in net OPEB obligation	\$	263,814
Net OPEB beginning of year		8,183,770
Net OPEB End of year	\$	8,448,584

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for 2015, 2016, and 2017 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, 2015	\$ 1,001,296	\$ 425,561	42.50%	\$ 7,937,700
December 31, 2016	660,373	414,303	62.74	8,183,770
December 31, 2017	692,377	428,563	61.86	8,447,584

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

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (b)	Unfunded Actuarial Accrued Liability (b - a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b - a)/c)
1/1/2016	\$0	\$6,698,489	\$6,698,489	0.00%	\$120,700,000	5.55%

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.

# Dakota County, Minnesota

## Notes to the Financial Statements

# December 31, 2017

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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, 2016 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 2.75%. 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 has been 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 2016, the County continued with the 30-year model.

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

Required  
Supplementary  
Information

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**DAKOTA COUNTY  
MINNESOTA**

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

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets ( a )</b>	<b>Actuarial Accrued Liability ( b )</b>	<b>Unfunded Actuarial Accrued Liability ( b-a )</b>	<b>Funded Ratio ( a/b )</b>	<b>Covered Payroll ( c )</b>	<b>UAAL as a Percentage of Covered Payroll ( ( b-a ) / c )</b>
January 1, 2012	\$ -	\$ 10,766,761	\$ 10,766,761	0%	\$ 99,770,000	10.79%
January 1, 2014	-	9,204,802	9,204,802	0	109,500,000	8.41
January 1, 2016	-	6,698,489	6,698,489	0	120,700,000	5.55

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

**DAKOTA COUNTY  
MINNESOTA**

**SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY  
PERA GENERAL EMPLOYEES RETIREMENT PLAN  
DECEMBER 31, 2017**

<b>Measurement Date</b>	<b>Employer's Proportion of the Net Pension Liability (Asset)</b>	<b>Employer's Proportionate Share of the Net Pension Liability (Asset) (a)</b>	<b>State's Proportionate Share of the Net Pension Liability Associated With Dakota County (b)</b>	<b>Employer's Proportionate Share of the Net Pension Liability and the State's Related Share of the Net Pension Liability (Asset) (a+b)</b>	<b>Covered Payroll (c)</b>	<b>Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll (a/c)</b>	<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>
2015	1.5957%	\$ 82,697,456	\$ N/A	\$ 82,697,456	\$ 93,797,985	88.17%	78.19%
2016	1.5864	128,807,811	501,636	129,309,447	98,563,497	130.69	68.91
2017	1.6704	106,637,234	1,340,859	107,978,093	107,526,176	99.17	75.90

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

**DAKOTA COUNTY  
MINNESOTA**

**SCHEDULE OF CONTRIBUTIONS  
PERA GENERAL EMPLOYEES RETIREMENT PLAN  
DECEMBER 31, 2017**

<b>Year Ending</b>	<b>Statutorily Required Contributions (a)</b>	<b>Actual Contributions in Relation to Statutorily Required Contributions (b)</b>	<b>Contribution (Deficiency) Excess (b-a)</b>	<b>Covered Payroll (c)</b>	<b>Actual Contributions as a Percentage of Covered Payroll (b/c)</b>
2015	\$ 7,424,949	\$ 7,424,949	\$ -	\$ 98,998,921	7.50%
2016	7,609,115	7,609,115	-	101,454,465	7.50
2017	8,020,074	8,020,074	-	106,934,320	7.50

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

**DAKOTA COUNTY  
MINNESOTA**

**SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY  
PERA PUBLIC EMPLOYEES POLICE AND FIRE PLAN  
DECEMBER 31, 2017**

<u>Measurement Date</u>	<u>Employer's Proportion of the Net Pension Liability (Asset)</u>	<u>Employer's Proportionate Share of the Net Pension Liability (Asset) (a)</u>	<u>Covered Payroll (b)</u>	<u>Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll (a/b)</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
2015	0.584%	\$ 6,635,607	\$ 5,349,904	124.03%	86.61%
2016	0.589	23,637,595	5,556,937	425.37	63.88
2017	0.649%	8,762,272	6,658,474	131.60	85.43

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

**DAKOTA COUNTY  
MINNESOTA**

**SCHEDULE OF CONTRIBUTIONS  
PERA PUBLIC EMPLOYEES POLICE AND FIRE PLAN  
DECEMBER 31, 2017**

<u>Year Ending</u>	<u>Statutorily Required Contributions (a)</u>	<u>Actual Contributions in Relation to Statutorily Required Contributions (b)</u>	<u>Contribution (Deficiency) Excess (b-a)</u>	<u>Covered Payroll (c)</u>	<u>Actual Contributions as a Percentage of Covered Payroll (b/c)</u>
2015	\$ 906,079	\$ 906,079	\$ -	\$ 5,531,350	16.38%
2016	979,649	979,649	-	6,047,220	16.20
2017	1,090,710	1,090,710	-	6,732,778	16.20

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

**DAKOTA COUNTY  
MINNESOTA**

**SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY  
PERA PUBLIC EMPLOYEES CORRECTIONAL PLAN  
DECEMBER 31, 2017**

<b>Measurement Date</b>	<b>Employer's Proportion of the Net Pension Liability (Asset)</b>	<b>Employer's Proportionate Share of the Net Pension Liability (Asset) (a)</b>	<b>Covered Payroll (b)</b>	<b>Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll (a/b)</b>	<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>
2015	3.14%	\$ 485,444	\$ 5,619,220	8.64%	96.95%
2016	2.96	10,813,294	5,575,906	193.93	58.16
2017	3.14	8,949,031	6,183,626	144.72	67.89

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

**DAKOTA COUNTY  
MINNESOTA**

**SCHEDULE OF CONTRIBUTIONS  
PERA PUBLIC EMPLOYEES CORRECTIONAL PLAN  
DECEMBER 31, 2017**

<b>Year Ending</b>	<b>Statutorily Required Contributions (a)</b>	<b>Actual Contributions in Relation to Statutorily Required Contributions (b)</b>	<b>Contribution (Deficiency) Excess (b-a)</b>	<b>Covered Payroll (c)</b>	<b>Actual Contributions as a Percentage of Covered Payroll (b/c)</b>
2015	\$ 494,252	\$ 494,252	\$ -	\$ 5,648,593	8.75%
2016	504,457	504,457	-	5,765,217	8.75
2017	527,045	527,045	-	6,023,371	8.75

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

# Supplementary Information

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**DAKOTA COUNTY  
MINNESOTA**

**BUDGETARY COMPARISON SCHEDULE  
BUDGET AND ACTUAL  
CAPITAL PROJECTS FUND  
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Taxes	\$ 609,587	\$ 609,587	\$ 609,917	\$ 330
Intergovernmental	-	2,114,102	2,115,258	1,156
Miscellaneous	-	-	14,000	14,000
<b>Total Revenues</b>	<b>\$ 609,587</b>	<b>\$ 2,723,689</b>	<b>\$ 2,739,175</b>	<b>\$ 15,486</b>
<b>Expenditures</b>				
<b>Capital outlay</b>				
Capital outlay	8,649,430	15,333,034	5,262,334	10,070,700
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>\$ (8,039,843)</b>	<b>\$ (12,609,345)</b>	<b>\$ (2,523,159)</b>	<b>\$ 10,086,186</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in	\$ 902,295	\$ 1,005,675	\$ 785,963	\$ (219,712)
<b>Net Change in Fund Balance</b>	<b>\$ (7,137,548)</b>	<b>\$ (11,603,670)</b>	<b>\$ (1,737,196)</b>	<b>\$ 9,866,474</b>
<b>Fund Balance - January 1</b>	<b>1,151,776</b>	<b>1,151,776</b>	<b>1,151,776</b>	<b>-</b>
<b>Fund Balance - December 31</b>	<b>\$ (5,985,772)</b>	<b>\$ (10,451,894)</b>	<b>\$ (585,420)</b>	<b>\$ 9,866,474</b>

**DAKOTA COUNTY  
MINNESOTA**

**COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2017**

	<b>Special Revenue Funds</b>						<b>Total Nonmajor Governmental Funds</b>
	<b>County Library</b>	<b>County Parks</b>	<b>Regional Rail</b>	<b>DC Transportaton Sales Tax</b>	<b>Law Library</b>	<b>Attorney Forfeiture</b>	
<b><u>Assets</u></b>							
Cash and pooled investments	\$ 1,791,692	\$ 11,241,249	\$ 16,111,132	\$ 22,400,000	\$ 668,594	\$ 390,408	\$ 52,603,075
Petty cash and change funds	2,756	1,700	-	-	80	-	4,536
Undistributed cash in agency funds	525,254	51,922	6,707	-	-	-	583,883
Taxes receivable							
Prior	112,557	15,767	16,041	-	-	-	144,365
Accounts receivable	1,527	933,886	-	-	403	3,663	939,479
Due from other funds	58,350	3,381,042	22,155	-	3,066	-	3,464,613
Due from other governments	14,620	2,992,529	-	1,524,059	22,119	-	4,553,327
<b>Total Assets</b>	<b>\$ 2,506,756</b>	<b>\$ 18,618,095</b>	<b>\$ 16,156,035</b>	<b>\$ 23,924,059</b>	<b>\$ 694,262</b>	<b>\$ 394,071</b>	<b>\$ 62,293,278</b>
<b><u>Liabilities, Deferred Inflows of Resources, and Fund Balances</u></b>							
<b>Liabilities</b>							
Accounts payable	\$ 226,573	\$ 472,674	\$ 6,468	\$ -	\$ 7,699	\$ 503	\$ 713,917
Salaries payable	163,633	24,442	-	-	4,274	-	192,349
Contracts payable	-	153,537	-	-	-	-	153,537
Due to other funds	24,625	205,897	3,164	-	7,710	-	241,396
Due to other governments	786	1,285	-	-	22	-	2,093
Unearned revenue - other	-	164,612	-	-	-	-	164,612
<b>Total Liabilities</b>	<b>\$ 415,617</b>	<b>\$ 1,022,447</b>	<b>\$ 9,632</b>	<b>\$ -</b>	<b>\$ 19,705</b>	<b>\$ 503</b>	<b>\$ 1,467,904</b>
<b>Deferred Inflows of Resources</b>							
Unavailable revenue	\$ 101,569	\$ 642,205	\$ 14,488	\$ -	\$ -	\$ -	\$ 758,262
Property taxes collected for subsequent period	525,254	51,922	6,707	-	-	-	583,883
<b>Total deferred inflows of resources</b>	<b>\$ 626,823</b>	<b>\$ 694,127</b>	<b>\$ 21,195</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,342,145</b>

**DAKOTA COUNTY  
MINNESOTA**

**COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2017**

	<u>Special Revenue Funds</u>					<u>Total Nonmajor Governmental Funds</u>	
	<u>County Library</u>	<u>County Parks</u>	<u>Regional Rail</u>	<u>DC Transportaton Sales Tax</u>	<u>Law Library</u>		<u>Attorney Forfeiture</u>
<b>Fund Balances</b>							
Restricted for:							
Law library	\$ -	\$ -	\$ -	\$ -	\$ 674,557	\$ -	\$ 674,557
Criminal forfeitures	-	-	-	-	-	393,568	393,568
Transportation and transit	-	-	-	23,924,059	-	-	23,924,059
Assigned to:							
Culture and recreation	1,389,201	-	-	-	-	-	1,389,201
Economic development	-	-	16,125,208	-	-	-	16,125,208
Capital improvements	-	16,901,521	-	-	-	-	16,901,521
Capital equipment	75,115	-	-	-	-	-	75,115
<b>Total Fund Balances</b>	<b><u>\$ 1,464,316</u></b>	<b><u>\$ 16,901,521</u></b>	<b><u>\$ 16,125,208</u></b>	<b><u>\$ 23,924,059</u></b>	<b><u>\$ 674,557</u></b>	<b><u>\$ 393,568</u></b>	<b><u>\$ 59,483,229</u></b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b><u>\$ 2,506,756</u></b>	<b><u>\$ 18,618,095</u></b>	<b><u>\$ 16,156,035</u></b>	<b><u>\$ 23,924,059</u></b>	<b><u>\$ 694,262</u></b>	<b><u>\$ 394,071</u></b>	<b><u>\$ 62,293,278</u></b>

**DAKOTA COUNTY  
MINNESOTA**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<b>Special Revenue Funds</b>						<b>Total Nonmajor Governmental Funds</b>
	<b>County Library</b>	<b>County Parks</b>	<b>Regional Rail</b>	<b>DC Transportation Sales Tax</b>	<b>Law Library</b>	<b>Attorney Forfeiture</b>	
<b>Revenues</b>							
Taxes	\$ 11,801,247	\$ 1,302,007	\$ 1,629,168	\$ 2,634,283	\$ -	\$ -	\$ 17,366,705
License and permits	-	76,935	-	-	-	-	76,935
Intergovernmental	433,788	13,567,105	2,463,796	21,300,000	-	-	37,764,689
Charges for services	391,861	993,648	-	-	298,788	-	1,684,297
Fines and forfeits	-	4,385	-	-	-	71,358	75,743
Gifts and contributions	24,928	1,488	-	-	-	-	26,416
Investment earnings	2,506	-	266,555	-	-	-	269,061
Miscellaneous	236,688	103,290	13,863	-	15,133	-	368,974
<b>Total Revenues</b>	<b>\$ 12,891,018</b>	<b>\$ 16,048,858</b>	<b>\$ 4,373,382</b>	<b>\$ 23,934,283</b>	<b>\$ 313,921</b>	<b>\$ 71,358</b>	<b>\$ 57,632,820</b>
<b>Expenditures</b>							
<b>Current</b>							
General government	\$ -	\$ -	\$ -	\$ -	\$ 357,423	\$ 13,078	\$ 370,501
Highways and streets	-	-	-	10,224	-	-	10,224
Culture and recreation	13,111,941	12,311,179	-	-	-	-	25,423,120
Economic development	-	-	961,733	-	-	-	961,733
<b>Total Expenditures</b>	<b>\$ 13,111,941</b>	<b>\$ 12,311,179</b>	<b>\$ 961,733</b>	<b>\$ 10,224</b>	<b>\$ 357,423</b>	<b>\$ 13,078</b>	<b>\$ 26,765,578</b>
<b>Excess of Revenues Over (Under)</b>							
<b>Expenditures</b>	<b>\$ (220,923)</b>	<b>\$ 3,737,679</b>	<b>\$ 3,411,649</b>	<b>\$ 23,924,059</b>	<b>\$ (43,502)</b>	<b>\$ 58,280</b>	<b>\$ 30,867,242</b>

**DAKOTA COUNTY  
MINNESOTA**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<b>Special Revenue Funds</b>						<b>Total Nonmajor Governmental Funds</b>
	<b>County Library</b>	<b>County Parks</b>	<b>Regional Rail</b>	<b>DC Transportation Sales Tax</b>	<b>Law Library</b>	<b>Attorney Forfeiture</b>	
<b>Other Financing Sources (Uses)</b>							
Transfers in	\$ -	\$ 1,561,207	\$ -	\$ -	\$ -	\$ -	\$ 1,561,207
Transfers out	-	(18,253)	-	-	-	-	(18,253)
<b>Total Other Financing Sources (Uses)</b>	<b>\$ -</b>	<b>\$ 1,542,954</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,542,954</b>
<b>Net Change in Fund Balance</b>	<b>\$ (220,923)</b>	<b>\$ 5,280,633</b>	<b>\$ 3,411,649</b>	<b>\$ 23,924,059</b>	<b>\$ (43,502)</b>	<b>\$ 58,280</b>	<b>\$ 32,410,196</b>
<b>Fund Balance - January 1</b>	<b>1,685,239</b>	<b>11,620,888</b>	<b>12,713,559</b>	<b>-</b>	<b>718,059</b>	<b>335,288</b>	<b>27,073,033</b>
<b>Fund Balance - December 31</b>	<b>\$ 1,464,316</b>	<b>\$ 16,901,521</b>	<b>\$ 16,125,208</b>	<b>\$ 23,924,059</b>	<b>\$ 674,557</b>	<b>\$ 393,568</b>	<b>\$ 59,483,229</b>

**DAKOTA COUNTY  
MINNESOTA**

**BUDGETARY COMPARISON SCHEDULE  
BUDGET AND ACTUAL  
COUNTY LIBRARY SPECIAL REVENUE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Taxes	\$ 11,830,385	\$ 12,079,402	\$ 11,801,247	\$ (278,155)
Intergovernmental	168,000	328,000	433,788	105,788
Charges for services	500,000	450,000	391,861	(58,139)
Gifts and contributions	-	-	24,928	24,928
Investment earnings	-	-	2,506	2,506
Miscellaneous	94,000	144,000	236,688	92,688
<b>Total Revenues</b>	<b>\$ 12,592,385</b>	<b>\$ 13,001,402</b>	<b>\$ 12,891,018</b>	<b>\$ (110,384)</b>
<b>Expenditures</b>				
<b>Current</b>				
<b>Culture and recreation</b>				
Regional library	12,622,385	13,345,224	13,111,941	233,283
<b>Net Change in Fund Balance</b>	<b>\$ (30,000)</b>	<b>\$ (343,822)</b>	<b>\$ (220,923)</b>	<b>\$ 122,899</b>
<b>Fund Balance - January 1</b>	<b>1,685,239</b>	<b>1,685,239</b>	<b>1,685,239</b>	<b>-</b>
<b>Fund Balance - December 31</b>	<b>\$ 1,655,239</b>	<b>\$ 1,341,417</b>	<b>\$ 1,464,316</b>	<b>\$ 122,899</b>

**DAKOTA COUNTY  
MINNESOTA**

**BUDGETARY COMPARISON SCHEDULE  
BUDGET AND ACTUAL  
COUNTY PARKS SPECIAL REVENUE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Taxes	\$ 1,302,167	\$ 1,274,884	\$ 1,302,007	\$ 27,123
Licenses and permits	79,550	79,550	76,935	(2,615)
Intergovernmental	16,726,210	31,521,255	13,567,105	(17,954,150)
Charges for services	743,242	753,242	993,648	240,406
Fines and forfeits	20,000	10,000	4,385	(5,615)
Gifts and contributions	-	-	1,488	1,488
Miscellaneous	2,000	2,000	103,290	101,290
<b>Total Revenues</b>	<b>\$ 18,873,169</b>	<b>\$ 33,640,931</b>	<b>\$ 16,048,858</b>	<b>\$ (17,592,073)</b>
<b>Expenditures</b>				
<b>Current</b>				
<b>Culture and recreation</b>				
Parks	28,197,523	48,943,241	12,311,179	36,632,062
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>\$ (9,324,354)</b>	<b>\$ (15,302,310)</b>	<b>\$ 3,737,679</b>	<b>\$ 19,039,989</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in	\$ 6,282,600	\$ 6,282,600	\$ 1,561,207	\$ (4,721,393)
Transfers out	-	-	(18,253)	(18,253)
<b>Total Other Financing Sources (Uses)</b>	<b>\$ 6,282,600</b>	<b>\$ 6,282,600</b>	<b>\$ 1,542,954</b>	<b>\$ (4,739,646)</b>
<b>Net Change in Fund Balance</b>	<b>\$ (3,041,754)</b>	<b>\$ (9,019,710)</b>	<b>\$ 5,280,633</b>	<b>\$ 14,300,343</b>
<b>Fund Balance - January 1</b>	<b>11,620,888</b>	<b>11,620,888</b>	<b>11,620,888</b>	<b>-</b>
<b>Fund Balance - December 31</b>	<b>\$ 8,579,134</b>	<b>\$ 2,601,178</b>	<b>\$ 16,901,521</b>	<b>\$ 14,300,343</b>

**DAKOTA COUNTY  
MINNESOTA**

**BUDGETARY COMPARISON SCHEDULE  
BUDGET AND ACTUAL  
REGIONAL RAIL SPECIAL REVENUE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Taxes	\$ 1,630,673	\$ 1,630,673	\$ 1,629,168	\$ (1,505)
Intergovernmental	642,492	4,956,820	2,463,796	(2,493,024)
Investment earnings	-	-	266,555	266,555
Miscellaneous	-	-	13,863	13,863
<b>Total Revenues</b>	<b>\$ 2,273,165</b>	<b>\$ 6,587,493</b>	<b>\$ 4,373,382</b>	<b>\$ (2,214,111)</b>
<b>Expenditures</b>				
<b>Current</b>				
<b>Economic development</b>				
Community development	3,218,173	11,096,210	961,733	10,134,477
<b>Net Change in Fund Balance</b>	<b>\$ (945,008)</b>	<b>\$ (4,508,717)</b>	<b>\$ 3,411,649</b>	<b>\$ 7,920,366</b>
<b>Fund Balance - January 1</b>	<b>12,713,559</b>	<b>12,713,559</b>	<b>12,713,559</b>	<b>-</b>
<b>Fund Balance - December 31</b>	<b>\$ 11,768,551</b>	<b>\$ 8,204,842</b>	<b>\$ 16,125,208</b>	<b>\$ 7,920,366</b>

**DAKOTA COUNTY  
MINNESOTA**

**COMBINING STATEMENT OF NET POSITION  
NONMAJOR ENTERPRISE FUNDS  
DECEMBER 31, 2017**

	<b>Geographic Information System Enterprise Fund</b>	<b>Byllesby Dam Enterprise Fund</b>	<b>Totals</b>
<b><u>Assets</u></b>			
Current assets:			
Cash and pooled investments	\$ 147,414	\$ 667,217	\$ 814,631
Accounts receivable (net)	-	362	362
Due from other governments	-	193,108	193,108
	<hr/>	<hr/>	<hr/>
<b>Total current assets</b>	<b>\$ 147,414</b>	<b>\$ 860,687</b>	<b>\$ 1,008,101</b>
Noncurrent assets			
Capital assets:			
Nondepreciable			
Construction in progress	\$ -	\$ 309,977	\$ 309,977
Depreciable (net)	-	10,355,916	10,355,916
	<hr/>	<hr/>	<hr/>
Total noncurrent assets	\$ -	\$ 10,665,893	\$ 10,665,893
	<hr/>	<hr/>	<hr/>
<b>Total Assets</b>	<b>\$ 147,414</b>	<b>\$ 11,526,580</b>	<b>\$ 11,673,994</b>
<b><u>Liabilities</u></b>			
Current liabilities:			
Accounts payable	\$ -	\$ 82,438	\$ 82,438
Due to other governments	-	17	17
	<hr/>	<hr/>	<hr/>
<b>Total current liabilities</b>	<b>\$ -</b>	<b>\$ 82,455</b>	<b>\$ 82,455</b>
	<hr/>	<hr/>	<hr/>
<b>Total Liabilities</b>	<b>\$ -</b>	<b>\$ 82,455</b>	<b>\$ 82,455</b>
<b>Net Position</b>			
Investment in capital assets	\$ -	\$ 10,665,893	\$ 10,665,893
Restricted for			
Equipment replacement	147,414	-	147,414
Unrestricted	-	778,232	778,232
	<hr/>	<hr/>	<hr/>
<b>Total Net Position</b>	<b>\$ 147,414</b>	<b>\$ 11,444,125</b>	<b>\$ 11,591,539</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**DAKOTA COUNTY  
MINNESOTA**

**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION  
NONMAJOR ENTERPRISE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<b>Geographic Information System Enterprise Fund</b>	<b>Byllesby Dam Enterprise Fund</b>	<b>Totals</b>
<b>Operating Revenues</b>			
Charges for services	\$ 4,031	\$ 740,225	\$ 744,256
Miscellaneous	-	100,485	100,485
<b>Total Operating Revenues</b>	<b>\$ 4,031</b>	<b>\$ 840,710</b>	<b>\$ 844,741</b>
<b>Operating Expenses</b>			
Repairs and maintenance	\$ -	\$ 962,635	\$ 962,635
Depreciation	-	154,055	154,055
Other services and charges	5,647	-	5,647
<b>Total Operating Expenses</b>	<b>\$ 5,647</b>	<b>\$ 1,116,690</b>	<b>\$ 1,122,337</b>
<b>Operating income (loss)</b>	<b>\$ (1,616)</b>	<b>\$ (275,980)</b>	<b>\$ (277,596)</b>
<b>Nonoperating revenues (expenses)</b>			
Intergovernmental	-	193,108	193,108
<b>Change in Net Position</b>	<b>\$ (1,616)</b>	<b>\$ (82,872)</b>	<b>\$ (84,488)</b>
<b>Net Position - January 1</b>	<b>149,030</b>	<b>11,526,997</b>	<b>11,676,027</b>
<b>Net Position - December 31</b>	<b>\$ 147,414</b>	<b>\$ 11,444,125</b>	<b>\$ 11,591,539</b>

**DAKOTA COUNTY  
MINNESOTA**

**COMBINING STATEMENT OF CASH FLOWS  
NONMAJOR ENTERPRISE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2017  
Increase (Decrease) in Cash and Cash Equivalents**

	<b>Geographic Information System Enterprise Fund</b>	<b>Byllesby Dam Enterprise Fund</b>	<b>Totals</b>
<b>Cash Flows from Operating Activities</b>			
Receipts from customers and users	\$ 4,031	\$ 840,348	\$ 844,379
Payments to suppliers	<u>(5,647)</u>	<u>(884,794)</u>	<u>(890,441)</u>
<b>Net cash provided by (used in) operating activities</b>	<b><u>\$ (1,616)</u></b>	<b><u>\$ (44,446)</u></b>	<b><u>\$ (46,062)</u></b>
<b>Cash Flows from Capital and Related Financing Activities</b>			
Acquisition and construction of capital assets	<u>-</u>	<u>\$ (176,214)</u>	<u>\$ (176,214)</u>
<b>Net cash provided by (used in) capital and related financing activities</b>	<b><u>\$ -</u></b>	<b><u>\$ (176,214)</u></b>	<b><u>\$ (176,214)</u></b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b><u>\$ (1,616)</u></b>	<b><u>\$ (220,660)</u></b>	<b><u>\$ (222,276)</u></b>
<b>Cash and Cash Equivalents at January 1</b>	<b><u>149,030</u></b>	<b><u>887,877</u></b>	<b><u>1,036,907</u></b>
<b>Cash and Cash Equivalents at December 31</b>	<b><u><u>\$ 147,414</u></u></b>	<b><u><u>\$ 667,217</u></u></b>	<b><u><u>\$ 814,631</u></u></b>
<b>Reconciliation of Operating Income to Net Cash Provided by (Used in) Operating Activities</b>			
Operating income (loss)	<u>\$ (1,616)</u>	<u>\$ (275,981)</u>	<u>\$ (277,597)</u>
Adjustments to reconcile operating income to net cash provided by (used in) operating activities			
Depreciation expense	\$ -	\$ 154,055	\$ 154,055
(Increase) decrease in accounts receivable	-	(362)	(362)
Increase (decrease) in accounts payable	-	77,849	77,849
Increase (decrease) in due to other governments	<u>-</u>	<u>(7)</u>	<u>(7)</u>
<b>Total adjustments</b>	<b><u>\$ -</u></b>	<b><u>\$ 231,535</u></b>	<b><u>\$ 231,535</u></b>
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b><u><u>\$ (1,616)</u></u></b>	<b><u><u>\$ (44,446)</u></u></b>	<b><u><u>\$ (46,062)</u></u></b>

**DAKOTA COUNTY  
MINNESOTA**

**COMBINING STATEMENT OF FIDUCIARY NET POSITION  
PRIVATE-PURPOSE TRUST FUNDS  
DECEMBER 31, 2017**

	<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</u>
<b><u>Assets</u></b>					
Cash and pooled investments	\$ -	\$ 38,287	\$ 226,808	\$ 548,551	\$ 813,646
Accounts receivable	-	55	320	273	648
Due from other governments	169,480	-	-	-	169,480
<b>Total Assets</b>	<b>\$ 169,480</b>	<b>\$ 38,342</b>	<b>\$ 227,128</b>	<b>\$ 548,824</b>	<b>\$ 983,774</b>
<b><u>Liabilities</u></b>					
Accounts payable	\$ -	\$ 11,270	\$ 77,567	\$ 2,689	\$ 91,526
Due to other governments	169,480	-	-	-	169,480
<b>Total Liabilities</b>	<b>\$ 169,480</b>	<b>\$ 11,270</b>	<b>\$ 77,567</b>	<b>\$ 2,689</b>	<b>\$ 261,006</b>
<b><u>Net Position</u></b>					
Net position held in trust for other purposes	\$ -	\$ 27,072	\$ 149,561	\$ 546,135	\$ 722,768
<b>Total Net Position</b>	<b>\$ -</b>	<b>\$ 27,072</b>	<b>\$ 149,561</b>	<b>\$ 546,135</b>	<b>\$ 722,768</b>

**DAKOTA COUNTY  
MINNESOTA**

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
PRIVATE-PURPOSE TRUST FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<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>
<b><u>ADDITIONS:</u></b>					
State Grants					
Minnesota Dept of Trial Courts	\$ 734,363	\$ -	\$ -	\$ -	\$ 734,363
Minnesota Dept of Public Safety	-	-	-	79,159	79,159
Payments from other governments	-	-	595,502	-	595,502
Other agencies	-	31,151	-	125,116	156,267
Investment earnings:					
Interest	-	787	4,001	-	4,788
<b>Total additions</b>	<b>\$ 734,363</b>	<b>\$ 31,938</b>	<b>\$ 599,503</b>	<b>\$ 204,275</b>	<b>\$ 1,570,079</b>
<b><u>DEDUCTIONS:</u></b>					
Judicial District expense	\$ 734,363	\$ -	\$ -	\$ -	\$ 734,363
Solid waste expenses	-	31,151	550,844	-	581,995
Emergency preparedness expenses	-	-	-	109,090	109,090
<b>Total deductions</b>	<b>\$ 734,363</b>	<b>\$ 31,151</b>	<b>\$ 550,844</b>	<b>\$ 109,090</b>	<b>\$ 1,425,448</b>
<b>Change in net position</b>	<b>\$ -</b>	<b>\$ 787</b>	<b>\$ 48,659</b>	<b>\$ 95,185</b>	<b>\$ 144,631</b>
<b>Net position - January 1</b>	<b>-</b>	<b>26,285</b>	<b>100,902</b>	<b>450,950</b>	<b>578,137</b>
<b>Net position - December 31</b>	<b>\$ -</b>	<b>\$ 27,072</b>	<b>\$ 149,561</b>	<b>\$ 546,135</b>	<b>\$ 722,768</b>

**DAKOTA COUNTY  
MINNESOTA**

**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
AGENCY FUND  
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>Balance January 1</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance December 31</u>
<b><u>Assets</u></b>				
Cash and pooled investments	\$ 38,309,400	\$ 1,465,181,053	\$ 1,441,552,770	\$ 61,937,683
Accounts receivable	26,556	10,920	26,556	10,920
Due from other governments	541,410	293,168	523,332	311,246
<b>Total Assets</b>	<b><u>\$ 38,877,366</u></b>	<b><u>\$ 1,465,485,141</u></b>	<b><u>\$ 1,442,102,658</u></b>	<b><u>\$ 62,259,849</u></b>
<b><u>Liabilities</u></b>				
Accounts payable	\$ 1,863,394	\$ 166,868,715	\$ 166,413,068	\$ 2,319,041
Unapportioned taxes payable	-	133,432,591	133,432,591	-
Due to other funds	-	24,051	24,051	-
Due to other governments	37,013,972	1,190,295,827	1,167,368,991	59,940,808
<b>Total Liabilities</b>	<b><u>\$ 38,877,366</u></b>	<b><u>\$ 1,490,621,184</u></b>	<b><u>\$ 1,467,238,701</u></b>	<b><u>\$ 62,259,849</u></b>

**DAKOTA COUNTY  
MINNESOTA**

**GOVERNMENTAL FUND BALANCE SHEET AND  
GOVERNMENTAL ACTIVITIES - STATEMENT OF NET POSITION  
VERMILLION RIVER WATERSHED DISTRICT  
DECEMBER 31, 2017**

**Assets**

Cash and investments	\$ 1,791,168
Taxes receivable	
Current	55,879
Prior - net	4,484
Accounts receivable	32,915
Due from other governments	<u>166,459</u>
<b>Total Assets</b>	<b><u><u>\$ 2,050,905</u></u></b>

**Liabilities**

Current liabilities	
Accounts payable	\$ 55,850
Due to other governments	<u>62,641</u>
<b>Total Liabilities</b>	<b><u><u>\$ 118,491</u></u></b>

**Fund Balance/Net Position**

Unrestricted	<u>\$ 1,932,414</u>
<b>Total Fund Balance/Net Position</b>	<b><u><u>\$ 1,932,414</u></u></b>
<b>Total Liabilities and Fund Balance/Net Position</b>	<b><u><u>\$ 2,050,905</u></u></b>

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

**DAKOTA COUNTY  
MINNESOTA**

**GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
AND GOVERNMENTAL ACTIVITIES - STATEMENT OF ACTIVITIES  
VERMILLION RIVER WATERSHED DISTRICT  
FOR THE YEAR ENDED DECEMBER 31, 2017**

<b>Revenues</b>	
Taxes	\$ 865,870
License and permits	3,550
Intergovernmental	1,158,172
Investment earnings	26,992
Miscellaneous	33,043
	<hr/>
<b>Total Revenues</b>	<b>\$ 2,087,627</b>
<b>Expenditures/Expenses</b>	
<b>Current</b>	
Conservation of natural resources	\$ 1,425,151
	<hr/>
<b>Net Change in Fund Balance/ Net Position</b>	<b>\$ 662,476</b>
<b>Fund Balance/Net Position - January 1</b>	<b>1,269,938</b>
	<hr/>
<b>Fund Balance/Net Position - December 31</b>	<b>\$ 1,932,414</b>
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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, 2017**

	<b>Governmental Funds</b>	<b>Enterprise Funds</b>	<b>Total Primary Government</b>
<b>Appropriations and Shared Revenue</b>			
<b>State</b>			
Highway users tax	\$ 33,076,157	\$ -	\$ 33,076,157
PERA rate reimbursement	333,927	-	333,927
Disparity reduction aid	1,879	-	1,879
Police aid	610,204	-	610,204
Agricultural preserve credit	84,879	-	84,879
County program aid	16,750,526	-	16,750,526
Local performance aid	25,000	-	25,000
Market value credit	166,884	-	166,884
SCORE	1,207,220	-	1,207,220
Aquatic invasive species	121,690	-	121,690
<b>Total Appropriations and Shared Revenue</b>	<b>\$ 52,378,366</b>	<b>\$ -</b>	<b>\$ 52,378,366</b>
<b>Reimbursement for Services</b>			
<b>State</b>			
Minnesota Department of Human Services	<b>\$ 9,994,518</b>	<b>\$ -</b>	<b>\$ 9,994,518</b>
<b>Payments</b>			
<b>Local</b>			
County contributions	\$ 1,034,124	\$ -	\$ 1,034,124
City contributions	1,252,993	-	1,252,993
Metropolitan Council	6,539,576	-	6,539,576
City and agency share of construction	5,495,288	-	5,495,288
MELSA	362,222	-	362,222
Other contributions	39,301	-	39,301
Local contributions	25,303,268	-	25,303,268
Payments in lieu of taxes	3,202	-	3,202
<b>Total Payments</b>	<b>\$ 40,029,974</b>	<b>\$ -</b>	<b>\$ 40,029,974</b>
<b>Grants</b>			
<b>State</b>			
Minnesota Department/Board of			
Public Safety	\$ 199,178	\$ -	\$ 199,178
Transportation	5,298,135	-	5,298,135
Health	2,008,561	-	2,008,561
Natural Resources	3,581,794	193,108	3,774,902
Human Services	12,371,328	-	12,371,328
Water and Soil Resources	75,747	-	75,747
Employment and Economic Development	1,171,639	-	1,171,639
Trial Courts	16,888	-	16,888
Education	7,202	-	7,202
Historical Society	31,065	-	31,065
Peace Officer Standards and Training	25,116	-	25,116
Corrections	5,339,552	-	5,339,552
Veterans Affairs	24,857	-	24,857
Information Technology	25,000	-	25,000
Housing Finance Agency	240,597	-	240,597
Pollution Control Agency	335,187	-	335,187
<b>Total State</b>	<b>\$ 30,751,846</b>	<b>\$ 193,108</b>	<b>\$ 30,944,954</b>

**DAKOTA COUNTY  
MINNESOTA**

**SCHEDULE OF INTERGOVERNMENTAL REVENUE  
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>Governmental Funds</u>	<u>Enterprise Funds</u>	<u>Total Primary Government</u>
<b>Grants (Continued)</b>			
<b>Federal</b>			
Department of			
Agriculture	\$ 3,429,665	\$ -	\$ 3,429,665
Housing and Urban Development	4,989,076	-	4,989,076
Justice	215,482	-	215,482
Labor	682,098	-	682,098
Transportation	11,083,664	-	11,083,664
Education	1,933	-	1,933
Health and Human Services	25,653,702	-	25,653,702
Elections Assistance Commission	26,474	-	26,474
Homeland Security	703,804	-	703,804
	<u>46,785,898</u>	<u>-</u>	<u>46,785,898</u>
<b>Total Federal</b>	<b>\$ 46,785,898</b>	<b>\$ -</b>	<b>\$ 46,785,898</b>
<b>Total State and Federal Grants</b>	<b>\$ 77,537,744</b>	<b>\$ 193,108</b>	<b>\$ 77,730,852</b>
<b>Total Intergovernmental Revenue</b>	<b>\$ 179,940,602</b>	<b>\$ 193,108</b>	<b>\$ 180,133,710</b>

**DAKOTA COUNTY  
MINNESOTA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

<b>Federal Grantor Pass-Through Agency Program or Cluster Title</b>	<b>Federal CFDA Number</b>	<b>Pass-Through Grant Numbers</b>	<b>Expenditures</b>	<b>Passed Through to Subrecipients</b>
<b>U.S. Department of Agriculture</b>				
Direct				
Farm and Ranch Lands Protection Program	10.913	54-6322-14-01GR7	\$ 221,113	\$ -
Passed Through Minnesota Department of Education				
Child Nutrition Cluster				
School Breakfast Program	10.553	E3704517	13,402	-
National School Lunch Program	10.555	E3704617	20,349	-
(Total expenditures for Child Nutrition Cluster \$33,751)				
Passed Through Minnesota Department of Health				
Special Supplemental Nutrition Program for Women, Infants, and Children				
	10.557	12-700-00068	1,090,489	-
Passed Through Minnesota Department of Agriculture				
WIC Farmers' Market Nutrition Program (FMNP)				
	10.572	Not Provided	2,490	-
Passed Through Minnesota Department of Human Services				
State Administrative Matching Grants for Supplemental Nutrition Assistance Program (SNAP) Cluster				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	15152MN10152514	1,987,045	-
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	16162MN101S2514	94,777	-
(Total expenditures for State Administrative Matching Grants for the Supplemental Nutrition Assistance Program 10.561 \$2,081,822)				
<b>Total U.S. Department of Agriculture</b>			<b>\$ 3,429,665</b>	<b>\$ -</b>
<b>U.S. Department of Housing and Urban Development</b>				
Direct				
Community Development Block Grants - Entitlement Grants Cluster				
Community Development Block Grants/Entitlement Grants	14.218	Not Provided	\$ 1,600,392	\$ 1,600,392
Community Development Block Grants/Entitlement Grants	14.218	B-08-UN-27-002	7,001	7,001
(Total expenditures for Community Development Block Grants/Entitlement Grants 14.218 \$1,607,393)				
HOME Investment Partnerships Program	14.239	Not Provided	2,805,053	2,805,053
Passed Through Minnesota Department of Human Services				
Emergency Solutions Grant Program				
	14.231	Not Provided	120,475	120,475
Emergency Solutions Grant Program	14.231	MN0077L5K0331306	456,155	-
(Total expenditures for Emergency Solutions Grant Program 14.231 \$576,630)				
<b>Total U.S. Department of Housing and Urban Development</b>			<b>\$ 4,989,076</b>	<b>\$ 4,532,921</b>
<b>U.S. Department of Justice</b>				
Direct				
Edward Byrne Memorial Formula Grant Program				
	16.579	Not Provided	\$ 64,058	\$ -
State Criminal Alien Assistance Program				
	16.606	Not Provided	7,755	-
Equitable Sharing Program				
	16.922	Not Provided	16,406	-
Passed Through Minnesota Department of Public Safety				
Juvenile Accountability Block Grants				
	16.523	P0760JABGFFY13	22,725	-
Crime Victim Assistance	16.575	P0760VOCAFFY15	104,538	-
<b>Total U.S. Department of Justice</b>			<b>\$ 215,482</b>	<b>\$ -</b>

**DAKOTA COUNTY  
MINNESOTA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

<b>Federal Grantor Pass-Through Agency Program or Cluster Title</b>	<b>Federal CFDA Number</b>	<b>Pass-Through Grant Numbers</b>	<b>Expenditures</b>	<b>Passed Through to Subrecipients</b>
<b>U.S. Department of Labor</b>				
Passed Through Minnesota Department of Employment and and Economic Development				
WIA/WIOA Cluster				
WIA/WIOA Adult Program	17.258	5143100	\$ 31,912	\$ -
WIA/WIOA Adult Program	17.258	6143100	207,639	-
WIA/WIOA Adult Program	17.258	7143100	35,355	-
(Total expenditures for WIA/WIOA Adult Program 17.258 \$274,906)				
WIA/WIOA Youth Activities	17.259	5143600	8,472	-
WIA/WIOA Youth Activities	17.259	6143600	128,800	-
WIA/WIOA Youth Activities	17.259	7143600	162,507	-
(Total expenditures for WIA/WIOA Youth Activities 17.259 \$299,779)				
WIA/WIOA Dislocated Worker Formula Grants	17.278	4148000	17,803	-
WIA/WIOA Dislocated Worker Formula Grants	17.278	6148000	298,710	-
WIA/WIOA Dislocated Worker Formula Grants	17.278	7148000	74,001	-
(Total expenditures for WIA/WIOA Dislocated Worker Formula Grants 17.278 \$390,514)				
(Total expenditures for WIA Cluster \$956,199)				
<b>Total U.S. Department of Labor</b>			<b>\$ 965,199</b>	<b>\$ -</b>
<b>U.S. Department of Transportation</b>				
Passed Through Minnesota Department of Transportation				
Highway Planning and Construction Cluster				
Highway Planning and Construction	20.205	Not Provided	\$ 443,940	\$ -
Highway Planning and Construction	20.205	1912258	78,746	-
Highway Planning and Construction	20.205	1914163	57,565	-
Highway Planning and Construction	20.205	1915144	1,041,959	-
Highway Planning and Construction	20.205	1915160	727,589	-
Highway Planning and Construction	20.205	1915164	46,180	-
Highway Planning and Construction	20.205	1915182	217,085	-
Highway Planning and Construction	20.205	1916059	3,675	-
Highway Planning and Construction	20.205	1916077	196,323	-
Highway Planning and Construction	20.205	1916122	1,252,073	-
Highway Planning and Construction	20.205	1916132	971,842	-
Highway Planning and Construction	20.205	1916161	528,037	-
Highway Planning and Construction	20.205	1917132	2,657,410	-
Highway Planning and Construction	20.205	1917149	762,616	-
Highway Planning and Construction	20.205	8814077	1,125,064	-
Highway Planning and Construction	20.205	H170003	(5,804)	-
Highway Planning and Construction	20.205	S223001	1,743,684	-
Highway Planning and Construction	20.205	S223002	17,459	-
(Total expenditures for Highway Planning and Construction 20.205 \$10,975,987)				
Formula Grants for Rural Areas	20.509	Not Provided	3,000	-
Transit Services Programs Cluster				
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	1026747	89,641	-
Passed Through City of Hastings				
Highway Safety Cluster				
State and Community Highway Safety	20.600	Not Provided	558	-
National Priority Safety Programs	20.616	Not Provided	2,138	-
(Total expenditures for Highway Safety Cluster \$2,696)				
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	Not Provided	12,340	-
<b>Total U.S. Department of Transportation</b>			<b>\$ 11,973,120</b>	<b>\$ -</b>

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, 2017**

<b>Federal Grantor Pass-Through Agency Program or Cluster Title</b>	<b>Federal CFDA Number</b>	<b>Pass-Through Grant Numbers</b>	<b>Expenditures</b>	<b>Passed Through to Subrecipients</b>
<b>U.S. Department of Education</b>				
Direct				
Special Education-Grants for Infants and Families	84.181	Not Provided	<b>\$ 1,933</b>	<b>\$ -</b>
<b>U.S. Department of Health and Human Services</b>				
Passed Through Minnesota Department of Health				
Public Health Emergency Preparedness	93.069	Not Provided	\$ 308,364	\$ -
Universal Newborn Hearing Screening	93.251	Not Provided	4,475	-
Immunization Cluster				
Immunization Cooperative Agreements	93.268	Not Provided	800	-
Early Hearing Detection and Intervention				
Information System (EHD-IS) Surveillance Program	93.314	12-700-00068	1,650	-
Affordable Care Act (ACA) Maternal, Infant, and Early Childhood				
Home Visiting Program	93.505	Not Provided	427,222	-
PPHF Capacity Building Assistance to Strengthen				
Public Health Immunization Infrastructure and Performance				
financed in part by Prevention and Public Health Funds	93.539	Not Provided	14,675	-
Temporary Assistance for Needy Families	93.558	Not Provided	325,356	-
(Total expenditures for Temporary Assistance for Needy				
Families 93.558 \$3,190,156)				
Maternal and Child Health Services Block Grant to the States	93.994	12-700-00068	281,413	-
Passed Through Minnesota Department of Human Services				
Guardianship Assistance	93.090	1701MNGARD	68,117	-
Projects for Assistance in Transition from Homelessness (PATH)	93.150		1,569	-
Promoting Safe and Stable Families	93.556	1501MNFPS	111,454	-
Temporary Assistance for Needy Families Cluster				
Temporary Assistance for Needy Families	93.558	1701MNTANF	2,864,800	-
(Total expenditures for Temporary Assistance for Needy				
Families 93.558 \$3,190,156)				
Child Support Enforcement	93.563	1704MNCEST	7,346,614	-
Child Care and Development Block Grant	93.575	G1701MNCCDF	462,800	-
Community-Based Child Abuse Prevention Grants	93.590	1402MNFPRG	139,565	-
Stephanie Tubbs Jones Child Welfare Services Program	93.645	1501MNCWSS	68,839	-
Foster Care IV-E Cluster				
Foster Care - Title IV-E	93.658	1701MNFOST	1,912,938	-
Adoption Assistance	93.659	1701MNADPT	397,616	-
Social Services Block Grant	93.667	1701MNSOSR	1,482,256	-
Chafee Foster Care Independence Program	93.674	1501MNCILP	61,700	-
Medical Assistance Program	93.778	1705MN5ADM	10,228,031	-
Medical Assistance Program	93.778	1705MN5MAP	62,172	-
(Total expenditures for Medical Assistance Program 93.778 \$10,290,203)				
<b>Total U.S. Department of Health and Human Services</b>			<b>\$ 26,572,426</b>	<b>\$ -</b>
<b>Executive Office of the President</b>				
Direct				
High Intensity Drug Trafficking Areas Program	95.001	Not Provided	<b>\$ 26,474</b>	<b>\$ -</b>

**DAKOTA COUNTY  
MINNESOTA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

<b>Federal Grantor Pass-Through Agency Program or Cluster Title</b>	<b>Federal CFDA Number</b>	<b>Pass-Through Grant Numbers</b>	<b>Expenditures</b>	<b>Passed Through to Subrecipients</b>
<b>U.S. Department of Homeland Security</b>				
Passed Through Minnesota Department of Natural Resources				
Boating Safety Financial Assistance	97.012	022317	\$ 45,737	\$ -
Boating Safety Financial Assistance	97.012	091917	13,250	-
(Total expenditures for Homeland Security Grant Program 97.012 \$58,987)				
Passed Through Minnesota Department of Public Safety				
Emergency Management Performance Grants	97.042	F-EMPG-2017-DAKOTACO	115,105	-
Homeland Security Grant Program	97.067	F-UASI-2015-DAKOTACO	494,994	-
Homeland Security Grant Program	97.067	F-UASI-2016-DAKOTACO	34,718	-
(Total expenditures for Homeland Security Grant Program 97.067 \$529,712)				
<b>Total U.S. Department of Homeland Security</b>			<b>\$ 703,804</b>	<b>\$ -</b>
<b>Total Federal Awards</b>			<b>\$ 48,877,179</b>	<b>\$ 4,532,921</b>

**DAKOTA COUNTY  
MINNESOTA**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

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1. Reporting Entity

The Schedule of Expenditures of Federal Awards presents the activities of federal award programs expended by Dakota County. The County's reporting entity is defined in Note 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 \$26,446,079 in federal awards during the year ended June 30, 2017. 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, 2017. The information in this schedule is presented in accordance with the requirements Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of 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 full accrual basis of accounting. Such expenditures are recognized following the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The County has elected to not use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

**DAKOTA COUNTY  
MINNESOTA**

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2017

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4. Reconciliation to Schedule of Intergovernmental Revenue

Federal grant revenue per Schedule of Intergovernmental Revenue	\$ 46,785,898
Grants held in the Agency Fund	
WIA/WIOA Cluster	
WIA/WIOA Adult Program	90,608
WIA/WIOA Youth Activities	81,384
WIA/WIOA Dislocated Worker Formula Grants	111,109
Highway Planning and Construction (Additional Expenditures)	889,456
Foster Care – Title IV-E	366,305
Medical Assistance Program	<u>552,419</u>
Expenditures Per Schedule of Expenditures of Federal Awards	<u>\$ 48,877,179</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>
<b>Financial Trends</b>	121
These schedules contain trend information to help the reader understand how the County’s financial performance and well-being have changed over time.	
<b>Revenue Capacity</b>	128
These schedules contain information to help the reader assess the factors affecting the County’s ability to generate its property taxes.	
<b>Debt Capacity</b>	134
These schedules present information to help the reader assess the affordability to the County’s current levels of outstanding debt and the County’s ability to issue additional debt in the future.	
<b>Demographic and Economic Information</b>	137
These schedules offer demographic and economic indicators to help the reader understand the environment within which the County’s financial activities take place and to help make comparisons over time and with other governments.	
<b>Operating Information</b>	139
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

	2008	2009	2010	2011	2012	2013 (Restated)	2014	2015	2016	2017
<b>Governmental Activities</b>										
Net Investment in Capital Assets	\$ 502,664,473	\$ 545,729,953	\$ 567,867,785	\$ 605,455,040	\$ 634,821,240	\$ 634,927,138	\$ 676,893,277	\$ 728,602,522	\$ 792,116,539	\$ 818,225,255
Restricted	8,289,724	5,860,387	6,578,089	12,124,268	12,189,502	27,406,220	21,784,009	25,176,075	32,212,249	53,245,122
Unrestricted	188,220,596	198,144,007	197,822,900	208,305,948	250,601,958	285,711,445	311,862,759	224,447,938	178,894,978	183,692,007
<b>Total Net Position - Governmental Activities</b>	<b>\$ 699,174,793</b>	<b>\$ 749,734,347</b>	<b>\$ 772,268,774</b>	<b>\$ 825,885,256</b>	<b>\$ 897,612,700</b>	<b>\$ 948,044,803</b>	<b>\$ 1,010,540,045</b>	<b>\$ 978,226,535</b>	<b>\$ 1,003,223,766</b>	<b>\$ 1,055,162,384</b>
<b>Business-Type Activities</b>										
Net Investment in Capital Assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,031,329	\$ 7,245,061	\$ 8,826,272	\$ 10,643,733	\$ 10,665,893
Restricted	197,467	166,432	299,704	2,127,270	2,063,341	149,306	147,267	149,531	149,030	147,414
Unrestricted	-	131,714	-	-	-	2,517,358	563,377	2,165,111	883,264	778,232
<b>Total Net Position - Business-Type Activities</b>	<b>\$ 197,467</b>	<b>\$ 298,146</b>	<b>\$ 299,704</b>	<b>\$ 2,127,270</b>	<b>\$ 2,063,341</b>	<b>\$ 7,697,993</b>	<b>\$ 7,955,705</b>	<b>\$ 11,140,914</b>	<b>\$ 11,676,027</b>	<b>\$ 11,591,539</b>
<b>Total Primary Government</b>										
Net Investment in Capital Assets	\$ 502,664,473	\$ 545,729,953	\$ 567,867,785	\$ 605,455,040	\$ 634,821,240	\$ 639,958,467	\$ 684,138,338	\$ 737,428,794	\$ 802,760,272	\$ 828,891,148
Restricted	8,487,191	6,026,819	6,877,793	14,251,538	14,252,843	27,555,526	21,931,276	25,325,606	32,361,279	53,392,536
Unrestricted	188,220,596	198,275,721	197,822,900	208,305,948	250,601,958	288,228,803	312,426,136	226,613,049	179,778,242	184,470,239
<b>Total Net Position - Primary Government</b>	<b>\$ 699,372,260</b>	<b>\$ 750,032,493</b>	<b>\$ 772,568,478</b>	<b>\$ 828,012,526</b>	<b>\$ 899,676,041</b>	<b>\$ 955,742,796</b>	<b>\$ 1,018,495,750</b>	<b>\$ 989,367,449</b>	<b>\$ 1,014,899,793</b>	<b>\$ 1,066,753,923</b>

#### Components Units

	2008	2009	2010	2011	2012	2013 (Restated)	2014	2015	2016	2017
<b>Community Development Agency</b>										
Net Investment in Capital Assets	\$ 62,660,057	\$ 67,422,313	\$ 70,836,500	\$ 78,312,202	\$ 82,152,316	\$ 81,612,927	\$ 84,988,917	\$ 89,380,592	\$ 92,249,133	\$ 97,672,468
Restricted	40,927,194	41,172,119	46,029,306	52,565,562	54,930,480	61,288,925	62,251,756	60,449,437	58,413,028	64,440,381
Unrestricted	55,136,226	62,620,611	70,262,376	75,886,912	83,933,498	86,865,611	97,038,422	103,144,207	110,772,169	112,797,004
<b>Total Net Position - Community Development Agency</b>	<b>\$ 158,723,477</b>	<b>\$ 171,215,043</b>	<b>\$ 187,128,182</b>	<b>\$ 206,764,676</b>	<b>\$ 221,016,294</b>	<b>\$ 229,767,463</b>	<b>\$ 244,279,095</b>	<b>\$ 252,974,236</b>	<b>\$ 261,434,330</b>	<b>\$ 274,909,853</b>
<b>Vermillion River Watershed</b>										
Net Investment in Capital Assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	1,172,206	1,113,522	1,140,810	1,179,489	1,646,229	1,953,185	1,925,156	1,885,377	1,269,938	1,932,414
<b>Total Net Position - Vermillion River Watershed</b>	<b>\$ 1,172,206</b>	<b>\$ 1,113,522</b>	<b>\$ 1,140,810</b>	<b>\$ 1,179,489</b>	<b>\$ 1,646,229</b>	<b>\$ 1,953,185</b>	<b>\$ 1,925,156</b>	<b>\$ 1,885,377</b>	<b>\$ 1,269,938</b>	<b>\$ 1,932,414</b>

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

**Dakota County, Minnesota**

*Changes in Net Position*

<b>Expenses</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013 (Restated)</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>Primary Government</b>										
<i>Governmental Activities</i>										
General Government	\$ 58,446,661	\$ 48,513,659	\$ 61,982,946	\$ 67,066,253	\$ 55,323,557	\$ 56,902,146	\$ 65,584,363	\$ 66,920,647	\$ 69,769,800	\$ 72,720,526
Public Safety	37,499,603	37,363,437	36,396,222	35,447,935	35,409,600	35,334,573	39,366,008	39,590,503	46,842,871	47,468,787
Highways and Streets	20,428,908	24,016,682	23,114,442	31,587,930	22,657,918	31,617,540	24,441,165	25,151,932	33,382,078	42,360,176
Sanitation	3,498,126	5,476,281	5,314,375	4,954,461	5,197,563	5,326,179	3,910,489	4,535,062	5,050,371	5,433,200
Human Services	94,467,561	85,401,690	69,757,126	68,904,678	66,997,873	66,211,619	70,662,704	72,053,369	81,202,624	83,935,657
Health	14,441,444	14,371,483	14,133,323	10,727,236	8,486,409	7,861,046	8,602,529	9,377,952	9,976,992	10,230,313
Culture and Recreation	17,160,436	19,746,598	19,352,705	19,368,747	18,171,501	17,287,925	13,567,104	18,114,323	20,365,261	22,611,807
Conservation of Natural Resources	4,783,651	4,560,051	2,304,181	3,960,904	4,016,128	4,276,455	3,520,375	4,852,937	4,093,572	7,387,706
Economic Development	7,712,727	10,540,298	12,076,877	8,145,271	8,216,401	8,079,665	9,946,696	11,715,865	9,073,780	9,032,938
Interest	4,910,143	4,360,037	3,947,575	2,919,202	2,212,496	1,916,583	1,447,204	1,013,259	64,536	13,828
<b>Total Governmental Activities</b>	<b>\$ 263,349,260</b>	<b>\$ 254,350,216</b>	<b>\$ 248,379,772</b>	<b>\$ 253,082,617</b>	<b>\$ 226,689,446</b>	<b>\$ 234,813,731</b>	<b>\$ 241,048,637</b>	<b>\$ 253,325,849</b>	<b>\$ 279,821,885</b>	<b>\$ 301,194,938</b>
<i>Business-Type Activities</i>										
Geographic Information Systems	\$ 40,082	\$ 50,556	\$ 24,577	\$ 58,164	\$ 9,072	\$ 9,096	\$ 9,100	\$ 44,123	\$ 624	\$ 5,647
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	753,762	1,495,120	1,116,690
<b>Total Business-Type Activities</b>	<b>\$ 40,082</b>	<b>\$ 50,556</b>	<b>\$ 106,246</b>	<b>\$ 560,106</b>	<b>\$ 986,017</b>	<b>\$ 530,193</b>	<b>\$ 1,028,620</b>	<b>\$ 797,885</b>	<b>\$ 1,495,744</b>	<b>\$ 1,122,337</b>
<b>Total Primary Government Expenses</b>	<b>\$ 263,389,342</b>	<b>\$ 254,400,772</b>	<b>\$ 248,486,018</b>	<b>\$ 253,642,723</b>	<b>\$ 227,675,463</b>	<b>\$ 235,343,924</b>	<b>\$ 242,077,257</b>	<b>\$ 254,123,734</b>	<b>\$ 281,317,629</b>	<b>\$ 302,317,275</b>
<b>Program Revenues</b>										
<b>Primary Government</b>										
<i>Governmental Activities</i>										
Fees, fines, charges and other:										
General Government	\$ 7,867,792	\$ 7,507,730	\$ 7,124,643	\$ 6,784,853	\$ 7,817,635	\$ 7,819,235	\$ 7,536,670	\$ 7,434,589	\$ 8,659,515	\$ 7,329,162
Public Safety	2,731,099	3,214,768	3,127,028	3,532,554	3,491,571	3,331,432	3,021,044	2,763,775	3,059,881	2,775,730
Highways and Streets	1,495,081	1,528,495	1,589,965	3,777,498	576,243	3,589,979	641,484	532,360	969,540	676,328
Sanitation	6,222,558	6,528,605	8,019,709	8,235,471	8,433,603	7,713,818	7,881,052	9,012,270	8,975,849	9,609,107
Human Services	2,782,157	6,474,404	3,164,919	3,743,711	5,683,801	7,776,989	940,947	2,341,929	2,195,204	2,154,736
Health	5,772,599	5,632,467	3,119,419	1,316,458	1,463,958	1,363,361	1,211,838	1,738,043	887,883	899,157
Culture and Recreation	1,622,497	1,730,132	1,754,286	1,564,452	1,558,792	1,540,512	1,539,480	1,570,060	1,712,736	1,787,799
Conservation of Natural Resources	43,906	27,492	85,654	47,707	20,021	25,455	391,528	378,424	414,241	599,109
Economic Development	-	-	40,132	1,247	243,643	302,581	-	-	-	13,863
<b>Total Governmental Fees, Fines, Charges and Other</b>	<b>\$ 28,537,689</b>	<b>\$ 32,644,093</b>	<b>\$ 28,025,755</b>	<b>\$ 29,003,951</b>	<b>\$ 29,289,267</b>	<b>\$ 33,463,362</b>	<b>\$ 23,164,043</b>	<b>\$ 25,771,450</b>	<b>\$ 26,874,849</b>	<b>\$ 25,844,991</b>
<i>Business-Type Activities</i>										
Geographic Information Systems	\$ 20,309	\$ 19,521	\$ 21,436	\$ 38,149	\$ 13,166	\$ 11,032	\$ 7,061	\$ 46,387	\$ 123	\$ 4,031
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	578,688	702,190	840,710
<b>Total Business-Type Program Revenues</b>	<b>\$ 20,309</b>	<b>\$ 151,235</b>	<b>\$ 107,804</b>	<b>\$ 2,370,347</b>	<b>\$ 764,319</b>	<b>\$ 786,725</b>	<b>\$ 824,994</b>	<b>\$ 625,075</b>	<b>\$ 702,313</b>	<b>\$ 844,741</b>
<b>Total Primary Government Fees, Fines, Charges and Other</b>	<b>\$ 28,557,998</b>	<b>\$ 32,795,328</b>	<b>\$ 28,133,559</b>	<b>\$ 31,374,298</b>	<b>\$ 30,053,586</b>	<b>\$ 34,250,087</b>	<b>\$ 23,989,037</b>	<b>\$ 26,396,525</b>	<b>\$ 27,577,162</b>	<b>\$ 26,689,732</b>

**Dakota County, Minnesota**

**Changes in Net Position**

(Continued)

<b>Program Revenues</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013 (Restated)</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>Primary Government</b>										
<i>Governmental Activities</i>										
Operating Grants and Contributions:										
General Government	\$ 3,893,517	\$ 3,123,481	\$ 3,798,215	\$ 4,080,742	\$ 4,387,424	\$ 3,560,993	\$ 2,349,541	\$ 2,431,014	\$ 3,563,340	\$ 4,432,346
Public Safety	8,533,620	8,948,372	9,127,015	8,183,282	7,460,653	9,773,312	7,463,572	7,809,033	8,118,248	8,634,623
Highways and Streets	6,054,166	24,992,562	4,902,202	18,653,704	17,177,991	20,887,253	29,785,696	25,031,461	29,004,308	56,386,910
Sanitation	8,341	321,394	276,939	372,933	544,354	450,558	1,920,547	1,526,796	1,527,686	1,529,470
Human Services	59,829,926	47,133,328	35,807,530	40,837,578	28,276,091	29,671,099	41,818,152	39,216,444	42,920,353	45,210,891
Health	5,458,305	5,712,664	7,341,345	6,425,794	4,841,022	5,036,177	4,574,675	4,805,213	4,317,792	4,596,981
Culture and Recreation	10,126,045	941,566	1,151,534	2,536,834	2,114,445	3,410,363	2,580,992	4,869,406	3,382,097	8,106,626
Conservation of Natural Resources	2,153,127	3,827,241	1,656,906	2,981,223	2,289,603	3,491,245	877,855	2,139,007	2,168,548	3,938,542
Economic Development	7,252,218	9,396,842	12,556,252	7,728,144	8,617,863	7,590,498	10,162,440	11,585,829	8,882,185	10,963,998
Total Governmental Operating Grants and Contributions	\$ 103,309,265	\$ 104,397,450	\$ 76,617,938	\$ 91,800,234	\$ 75,709,446	\$ 83,871,498	\$ 101,533,470	\$ 99,414,203	\$ 103,884,557	\$ 143,800,387
<i>Business-Type Activities</i>										
Geographic Information Systems	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Criminal Justice Information Integration Network	-	-	-	-	-	-	-	-	-	-
Byllesby Dam	-	-	-	17,325	157,769	2,354,120	-	-	1,328,544	193,108
Total Business-Type Operating Grants and Contributions	\$ -	\$ -	\$ -	\$ 17,325	\$ 157,769	\$ 2,354,120	\$ -	\$ -	\$ 1,328,544	\$ 193,108
Total Primary Government Operating Grants and Contributions	\$ 103,309,265	\$ 104,397,450	\$ 76,617,938	\$ 91,817,559	\$ 75,867,215	\$ 86,225,618	\$ 101,533,470	\$ 99,414,203	\$ 105,213,101	\$ 143,993,495
<b>Program Revenues</b>										
<b>Primary Government</b>										
<i>Governmental Activities</i>										
Capital Grants and Contributions:										
General Government	\$ -	\$ -	\$ -	\$ 304,216	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public Safety	-	-	205,987	55,225	53,349	-	-	-	-	-
Highways and Streets	24,648,824	10,568,802	16,105,736	26,670,592	34,413,883	21,319,833	14,923,646	17,803,674	12,486,120	15,019,326
Sanitation	-	-	-	-	-	-	-	-	-	-
Human Services	-	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	153,585	130,735	1,027,842	3,630,509	1,493,529	1,451,949
Conservation of Natural Resources	-	-	-	-	-	-	-	-	-	-
Economic Development	-	-	-	-	-	-	-	-	-	-
Total Governmental Capital Grants and Contributions	\$ 24,648,824	\$ 10,568,802	\$ 16,311,723	\$ 27,030,033	\$ 34,620,817	\$ 21,450,568	\$ 15,951,488	\$ 21,434,183	\$ 13,979,649	\$ 16,471,275
<i>Business-Type Activities</i>										
Geographic Information Systems	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Criminal Justice Information Integration Network	-	-	-	-	-	-	-	-	-	-
Byllesby Dam	-	-	-	-	-	-	777,414	1,310,519	-	-
Total Business-Type Capital Grants and Contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 777,414	\$ 1,310,519	\$ -	\$ -
Total Primary Government Capital Grants and Contributions	\$ 24,648,824	\$ 10,568,802	\$ 16,311,723	\$ 27,030,033	\$ 34,620,817	\$ 21,450,568	\$ 16,728,902	\$ 22,744,702	\$ 13,979,649	\$ 16,471,275

**Dakota County, Minnesota**

**Changes in Net Position**

(Continued)

<b>Net (Expense) Revenue (a)</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013 (Restated)</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>Primary Government</b>										
<i>Governmental Activities</i>										
General Government	\$ (46,685,352)	\$ (37,882,448)	\$ (51,060,088)	\$ (55,896,442)	\$ (43,118,498)	\$ (45,521,918)	\$ (55,698,152)	\$ (57,055,044)	\$ (57,546,945)	\$ (60,959,018)
Public Safety	(26,234,884)	(25,200,297)	(23,936,192)	(23,676,874)	(24,404,027)	(22,229,829)	(28,881,392)	(29,017,695)	(35,664,742)	(36,058,434)
Highways and Streets	11,769,163	13,073,177	(516,539)	17,513,864	29,510,199	14,179,525	20,909,661	18,215,563	9,077,890	29,722,388
Sanitation	2,732,773	1,373,718	2,982,273	3,653,943	3,780,394	2,838,197	5,891,110	6,004,004	5,453,164	5,705,377
Human Services	(31,855,478)	(31,793,958)	(30,784,677)	(24,323,389)	(33,037,981)	(28,763,531)	(27,903,605)	(30,494,996)	(36,087,067)	(36,570,030)
Health	(3,210,540)	(3,026,352)	(3,672,559)	(2,984,984)	(2,181,429)	(1,461,508)	(2,816,016)	(2,834,696)	(4,771,317)	(4,734,175)
Culture and Recreation	(5,411,894)	(17,074,900)	(16,446,885)	(15,267,461)	(14,344,679)	(12,206,315)	(8,418,790)	(8,044,348)	(13,776,899)	(11,265,433)
Conservation of Natural Resources	(2,586,618)	(705,318)	(561,621)	(931,974)	(1,706,504)	(759,755)	(2,250,992)	(2,335,506)	(1,510,783)	(2,850,055)
Economic Development	(460,509)	(1,143,456)	519,507	(415,880)	645,105	(186,586)	215,744	(130,036)	(191,595)	1,944,923
Interest	(4,910,143)	(4,360,037)	(3,947,575)	(2,919,202)	(2,212,496)	(1,916,583)	(1,447,204)	(1,013,259)	(64,536)	(13,828)
Total Governmental Net (Expense) Revenue	<u>\$ (106,853,482)</u>	<u>\$ (106,739,871)</u>	<u>\$ (127,424,356)</u>	<u>\$ (105,248,399)</u>	<u>\$ (87,069,916)</u>	<u>\$ (96,028,303)</u>	<u>\$ (100,399,636)</u>	<u>\$ (106,706,013)</u>	<u>\$ (135,082,830)</u>	<u>\$ (115,078,285)</u>
<i>Business-Type Activities</i>										
Geographic Information Systems	\$ (19,773)	\$ (31,035)	\$ (3,141)	\$ (20,015)	\$ 4,094	\$ 1,936	\$ (2,039)	\$ 2,264	\$ (501)	\$ (1,616)
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	1,135,445	535,614	(82,872)
Total Business-Type Net (Expense) Revenue	<u>\$ (19,773)</u>	<u>\$ 100,679</u>	<u>\$ 1,558</u>	<u>\$ 1,827,566</u>	<u>\$ (63,929)</u>	<u>\$ 2,610,652</u>	<u>\$ 573,788</u>	<u>\$ 1,137,709</u>	<u>\$ 535,113</u>	<u>\$ (84,488)</u>
Total Primary Government Net (Expense) Revenue	<u>\$ (106,873,255)</u>	<u>\$ (106,639,192)</u>	<u>\$ (127,422,798)</u>	<u>\$ (103,420,833)</u>	<u>\$ (87,133,845)</u>	<u>\$ (93,417,651)</u>	<u>\$ (99,825,848)</u>	<u>\$ (105,568,304)</u>	<u>\$ (134,547,717)</u>	<u>\$ (115,162,773)</u>
<b>General Revenues, Transfers, and Special Items</b>										
<b>Primary Government</b>										
<i>Governmental Activities</i>										
Property Taxes	\$ 121,557,986	\$ 126,986,839	\$ 126,012,038	\$ 126,588,398	\$ 132,725,693	\$ 131,085,200	\$ 130,961,310	\$ 131,291,226	\$ 132,104,314	\$ 134,913,760
Gravel Taxes	356,562	451,950	322,788	448,585	571,663	616,104	641,711	648,871	702,699	681,057
Transit Tax (1st year collected was 2017)	-	-	-	-	-	-	-	-	-	2,634,283
Mortgage Registry and Deed Tax	431,561	408,750	378,235	358,521	481,980	541,012	469,380	620,763	644,838	662,588
Payment in lieu of Tax	1,684,323	1,698,801	1,714,530	1,709,980	1,736,049	1,877,236	-	-	-	-
Wheelage Tax (1st year collected was 2014)	-	-	-	-	-	-	3,622,715	3,882,501	4,121,216	3,880,323
Gift and Contributions (unrestricted)	34,890	54,260	63,531	22,614	38,595	24,009	-	-	-	-
Grants and Contributions (unrestricted)	15,950,219	21,681,301	17,134,726	16,346,749	15,293,028	15,709,430	17,392,414	17,729,391	18,310,891	17,366,297
Investment Earnings	13,764,069	3,981,969	2,274,346	11,348,301	6,212,921	(3,034,627)	7,902,963	3,027,128	2,678,241	5,349,627
Miscellaneous	1,516,087	1,951,035	1,875,304	1,825,569	1,633,838	2,475,734	1,543,935	1,658,116	1,210,534	1,329,806
Gain on Sale of Capital Assets	66,328	84,520	183,285	216,164	103,593	190,308	44,374	170,593	307,328	199,162
Transfers	-	-	-	-	-	(3,024,000)	316,076	(2,047,500)	-	-
Governmental Activities General Revenues, Transfers, and Special Items	<u>\$ 155,362,025</u>	<u>\$ 157,299,425</u>	<u>\$ 149,958,783</u>	<u>\$ 158,864,881</u>	<u>\$ 158,797,360</u>	<u>\$ 146,460,406</u>	<u>\$ 162,894,878</u>	<u>\$ 156,981,089</u>	<u>\$ 160,080,061</u>	<u>\$ 167,016,903</u>
Total Change in Net Position - Governmental Activities	<u>\$ 48,508,543</u>	<u>\$ 50,559,554</u>	<u>\$ 22,534,427</u>	<u>\$ 53,616,482</u>	<u>\$ 71,727,444</u>	<u>\$ 50,432,103</u>	<u>\$ 62,495,242</u>	<u>\$ 50,275,076</u>	<u>\$ 24,997,231</u>	<u>\$ 51,938,618</u>
<i>Business-Type Activities</i>										
Transfers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,024,000	\$ (316,076)	\$ 2,047,500	\$ -	\$ -
Total General Revenues - Business-Type Activities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,024,000</u>	<u>\$ (316,076)</u>	<u>\$ 2,047,500</u>	<u>\$ -</u>	<u>\$ -</u>
Total Change in Net Position - Business-Type Activities	<u>\$ (19,773)</u>	<u>\$ 100,679</u>	<u>\$ 1,558</u>	<u>\$ 1,827,566</u>	<u>\$ (63,929)</u>	<u>\$ 5,634,652</u>	<u>\$ 257,712</u>	<u>\$ 3,185,209</u>	<u>\$ 535,113</u>	<u>\$ (84,488)</u>
Total Change in Net Position - Primary Government	<u>\$ 48,488,770</u>	<u>\$ 50,660,233</u>	<u>\$ 22,535,985</u>	<u>\$ 55,444,048</u>	<u>\$ 71,663,515</u>	<u>\$ 56,066,755</u>	<u>\$ 62,752,954</u>	<u>\$ 53,460,285</u>	<u>\$ 25,532,344</u>	<u>\$ 51,854,130</u>

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

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

## Dakota County, Minnesota

### Changes in Net Position - Component Units

<b>Expenses</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
Component Unit										
Community Development Agency	\$ 34,618,320	\$ 38,099,898	\$ 42,276,141	\$ 43,100,632	\$ 38,850,422	\$ 45,690,723	\$ 45,809,051	\$ 48,779,121	\$ 50,192,082	\$ 54,180,692
Vermillion River Watershed	1,017,956	1,245,246	1,105,654	987,828	908,946	883,232	988,024	937,527	1,778,826	1,425,151
Total Component Unit	\$ 35,636,276	\$ 39,345,144	\$ 43,381,795	\$ 44,088,460	\$ 39,759,368	\$ 46,573,955	\$ 46,797,075	\$ 49,716,648	\$ 51,970,908	\$ 55,605,843
<b>Program Revenues</b>										
Component Unit										
Community Development Agency	\$ 36,440,889	\$ 38,353,283	\$ 46,562,618	\$ 51,619,585	\$ 43,888,022	\$ 46,279,218	\$ 51,920,861	\$ 48,824,536	\$ 49,592,155	\$ 58,450,581
Vermillion River Watershed	196,434	53,997	95,540	77,874	70,084	342,979	75,224	58,206	319,291	1,196,933
Total Component Unit	\$ 36,637,323	\$ 38,407,280	\$ 46,658,158	\$ 51,697,459	\$ 43,958,106	\$ 46,622,197	\$ 51,996,085	\$ 48,882,742	\$ 49,911,446	\$ 59,647,514
<b>General Revenues - Community Development Agency</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
Property Taxes	\$ 7,512,146	\$ 7,848,758	\$ 7,829,702	\$ 7,566,507	\$ 7,261,674	\$ 7,092,062	\$ 6,513,347	\$ 6,612,923	\$ 6,807,677	\$ 7,010,940
Tax Increment Financing Revenue	3,288,340	3,384,616	3,303,413	3,207,383	1,635,537	1,659,474	1,280,041	1,510,242	1,434,707	1,532,006
Investment Earnings	1,952,466	1,004,807	493,547	343,651	316,807	105,064	606,434	526,561	817,637	662,688
Miscellaneous	-	-	-	-	-	-	-	-	-	-
Total General Revenues - Community Development Agency	\$ 12,752,952	\$ 12,238,181	\$ 11,626,662	\$ 11,117,541	\$ 9,214,018	\$ 8,856,600	\$ 8,399,822	\$ 8,649,726	\$ 9,060,021	\$ 9,205,634
Total Change in Net Position - Community Development Agency	\$ 14,575,521	\$ 12,491,566	\$ 15,913,139	\$ 19,636,494	\$ 14,251,618	\$ 9,445,095	\$ 14,511,632	\$ 8,695,141	\$ 8,460,094	\$ 13,475,523
<b>General Revenues - Vermillion River Watershed</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
Property Taxes	\$ 1,032,731	\$ 1,023,239	\$ 939,533	\$ 850,408	\$ 1,257,737	\$ 835,041	\$ 861,518	\$ 816,583	\$ 819,669	\$ 863,702
Grants and Contributions (unrestricted)	88,235	87,084	84,066	81,866	33,337	-	-	-	-	-
Investment Earnings	36,722	20,541	13,569	16,359	14,528	12,168	23,253	22,959	24,427	26,992
Miscellaneous	-	-	234	-	-	-	-	-	-	-
Gain on Sale of Capital Assets	-	1,701	-	-	-	-	-	-	-	-
Total General Revenues - Vermillion River Watershed	\$ 1,157,688	\$ 1,132,565	\$ 1,037,402	\$ 948,633	\$ 1,305,602	\$ 847,209	\$ 884,771	\$ 839,542	\$ 844,096	\$ 890,694
Total Change in Net Position - Vermillion River Watershed	\$ 336,166	\$ (58,684)	\$ 27,288	\$ 38,679	\$ 466,740	\$ 306,956	\$ (28,029)	\$ (39,779)	\$ (615,439)	\$ 662,476
Total Change in Net Position - Component Units	\$ 14,911,687	\$ 12,432,882	\$ 15,940,427	\$ 19,675,173	\$ 14,718,358	\$ 9,752,051	\$ 14,483,603	\$ 8,655,362	\$ 7,844,655	\$ 14,137,999

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

**Dakota County, Minnesota**

*Fund Balances  
Governmental Funds*

	2008	2009	2010	2011*	2012	2013	2014	2015	2016	2017
General Fund:										
Reserved	\$ 13,449,225	\$ 8,491,434	\$ 8,837,070	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	67,923,464	65,165,879	62,365,602	-	-	-	-	-	-	-
Nonspendable	-	-	-	2,650,815	2,642,011	2,715,339	2,668,745	918,924	590,622	903,399
Restricted	-	-	-	2,847,559	2,891,453	2,737,517	4,863,501	2,411,854	3,422,516	3,574,610
Committed	-	-	-	3,180,168	509,796	292,387	1,018,120	-	40,601,526	48,010,163
Assigned	-	-	-	34,233,198	30,525,901	25,488,970	114,550,801	15,991,647	12,212,149	12,091,582
Unassigned	-	-	-	29,176,838	33,158,235	31,174,973	37,407,381	136,384,503	121,527,661	122,585,397
Total General Fund	\$ 81,372,689	\$ 73,657,313	\$ 71,202,672	\$ 72,088,578	\$ 69,727,396	\$ 62,409,186	\$ 160,508,548	\$ 155,706,928	\$ 178,354,474	\$ 187,165,151
All Other Governmental Funds										
Reserved	\$ 41,065,067	\$ 38,726,557	\$ 30,582,499	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved reported in:										
Special Revenue Funds	77,377,250	100,638,992	107,570,290	-	-	-	-	-	-	-
Debt Services	-	-	7,199,602	-	-	-	-	-	-	-
Capital Projects	19,379,182	16,721,855	9,044,323	-	-	-	-	-	-	-
Nonspendable	-	-	-	881,636	1,266,666	1,152,899	1,321,295	1,951,000	1,837,540	1,218,877
Restricted	-	-	-	9,276,709	9,298,049	7,211,942	3,006,049	2,116,826	1,053,347	24,992,184
Committed	-	-	-	16,800,000	16,800,000	16,800,000	16,800,000	33,903,045	-	-
Assigned	-	-	-	137,519,162	180,051,459	195,028,051	126,133,830	106,849,172	89,054,808	97,638,134
Unassigned	-	-	-	-	-	-	-	(596,278)	-	(585,420)
Total Unreserved	96,756,432	117,360,847	123,814,215	-	-	-	-	-	-	-
Total All Other Governmental Funds	\$ 137,821,499	\$ 156,087,404	\$ 154,396,714	\$ 164,477,507	\$ 207,416,174	\$ 220,192,892	\$ 147,261,174	\$ 144,223,765	\$ 91,945,695	\$ 123,263,775

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

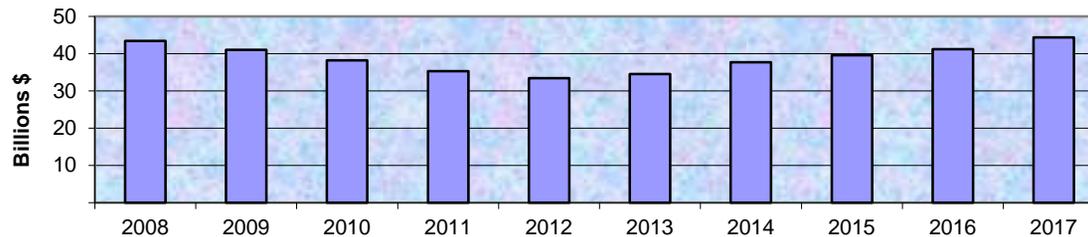
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Revenues</b>										
Taxes	\$ 123,486,583	\$ 129,194,994	\$ 128,338,549	\$ 129,126,978	\$ 135,267,764	\$ 134,665,766	\$ 136,359,731	\$ 136,989,719	\$ 137,648,397	\$ 142,973,021
Licenses and Permits	954,087	1,131,419	1,122,733	1,109,853	1,208,683	1,254,978	2,129,725	2,311,817	2,199,311	2,256,683
Intergovernmental	139,767,926	143,779,937	105,592,284	131,231,830	131,281,021	110,790,958	140,173,118	131,962,034	129,148,654	180,266,276
Charges for Services	30,198,174	33,427,184	28,647,199	30,650,575	30,362,450	34,425,251	20,543,486	20,848,708	20,977,000	20,817,024
Fines and Forfeits	114,356	152,843	120,965	122,031	153,638	113,171	81,087	112,460	84,343	98,239
Gifts and Contributions	34,890	54,760	69,210	28,426	39,756	24,652	124,616	12,676	23,694	30,509
Investment Earnings	13,536,019	3,751,959	2,046,447	11,120,407	5,597,900	(3,057,304)	7,846,381	2,886,545	3,210,132	5,349,627
Miscellaneous	5,792,583	5,263,181	5,696,272	4,897,082	4,845,230	4,495,180	4,501,053	4,552,892	5,001,712	5,109,882
<b>Total Revenues</b>	<b>\$ 313,884,618</b>	<b>\$ 316,756,277</b>	<b>\$ 271,633,659</b>	<b>\$ 308,287,182</b>	<b>\$ 308,756,442</b>	<b>\$ 282,712,652</b>	<b>\$ 311,759,197</b>	<b>\$ 299,676,851</b>	<b>\$ 298,293,243</b>	<b>\$ 356,901,261</b>
<b>Expenditures</b>										
<b>Current</b>										
General Government	\$ 63,074,376	\$ 61,359,073	\$ 59,696,613	\$ 61,322,951	\$ 57,123,212	\$ 56,842,557	\$ 56,895,468	\$ 66,437,160	\$ 61,998,869	\$ 66,332,612
Public Safety	36,927,178	37,394,836	35,413,298	35,507,606	35,365,244	36,676,226	38,118,314	38,732,137	40,331,218	41,898,007
Highways and Streets	56,543,277	45,174,737	35,501,940	39,862,672	43,150,384	50,801,833	45,884,786	53,273,832	59,981,844	65,207,585
Sanitation	6,660,486	7,304,309	7,408,981	6,976,314	7,028,601	7,398,443	5,900,555	4,628,357	4,972,357	5,314,937
Human Services	96,753,204	87,426,542	72,523,762	71,697,720	69,426,226	70,193,719	71,073,035	71,867,015	76,989,354	80,280,668
Health	14,344,511	14,379,616	14,158,886	10,721,018	8,476,575	8,162,589	8,729,094	9,356,123	9,338,776	9,709,710
Culture and Recreation	32,511,779	19,225,249	18,944,918	22,195,346	21,350,343	21,450,861	24,217,982	25,272,217	28,326,858	25,965,503
Conservation of natural resources	4,739,047	4,567,193	2,289,934	3,956,833	4,013,593	4,274,132	3,576,475	4,935,421	3,980,145	7,261,105
Economic Development	7,652,018	10,464,108	12,048,642	8,411,523	8,597,724	8,947,128	10,485,161	11,995,645	9,408,698	9,378,042
Intergovernmental										
Highways and Streets	-	-	-	-	-	-	186,803	199,461	-	-
Capital Outlay	8,561,029	2,153,718	5,419,530	2,823,748	1,268,782	1,727,246	7,604,780	8,825,960	8,416,595	5,262,334
Debt Service										
Principal Retirement	14,155,000	12,650,000	8,715,000	31,180,000	5,625,000	5,855,000	12,825,000	10,299,591	23,556,611	136,449
Interest	5,103,038	4,519,421	4,052,158	3,122,794	2,270,450	2,020,059	1,655,031	1,180,282	495,500	13,828
Bond Issuance Costs	-	-	-	-	-	-	-	-	-	-
Administrative Charges	4,900	2,100	350	-	3,200	2,950	3,350	8,750	6,450	-
<b>Total Expenditures</b>	<b>\$ 347,029,843</b>	<b>\$ 306,620,902</b>	<b>\$ 276,174,012</b>	<b>\$ 297,778,525</b>	<b>\$ 263,699,334</b>	<b>\$ 274,352,743</b>	<b>\$ 287,155,834</b>	<b>\$ 307,011,951</b>	<b>\$ 327,803,275</b>	<b>\$ 316,760,780</b>
<b>Excess of Revenues Over/ (Under) Expenditures</b>	<b>\$ (33,145,225)</b>	<b>\$ 10,135,375</b>	<b>\$ (4,540,353)</b>	<b>\$ 10,508,657</b>	<b>\$ 45,057,108</b>	<b>\$ 8,359,909</b>	<b>\$ 24,603,363</b>	<b>\$ (7,335,100)</b>	<b>\$ (29,510,032)</b>	<b>\$ 40,140,481</b>
<b>Other Financing Sources</b>										
Transfers In	\$ 23,917,624	\$ 9,555,030	\$ 6,768,955	\$ 3,018,902	\$ 14,372,584	\$ 4,147,314	\$ 8,782,958	\$ 53,670,221	\$ 26,639,436	\$ 3,195,718
Transfers Out	(23,917,624)	(9,555,030)	(6,768,955)	(3,018,902)	(19,372,584)	(7,171,314)	(8,466,882)	(55,717,721)	(26,639,436)	(3,092,144)
Bonds Issued	-	-	-	-	-	-	-	-	-	-
Proceeds From Sale of Refunding Bonds	-	-	-	-	-	-	-	-	-	-
Premium/(Discount) on Bond Issuance	-	-	-	-	-	-	-	-	-	-
Proceeds from Capital Lease	-	-	-	-	-	-	-	704,080	-	-
Proceeds from Sale of Capital Assets	75,589	100,919	189,664	218,082	104,196	187,815	44,374	190,994	314,626	199,162
<b>Total Other Financing Sources</b>	<b>\$ 75,589</b>	<b>\$ 100,919</b>	<b>\$ 189,664</b>	<b>\$ 218,082</b>	<b>\$ (4,895,804)</b>	<b>\$ (2,836,185)</b>	<b>\$ 360,450</b>	<b>\$ (1,152,426)</b>	<b>\$ 314,626</b>	<b>\$ 302,736</b>
<b>Net Change in Fund Balance</b>	<b>\$ (33,069,636)</b>	<b>\$ 10,236,294</b>	<b>\$ (4,350,689)</b>	<b>\$ 10,726,739</b>	<b>\$ 40,161,304</b>	<b>\$ 5,523,724</b>	<b>\$ 24,963,813</b>	<b>\$ (8,487,526)</b>	<b>\$ (29,195,406)</b>	<b>\$ 40,443,217</b>
Debt Service Expenditures as Percent of Non-Capital Expenditures	7.08%	6.59%	5.18%	13.17%	3.58%	3.38%	6.02%	4.67%	9.03%	0.06%

# Dakota County, Minnesota

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

Year Assessed	Real Property		Personal Property		Total		Assessed to % of Total Total Estimated Market Value	Total Direct County Tax Rate
	Assessed* Value	Estimated Market Value	Assessed Value	Estimated Market Value	Assessed Value	Estimated Market Value		
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
2015	454,661,066	39,093,256,221	9,845,321	504,162,445	464,506,387	39,597,418,666	1.2	0.29633
2016	471,286,219	40,645,907,860	10,787,023	552,044,681	482,073,242	41,197,952,541	1.2	0.28570
2017	507,139,039	43,796,489,603	11,400,448	582,982,924	518,539,487	44,379,472,527	1.2	0.28004

**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>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<b><u>DAKOTA COUNTY</u></b>										
Revenue	0.07502	0.07389	0.10362	0.12084	0.13467	0.14353	0.14759	0.13473	0.13825	0.12761
Highway	0.02504	0.02467	0.01191	0.01211	0.01186	0.01094	0.01311	0.01094	0.01144	0.01255
Community Services	0.10340	0.10745	0.10629	0.11052	0.11654	0.12475	0.12475	0.11073	0.10290	0.10708
Environmental Management	0.00000	0.00000	0.00000	0.00000	0.00122	0.00129	0.00130	0.00124	0.00094	0.00092
Parks	0.00779	0.00808	0.00656	0.00641	0.00689	0.00721	0.00722	0.00249	0.00257	0.00275
County Library	0.02004	0.02285	0.02415	0.02476	0.02638	0.02840	0.02864	0.02649	0.02528	0.02495
County Building	0.01517	0.01557	0.00119	0.00088	0.00141	0.00152	0.00154	0.00137	0.00132	0.00129
Debt Services	0.00000	0.00000	0.01274	0.00940	0.00806	0.01371	0.01014	0.00528	0.00000	0.00000
DCLLR	0.00130	0.00167	0.00198	0.00204	0.00237	0.00286	0.00316	0.00306	0.00299	0.00289
County Referendum	0.00408	0.00403	0.00425	0.00451	0.00486	0.00000	0.00000	0.00000	0.00000	0.00000
Total	0.25184	0.25821	0.27269	0.29149	0.31426	0.33421	0.33745	0.29633	0.28570	0.28004
<b><u>OVERLAPPING RATES:</u></b>										
<b><u>CITIES</u></b>										
Apple Valley	0.35537	0.37086	0.39867	0.42388	0.44110	0.49210	0.47891	0.45274	0.44721	0.44473
Burnsville	0.35005	0.36121	0.38566	0.42598	0.43213	0.47021	0.46670	0.44790	0.46525	0.46557
Coates	0.15252	0.13587	0.16605	0.14343	0.18984	0.22842	0.19507	0.20081	0.17482	0.17490
Eagan	0.25892	0.26886	0.30408	0.33675	0.34553	0.38272	0.38250	0.36525	0.37097	0.37385
Farmington	0.43821	0.44186	0.49274	0.55733	0.63093	0.66821	0.65876	0.61455	0.59239	0.58760
Hampton	0.22742	0.24038	0.32859	0.34774	0.48625	0.47055	0.44221	0.46932	0.42776	0.45342
Hastings	0.49475	0.49732	0.52677	0.55195	0.66083	0.68547	0.66246	0.62581	0.63577	0.62518
Inver Grove Heights	0.37403	0.37878	0.41757	0.43169	0.44883	0.46312	0.46128	0.48131	0.49266	0.51644
Lakeville	0.34195	0.33973	0.36624	0.38250	0.39051	0.41234	0.40696	0.38948	0.38669	0.37510
Lilydale	0.41239	0.44291	0.47297	0.31115	0.35128	0.35556	0.34570	0.32619	0.30133	0.30276
Mendota	0.37178	0.35265	0.38429	0.45860	0.46652	0.47239	0.46518	0.46806	0.49808	0.44384
Mendota Heights	0.24142	0.26165	0.28061	0.29758	0.32057	0.34479	0.34737	0.34964	0.35247	0.37487
Miesville	0.23654	0.23116	0.24904	0.27223	0.33151	0.34670	0.32952	0.32255	0.31950	0.31635
New Trier	0.32119	0.36932	0.44344	0.47895	0.54663	0.56659	0.61658	0.55227	0.52333	0.67619
Northfield	0.36648	0.38536	0.40370	0.43889	0.50947	0.61901	0.59785	0.56750	0.57552	0.55667
Randolph	0.12512	0.15832	0.17773	0.25048	0.30476	0.32743	0.36865	0.26076	0.26284	0.28171
Rosemount	0.42440	0.42323	0.43358	0.44661	0.46994	0.48862	0.47676	0.45152	0.43149	0.41832
South St. Paul	0.36142	0.38532	0.41428	0.48374	0.56466	0.63280	0.60901	0.60405	0.64693	0.63853
Sunfish Lake	0.17847	0.18967	0.18625	0.20671	0.23677	0.27800	0.26775	0.23869	0.25558	0.26178
Vermillion	0.32429	0.37706	0.38845	0.40864	0.48251	0.51193	0.47656	0.47954	0.41978	0.48789
West St. Paul	0.43706	0.44608	0.50873	0.56078	0.62205	0.69447	0.71249	0.70642	0.69795	0.71412

Unaudited

Dakota County, Minnesota

DIRECT AND OVERLAPPING GOVERNMENTS  
TAX CAPACITY RATES  
LAST TEN YEARS

(Continued)

<u>Governments</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<u>TOWNSHIPS</u>										
Castle Rock	0.11215	0.11484	0.12109	0.13187	0.14779	0.15622	0.14310	0.12364	0.12161	0.12145
Douglas	0.18389	0.18500	0.17439	0.15358	0.20791	0.22376	0.18733	0.18509	0.15701	0.15190
Empire	0.25452	0.26113	0.27764	0.27953	0.30845	0.31746	0.31164	0.29823	0.29445	0.29462
Eureka	0.17001	0.16854	0.17262	0.16951	0.18544	0.16861	0.15362	0.14688	0.13672	0.14463
Greenvale	0.13433	0.14124	0.11828	0.12597	0.12507	0.19220	0.17982	0.18013	0.17263	0.17123
Hampton	0.13156	0.13187	0.12496	0.17815	0.18002	0.17613	0.15415	0.14439	0.14581	0.13322
Marshan	0.17902	0.17435	0.13143	0.13837	0.16292	0.14877	0.13995	0.12860	0.12635	0.16613
Nininger	0.11577	0.12550	0.13430	0.14261	0.15208	0.15121	0.16384	0.16495	0.15829	0.16477
Randolph	0.04988	0.05437	0.05304	0.05576	0.06626	0.07444	0.08004	0.08665	0.08940	0.07345
Ravenna	0.10474	0.13014	0.13610	0.13756	0.15104	0.17773	0.20128	0.17452	0.18196	0.18164
Sciota	0.17116	0.16661	0.15830	0.17164	0.17412	0.17239	0.15021	0.13745	0.10887	0.07750
Vermillion	0.17820	0.17147	0.16629	0.17605	0.18664	0.19555	0.17466	0.17214	0.16724	0.16279
Waterford	0.07109	0.09209	0.09456	0.11311	0.13769	0.13640	0.13493	0.11909	0.16816	0.17375
<u>SCHOOL DISTRICTS</u>										
6	0.27640	0.26907	0.26807	0.30681	0.32306	0.35478	0.44522	0.35881	0.36719	0.35868
191	0.19374	0.19842	0.20668	0.21854	0.21881	0.26168	0.25661	0.24554	0.31065	0.27529
192	0.45831	0.49238	0.53452	0.52157	0.55308	0.57226	0.56326	0.53474	0.57584	0.54269
194	0.26272	0.27062	0.27714	0.32138	0.32061	0.33535	0.33048	0.31459	0.35319	0.32914
195	0.19031	0.20022	0.18547	0.20126	0.20823	0.19114	0.18001	0.16685	0.18661	0.17065
196	0.21136	0.21109	0.25391	0.26959	0.28440	0.27956	0.27606	0.23271	0.24317	0.23336
197	0.18914	0.18051	0.18850	0.19692	0.21857	0.24429	0.23863	0.24063	0.22170	0.22295
199	0.19764	0.19303	0.21795	0.24679	0.28363	0.27556	0.33418	0.34864	0.30272	0.28572
200	0.16676	0.16735	0.20206	0.22140	0.25435	0.23932	0.23052	0.20965	0.20938	0.20305
252	0.20580	0.17642	0.18868	0.20850	0.22379	0.24555	0.23940	0.24900	0.28498	0.26310
659	0.29579	0.28549	0.30528	0.34380	0.34166	0.38435	0.36410	0.34064	0.32847	0.30937
<u>SPECIAL DISTRICTS</u>										
Watershed M	0.00448	0.00911	0.00531	0.00266	0.00440	0.00642	0.00748	0.00679	0.00691	0.00745
Watershed V	0.00603	0.00588	0.00566	0.00555	0.00541	0.00543	0.00545	0.00466	0.00449	0.00449
Transit District	0.01247	0.01223	0.01166	0.01215	0.01375	0.01458	0.01377	0.01292	0.01261	0.01215
Transit District Lakeville	---	0.00608	---	---	---	---	---	---	---	---
Mosquito Control	0.00490	0.00474	0.00481	0.00493	0.00553	0.00573	0.00548	0.00518	0.00491	0.00475
Metropolitan Council	0.00817	0.00792	0.00826	0.00829	0.00968	0.01223	0.01015	0.00827	0.00958	0.00878
Dakota County CDA	0.01622	0.01594	0.01692	0.01718	0.01724	0.01664	0.01650	0.01559	0.01547	0.01548
Burnsville EDA	0.00565	0.00566	0.00607	0.00722	0.00806	0.00906	0.00889	0.00860	0.00891	0.00897
Hastings HRA	0.01169	0.01141	0.01510	0.01487	0.01640	0.01428	0.01613	0.01379	0.01551	0.01500
Northfield EDA	0.01560	0.01539	0.01651	0.01761	0.01728	0.01801	0.01716	0.01697	0.01702	0.01638
Northfield HRA	0.01268	0.01251	0.01431	0.01528	0.01844	0.01838	0.01751	0.01732	0.01763	0.01670
South St. Paul HRA	0.01267	0.01686	0.01463	0.01518	0.01618	0.01351	0.01450	0.01468	0.01649	0.01492
Light Transit Rail	0.00217	0.00245	0.00256	0.00389	0.00401	0.00432	0.00403	0.00371	0.00357	0.00342

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>2008 Tax Capacity Value</u>	<u>% of Total County Tax Capacity</u>	<u>Name</u>	<u>Type of Business</u>	<u>2017 Tax Capacity Value</u>	<u>% of Total County Tax Capacity</u>
Xcel Energy	Electric Utility	\$ 5,504,423	1.1 %	Xcel Energy	Utility	\$ 7,962,834	1.5 %
Flint Hills	Refinery	3,312,987	0.7	Flint Hills Resources Pine Bend LLC	Industrial	4,004,700	0.8
Burnsville Minnesota LLC	Burnsville Mall	2,100,000	0.4	Burnsville Center SPE LLC	Commercial	2,156,668	0.4
Dakota Electric Association	Electric Utility	1,905,920	0.4	Dakota Electric Association	Utility	1,947,222	0.4
West Publishing Co.	Book Publishing	1,586,874	0.3	Paragon Outlets Eagan LLC	Commercial	1,799,986	0.3
Northern Natural Gas Co.	Natural Gas Utility	1,163,085	0.2	Northern Natural Gas Co.	Utility	1,686,094	0.3
BCBS Inc.	Health Care	970,681	0.2	Minnegasco Inc.	Utility	1,482,604	0.3
AMB Property LP	Burnsville Center	882,076	0.2	West Publishing Co	Industrial	1,468,666	0.3
IRET Properties	Investment Real Estate	855,214	0.2	Health Landlord (MN) LLC	Commercial	1,101,590	0.2
Minnegasco Inc.	Natural Gas Utility	851,814	0.2	Chicago & NW Trans Co	RR	893,115	0.2
	<b>TOTAL</b>	<b><u>\$ 19,133,074</u></b>	<b><u>3.9 %</u></b>		<b>TOTAL</b>	<b><u>\$ 24,503,479</u></b>	<b><u>4.7 %</u></b>

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

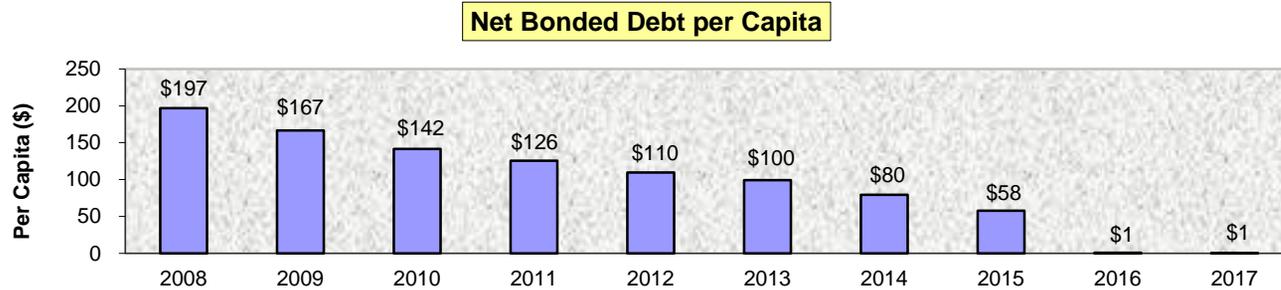
Fiscal Year	Total Tax Levy	Current Collections		Delinquent Collections	Total Collections	% of Current Levy	Outstanding Delinquent Taxes	Total Delinquent Taxes as a % of Current Levy
		Amount	% of Levy					
2008	\$ 123,561,877	\$ 121,561,943	98.4 %	\$ 1,486,006	\$ 123,047,949	99.6 %	\$ 2,064,492	1.7 %
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
2015	129,661,717	128,723,340	99.3	650,201	129,373,541	99.8	1,154,427	0.9
2016	130,196,625	129,468,269	99.4	430,689	129,898,958	99.8	1,198,369	0.9
2017	132,800,558	132,001,073	99.4	722,237	132,723,310	99.9	1,031,027	0.8

\*Includes tax adjustments, tax credits and fiscal disparity adjustments  
Source: Dakota County Property Taxation and Records Department

# Dakota County, Minnesota

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

<u>Year Assessed</u>	<u>Population</u>	<u>Assessed Value</u>	<u>Gross Bonded Debt</u>	<u>Capital Leases</u>	<u>Debt Service Funds</u>	<u>Net Debt</u>	<u>Ratio of Net Debt to Assessed Value*</u>	<u>Net Debt Per Capita**</u>	<u>Ratio of Net Debt to Personal Income</u>
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	46,494,476	-	5,838,954	40,655,522	9.90	100	0.20%
2014	412,529	443,661,858	33,660,684	-	832,407	32,828,277	7.40	80	0.15%
2015	414,686	464,506,387	23,468,911	559,489	-	24,028,400	5.17	58	0.11%
2016	417,487	482,073,242	-	422,878	-	422,878	0.09	1	N/A***
2017	421,751	518,539,487	-	286,429	-	286,429	0.06	1	N/A***



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

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

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

# Dakota County, Minnesota

## COMPUTATION OF DIRECT, UNDERLYING AND OVERLAPPING BONDED DEBT GENERAL OBLIGATION BONDS DECEMBER 31, 2017

<u>Government Unit</u>	<u>Gross GO Debt Outstanding<sup>1</sup></u>	<u>Applicable to Dakota County</u>	
		<u>Percent<sup>2</sup></u>	<u>Amount</u>
<b><u>Direct:</u></b>			
Dakota County	\$ 286,429	100.0 %	\$ 286,429
<b><u>Underlying:</u></b>			
Dakota County CDA	\$ 256,337,128	100.0 %	\$ 256,337,128
City of Apple Valley	24,590,000	100.0	24,590,000
City of Burnsville	78,190,390	100.0	78,190,390
City of Eagan	28,110,000	100.0	28,110,000
City of Farmington	19,910,000	100.0	19,910,000
City of Hampton	1,813,000	100.0	1,813,000
City of Hastings	23,195,000	99.9	23,171,805
City of Inver Grove Hts	56,780,000	100.0	56,780,000
City of Lakeville	123,585,000	100.0	123,585,000
City of Lilydale	2,535,032	100.0	2,535,032
City of Mendota	47,125	100.0	47,125
City of Mendota Heights	15,065,000	100.0	15,065,000
City of Northfield	48,437,747	7.9	3,826,582
City of Rosemount	12,345,000	100.0	12,345,000
City of South St. Paul	24,585,000	100.0	24,585,000
City of Sunfish Lake	804,000	100.0	804,000
City of West St. Paul	47,470,000	100.0	47,470,000
Empire Township	225,000	100.0	225,000
Randolph Township	144,750	100.0	144,750
Ravenna Township	51,129	100.0	51,129
Special S.D. #6 (South St Paul)	36,865,000	100.0	36,865,000
Ind. S.D. #191 (Burnsville)	202,205,000	75.8	153,271,390
Ind. S.D. #192 (Farmington)	197,225,000	100.0	197,225,000
Ind. S.D. #194 (Lakeville)	121,250,000	80.0	97,000,000
Ind. S.D. #195 (Randolph)	5,885,000	88.2	5,190,570
Ind. S.D. #196 (Rosemount)	11,885,000	100.0	11,885,000
Ind. S.D. #197 (W. St. Paul)	12,180,000	100.0	12,180,000
Ind. S.D. #199 (Inver Grove Hts.)	59,185,000	100.0	59,185,000
Ind. S.D. #200 (Hastings)	33,990,000	87.2	29,639,280
Ind. S.D. #252 (Cannon Falls)	38,630,000	4.9	1,892,870
Ind. S.D. #659 (Northfield)	33,000,000	14.8	4,884,000
<b>Total underlying debt</b>	<b>\$ 1,516,520,301</b>		<b>\$ 1,328,804,051</b>
<b><u>Overlapping:</u></b>			
Metropolitan Council (Parks & Solid Waste)	\$ 4,650,000 <sup>3</sup>	13.4 %	\$ 623,100
Metropolitan Transit Commission	183,970,614	13.4 %	24,652,062
<b>Total overlapping debt</b>	<b>\$ 188,620,614</b>		<b>\$ 25,275,162</b>
<b>Total debt</b>	<b>\$ 1,705,427,344</b>		<b>\$ 1,354,365,642</b>

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

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

<sup>3</sup> The Metropolitan Council also has outstanding \$1,253,070,294 of general obligation sanitary sewer bonds and loans which are supported by system revenues.

**Dakota County, Minnesota**

**Legal Debt Margin  
Last Ten Fiscal Years**

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<b>Estimated Market Value</b>	\$ 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	\$ 39,597,418,666	\$ 41,197,952,541	\$ 44,379,472,527
<b>Legal Debt Margin</b>										
Debt Limit (3% of assessed value)*	\$ 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	\$ 1,187,922,560	\$ 1,235,938,576	\$ 1,331,384,176
Debt Applicable to limit:										
General Obligation Bonds	\$ 110,425,000	\$ 97,775,000	\$ 89,060,000	\$ 57,880,000	\$ 52,255,000	\$ 46,275,369	\$ 33,660,684	\$ 23,420,000	\$ -	\$ -
Less: amount reserved for repayment of general obligation debt	(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	\$ 76,749,818	\$ 64,508,377	\$ 63,214,610	\$ 50,014,302	\$ 44,381,635	\$ 40,436,415	\$ 32,828,277	\$ 23,420,000	\$ -	\$ -
<b>Legal Debt Margin</b>	<b>\$ 1,225,755,985</b>	<b>\$ 1,165,681,262</b>	<b>\$ 1,084,577,290</b>	<b>\$ 1,009,321,299</b>	<b>\$ 959,697,279</b>	<b>\$ 996,218,405</b>	<b>\$ 1,098,634,183</b>	<b>\$ 1,164,502,560</b>	<b>\$ 1,235,938,576</b>	<b>\$ 1,331,384,176</b>
Total debt applicable to the limit as a percent of debt limit	5.9%	5.2%	5.5%	4.7%	4.4%	3.9%	3.0%	2.0%	-	-

*Minn. Stat. Section 475.53, subd. 1 states that except as otherwise  
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>Population<sup>1</sup></u>	<u>Personal Income<sup>1</sup></u>	<u>Per Capita Income<sup>1</sup></u>	<u>Median Age<sup>2</sup></u>	<u>School Enrollment K through 12<sup>3</sup></u>	<u>Annual Average Unemployment Rate<sup>4</sup></u>
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	21,524,339,000	52,177	36.8	73,199	3.8
2015	414,686	22,272,614,000	53,710	37.3	74,511	3.3
2016	417,486	22,951,451,000	54,975	37.6	74,701	3.4
2017	421,751	NA*	NA*	NA*	75,469	3.1

*Data Sources:*

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

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

<sup>3</sup> State Department of Education; Public & Charter school enrollment (does not include Private school enrollment numbers); Note: 2014 data has been updated to reflect current data

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

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

## *Dakota County, Minnesota*

### PRINCIPAL EMPLOYERS CURRENT YEAR AND NINE YEARS AGO

<u>Employer</u>	<b>2008</b>	<b>Percentage of Total County</b>	<u>Employer</u>	<b>2017</b>	<b>Percentage of Total County</b>
	<u>Employees</u>	<u>Employment</u>		<u>Employees</u>	<u>Employment</u>
Reuters Thomson West	6,000	2.73%	Thomson West	7,000	3.04%
Independent School District 196	4,000	1.82%	Independent School District 196	3,816	1.65%
Blue Cross-Blue Shield	3,300	1.50%	Blue Cross-Blue Shield of MN	3,600	1.56%
Northwest/Delta Airlines	2,300	1.05%	Burnsville Center*	3,000	1.30%
Dakota County	1,769	0.80%	Prime Therapeutics	2,748	1.19%
Independent School District 191	1,600	0.73%	CHS Incorporated	2,000	0.87%
Lockheed Martin	1,600	0.73%	US Postal Service (Eagan)	2,000	0.87%
Independent School District 194	1,596	0.73%	Dakota County	1,812	0.79%
US Postal Service	1,570	0.71%	UTC Aerospace	1,600	0.69%
Flint Hills Resources	1,200	0.55%	Sun Country Airlines*	1,500	0.65%
<b>Total County Employment</b>	<b>220,011</b>	<b>11.35%</b>	<b>Total County Employment</b>	<b>230,598</b>	<b>12.61%</b>

*Source: Department of Employment and Economic Development*

*\*Information as of March 2015; most recent information available.*

*Note: This does not purport to be a comprehensive list and is based on a May 2017 best efforts telephone survey of individual employers. Some employers do not respond to inquiries. - Springsted*

## Dakota County, Minnesota

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

<b>Function/program</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
County Wide	0.00	0.50	0.00	4.00	3.00	3.00	2.00	3.00	2.00	2.00
<b>Public Service</b>										
Public Service	10.10	10.30	10.30	9.30	10.25	10.25	9.30	9.25	8.56	7.00
Assessor	38.00	38.00	36.00	36.00	35.00	35.00	35.00	37.00	38.00	38.50
Property Records	0.00	0.00	0.00	0.00	0.00	0.00	44.60	44.50	44.80	45.30
Treasurer-Auditor	51.40	50.70	48.10	0.00	43.60	43.60	0.00	0.00	0.00	0.00
Service & Licensing	23.30	23.80	22.80	22.80	23.75	23.75	23.75	23.75	23.75	24.81
Library	158.90	158.90	150.90	143.40	135.93	135.93	135.93	135.93	135.92	134.86
<b>Operations Management</b>										
Risk Management	0.00	0.00	0.00	0.00	5.70	5.70	5.70	7.00	7.00	6.00
Information Technology	62.30	61.30	58.30	55.80	51.75	58.80	64.00	65.00	65.00	65.00
Financial Services	29.30	30.20	29.00	29.00	33.50	33.50	34.20	35.00	35.00	35.00
OMB Division Administration	9.00	11.00	4.00	2.00	0.00	0.00	0.00	0.00	0.00	0.00
Office of Performance & Analysis	6.50	13.80	13.80	12.00	12.00	12.00	8.00	8.00	8.00	8.00
CJN	0.00	0.00	5.00	6.00	6.00	6.00	6.00	6.90	6.90	6.90
<b>Administration</b>										
County Administration	8.00	8.00	7.50	8.00	10.00	10.00	10.00	11.00	11.00	11.00
County Board	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
County Communications	8.00	8.00	7.60	7.10	6.10	6.10	6.40	7.00	7.00	8.00
Employee Relations	21.20	21.20	20.70	19.10	19.05	19.05	19.10	19.05	19.05	19.05
<b>Community Services</b>										
Community Services Administration	17.00	13.00	13.00	12.00	14.00	15.00	15.00	17.00	17.00	18.00
Social Services	276.50	285.50	279.50	268.00	297.52	298.50	299.20	313.52	333.52	355.20
Employment & Economic Assistance	248.70	250.70	252.70	243.00	245.50	244.60	255.50	248.10	254.10	267.15
Public Health	145.90	146.30	144.80	142.70	95.19	94.30	90.70	91.52	93.12	94.02
Veterans Services	8.00	8.00	8.00	6.00	6.00	6.00	6.00	6.00	6.00	7.00
Community Corrections	179.00	180.60	174.60	168.60	169.69	171.20	169.30	171.22	171.52	173.92
Extension	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Public Safety</b>										
Sheriff	175.30	176.30	173.30	171.30	171.30	171.30	172.70	174.09	179.09	182.59
<b>County Attorney</b>										
County Attorney	85.10	85.10	82.50	84.00	84.00	84.00	86.00	88.99	87.87	90.87
<b>Physical Development</b>										
Office of GIS	10.00	8.00	8.00	7.00	7.00	0.00	0.00	0.00	0.00	0.00
Physical Development	22.40	20.90	16.90	16.90	20.50	20.50	25.80	25.75	25.35	25.35
Transportation	83.50	82.70	83.70	81.40	82.43	82.43	87.40	87.43	90.43	98.43
Operations Management	63.00	64.10	61.00	60.70	46.50	46.50	43.50	63.57	64.07	65.07
Parks	48.20	50.80	48.30	46.00	44.28	45.30	43.48	23.08	23.08	25.08
Environmental Resources	17.20	16.90	17.60	16.00	16.00	0.00	0.00	0.00	0.00	0.00
Physical Development Planning	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Environmental	16.50	16.50	13.40	13.40	14.70	30.70	31.50	32.50	33.60	33.50
Survey	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	0.00
<b>Total</b>	<b>1837.30</b>	<b>1856.10</b>	<b>1806.30</b>	<b>1706.50</b>	<b>1725.24</b>	<b>1728.01</b>	<b>1745.06</b>	<b>1770.15</b>	<b>1805.73</b>	<b>1854.60</b>

Source: Dakota County Departmental documents

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>General Government</b>										
Property Documents Recorded	90,531	95,015	92,340	88,904	98,546	98,215	73,232	78,517	80,652	75,564
County Veterans Population	29,974	29,854	29,671	29,481	27,617	27,067	27,550	27,048	25,689	NA
New Adult Criminal Court Cases	3,970	3,773	3,660	3,712	3,799	3,664	3,812	4,069	4,253	4,784
Juvenile Delinquency Referrals	3,315	3,164	2,612	2,497	2,377	2,013	1,891	1,784	1,731	1,796
Commitment Referrals	258	254	218	188	243	249	250	252	233	253
Plat Reviews	84	54	37	55	51	62	83	86	92	74
<b>Public Safety</b>										
Probation Offenders Served <sup>1</sup>	20,576	22,405	19,649	18,665	11,902	11,503	10,903	10,642	10,566	12,192
Community Restoration Hours Served <sup>3</sup>	97,809	96,967	86,518	72,316	85,762	66,676	60,606	57,634	58,124	54,523
Driving While Impaired Arrests	249	247	215	162	209	144	127	144	138	134
Applications for Permit to Carry Handguns	1,541	1,263	1,323	1,701	2,765	4,394	2,868	3,632	4,754	3,870
Daily Inmate Responsibility Average	291	239	263	254	247	211	229	214	225	215
<b>Highways and Streets</b>										
Fuel Used (Diesel and Unleaded)	136,865	120,602	132,317	121,207	92,342	117,978	127,653	103,998 <sup>2</sup>	106,885	97,349
<b>Sanitation</b>										
Pounds of Household Hazardous Waste Collected	3,017,291	2,032,791	3,393,183	3,412,859	3,569,518	3,726,818	4,176,000	4,180,000	4,295,619	3,800,936
<b>Human Services</b>										
Intake and Crisis Calls	44,410	41,326	36,911	34,034	40,470	44,903	47,730	52,929	65,614	58,945
Average Monthly # of Children in Out-of-Home Placement	188	139	122	102	121	110	103	128	173	299
Chemical Health Assessments Completed	1,535	1,858	1,103	988	847	787	779	637	569	606
Public Assistance Caseload	16,075	17,850	19,635	21,173	21,979	22,700	25,819	36,575	40,110	40,346
Child Support Collections	\$49,497,925	\$48,324,209	\$47,243,560	\$47,385,912	\$47,316,219	\$46,646,864	\$45,957,834	\$44,973,145	\$44,531,574	\$43,208,675
Average # of Families Served - Child Care Assistance Programs	1,121	1,273	1,310	1,285	1,264	1,230	1,202	1,323	1,132	1,053
Long Term Care Clients on Medicaid Waiver	2,431	2,782	2,970	2,872	3,151	3,009	3,097	3,520	3,817	3,883
<b>Health</b>										
Family Health Referrals	1,011	842	618	693	651	582	857	955	1,146	1,282
WIC Clients	12,730	12,752	12,256	10,560	11,098	10,567	11,651	10,212	9,930	9,819
Number of Confirmed Tuberculosis Cases	21	23	15	14	16	25	33	28	17	21
Health Alerts Issued	24	68	27	18	35	24	21	13	20	13
Vaccinations Administered	3,596	4,895	4,952	4,585	3,236	3,045	2,812	1,615	1,604	1,684
<b>Economic Development</b>										
Employment and Training Caseload	4,959	6,566	5,700	5,275	5,544	4,907	4,639	4,223	4,192	4,303
Number of Adults Program Participants Placed in Employment	1,300	1,201	1,035	1,429	1,167	1,445	1,444	1,238	1,493	1,397

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

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

<sup>2</sup> 2015 data included all gallons used Countywide, not just for Highways and Streets

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

## *Dakota County, Minnesota*

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

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<b>General Government</b>										
Government Centers	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
<b>Public Safety</b>										
Justice Center	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Patrol Units <sup>1</sup>	84.00	95.00	105.00	105.00	105.00	105.00	31.00	29.00	35.00	39.00
Bituminous (miles)	352.80	350.10	356.20	356.20	356.20	359.70	359.70	359.70	359.70	362.55
Concrete (miles)	2.80	2.80	2.80	2.80	2.80	2.80	2.80	2.80	2.80	2.80
Gravel (miles)	67.90	67.50	65.00	65.00	61.50	56.50	56.50	55.50	55.50	53.25
Bridges	29.00	32.00	34.00	34.00	34.00	34.00	34.00	34.00	34.00	34.00
Traffic signals	133.00	134.00	134.00	134.00	134.00	134.00	134.00	134.00	134.00	134.00
Culverts	51.00	47.00	47.00	47.00	47.00	48.00	48.00	48.00	48.00	48.00
Highway Shops	3.00	3.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
<b>Culture &amp; Recreation</b>										
Acreage	5,200.00	5,900.00	5,320.00	5,044.00	5,322.00	5,382.00	5,539.00	5,602.00	5,653.00	5,653.00
County Parks	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Regional parks & trails	5.00	6.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	11.00
Libraries	8.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00

Data Sources: Various county departments

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

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