

Annual Comprehensive Financial Report

Dakota County, Minnesota
Fiscal Year Ended
December 31, 2023



2023

Dakota
COUNTY

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



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

For The Year Ended December 31, 2023



Prepared by the Finance Department

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Introductory Section

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Finance Department

Dakota County
Administration Center
1590 Highway 55
Hastings, MN 55033

June 5, 2025

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

SUBJECT: 2023 ANNUAL COMPREHENSIVE FINANCIAL REPORT

The Annual Comprehensive Financial Report (ACFR) of Dakota County is submitted for the fiscal year ended December 31, 2023. The County's Finance Department prepared this report in conformity with generally accepted accounting principles (GAAP). Responsibility for both the accuracy and completeness of the presented data and the fairness of the presentation, including all disclosures, rests with the County. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and sets forth the financial position and results of operations and cash flows of the County, as measured by the financial activity of its various funds, and all disclosures necessary to enable maximum understanding of the County's financial affairs.

Independent Audit

Minnesota State statutes require an annual audit of the books of account, financial records, and transactions of the County. The CPA firm of CliftonLarsonAllen LLP, was chosen through a RFP process to conduct the County's audit for 2022. The audit was designed to meet the requirements of state statutes and the federal Single Audit Act Amendments of 1996 and related Uniform Guidance. The independent 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 Finance staff have made a concerted effort to gather written procedures that include enough detail to assess internal control strengths and weakness. Throughout the year, controls are monitored, reevaluated, and adjusted as necessary.

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

Profile of the Government

Dakota County was organized in 1849 as a county in the State of Minnesota. It has an area of 587 square miles, including 12 townships and 22 full and fractional incorporated municipalities. The 2023 population was 447,440 making it the third most populous county in the State. It is one of seven counties comprising the Twin Cities metropolitan area. The county seat, Hastings, is located on the Mississippi River 18 miles southeast of the state capital, St. Paul.

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

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

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

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

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

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

Budgetary Controls

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

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

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

Fiscal Policies

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

Factors Affecting Financial Condition

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

Key population, labor force and employment trends:

- Dakota County's population increased by 25% between 2000 and 2023, adding almost 90,000 people—The State Demographer projects Dakota County will increase an additional 16.4% by 2040. In that same period, the total population in the seven-county metropolitan region is anticipated to increase 6.4%.
- According to the Minnesota Department of Employment and Economic Development (DEED), in 2023 there were 11,462 private sector firms and 165,806 private sector employees in Dakota County. The largest employing industry sectors in the County are trade, transportation, and utilities (44,728), education and health services (25,798), professional and business services (20,939), manufacturing (19,774), and leisure and hospitality (18,776).
- 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.
- The Federal response to COVID-19 continues to impact Dakota County operations through its use of American Rescue Plan (ARP) funding. Of the \$83 million in ARP funding, several major projects have been positively impacted including the Byllesby Dam, Mental Health Crisis Response services, the Nicols Pointe apartment building age and income-restricted affordable housing, the new South Saint Paul Library, the Law Enforcement Center Integrative Health Unit, and the Thompson Oaks River Greenway.

Key Economic Indicators

In 2023 Dakota County's unemployment rate (2.7%) maintained a similar average unemployment rate to the State of Minnesota (3.0%), both of which were lower than the rate for the U.S. (3.6%).

Economic Indicators	Amount	Annual Percentage Change
Unemployment Rate (2023)	2.7%	12.5%
Number of Households (2023)	176,865	0.99%
Population (2023)	447,440	0.92%

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

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

	Dakota County Average Number of Employees		2022 Distribution		Percent Change 2021-2022	
	2021	2022	Dakota County	State of Minnesota	Dakota County	State of Minnesota
Total, All Industries	181,093	185,591	100.00%	100.00%	2.50%	2.90%
Agricultural, Forestry, Fishing	989	1,089	0.60%	0.80%	10.10%	1.10%
Mining	114	116	0.10%	0.20%	1.80%	-2.20%
Construction	10,218	10,544	5.70%	4.90%	3.20%	2.00%
Manufacturing	18,813	19,320	10.40%	11.30%	2.70%	3.40%
Utilities	519	517	0.30%	0.50%	-0.40%	2.60%
Wholesale Trade	8,804	8,999	4.80%	4.60%	2.20%	3.90%
Retail Trade	23,518	23,444	12.60%	9.90%	-0.30%	-0.10%
Information	4,748	5,604	3.00%	1.70%	18.00%	6.00%
Finance, Insurance & Real Estate	13,719	12,264	6.60%	6.20%	-10.60%	-1.20%
Services	55,355	56,659	30.50%	32.20%	2.40%	5.10%
Other	44,296	47,032	25.30%	27.70%	6.20%	2.10%
TOTAL						
Total, All Industries -- Government	21,005	21,796	11.70%	13.00%	3.80%	23.90%
Total, All Industries -- Private	160,088	163,795	88.30%	87.00%	2.30%	3.10%

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)

	2019	2020	2021	2022	2023
Residential	\$428,034	\$380,207	\$459,019	\$525,839	\$620,178
Commercial	87,771	87,457	40,764	27,630	39,676
Industrial	24,898	37,441	25,338	88,217	100,317
Agricultural	3,168	2,126	3,862	749	2,634
Apartments	134,186	118,226	149,648	229,824	310,837
Total Value	\$678,057	\$625,457	\$678,631	\$872,259	\$1,073,642

Source: Dakota County Assessor's Office

Major Initiatives by Dakota County

Dakota County government 2023 highlights:

Throughout this past year, we provided consistent services to the public and made a number of important improvements and additions. Here are just a few:

- We began offering self-service hours at some of our libraries (with more to come), are nearly finished building the new Kaposia County Library in South St. Paul (it will open early next year), and starting next week there will no longer be fines for any overdue library materials ('though if stuff gets lost or damaged we will still expect reimbursement).
- We have finished installing new efficient turbines at Byllesby Dam that, once we get them into production next summer, will double the amount of clean electricity we produce from the Cannon River. New solar panels will start going up at various county facilities next spring as we continue to grow our renewable energy supply.
- We began processing absentee ballots for schools and cities across the county, making it easier on them and allowing us to report accurate results faster. This is important as our team gears up for another busy election year in 2024.
- We broke ground on the last section of the Mississippi River Greenway linking Hastings and Saint Paul (and that passes by our bison prairie, where we added six more members to the herd this year). This project will be finished next fall—after 15+ years of planning (and replanning!).
- We reopened a remodeled Burnsville License Center with more and better space for patrons and staff.
- Major highway projects made big progress: County Road 26 in Eagan and Inver Grove Heights is now a 4 lane divided highway (with a realigned Argenta Trail and multi-use trails part of the mix), and the first phase of the County Road 88 project in Randolph was completed with modernized shoulders, turn lanes and drainage.
- A new Crisis and Recovery Center is going up on the corner of our NSC campus, offering people in crisis a safe, appropriate place to go. This will help fill a big gap in our mental health care continuum here in Dakota County. This is becoming reality thanks to long patient work with our Board, funders, and the West St. Paul community—and it will literally help save lives.
- We continued to normalize after the pandemic years (not that COVID isn't still a thing). We began using our public health trailer out in the community for general vaccinations, and worked hard on backlogs of MA eligibility determinations and criminal prosecutions that built up since 2020, even as we still have more work to do on these next year.
- We began construction on the new Integrative Health Unit at the jail, to offer inmates needing physical and mental health care a more appropriate setting, and one that is better-designed for our staff to manage.
- We were awarded six Achievement Awards by the National Association of Counties for work ranging from trauma-informed lobby design and Garlough tunnel art, to jail release transportation and the career success program for youth, and our employee engagement efforts. And our bison reintroduction project was the national 'best in category' award winner! The Association of Minnesota Counties recognized our crisis response work partnering Social Services and local police agencies. And we were again named a Forbes "best place to work" in 2023.

Employee Labor Contracts

The 11 collective bargaining units listed below represent approximately 70% of the County's employees. The status of the contracts is as of December 31, 2022.

<u>Bargaining Unit</u>	<u>Term of Contract</u>	<u>Status of Contract</u>
AFSCME - Human Services	2023-2024	Settled
AFSCME - Library	2023-2024	Settled
Attorney Employees' Assoc.	2023-2024	Settled
Community Corrections	2023-2024	Settled
Human Services Supervisors' Assoc.	2023-2024	Settled
Public Health Services/MNA	2023-2024	Settled
Road & Bridge Maintenance	2023-2024	Settled
Sheriff Licensed Deputies	2023-2024	Settled
Sheriff Jail	2023-2024	Settled
Sheriff Supervisor	2023-2024	Settled
Sheriff Non-license Supervisor	2023-2024	Settled

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Dakota County for its annual comprehensive financial report for the fiscal year ended December 31, 2022. This was the 34th consecutive year that the County has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized annual comprehensive financial report. This must satisfy both generally accepted accounting principles and applicable legal requirements.

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

Additionally, the GFOA presented an award of Distinguished Budget Presentation to Dakota County for its annual budget for the year 2023. This is the 27th year Dakota County has received the award.

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

Respectfully submitted,



Paul Sikorski
Director of Finance



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Dakota County
Minnesota**

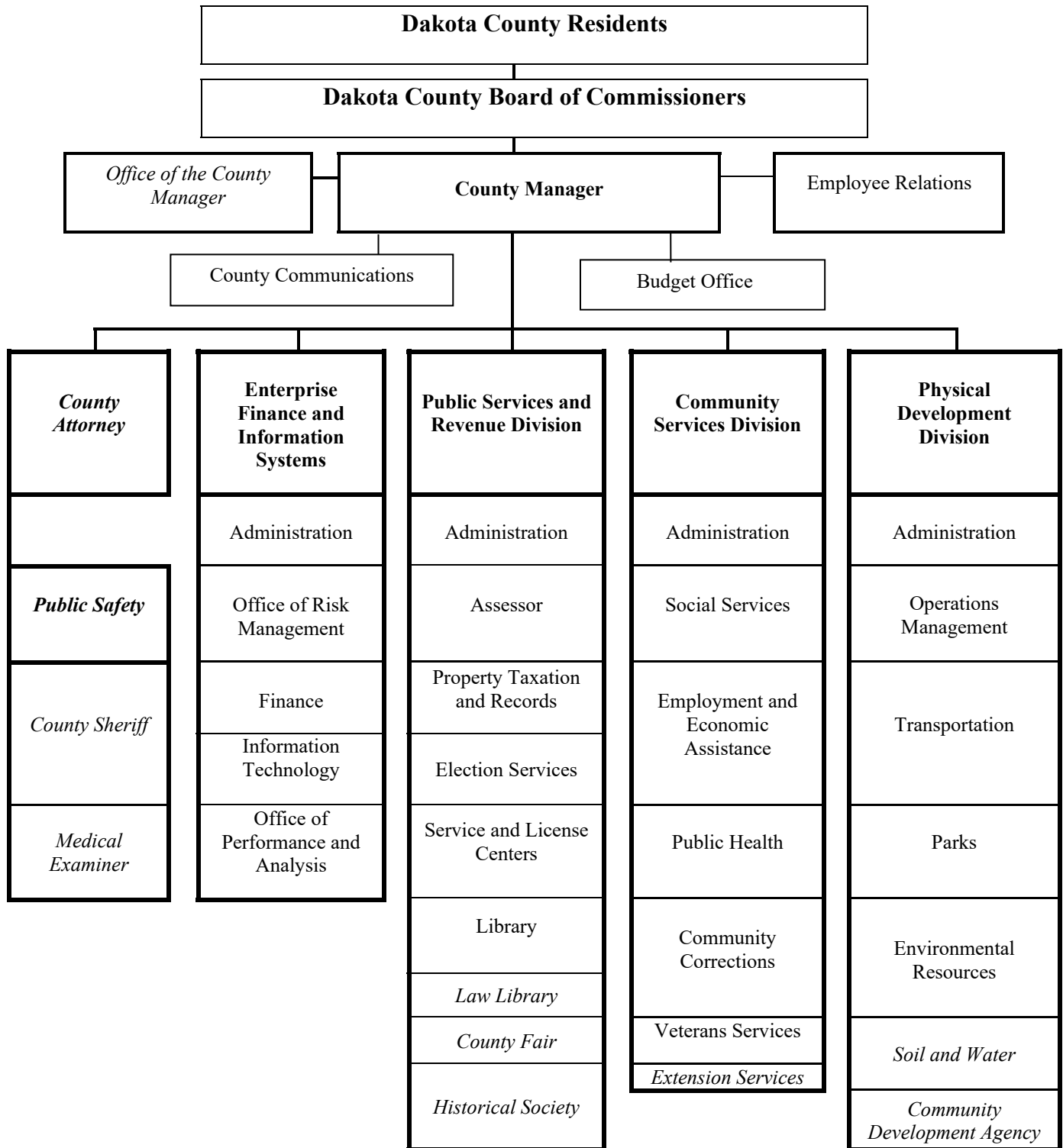
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2022

Christopher P. Morill

Executive Director/CEO

2023 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

2023

Officer	Name	From	Term To
Commissioners:			
1 st District	Mike Slavik	Jan. 2013	Dec. 2026
2 nd District	Joe Atkins*	Jan. 2017	Dec. 2026
3 rd District	Laurie Halverson	Jan. 2021	Dec. 2026
4 th District	William (Bill) Droste	Jan. 2023	Dec. 2024
5 th District	Liz Workman	Jan. 2009	Dec. 2024
6 th District	Mary Liz Holberg	Jan. 2015	Dec. 2026
7 th District	Mary Hamann-Roland	Jan. 2021	Dec. 2024
Officers:			
Elected -			
Attorney	Kathryn M. Keena	May 2021	Dec. 2026
Sheriff	Joe Leko	Jan. 2023	Dec. 2026
Appointed -			
County Manager	Matthew G. Smith	May 2016	Indefinite
Director of Enterprise Finance & Information Services	David McKnight	March 2022	Indefinite
Director of Community Services	Marti Fischbach	June 2020	Indefinite
Director of Physical Development	Georg Fischer	May 2022	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 Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Dakota County, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise Dakota County's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Dakota County, as of December 31, 2023, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund, highway special revenue fund, environmental legacy special revenue fund, DC transportation sales tax special revenue fund and special federal revenue special revenue fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of Dakota County Community Development Agency (CDA), which represent 99.6 percent, 99.6 percent, and 98.6 percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units as of December 31, 2023. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Dakota County Community Development Agency, is based solely on the report of the other auditors.

Basis for Opinions

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

Emphasis of Matter – Change in Accounting Principle

As discussed in Note 1 to the financial statements, effective January 1, 2023 Dakota County adopted GASB Statement No. 96, Subscription-Based Information Technology Arrangements. This standard requires governments to recognize a right-to-use subscription-based information technology arrangement asset and corresponding subscription-based information technology arrangement liability for all arrangements with terms greater than twelve months. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Dakota County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Dakota County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Dakota County's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Dakota County's basic financial statements. The combining and individual nonmajor fund financial statements and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining and individual fund financial statements and schedules and the accompanying schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 4, 2025, on our consideration of Dakota County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Dakota County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Dakota County's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

CliftonLarsonAllen LLP

Minneapolis, Minnesota
June 4, 2025

Dakota County, Minnesota | December 31, Management's Discussion and Analysis | 2023

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, 2023. 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 12/31/2023 by \$1,303,885,089 (*net position*). Of this amount, \$67,506,317 (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors.
- Dakota County's total net position increased by \$75,043,702 for the year ended December 31, 2023. This positive change is primarily due to the increase in intergovernmental revenue for highway and streets and human services as well as the increase in interest on investments.
- As of the close of the 2023 fiscal year, Dakota County governmental funds' ending fund balance had a decrease of \$25,406,400 from 2022. This reduction in fund balance is primarily due to the delay in the reimbursement of intergovernmental revenue and an increase in expenditures for improvements in buildings, roads and infrastructure. Approximately 57.6% or \$153,979,766 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 \$87,524,685 or 30.45% 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.

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

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

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

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

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

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

The basic governmental fund financial statements may be found on pages 30-36 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
- Opioid Settlement
- County Library
- County Parks
- Environmental Legacy
- Regional Rail
- Law Library
- Special Federal Revenue

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Debt Service Fund. The Debt Service Fund accounts for the payment of principal, interest and fiscal charges on long-term debt obligations of Dakota County. The County made the final payment for its general obligation bonds in 2016 so there was no activity in 2023.

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

Proprietary Funds. Dakota County maintains two different types of proprietary funds: enterprise funds and an internal service fund. The enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Dakota County uses an enterprise fund to account for its Geographic Information System financial activity including the sale of GIS data/maps and costs of updating the GIS database. In 2011, the Byllesby Dam Fund was added to account for the net revenue generated from producing electricity at the Byllesby Dam Hydro-electric facility and subsequently sold to Xcel Energy. Expenses are paid to a third-party contractor to operate the turbines and generators.

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

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

The basic proprietary fund financial statements may be found on pages 37-39 this report.

Fiduciary Funds. Fiduciary funds (Trust and Custodial 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 40-41 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 43-88 of this report.

Supplementary 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 115-133 of this report.

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Government-wide Financial Analysis

As noted in the financial highlights, the changes in net position may be a useful indicator of a government's financial position. Dakota County's assets and deferred outflows exceeded liabilities and deferred inflows of resources by \$1,303,885,089 at the close of 2023, which is an increase of \$75,043,702 for the year ended December 31, 2023.

Net investment in capital assets, of \$1,092,242,177 (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 (83.8%). Dakota County uses capital assets to provide services to citizens; consequently, these assets are not available for current spending. Although Dakota County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate current liabilities.

Dakota County's Net Position

	Governmental		Business-type		Total	
	Activities		Activities		Total	
	2023	2022	2023	2022	2023	2022
Current and other assets	\$ 456,921,540	\$ 481,801,736	\$ (10,738,847)	\$ (10,407,045)	\$ 446,182,693	\$ 471,394,691
Capital assets	1,050,542,915	980,846,967	48,768,157	36,139,231	1,099,311,072	1,016,986,198
Total assets	<u>\$ 1,507,464,455</u>	<u>\$ 1,462,648,703</u>	<u>\$ 38,029,310</u>	<u>\$ 25,732,186</u>	<u>\$ 1,545,493,765</u>	<u>\$ 1,488,380,889</u>
Deferred outflows of resources	\$ 45,882,186	\$ 70,137,657	\$ 30,170	\$ -	\$ 45,912,356	\$ 70,137,657
Long-term liabilities outstanding	\$ 142,059,154	\$ 209,682,229	\$ 115,490	\$ -	\$ 142,174,644	\$ 209,682,229
Other liabilities	86,874,953	112,337,354	1,396,237	2,041,701	88,271,190	114,379,055
Total liabilities	<u>\$ 228,934,107</u>	<u>\$ 322,019,583</u>	<u>\$ 1,511,727</u>	<u>\$ 2,041,701</u>	<u>\$ 230,445,834</u>	<u>\$ 324,061,284</u>
Deferred inflows of resources	\$ 57,033,299	\$ 5,615,875	\$ 41,899	\$ -	\$ 57,075,198	\$ 5,615,875
Net position:						
Net investment in capital assets	\$ 1,044,863,780	\$ 977,794,529	\$ 47,378,397	\$ 34,240,863	\$ 1,092,242,177	\$ 1,012,035,392
Restricted	144,048,466	94,912,735	88,129	84,129	144,136,595	94,996,864
Unrestricted	78,466,989	132,443,638	(10,960,672)	(10,634,507)	67,506,317	121,809,131
Total net position	<u>\$ 1,267,379,235</u>	<u>\$ 1,205,150,902</u>	<u>\$ 36,505,854</u>	<u>\$ 23,690,485</u>	<u>\$ 1,303,885,089</u>	<u>\$ 1,228,841,387</u>

Dakota County's total net position increased by \$75,043,702 from 2022's ending balance. This change can be attributed to a combination of factors, with the primary change occurring in additional expenditures for public safety, highway projects and human services programs.

A portion of Dakota County's net position, \$144,136,595 or 11.05% represents resources that are subject to external restrictions on how they may be used. Restricted net position increased \$49,139,731 during the current fiscal year. The remaining balance of unrestricted net position of \$67,506,317 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 2023, including the government as a whole, and in each type of activity.

Dakota County, Minnesota

Management's Discussion and Analysis

December 31, 2023

Governmental Activities. The Governmental activities' net position makes up the majority of the County's total net position. These activities increased by \$62,228,333 from 2022 due to increase in grant reimbursements for transportation projects and investment earnings.

Business-type Activities. Business-type activities incurred an increase from 2022's net position by \$12,815,369. Operating grants and contributions make up the majority of the increase in activity.

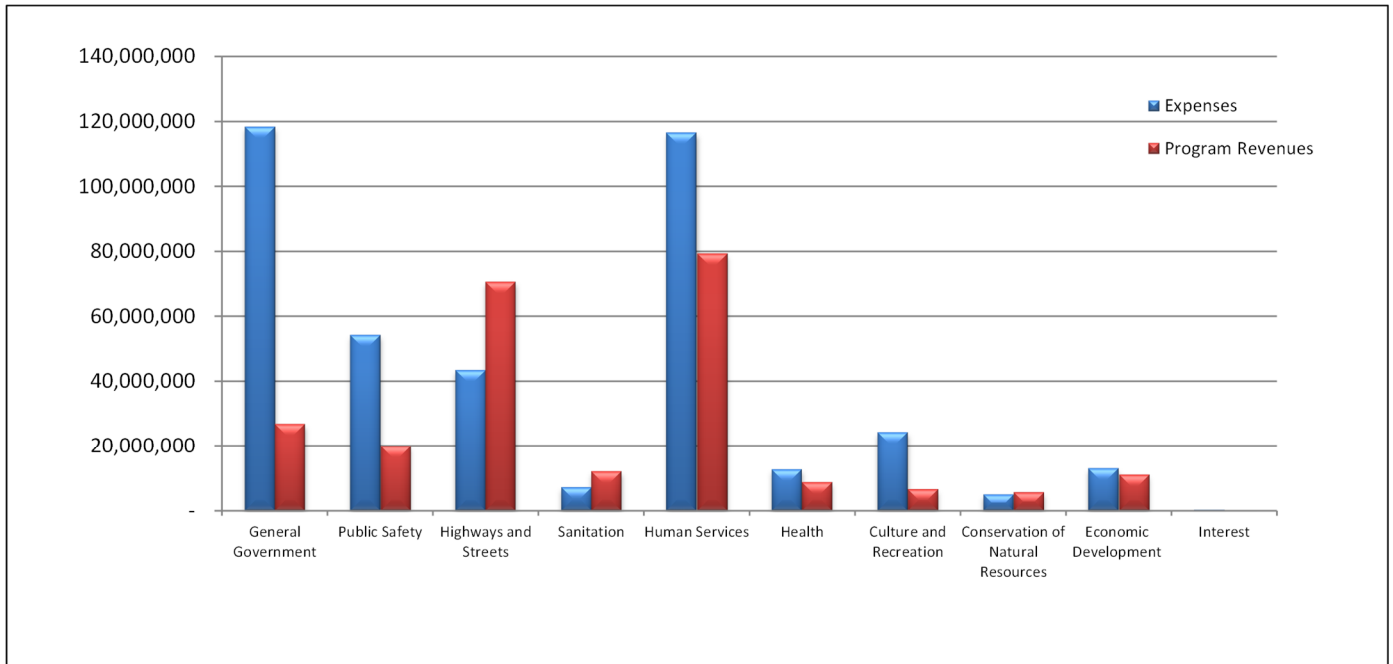
Dakota County's Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program revenues:						
Fees, charges, fines and other	\$ 27,825,534	\$ 39,586,694	\$ 186,876	\$ 4,036	\$ 28,012,410	\$ 39,590,730
Operating grants & contributions	187,956,743	149,663,742	13,550,768	8,356,195	201,507,511	158,019,937
Capital grants & contributions	24,952,897	9,579,165	-	-	24,952,897	9,579,165
General revenues and transfers:						
Taxes	179,553,865	177,728,889	-	-	179,553,865	177,728,889
Grants & contributions not restricted to specific programs	20,740,446	20,392,663	-	-	20,740,446	20,392,663
Investment income	15,805,880	(6,825,724)	-	-	15,805,880	(6,825,724)
Other	489,216	1,163,542	-	-	489,216	1,163,542
Total revenues	<u>\$ 457,324,581</u>	<u>\$ 391,288,971</u>	<u>\$ 13,737,644</u>	<u>\$ 8,360,231</u>	<u>\$ 471,062,225</u>	<u>\$ 399,649,202</u>
Expenses:						
General government	\$ 118,400,351	\$ 98,365,248	\$ -	\$ -	\$ 118,400,351	\$ 98,365,248
Public safety	54,280,509	56,119,558	-	-	54,280,509	56,119,558
Highways and streets	43,464,719	65,987,105	-	-	43,464,719	65,987,105
Sanitation	7,198,027	11,523,244	-	-	7,198,027	11,523,244
Human services	116,586,522	112,884,642	-	-	116,586,522	112,884,642
Health	12,673,415	16,307,766	-	-	12,673,415	16,307,766
Culture and recreation	24,282,869	29,914,228	-	-	24,282,869	29,914,228
Conservation of natural resources	4,949,385	5,070,276	-	-	4,949,385	5,070,276
Economic development	12,990,321	8,948,642	-	-	12,990,321	8,948,642
Interest	270,130	46,847	-	-	270,130	46,847
Operating expenses – GIS	-	-	-	58,000	-	58,000
Operating expenses – Byllesby	-	-	922,275	895,918	922,275	895,918
Total expenses	<u>\$ 395,096,248</u>	<u>\$ 405,167,556</u>	<u>\$ 922,275</u>	<u>\$ 953,918</u>	<u>\$ 396,018,523</u>	<u>\$ 406,121,474</u>
Increase (decrease) in net position	\$ 62,228,333	\$ (13,878,585)	\$ 12,815,369	\$ 7,406,313	\$ 75,043,702	\$ (6,472,272)
Net position January 1	1,205,150,902	1,219,029,487	23,690,485	16,284,172	1,228,841,387	1,235,313,659
Net Position December 31	<u>\$ 1,267,379,235</u>	<u>\$ 1,205,150,902</u>	<u>\$ 36,505,854</u>	<u>\$ 23,690,485</u>	<u>\$ 1,303,885,089</u>	<u>\$ 1,228,841,387</u>

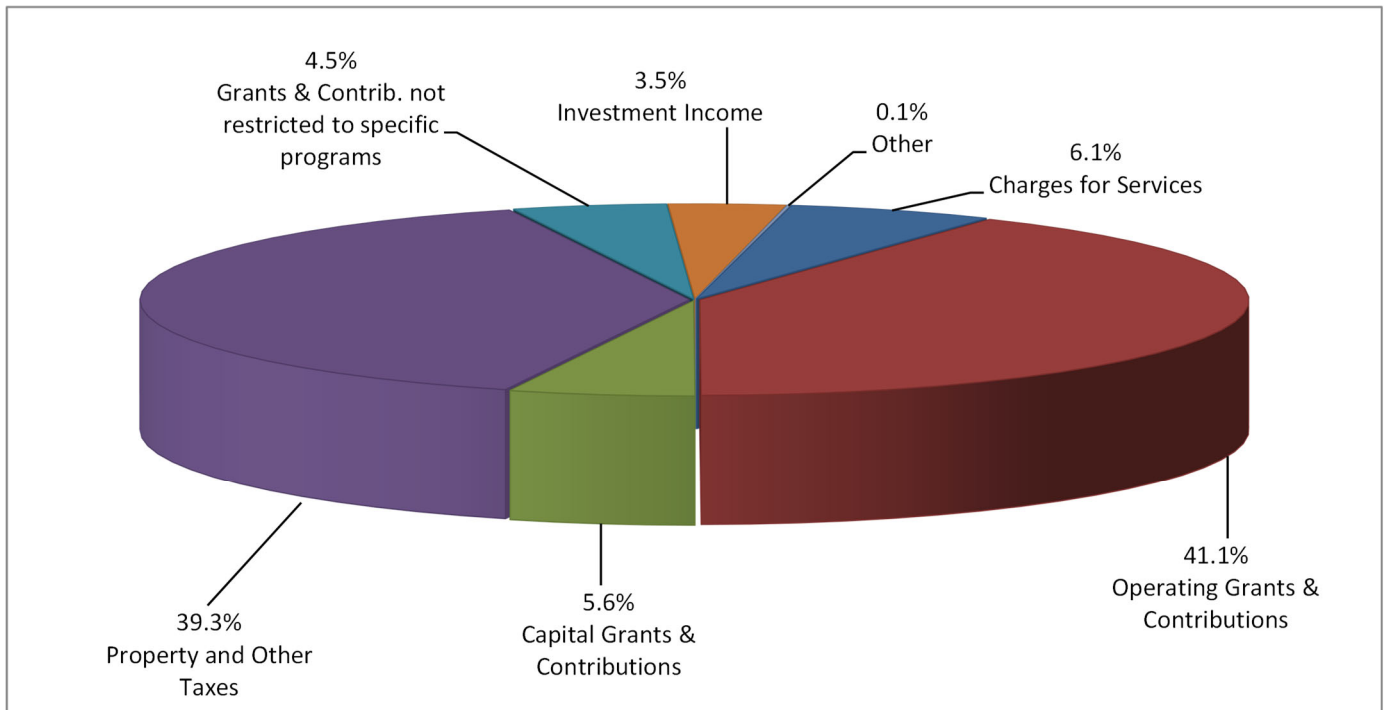
Dakota County, Minnesota Management's Discussion and Analysis

December 31,
2023

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 2023, Dakota County's governmental funds reported combined ending fund balances of \$267,363,689, a net decrease of \$25,406,400 due primarily to the delay in reimbursement of intergovernmental revenue. The majority of the fund balance, \$153,979,766, is available for spending at the government's discretion. The remainder of fund balance, \$113,383,923, 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 2023, the General Fund's fund balance was \$98,464,455 of which \$87,524,685 was committed, assigned or unassigned. As a measure of the General Fund's liquidity, it may be useful to compare committed, assigned and unassigned fund balance and total fund balance to total fund expenditures. Committed, assigned and unassigned fund balance represents 30.45% of the 2023 total General Fund expenditures of \$287,471,207, while total fund balance represents 34.25% of total expenditures.

Highway Fund. The Highway Fund's total fund balance at 2023 was \$13,591,686 which is a \$41.5 million decrease from 2022 due to the delay in the reimbursement of intergovernmental revenue. The implementation of the new ERP system caused a delay in the calculation and billing to our shared entities for our highway projects.

Environmental Legacy. The Environmental Legacy Fund was established in 2015 from the transfer of activities originally organized within the Environmental Management Fund. These activities represent fees collected for the protection and preservation of the environment. Although the proceeds reported in this fund are from specific revenue sources, the use of these funds are for costs related to environmental projects. The County had several projects that were able to use these funds causing a decrease in 2023. The 2023 net fund balance of \$55,037,537 is reported as *committed and restricted fund* balances.

DC Transportation Sales Tax Fund. The DC Transportation Sales Tax Fund was established in 2017. The purpose of this fund is the regional highway and transit investment as part of the broader county transportation system. Although the County had several projects budgeted to use these funds, we were not able to get them all completed. The revenue received exceeded what the County was able to spend. The DC Transportation Sales Tax Fund's total fund balance for 2023 was \$95,213,796 which is restricted for statutorily defined transportation and transit projects.

Special Federal Revenue Fund. The Special Federal Revenue Fund was established in 2022. The purpose of this fund is to account for the activity for the American Rescue Plan (ARP) funds allocated to Dakota County.

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. The county is planning for new bond issuances in 2025.

Capital Projects Fund. The Capital Projects Fund has a negative fund balance of \$10,241,168. The major projects in 2023 included the work on the law enforcement center, crisis and recovery center and the building of the South St. Paul Library. The negative fund balance is due to the delay in the reimbursement of intergovernmental revenue.

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

Net position restricted for equipment replacement of the *Geographic Information Systems Enterprise Fund* at the end of the year totaled \$88,129, an increase of \$4,000 from 2022. The *Byllesby Dam Enterprise Fund* increased its investment in capital assets net position balance to \$36,417,725 for the purpose of maintaining the Federal Energy Regulatory Commission mandated spillway upgrade and likewise, decreased the unrestricted net position balance at the end of the year to a negative \$10,960,672. 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 \$12,116,519. The net position of the internal service fund increased by \$857,905 over the past year due to the increase to the charges for services in the health insurance area. 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 \$58,546,846 for expenditures at fiscal year-end. The major changes from original to final budget for expenditures may be summarized as follows:

- \$2.1 million for 2022 carry-over of unspent funds for Fleet capital equipment
- \$6.4 million for 2022 carry-over of unspent funds for data upgrades and expansion of network systems.
- \$38.8 million for carry-over of unspent funds for farmland conservation and matching grant funds.
- \$3.1 million for emergency management grants and 800MHz equipment.
- \$6.4 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 \$19,535,129. The majority of this increase from original to final budget relates to increases in grant funding and carry-overs of 2022 revenues for various programs identified above.

Comparison of Actual Resources to Final Amended Budget

Actual expenditures were \$37,982,845 less than budgeted at fiscal year-end. The variance of final budget versus actual was due to a surplus in salaries and benefits and grant funded projects that have not been completed.

Capital Asset and Debt Administration

Capital Assets. Dakota County's investment in capital assets for its governmental and business-type activities as of December 31, 2023, amounts to \$1,092,242,177 (net of accumulated depreciation and amortization). 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 \$80,206,785, or 7.34%.

Major capital asset events during 2023 included the following:

- Worked on a variety of county road construction projects, trails, bridges and transit improvements totaling over \$22.0 million.
- Over \$12.7 million in construction and upgrade costs to Byllesby Dam.

Dakota County, Minnesota | December 31, 2023

Management's Discussion and Analysis

Dakota County's Capital Assets, Net of Depreciation and Amortization

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	\$ 305,891,931	\$ 295,250,059	\$ -	\$ -	\$ 305,891,931	\$ 295,250,059
Buildings	143,153,358	148,298,460	-	-	143,153,358	148,298,460
Machinery and equipment	8,858,514	9,304,632	-	-	8,858,514	9,304,632
Infrastructure	441,829,584	419,825,746	9,431,586	9,585,641	451,261,170	429,411,387
Improvements other than buildings	58,800,064	58,018,062	-	-	58,800,064	58,018,062
Construction in progress	90,822,262	49,490,755	39,336,571	26,553,590	130,158,833	76,044,345
Total	<u>\$ 1,049,355,713</u>	<u>\$ 980,187,714</u>	<u>\$ 48,768,157</u>	<u>\$ 36,139,231</u>	<u>\$ 1,098,123,870</u>	<u>\$ 1,016,326,945</u>
Lease assets (intangible right to use)	\$ 552,997	\$ 659,253	\$ -	\$ -	\$ 552,997	\$ 659,253
Subscription assets (intangible right to use)	634,205	-	-	-	634,205	-
Total	<u>\$ 1,187,202</u>	<u>\$ 659,253</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,187,202</u>	<u>\$ 659,253</u>
Total capital assets net of depreciation and amortization	<u>\$ 1,050,542,915</u>	<u>\$ 980,846,967</u>	<u>\$ 48,768,157</u>	<u>\$ 36,139,231</u>	<u>\$ 1,099,311,072</u>	<u>\$ 1,016,986,198</u>

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

Long-term Debt. At the end of 2023, 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. F. beginning on page 65 of this report.

Economic Factors and Next Year's Budgets and Rates

- For the ninth 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 2024 total County property tax on a median home is expected to increase by 1.55% or \$10.29.

On December 19, 2023, the Dakota County Board of Commissioners approved the 2024 budget for \$514.3 million, an increase of \$79.3 million or 17.3% more than the 2023 budget. Under the Adopted Budget, the total operating budget totals \$336.2 million, an increase of \$30.0 million or 9.8% more than the previous year. Additionally, the Adopted Budget includes \$178.1 million for the 2024 Capital Improvement Program (CIP), an increase of \$46.3 million, or 35.1% more than the 2023 CIP.

The 2024 total property tax levy is \$152.5 million, which is a 3.5% increase over the 2023 levy. Additionally, as a means of helping manage the risk of potential state aid reductions, the adopted budget assigns a portion of general purpose aid to the County's capital budgets.

Dakota County, Minnesota

Management's Discussion and Analysis

December 31, 2023

Requests for Information

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

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



Basic Financial Statements

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**DAKOTA COUNTY
MINNESOTA**

**STATEMENT OF NET POSITION
DECEMBER 31, 2023**

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Community Development Agency	Vermillion River Watershed
Assets					
Cash and pooled investments	\$ 345,450,820	\$ 1,786,762	\$ 347,237,582	\$ 110,046,143	\$ 1,868,621
Petty cash and change funds	19,830	-	19,830	-	-
Investments	-	-	-	59,102,952	-
Taxes receivable					
Current	-	-	-	5,313,737	56,655
Prior	1,154,011	-	1,154,011	-	624
Special assessments receivable	-	-	-	111,571	-
Accounts receivable	10,205,399	-	10,205,399	823,218	4,952
Note receivable	-	-	-	67,182,038	-
Accrued interest receivable	1,969,867	-	1,969,867	3,344,280	-
Internal balances	12,525,609	(12,525,609)	-	-	-
Due from other governments	82,595,391	-	82,595,391	8,774,809	63,807
Prepaid items	3,000,613	-	3,000,613	1,406,244	-
Restricted assets					
Cash and pooled investments	-	-	-	30,441,675	-
Investment in joint venture	-	-	-	5,440,314	-
Lease receivable	-	-	-	5,558,119	-
Capital assets					
Non-depreciable	396,714,193	39,336,571	436,050,764	35,792,180	-
Depreciable - net of accumulated depreciation	652,641,520	9,431,586	662,073,106	154,794,118	-
Amortizable - net of accumulated amortization	1,187,202	-	1,187,202	-	-
Total Assets	\$ 1,507,464,455	\$ 38,029,310	\$ 1,545,493,765	\$ 488,131,398	\$ 1,994,659
Deferred Outflows of Resources					
Deferred OPEB outflows	\$ 1,209,000	\$ -	\$ 1,209,000	\$ -	\$ -
Deferred pension outflows	44,673,186	30,170	44,703,356	-	-
Total deferred outflows of resources	\$ 45,882,186	\$ 30,170	\$ 45,912,356	\$ -	\$ -
Liabilities					
Accounts payable	\$ 22,699,703	\$ 511,510	\$ 23,211,213	\$ 5,281,847	\$ 537,788
Salaries payable	10,168,144	6,476	10,174,620	164,326	-
Contracts payable	4,548,129	878,251	5,426,380	-	-
Due to other governments	164,283	-	164,283	577,839	-
Accrued interest payable	-	-	-	2,505,319	-
Unearned revenue	43,253,534	-	43,253,534	254,340	-
Compensated absences					
Due within one year	2,023,584	-	2,023,584	678,184	-
Due in more than one year	23,446,507	-	23,446,507	663,929	-
Claims and judgments payable					
Due within one year	3,283,138	-	3,283,138	-	-
Due in more than one year	2,060,362	-	2,060,362	-	-
Leases payable					
Due within one year	14,106	-	14,106	-	-
Due in more than one year	90,092	-	90,092	-	-
Subscription payable					
Due within one year	70,332	-	70,332	-	-
Due in more than one year	322,271	-	322,271	-	-
General obligation bonds payable					
Due within one year	-	-	-	3,910,000	-
Due in more than one year	-	-	-	70,260,139	-

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

**DAKOTA COUNTY
MINNESOTA**

**STATEMENT OF NET POSITION
DECEMBER 31, 2023**

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Community Development Agency	Vermillion River Watershed
<u>Liabilities (Cont.)</u>					
Total OPEB liability					
Due within one year	\$ 650,000	\$ -	\$ 650,000	\$ -	\$ -
Due in more than one year	12,532,677	-	12,532,677	-	-
Net pension liability					
Due in more than one year	103,607,245	115,490	103,722,735	-	-
Notes payable					
Due within one year	-	-	-	448,000	-
Due in more than one year	-	-	-	11,751,871	-
Total Liabilities	\$ 228,934,107	\$ 1,511,727	\$ 230,445,834	\$ 96,495,794	\$ 537,788
<u>Deferred Inflows of Resources</u>					
Deferred pension inflows	\$ 56,578,299	\$ 41,899	\$ 56,620,198	\$ -	\$ -
Deferred OPEB inflows	455,000	-	455,000	-	-
Deferred property taxes inflow	-	-	-	16,095,218	-
Total deferred inflows of resources	\$ 57,033,299	\$ 41,899	\$ 57,075,198	\$ 16,095,218	\$ -
<u>Net Position</u>					
Net investment in capital assets	\$ 1,044,863,780	\$ 47,378,397	\$ 1,092,242,177	\$ 108,902,615	\$ -
Restricted for					
Capital projects	-	-	-	30,516,733	-
General government	871,997	-	871,997	-	-
Public safety	6,088,296	-	6,088,296	-	-
Highways and streets	129,412,764	-	129,412,764	-	-
Health	2,324,418	-	2,324,418	-	-
Sanitation	2,374,729	-	2,374,729	-	-
Conservation of natural resources	123,636	-	123,636	-	-
Economic development	906,126	-	906,126	-	-
Debt service	-	-	-	49,594,994	-
Equipment replacement	1,946,500	88,129	2,034,629	-	-
Federal grants	-	-	-	3,928,017	-
Tax increment	-	-	-	12,040,671	-
HOPE program	-	-	-	5,933,950	-
Unrestricted	78,466,989	(10,960,672)	67,506,317	164,623,406	1,456,871
Total Net Position	\$ 1,267,379,235	\$ 36,505,854	\$ 1,303,885,089	\$ 375,540,386	\$ 1,456,871

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**DAKOTA COUNTY
MINNESOTA**

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Program Revenues				Net (Expense) Revenue and Changes in Net Position				
	Expenses	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
Functions/Programs									
Primary government									
Governmental activities									
General government	\$ 118,400,351	\$ 6,984,925	\$ 19,788,117	\$ -	\$ (91,627,309)	\$ -	\$ (91,627,309)		
Public safety	54,280,509	2,148,692	17,768,337	-	(34,363,480)	-	(34,363,480)		
Highways and streets	43,464,719	676,850	45,585,354	24,385,288	27,182,773	-	27,182,773		
Sanitation	7,198,027	10,485,025	1,598,697	-	4,885,695	-	4,885,695		
Human services	116,586,522	3,023,040	76,272,526	-	(37,290,956)	-	(37,290,956)		
Health	12,673,415	2,350,234	6,371,607	-	(3,951,574)	-	(3,951,574)		
Culture and recreation	24,282,869	1,817,345	4,186,187	567,609	(17,711,728)	-	(17,711,728)		
Conservation of natural resources	4,949,385	339,383	5,310,171	-	700,169	-	700,169		
Economic development	12,990,321	40	11,075,747	-	(1,914,534)	-	(1,914,534)		
Interest	270,130	-	-	-	(270,130)	-	(270,130)		
Total governmental activities	\$ 395,096,248	\$ 27,825,534	\$ 187,956,743	\$ 24,952,897	\$ (154,361,074)	\$ -	\$ (154,361,074)		
Business-type activities									
Geographic Information System	\$ -	\$ 4,000	\$ -	\$ -	\$ -	\$ 4,000	\$ 4,000		
Byllesby Dam	922,275	182,876	13,550,768	-	-	12,811,369	12,811,369		
Total business-type activities	\$ 922,275	\$ 186,876	\$ 13,550,768	\$ -	\$ -	\$ 12,815,369	\$ 12,815,369		
Total primary government	\$ 396,018,523	\$ 28,012,410	\$ 201,507,511	\$ 24,952,897	\$ (154,361,074)	\$ 12,815,369	\$ (141,545,705)		
Component units									
Community Development Agency	\$ 68,295,897	\$ 32,308,307	\$ 43,458,064	\$ 1,158,831				\$ 8,629,305	\$ -
Vermillion River Watershed	1,983,308	15,810	276,831	-				-	(1,690,667)
Total component units	\$ 70,279,205	\$ 32,324,117	\$ 43,734,895	\$ 1,158,831				\$ 8,629,305	\$ (1,690,667)

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

**DAKOTA COUNTY
MINNESOTA**

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023**

Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position				
	Fees, Charges for Services, Fines, and Other	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Units	
				Governmental Activities	Business-Type Activities	Total	Community Development Agency	Vermillion River Watershed
General Revenues								
Property taxes				\$ 149,940,409	\$ -	\$ 149,940,409	\$ 11,098,998	\$ 966,993
Gravel taxes				780,897	-	780,897	-	-
Mortgage registry and deed tax				427,532	-	427,532	-	-
Wheelage tax				4,035,617	-	4,035,617	-	-
Transit tax				24,369,410	-	24,369,410	-	-
Grants and contributions not restricted to specific programs				20,740,446	-	20,740,446	-	-
Investment earnings				15,805,880	-	15,805,880	5,025,778	43,027
Miscellaneous				359,727	-	359,727	-	-
Gain on sale of capital assets				129,489	-	129,489	-	-
Total general revenues				\$ 216,589,407	\$ -	\$ 216,589,407	\$ 16,124,776	\$ 1,010,020
Change in net position				\$ 62,228,333	\$ 12,815,369	\$ 75,043,702	\$ 24,754,081	\$ (680,647)
Net Position - Beginning				1,205,150,902	23,690,485	1,228,841,387	350,786,305	2,137,518
Net Position - Ending				\$ 1,267,379,235	\$ 36,505,854	\$ 1,303,885,089	\$ 375,540,386	\$ 1,456,871

**DAKOTA COUNTY
MINNESOTA**

**BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2023**

	<u>General</u>	<u>Highway</u>	<u>Environmental Legacy</u>	<u>DC Transportation Sales Tax</u>	<u>Special Federal Revenue</u>	<u>Capital Projects</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>Assets</u>								
Cash and pooled investments	\$ 80,051,079	\$ 4,939,169	\$ 59,307,288	\$ 89,757,071	\$ 46,405,538	\$ -	\$ 15,117,381	\$ 295,577,526
Petty cash and change funds	14,910	-	-	-	-	-	4,920	19,830
Taxes receivable								
Prior	972,028	29,498	360	-	-	27,001	125,124	1,154,011
Accounts receivable	973,035	621,095	854,096	-	-	244,028	7,311,691	10,003,945
Accrued interest receivable	1,969,867	-	-	-	-	-	-	1,969,867
Due from other funds	23,768,090	576,514	241,321	-	2,138	5	5,328,252	29,916,320
Due from other governments	18,773,127	55,279,551	-	7,476,255	-	-	1,066,410	82,595,343
Prepaid items	1,593,371	1,941,054	-	-	-	-	-	3,534,425
Total Assets	\$ 128,115,507	\$ 63,386,881	\$ 60,403,065	\$ 97,233,326	\$ 46,407,676	\$ 271,034	\$ 28,953,778	\$ 424,771,267
<u>Liabilities, Deferred Inflows of Resources and Fund Balances</u>								
Liabilities								
Accounts payable	\$ 8,330,999	\$ 1,514,473	\$ 488,867	\$ 845,597	\$ 4,817,812	\$ 1,230,430	\$ 3,680,077	\$ 20,908,255
Salaries payable	9,224,686	331,204	124,644	-	2,789	-	484,821	10,168,144
Claims and judgments payable - current	1,438,332	-	-	-	-	-	-	1,438,332
Contracts payable	23,345	2,670,418	334	597,419	578,449	423,715	254,449	4,548,129
Due to other funds	6,516,732	977,684	4,079,624	576,514	248,560	8,836,569	1,049,967	22,285,650
Due to other governments	133,857	11,759	14,898	-	-	-	3,769	164,283
Unearned revenue - other	1,644,771	-	656,934	-	40,760,066	-	191,763	43,253,534
Total Liabilities	\$ 27,312,722	\$ 5,505,538	\$ 5,365,301	\$ 2,019,530	\$ 46,407,676	\$ 10,490,714	\$ 5,664,846	\$ 102,766,327
Deferred Inflows of Resources								
Unavailable revenue	\$ 2,338,330	\$ 10,090,689	\$ 227	\$ -	\$ -	\$ 21,488	\$ 7,991,549	\$ 20,442,283
Revenues deferred for highway allotments	-	34,198,968	-	-	-	-	-	34,198,968
Total Deferred Inflows of Resources	\$ 2,338,330	\$ 44,289,657	\$ 227	\$ -	\$ -	\$ 21,488	\$ 7,991,549	\$ 54,641,251

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

**BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2023**

	General	Highway	Environmental Legacy	DC Transportation Sales Tax	Special Federal Revenue	Capital Projects	Non-Major Governmental Funds	Total Governmental Funds
<u>Liabilities, Deferred Inflows of Resources and Fund Balances (Continued)</u>								
Fund Balances								
Non-spendable:								
Prepays	\$ 1,593,371	\$ 1,941,054	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,534,425
Restricted for:								
Law library	-	-	-	-	-	-	328,127	328,127
Recorder's equipment purchases	1,894,759	-	-	-	-	-	-	1,894,759
Victim Witness	129,116	-	-	-	-	-	-	129,116
Sheriff-911	5,177,384	-	-	-	-	-	-	5,177,384
Opioid settlement	-	-	-	-	-	-	2,324,418	2,324,418
Elections-HAVA	51,741	-	-	-	-	-	-	51,741
Boat and water	586,758	-	-	-	-	-	-	586,758
Attorney-Diversion	142,285	-	-	-	-	-	-	142,285
Sheriff-Alcohol compliance	2,511	-	-	-	-	-	-	2,511
Criminal forfeitures	78,125	-	-	-	-	-	138,393	216,518
Permit to carry	321,643	-	-	-	-	-	-	321,643
Gravel pit restoration	-	-	2,374,729	-	-	-	-	2,374,729
Aquatic invasive species	-	-	123,636	-	-	-	-	123,636
Transportation and transit	-	-	-	95,213,796	-	-	-	95,213,796
Child support fees	55,951	-	-	-	-	-	-	55,951
Human services	906,126	-	-	-	-	-	-	906,126
Committed to:								
Protection, preservation or enhancement of environment	-	-	52,539,172	-	-	-	-	52,539,172
Assigned to:								
Public safety	5,000	-	-	-	-	-	-	5,000
Highways and streets	-	11,650,632	-	-	-	-	-	11,650,632
Culture and recreation	-	-	-	-	-	-	4,132,325	4,132,325
Economic development	-	-	-	-	-	-	8,374,120	8,374,120
Liability and loss reserve	4,689,712	-	-	-	-	-	-	4,689,712
Unassigned	82,829,973	-	-	-	-	(10,241,168)	-	72,588,805
Total Fund Balances	\$ 98,464,455	\$ 13,591,686	\$ 55,037,537	\$ 95,213,796	\$ -	\$ (10,241,168)	\$ 15,297,383	\$ 267,363,689
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 128,115,507	\$ 63,386,881	\$ 60,403,065	\$ 97,233,326	\$ 46,407,676	\$ 271,034	\$ 28,953,778	\$ 424,771,267

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, 2023**

Fund balances - total governmental funds	\$ 267,363,689
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets, net of accumulated depreciation and amortization, used in governmental activities are not financial resources and, therefore, the underlying resources are not recognized currently in the governmental funds.	1,050,542,915
Prepaid assets in governmental funds reclassified to capital assets in governmental activities	(533,812)
Other long-term assets are not available to pay for current period expenditures and, therefore, are unavailable in the governmental funds.	
Deferred inflows of resources - unavailable revenue	54,641,251
Deferred outflows of resources resulting from pension obligations are not available resources and, therefore, are not reported in governmental funds.	44,673,186
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.	12,116,519
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds.	
Claims and judgments payable	\$ (742,168)
Leases payable	(104,198)
SBITA payable	(392,603)
Net pension liability	(103,607,245)
	<u>(104,846,214)</u>
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>(56,578,299)</u>
Net position of governmental activities	<u>\$ 1,267,379,235</u>

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**DAKOTA COUNTY
MINNESOTA**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>General</u>	<u>Highway</u>	<u>Environmental Legacy</u>	<u>DC Transportation Sales Tax</u>	<u>Special Federal Revenue</u>	<u>Capital Projects</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues								
Taxes	\$ 128,983,619	\$ 7,503,515	\$ 185,333	\$ 24,369,410	\$ -	\$ 3,329,615	\$ 15,188,390	\$ 179,559,882
Licenses and permits	1,088,875	281,157	1,086,599	-	-	-	101,403	2,558,034
Intergovernmental	135,184,640	39,584,798	2,484,903	9,655,550	20,440,531	269,534	5,405,473	213,025,429
Charges for services	10,230,886	166,284	9,063,120	-	-	-	1,749,043	21,209,333
Fines and forfeits	5,902	-	-	-	-	-	63,835	69,737
Gifts and contributions	11,782	-	-	-	-	-	98,246	110,028
Investment earnings	14,733,725	-	-	-	-	-	194,947	14,928,672
Miscellaneous	3,202,810	244,694	810,795	-	-	-	702,270	4,960,569
Total Revenues	\$ 293,442,239	\$ 47,780,448	\$ 13,630,750	\$ 34,024,960	\$ 20,440,531	\$ 3,599,149	\$ 23,503,607	\$ 436,421,684
Expenditures								
Current								
General government	\$ 88,064,629	\$ -	\$ 75,000	\$ -	\$ 17,214,305	\$ -	\$ 425,632	\$ 105,779,566
Public safety	53,256,145	-	-	-	-	-	-	53,256,145
Highways and streets	-	89,256,094	-	11,243,523	-	-	-	100,499,617
Sanitation	-	-	7,597,250	-	-	-	-	7,597,250
Human services	115,271,235	-	-	-	2,309,577	-	-	117,580,812
Health	12,529,349	-	-	-	249	-	48,227	12,577,825
Culture and recreation	540,336	-	2,672,763	-	-	-	29,123,614	32,336,713
Conservation of natural resources	5,542,424	-	3,021,901	-	-	-	237,178	8,801,503
Economic development	11,465,023	-	-	-	1,050,283	-	510,510	13,025,816
Capital outlay	773,748	-	-	-	-	11,079,440	-	11,853,188
Debt service	-	-	-	-	-	-	-	-
Principal	24,488	-	-	-	-	-	-	24,488
Interest	3,830	-	-	-	-	-	-	3,830
Total Expenditures	\$ 287,471,207	\$ 89,256,094	\$ 13,366,914	\$ 11,243,523	\$ 20,574,414	\$ 11,079,440	\$ 30,345,161	\$ 463,336,753
Excess of Revenues Over (Under) Expenditures	\$ 5,971,032	\$ (41,475,646)	\$ 263,836	\$ 22,781,437	\$ (133,883)	\$ (7,480,291)	\$ (6,841,554)	\$ (26,915,069)

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, 2023**

	<u>General</u>	<u>Highway</u>	<u>Environmental Legacy</u>	<u>DC Transportation Sales Tax</u>	<u>Special Federal Revenue</u>	<u>Capital Projects</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
Other Financing Sources (Uses)								
Transfers in	\$ 645,432	\$ -	\$ -	\$ -	\$ -	\$ 91,900	\$ 3,159,574	\$ 3,896,906
Transfers out	(1,091,900)	-	(2,199,574)	-	-	-	-	(3,291,474)
Subscriptions issued	773,748	-	-	-	-	-	-	773,748
Proceeds from sale of assets	129,489	-	-	-	-	-	-	129,489
Total Other Financing Sources (Uses)	\$ 456,769	\$ -	\$ (2,199,574)	\$ -	\$ -	\$ 91,900	\$ 3,159,574	\$ 1,508,669
Net Change in Fund Balance	\$ 6,427,801	\$ (41,475,646)	\$ (1,935,738)	\$ 22,781,437	\$ (133,883)	\$ (7,388,391)	\$ (3,681,980)	\$ (25,406,400)
Fund Balance - January 1	92,036,654	55,067,332	56,973,275	72,432,359	133,883	(2,852,777)	18,979,363	292,770,089
Fund Balance - December 31	\$ 98,464,455	\$ 13,591,686	\$ 55,037,537	\$ 95,213,796	\$ -	\$ (10,241,168)	\$ 15,297,383	\$ 267,363,689

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, 2023**

Net change in fund balances - total governmental funds **\$ (25,406,400)**

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

Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation and amortization expense.

Expenditures for general capital assets, infrastructure, and other related capital assets	\$ 96,718,651	
Current year depreciation and amortization	<u>(27,018,083)</u>	69,700,568

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. (4,620)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of the governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The amounts below are the effects of these differences in the treatment of long-term debt and related items.

Principal payments of long-term debt	\$ 405,633	
Subscriptions issued	<u>(773,748)</u>	(368,115)

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

Unavailable revenue - December 31	\$ 54,641,251	
Unavailable revenue - January 1	<u>(32,912,190)</u>	21,729,061

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. 857,905

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

Change in claims and judgments payable	\$ 1,431,713	
Change in net pension liability/asset	70,061,055	
Change in deferred outflows of resources	(24,190,471)	
Change in deferred inflows of resources	<u>(51,582,363)</u>	<u>(4,280,066)</u>

Change in net position of governmental activities **\$ 62,228,333**

**DAKOTA COUNTY
MINNESOTA**

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2023**

	Enterprise Funds			Governmental Activities - Employee Services Reserve Internal Service Fund
	Byllesby Dam Enterprise Fund	Nonmajor Enterprise Funds	Total Enterprise Funds	
<u>Assets</u>				
Current assets:				
Cash and pooled investments	\$ 1,698,633	\$ 88,129	\$ 1,786,762	\$ 49,873,294
Accounts receivable (net)	-	-	-	201,454
Due from other funds	-	-	-	5,564,542
Due from other governments	-	-	-	48
Total current assets	\$ 1,698,633	\$ 88,129	\$ 1,786,762	\$ 55,639,338
Noncurrent assets				
Capital assets:				
Nondepreciable:				
Construction in progress	\$ 39,336,571	\$ -	\$ 39,336,571	\$ -
Depreciable (net)	9,431,586	-	9,431,586	-
Total noncurrent assets	\$ 48,768,157	\$ -	\$ 48,768,157	\$ -
Total Assets	\$ 50,466,790	\$ 88,129	\$ 50,554,919	\$ 55,639,338
<u>Deferred Outflows of Resources</u>				
Deferred OPEB outflows	\$ -	\$ -	\$ -	\$ 1,209,000
Deferred pension outflows	30,170	-	30,170	-
Total deferred outflows of resources	\$ 30,170	\$ -	\$ 30,170	\$ 1,209,000
<u>Liabilities</u>				
Current liabilities:				
Accounts payable	\$ 511,510	\$ -	\$ 511,510	\$ 1,791,448
Salaries payable	6,476	-	6,476	-
Claims and judgements payable - current	-	-	-	3,163,000
Compensated absences payable - current	-	-	-	2,023,584
Other post employment benefit (OPEB) - current	-	-	-	650,000
Contracts payable	878,251	-	878,251	-
Due to other funds	12,525,609	-	12,525,609	669,603
Total current liabilities	\$ 13,921,846	\$ -	\$ 13,921,846	\$ 8,297,635
Noncurrent liabilities:				
Compensated absences payable - long-term	\$ -	\$ -	\$ -	\$ 23,446,507
Net pension liability	115,490	-	115,490	-
OPEB liability - long-term	-	-	-	12,532,677
Total noncurrent liabilities	\$ 115,490	\$ -	\$ 115,490	\$ 35,979,184
Total Liabilities	\$ 14,037,336	\$ -	\$ 14,037,336	\$ 44,276,819
<u>Deferred Inflows of Resources</u>				
Deferred inflows - OPEB	\$ -	\$ -	\$ -	\$ 455,000
Deferred pension inflows	41,899	-	41,899	-
Total deferred inflows of resources	\$ 41,899	\$ -	\$ 41,899	\$ 455,000
Net Position				
Investment in capital assets	\$ 47,378,397	\$ -	\$ 47,378,397	\$ -
Restricted for				
Equipment replacement	-	88,129	88,129	-
Unrestricted	(10,960,672)	-	(10,960,672)	12,116,519
Total Net Position	\$ 36,417,725	\$ 88,129	\$ 36,505,854	\$ 12,116,519

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, 2023**

	Enterprise Funds			Governmental Activities - Employee Services Reserve Internal Service Fund
	Byllesby Dam Enterprise Fund	Nonmajor Enterprise Funds	Total Enterprise Funds	
Operating Revenues				
Charges for services	\$ -	\$ 4,000	\$ 4,000	\$ 40,130,701
Miscellaneous	182,876	-	182,876	9,415
Total Operating Revenues	\$ 182,876	\$ 4,000	\$ 186,876	\$ 40,140,116
Operating Expenses				
Personal services	\$ -	\$ -	\$ -	\$ 2,441,542
Professional services	-	-	-	155,928
Medical claims	-	-	-	35,830,883
Repairs and maintenance	641,001	-	641,001	-
Administration and fiscal services	-	-	-	63,436
OPEB expense	-	-	-	683,061
Pension expense	127,219	-	127,219	-
Depreciation	154,055	-	154,055	-
Other services and charges	-	-	-	12,597
Total Operating Expenses	\$ 922,275	\$ -	\$ 922,275	\$ 39,187,447
Operating income (loss)	\$ (739,399)	\$ 4,000	\$ (735,399)	\$ 952,669
Nonoperating revenues (expenses)				
Intergovernmental	\$ 13,550,768	\$ -	\$ 13,550,768	\$ -
Investment earnings	-	-	-	510,668
Total Nonoperating revenues (expenses)	\$ 13,550,768	\$ -	\$ 13,550,768	\$ 510,668
Income before contributions and transfers	\$ 12,811,369	\$ 4,000	\$ 12,815,369	\$ 1,463,337
Transfers out	-	-	-	(605,432)
Change in Net Position	\$ 12,811,369	\$ 4,000	\$ 12,815,369	\$ 857,905
Net Position - January 1	23,606,356	84,129	23,690,485	11,258,614
Net Position - December 31	\$ 36,417,725	\$ 88,129	\$ 36,505,854	\$ 12,116,519

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, 2023
Increase (Decrease) in Cash and Cash Equivalents**

	Enterprise Funds			Governmental Activities - Employee Services Reserve Internal Service Fund
	Byllesby Dam Enterprise Fund	Nonmajor Enterprise Funds	Total Enterprise Funds	
Cash Flows from Operating Activities				
Receipts from customers and users	\$ 182,876	\$ 4,000	\$ 186,876	\$ 9,415
Receipts from internal services provided	-	-	-	25,231,033
Payments to suppliers	(1,286,722)	-	(1,286,722)	(25,144,907)
Payments to employees	257	-	257	-
Payments to internal services used	-	-	-	(229,032)
Net cash provided by (used in) operating activities	\$ (1,103,589)	\$ 4,000	\$ (1,099,589)	\$ (133,491)
Cash Flows from Noncapital Financing Activities				
Due to other funds	\$ 333,928	\$ -	\$ 333,928	\$ -
Transfers out	-	-	-	(605,432)
Net cash provided by (used in) noncapital financing activities	\$ 333,928	\$ -	\$ 333,928	\$ (605,432)
Cash Flows from Capital and Related Financing Activities				
Intergovernmental	\$ 13,550,768	\$ -	\$ 13,550,768	\$ -
Acquisition and construction of capital assets	(12,782,981)	-	(12,782,981)	-
Net cash provided by (used in) capital and related financing activities	\$ 767,787	\$ -	\$ 767,787	\$ -
Cash Flows from Investing Activities				
Investment earnings	\$ -	\$ -	\$ -	\$ 510,668
Net cash provided by (used in) investing activities	\$ -	\$ -	\$ -	\$ 510,668
Net Increase (Decrease) in Cash and Cash Equivalents	\$ (1,874)	\$ 4,000	\$ 2,126	\$ (228,255)
Cash and Cash Equivalents at January 1	1,700,507	84,129	1,784,636	50,101,549
Cash and Cash Equivalents at December 31	\$ 1,698,633	\$ 88,129	\$ 1,786,762	\$ 49,873,294
Reconciliation of Operating Income to Net Cash Provided by (Used in) Operating Activities				
Operating income (loss)	\$ (739,399)	\$ 4,000	\$ (735,399)	\$ 952,669
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	-	-	-	(201,454)
(Increase) decrease in due from other governments	-	-	-	(48)
(Increase) decrease in due from other funds	-	-	-	(3,976,166)
(Increase) decrease in deferred pension outflows	(30,170)	-	(30,170)	-
Increase (decrease) in accounts payable	(726,484)	-	(726,484)	200,937
Increase (decrease) in claims and judgements payable	-	-	-	(5,000)
Increase (decrease) in contracts payable	80,763	-	80,763	-
Increase (decrease) in compensated absences payable	257	-	257	2,377,372
Increase (decrease) in due to other funds	-	-	-	(164,862)
Increase (decrease) in deferred pension inflows	41,899	-	41,899	-
Increase (decrease) in OPEB liability	-	-	-	(10,103,939)
Increase (decrease) in pension liability	115,490	-	115,490	-
Total adjustments	\$ (364,190)	\$ -	\$ (364,190)	\$ (11,873,160)
Net Cash Provided by (Used in) Operating Activities	\$ (1,103,589)	\$ 4,000	\$ (1,099,589)	\$ (10,920,491)

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, 2023**

	Private-Purpose Trusts	Custodial Funds
	<hr/>	<hr/>
<u>Assets</u>		
Cash and pooled investments	\$ 1,005,448	\$ 52,025,480
Accounts receivable	7,610	142,197
Due from other governments	265,623	225,586
Taxes receivable for other governments	<hr/> -	<hr/> 1,751,933
Total Assets	<hr/> \$ 1,278,681	<hr/> \$ 54,145,196
<u>Liabilities</u>		
Accounts payable	\$ 92,420	\$ 1,196,250
Salaries payable	-	150,261
Due to other governments	<hr/> 261,877	<hr/> 44,591,618
Total Liabilities	<hr/> \$ 354,297	<hr/> \$ 45,938,129
<u>Net Position</u>		
Restricted - held in trust for other purposes	\$ 911,587	\$ -
Restricted for Individuals, organizations, other governments	<hr/> 12,797	<hr/> 8,207,067
Total Net Position	<hr/> \$ 924,384	<hr/> \$ 8,207,067

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, 2023**

	Private-Purpose Trusts	Custodial Funds
	<hr/>	<hr/>
<u>ADDITIONS:</u>		
Federal Grants	\$ -	\$ 2,236,242
State Grants	516,842	45,408
Other agencies	322,184	3,502,765
Contributions		
Individuals	-	2,288,637
Property tax collections for other governments	-	750,467,500
Other taxes and fees for other governments	-	1,884,930
License and fees collected for State	-	29,921,409
Miscellaneous	2,894	15,872,925
Transfers in	123,970	-
Investment earnings:		
Interest	694	-
	<hr/>	<hr/>
Total additions	\$ 966,584	\$ 806,219,816
	<hr/>	<hr/>
<u>DEDUCTIONS:</u>		
Judicial District expenses	\$ 503,762	\$ -
Emergency preparedness expenses	273,578	-
Beneficiary payments to individuals	118,227	-
Payments of property tax to other governments	-	-
Payments to state	-	750,323,065
Administrative expense	-	29,985,013
I-Net expenses	-	2,685,887
Payments to other entities	-	-
	<hr/>	<hr/>
Total deductions	\$ 895,567	\$ 782,993,965
	<hr/>	<hr/>
Change in net position	\$ 71,017	\$ 23,225,851
	<hr/>	<hr/>
Net position - January 1	853,367	-
	<hr/>	<hr/>
Net position - December 31	\$ 924,384	\$ 23,225,851
	<hr/>	<hr/>

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

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Dakota County, Minnesota

Notes to the Financial Statements

December 31,
2023

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.

Adoption of New Accounting Standards

The GASB has issued the following Statements that are relevant to the county since the previous Annual Comprehensive Financial Report submission for which the County has implemented.

- Statement No. 94, "Public-Private and Public-Public Partnerships and Availability Payment Arrangements." The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends June 30, 2023.
- Statement No. 96, "Subscription-Based Information Technology Arrangements." The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends June 30, 2023.

The County adopted the requirements of the guidance effective January 1, 2023, and has elected to apply the provisions of this standard to the beginning of the period of adoption.

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

Dakota County, Minnesota

Notes to the Financial Statements

December 31,
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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.

The CDA has a fiscal year-end of June 30. Complete financial statements for the component unit may be obtained at the CDA's website or in its administrative offices:

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

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

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

B. Government-Wide and Fund Financial Statements

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

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

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

Dakota County, Minnesota

Notes to the Financial Statements

December 31,
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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, custodial fund, and private purpose trust fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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 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.

Highway Special Revenue Fund accounts for all costs for maintenance and construction of streets and highways. Financing comes primarily from an annual property tax levy and restricted intergovernmental revenue from local, state and federal governments.

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

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

Special Federal Revenue Special Revenue Fund accounts for the activity for the American Rescue Plan (ARP) funds allocated to Dakota County.

Debt Service Fund accounts for the resources restricted, committed or assigned for principal and interest on long-term general obligation debt of the government. The County made the final payment for its general obligation bonds in 2016 so there was no activity in 2023.

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,
2023

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 Special Revenue Fund accounts for the operating cost of the Dakota County Library. Financing is provided by an annual property tax levy.
- County Parks Special Revenue Fund accounts for park acquisition, development and operating costs. Financing is provided by an annual property tax levy and restricted grants from Metropolitan Council.
- Regional Rail Special Revenue Fund accounts for revenues and expenditures of the Regional Rail Authority established by the Dakota County Board of Commissioners to plan and develop light rail and other transit alternatives within the County.
- Law Library Special Revenue 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 Special Revenue 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.
- Opioid Settlement Special Revenue Fund accounts for the activity for the settlement agreements reached with pharmaceutical companies and distributors as part of the National Prescription Opiate Litigation.

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.

Dakota County, Minnesota

Notes to the Financial Statements

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- Rural Solid Waste Commission Fund accounts for 13 townships and six rural communities in Dakota County who have pooled their resources to provide solid waste abatement activities for the rural areas. It is a legally separate entity for which the County is the fiscal agent. The County maintains membership in but not control over the Commission.
- Domestic Preparedness Team Fund accounts for the coordination of emergency preparedness and homeland security services. Membership includes Dakota County and 11 of the largest cities within the county.
- Social Welfare Fund accounts for clients' receipts from Social Security and maternity support, legal settlements, and Veterans Administration used for personal needs of the client.

Custodial Funds are used to account for assets held by the County as an agent for individuals, private organizations, other governments, or other funds. Custodial funds are custodial in nature. The custodial fund accounts for the proceeds from the sales of vehicles forfeited for DUI, for all monies collected per State statute for sale of lands forfeited for unpaid taxes, for the State's share of funding for agricultural preserve property tax credit, for 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, 2023. 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, depreciation and amortization on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

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

1. Deposits and Investments

The government's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. State statutes authorize the County and the CDA to invest in obligations of the U.S. Treasury, commercial paper, mutual funds, general obligations of the State of Minnesota and its municipalities, bankers' acceptances, and guaranteed investment contracts subject to specific requirements. The County records its investment earnings in the General Fund as required by state statute unless directed otherwise by statutory or external authority.

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

2. Receivables and Payables

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

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

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

3. Prepaid Items

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

Dakota County, Minnesota

Notes to the Financial Statements

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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.

For the CDA, major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

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

For the County the estimated useful lives are:

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

For the CDA the estimated useful lives are:

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

6. *Deferred Outflows/Inflows of Resources*

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

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

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 amortization and reduced by outstanding debt attributed to the acquisition, construction, or improvement of the assets.

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

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

12. Classification of Fund Balances

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

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

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

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

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

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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.

G. Leases

The County determines if an arrangement is a lease at inception. Leases are included in lease assets and lease liabilities in the statements of net position.

Lease assets represent the County's control of the right to use an underlying asset for the lease term, as specified in the contract, in an exchange or exchange-like transaction. Lease assets are recognized at the commencement date based on the initial measurement of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs. Lease assets are amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

Lease liabilities represent the County's obligation to make lease payments arising from the lease. Lease liabilities are recognized at the commencement date based on the present value of expected lease payments over the lease term, less any lease incentives. Interest expense is recognized ratably over the contract term.

The lease term may include options to extend or terminate the lease when it is reasonably certain that the County will exercise that option.

The County has elected to recognize payments for short-term leases with a lease term of 12 months or less as expenses as incurred, and these leases are not included as lease liabilities or right-to-use lease assets on the statements of net position.

Significant lease terms are disclosed in Note III. H.

The County accounts for contracts containing both lease and non-lease components as separate contracts when possible. In cases where the contract does not provide separate price information for lease and non-lease components, and it is impractical to estimate the price of such components, the County treats the components as a single lease unit.

H. Subscription Based Information Technology Arrangements (SBITA)

The County determines if an arrangement is a SBITA at inception. SBITA's are included in Right-to-use subscription assets (SBITA assets) and SBITA liabilities in the statement of net position. SBITA assets represent the County's control of the right to use an underlying asset for the subscription term, as specified in the contract, in an exchange or exchange-like transaction. SBITA assets are recognized at the commencement date based on the initial measurement of the subscription liability, plus any payments made at, or before, the commencement of the subscription term and certain direct costs. SBITA assets are amortized in a systematic and rational manner over the shorter of the subscription term or the useful life of the underlying asset.

SBITA liabilities represent the County's obligation to make lease payments arising from the subscription. SBITA liabilities are recognized at the commencement date based on the net present value of expected subscription payments over the subscription term, less any subscription incentives. Interest expense is recognized ratably over the contract term.

The individual subscription contracts do not provide information about the discount rate implicit in the subscription. Therefore, the County has elected to use their incremental borrowing rate to calculate the present value of expected subscription payments.

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

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

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

The appropriated budget is prepared by fund, function, and department. This appropriated budget is adopted at the department level. Budgets may be amended during the year with the approval of the County Manager or County Board as required by the County Budget Compliance Policy. The County Manager is authorized to transfer budgeted amounts between departments or appropriate certain revenues received in excess of the original budget estimate. Supplemental appropriations are reviewed by the County Manager and submitted to the County Board for their approval. If approved, the adjustments are implemented by the Finance Department by budget revision. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is at the department level.

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

<u>Fund</u>	<u>Amount</u>
General	\$ 58,546,846
Highway	\$ 90,120,799
Environmental Legacy	\$ 2,428,725
DC Transportation Sales Tax	\$ 39,621,905
Federal Revenue	\$ 51,255,912
Capital Projects	\$ 44,746,755
County Library	\$ 1,426,728
County Parks	\$ 81,795,751

B. Excess of Expenditures Over Appropriations

For the year ended December 31, 2023, expenditures exceeded appropriations in the General Fund for Court Services by \$331,293, Physical Development Administration by \$372,536, Communications by \$6,171, County-Wide Operations by \$4,322,363, Sheriff by \$98,682, Social Services by \$4,718,655, Parks by \$194,293, Soil and Water Conservation by \$358, Other Conservation by \$4,824, Economic Development-Administration by \$7,726,960, in the Highway Special Revenue Fund for Survey by \$1,050,686, in the Environmental Legacy Special Revenue Fund for General Government by \$75,000, Culture and Recreation by \$2,672,763, Water Resources by \$1,656,246, in the Federal Revenue (ARPA) Special Revenue Fund for County Attorney by \$24,703, Information Technology by \$67,683, for Employment and Economic Development by \$465,107, Public Health by \$249, in the Regional Rail Special Revenue Fund for Administration by \$109,876. These excess expenditures were funded by available fund balance and current year savings.

III. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

1. Cash and Cash Equivalents

Dakota County has defined cash and cash equivalents to include cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. In addition, because the Treasury Pool is sufficiently liquid to permit withdrawal of cash at any time without prior notice or penalty, equity in the pool is also deemed to be a cash equivalent.

2. Deposits and Investments

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

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

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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	\$ 345,450,820
Petty cash and change funds	19,830
Business-type activities	
Cash and pooled investments	51,660,056
Discrete Component Unit	
Vermillion River Watershed	
Cash and pooled investments	1,868,621
Statement of fiduciary net position	
Cash and pooled investments	
Private-purpose trust funds	1,005,448
Custodial funds	52,025,480
Total Cash and Investments	<u>\$ 452,030,255</u>
Deposits	\$ 73,351,872
Petty cash and change funds	19,830
Investments	378,658,553
Total Deposits, Cash on hand, and Investments	<u>\$ 452,030,255</u>

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

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

Custodial Credit Risk-Deposits. Custodial credit risk is the risk that in the event of a financial institution failure, the County's deposits may not be returned to it. As of December 31, 2023, the County's deposits were not exposed to custodial credit risk. The County policy is that all cash certificates of deposit, and other depository accounts shall be collateralized by pledged securities as specified in Minn. Stat. § 118A.03.

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

- (1) securities which are direct obligations or are guaranteed or insured issues of the United States, its agencies, its instrumentalities, or organizations created by an act of Congress, except mortgage-backed securities defined as "high risk" by Minn. Stat. § 118A.04, subd. 6;
- (2) mutual funds through shares of registered investment companies provided the mutual fund receives certain ratings depending on its investments;

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- (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:

At December 31, 2023, 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	\$ 45,222,950	\$ 122,777,147	\$ 15,415,125	\$ 183,415,222
US Agency Securities	Aaa	\$ 31,429,591	\$ 7,574,506	\$ 30,516,806	\$ 69,520,902
US Agency Securities	N/R	\$ 3,481,560	\$ 2,776,619.04	\$ -	\$ 6,258,179
Municipal Bonds	Aaa	\$ 1,398,949	\$ 44,937	\$ 2,079,938	\$ 3,523,824
Municipal Bonds	Aa1	\$ 1,974,589	\$ 133,739	\$ 1,771,802	\$ 3,880,129
Municipal Bonds	Aa2	\$ 2,876,746	\$ 2,761,077	\$ 1,258,528	\$ 6,896,352
Municipal Bonds	Aa3	\$ 1,730,474	\$ 208,858	\$ 219,496	\$ 2,158,828
Municipal Bonds	A1	\$ 209,415	\$ -	\$ -	\$ 209,415
Municipal Bonds	A2	\$ 481,620	\$ -	\$ -	\$ 481,620
Municipal Bonds	N/R	\$ 2,110,006	\$ 891,927	\$ 456,703	\$ 3,458,636
MAGIC Investment Portfolio	N/R	\$ 51,676,233	\$ -	\$ -	\$ 51,676,233
Invesco - Government & Analysis	N/R	\$ 35,431,381	\$ -	\$ -	\$ 35,431,381
Government Money Market Funds	N/R	\$ 1,095,801	\$ -	\$ -	\$ 1,095,801
Commercial Paper	P-1	\$ 10,652,032	\$ -	\$ -	\$ 10,652,032
Total Investments:		\$ 189,771,345	\$ 137,168,810	\$ 51,718,398	\$ 378,658,553

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, 2023 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, 2022, all of Dakota County's investments are held by a third party custodian and were not exposed to custodial credit risk.

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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
Federal Home Loan Mortgage Corp	\$ 29,980,592	7.92%
Federal National Mortgage Assoc.	33,924,275	8.96%
MAGIC Investment Term Portfolio	51,676,233	13.65%
Total	\$ 115,581,099	30.52%

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

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

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

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

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

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

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At December 31, 2023, the County had the following recurring fair value measurements:

Investment Type	Total	Fair Value Measurements:		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
US Government:				
US Treasury Securities	\$ 127,898,852	\$ 127,898,852	\$ -	\$ -
US Agency Securities	75,779,081		75,779,081	
Municipal Bonds	20,608,803		20,608,803	
Total Debt Securities	<u>\$ 224,286,736</u>	<u>\$ 127,898,852</u>	<u>\$ 96,387,885</u>	<u>\$ -</u>
Investments Measured at Amortized Cost				
MAGIC Investment Portfolio	\$ 51,676,233			
Government Money Market Funds	1,095,801			
Commerical Paper	10,652,032			
US Treasury Securities	55,516,370			
Total investments measured at amortized cost	<u>\$ 118,940,436</u>			
Investments Valued at Net Asset Value (NAV)				
Invesco - Government & Agency Portfolio	\$ 35,431,381			
Total investments measured at amortized cost	<u>\$ 35,431,381</u>			
Total Investments:	<u>\$ 378,658,553</u>			

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

Statement of Net Position	
Cash and Cash Equivalents	\$ 110,046,143
Investments	59,102,952
Restricted Cash and Cash Equivalents	30,441,675
Total Cash, Cash Equivalents and Investments	<u>\$ 199,590,770</u>
Deposits	\$ 23,665,062
Petty Cash	250
Investments	175,925,458
Total Deposits and Investments	<u>\$ 199,590,770</u>

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As of June 30, 2023, the Community Development Agency (CDA) had the following investments:

Investment Type	Carrying Amount/ Fair Value	Investment Maturities (in Years)		
		Less Than 1	1-5	More Than 5
U.S. Government:				
U.S. Treasury Notes	\$ 25,491,020	\$ 25,491,020	\$ -	\$ -
U.S. Government Agencies:				
Federal Farm Credit Banks	16,729,810	-	16,729,810	-
Federal Home Loan Mortgage Corp.	3,714,793	-	3,539,289	175,504
Federal Home Loan Bank	7,141,578	-	7,141,578	-
Federal National Mortgage Assoc.	5,989,341	-	5,628,234	361,107
Government Nat'l Mortgage Assoc.	36,409	-	38,512	36,409
Money market funds	20,833,975	20,833,975	-	-
Local government investment pool	95,988,532	95,988,532	-	-
	\$ 175,925,458	\$ 142,313,527	\$ 33,077,423	\$ 573,020

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 mortgage-backed securities by credit quality. The local government investment pool and money market mutual funds are unrated. However, investments held by the local government investment pool do conform to state restrictions and the investments in money market mutual funds comply with state requirements for being rated in one of the highest two categories by a NRSRO. 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, 2023, the CDA had more than five percent of its total investments with the U.S. Treasury, Federal Farm Credit Banks, money market funds and the 4M Fund.

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, 2023, all investments are held by counterparties, are insured or registered, and are not exposed to custodial risk.

Fair value reporting. The CDA's investments that are not recorded at amortized cost are recorded at fair value as of June 30, 2023. 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 marketplace.

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

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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, 2023, of the U.S. Treasury Notes totaling \$25,491,020 were classified as level 1 and U.S. Government Agencies totaling \$33,611,931 were classified as level 2 by a third party using either bid evaluations or a matrix-based pricing technique. Bid evaluations are typically based on market quotations, yields, maturities, call features and ratings. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. Money market funds and a local government investment pool of \$20,833,975 and \$95,988,532, respectively, were not subject to leveling as these investments were carried at amortized cost.

B. Receivables

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

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

	Deferred inflows of resources	Unearned
Property taxes receivable	\$ 8,862,253	\$ -
Charges for services	-	141,189
Grant receivables that do not provide current financial resources	34,323,968	-
Reimbursement from other governments	10,067,476	-
Miscellaneous	1,387,554	628,728
Grant drawdowns prior to meeting all eligibility requirements	-	42,483,617
Total deferred inflows of resources/ unearned revenue for governmental funds	<u>\$ 54,641,251</u>	<u>\$ 43,253,534</u>

C. Notes Receivable

The CDA has issued various notes to individuals, businesses, not-for-profits, governmental units, and discretely presented component units. 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 on June 30, 2023 consist of the following:

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Loan Description	Loan Balance
Homebuyer loans	\$ 2,030,328
Homeowner rehab loans - deferred	18,276,126
Discretely Presented Component Units:	
First Mortgage	\$ 4,092,012
Other	12,181,571
Revolving	212,202
	<u>\$ 16,485,785</u>
Multifamily loans:	
Deferred	\$ 20,270,239
Installment	7,334,522
	<u>\$ 27,604,761</u>
Supportive housing	2,706,015
Other	79,023
	<u>\$ 67,182,038</u>

D. Capital Assets

Capital asset activity for the year ended December 31, 2023, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 295,250,059	\$ 10,641,872	\$ -	\$ 305,891,931
Construction in progress	49,490,755	82,789,680	(41,458,173)	90,822,262
Total capital assets, not being depreciated	<u>\$ 344,740,814</u>	<u>\$ 93,431,552</u>	<u>\$ (41,458,173)</u>	<u>\$ 396,714,193</u>
Capital assets, being depreciated:				
Buildings	\$ 252,333,024	\$ -	\$ -	\$ 252,333,024
Improvements other than buildings	86,255,281	5,249,485	-	91,504,766
Machinery and equipment	49,158,691	2,513,351	(675,968)	50,996,074
Infrastructure	679,475,252	36,208,688	-	715,683,940
Total capital assets, being depreciated	<u>\$ 1,067,222,248</u>	<u>\$ 43,971,524</u>	<u>\$ (675,968)</u>	<u>\$ 1,110,517,804</u>
Less accumulated depreciation for:				
Buildings	\$ (104,034,564)	\$ (5,145,102)	\$ -	\$ (109,179,666)
Improvements other than buildings	(28,237,219)	(4,467,483)	-	(32,704,702)
Machinery and equipment	(39,854,059)	(2,954,849)	671,348	(42,137,560)
Infrastructure	(259,649,506)	(14,204,850)	-	(273,854,356)
Total accumulated depreciation	<u>\$ (431,775,348)</u>	<u>\$ (26,772,284)</u>	<u>\$ 671,348</u>	<u>\$ (457,876,284)</u>
Total capital assets, being depreciated, net	<u>\$ 635,446,900</u>	<u>\$ 17,199,240</u>	<u>\$ (4,620)</u>	<u>\$ 652,641,520</u>
Assets, being amortized:				
Lease assets	\$ 780,450	\$ -	\$ -	\$ 780,450
Subscription assets	-	773,748	-	773,748
Total assets, being amortized	<u>\$ 780,450</u>	<u>\$ 773,748</u>	<u>\$ -</u>	<u>\$ 1,554,198</u>
Accumulated amortization for:				
Lease assets	\$ (121,197)	\$ (106,256)	\$ -	\$ (227,453)
Subscription based assets	-	(139,543)	-	(139,543)
Total accumulated amortization	<u>\$ (121,197)</u>	<u>\$ (245,799)</u>	<u>\$ -</u>	<u>\$ (366,996)</u>
Total assets, being amortized, net	<u>\$ 659,253</u>	<u>\$ 527,949</u>	<u>\$ -</u>	<u>\$ 1,187,202</u>
Governmental activities capital assets, net	<u>\$ 980,846,967</u>	<u>\$ 111,158,741</u>	<u>\$ (41,462,793)</u>	<u>\$ 1,050,542,915</u>

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	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Construction /development in progress	\$ 26,553,590	\$ 12,782,981	\$ -	\$ 39,336,571
Total capital assets, not being depreciated	\$ 26,553,590	\$ 12,782,981	\$ -	\$ 39,336,571
Capital assets, being depreciated:				
Infrastructure	\$ 10,783,855	\$ -	\$ -	\$ 10,783,855
Total capital assets, being depreciated	\$ 10,783,855	\$ -	\$ -	\$ 10,783,855
Less accumulated depreciation for:				
Infrastructure	\$ (1,198,214)	\$ (154,055)	\$ -	\$ (1,352,269)
Total accumulated depreciation	\$ (1,198,214)	\$ (154,055)	\$ -	\$ (1,352,269)
Total capital assets, being depreciated, net	\$ 9,585,641	\$ (154,055)	\$ -	\$ 9,431,586
Business-type activities:				
Capital assets, net	\$ 36,139,231	\$ 12,628,926	\$ -	\$ 48,768,157

Primary Government

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

Depreciation and Amortization Expense:

Governmental Activities:

General Government	\$ 3,316,579
Public Safety	1,714,119
Highways and Streets, including depreciation of general infrastructure	16,761,746
Human Services	44,616
Health	7,070
Culture and Recreation	5,162,589
Conservation of Natural Resources	8,693
Sanitation	2,671
Total depreciation and amortization expense - governmental activities	<u>\$ 27,018,083</u>

Business-type activities:

Infrastructure	\$ 154,055
Total depreciation and amortization expense--business-type activities	<u>\$ 154,055</u>

Construction Commitments

The County has active construction projects as of December 31, 2023. 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:

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

Project	Spent-to-Date	Remaining Commitment
Transportation Construction	\$ 98,201,912	\$ 7,197,772
Transportation-Sales Tax Construction	49,186,786	8,517,760
Parks Construction	13,825,136	11,807,344
Buildings Construction	16,101,722	14,483,945
	<u>\$ 177,315,556</u>	<u>\$ 42,006,821</u>

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Discretely Presented Component Unit

Activity for the CDA for the year ended June 30, 2023, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Government activities:				
Capital assets, not being depreciated:				
Land	\$ 33,898,386	\$ 1,083,726	\$ 196,143	\$ 34,785,969
Construction in progress	320,629	962,175	276,593	1,006,211
Total capital assets, not being depreciated:	<u>\$ 34,219,015</u>	<u>\$ 2,045,901</u>	<u>\$ 472,736</u>	<u>\$ 35,792,180</u>
Capital assets, being depreciated:				
Land improvements	\$ 8,474,990	\$ 149,610	\$ 188,093	\$ 8,436,507
Buildings	265,505,423	1,866,599	1,607,681	265,764,341
Furniture and equipment	9,972,709	590,577	187,894	10,375,392
Total capital assets, being depreciated	<u>\$ 283,953,122</u>	<u>\$ 2,606,786</u>	<u>\$ 1,983,668</u>	<u>\$ 284,576,240</u>
Less accumulated depreciation for:				
Land improvements	\$ (6,758,983)	\$ (225,664)	\$ (181,734)	\$ (6,802,913)
Buildings	(108,542,353)	(6,454,300)	(956,947)	(114,039,706)
Furniture and equipment	(8,854,318)	(272,856)	(187,671)	(8,939,503)
Total accumulated depreciation	<u>\$ (124,155,654)</u>	<u>\$ (6,952,820)</u>	<u>\$ (1,326,352)</u>	<u>\$ (129,782,122)</u>
Total capital assets, being depreciated, net	<u>\$ 159,797,468</u>	<u>\$ (4,346,034)</u>	<u>\$ 657,316</u>	<u>\$ 154,794,118</u>
Governmental activities capital assets, net	<u><u>\$ 194,016,483</u></u>	<u><u>\$ (2,300,133)</u></u>	<u><u>\$ 1,130,052</u></u>	<u><u>\$ 190,586,298</u></u>

On June 30, 2023, the CDA had \$871,915 remaining on a \$1,774,363 commitment for a public housing development in the City of West St. Paul, Minnesota.

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of December 31, 2023, is as follows:

Due to/from other funds:

Receivable Fund	Payable Fund	Amount
General	Highway	\$ 863,087
	Environmental Legacy	939
	Special Federal Revenue	248,560
	Capital Projects	8,836,569
	Nonmajor Governmental Funds	870,686
	Internal Service Fund	605,432
	Byllesby Dam	12,342,817
Highway	DC Transportation Sales Tax	576,514
Environmental Legacy	Internal Service Fund	62,032
	Byllesby Dam	179,289
Federal Revenue	Internal Service Fund	2,138
Capital Projects	General	5
Nonmajor Governmental Funds	General	1,249,567
	Environmental Legacy	4,078,685
Internal Service Fund	General	5,267,168
	Highway	114,591
	Nonmajor Governmental Funds	179,279
	Byllesby Dam	3,504
Total		<u><u>\$ 35,480,862</u></u>

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

Interfund Transfers:

Interfund Transfers:		
Transfer In	Transfer Out	Amount
General	Environmental Legacy	\$ 40,000
	Internal Service Fund	605,432
Capital Projects	General	91,900
Nonmajor Governmental Funds	General	1,000,000
	Environmental Legacy	2,159,574
Total		<u>\$ 3,896,906</u>

Transfers are used to move revenues from the fund with collection authorization to the Debt Service Fund as debt service principal and interest payments become due. Transfers additionally move unrestricted General Fund revenues to finance various programs that the government must account for in other funds in accordance with budgetary authorizations, including amounts provided as subsidies or matching funds for various grant programs. Transfers from the General Fund to the Capital Projects Fund were for funding capital improvements.

F. Long-Term Debt

Primary Government

General Obligation Bonds

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

Bonds payable at December 31, 2023 are zero as the County paid the final amount due on the General Obligation Refunding Bonds issued in 2007. These bonds refunded outstanding General Obligation Capital Improvement Bonds, series 1999A and 2001A. On February 1, 2016 the County chose to make an early payoff of \$23,420,000 to satisfy all outstanding bond obligations.

Changes in Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2023, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Claims and judgments	\$ 5,343,500	\$ 39,654,622	\$ (37,411,213)	\$ 7,586,909	\$ 4,272,214
Compensated absences	23,092,719	15,595,549	(13,242,183)	25,446,085	2,023,584
Lease liability	128,686	-	(24,488)	104,198	14,106
Subscription liability	-	773,748	(392,603)	392,603	70,332
Long-term liabilities	<u>\$ 28,564,905</u>	<u>\$ 56,023,919</u>	<u>\$ (51,070,487)</u>	<u>\$ 33,529,795</u>	<u>\$ 6,380,236</u>

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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, 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, 2023, was as follows:

Notes Payable

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

\$3,523,380 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 youth housing development.

\$697,649 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 youth housing development.

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

\$315,000 Dakota County Workforce Housing LLC, 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, to provide financing for a portion of the construction. Upon dissolution in 2012, the liabilities of the partnership were transferred to the LLC.

\$456,000 Dakota County Workforce Housing LLC, 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, to provide financing for a portion of the construction. Upon dissolution in 2012, the liabilities of the partnership were transferred to the LLC.

\$360,000 Dakota County Workforce Housing LLC, 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, 2024. The loan was initially made to the Inver Grove Heights Family Housing Limited Partnership, to provide financing for a portion of the construction. Upon dissolution in 2012, the liabilities of the partnership were transferred to the LLC.

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\$125,000 Dakota County Workforce Housing LLC, 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, to provide financing for a portion of the construction. Upon dissolution in 2012, the liabilities of the partnership were transferred to the LLC.

\$396,000 Dakota County Workforce Housing LLC, 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, to provide financing for a portion of the construction. Upon dissolution in 2013, the liabilities of the partnership were transferred to the LLC.

\$175,000 Dakota County Workforce Housing LLC, note payable to the Family Housing Fund. The amended loan is for a term of 15 years with zero percent interest (0%). The principal is due and payable at the maturity date of October 1, 2029. The loan was initially made to the Hastings Family Housing Limited Partnership, to provide financing for a portion of the construction. Upon dissolution in 2013, the liabilities of the partnership were transferred to the LLC.

\$210,480 Dakota County Workforce Housing LLC, 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, to provide financing for a portion of the construction. Upon dissolution in 2013, the liabilities of the partnership were transferred to the LLC.

\$44,000 Dakota County Workforce Housing LLC, 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. Annual payment of \$44,000 with balance of principal and accrued interest due on June 30, 2024. The loan was initially made to the Lakeville Family Housing Limited Partnership, to provide financing for a portion of the construction. Upon dissolution in 2013, the liabilities of the partnership were transferred to the LLC.

\$280,000 Dakota County Workforce Housing LLC, 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, to provide financing for a portion of the construction. Upon dissolution in 2013, the liabilities of the partnership were transferred to the LLC.

\$290,000 Dakota County Workforce Housing LLC, 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 May 27, 2029. The loan was initially made to the Chasewood Family Housing Limited Partnership, to provide financing for a portion of the construction. Upon dissolution in 2014, the liabilities of the partnership were transferred to the LLC.

\$319,591 Dakota County Workforce Housing LLC, 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 principal amount until the maturity date of May 27, 2029. The loan was initially made to the Chasewood Family Housing Limited Partnership, to provide financing for a portion of the construction. Upon dissolution in 2014, the liabilities of the partnership were transferred to the LLC.

\$230,000 Dakota County Workforce Housing LLC, 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 October 26, 2030. The loan was initially made to the Lakeville Family Housing Limited Partnership 2, to provide financing for a portion of the construction. Upon dissolution in 2016, the liabilities of the partnership were transferred to the LLC.

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\$555,000 Dakota County Workforce Housing LLC, note payable to the MHFA ARIF Fund. The loan is for a term of 30 years with interest of one percent (1%) on the unpaid principal amount until the maturity date of October 26, 2030. The loan was initially made to the Lakeville Family Housing Limited Partnership 2, to provide financing for a portion of the construction. Upon dissolution in 2014, the liabilities of the partnership were transferred to the LLC.

\$230,000 Dakota County Workforce Housing LLC, 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 24, 2031. The loan was initially made to the Mendota Heights Family Housing Limited Partnership, to provide financing for a portion of the construction. Upon dissolution in 2016, the liabilities of the partnership were transferred to the LLC.

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

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

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

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

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

\$500,000 Dakota County Workforce Housing LLC, note payable to the MHFA EDHC Fund. The loan is for a term of 30 years with simple interest of one percent (1%) on the unpaid principal amount until the maturity date of June 22, 2034. The loan was initially made to the Burnsville Heart of the City Family Housing Limited Partnership, to provide financing for a portion of the construction. Upon dissolution in 2019, the liabilities of the partnership were transferred to the LLC.

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

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financing for a portion of the construction. Upon dissolution in 2019, the liabilities of the partnership were transferred to the LLC.

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

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

Each of the respective note payables are secured by the underlying assets of the respective projects to which the note relates. Notes are subject to various debt provisions and covenants including affordable housing use restrictions. While the debt agreements require the payment of principal and interest according to the loan terms, the entire principal balance and accrued interest may be due and payable upon the occurrence of any of the following events:

- the sale, assignment, conveyance, transfer lease, lien, encumbrance or refining of the underlying project without lender's approval
- termination of the use of the project as affordable housing
- use of the project which violates federal, state or local law, statute or ordinance
- default in the performance of any covenant, term or condition of the notes, loan agreements or any other agreement or mortgage relating to or encumbering the project

The annual principal and interest maturities for notes payable in business-type activities for fiscal years subsequent to June 30, 2023 are as follows:

	Principal	Interest	Total
2024	\$ 448,000	\$ 108,634	\$ 556,634
2025	169,000	37,504	206,504
2026	815,000	228,167	1,043,167
2027	650,480	196,277	846,757
2028	104,000	19,909	123,909
2029-2033	6,200,924	657,663	6,858,587
2034-2038	2,048,818	464,985	2,513,803
2039-2043	1,163,649	-	1,163,649
2044-2046	600,000	-	600,000
	<u>\$ 12,199,871</u>	<u>\$ 1,713,139</u>	<u>\$ 13,913,010</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.

Dakota County, Minnesota

Notes to the Financial Statements

December 31, 2023

Bonds payable at June 30, 2023 are as follows:

Description of Note	Issue Date	Maturity Date	Interest Rate	Original Amount	Outstanding June 30
2010B Housing Development Bonds	07/21/10	01/01/40	2.00 - 6.00%	\$ 46,160,000	\$ 825,000
2013 Housing Development Bonds	12/18/13	01/01/27	2.00 - 2.85%	\$ 7,630,000	4,535,000
2015A Housing Development Bonds	05/27/15	01/01/42	3.00 - 5.00%	\$ 21,745,000	21,080,000
2015B Housing Development Bonds	05/27/15	01/01/35	3.00 - 5.00%	\$ 24,025,000	14,625,000
2020A Housing Development Bonds	09/24/20	01/01/46	2.00 - 5.00%	\$ 8,655,000	8,420,000
2020B Housing Development Bonds	09/24/20	01/01/40	2.00 - 5.00%	\$ 21,800,000	20,570,000
Subtotal					\$ 70,055,000
Less current maturities					(3,910,000)
Total					<u>\$ 66,145,000</u>

The annual principal and interest maturities for the fiscal years subsequent to June 30, 2023 are as follows:

	Principal	Interest	Total
2024	\$ 3,910,000	\$ 2,360,313	\$ 6,270,313
2025	3,850,000	2,189,375	6,039,375
2026	4,000,000	2,020,450	6,020,450
2027	3,960,000	1,851,338	5,811,338
2027	3,545,000	1,692,437	5,237,437
2029-2033	19,760,000	6,366,750	26,126,750
2034-2038	17,820,000	3,378,838	21,198,838
2039-2043	11,845,000	1,189,719	13,034,719
2044-2046	1,365,000	58,437	1,423,437
Total	<u>\$ 70,055,000</u>	<u>\$ 21,107,657</u>	<u>\$ 91,162,657</u>

Pledged Revenue

The CDA has pledged as security for the \$70,055,000 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 \$91,162,657 with annual requirements ranging from \$6,270,313 in 2024 to \$1,423,437 in the final year. The annual pledged net revenue available for debt service is expected to exceed 110% of the principal and interest for each year the bonds will be outstanding. For the current year, total pledged net revenues available for debt service was \$11,640,399 and principal and interest for 2023 was \$6,432,813.

Dakota County, Minnesota

Notes to the Financial Statements

December 31, 2023

Changes in Long Term Liabilities:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Compensated absences	\$ 1,291,509	\$ 845,197	\$ (794,593)	\$ 1,342,113	\$ 678,184
Notes payable	13,133,871	-	(934,000)	12,199,871	448,000
Bonds payable	73,950,000	-	(3,895,000)	70,055,000	3,910,000
Plus deferred amounts:					
For issuance premiums	4,628,662	-	(513,523)	4,115,139	-
Total bonds payable	\$ 78,578,662	\$ -	\$ (4,408,523)	\$ 74,170,139	\$ 3,910,000
	\$ 93,004,042	\$ 845,197	\$ (6,137,116)	\$ 87,712,123	\$ 5,036,184

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 on June 30, 2023 was \$161,204,884.

G. Leases

The County leases equipment as well as certain operating and office facilities for various terms under long-term, non-cancelable lease agreements. The discount rate utilized to calculate the net present value of future payments for the leases during 2024 was 3.42% and was determined by estimating the rate at which the County could have borrowed a similar amount of money for when GASB 87 was implemented in 2022. The leases expire at various dates through 2032.

Total future minimum lease payments under lease agreements are as follows:

Governmental Activities

	Principal	Interest	Total
2024	\$ 14,106	\$ 3,294	\$ 17,400
2025	14,596	2,804	17,400
2026	15,103	2,297	17,400
2027	15,628	1,772	17,400
2028	16,170	1,230	17,400
2029-2032	28,595	791	29,386
Total minimum lease payments	\$ 104,198	\$ 12,188	\$ 116,386

The right-to-use lease assets and the related accumulated amortization are detailed in Note III.F.

Dakota County, Minnesota

Notes to the Financial Statements

**December 31,
2023**

H. Subscription Based – Information Technology Arrangements (SBITAs)

The County has entered into subscription based-information technology arrangements (SBITAs) for communication and financial reporting. The SBITA arrangements expire at various dates through 2028 and provide renewal options. Interest rates range from 5.188% - 5.375%.

The future subscription payments under SBITA agreements are as follows:

	Principal	Interest	Total
2024	\$ 70,332	\$ 16,828	\$ 87,160
2025	74,207	12,953	87,160
2026	78,295	8,865	87,160
2027	82,609	4,551	87,160
2028	87,160	-	87,160
Total	<u>\$ 392,603</u>	<u>\$ 43,197</u>	<u>\$ 435,800</u>

The right-to-use subscription assets and the related accumulated amortization are detailed in Note III.F.

IV. OTHER INFORMATION

A. Risk Management

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

The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are reevaluated periodically to consider the effects of inflation, recent settlement trends (including frequency and amount pay-outs), and other economic and social factors. The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims. Estimated recoveries, for example from salvage or subrogation, are another component of the claims liability estimate. There were no settlements in excess of insurance coverage for any of the past three fiscal years.

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

	Year ended 12/31/23	Year ended 12/31/22
Unpaid claims, beginning of fiscal year	\$ 5,343,500	\$ 4,591,296
Incurred claims (including IBNR)	39,654,622	36,096,118
Claim payments	(37,411,213)	(35,343,914)
Unpaid claims, end of fiscal year	<u>\$ 7,586,909</u>	<u>\$ 5,343,500</u>

B. Contingent Liabilities

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

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

C. Joint Powers Debt Commitment

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

Information regarding the Dakota Communications Center can be obtained at the website www.mn-dcc.org or by contacting Julie Stahl at the City of Lakeville, 20195 Holyoke Avenue, Lakeville, Minnesota 55044. Telephone (952) 985-4481 or email address: jstahl@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 \$191,951 in 2023. 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 2023. The MELSA agency handles the accounting function for the Board. Current financial statements are available from the MELSA office, 1619 Dayton Avenue, Suite 314, Saint Paul, MN 55104-6276.
3. HOPE Fund: Dakota County entered into a joint powers agreement with the Dakota County Community Development Agency (CDA) to provide a source of gap financing used to leverage public and private sector funds for the construction of affordable housing in Dakota County. The County will appropriate funds, as the County Board deems appropriate. The CDA will administer the fund.

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

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

E. Jointly-Governed Organizations

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

1. **Dakota County Collaborative:** The Dakota County Collaborative is an integrated Children's Mental Health and Family Services Collaborative. The duties and membership of collaboratives are defined in Minnesota Statutes Sections 124D.23 and 245.493. By resolution No. 05-601 (November 29, 2005), the County Board approved execution of a new Joint Powers Agreement between Dakota County, Scott-Carver Dakota CAP Agency, and the ten school districts in Dakota County to establish the Dakota County Collaborative, which combined the Children's Mental Health Collaborative and Family Service Collaborative into one integrated collaborative in January 2006. The Collaborative Governing Board, which includes three Dakota County members, oversees the Collaborative's integrated fund. Dakota County serves as the fiscal agent for the Collaborative. The County has made \$1,332,148 in expenditures in 2022 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 \$18,000 per city and grant funds or restitution if available.

F. Pension Plans

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. 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. Investments are reported at fair value.

1. Defined Benefit Pension Plans

a. Plan Description

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

1. General Employees Retirement Plan

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

2. Public Employees Police and Fire Plan

The Police and Fire Plan, originally established for police officers and firefighters not covered by a local relief association, now covers all police officers and firefighters hired since 1980. Effective July

1, 1999, the Police and Fire Plan also covers police officers and firefighters belonging to local relief associations that elected to merge with and transfer assets and administration to PERA.

3. Local Government Correctional Plan

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

b. Benefits Provided

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

1. General Employees Retirement Plan

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

Benefit increases are provided to benefit recipients each January. The postretirement increase is equal to 50% of the cost-of-living adjustment (COLA) announced by the SSA, with a minimum increase of at least 1% and a maximum of 1.5%. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase will receive the full increase. Recipients receiving the annuity or benefit for at least one month but less than a full year as of the June 30 before the effective date of the increase will receive a reduced prorated increase. In 2023, legislation repealed the statute delaying increases for members retiring before full retirement age.

2. Police and Fire Plan Benefits

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

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

3. Correctional Plan Benefits

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

Benefit increases are provided to benefit recipients each January. The postretirement increase will be equal to 100% of the COLA announced by SSA, with a minimum increase of at least 1% and a maximum of 2.5%. If the plan's funding status declines to 85% or below for two consecutive years or 80% for one year, the maximum will be lowered from 2.5% to 1.5%. In 2023, legislation clarified that if the annual increase cap was reduced to 1 percent, there is a way to return to the 2.5% increase if certain criteria are met. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase will receive the full increase. Recipients receiving the annuity or benefit for at least one month but less than a full year as of the June 30 before the effective date of the increase will receive a reduced prorated increase.

In 2023, the legislature allocated funding for a one-time lump-sum payment to General Employee and Police and Fire Plan benefit recipients. Eligibility criteria and the payment amount is specified in statute. The one-time payment is non-compounding towards future benefits.

c. Contributions

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

1. General Employees Fund Contributions

Coordinated Plan members were required to contribute 6.50% of their annual covered salary in fiscal year 2023 and Dakota County was required to contribute 7.50% for Coordinated Plan members. Dakota County's contributions to the General Employees Fund for the year ended December 31, 2023, were \$10,216,652. Dakota County's contributions were equal to the required contributions as set by state statute.

2. Police and Fire Fund Contributions

Police and Fire Plan members were required to contribute 11.80% of their annual covered salary in fiscal year 2023 and Dakota County was required to contribute 17.70% for Police and Fire Plan members. Dakota County's contributions to the Police and Fire Fund for the year ended December 31, 2023, were \$1,472,645. Dakota County's contributions were equal to the required contributions as set by state statute.

3. Correctional Fund Contributions

Correctional Plan members were required to contribute 5.83% of their annual covered salary in fiscal year 2023 and Dakota County was required to contribute 8.75% for Correctional Plan members. Dakota County's contributions to the Correctional Fund for the year ended December 31, 2023, were \$747,379. Dakota County's contributions were equal to the required contributions as set by state statute.

Dakota County, Minnesota

Notes to the Financial Statements

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d. Pension Costs

1. General Employees Fund Pension Costs

At December 31, 2023, Dakota County reported a liability of \$91,628,677 for its proportionate share of the General Employees Fund's net pension liability. Dakota County's net pension liability reflected a reduction due to the State of Minnesota's contribution of \$16 million. The State of Minnesota is considered a non-employer contributing entity and the state's contribution meets the definition of a special funding situation. The State of Minnesota's proportionate share of the net pension liability associated with Dakota County totaled \$2,525,929.

The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. Dakota County's proportionate share of the net pension liability was based on Dakota County's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2022 through June 30, 2023, relative to the total employer contributions received from all of PERA's participating employers. Dakota County's proportionate share was 1.6386% at the end of the measurement period and 1.6991% for the beginning of the period.

Dakota County's proportionate share of the net pension liability	\$ 91,628,677
State of Minnesota's proportionate share of the net pension liability associated with Dakota County	<u>2,525,929</u>
Total	<u>\$ 94,154,606</u>

There were no provision changes during the measurement period.

For the year ended December 31, 2023, Dakota County recognized pension expense of \$13,944,107 for its proportionate share of the General Employees Plan's pension expense. In addition, Dakota County recognized an additional \$11,351 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of \$16 million to the General Employees Fund.

At December 31, 2023, Dakota County reported its proportionate share of the General Employees Plan's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 3,009,121	\$ 631,217
Changes in actuarial assumptions	\$ 14,833,402	\$ 25,114,650
Net difference between projected and actual earnings on Pension Plan Investments	\$ -	\$ 3,426,598
Changes in proportion	\$ 840,861	\$ 4,069,958
Contributions paid to PERA subsequent to the measurement date	\$ 5,253,103	\$ -
Total	\$ 23,936,487	\$ 33,242,423

The \$5,253,103 reported as deferred outflows of resources related to pensions resulting from Dakota County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2024. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Dakota County, Minnesota

Notes to the Financial Statements

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Year ended December 31:	Pension Expense Amount
2024	\$ 1,514,066
2025	\$(15,311,002)
2026	\$ 1,225,634
2027	\$(1,987,737)

2. Police and Fire Fund Pension Costs

At December 31, 2023, Dakota County reported a liability of \$10,558,083 for its proportionate share of the Police and Fire Fund's net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. Dakota County's proportionate share of the net pension liability was based on Dakota County's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2022 through June 30, 2023, relative to the total employer contributions received from all of PERA's participating employers. Dakota County's proportionate share was 0.6114% at the end of the measurement period and 0.6389% for the beginning of the period.

The State of Minnesota contributed \$18 million to the Police and Fire Fund in the plan fiscal year ended June 30, 2023. The contribution consisted of \$9 million in direct state aid that meets the definition of a special funding situation and \$9 million in supplemental state aid that does not meet the definition of a special funding situation. The \$9 million direct state was paid on October 1, 2022. Thereafter, by October 1 of each year, the state will pay \$9 million to the Police and Fire Fund until full funding is reached or July 1, 2048, whichever is earlier. The \$9 million in supplemental state aid will continue until the fund is 90 percent funded, or until the State Patrol Plan (administered by the Minnesota State Retirement System) is 90 percent funded, whichever occurs later. The State of Minnesota's proportionate share of the net pension liability associated with Dakota County totaled \$425,269.

Dakota County proportionate share of the net pension liability	\$10,558,083
State of Minnesota's proportionate share of the net pension liability associated with the Dakota County	<u>425,269</u>
Total	<u>\$10,983,352</u>

The State of Minnesota is included as a non-employer contributing entity in the Police and Fire Retirement Plan Schedule of Employer Allocations and Schedule of Pension Amounts by Employer, Current Reporting Period Only (pension allocation schedules) for the \$9 million in direct state aid. Police and Fire Plan employers need to recognize their proportionate share of the State of Minnesota's pension expense (and grant revenue) under GASB 68 special funding situation accounting and financial reporting requirements. For the year ended June 30, 2023, Dakota County recognized pension expense of \$2,999,970 for its proportionate share of the Police and Fire Plan's pension expense. Dakota County recognized \$25,613 as reduction of grant revenue and pension expense for its proportionate share of the State of Minnesota's pension expense for the contribution of \$9 million to the Police and Fire Fund.

The State of Minnesota is not included as a non-employer contributing entity in the Police and Fire Pension Plan pension allocation schedules for the \$9 million in supplemental state aid. Dakota County recognized \$55,026 for the year ended December 31, 2023 as revenue and an offsetting reduction of net pension liability for its proportionate share of the State of Minnesota's on-behalf contributions to the Police and Fire Fund.

Dakota County, Minnesota

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At December 31, 2023, Dakota County reported its proportionate share of the Police and Fire Plan's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 2,911,218	\$ -
Changes in actuarial assumptions	\$ 12,251,801	\$ 14,844,790
Net difference between projected and actual earnings on Pension Plan Investments	\$ -	\$ 506,840
Changes in proportion	\$ 191,243	\$ 680,301
Contributions paid to PERA subsequent to the measurement date	\$ 760,343	\$ -
Total	\$ 16,114,605	\$ 16,031,931

The \$760,343 reported as deferred outflows of resources related to pensions resulting from Dakota County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2024. 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
2024	\$ 344,173
2025	\$(462)
2026	\$ 2,412,039
2027	\$(745,506)
2028	\$(2,687,913)

3. Correctional Plan Pension Costs

At December 31, 2023, Dakota County reported a liability of \$1,535,975 for its proportionate share of the Correctional Plan's net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. Dakota County's proportionate share of the net pension liability was based on Dakota County's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2022 through June 30, 2023, relative to the total employer contributions received from all of PERA's participating employers. Dakota County's proportionate share was 3.3978% at the end of the measurement period and 3.3985% for the beginning of the period.

There were no provision changes during the measurement period.

For the year ended December 31, 2023 Dakota County recognized pension expense of \$1,370,071 for its proportionate share of the Correctional Plan's pension expense.

At December 31, 2023, Dakota County reported its proportionate share of the Correctional Plan's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Dakota County, Minnesota

Notes to the Financial Statements

**December 31,
2023**

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 591,579	\$ 134,875
Changes in actuarial assumptions	\$ 3,657,251	\$ 7,007,305
Net difference between projected and actual earnings on Pension Plan investments	\$ -	\$ 196,254
Changes in proportion	\$ 15,769	\$ 7,409
Contributions paid to PERA subsequent to the measurement date [to be calculated by employer]	\$ 387,664	
Total	\$ 4,652,263	\$ 7,345,843

The \$387,664 reported as deferred outflows of resources related to pensions resulting from Dakota County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2024. 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
2024	\$ 20,137
2025	\$(3,684,335)
2026	\$ 745,045
2027	\$(162,091)

4. Total Pension Expense

The total pension expense for all plans recognized by the Dakota County for the year ended December 31, 2023 was \$18,299,886.

e. Long-Term Expected Return on Investment

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	33.5%	5.10%
International Equity	16.5%	5.30%
Fixed Income	25.0%	0.75%
Private Markets	25.0%	5.90%
Total	100%	

f. Actuarial Methods and Assumptions

The total pension liability in the June 30, 2023, actuarial valuation was determined using an individual entry-age normal actuarial cost method. The long-term rate of return on pension plan investments used in the determination of the total liability is 7.0 percent. This assumption is based on a review of inflation

Dakota County, Minnesota

Notes to the Financial Statements

December 31,
2023

and investments return assumptions from a number of national investment consulting firms. The review provided a range of return investment return rates deemed to be reasonable by the actuary. An investment return of 7.0 percent was deemed to be within that range of reasonableness for financial reporting purposes.

Inflation is assumed to be 2.25% for the General Employees Plan, Police and Fire Plan, and the Correctional Plan. Benefit increases after retirement are assumed to be 1.25% for the General Employees Plan, 1% for the Police and Fire Plan, and 2% for the Correction Plan.

Salary growth assumptions in the General Employees Plan range in annual increments from 10.25% after one year of service to 3.0% after 27 years of service. In the Police and Fire Plan, salary growth assumptions range from 11.75% after one year of service to 3.0% after 24 years of service. In the Correctional Plan, salary growth assumptions range from 11.0% at age 20 to 3.0% at age 60.

Mortality rates for the General Employees Plan are based on the Pub-2010 General Employee Mortality Table. Mortality rates for the Police and Fire Plan and the Correctional Plans are based on the Pub-2010 Public Safety Employee Mortality tables. The tables are adjusted slightly to fit PERA's experience.

Actuarial assumptions for the General Employees Plan are reviewed every four years. The most recent four-year experience study for the General Employees Plan was completed in 2022. The assumption changes were adopted by the Board and became effective with the July 1, 2023 actuarial valuation. The most recent four-year experience studies for the Police and Fire and the Correctional Plan were completed in 2020 were adopted by the Board and became effective with the July 1, 2021 actuarial valuation.

The following changes in actuarial assumptions and plan provisions occurred in 2023:

General Employees Fund

Changes in Actuarial Assumptions:

- The investment return assumption and single discount rate were changed from 6.5% to 7.00%.

Changes in Plan Provisions:

- An additional one-time direct state aid contribution of \$170.1 million will be contributed to the Plan on October 1, 2023.
- The vesting period of those hired after June 30, 2010, was changed from five years of allowable service to three years of allowable service.
- The benefit increase delay for early retirements on or after January 1, 2024, was eliminated.
- A one-time, non-compounding benefit increase of 2.5% minus the actual 2024 adjustment will be payable in a lump sum for calendar 2024 by March 31, 2024.

Police and Fire Fund

Changes in Actuarial Assumptions:

- The investment return assumption was changed from 6.5% to 7.0%.
- The single discount rate changed from 5.40% to 7.0%.

Changes in Plan Provisions:

- Additional one-time direct state aid contribution of \$19.4 million will be contributed to the Plan on October 1, 2023.
- Vesting requirement for new hires after June 30, 2014, was changed from a graded 20-year vesting schedule to a graded 10-year vesting schedule, with 50% vesting after five years, increasing incrementally to 100% after 10 years.

Dakota County, Minnesota

Notes to the Financial Statements

**December 31,
2023**

- A one-time, non-compounding benefit increase of 3.0% will be payable in a lump sum for calendar year 2024 by March 31, 2024.
- Psychological treatment is required effective July 1, 2023, prior to approval for a duty disability benefit for a psychological condition relating to the member's occupation.
- The total and permanent duty disability benefit was increased, effective July 1, 2023.

Correctional Fund

Changes in Actuarial Assumptions:

- The investment return rate was changed from 6.5% to 7.0%.
- The single discount rate changed from 5.42% to 7.0%.

Changes in Plan Provisions:

- Additional one-time direct aid contribution of \$5.3 million will be contributed to the Plan on October 1, 2023.
- A one-time, non-compounding benefit increase of 2.5% minus the actual 2024 adjustment will be payable in a lump sum calendar year 2024 by March 31, 2024.
- The maximum benefit increase will revert back to 2.5%. The maximum increase is 1.5% and the Plan's funding ratio improves to 85% for two consecutive years on a market value of assets basis.

g. Discount Rate

The discount rate used to measure the total pension liability in 2023 was 7.0%. 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 position of the General Employees, Police and Fire and Correctional Plans were projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

h. Pension Liability Sensitivity

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

Sensitivity Analysis (In Thousands)						
<i>Net Pension Liability (Asset) at Different Discount Rates</i>						
	General Employees Fund		Police and Fire Fund		Correctional Fund	
1% Lower	6.00%	\$162,098,489	6.00%	\$20,948,496	6.00%	\$ 8,096,312
Current Discount Rate	7.00%	\$ 91,628,677	7.00%	\$10,558,083	7.00%	\$ 1,535,975
1% Higher	8.00%	\$ 33,664,578	8.00%	\$2,015,774	8.00%	\$(3,698,335)

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.

Dakota County, Minnesota

Notes to the Financial Statements

**December 31,
2023**

I. Public Employees Defined Contribution Plan (Defined Contribution Plan)

Seven employees of Dakota County are covered by the Defined Contribution Plan, a multiple-employer deferred compensation plan administered by PERA. The Defined Contribution Plan is a tax qualified plan under Section 401(a) of the Internal Revenue Code and all contributions by or on behalf of employees are tax deferred until time of withdrawal.

Plan benefits depend solely on amounts contributed to the plan plus investment earnings, less administrative expenses. Minnesota Statutes, Chapter 353D.03, specifies plan provisions, including the employee and employer contribution rates for those qualified personnel who elect to participate. An eligible elected official who decides to participate contributes five percent of salary which is matched by the elected official's employer. For ambulance service personnel, employer contributions are determined by the employer, and for salaried employees contributions must be a fixed percentage of salary. Employer contributions for volunteer personnel may be a unit value for each call or period of alert duty. Employees who are paid for their services may elect to make member contributions in an amount not to exceed the employer share. Employer and employee contributions are combined and used to purchase shares in one or more of the seven accounts of the Minnesota Supplemental Investment Fund. For administering the plan, PERA receives two percent of employer contributions and twenty-five hundredths of one percent (0.25%) of the assets in each member's account annually.

Total contributions made by Dakota County during fiscal year 2023 were:

Contribution Amount		Percentage of Covered Payroll		Required
Employee	Employer	Employee	Employer	Rate
\$32,665	\$32,665	5%	5%	5%

H. Other Post-Employment Benefits

Plan Description

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

In addition to providing the pension benefits described above, the County provides post-retirement health care benefits. This benefit is provided based on County Board Resolution #81-519 as part of the Sheriff's contract settlement. The eligible participants were employees of the Sheriff Department who have retired. The County currently has 24 eligible participants. Based on this plan, the county contributes \$60 a month per participant for health insurance. The participant contributes either \$791 for single coverage or \$2,337 for family coverage per month. During 2023, the County expended \$17,280 for this benefit.

Dakota County, Minnesota

Notes to the Financial Statements

**December 31,
2023**

Employees covered by benefit terms. At December 31, 2023, the following employees were covered by the benefit terms:

Retirees and Beneficiaries	76
Inactive Employees Entitled to but not yet receiving benefit payments	-
Active Plan Members	<u>1,687</u>
	<u>1,763</u>

Contributions

The County funds its OPEB obligation on a pay as you go basis. The County contributes none of the cost of current year premiums for eligible retired plan members and their spouses, except for the implicit rate subsidy, described below. For fiscal year 2023, the County contributed \$0.00 to the plan. Plan members receiving benefit contribute 100% of their premium costs. As of December 31, 2023 there were 76 beneficiaries and retirees receiving health benefits from the County's health plans.

Total OPEB Liability

The County's total OPEB liability was measured as of December 31, 2022, and the total OPEB liability used to calculate the total OPEB liability was determined by an actuarial valuation as of that date.

Actuarial assumptions

The total OPEB liability in the January 1, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate	3.72%
Inflation	2.25%
Initial Medical Trend Rate	8.75%
Ultimate Medical Trend Rate	3.80%
Year Ultimate Trend Rate Reached	2073

The mortality assumption was updated from the assumption used in the January 1, 2022 actuarial report to reflect mortality improvements using the most recent published mortality scale available as of the valuation date.

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

Discount rate

A single discount rate of 3.26% was used to measure the Total OPEB Liability as of December 31, 2023. This Single discount rate was based on a municipal bond rate of 3.26% (based on the 20-year Bond Buyer GO Index as of the end of December 2023). Since Dakota County's retiree health benefits are funded on a pay-as-you go cash cost basis, plan assets at the beginning of each year will always be insufficient to meet the projected benefit payments. Therefore, the municipal bond rate was applied to all periods of the projected benefit payments to determine the Total OPEB Liability. The previous Discount rate used for the December 31, 2022 reporting year was 3.72%.

Dakota County, Minnesota

Notes to the Financial Statements

**December 31,
2023**

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at 12/31/2022	\$ 12,399,677
Changes for the year:	
Service cost	\$ 718,000
Interest	11,000
Changes in Assumptions - Discount Rate	419,000
Changes in Assumptions - Other	462,000
Benefit Payments - Employer - Implicit Subsidy	(827,000)
Net Changes	\$ 783,000
Balance at 12/31/2023	\$ 13,182,677

Changes in assumptions for the Actuarial Report with a measurement date of December 31, 2023 are as follows:

- The salary increase assumption was updated to reflect inflation;
- The medical trend rate assumption was updated to reflect inflation;
- The morality assumption was updated from the assumption used in the January 1, 2022 actuarial report to reflect mortality improvements using the most recently published mortality improvement scale available as of the Measurement Date.
- The Discount Rate was also updated from 3.72% to 3.26%.

Sensitivity of the Total OPEB liability to changes in the discount rate and healthcare cost trend rates. The following presents the Total OPEB liability of the County, as well as what the County's Total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.26 percent) or 1-percentage-point higher (4.26 percent) than the current discount rate:

	1% Decrease (2.26)%	Discount Rate (3.26)%	1% Increase (4.26)%
Total OPEB liability (asset)	\$ 14,133,000	\$ 13,182,677	\$ 12,287,000

Sensitivity of the Total OPEB liability to changes in the healthcare cost trend rates. The following presents the Total OPEB liability of the County, as well as what the County's Total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (7.75 percent decreasing to 2.8 percent) or 1-percentage-point higher (9.75 percent decreasing to 4.8 percent) than the current healthcare cost trend rates:

	1% Decrease (7.25% decreasing to 2.8%)	Healthcare Cost Trend Rates (8.25% decreasing to 3.8%)	1% Increase (9.25% decreasing to 4.8%)
Total OPEB liability (asset)	\$ 11,724,000	\$ 13,182,677	\$ 14,896,000

Dakota County, Minnesota

Notes to the Financial Statements

December 31, 2023

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

For the year ended December 31, 2023, the County recognized OPEB expense of \$3,123,000. At December 31, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 11,216,000	\$ -
Changes of assumptions	780,000	455,000
Total	<u>\$ 11,996,000</u>	<u>\$ 455,000</u>

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

Year ended June 30:

2024	\$2,420,000
2025	\$2,406,000
2026	\$2,095,000
2027	\$2,068,000
2028	\$2,129,000
Thereafter	\$423,000

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Required Supplementary Information

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**DAKOTA COUNTY
MINNESOTA**

**BUDGETARY COMPARISON STATEMENT
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Taxes	\$ 130,132,541	\$ 129,939,096	\$ 128,983,619	\$ (955,477)
Licenses and permits	952,250	981,391	1,088,875	107,484
Intergovernmental	95,278,261	123,058,789	135,184,640	12,125,851
Charges for services	22,695,470	14,318,966	10,230,886	(4,088,080)
Fines and forfeits	20,000	20,000	5,902	(14,098)
Gifts and contributions	2,500	2,500	11,782	9,282
Investment earnings	8,294,731	8,294,731	14,733,725	6,438,994
Miscellaneous	2,779,772	3,075,181	3,202,810	127,629
Total Revenues	\$ 260,155,525	\$ 279,690,654	\$ 293,442,239	\$ 13,751,585
Expenditures				
Current				
General government				
Commissioners	\$ 947,991	\$ 962,498	\$ 916,458	\$ 46,040
Courts services	469,561	469,561	800,854	(331,293)
County administration	1,525,681	1,657,087	1,536,179	120,908
EFIS division administration	2,405,782	3,105,623	3,023,479	82,144
Public service and revenue admin	826,280	955,098	818,117	136,981
Service and license centers	2,486,075	2,707,870	2,613,949	93,921
Property taxation and records	4,052,248	4,301,037	4,273,090	27,947
County assessor	4,371,087	4,610,959	4,527,399	83,560
Elections	1,793,337	2,561,319	2,131,452	429,867
Accounting and auditing	3,470,592	3,731,823	3,603,997	127,826
Information technology	13,341,043	24,036,802	18,602,575	5,434,227
Operations management services	18,765,241	21,443,408	17,610,466	3,832,942
Employee relations	3,346,392	3,360,217	3,187,046	173,171
Attorney	9,051,113	8,918,949	8,188,269	730,680
Risk management	3,559,856	6,704,283	5,102,073	1,602,210
Physical development administration	2,675,626	2,992,005	3,364,541	(372,536)
Communications	1,137,619	1,166,856	1,173,027	(6,171)
County-wide operations	9,225,716	1,713,543	6,035,906	(4,322,363)
Veterans service officer	861,803	873,540	841,039	32,501
Total general government	\$ 84,313,043	\$ 96,272,478	\$ 88,349,916	\$ 7,922,562
Public safety				
Sheriff	\$ 26,622,304	\$ 28,439,053	\$ 28,537,735	\$ (98,682)
Medical Examiner	1,836,616	1,836,616	1,095,886	740,730
Community corrections	22,918,993	24,897,725	23,622,524	1,275,201
Total public safety	\$ 51,377,913	\$ 55,173,394	\$ 53,256,145	\$ 1,917,249

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, 2023**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Expenditures				
Current (Continued)				
Human services				
Administration	\$ 2,134,363	\$ 2,206,716	\$ 1,882,067	\$ 324,649
Income maintenance	34,997,060	36,767,774	33,658,667	3,109,107
Social services	74,836,704	75,011,846	79,730,501	(4,718,655)
Total human services	\$ 111,968,127	\$ 113,986,336	\$ 115,271,235	\$ (1,284,899)
Health				
Public health	\$ 14,547,838	\$ 15,197,165	\$ 12,529,349	\$ 2,667,816
Culture and recreation				
Historical society	\$ 107,185	\$ 132,185	\$ 132,185	\$ -
County fair	191,117	191,117	191,117	-
Parks	-	22,741	217,034	(194,293)
Total culture and recreation	\$ 298,302	\$ 346,043	\$ 540,336	\$ (194,293)
Conservation of natural resources				
Soil and water conservation	\$ 431,302	\$ 431,302	\$ 431,660	\$ (358)
Farmland and natural area program	1,461,395	40,218,310	4,749,458	35,468,852
County extension	364,049	408,655	356,482	52,173
Other soil and water conservation	-	-	4,824	(4,824)
Total conservation of natural resources	\$ 2,256,746	\$ 41,058,267	\$ 5,542,424	\$ 35,515,843
Economic development				
Administration	\$ -	\$ -	\$ 7,726,960	\$ (7,726,960)
Community development	2,935,237	4,210,369	3,738,063	472,306
Total economic development	\$ 2,935,237	\$ 4,210,369	\$ 11,465,023	\$ (7,254,654)
Total Expenditures	\$ 266,907,206	\$ 325,454,052	\$ 287,471,207	\$ 37,982,845

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, 2023**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Excess of Revenues Over (Under)				
Expenditures	\$ (6,751,681)	\$ (45,763,398)	\$ 5,971,032	\$ 51,734,430
Other Financing Sources (Uses)				
Transfers in	\$ -	\$ 40,000	\$ 645,432	\$ 605,432
Transfers out	(12,361,030)	(12,361,030)	(1,091,900)	11,269,130
Subscriptions issued	-	-	773,748	773,748
Proceeds from sale of assets	302,000	302,000	129,489	(172,511)
Total Other Financing Sources (Uses)	\$ (12,059,030)	\$ (12,019,030)	\$ 456,769	\$ 12,475,799
Net Change in Fund Balance	\$ (18,810,711)	\$ (57,782,428)	\$ 6,427,801	\$ 64,210,229
Fund Balance - January 1	92,036,654	92,036,654	92,036,654	-
Fund Balance - December 31	\$ 73,225,943	\$ 34,254,226	\$ 98,464,455	\$ 64,210,229

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, 2023**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Taxes	\$ 4,715,971	\$ 4,715,971	\$ 7,503,515	\$ 2,787,544
Licenses and permits	270,000	270,000	281,157	11,157
Intergovernmental	39,193,277	42,329,879	39,584,798	(2,745,081)
Charges for services	210,009	210,009	166,284	(43,725)
Miscellaneous	276,300	276,300	244,694	(31,606)
Total Revenues	\$ 44,665,557	\$ 47,802,159	\$ 47,780,448	\$ (21,711)
Expenditures				
Current				
Highway and streets				
Administration	\$ 12,254,409	\$ 12,254,409	\$ 2,037,182	\$ 10,217,227
Maintenance	(3,000,758)	(2,958,280)	7,289,623	(10,247,903)
Construction	53,614,830	143,691,961	78,879,504	64,812,457
Survey	(2,091)	(901)	1,049,785	(1,050,686)
Total highways and streets	\$ 62,866,390	\$ 152,987,189	\$ 89,256,094	\$ 63,731,095
Total Expenditures	\$ 62,866,390	\$ 152,987,189	\$ 89,256,094	\$ 63,731,095
Excess of Revenues Over (Under)				
Expenditures	\$ (18,200,833)	\$ (105,185,030)	\$ (41,475,646)	\$ 63,709,384
Net Change in Fund Balance	\$ (18,200,833)	\$ (105,185,030)	\$ (41,475,646)	\$ 63,709,384
Fund Balance - January 1	55,067,332	55,067,332	55,067,332	-
Fund Balance - December 31	\$ 36,866,499	\$ (50,117,698)	\$ 13,591,686	\$ 63,709,384

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

**DAKOTA COUNTY
MINNESOTA**

**BUDGETARY COMPARISON STATEMENT
BUDGET AND ACTUAL
ENVIRONMENTAL LEGACY SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Taxes	\$ 185,000	\$ 185,000	\$ 185,333	\$ 333
Licenses and permits	1,052,851	1,052,851	1,086,599	33,748
Intergovernmental	2,487,368	2,666,042	2,484,903	(181,139)
Charges for services	7,632,164	7,632,164	9,063,120	1,430,956
Miscellaneous	658,006	693,006	810,795	117,789
Total Revenues	\$ 12,015,389	\$ 12,229,063	\$ 13,630,750	\$ 1,401,687
Expenditures				
Current				
General				
General government	\$ -	\$ -	\$ 75,000	\$ (75,000)
Total General government	\$ -	\$ -	\$ 75,000	\$ (75,000)
Sanitation				
Solid waste	\$ 8,599,640	\$ 10,918,365	\$ 7,597,250	\$ 3,321,115
Total Sanitation	\$ 8,599,640	\$ 10,918,365	\$ 7,597,250	\$ 3,321,115
Culture and recreation				
Culture and recreation	\$ -	\$ -	\$ 2,672,763	\$ (2,672,763)
Total Culture and recreation	\$ -	\$ -	\$ 2,672,763	\$ (2,672,763)
Conservation of natural resources				
Water resources	\$ 1,074,601	\$ 1,256,905	\$ 2,913,151	\$ (1,656,246)
Other conservation	-	110,000	108,750	1,250
Total conservation of natural resources	\$ -	\$ 110,000	\$ 3,021,901	\$ 1,250
Total Expenditures	\$ 8,599,640	\$ 11,028,365	\$ 13,366,914	\$ 3,322,365
Excess of Revenues Over (Under) Expenditures	\$ 3,415,749	\$ 1,200,698	\$ 263,836	\$ 4,724,052
Other Financing Sources (Uses)				
Transfers out	\$ (23,383,001)	\$ (23,423,001)	\$ (2,199,574)	\$ 21,223,427
Total Other Financing Sources (Uses)	\$ (23,383,001)	\$ (23,423,001)	\$ (2,199,574)	\$ 21,223,427
Change in Fund Balance	\$ (19,967,252)	\$ (22,222,303)	\$ (1,935,738)	\$ 25,947,479
Fund Balance - January 1	56,973,275	56,973,275	56,973,275	-
Fund Balance - December 31	\$ 37,006,023	\$ 34,750,972	\$ 55,037,537	\$ 25,947,479

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

**DAKOTA COUNTY
MINNESOTA**

**BUDGETARY COMPARISON STATEMENT
BUDGET AND ACTUAL
DC TRANSPORTATION SALES TAX SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Taxes	\$ 24,682,200	\$ 24,682,200	\$ 24,369,410	\$ (312,790)
Intergovernmental	5,049,000	5,049,000	9,655,550	4,606,550
Total Revenues	\$ 29,731,200	\$ 29,731,200	\$ 34,024,960	\$ 4,293,760
Expenditures				
Current				
Highway and streets				
Administration	\$ 30,966,017	\$ 70,587,922	\$ 11,243,523	\$ 59,344,399
Total Expenditures	\$ 30,966,017	\$ 70,587,922	\$ 11,243,523	\$ 59,344,399
Excess of Revenues Over (Under)				
Expenditures	\$ (1,234,817)	\$ (40,856,722)	\$ 22,781,437	\$ 63,638,159
Other Financing Sources (Uses)				
Transfers out	\$ (1,000,000)	\$ (1,000,000)	\$ -	\$ 1,000,000
Total Other Financing Sources (Uses)	\$ (1,000,000)	\$ (1,000,000)	\$ -	\$ 1,000,000
Net Change in Fund Balance	\$ (2,234,817)	\$ (41,856,722)	\$ 22,781,437	\$ 64,638,159
Fund Balance - January 1	72,432,359	72,432,359	72,432,359	-
Fund Balance - December 31	\$ 70,197,542	\$ 30,575,637	\$ 95,213,796	\$ 64,638,159

**DAKOTA COUNTY
MINNESOTA**

**BUDGETARY COMPARISON STATEMENT
BUDGET AND ACTUAL
FEDERAL REVENUE (ARPA) SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
Revenues				
Intergovernmental	\$ 2,969,946	\$ 64,523,974	\$ 20,440,531	\$ (44,083,443)
Total Revenues	\$ 2,969,946	\$ 64,523,974	\$ 20,440,531	\$ (44,083,443)
Expenditures				
Current				
General Government				
County attorney	\$ 1,741	\$ 1,741	\$ 26,444	\$ (24,703)
County-wide operations	150,000	39,515,148	7,985,000	31,530,148
Information technology	-	-	67,683	(67,683)
County building	-	10,371,000	9,135,178	1,235,822
Total general government	\$ 151,741	\$ 49,887,889	\$ 17,214,305	\$ 32,673,584
Human services				
Employment and economic development	\$ 2,875	\$ 2,875	\$ 467,982	\$ (465,107)
Social services	2,551,481	2,551,481	1,841,595	709,886
Total human services	\$ 2,554,356	\$ 2,554,356	\$ 2,309,577	\$ 244,779
Health				
Public health	\$ -	\$ -	\$ 249	\$ (249)
Total health	\$ -	\$ -	\$ 249	\$ (249)
Conservation				
Environmental resources - CIP	\$ -	\$ 1,519,764	\$ 1,050,283	\$ 469,481
Total conservation	\$ -	\$ 1,519,764	\$ 1,050,283	\$ 469,481
Total Expenditures	\$ 2,706,097	\$ 53,962,009	\$ 20,574,414	\$ 33,387,595
Excess of Revenues Over (Under)				
Expenditures	\$ 263,849	\$ 10,561,965	\$ (133,883)	\$ (10,695,848)
Net Change in Fund Balance	\$ 263,849	\$ 10,561,965	\$ (133,883)	\$ (10,695,848)
Fund Balance - January 1	133,883	133,883	133,883	-
Fund Balance - December 31	\$ 397,732	\$ 10,695,848	\$ -	\$ (10,695,848)

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I. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

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

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

The appropriated budget is prepared by fund, function, and department. This appropriated budget is adopted at the department level. Budgets may be amended during the year with the approval of the County Manager or County Board as required by the County Budget Compliance Policy. The County Manager is authorized to transfer budgeted amounts between departments or appropriate certain revenues received in excess of the original budget estimate. Supplemental appropriations are reviewed by the County Manager and submitted to the County Board for their approval. If approved, the adjustments are implemented by the Finance Department by budget revision. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is at the department level.

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

<u>Fund</u>	<u>Amount</u>
General	\$ 58,546,846
Highway	\$ 90,120,799
Environmental Legacy	\$ 2,428,725
DC Transportation Sales Tax	\$ 39,621,905
Federal Revenue	\$ 51,255,912
Capital Projects	\$ 44,746,755
County Library	\$ 1,426,728
County Parks	\$ 81,795,751

B. Excess of Expenditures Over Appropriations

For the year ended December 31, 2023, expenditures exceeded appropriations in the General Fund for Court Services by \$331,293, Physical Development Administration by \$372,536, Communications by \$6,171, County-Wide Operations by \$4,322,363, Sheriff by \$98,682, Social Services by \$4,718,655, Parks by \$194,293, Soil and Water Conservation by \$358, Other Conservation by \$4,824, Economic Development-Administration by \$7,726,960, in the Highway Special Revenue Fund for Survey by \$1,050,686, in the Environmental Legacy Special Revenue Fund for General Government by \$75,000, Culture and Recreation by \$2,672,763, Water Resources by \$1,656,246, in the Federal Revenue (ARPA) Special Revenue Fund for County Attorney by \$24,703, Information Technology by \$67,683, for Employment and Economic Development by \$465,107, Public Health by \$249, in the Regional Rail Special Revenue Fund for Administration by \$109,876. These excess expenditures were funded by available fund balance and current year savings.

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**DAKOTA COUNTY
MINNESOTA**

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

December 31, 2023

	2018	2019	2020	2021	2022	2023
Total OPEB Liability						
Service cost	\$ 626,000	\$ 572,000	\$ 788,000	\$ 805,000	\$ 869,000	\$ 718,000
Interest	315,000	374,000	290,000	267,000	268,000	473,000
Changes in Assumptions - Discount Rate	(403,000)	877,000	503,000	50,000	(1,531,000)	419,000
Changes in Assumptions - Other	(33,000)	-	56,000	-	918,000	-
Benefit Payments - Employer - Implicit Subsidy	(461,000)	(485,000)	(638,000)	(689,000)	(803,000)	(827,000)
Difference between projected and actual investment income	-	-	980,000	-	137,000	-
Net Change in total OPEB Liability	\$ 44,000	\$ 1,338,000	\$ 1,979,000	\$ 433,000	\$ (142,000)	783,000
Total OPEB liability - beginning	8,747,677	8,791,677	10,129,677	12,108,677	12,541,677	12,399,677
Total OPEB liability - ending	<u>\$ 8,791,677</u>	<u>\$ 10,129,677</u>	<u>\$ 12,108,677</u>	<u>\$ 12,541,677</u>	<u>\$ 12,399,677</u>	<u>\$ 13,182,677</u>
Covered employee payroll	\$ 131,815,000	\$ 139,031,000	\$ 145,134,000	\$ 150,285,000	\$ 153,261,000	\$ 161,698,000
County's total OPEB liability as a percentage of the covered employee payroll	6.67%	7.29%	8.34%	8.35%	8.09%	8.20%

Notes to Schedule:

Benefit changes: None

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

2023 assumptions:

- The medical trend rate assumption was updated based on recent trend surveys;
- The mortality assumption was updated to reflect the most recent published mortality improvement scale available for the January 1, 2022 valuation.
- In addition to the assumptions changes above, a single discount rate of 3.26% was used to measure the Total OPEB Liability as of December 31, 2023.

2022 assumptions:

- The medical trend rate assumption was updated based on recent trend surveys;
- The mortality assumption was updated to reflect the most recent published mortality improvement scale available for the January 1, 2022 valuation.
- In addition to the assumptions changes above, a single discount rate of 3.72% was used to measure the Total OPEB Liability as of December 31, 2022.

2021 assumptions:

- Inflation was updated to 2.25% (from 2.50%)
- The Salary Increase Assumption was updated to reflect the reduction in inflation;
- The medical trend rate assumption was updated to reflect the reduction in inflation;
- The mortality assumption was updated from the assumption used in the January 1, 2020 actuarial report to reflect mortality improvements using Scale MP-2020, the most recently
- In addition to the assumptions changes above, a single discount rate of 2.06% was used to measure the Total OPEB Liability as of December 31, 2021. This single discount rate was

2020 assumptions:

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

2019 assumptions:

- Inflation was updated to 2.50% (from 2.75%)
- The Salary Increase Assumption was updated to reflect the reduction in inflation;
- The medical trend rate assumption was updated to reflect the reduction in inflation;
- The mortality assumption was updated from the assumption used in the January 1, 2018 actuarial report to reflect mortality improvements using Scale MP-2018, the most recently
- In addition to the assumptions changes above, a single discount rate of 2.74% was used to measure the Total OPEB Liability as of December 31, 2019. This single discount rate was

2018 assumptions:

- Inflation was updated to 2.50% (from 2.75%)
- The Salary Increase Assumption was updated to reflect the reduction in inflation;
- The medical trend rate assumption was updated to reflect the reduction in inflation;
- The mortality assumption was updated from the assumption used in the January 1, 2018 actuarial report to reflect mortality improvements using Scale MP-2018, the most recently
- In addition to the assumptions changes above, a single discount rate of 4.10% was used to measure the Total OPEB Liability as of December 31, 2018. This single discount rate was

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

**DAKOTA COUNTY
MINNESOTA**

**SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
PERA GENERAL EMPLOYEES RETIREMENT PLAN
DECEMBER 31, 2023**

Measurement Date	Employer's Proportion of the Net Pension Liability (Asset)	Employer's Proportionate Share of the Net Pension Liability (Asset) (a)	State's Proportionate Share of the Net Pension Liability Associated With Dakota County (b)	Employer's Proportionate Share of the Net Pension Liability and the State's Related Share of the Net Pension Liability (Asset) (a+b)	Covered Payroll (c)	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll (a/c)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	1.5957%	\$ 82,697,456	\$ N/A	\$ 82,697,456	\$ 93,797,985	88.17%	78.19%
2016	1.5864	128,807,811	501,636	129,309,447	98,563,497	130.69	68.91
2017	1.6704	106,637,234	1,340,859	107,978,093	107,526,176	99.17	75.90
2018	1.6281	90,320,313	2,962,659	93,282,972	109,767,382	82.28	79.53
2019	1.6335	90,312,556	2,807,045	93,119,601	115,251,630	78.36	80.23
2020	1.6916	101,419,151	3,127,472	104,546,623	120,802,803	83.95	79.06
2021	1.7469	74,600,456	2,278,211	76,878,667	126,005,505	59.20	87.00
2022	1.6991	134,569,281	3,945,366	138,514,647	126,994,589	105.96	76.67
2023	1.6386	91,628,677	2,525,929	94,154,606	130,654,511	70.13	83.10

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, 2023**

Year Ending	Statutorily Required Contributions (a)	Actual Contributions in Relation to Statutorily Required Contributions (b)	Contribution (Deficiency) Excess (b-a)	Covered Payroll (c)	Actual Contributions as a Percentage of Covered Payroll (b/c)
2015	\$ 7,424,949	\$ 7,424,949	\$ -	\$ 98,998,921	7.50%
2016	7,609,115	7,609,115	-	101,454,465	7.50
2017	8,020,074	8,020,074	-	106,934,320	7.50
2018	8,403,716	8,403,716	-	112,049,547	7.50
2019	8,878,920	8,878,920	-	118,385,600	7.50
2020	9,259,844	9,259,844	-	123,464,587	7.50
2021	9,457,441	9,457,441	-	126,099,212	7.50
2022	9,701,297	9,701,297	-	129,350,626	7.50
2023	10,216,652	10,216,652	-	136,222,027	7.50

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

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

**DAKOTA COUNTY
MINNESOTA**

**SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
PERA PUBLIC EMPLOYEES POLICE AND FIRE PLAN
DECEMBER 31, 2023**

Measurement Date	Employer's Proportion of the Net Pension Liability (Asset)	Employer's Proportionate Share of the Net Pension Liability (Asset) (a)	State's Proportionate Share of the Net Pension Liability Associated With Dakota County (b)	Employer's Proportionate Share of the Net Pension Liability and the State's Related Share of the Net Pension Liability (Asset) (a+b)	Covered Payroll (c)	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll (a/c)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	0.584%	\$ 6,635,607	\$ N/A	\$ 6,635,607	5,349,904	124.03%	86.61%
2016	0.589	23,637,595	N/A	23,637,595	5,556,937	425.37	63.88
2017	0.649	8,762,272	N/A	8,762,272	6,658,474	131.60	85.43
2018	0.654	6,965,637	N/A	6,965,637	6,887,800	101.13	88.84
2019	0.654	6,961,426	N/A	6,961,426	6,896,956	100.93	89.26
2020	0.667	8,797,046	N/A	8,797,046	7,513,126	117.09	87.19
2021	0.627	4,837,460	217,487	5,054,947	7,691,092	62.90	93.66
2022	0.639	27,802,404	1,214,544	29,016,948	7,859,719	353.73	70.53
2023	0.611	10,558,083	425,269	10,983,352	8,028,227	131.51	86.47

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, 2023**

Year Ending	Statutorily Required Contributions (a)	Actual Contributions in Relation to Statutorily Required Contributions (b)	Contribution (Deficiency) Excess (b-a)	Covered Payroll (c)	Actual Contributions as a Percentage of Covered Payroll (b/c)
2015	\$ 906,079	\$ 906,079	\$ -	5,531,350	16.38%
2016	979,649	979,649	-	6,047,220	16.20
2017	1,090,710	1,090,710	-	6,732,778	16.20
2018	1,116,024	1,116,024	-	6,889,037	16.20
2019	1,219,927	1,219,927	-	7,197,209	16.95
2020	1,360,235	1,360,235	-	7,684,942	17.70
2021	1,379,155	1,379,155	-	7,791,838	17.70
2022	1,392,087	1,392,087	-	7,864,899	17.70
2023	1,472,645	1,472,645	-	8,320,028	17.70

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

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

**DAKOTA COUNTY
MINNESOTA**

**SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
PERA PUBLIC EMPLOYEES CORRECTIONAL PLAN
DECEMBER 31, 2023**

Measurement Date	Employer's Proportion of the Net Pension Liability (Asset)	Employer's Proportionate Share of the Net Pension Liability (Asset) (a)	Covered Payroll (b)	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll (a/b)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	3.14%	\$ 485,444	\$ 5,619,220	8.64%	96.95%
2016	2.96	10,813,294	5,575,906	193.93	58.16
2017	3.14	8,949,031	6,183,626	144.72	67.89
2018	3.03	498,607	6,191,632	8.05	97.64
2019	3.15	435,854	6,714,968	6.49	98.17
2020	3.38	918,025	7,102,592	12.93	96.67
2021	3.46	(567,768)	7,454,668	(7.62)	101.61
2022	3.40	11,296,615	7,574,406	149.14	74.58
2023	3.40	1,535,975	7,966,851	19.28	95.94

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, 2023**

Year Ending	Statutorily Required Contributions (a)	Actual Contributions in Relation to Statutorily Required Contributions (b)	Contribution (Deficiency) Excess (b-a)	Covered Payroll (c)	Actual Contributions as a Percentage of Covered Payroll (b/c)
2015	\$ 494,252	\$ 494,252	\$ -	\$ 5,648,593	8.75%
2016	504,457	504,457	-	5,765,217	8.75
2017	527,045	527,045	-	6,023,371	8.75
2018	568,248	568,248	-	6,494,263	8.75
2019	605,148	605,148	-	6,915,977	8.75
2020	635,396	635,396	-	7,261,663	8.75
2021	660,207	660,207	-	7,545,219	8.75
2022	670,130	670,130	-	7,658,630	8.75
2023	747,379	747,379	-	8,541,474	8.75

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

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

**DAKOTA COUNTY
MINNESOTA**

**NOTES TO THE SCHEDULES OF PROPORTIONATE SHARE OF NET PENSION
LIABILITY AND SCHEDULES OF CONTRIBUTIONS
FOR THE YEAR ENDED DECEMBER 31, 2023**

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

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

General Employees Fund

2023 Changes

Changes in Actuarial Assumptions

- The investment return assumption and single discount rate were changed from 6.5 percent to 7.00 percent.

Changes in Plan Provisions

- An additional one-time direct state aid contribution of \$170.1 million will be contributed to the Plan on October 1, 2023.
- The vesting period of those hired after June 30, 2010, was changed from five years of allowable service to three years of allowable service.
- The benefit increase delay for early retirements on or after January 1, 2024, was eliminated.
- A one-time, non-compounding benefit increase of 2.5 percent minus the actual 2024 adjustment will be payable in a lump sum for calendar year 2024 by March 31, 2024.

2022 Changes

Changes in Actuarial Assumptions

- The mortality improvement scale was changed from Scale MP-2020 to Scale MP-2021.

Changes in Plan Provisions

- There were no changes in plan provisions since the previous valuation.

2021 Changes

Changes in Actuarial Assumptions

- The investment return and single discount rates were changed from 7.50 percent to 6.50 percent, for financial reporting purposes.
- The mortality improvement scale was changed from Scale MP-2019 to Scale MP-2020.

Changes in Plan Provisions

- There were no changes in plan provisions since the previous valuation.

**DAKOTA COUNTY
MINNESOTA**

**NOTES TO THE SCHEDULES OF PROPORTIONATE SHARE OF NET PENSION
LIABILITY AND SCHEDULES OF CONTRIBUTIONS
FOR THE YEAR ENDED DECEMBER 31, 2023**

2020 Changes

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

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

2019 Changes

Changes in Actuarial Assumptions

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

**DAKOTA COUNTY
MINNESOTA**

**NOTES TO THE SCHEDULES OF PROPORTIONATE SHARE OF NET PENSION
LIABILITY AND SCHEDULES OF CONTRIBUTIONS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Changes in Plan Provisions

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

2018 Changes

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

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

2017 Changes

Changes in Actuarial Assumptions

- The combined service annuity (CSA) loads were changed from 0.80 percent for active members and 60.00 percent for vested and non-vested deferred members. The revised CSA load are now 0.00 percent for active member liability, 15.00 percent for vested deferred member liability, and 3.00 percent for non-vested deferred member liability.

**DAKOTA COUNTY
MINNESOTA**

**NOTES TO THE SCHEDULES OF PROPORTIONATE SHARE OF NET PENSION
LIABILITY AND SCHEDULES OF CONTRIBUTIONS
FOR THE YEAR ENDED DECEMBER 31, 2023**

- The assumed postretirement benefit increase rate was changed for 1.00 percent per year for all years to 1.00 percent per year through 2044 and 2.50 percent per year thereafter.

Changes in Plan Provisions

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

2016 Changes:

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2015 Changes:

Changes in Actuarial Assumptions

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

Changes in Plan Provisions:

- On January 1, 2015, the Minneapolis Employees Retirement Fund was merged into the General Employees Fund, which increased the total pension liability by \$1.1 billion and increase the fiduciary plan net position by \$892 million. Upon consolidation, state and employer contributions were revised; the State's contribution of \$6.0 million, which meets the special funding situation definition, was due September 2015.

**DAKOTA COUNTY
MINNESOTA**

**NOTES TO THE SCHEDULES OF PROPORTIONATE SHARE OF NET PENSION
LIABILITY AND SCHEDULES OF CONTRIBUTIONS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Police and Fire Fund

2023 Changes

Changes in Actuarial Assumptions

- The investment return assumption was changed from 6.5 percent to 7.00 percent.
- The single discount rate changed from 5.4 percent to 7.0 percent.

Changes in Plan Provisions

- Additional one-time direct state aid contribution of 19.4 million will be contributed to the Plan on October 1, 2023.
- Vesting requirement for new hires after June 30, 2014, was changed from a graded 20-year vesting schedule to a graded 10-year vesting schedule, with 50 percent vesting after five years, increasing incrementally to 100% after 10 years.
- A one-time, non-compounding benefit increase of 3.0 percent will be payable in a lump sum for calendar year 2024 by March 31, 2024.
- Psychological treatment is required effective July 1, 2023, prior to approval for a duty disability benefit for a psychological condition relating to the member's occupation.
- The total and permanent duty disability benefit was increased, effective July 1, 2023.

2022 Changes

Changes in Actuarial Assumptions

- The mortality improvement scale was changed from Scale MP-2020 to Scale MP-2021.
- The single discount rate changed from 6.5% to 5.4%.

Changes in Plan Provisions

- There were no changes in plan provisions since the previous valuation.

2021 Changes

Changes in Actuarial Assumptions

- The investment return and single discount rates were changed from 7.50 percent to 6.50 percent, for financial reporting purposes.
- The inflation assumption was changed from 2.50 percent to 2.25 percent.
- The payroll growth assumption was changed from 3.25 percent to 3.00 percent.
- The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 Public Safety Mortality table. The mortality improvement scale was changed from MP-2019 to MN-2020.

**DAKOTA COUNTY
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**NOTES TO THE SCHEDULES OF PROPORTIONATE SHARE OF NET PENSION
LIABILITY AND SCHEDULES OF CONTRIBUTIONS
FOR THE YEAR ENDED DECEMBER 31, 2023**

- The base mortality table for disabled annuitants was changed from the RP-2014 healthy annuitant mortality table (with future mortality improvement according to Scale MP-2019) to the Pub-2010 Public Safety disabled annuitant mortality table (with future mortality improvement according to Scale MP-2020).
- Assumed rates of salary increase were modified as recommended in the July 14, 2020 experience study. The overall impact is a decrease in gross salary increase rates.
- Assumed rates of retirement were changed as recommended in the July 14, 2020 experience study. The changes result in slightly more unreduced retirements and fewer assumed early retirements.
- Assumed rates of withdrawal were changed from select and ultimate rates to service-based rates. The changes result in more assumed terminations.
- Assumed rates of disability were increased for ages 25-44 and decreased for ages over 49. Overall, proposed rates result in more projected disabilities.
- Assumed percent married for active female members was changed from 60 percent to 70 percent. Minor changes to form of payment assumptions were applied.

Changes in Plan Provisions

- There were no changes in plan provisions since the previous valuation.

2020 Changes

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2019 Changes

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2018 Changes

Changes in Actuarial Assumptions

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

**DAKOTA COUNTY
MINNESOTA**

**NOTES TO THE SCHEDULES OF PROPORTIONATE SHARE OF NET PENSION
LIABILITY AND SCHEDULES OF CONTRIBUTIONS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Changes in Plan Provisions

- Postretirement benefit increases were changed to 1.00 percent for all years, with no trigger.
- An end date of July 1, 2048 was added to the existing \$9.0 million state contribution.
- New annual state aid will equal \$4.5 million in fiscal years 2019 and 2020, and \$9.0 million thereafter until the plan reaches 100 percent funding, or July 1, 2048, if earlier, which meets the special funding situation definition.
- Member contributions were changed from 10.80 percent to 11.30 percent of pay, effective January 1, 2019 and 11.80 percent of pay, effective January 1, 2020.
- Employer contributions were changed from 16.20 percent to 16.95 percent of pay, effective January 1, 2019 and 17.70 percent of pay, effective January 1, 2020.
- Interest credited on member contributions decreased from 4.00 percent to 3.00 percent, beginning July 1, 2018.
- Deferred augmentation was changed to 0.00 percent, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

2017 Changes

Changes in Actuarial Assumptions

- Assumed salary increases were changed as recommended in the June 30, 2016 experience study. The net effect is proposed rates that average 0.34 percent lower than the previous rates.
- Assumed rates of retirement were changed, resulting in fewer retirements.
- The combined service annuity (CSA) load was 30.00 percent for vested and non-vested, deferred members. The CSA has been changed to 33.00 percent for vested members and 2.00 percent for non-vested members.
- The base mortality table for healthy annuitants was changed from the RP-2000 fully generational table to the RP-2014 fully generational table (with a base year of 2006), with male rates adjusted by a factor of 0.96. The mortality improvement scale was changed from Scale AA to Scale MP-2016. The base mortality table for disabled annuitants was changed from the RP-2000 disabled mortality table to the mortality tables assumed for healthy retirees.

**DAKOTA COUNTY
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**NOTES TO THE SCHEDULES OF PROPORTIONATE SHARE OF NET PENSION
LIABILITY AND SCHEDULES OF CONTRIBUTIONS
FOR THE YEAR ENDED DECEMBER 31, 2023**

- Assumed termination rates were decreased to 3.00 percent for the first three years of service. Rates beyond the select period of three years were adjusted, resulting in more expected terminations overall.
- Assumed percentage of married female members was decreased from 65.00 percent to 60.00 percent.
- Assumed age difference was changed from separate assumptions for male members (wives assumed to be three years younger) and female members (husbands assumed to be four years older) to the assumption that males are two years older than females.
- The assumed percentage of female members electing joint and survivor annuities was increased.
- The assumed postretirement benefit increase rate was changed from 1.00 percent for all years to 1.00 percent per year through 2064 and 2.50 percent thereafter.
- The single discount rate was changed from 5.60 percent per annum to 7.50 percent per annum.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2016 Changes:

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2015 Changes:

Changes in Actuarial Assumptions

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

**DAKOTA COUNTY
MINNESOTA**

**NOTES TO THE SCHEDULES OF PROPORTIONATE SHARE OF NET PENSION
LIABILITY AND SCHEDULES OF CONTRIBUTIONS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Changes in Plan Provisions:

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

Correctional Fund

2023 Changes

Changes in Actuarial Assumptions

- The investment return rate was changed from 6.5 percent to 7.00 percent.
- The single discount rate changed from 5.42 percent to 7.0 percent.

Changes in Plan Provisions

- Additional one-time direct state aid contribution of \$5.3 million will be contributed to the Plan on October 1, 2023.
- A one-time, non-compounding benefit increase of 2.5 percent minus the actual 2024 adjustment will be payable in a lump sum calendar year 2024 by March 31, 2024.
- The maximum benefit increase will revert back to 2.5 percent. The maximum increase is 1.5 percent and the Plan's funding ratio improves to 85 percent for two consecutive years on a market value of assets basis.

2022 Changes

Changes in Actuarial Assumptions

- The mortality improvement scale was changed from Scale MP-2020 to Scale MP-2021.
- The single discount rate changed from 6.50% to 5.42%.
- The benefit increase assumption was changed from 2.00% per annum to 2.00% per annum through December 31, 2054 and 1.50% per annum thereafter.

Changes in Plan Provisions

- There were no changes in plan provisions since the previous valuation.

2021 Changes

Changes in Actuarial Assumptions

- The investment return and single discount rates were changed from 7.50 percent to 6.50 percent, for financial reporting purposes.
- The inflation assumption was changed from 2.50 percent to 2.25 percent.
- The payroll growth assumption was changed from 3.25 percent to 3.00 percent.

**DAKOTA COUNTY
MINNESOTA**

**NOTES TO THE SCHEDULES OF PROPORTIONATE SHARE OF NET PENSION
LIABILITY AND SCHEDULES OF CONTRIBUTIONS
FOR THE YEAR ENDED DECEMBER 31, 2023**

- The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 Public Safety Mortality table. The mortality improvement scale was changed from MP-2019 to MN-2020.
- The base mortality table for disabled annuitants was changed from the RP-2014 healthy annuitant mortality table (with future mortality improvement according to Scale MP-2019) to the Pub-2010 Public Safety disabled annuitant mortality table (with future mortality improvement according to Scale MP-2020).
- Assumed rates of salary increase were modified as recommended in the July 10, 2020 experience study. The overall impact is a decrease in gross salary increase rates.
- Assumed rates of retirement were changed as recommended in the July 10, 2020 experience study. The changes result in slightly more unreduced retirements and fewer assumed early retirements.
- Assumed rates of withdrawal were changed as recommended in the July 10, 2020 experience study. The new rates predict more terminations, both in the three-year select period (based on service) and the ultimate rates (based on age).
- Assumed rates of disability lowered.
- Assumed percent married for active members was lowered from 85 percent to 75 percent.
- Minor changes to form of payment assumptions were applied.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2020 Changes

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2019 Changes

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- There have been no changes since the prior valuation.

**DAKOTA COUNTY
MINNESOTA**

**NOTES TO THE SCHEDULES OF PROPORTIONATE SHARE OF NET PENSION
LIABILITY AND SCHEDULES OF CONTRIBUTIONS
FOR THE YEAR ENDED DECEMBER 31, 2023**

2018 Changes

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

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

2017 Changes

Changes in Actuarial Assumptions

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

**DAKOTA COUNTY
MINNESOTA**

**NOTES TO THE SCHEDULES OF PROPORTIONATE SHARE OF NET PENSION
LIABILITY AND SCHEDULES OF CONTRIBUTIONS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2016 Changes:

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

There have been no changes since the prior valuation.

2015 Changes

Changes in Actuarial Assumptions

- There have been no changes since the prior valuation.

Changes in Plan Provisions

- There have been no changes since the prior valuation.



Supplementary Information

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**DAKOTA COUNTY
MINNESOTA**

**BUDGETARY COMPARISON SCHEDULE
BUDGET AND ACTUAL
CAPITAL PROJECTS FUND
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Taxes	\$ 3,338,405	\$ 3,338,405	\$ 3,329,615	\$ (8,790)
Intergovernmental	8,129,000	8,129,000	269,534	(7,859,466)
Total Revenues	\$ 11,467,405	\$ 11,467,405	\$ 3,599,149	\$ (7,868,256)
Expenditures				
Capital outlay				
Capital outlay	28,249,958	72,996,713	11,079,440	61,917,273
Excess of Revenues Over (Under)				
Expenditures	\$ (16,782,553)	\$ (61,529,308)	\$ (7,480,291)	\$ 54,049,017
Other Financing Sources				
Transfers in	\$ -	\$ -	\$ 91,900	\$ 91,900
Net Change in Fund Balance	\$ (16,782,553)	\$ (61,529,308)	\$ (7,388,391)	\$ 54,140,917
Fund Balance - January 1	(2,852,777)	(2,852,777)	(2,852,777)	-
Fund Balance - December 31	\$ (19,635,330)	\$ (64,382,085)	\$ (10,241,168)	\$ 54,140,917

**DAKOTA COUNTY
MINNESOTA**

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2023**

	Special Revenue Funds						Total Nonmajor Governmental Funds
	County Library	County Parks	Regional Rail	Law Library	Attorney Forfeiture	Opioid Settlement	
<u>Assets</u>							
Cash and pooled investments	\$ 1,039,941	\$ 2,481,298	\$ 8,803,759	\$ 324,742	\$ 138,777	\$ 2,328,864	\$ 15,117,381
Petty cash and change funds	3,280	1,600	-	40	-	-	4,920
Taxes receivable							
Prior	114,092	10,286	746	-	-	-	125,124
Accounts receivable	84,311	(667,633)	-	-	-	7,895,013	7,311,691
Due from other funds	112,612	5,157,247	56,324	2,069	-	-	5,328,252
Due from other governments	-	1,046,497	-	19,913	-	-	1,066,410
Total Assets	\$ 1,354,236	\$ 8,029,295	\$ 8,860,829	\$ 346,764	\$ 138,777	\$ 10,223,877	\$ 28,953,778
<u>Liabilities, Deferred Inflows of Resources, and Fund Balances</u>							
Liabilities							
Accounts payable	\$ 71,914	\$ 3,130,055	\$ 475,015	\$ 2,709	\$ 384	\$ -	\$ 3,680,077
Salaries payable	375,662	95,773	-	9,864	-	3,522	484,821
Contracts payable	-	254,449	-	-	-	-	254,449
Due to other funds	470,567	561,491	10,921	6,064	-	924	1,049,967
Due to other governments	142	3,627	-	-	-	-	3,769
Unearned revenue - other	-	191,763	-	-	-	-	191,763
Total Liabilities	\$ 918,285	\$ 4,237,158	\$ 485,936	\$ 18,637	\$ 384	\$ 4,446	\$ 5,664,846
Deferred Inflows of Resources							
Unavailable revenue	\$ 87,789	\$ 7,974	\$ 773	\$ -	\$ -	\$ 7,895,013	\$ 7,991,549
Total deferred inflows of resources	\$ 87,789	\$ 7,974	\$ 773	\$ -	\$ -	\$ 7,895,013	\$ 7,991,549

**DAKOTA COUNTY
MINNESOTA**

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2023**

	Special Revenue Funds						Total Nonmajor Governmental Funds
	County Library	County Parks	Regional Rail	Law Library	Attorney Forfeiture	Opioid Settlement	
Fund Balances							
Restricted for:							
Law library	\$ -	\$ -	\$ -	\$ 328,127	\$ -	\$ -	\$ 328,127
Criminal forfeitures	-	-	-	-	138,393	-	138,393
Opioid settlement	-	-	-	-	-	2,324,418	2,324,418
Assigned to:							
Culture and recreation	348,162	3,784,163	-	-	-	-	4,132,325
Economic development	-	-	8,374,120	-	-	-	8,374,120
Total Fund Balances	\$ 348,162	\$ 3,784,163	\$ 8,374,120	\$ 328,127	\$ 138,393	\$ 2,324,418	\$ 15,297,383
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 1,354,236	\$ 8,029,295	\$ 8,860,829	\$ 346,764	\$ 138,777	\$ 10,223,877	\$ 28,953,778

**DAKOTA COUNTY
MINNESOTA**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Special Revenue Funds						Total Nonmajor Governmental Funds
	County Library	County Parks	Regional Rail	Law Library	Attorney Forfeiture	Opioid Settlement	
Revenues							
Taxes	\$ 14,012,213	\$ 1,175,770	\$ 407	\$ -	\$ -	\$ -	\$ 15,188,390
License and permits	-	101,403	-	-	-	-	101,403
Intergovernmental	346,429	4,909,044	-	150,000	-	-	5,405,473
Charges for services	90,792	1,407,175	-	251,076	-	-	1,749,043
Fines and forfeits	-	1,100	-	-	62,735	-	63,835
Gifts and contributions	98,106	140	-	-	-	-	98,246
Investment earnings	1,473	-	193,474	-	-	-	194,947
Miscellaneous	216,773	1,358	-	7,710	-	476,429	702,270
Total Revenues	\$ 14,765,786	\$ 7,595,990	\$ 193,881	\$ 408,786	\$ 62,735	\$ 476,429	\$ 23,503,607
Expenditures							
Current							
General government	\$ -	\$ -	\$ -	\$ 381,099	\$ 21,216	\$ 23,317	\$ 425,632
Health	-	-	-	-	-	48,227	48,227
Culture and recreation	15,398,346	13,725,268	-	-	-	-	29,123,614
Conservation of natural resources	-	237,178	-	-	-	-	237,178
Economic development	-	-	510,510	-	-	-	510,510
Total Expenditures	\$ 15,398,346	\$ 13,962,446	\$ 510,510	\$ 381,099	\$ 21,216	\$ 71,544	\$ 30,345,161
Excess of Revenues Over (Under)							
Expenditures	\$ (632,560)	\$ (6,366,456)	\$ (316,629)	\$ 27,687	\$ 41,519	\$ 404,885	\$ (6,841,554)

**DAKOTA COUNTY
MINNESOTA**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Special Revenue Funds						Total Nonmajor Governmental Funds
	County Library	County Parks	Regional Rail	Law Library	Attorney Forfeiture	Opioid Settlement	
Other Financing Sources (Uses)							
Transfers in	\$ -	\$ 3,159,574	\$ -	\$ -	\$ -	\$ -	\$ 3,159,574
Total Other Financing Sources (Uses)	\$ -	\$ 3,159,574	\$ -	\$ -	\$ -	\$ -	\$ 3,159,574
Net Change in Fund Balance	\$ (632,560)	\$ (3,206,882)	\$ (316,629)	\$ 27,687	\$ 41,519	\$ 404,885	\$ (3,681,980)
Fund Balance - January 1	980,722	6,991,045	8,690,749	300,440	96,874	1,919,533	18,979,363
Fund Balance - December 31	\$ 348,162	\$ 3,784,163	\$ 8,374,120	\$ 328,127	\$ 138,393	\$ 2,324,418	\$ 15,297,383

**DAKOTA COUNTY
MINNESOTA**

**BUDGETARY COMPARISON SCHEDULE
BUDGET AND ACTUAL
COUNTY LIBRARY SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Taxes	\$ 13,945,216	\$ 14,057,409	\$ 14,012,213	\$ (45,196)
Intergovernmental	158,750	223,716	346,429	122,713
Charges for services	220,000	220,000	90,792	(129,208)
Gifts and contributions	-	33,677	98,106	64,429
Investment earnings	-	-	1,473	1,473
Miscellaneous	174,000	174,000	216,773	42,773
Total Revenues	\$ 14,497,966	\$ 14,708,802	\$ 14,765,786	\$ 56,984
Expenditures				
Current				
Culture and recreation				
Regional library	14,825,216	16,251,944	15,398,346	853,598
Net Change in Fund Balance	\$ (327,250)	\$ (1,543,142)	\$ (632,560)	\$ 910,582
Fund Balance - January 1	980,722	980,722	980,722	-
Fund Balance - December 31	\$ 653,472	\$ (562,420)	\$ 348,162	\$ 910,582

**DAKOTA COUNTY
MINNESOTA**

**BUDGETARY COMPARISON SCHEDULE
BUDGET AND ACTUAL
COUNTY PARKS SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Taxes	\$ 1,101,853	\$ 1,180,414	\$ 1,175,770	\$ (4,644)
Licenses and permits	109,500	109,500	101,403	(8,097)
Intergovernmental	6,045,989	12,223,392	4,909,044	(7,314,348)
Charges for services	1,295,579	1,295,579	1,407,175	111,596
Fines and forfeits	10,000	10,000	1,100	(8,900)
Gifts and contributions	-	-	140	140
Miscellaneous	2,000	2,000	1,358	(642)
Total Revenues	\$ 8,564,921	\$ 14,820,885	\$ 7,595,990	\$ (7,224,895)
Expenditures				
Current				
Culture and recreation				
Parks	20,126,597	101,922,348	13,725,268	88,197,080
Excess of Revenues Over (Under)				
Expenditures	\$ (11,561,676)	\$ (87,101,463)	\$ (6,129,278)	\$ 80,972,185
Other Financing Sources (Uses)				
Transfers in	\$ 23,750	\$ 23,750	\$ 3,159,574	\$ 3,135,824
Net Change in Fund Balance	\$ (11,537,926)	\$ (87,077,713)	\$ (2,969,704)	\$ 84,108,009
Fund Balance - January 1	6,991,045	6,991,045	6,991,045	-
Fund Balance - December 31	\$ (4,546,881)	\$ (80,086,668)	\$ 4,021,341	\$ 84,108,009

**DAKOTA COUNTY
MINNESOTA**

**BUDGETARY COMPARISON SCHEDULE
BUDGET AND ACTUAL
REGIONAL RAIL SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
Revenues				
Investment earnings	\$ 165,223	\$ 165,223	\$ 193,474	\$ 28,251
Total Revenues	\$ 165,223	\$ 165,223	\$ 193,881	\$ 28,658
Expenditures				
Economic development				
Administration	\$ 400,634	\$ 400,634	\$ 510,510	\$ (109,876)
Total Expenditures	\$ 400,634	\$ 400,634	\$ 510,510	\$ (109,876)
Net Change in Fund Balance	\$ (235,411)	\$ (235,411)	\$ (316,629)	\$ (81,218)
Fund Balance - January 1	8,690,749	8,690,749	8,690,749	-
Fund Balance - December 31	\$ 8,455,338	\$ 8,455,338	\$ 8,374,120	\$ (81,218)

**DAKOTA COUNTY
MINNESOTA**

**BUDGETARY COMPARISON STATEMENT
BUDGET AND ACTUAL
OPIOIDS SETTLEMENT SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
Revenues				
Miscellaneous	\$ 905,000	\$ 905,000	\$ 476,429	\$ (428,571)
Total Revenues	\$ 905,000	\$ 905,000	\$ 476,429	\$ (428,571)
Expenditures				
Current				
General Government				
County-wide operations	\$ 770,058	\$ 770,058	\$ 23,317	\$ 746,741
Total general government	\$ 770,058	\$ 770,058	\$ 23,317	\$ 746,741
Health				
Public health	\$ 134,942	\$ 134,942	\$ 48,227	\$ 86,715
Total health	\$ 134,942	\$ 134,942	\$ 48,227	\$ 86,715
Total Expenditures	\$ 905,000	\$ 905,000	\$ 71,544	\$ 833,456
Excess of Revenues Over (Under)				
Expenditures	\$ -	\$ -	\$ 404,885	\$ 404,885
Net Change in Fund Balance	\$ -	\$ -	\$ 404,885	\$ 404,885
Fund Balance - January 1	1,919,533	1,919,533	1,919,533	-
Fund Balance - December 31	\$ 1,919,533	\$ 1,919,533	\$ 2,324,418	\$ 404,885

**DAKOTA COUNTY
MINNESOTA**

**STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUND
DECEMBER 31, 2023**

	<u>Geographic Information System Enterprise Fund</u>
Assets	
Current assets:	
Cash and pooled investments	\$ <u>88,129</u>
Total current assets	\$ <u>88,129</u>
 Total Assets	 \$ <u>88,129</u>
 Net Position	
Equipment replacement	\$ <u>88,129</u>
Total Net Position	\$ <u><u>88,129</u></u>

**DAKOTA COUNTY
MINNESOTA**

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
NONMAJOR ENTERPRISE FUND
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Geographic Information System Enterprise Fund
Operating Revenues	
Charges for services	\$ 4,000
Total Operating Revenues	\$ 4,000
Operating Expenses	
Total Operating Expenses	\$ -
Operating income (loss)	\$ 4,000
Change in Net Position	\$ 4,000
Net Position - January 1	84,129
Net Position - December 31	\$ 88,129

**DAKOTA COUNTY
MINNESOTA**

**STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUND
FOR THE YEAR ENDED DECEMBER 31, 2023
Increase (Decrease) in Cash and Cash Equivalents**

	Geographic Information System Enterprise Fund
	<u> </u>
Cash Flows from Operating Activities	
Receipts from customers and users	\$ 4,000
	<u> </u>
Net cash provided by (used in) operating activities	\$ 4,000
	<u> </u>
Net Increase (Decrease) in Cash and Cash Equivalents	\$ 4,000
	<u> </u>
Cash and Cash Equivalents at January 1	84,129
	<u> </u>
Cash and Cash Equivalents at December 31	\$ 88,129
	<u> </u>
Reconciliation of Operating Income to Net Cash Provided by (Used in) Operating Activities	
Operating income (loss)	\$ 4,000
	<u> </u>
Net Cash Provided by (Used in) Operating Activities	\$ 4,000
	<u> </u>

**DAKOTA COUNTY
MINNESOTA**

**COMBINING STATEMENT OF FIDUCIARY NET POSITION
PRIVATE-PURPOSE TRUST FUNDS
DECEMBER 31, 2023**

	First Judicial District Trust Fund	Rural Solid Waste Commission Trust Fund	Domestic Preparedness Team Trust Fund	Social Welfare Trust Fund	Total
<u>Assets</u>					
Cash and pooled investments	\$ -	\$ 31,641	\$ 968,554	\$ 5,253	\$ 1,005,448
Accounts receivable	-	66	-	7,544	7,610
Due from other governments	265,427	196	-	-	265,623
Total Assets	\$ 265,427	\$ 31,903	\$ 968,554	\$ 12,797	\$ 1,278,681
<u>Liabilities</u>					
Accounts payable	\$ 3,550	\$ -	\$ 88,870	\$ -	\$ 92,420
Due to other governments	261,877	-	-	-	261,877
Total Liabilities	\$ 265,427	\$ -	\$ 88,870	\$ -	\$ 354,297
<u>Net Position</u>					
Restricted - held in trust for other purposes	\$ -	\$ 31,903	\$ 879,684	\$ -	\$ 911,587
Restricted for Individuals, organizations, other governments	-	-	-	12,797	12,797
Total Net Position	\$ -	\$ 31,903	\$ 879,684	\$ 12,797	\$ 924,384

**DAKOTA COUNTY
MINNESOTA**

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PRIVATE-PURPOSE TRUST FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023**

	First Judicial District Trust Fund	Rural Solid Waste Commission Trust Fund	Domestic Preparedness Team Trust Fund	Social Welfare Trust Fund	Total Private- Purpose Trust Fund
<u>ADDITIONS:</u>					
State Grants					
Minnesota Dept of Trial Courts	\$ 503,762	\$ -	\$ -	\$ -	\$ 503,762
Minnesota Dept of Public Safety	-	-	13,080	-	13,080
Other agencies	-	-	322,184	-	322,184
Miscellaneous	-	-	2,894	-	2,894
Contributions:					
Individuals	-	-	-	123,970	123,970
Investment earnings:					
Interest	-	694	-	-	694
Total additions	<u>\$ 503,762</u>	<u>\$ 694</u>	<u>\$ 338,158</u>	<u>\$ 123,970</u>	<u>\$ 966,584</u>
<u>DEDUCTIONS:</u>					
Judicial District expense	\$ 503,762	\$ -	\$ -	\$ -	\$ 503,762
Emergency preparedness expenses	-	-	273,578	-	273,578
Beneficiary payments to individuals	-	-	-	118,227	118,227
Total deductions	<u>\$ 503,762</u>	<u>\$ -</u>	<u>\$ 273,578</u>	<u>\$ 118,227</u>	<u>\$ 895,567</u>
Change in net position	\$ -	\$ 694	\$ 64,580	\$ 5,743	\$ 71,017
Net position - January 1	<u>-</u>	<u>31,209</u>	<u>815,104</u>	<u>7,054</u>	<u>853,367</u>
Net position - December 31	<u><u>\$ -</u></u>	<u><u>\$ 31,903</u></u>	<u><u>\$ 879,684</u></u>	<u><u>\$ 12,797</u></u>	<u><u>\$ 924,384</u></u>

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**DAKOTA COUNTY
HASTINGS, MINNESOTA**

**COMBINING STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS - OTHER CUSTODIAL FUNDS
DECEMBER 31, 2023**

	Custodial Funds							
	<u>Agricultural Conservation</u>	<u>Criminal Justice Network</u>	<u>Dakota Broadband Board</u>	<u>Dakota-Scott WSA</u>	<u>Electronic Crimes Unit</u>	<u>Forfeited Tax</u>	<u>Historical Society</u>	<u>Local Collaboratives</u>
<u>Assets</u>								
Cash and pooled investments	\$ 283,287	\$ 2,590,798	\$ -	\$ 48,748	\$ -	\$ 1,486,946	\$ -	\$ 1,982,706
Due from other governments	-	19,931	-	-	947	-	-	-
Accounts receivable	-	132,971	7,296	-	-	1,310	30	-
Taxes receivable for other governments	-	-	-	-	-	-	-	-
Total Assets	\$ 283,287	\$ 2,743,700	\$ 7,296	\$ 48,748	\$ 947	\$ 1,488,256	\$ 30	\$ 1,982,706
<u>Liabilities</u>								
Accounts payable	\$ -	\$ 1,195,700	\$ -	\$ -	\$ -	\$ 100	\$ -	\$ 450
Salaries payable	-	150,261	-	-	-	-	-	-
Due to other governments	-	-	314,229	48,748	214,818	-	301,903	-
Total Liabilities	\$ -	\$ 1,345,961	\$ 314,229	\$ 48,748	\$ 214,818	\$ 100	\$ 301,903	\$ 450
<u>Net Position</u>								
Restricted for Individuals, organizations, other governments	<u>\$ 283,287</u>	<u>\$ 1,397,739</u>	<u>\$ (306,933)</u>	<u>\$ -</u>	<u>\$ (213,871)</u>	<u>\$ 1,488,156</u>	<u>\$ (301,873)</u>	<u>\$ 1,982,256</u>

**DAKOTA COUNTY
HASTINGS, MINNESOTA**

**COMBINING STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS - OTHER CUSTODIAL FUNDS
DECEMBER 31, 2023**

Cont.

	Custodial Funds							Total Other
	Metro Alliance for Healthy Families	Metropolitan Emergency Services Board	Metropolitan Inter-County Association	Sheriff Funds	Sheriff Inmate Funds	State Revenue	Taxes and Penalties	Custodial Funds
<u>Assets</u>								
Cash and pooled investments	\$ 283,672	\$ -	\$ 358,070	\$ 1,341,463	\$ 93,361	\$ 519,919	\$ 43,036,510	\$ 52,025,480
Due from other governments	45,479	156,383	2,846	-	-	-	-	225,586
Accounts receivable	-	-	-	590	-	-	-	142,197
Taxes receivable for other governments	-	-	-	-	-	-	1,751,933	1,751,933
Total Assets	\$ 329,151	\$ 156,383	\$ 360,916	\$ 1,342,053	\$ 93,361	\$ 519,919	\$ 44,788,443	\$ 54,145,196
<u>Liabilities</u>								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,196,250
Salaries payable	-	-	-	-	-	-	-	150,261
Due to other governments	-	155,491	-	-	-	519,919	43,036,510	44,591,618
Total Liabilities	\$ -	\$ 155,491	\$ -	\$ -	\$ -	\$ 519,919	\$ 43,036,510	\$ 45,938,129
<u>Net Position</u>								
Restricted for Individuals, organizations, other governments	\$ 329,151	\$ 892	\$ 360,916	\$ 1,342,053	\$ 93,361	\$ -	\$ 1,751,933	\$ 8,207,067

**DAKOTA COUNTY
HASTINGS, MINNESOTA**

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS - OTHER CUSTODIAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Custodial Funds							
	<u>Agricultural Conservation</u>	<u>Criminal Justice Network</u>	<u>Dakota Broadband Board</u>	<u>Dakota-Scott WSA</u>	<u>Electronic Crimes Unit</u>	<u>Forfeited Tax</u>	<u>Historical Society</u>	<u>Local Collaboratives</u>
Additions								
Federal Grants	\$ -	-	\$ -	\$ 758,564	\$ 7,425	\$ -	\$ -	\$ 1,470,253
State Grants	-	-	-	-	-	-	-	-
From other agencies	-	1,362,198	540,325	-	165,300	-	-	-
Taxes receivable	-	-	-	-	-	-	-	-
Contributions:								
Individuals	49,600	\$ -	-	-	-	-	-	-
Property tax collections for other governments	-	-	-	-	-	-	-	-
Other taxes and fees for other governments	-	-	-	-	-	171,520	-	-
License and fees collected for State	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-
Miscellaneous	-	264,226	-	-	-	-	276,419	-
Investment earnings:								
Interest	-	47,036	-	-	-	-	-	-
Total Additions	\$ 49,600	\$ 1,673,460	\$ 540,325	\$ 758,564	\$ 172,725	\$ 171,520	\$ 276,419	\$ 1,470,253
Deductions								
Beneficiary payments to individuals	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Payments of property tax to other governments	-	-	-	-	-	-	-	-
Payments to state	-	-	-	-	-	-	-	-
Administrative expense	-	1,647,504	732,913	-	-	-	280,803	-
I-Net expenses	-	-	-	-	-	-	-	-
Payments to other entities	81,841	-	-	758,564	269,371	35,001	-	1,326,361
Total Deductions	\$ 81,841	\$ 1,647,504	\$ 732,913	\$ 758,564	\$ 269,371	\$ 35,001	\$ 280,803	\$ 1,326,361
Change in net position	\$ (32,241)	\$ 25,956	\$ (192,588)	\$ -	\$ (96,646)	\$ 136,519	\$ (4,384)	\$ 143,892
Net Position – January 1	315,528	\$ 1,371,783	\$ (114,345)	\$ -	\$ (117,225)	\$ 1,351,637	\$ (297,489)	\$ 1,838,364
Net Position – December 31	\$ 283,287	\$ 1,397,739	\$ (306,933)	\$ -	\$ (213,871)	\$ 1,488,156	\$ (301,873)	\$ 1,982,256

**DAKOTA COUNTY
HASTINGS, MINNESOTA**

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS - OTHER CUSTODIAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Cont.

	Custodial Funds							Total Other
	Metro Alliance for Healthy Families	Metropolitan Emergency Services Board	Metropolitan Inter-County Association	Sheriff Funds	Sheriff Inmate Funds	State Revenue	Taxes and Penalties	Custodial Funds
Additions								
Federal Grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,236,242
State Grants	45,408	-	-	-	-	-	-	45,408
From other agencies	-	1,057,302	-	377,640	-	-	-	3,502,765
Taxes receivable	-	-	-	-	-	-	-	-
Contributions:								
Individuals	-	-	-	693,272	1,482,161	63,604	-	2,288,637
Property tax collections for other governments	-	-	-	-	-	-	750,467,500	750,467,500
Other taxes and fees for other governments	-	-	404,241	-	-	-	1,309,169	1,884,930
License and fees collected for State	-	-	-	-	-	29,921,409	-	29,921,409
Fines and forfeitures	-	-	-	15,872,925	-	-	-	15,872,925
Miscellaneous	-	-	-	5	-	-	-	540,650
Investment earnings:				-		-		
Interest	-	-	10,657	-	-	-	-	57,693
Total Additions	\$ 45,408	\$ 1,057,302	\$ 414,898	\$ 16,943,842	\$ 1,482,161	\$ 29,985,013	\$ 751,776,669	\$ 806,818,159
Deductions								
Beneficiary payments to individuals	\$ 156,835	\$ 984,261	\$ -	\$ -	\$ 1,536,469	\$ -	\$ -	\$ 2,677,565
Payments of property tax to other governments	-	-	-	-	-	-	750,323,065	750,323,065
Payments to state	-	-	-	-	-	29,985,013	-	29,985,013
Administrative expense	-	-	-	24,667	-	-	-	2,685,887
I-Net expenses	-	-	-	-	-	-	-	-
Payments to other entities	-	-	425,000	16,183,012	-	-	1,431,315	20,510,465
Total Deductions	\$ 156,835	\$ 984,261	\$ 425,000	\$ 16,207,679	\$ 1,536,469	\$ 29,985,013	\$ 751,754,380	\$ 806,181,995
Change in net position	\$ (111,427)	\$ 73,041	\$ (10,102)	\$ 736,163	\$ (54,308)	\$ -	\$ 22,289	\$ 636,164
Net Position – January 1	\$ 440,578	\$ (72,149)	\$ 371,018	605,890	147,669	-	1,729,644	7,570,903
Net Position – December 31	\$ 329,151	\$ 892	\$ 360,916	\$ 1,342,053	\$ 93,361	\$ -	\$ 1,751,933	\$ 8,207,067

**DAKOTA COUNTY
MINNESOTA**

**GOVERNMENTAL FUND BALANCE SHEET AND
GOVERNMENTAL ACTIVITIES - STATEMENT OF NET POSITION
VERMILLION RIVER WATERSHED DISTRICT
DECEMBER 31, 2023**

Assets

Cash and investments	\$ 1,868,621
Taxes receivable	
Current	56,655
Prior - net	624
Accounts receivable	4,952
Due from other governments	<u>63,807</u>
Total Assets	<u>\$ 1,994,659</u>

Liabilities

Current liabilities	
Accounts payable	<u>\$ 537,788</u>
Total Liabilities	<u>\$ 537,788</u>

Fund Balance/Net Position

Unrestricted	<u>\$ 1,456,871</u>
Total Fund Balance/Net Position	<u>\$ 1,456,871</u>
Total Liabilities and Fund Balance/Net Position	<u>\$ 1,994,659</u>

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

**DAKOTA COUNTY
MINNESOTA**

**GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
AND GOVERNMENTAL ACTIVITIES - STATEMENT OF ACTIVITIES
VERMILLION RIVER WATERSHED DISTRICT
FOR THE YEAR ENDED DECEMBER 31, 2023**

Revenues	
Taxes	\$ 966,993
License and permits	30
Intergovernmental	276,831
Investment earnings	43,027
Miscellaneous	15,780
	<hr/>
Total Revenues	\$ 1,302,661
Expenditures/Expenses	
Current	
Conservation of natural resources	\$ 1,983,308
	<hr/>
Net Change in Fund Balance/ Net Position	\$ (680,647)
Fund Balance/Net Position - January 1	2,137,518
	<hr/>
Fund Balance/Net Position - December 31	\$ 1,456,871
	<hr/>

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

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Governmental Revenue Schedules

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**DAKOTA COUNTY
MINNESOTA**

**SCHEDULE OF INTERGOVERNMENTAL REVENUE
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Governmental Funds	Enterprise Funds	Total Primary Government
Appropriations and Shared Revenue			
State			
Highway users tax	\$ 25,837,742	\$ -	\$ 25,837,742
PERA - state aid	372,228	-	372,228
Disparity reduction aid	1,682	-	1,682
Police aid	842,136	-	842,136
Agricultural preserve credit	12,365	-	12,365
County program aid	20,388,198	-	20,388,198
Local performance aid	25,000	-	25,000
Market value credit	150,404	-	150,404
SCORE	1,290,777	-	1,290,777
Aquatic invasive species	118,808	-	118,808
Total Appropriations and Shared Revenue	\$ 49,039,340	\$ -	\$ 49,039,340
Reimbursement for Services			
State			
Minnesota Department of Human Services	\$ 15,924,511	\$ -	\$ 15,924,511
Payments			
Local			
County contributions	\$ 800,473	\$ -	\$ 800,473
City contributions	1,353,333	-	1,353,333
Metropolitan Council	3,408,228	-	3,408,228
City and agency share of construction	5,541,916	-	5,541,916
MELSA	286,289	-	286,289
Local contributions	3,765,334	-	3,765,334
Payments in lieu of taxes	162,797	-	162,797
Total Payments	\$ 15,318,370	\$ -	\$ 15,318,370
Grants			
State			
Minnesota Department/Board of			
Public Safety	\$ 208,851	\$ -	\$ 208,851
Transportation	1,276,053	-	1,276,053
Health	1,967,360	-	1,967,360
Natural Resources	3,011,157	3,704,813	6,715,970
Human Services	19,500,062	-	19,500,062
Water and Soil Resources	542,474	-	542,474
Employment and Economic Development	807,847	-	807,847
Revenue	6,472,773	-	6,472,773
Trial Courts	309,549	-	309,549
Education	29,639	-	29,639
Historical Society	82,130	-	82,130
Secretary of State	91,812	-	91,812
Peace Officer Standards and Training	83,846	-	83,846
Corrections	8,097,648	-	8,097,648
Veterans Affairs	14,013	-	14,013
Information Technology	10,000	-	10,000
Housing Finance Agency	3,775,571	-	3,775,571
Pollution Control Agency	307,627	-	307,627
Total State	\$ 46,588,412	\$ 3,704,813	\$ 50,293,225

**DAKOTA COUNTY
MINNESOTA**

**SCHEDULE OF INTERGOVERNMENTAL REVENUE
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>Governmental Funds</u>	<u>Enterprise Funds</u>	<u>Total Primary Government</u>
Grants (Continued)			
Federal			
Department of			
Agriculture	\$ 4,800,135	\$ -	\$ 4,800,135
Housing and Urban Development	8,556,629	-	8,556,629
Justice	250,999	-	250,999
Labor	856,234	-	856,234
Transportation	17,234,204	-	17,234,204
Revenue	23,513,570	9,845,955	33,359,525
Education	2,100	-	2,100
Health and Human Services	30,544,705	-	30,544,705
Elections Assistance Commission	77,230	-	77,230
Homeland Security	318,990	-	318,990
	<u> </u>	<u> </u>	<u> </u>
Total Federal	<u>\$ 86,154,796</u>	<u>\$ 9,845,955</u>	<u>\$ 96,000,751</u>
Total State and Federal Grants	<u>\$ 132,743,208</u>	<u>\$ 13,550,768</u>	<u>\$ 146,293,976</u>
Total Intergovernmental Revenue	<u><u>\$ 213,025,429</u></u>	<u><u>\$ 13,550,768</u></u>	<u><u>\$ 226,576,197</u></u>

**DAKOTA COUNTY
MINNESOTA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Federal Grantor Pass-Through Agency Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Numbers	Total Federal Expenditures	Passed Through to Subrecipients
U.S. Department of Agriculture				
Passed Through Minnesota Department of Education				
Child Nutrition Cluster				
School Breakfast Program	10.553	E37P04523	\$ 4,948	\$ -
National School Lunch Program	10.555	E37P04623	10,683	-
(Total expenditures for Child Nutrition Cluster \$15,631)				
Passed Through Minnesota Department of Health				
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	H12H302	1,609,211	-
Passed Through Minnesota Department of Agriculture				
WIC Farmers' Market Nutrition Program (FMNP)	10.572	B0423F172614	100,000	-
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	H55230010	3,075,293	-
Total U.S. Department of Agriculture			\$ 4,800,135	\$ -
U.S. Department of Housing and Urban Development				
Direct				
Community Development Block Grants - Entitlement Grants Cluster				
Community Development Block Grants/Entitlement Grants	14.218	C0033191	\$ 4,190,971	\$ 4,190,971
HOME Investment Partnerships Program	14.239	C0033191	2,541,473	2,541,473
Continuum of Care Program	14.267	MN0077L5K031811	802,183	-
Passed Through Minnesota Department of Human Services				
Emergency Solutions Grant Program	14.231	E-18-UC-27-0003	1,022,002	1,022,002
Total U.S. Department of Housing and Urban Development			\$ 8,556,629	\$ 7,754,446
U.S. Department of Justice				
Direct				
Edward Byrne Memorial Formula Grant Program	16.579		\$ 11,301	\$ -
Drug Court Discretionary Grant Program	16.585		70,426	-
Equitable Sharing Program	16.922		106,573	-
Passed Through Minnesota Department of Public Safety				
Crime Victim Assistance	16.575	P0760VOCAFFY21	62,699	-
Total U.S. Department of Justice			\$ 250,999	\$ -

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, 2023**

Federal Grantor Pass-Through Agency Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Numbers	Total Federal Expenditures	Passed Through to Subrecipients
U.S. Department of Labor				
Passed Through Minnesota Department of Employment and and Economic Development				
WIOA Cluster				
WIOA Adult Program	17.258	1143100	\$ 115,115	-
WIOA Adult Program	17.258	2143100	170,598	-
(Total expenditures for WIOA Adult Program 17.258 \$285,713)				
WIOA Youth Activities	17.259	1143600	50,575	
WIOA Youth Activities	17.259	2143600	479,727	
(Total expenditures for WIOA Youth Activities 17.259 \$530,302)				
WIOA Dislocated Worker Formula Grants	17.278	1148000	138,485	-
WIOA Dislocated Worker Formula Grants	17.278	2148000	106,553	-
(Total expenditures for WIOA Dislocated Worker Formula Grants 17.278 \$245,038)				
(Total expenditures for WIOA Cluster \$1,061,053)				
Total U.S. Department of Labor			\$ 1,061,053	\$ -
U.S. Department of Transportation				
Passed Through Minnesota Department of Transportation				
Highway Planning and Construction Cluster				
Highway Planning and Construction	20.205	1918265	\$ 7,200	\$ -
Highway Planning and Construction	20.205	1920180	184	-
Highway Planning and Construction	20.205	1921048	517,949	-
Highway Planning and Construction	20.205	1921136	4,093,099	-
Highway Planning and Construction	20.205	1922210	260,522	-
Highway Planning and Construction	20.205	1920091	2,564,970	-
Highway Planning and Construction	20.205	1920071	6,435,341	-
Highway Planning and Construction	20.205	1920134	3,018,978	-
Highway Planning and Construction	20.205	FLAP043	49,476	-
(Total expenditures for Highway Planning and Construction 20.205 \$16,947,719)				
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	TMN20513-201714	281,417	-
Highway Safety Cluster				
Passed Through City of Rosemount				
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	P079221AL164	5,068	-
Total U.S. Department of Transportation			\$ 17,234,204	\$ -
U.S. Department of Treasury				
Passed through Minnesota Department of Revenue				
COVID-19 Coronavirus Relief Fund	21.019	G90CARESDIST	\$ 58,008	\$ -
COVID-19 Emergency Rental Assistance Program	21.023	ERAE016	2,604,387	-
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	Not Provided	30,697,130	7,835,000
Total U.S. Department of Treasury			\$ 33,359,525	\$ 7,835,000

**DAKOTA COUNTY
MINNESOTA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Federal Grantor Pass-Through Agency Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Numbers	Total Federal Expenditures	Passed Through to Subrecipients
U.S. Department of Education				
Passed Through Minnesota Department of Health Special Education-Grants for Infants and Families	84.181	Not Provided	\$ 2,100	\$ -
Total U.S. Department of Education			\$ 2,100	\$ -
U.S. Department of Health and Human Services				
Passed Through Minnesota Department of Health Public Health Emergency Preparedness	93.069	H12H675J	\$ 306,498	\$ -
Universal Newborn Hearing Screening	93.251	H12H671	3,300	-
Immunization Cluster				
Immunization Cooperative Agreements	93.268	H12H715	545,515	-
Public Health Emergency Response:				
Cooperative Agreement for Emergency Response	93.354	H12H784K	124,678	-
Temporary Assistance for Needy Families	93.558	H55214077	325,356	-
(Total expenditures for Temporary Assistance for Needy Families 93.558 \$2,816,310)				
ACA Maternal, Infant, and Early Childhood Home Visiting Program	93.870	H12H722H	1,189,207	-
Maternal and Child Health Services Block Grant to the States	93.994	H12H722H	301,420	-
Promoting Safe and Stable Families	93.556	H55210100	77,320	-
Temporary Assistance for Needy Families	93.558	H55214077	2,490,954	-
(Total expenditures for Temporary Assistance for Needy Families 93.558 \$2,816,310)				
Child Support Enforcement Cluster				
Child Support Enforcement	93.563	H55214004	8,254,381	-
Child Support Enforcement Title IV-D	93.566	H12HP981	5,686	-
Community-Based Child Abuse Prevention Grants	93.590	H55209100	85,660	-
Child Care and Development Fund Cluster				
Child Care and Development Block Grant	93.575	H55219358	534,344	-
Foster Care IV-E Cluster				
Foster Care - Title IV-E	93.658	H55211401	1,308,096	-
Adoption Assistance	93.659	H55211407	178,541	-
Social Services Block Grant	93.667	H55216190	1,809,283	-
Chafee Foster Care Independence Program	93.674	H55201420	29,409	-
Medicaid Cluster				
Medical Assistance Program	93.778	H55215048	13,658,620	-
Total U.S. Department of Health and Human Services			\$ 31,228,268	\$ -
Executive Office of the President				
Direct				
High Intensity Drug Trafficking Areas Program	95.001		\$ 77,230	\$ -
Total Executive Office of the President			\$ 77,230	\$ -

**DAKOTA COUNTY
MINNESOTA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Federal Grantor Pass-Through Agency Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Numbers	Total Federal Expenditures	Passed Through to Subrecipients
U.S. Department of Homeland Security				
Passed Through Minnesota Department of Natural Resources Boating Safety Financial Assistance	97.012	R29G70CGBLA19	\$ 12,000	\$ -
Passed Through Minnesota Department of Public Safety Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	P07204531	138,802	-
Emergency Management Performance Grants	97.042	P072019EMPG	293,188	-
Total U.S. Department of Homeland Security			\$ 443,990	\$ -
Total Federal Expenditures			\$ 97,014,133	\$ 15,589,446

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

**DAKOTA COUNTY
MINNESOTA**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2023**

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 \$42,108,804 in federal awards during the year ended June 30, 2023. Those expenditures are not included in the County's Schedule of Expenditures of Federal Awards, because the CDA had a separate single audit.

2. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Dakota County under programs of the federal government for the year ended December 31, 2023. The information in this Schedule is presented in accordance with the requirements of 2 CFR Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Dakota County, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Dakota County.

3. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance for all awards. Under these principles, certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

4. Indirect Cost Rate

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

**DAKOTA COUNTY
MINNESOTA**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2023**

5. Reconciliation to Schedule of Intergovernmental Revenue

Federal grant revenue per Schedule of Intergovernmental Revenue	\$ 96,000,751
Grants held in the Custodial Fund	
WIA/WIOA Cluster	
WIA/WIOA Adult Program	53,414
WIA/WIOA Youth Activities	66,504
WIA/WIOA Dislocated Worker Formula Grants	84,901
Foster Care – Title IV-E	219,278
Medical Assistance Program	464,285
Emergency Management Performance Grant	<u>125,000</u>
Expenditures Per Schedule of Expenditures of Federal Awards	<u><u>\$ 97,014,133</u></u>



Statistical Section

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Statistical Section

This part of Dakota County's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the County's overall financial health.

Contents

	<u>Page</u>
Financial Trends	147
These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.	
Revenue Capacity	154
These schedules contain information to help the reader assess the factors affecting the County's ability to generate its property taxes.	
Debt Capacity	160
These schedules present information to help the reader assess the affordability to the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.	
Demographic and Economic Information	163
These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place and to help make comparisons over time and with other governments.	
Operating Information	165
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

	2014	2015	2016	2017	2018	2019 (Restated)	2020	2021	2022	2023
Governmental Activities										
Net Investment in Capital Assets	\$ 676,893,277	\$ 728,602,522	\$ 792,116,539	\$ 818,225,255	\$ 838,737,456	\$ 874,497,312	\$ 919,606,162	\$ 963,769,288	\$ 977,794,529	\$ 1,044,863,780
Restricted	21,784,009	25,176,075	32,212,249	53,245,122	75,360,146	82,891,449	111,648,309	88,463,500	94,912,735	144,048,466
Unrestricted	311,862,759	224,447,938	178,894,978	183,692,007	197,544,002	189,679,012	177,335,993	166,796,699	132,443,638	78,466,989
Total Net Position - Governmental Activities	\$ 1,010,540,045	\$ 978,226,535	\$ 1,003,223,766	\$ 1,055,162,384	\$ 1,111,641,604	\$ 1,147,067,773	\$ 1,208,590,464	\$ 1,219,029,487	\$ 1,205,150,902	\$ 1,267,379,235
Business-Type Activities										
Net Investment in Capital Assets	\$ 7,245,061	\$ 8,826,272	\$ 10,643,733	\$ 10,665,893	\$ 12,640,982	\$ 15,391,857	\$ 16,537,939	\$ 24,685,223	\$ 34,240,863	\$ 47,378,397
Restricted	147,267	149,531	149,030	147,414	147,849	151,177	137,535	138,129	84,129	88,129
Unrestricted	563,377	2,165,111	883,264	778,232	(1,247,952)	2,606,849	869,431	(8,539,180)	(10,634,507)	(10,960,672)
Total Net Position - Business-Type Activities	\$ 7,955,705	\$ 11,140,914	\$ 11,676,027	\$ 11,591,539	\$ 11,540,879	\$ 18,149,883	\$ 17,544,905	\$ 16,284,172	\$ 23,690,485	\$ 36,505,854
Total Primary Government										
Net Investment in Capital Assets	\$ 684,138,338	\$ 737,428,794	\$ 802,760,272	\$ 828,891,148	\$ 851,378,438	\$ 889,889,169	\$ 936,144,101	\$ 988,454,511	\$ 1,012,035,392	\$ 1,092,242,177
Restricted	21,931,276	25,325,606	32,361,279	53,392,536	75,507,995	83,042,626	111,785,844	88,601,629	94,996,864	144,136,595
Unrestricted	312,426,136	226,613,049	179,778,242	184,470,239	196,467,633	192,285,861	178,205,424	158,257,519	121,809,131	67,506,317
Total Net Position - Primary Government	\$ 1,018,495,750	\$ 989,367,449	\$ 1,014,899,793	\$ 1,066,753,923	\$ 1,123,182,483	\$ 1,165,217,656	\$ 1,226,135,369	\$ 1,235,313,659	\$ 1,228,841,387	\$ 1,303,885,089

Components Units

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Community Development Agency										
Net Investment in Capital Assets	\$ 84,988,917	\$ 89,380,592	\$ 92,249,133	\$ 97,672,468	\$ 154,077,941	\$ 151,591,709	\$ 153,603,277	\$ 99,326,312	\$ 105,795,678	\$ 108,902,615
Restricted	62,251,756	60,449,437	58,413,028	64,440,381	77,931,026	83,594,582	87,766,420	79,071,637	91,787,833	102,014,365
Unrestricted	97,038,422	103,144,207	110,772,169	112,797,004	118,198,799	124,929,751	135,131,691	150,162,396	153,202,794	164,623,406
Total Net Position - Community Development Agency	\$ 244,279,095	\$ 252,974,236	\$ 261,434,330	\$ 274,909,853	\$ 350,207,766	\$ 360,116,042	\$ 376,501,388	\$ 328,560,345	\$ 350,786,305	\$ 375,540,386
Vermillion River Watershed										
Net Investment in Capital Assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	1,925,156	1,885,377	1,269,938	1,932,414	1,165,425	1,118,905	1,144,560	1,247,875	2,137,518	1,456,871
Total Net Position - Vermillion River Watershed	\$ 1,925,156	\$ 1,885,377	\$ 1,269,938	\$ 1,932,414	\$ 1,165,425	\$ 1,118,905	\$ 1,144,560	\$ 1,247,875	\$ 2,137,518	\$ 1,456,871

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

Dakota County, Minnesota

Changes in Net Position

Expenses

Primary Government

Governmental Activities

	2014	2015	2016	2017	2018	2019 (Restated)	2020	2021	2022	2023
General Government	\$ 65,584,363	\$ 66,920,647	\$ 69,769,800	\$ 72,720,526	\$ 84,613,959	\$ 85,859,668	\$ 114,244,168	\$ 103,124,299	\$ 98,365,248	\$ 118,400,351
Public Safety	39,366,008	39,590,503	46,842,871	47,468,787	44,040,881	46,082,194	39,898,807	40,334,880	56,119,558	54,280,509
Highways and Streets	24,441,165	25,151,932	33,382,078	42,360,176	44,100,007	36,977,152	55,598,564	53,160,503	65,987,105	43,464,719
Sanitation	3,910,489	4,535,062	5,050,371	5,433,200	5,406,632	7,012,878	8,296,785	6,659,081	11,523,244	7,198,027
Human Services	70,662,704	72,053,369	81,202,624	83,935,657	87,735,585	91,577,154	98,788,720	110,567,209	112,884,642	116,586,522
Health	8,602,529	9,377,952	9,976,992	10,230,313	10,202,972	11,370,593	11,424,919	11,481,958	16,307,766	12,673,415
Culture and Recreation	13,567,104	18,114,323	20,365,261	22,611,807	18,452,909	19,838,959	25,730,014	29,918,672	29,914,228	24,282,869
Conservation of Natural Resources	3,520,375	4,852,937	4,093,572	7,387,706	3,470,791	4,452,761	5,349,827	5,348,771	5,070,276	4,949,385
Economic Development	9,946,696	11,715,865	9,073,780	9,032,938	9,774,538	10,349,954	6,404,966	8,348,294	8,948,642	12,990,321
Interest	1,447,204	1,013,259	64,536	13,828	9,366	4,758	-	-	46,847	270,130
Total Governmental Activities	\$ 241,048,637	\$ 253,325,849	\$ 279,821,885	\$ 301,194,938	\$ 307,807,640	\$ 313,526,071	\$ 365,736,770	\$ 368,943,667	\$ 405,167,556	\$ 395,096,248

Business-Type Activities

Geographic Information Systems	\$ 9,100	\$ 44,123	\$ 624	\$ 5,647	\$ 3,565	\$ 672	\$ 17,642	\$ 3,406	\$ 58,000	\$ -
Criminal Justice Information Integration Network	151,656	-	-	-	-	-	-	-	-	-
Byllesby Dam	867,864	753,762	1,495,120	1,116,690	755,385	851,568	1,228,093	1,346,924	895,918	922,275
Total Business-Type Activities	\$ 1,028,620	\$ 797,885	\$ 1,495,744	\$ 1,122,337	\$ 758,950	\$ 852,240	\$ 1,245,735	\$ 1,350,330	\$ 953,918	\$ 922,275
Total Primary Government Expenses	\$ 242,077,257	\$ 254,123,734	\$ 281,317,629	\$ 302,317,275	\$ 308,566,590	\$ 314,378,311	\$ 366,982,505	\$ 370,293,997	\$ 406,121,474	\$ 396,018,523

Program Revenues

Primary Government

Governmental Activities

Fees, fines, charges and other:

General Government	\$ 7,536,670	\$ 7,434,589	\$ 8,659,515	\$ 7,329,162	\$ 7,893,302	\$ 8,856,120	\$ 7,592,650	\$ 8,931,071	\$ 9,786,337	\$ 6,984,925
Public Safety	3,021,044	2,763,775	3,059,881	2,775,730	2,418,920	2,606,891	2,159,857	2,215,119	1,996,846	2,148,692
Highways and Streets	641,484	532,360	969,540	676,328	789,920	1,763,077	627,804	894,736	796,635	676,850
Sanitation	7,881,052	9,012,270	8,975,849	9,609,107	10,643,605	9,959,911	9,707,364	11,033,419	10,853,969	10,485,025
Human Services	940,947	2,341,929	2,195,204	2,154,736	1,913,574	1,483,044	2,571,490	3,107,236	2,156,582	3,023,040
Health	1,211,838	1,738,043	887,883	899,157	871,760	1,065,750	937,179	1,828,905	11,680,263	2,350,234
Culture and Recreation	1,539,480	1,570,060	1,712,736	1,787,799	1,842,587	1,726,198	1,083,883	1,596,076	1,685,912	1,817,345
Conservation of Natural Resources	391,528	378,424	414,241	599,109	513,655	642,998	580,707	530,044	630,150	339,383
Economic Development	-	-	-	13,863	-	-	-	-	-	40
Total Governmental Fees, Fines, Charges and Other	\$ 23,164,043	\$ 25,771,450	\$ 26,874,849	\$ 25,844,991	\$ 26,887,323	\$ 28,103,989	\$ 25,260,934	\$ 30,136,606	\$ 39,586,694	\$ 27,825,534

Business-Type Activities

Geographic Information Systems	\$ 7,061	\$ 46,387	\$ 123	\$ 4,031	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000
Criminal Justice Information Integration Network	127,058	-	-	-	-	-	-	-	-	-
Byllesby Dam	690,875	578,688	702,190	840,710	704,290	705,361	636,757	85,597	36	182,876
Total Business-Type Program Revenues	\$ 824,994	\$ 625,075	\$ 702,313	\$ 844,741	\$ 708,290	\$ 709,361	\$ 640,757	\$ 89,597	\$ 4,036	\$ 186,876

Total Primary Government Fees, Fines, Charges and Other	\$ 23,989,037	\$ 26,396,525	\$ 27,577,162	\$ 26,689,732	\$ 27,595,613	\$ 28,813,350	\$ 25,901,691	\$ 30,226,203	\$ 39,590,730	\$ 28,012,410
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(Continued) (Continued)

Dakota County, Minnesota

Changes in Net Position

Program Revenues

Primary Government

Governmental Activities

Operating Grants and Contributions:

	2014	2015	2016	2017	2018	2019 (Restated)	2020	2021	2022	2023
General Government	\$ 2,349,541	\$ 2,431,014	\$ 3,563,340	\$ 4,432,346	\$ 4,902,994	\$ 4,571,663	\$ 29,838,081	\$ 3,466,776	\$ 19,670,686	\$ 19,788,117
Public Safety	7,463,572	7,809,033	8,118,248	8,634,623	8,868,822	8,935,228	23,826,050	8,697,834	8,582,919	17,768,337
Highways and Streets	29,785,696	25,031,461	29,004,308	56,386,910	36,629,521	32,716,101	34,866,037	36,902,854	35,107,367	45,585,354
Sanitation	1,920,547	1,526,796	1,527,686	1,529,470	1,530,301	1,588,869	1,696,560	1,666,425	1,672,942	1,598,697
Human Services	41,818,152	39,216,444	42,920,353	45,210,891	50,180,826	49,556,440	61,505,763	67,402,559	64,959,568	76,272,526
Health	4,574,675	4,805,213	4,317,792	4,596,981	4,420,029	5,081,288	9,499,341	7,130,086	6,442,905	6,371,607
Culture and Recreation	2,580,992	4,869,406	3,382,097	8,106,626	1,383,441	4,714,178	7,292,899	3,611,661	5,466,765	4,186,187
Conservation of Natural Resources	877,855	2,139,007	2,168,548	3,938,542	1,662,649	819,948	783,884	1,288,370	(187,100)	5,310,171
Economic Development	10,162,440	11,585,829	8,882,185	10,963,998	6,380,251	7,706,546	14,643,883	6,745,249	7,947,690	11,075,747
Total Governmental Operating Grants and Contributions	\$ 101,533,470	\$ 99,414,203	\$ 103,884,557	\$ 143,800,387	\$ 115,958,834	\$ 115,690,261	\$ 183,952,498	\$ 136,911,814	\$ 149,663,742	\$ 187,956,743

Business-Type Activities

Byllesby Dam

	\$ -	\$ -	\$ 1,328,544	\$ 193,108	\$ -	\$ 1,149,604	\$ -	\$ -	\$ 8,356,195	\$ 13,550,768
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Total Business-Type Operating Grants and Contributions	\$ -	\$ -	\$ 1,328,544	\$ 193,108	\$ -	\$ 1,149,604	\$ -	\$ -	\$ 8,356,195	\$ 13,550,768
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Total Primary Government Operating Grants and Contributions	\$ 101,533,470	\$ 99,414,203	\$ 105,213,101	\$ 143,993,495	\$ 115,958,834	\$ 116,839,865	\$ 183,952,498	\$ 136,911,814	\$ 158,019,937	\$ 201,507,511
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Program Revenues

Primary Government

Governmental Activities

Capital Grants and Contributions:

Highways and Streets	\$ 14,923,646	\$ 17,803,674	\$ 12,486,120	\$ 15,019,326	\$ 31,272,243	\$ 7,644,775	\$ 16,232,689	\$ 20,159,601	\$ 9,232,751	\$ 24,385,288
Culture and Recreation	1,027,842	3,630,509	1,493,529	1,451,949	1,616,402	5,574	354,058	364,326	346,414	567,609
Total Governmental Capital Grants and Contributions	\$ 15,951,488	\$ 21,434,183	\$ 13,979,649	\$ 16,471,275	\$ 32,888,645	\$ 7,650,349	\$ 16,586,747	\$ 20,523,927	\$ 9,579,165	\$ 24,952,897

Business-Type Activities

Byllesby Dam

	\$ 777,414	\$ 1,310,519	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
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Total Business-Type Capital Grants and Contributions	\$ 777,414	\$ 1,310,519	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
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Total Primary Government Capital Grants and Contributions	\$ 16,728,902	\$ 22,744,702	\$ 13,979,649	\$ 16,471,275	\$ 32,888,645	\$ 7,650,349	\$ 16,586,747	\$ 20,523,927	\$ 9,579,165	\$ 24,952,897
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(Continued) (Continued)

Dakota County, Minnesota

Changes in Net Position

Net (Expense) Revenue (a)

	2014	2015	2016	2017	2018	2019 (Restated)	2020	2021	2022	2023
Primary Government										
<i>Governmental Activities</i>										
General Government	\$ (55,698,152)	\$ (57,055,044)	\$ (57,546,945)	\$ (60,959,018)	\$ (71,817,663)	\$ (72,431,885)	\$ (76,813,437)	\$ (90,726,452)	\$ (68,908,225)	\$ (91,627,309)
Public Safety	(28,881,392)	(29,017,695)	(35,664,742)	(36,058,434)	(32,753,139)	(34,540,075)	(13,912,900)	(29,421,927)	(45,539,793)	(34,363,480)
Highways and Streets	20,909,661	18,215,563	9,077,890	29,722,388	24,591,677	5,146,801	(3,872,034)	4,796,688	(20,850,352)	27,182,773
Sanitation	5,891,110	6,004,004	5,453,164	5,705,377	6,767,274	4,535,902	3,107,139	6,040,763	1,003,667	4,885,695
Human Services	(27,903,605)	(30,494,996)	(36,087,067)	(36,570,030)	(35,641,185)	(40,537,670)	(34,711,467)	(40,057,414)	(45,768,492)	(37,290,956)
Health	(2,816,016)	(2,834,696)	(4,771,317)	(4,734,175)	(4,911,183)	(5,223,555)	(988,399)	(2,522,967)	1,815,402	(3,951,574)
Culture and Recreation	(8,418,790)	(8,044,348)	(13,776,899)	(11,265,433)	(13,610,479)	(13,393,009)	(16,999,174)	(24,346,609)	(22,415,137)	(17,711,728)
Conservation of Natural Resources	(2,250,992)	(2,335,506)	(1,510,783)	(2,850,055)	(1,294,487)	(2,989,815)	(3,985,236)	(3,530,357)	(4,627,226)	700,169
Economic Development	215,744	(130,036)	(191,595)	1,944,923	(3,394,287)	(2,643,408)	8,238,917	(1,603,045)	(1,000,952)	(1,914,534)
Interest	(1,447,204)	(1,013,259)	(64,536)	(13,828)	(9,366)	(4,758)	-	-	(46,847)	(270,130)
Total Governmental Net (Expense) Revenue	\$ (100,399,636)	\$ (106,706,013)	\$ (135,082,830)	\$ (115,078,285)	\$ (132,072,838)	\$ (162,081,472)	\$ (139,936,591)	\$ (181,371,320)	\$ (206,337,955)	\$ (154,361,074)
<i>Business-Type Activities</i>										
Geographic Information Systems	\$ (2,039)	\$ 2,264	\$ (501)	\$ (1,616)	\$ 435	\$ 3,328	\$ (13,642)	\$ 594	\$ (54,000)	\$ 4,000
Criminal Justice Information Integration Network	(24,598)	-	-	-	-	-	-	-	-	-
Byllesby Dam	600,425	1,135,445	535,614	(82,872)	(51,095)	1,003,397	(591,336)	(1,261,327)	7,460,313	12,811,369
Total Business-Type Net (Expense) Revenue	\$ 573,788	\$ 1,137,709	\$ 535,113	\$ (84,488)	\$ (50,660)	\$ 1,006,725	\$ (604,978)	\$ (1,260,733)	\$ 7,406,313	\$ 12,815,369
Total Primary Government Net (Expense) Revenue	\$ (99,825,848)	\$ (105,568,304)	\$ (134,547,717)	\$ (115,162,773)	\$ (132,123,498)	\$ (161,074,747)	\$ (140,541,569)	\$ (182,632,053)	\$ (198,931,642)	\$ (141,545,705)
General Revenues, Transfers, and Special Items										
Primary Government										
<i>Governmental Activities</i>										
Property Taxes	\$ 130,961,310	\$ 131,291,226	\$ 132,104,314	\$ 134,913,760	\$ 137,667,064	\$ 141,178,006	\$ 144,969,549	\$ 145,115,328	\$ 148,608,206	\$ 149,940,409
Gravel Taxes	641,711	648,871	702,699	681,057	758,483	755,599	866,369	813,440	775,816	780,897
Mortgage Registry and Deed Tax	469,380	620,763	644,838	662,588	632,849	756,387	896,215	1,170,517	923,232	427,532
Wheelage Tax (1st year collected was 2014)	3,622,715	3,882,501	4,121,216	3,880,323	4,060,282	4,150,519	3,969,104	4,100,773	3,938,641	4,035,617
Transit Tax (1st year collected was 2017)	-	-	-	2,634,283	18,092,372	20,739,456	18,482,153	21,086,607	23,482,994	24,369,410
Grants and Contributions (unrestricted)	17,392,414	17,729,391	18,310,891	17,366,297	19,152,689	18,963,824	20,408,983	20,488,774	20,392,663	20,740,446
Investment Earnings	7,902,963	3,027,128	2,678,241	5,349,627	8,500,619	15,343,510	10,633,812	(2,375,772)	(6,825,724)	15,805,880
Miscellaneous	1,543,935	1,658,116	1,210,534	1,329,806	1,259,350	1,152,925	1,216,610	1,175,182	1,018,167	359,727
Gain on Sale of Capital Assets	44,374	170,593	307,328	199,162	301,350	69,694	16,487	235,494	145,375	129,489
Transfers	316,076	(2,047,500)	-	-	-	(5,602,279)	-	-	-	-
Governmental Activities General Revenues, Transfers, and Special Items	\$ 162,894,878	\$ 156,981,089	\$ 160,080,061	\$ 167,016,903	\$ 190,425,058	\$ 197,507,641	\$ 201,459,282	\$ 191,810,343	\$ 192,459,370	\$ 216,589,407
Total Change in Net Position - Governmental Activities	\$ 62,495,242	\$ 50,275,076	\$ 24,997,231	\$ 51,938,618	\$ 58,352,220	\$ 35,426,169	\$ 61,522,691	\$ 10,439,023	\$ (13,878,585)	\$ 62,228,333
<i>Business-Type Activities</i>										
Transfers	\$ (316,076)	\$ 2,047,500	\$ -	\$ -	\$ -	\$ 5,602,279	\$ -	\$ -	\$ -	\$ -
Total General Revenues - Business-Type Activities	\$ (316,076)	\$ 2,047,500	\$ -	\$ -	\$ -	\$ 5,602,279	\$ -	\$ -	\$ -	\$ -
Total Change in Net Position - Business-Type Activities	\$ 257,712	\$ 3,185,209	\$ 535,113	\$ (84,488)	\$ (50,660)	\$ 6,609,004	\$ (604,978)	\$ (1,260,733)	\$ 7,406,313	\$ 12,815,369
Total Change in Net Position - Primary Government	\$ 62,752,954	\$ 53,460,285	\$ 25,532,344	\$ 51,854,130	\$ 58,301,560	\$ 42,035,173	\$ 60,917,713	\$ 9,178,290	\$ (6,472,272)	\$ 75,043,702

(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.

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

Dakota County, Minnesota

Changes in Net Position - Component Units

Expenses	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Component Unit										
Community Development Agency	\$ 45,809,051	\$ 48,779,121	\$ 50,192,082	\$ 54,180,692	\$ 61,783,314	\$ 62,328,777	\$ 62,298,076	\$ 59,587,281	\$ 60,114,035	\$ 68,295,897
Vermillion River Watershed	988,024	937,527	1,778,826	1,425,151	2,021,279	1,360,526	1,411,767	1,557,495	949,389	1,983,308
Total Component Unit	\$ 46,797,075	\$ 49,716,648	\$ 51,970,908	\$ 55,605,843	\$ 63,804,593	\$ 63,689,303	\$ 63,709,843	\$ 61,144,776	\$ 61,063,424	\$ 70,279,205
Program Revenues										
Component Unit										
Community Development Agency	\$ 51,920,861	\$ 48,824,536	\$ 49,592,155	\$ 58,450,581	\$ 63,308,990	\$ 60,142,109	\$ 66,637,510	\$ 64,469,043	\$ 72,537,891	\$ 76,925,202
Vermillion River Watershed	75,224	58,206	319,291	1,196,933	332,945	372,496	454,731	676,548	840,065	292,641
Total Component Unit	\$ 51,996,085	\$ 48,882,742	\$ 49,911,446	\$ 59,647,514	\$ 63,641,935	\$ 60,514,605	\$ 67,092,241	\$ 65,145,591	\$ 73,377,956	\$ 77,217,843
General Revenues - Community Development Agency	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Property Taxes	\$ 6,513,347	\$ 6,612,923	\$ 6,807,677	\$ 7,010,940	\$ 9,125,928	\$ 9,532,762	\$ 10,312,761	\$ 11,065,743	\$ 10,813,426	\$ 11,098,998
Tax Increment Financing Revenue	1,280,041	1,510,242	1,434,707	1,532,006	-	-	-	-	-	-
Investment Earnings	606,434	526,561	817,637	662,688	1,326,251	2,562,182	1,733,151	183,092	(1,704,954)	5,025,778
Total General Revenues - Community Development Agency	\$ 8,399,822	\$ 8,649,726	\$ 9,060,021	\$ 9,205,634	\$ 10,452,179	\$ 12,094,944	\$ 12,045,912	\$ 11,248,835	\$ 9,108,472	\$ 16,124,776
Total Change in Net Position - Community Development Agency	\$ 14,511,632	\$ 8,695,141	\$ 8,460,094	\$ 13,475,523	\$ 11,977,855	\$ 9,908,276	\$ 16,385,346	\$ 16,130,597	\$ 21,532,328	\$ 24,754,081
General Revenues - Vermillion River Watershed	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Property Taxes	\$ 861,518	\$ 816,583	\$ 819,669	\$ 863,702	\$ 890,963	\$ 911,947	\$ 966,568	\$ 970,789	\$ 972,771	\$ 966,993
Investment Earnings	23,253	22,959	24,427	26,992	30,382	29,563	16,123	13,473	26,196	43,027
Total General Revenues - Vermillion River Watershed	\$ 884,771	\$ 839,542	\$ 844,096	\$ 890,694	\$ 921,345	\$ 941,510	\$ 982,691	\$ 984,262	\$ 998,967	\$ 1,010,020
Total Change in Net Position - Vermillion River Watershed	\$ (28,029)	\$ (39,779)	\$ (615,439)	\$ 662,476	\$ (766,989)	\$ (46,520)	\$ 25,655	\$ 103,315	\$ 889,643	\$ (680,647)
Total Change in Net Position - Component Units	\$ 14,483,603	\$ 8,655,362	\$ 7,844,655	\$ 14,137,999	\$ 11,210,866	\$ 9,861,756	\$ 16,411,001	\$ 16,233,912	\$ 22,421,971	\$ 24,073,434

(negative) change (expense) is not sufficient to cover the program's costs or to maintain a program's resources to 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

	2014	2015	2016	2017	2018	2019 (Restated)	2020	2021	2022	2023
General Fund:										
Nonspendable	\$ 2,668,745	\$ 918,924	\$ 590,622	\$ 903,399	\$ 1,142,119	\$ 1,037,914	\$ 1,137,028	\$ 1,009,935	\$ 1,674,543	\$ 1,593,371
Restricted	4,863,501	2,411,854	3,422,516	3,574,610	3,767,272	2,061,693	11,150,828	3,072,442	3,685,214	9,346,399
Committed	1,018,120	-	40,601,526	48,010,163	49,455,436	-	-	-	-	-
Assigned	114,550,801	15,991,647	12,212,149	12,091,582	14,760,382	13,472,166	2,924,451	3,988,180	2,609,719	4,694,712
Unassigned	37,407,381	136,384,503	121,527,661	122,585,397	124,293,814	114,172,594	127,446,383	102,222,194	84,067,178	82,829,973
Total General Fund	\$ 160,508,548	\$ 155,706,928	\$ 178,354,474	\$ 187,165,151	\$ 193,419,023	\$ 130,744,367	\$ 142,658,690	\$ 110,292,751	\$ 92,036,654	\$ 98,464,455
All Other Governmental Funds										
Nonspendable	\$ 1,321,295	\$ 1,951,000	\$ 1,837,540	\$ 1,218,877	\$ 1,254,552	\$ 972,331	\$ 1,267,223	\$ 1,607,142	\$ 1,578,651	\$ 1,941,054
Restricted	3,006,049	2,116,826	1,053,347	24,992,184	43,514,584	64,620,388	71,063,628	68,559,264	77,204,023	100,503,099
Committed	16,800,000	33,903,045	-	-	-	51,092,680	52,891,738	52,862,042	54,652,341	52,539,172
Assigned	126,133,830	106,849,172	89,054,808	97,638,134	103,076,851	107,993,553	72,060,559	79,749,324	70,151,197	24,157,077
Unassigned	-	(596,278)	-	(585,420)	-	-	-	(4,434,957)	(2,852,777)	(10,241,168)
Total All Other Governmental Funds	\$ 147,261,174	\$ 144,223,765	\$ 91,945,695	\$ 123,263,775	\$ 147,845,987	\$ 224,678,952	\$ 197,283,148	\$ 198,342,815	\$ 200,733,435	\$ 168,899,234

Dakota County, Minnesota

Changes in Fund Balances Governmental Funds

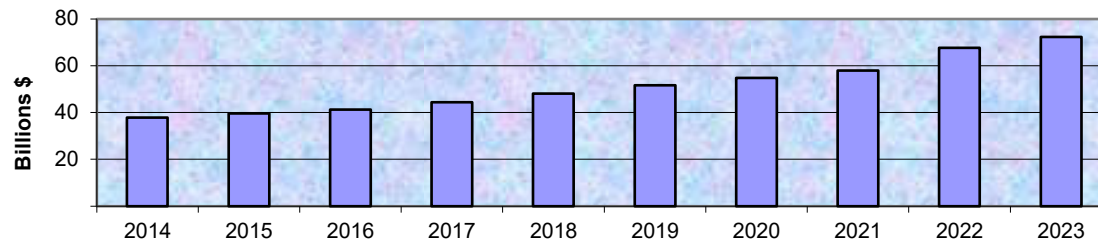
	2014	2015	2016	2017	2018	2019 (Restated)	2020	2021	2022	2023
Revenues										
Taxes	\$ 136,359,731	\$ 136,989,719	\$ 137,648,397	\$ 142,973,021	\$ 161,251,560	\$ 167,727,301	\$ 168,959,044	\$ 172,533,419	\$ 177,668,407	\$ 179,559,882
Licenses and Permits	2,129,725	2,311,817	2,199,311	2,256,683	2,250,783	2,525,678	2,191,773	2,550,116	2,584,844	2,558,034
Intergovernmental	140,173,118	131,962,034	129,148,654	180,266,276	159,220,862	155,163,215	198,988,771	193,638,930	182,486,636	213,025,429
Charges for Services	20,543,486	20,848,708	20,977,000	20,817,024	21,674,944	21,713,363	21,494,465	24,160,975	22,181,690	21,209,333
Fines and Forfeits	81,087	112,460	84,343	98,239	86,600	86,443	66,752	100,255	47,629	69,737
Gifts and Contributions	124,616	12,676	23,694	30,509	73,419	62,530	54,336	117,198	55,458	110,028
Investment Earnings	7,846,381	2,886,545	3,210,132	5,349,627	7,792,530	15,292,119	10,436,162	(1,752,875)	(7,001,837)	14,928,672
Miscellaneous	4,501,053	4,552,892	5,001,712	5,109,882	5,137,299	4,919,350	4,592,479	5,209,491	8,379,643	4,960,569
Total Revenues	\$ 311,759,197	\$ 299,676,851	\$ 298,293,243	\$ 356,901,261	\$ 357,487,997	\$ 367,489,999	\$ 406,783,782	\$ 396,557,509	\$ 386,402,470	\$ 436,421,684
Expenditures										
Current										
General Government	\$ 56,895,468	\$ 66,437,160	\$ 61,998,869	\$ 66,332,612	\$ 67,587,263	\$ 73,357,603	\$ 99,179,207	\$ 93,825,600	\$ 85,992,389	\$ 105,779,566
Public Safety	38,118,314	38,732,137	40,331,218	41,898,007	44,122,644	45,401,308	47,978,646	48,543,969	49,867,690	53,256,145
Highways and Streets	45,884,786	53,273,832	59,981,844	65,207,585	59,501,236	60,248,651	82,936,211	95,572,415	80,843,811	100,499,617
Sanitation	5,900,555	4,628,357	4,972,357	5,314,937	5,351,296	6,983,842	8,427,367	6,898,702	11,230,429	7,597,250
Human Services	71,073,035	71,867,015	76,989,354	80,280,668	86,751,403	90,791,578	101,739,931	114,442,511	108,569,581	117,580,812
Health	8,729,094	9,356,123	9,338,776	9,709,710	10,070,410	11,304,671	12,100,456	12,163,647	15,609,210	12,577,825
Culture and Recreation	24,217,982	25,272,217	28,326,858	25,965,503	27,891,578	27,328,953	33,652,104	31,800,214	28,744,969	32,336,713
Conservation of natural resources	3,576,475	4,935,421	3,980,145	7,261,105	3,455,271	4,387,366	5,501,305	5,354,450	5,058,196	8,801,503
Economic Development	10,485,161	11,995,645	9,408,698	9,378,042	10,056,935	10,456,088	6,498,522	8,711,537	9,147,521	13,025,816
Intergovernmental										
Highways and Streets	186,803	199,461	-	-	-	-	-	-	-	-
Capital Outlay	7,604,780	8,825,960	8,416,595	5,262,334	12,272,244	17,129,719	25,427,764	11,660,400	7,958,907	11,853,188
Debt Service										
Principal Retirement	12,825,000	10,299,591	23,556,611	136,449	140,911	145,518	-	-	38,606	24,488
Interest	1,655,031	1,180,282	495,500	13,828	9,366	4,758	-	-	4,996	3,830
Administrative Charges	3,350	8,750	6,450	-	-	-	-	-	-	-
Total Expenditures	\$ 287,155,834	\$ 307,011,951	\$ 327,803,275	\$ 316,760,780	\$ 327,210,557	\$ 347,540,055	\$ 423,441,513	\$ 428,973,445	\$ 403,066,305	\$ 463,336,753
Excess of Revenues Over/ (Under) Expenditures	\$ 24,603,363	\$ (7,335,100)	\$ (29,510,032)	\$ 40,140,481	\$ 30,277,440	\$ 19,949,944	\$ (16,657,731)	\$ (32,415,936)	\$ (16,663,835)	\$ (26,915,069)
Other Financing Sources										
Transfers In	\$ 8,782,958	\$ 53,670,221	\$ 26,639,436	\$ 3,195,718	\$ 14,079,834	\$ 18,301,058	\$ 29,882,363	\$ 14,886,018	\$ 3,835,322	\$ 3,896,906
Transfers Out	(8,466,882)	(55,717,721)	(26,639,436)	(3,092,144)	(13,966,718)	(23,785,252)	(29,261,110)	(14,259,533)	(3,204,654)	(3,291,474)
Proceeds from Leases	-	704,080	-	-	-	-	-	-	-	-
Subscriptions issued	-	-	-	-	-	-	-	-	-	773,748
Proceeds from Sale of Capital Assets	44,374	190,994	314,626	199,162	301,350	69,694	191,474	247,244	145,375	129,489
Total Other Financing Sources	\$ 360,450	\$ (1,152,426)	\$ 314,626	\$ 302,736	\$ 414,466	\$ (5,414,500)	\$ 812,727	\$ 873,729	\$ 776,043	\$ 1,508,669
Net Change in Fund Balance	\$ 24,963,813	\$ (8,487,526)	\$ (29,195,406)	\$ 40,443,217	\$ 30,691,906	\$ 14,535,444	\$ (15,845,004)	\$ (31,542,207)	\$ (15,887,792)	\$ (25,406,400)
Debt Service Expenditures as Percent of Non-Capital Expenditures	6.02%	4.67%	9.03%	0.06%	0.05%	0.05%	0.00%	0.00%	0.01%	0.01%

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	A Assessed Value	B Estimated Market Value	C Assessed Value	D Estimated Market Value		
2014	\$ 434,588,066	\$ 37,249,751,955	\$ 9,073,792	\$ 465,663,370	\$ 443,661,858	\$ 37,715,415,325	1.2 %	0.33745
2015	454,661,066	39,093,256,221	9,845,321	504,162,445	464,506,387	39,597,418,666	1.2	0.29633
2016	471,286,219	40,645,907,860	10,787,023	552,044,681	482,073,242	41,197,952,541	1.2	0.28570
2017	507,139,039	43,796,489,603	11,400,448	582,982,924	518,539,487	44,379,472,527	1.2	0.28004
2018	547,666,437	47,405,446,930	11,603,384	593,137,563	559,269,821	47,998,584,493	1.2	0.26580
2019	589,610,832	51,055,156,039	11,572,869	591,828,463	601,183,701	51,646,984,502	1.2	0.25386
2020	626,417,610	54,081,034,984	12,229,486	624,354,483	638,647,096	54,705,389,467	1.2	0.24133
2021	662,362,315	57,381,581,817	9,048,457	465,275,490	671,410,772	57,846,857,307	1.2	0.21630
2022	770,676,492	67,134,746,569	9,600,612	492,676,896	780,277,104	67,627,423,465	1.2	0.21630
2023	830,424,687	71,756,314,696	9,579,710	491,998,940	840,004,397	72,248,313,636	1.2	0.18816

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

Unaudited

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Dakota County, Minnesota

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

<u>Governments</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
<u>DAKOTA COUNTY</u>										
Revenue	0.14759	0.13473	0.13825	0.12761	0.11444	0.10520	0.10561	0.10011	0.09562	0.08150
Highway	0.01311	0.01094	0.01144	0.01255	0.01140	0.01049	0.00655	0.00615	0.00568	0.00376
Community Services	0.12475	0.11073	0.10290	0.10708	0.10795	0.10715	0.09677	0.09029	0.08611	0.07737
Environmental Management	0.00130	0.00124	0.00094	0.00092	0.00085	0.00079	0.00000	0.00000	0.00000	0.00000
Parks	0.00722	0.00249	0.00257	0.00275	0.00241	0.00258	0.00234	0.00221	0.00146	0.00141
County Library	0.02864	0.02649	0.02528	0.02495	0.02400	0.02300	0.02230	0.02099	0.02021	0.01781
County Building	0.00154	0.00137	0.00132	0.00129	0.00217	0.00212	0.00557	0.00524	0.00499	0.00426
Debt Services	0.01014	0.00528	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
DCLLR	0.00316	0.00306	0.00299	0.00289	0.00258	0.00253	0.00219	0.00217	0.00223	0.00223
County Referendum	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
Total	0.33745	0.29633	0.28570	0.28004	0.26580	0.25386	0.24133	0.22716	0.21630	0.18816

OVERLAPPING RATES:

CITIES

Apple Valley	0.47891	0.45274	0.44721	0.44473	0.42475	0.39603	0.38782	0.38192	0.38182	0.35273
Burnsville	0.46670	0.44790	0.46525	0.46557	0.43552	0.43595	0.43148	0.42853	0.43054	0.42374
Coates	0.19507	0.20081	0.17482	0.17490	0.17399	0.15688	0.17196	0.13838	0.14258	0.12739
Eagan	0.38250	0.36525	0.37097	0.37385	0.36378	0.35227	0.35262	0.36333	0.36119	0.33566
Farmington	0.65876	0.61455	0.59239	0.58760	0.57161	0.54372	0.50971	0.49251	0.50623	0.42933
Hampton	0.44221	0.46932	0.42776	0.45342	0.40813	0.34468	0.44044	0.37915	0.41069	0.31361
Hastings	0.66246	0.62581	0.63577	0.62518	0.60864	0.59612	0.57391	0.57351	0.58807	0.53267
Inver Grove Heights	0.46128	0.48131	0.49266	0.51644	0.51112	0.53537	0.51037	0.50590	0.51925	0.48814
Lakeville	0.40696	0.38948	0.38669	0.37510	0.36419	0.35607	0.34615	0.34351	0.32846	0.29676
Lilydale	0.34570	0.32619	0.30133	0.30276	0.28772	0.27155	0.26130	0.25889	0.24826	0.24390
Mendota	0.46518	0.46806	0.49808	0.44384	0.51502	0.27453	0.30252	0.29374	0.27020	0.24974
Mendota Heights	0.34737	0.34964	0.35247	0.37487	0.37826	0.39294	0.38315	0.37849	0.39741	0.36889
Miesville	0.32952	0.32255	0.31950	0.31635	0.30821	0.29797	0.31106	0.30174	0.30460	0.27365
New Trier	0.61658	0.55227	0.52333	0.67619	0.53348	0.58132	0.52669	0.54828	0.52702	0.52814
Northfield	0.59785	0.56750	0.57552	0.55667	0.57164	0.56216	0.58161	0.56661	0.59867	0.62643
Randolph	0.36865	0.26076	0.26284	0.28171	0.24722	0.21488	0.31845	0.24405	0.26849	0.26199
Rosemount	0.47676	0.45152	0.43149	0.41832	0.40961	0.39355	0.38580	0.36954	0.36949	0.32345
South St. Paul	0.60901	0.60405	0.64693	0.63853	0.64041	0.64582	0.60847	0.63388	0.64411	0.60180
Sunfish Lake	0.26775	0.23869	0.25558	0.26178	0.26168	0.26206	0.28528	0.22716	0.28529	0.21814
Vermillion	0.47656	0.47954	0.41978	0.48789	0.41866	0.46032	0.41116	0.38087	0.35757	0.30192
West St. Paul	0.71249	0.70642	0.69795	0.71412	0.69287	0.28780	0.70106	0.69427	0.70684	0.67362

Unaudited

Dakota County, Minnesota

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

<u>Governments</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	(Continued) <u>2022</u>	(Continued) <u>2023</u>
<u>TOWNSHIPS</u>										
Castle Rock	0.14310	0.12364	0.12161	0.12145	0.12259	0.39603	0.11248	0.10448	0.10332	0.09018
Douglas	0.18733	0.18509	0.15701	0.15190	0.22048	0.16226	0.16392	0.18881	0.17360	0.16560
Empire	0.31164	0.29823	0.29445	0.29462	0.29892	0.27430	0.29131	0.27250	0.27623	0.24073
Eureka	0.15362	0.14688	0.13672	0.14463	0.14534	0.13685	0.20183	0.19310	0.19139	0.17284
Greenvale	0.17982	0.18013	0.17263	0.17123	0.16966	0.16868	0.16215	0.14722	0.14046	0.11872
Hampton	0.15415	0.14439	0.14581	0.13322	0.13514	0.12713	0.11824	0.13208	0.11223	0.10495
Marshan	0.13995	0.12860	0.12635	0.16613	0.16708	0.15110	0.19431	0.17084	0.17011	0.14053
Nininger	0.16384	0.16495	0.15829	0.16477	0.15484	0.15261	0.14610	0.14461	0.13636	0.13410
Randolph	0.08004	0.08665	0.08940	0.07345	0.09617	0.08630	0.08779	0.08270	0.07036	0.06094
Ravenna	0.20128	0.17452	0.18196	0.18164	0.17242	0.16870	0.15964	0.17435	0.13176	0.11035
Sciota	0.15021	0.13745	0.10887	0.07750	0.11892	0.13674	0.14562	0.13129	0.13398	0.13353
Vermillion	0.17466	0.17214	0.16724	0.16279	0.16282	0.15723	0.14728	0.14070	0.16031	0.14204
Waterford	0.13493	0.11909	0.16816	0.17375	0.28812	0.28780	0.28368	0.26483	0.25143	0.22066
<u>SCHOOL DISTRICTS</u>										
6	0.44522	0.35881	0.36719	0.35868	0.31367	0.29622	0.28878	-	0.29116	0.25628
191	0.25661	0.24554	0.31065	0.27529	0.25759	0.26202	0.23765	0.03432	0.20273	0.19403
192	0.56326	0.53474	0.57584	0.54269	0.52825	0.51401	0.53105	0.02394	0.49481	0.38497
194	0.33048	0.31459	0.35319	0.32914	0.32992	0.32535	0.34851	0.03722	0.33983	0.29473
195	0.18001	0.16685	0.18661	0.17065	0.17509	0.19879	0.20376	0.18555	0.18555	0.16691
196	0.27606	0.23271	0.24317	0.23336	0.21352	0.20613	0.19860	0.02394	0.19971	0.17904
197	0.23863	0.24063	0.22170	0.22295	0.21224	0.24246	0.22125	0.03432	0.20391	0.17067
199	0.33418	0.34864	0.30272	0.28572	0.26680	0.26537	0.22896	0.23368	0.22296	0.20009
200	0.23052	0.20965	0.20938	0.20305	0.20545	0.19079	0.17924	0.02394	0.16214	0.14207
252	0.23940	0.24900	0.28498	0.26310	0.24453	0.24663	0.20806	0.02394	0.19835	0.20363
659	0.36410	0.34064	0.32847	0.30937	0.33150	0.31216	0.30468	0.02394	0.27017	0.23821
<u>SPECIAL DISTRICTS</u>										
Watershed M	0.00748	0.00679	0.00691	0.00745	0.00712	0.00664	0.00540	0.00540	0.00523	0.00493
Watershed V	0.00545	0.00466	0.00449	0.00449	0.00429	0.00403	0.00399	0.00370	0.00348	0.00287
Transit District	0.01377	0.01292	0.01261	0.01215	0.01104	0.01244	0.01150	0.01038	0.00969	0.00849
Mosquito Control	0.00548	0.00518	0.00491	0.00475	0.00443	0.00435	0.00406	0.00384	0.00372	0.00325
Metropolitan Council	0.01015	0.00827	0.00958	0.00878	0.00821	0.00666	0.00606	0.00635	0.00649	0.00564
Dakota County CDA	0.01650	0.01559	0.01547	0.01548	0.01479	0.01479	0.01469	0.01375	0.01391	0.01176
Burnsville EDA	0.00889	0.00860	0.00891	0.00897	0.00955	0.00924	0.00136	0.00290	0.00317	0.00992
Hastings HRA	0.01613	0.01379	0.01551	0.01500	0.01454	0.01453	0.01455	0.01472	0.01491	0.01310
Northfield EDA	0.01716	0.01697	0.01702	0.01638	0.01624	0.01599	0.01572	0.01536	0.01600	0.01490
Northfield HRA	0.01751	0.01732	0.01763	0.01670	0.01655	0.01629	0.01602	0.01566	0.01633	0.01521
South St. Paul EDA	---	---	0.01363	0.01685	0.01358	0.01516	0.01383	0.01558	0.01475	0.01371
South St. Paul HRA	0.01450	0.01468	0.01649	0.01492	0.01453	0.01527	0.01417	0.01588	0.01506	0.01399
South Metro EMS	0.01249	0.01264	0.01784	0.01541	0.01402	0.01333	0.01200	0.01162	0.01800	0.02289
Light Transit Rail	0.00403	0.00371	0.00357	0.00342	0.00031	---	---	---	---	---

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

Source: Dakota County Property Taxation and Records Department

Unaudited

Dakota County, Minnesota

PRINCIPAL TAXPAYERS CURRENT YEAR AND NINE YEARS AGO

Name	Type of Business	2014 Tax Capacity Value	% of Total County Tax Capacity	Name	Type of Business	2023 Tax Capacity Value	% of Total County Tax Capacity
Northern States Power Co	Electric Utility	\$ 6,781,264	1.8 %	Northern States Power Co	Utility	\$ 8,127,159	1.5 %
Flint Hills	Refinery	3,282,089	0.9	Flint Hills Resources Pine Bend LLC	Industrial	4,659,988	0.8
Burnsville Center Spe LP	Burnsville Center	2,079,250	0.5	Northern Natural Gas Co.	Utility	2,500,890	0.4
Dakota Electric Assn.	Electric Utility	1,787,744	0.5	Paragon Outlets Eagan LLC	Commercial	1,699,250	0.3
West Publishing Co.	Book Publishing	1,463,325	0.4	West Publishing Co	Industrial	1,679,878	0.3
Northern Natural Gas Co.	Natural Gas Utility	1,338,438	0.3	SVC CPC Eagan LLC	Commercial	1,695,452	0.3
Health Landlord (MN) LLC	Commercial	1,177,650	0.3	MV Eagan Ventures LLC	Commercial	1,369,676	0.2
Minnegasco Inc.	Natural Gas Utility	1,076,964	0.3	Chicago & NW Trans Co	RR	1,199,087	0.2
Eagan Promenade Inc	Health Care	780,284	0.2	Health Landlord (MN) LLC	Commercial	1,218,009	0.2
Menard Inc	Retail	698,950	0.2	SP Lakeville Development LLC	Industrial	1,160,994	0.2
	TOTAL	\$ 20,465,958	5.4 %	TOTAL		\$ 25,310,383	4.4 %

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					
2014	\$ 128,377,938	\$ 127,389,352	99.2	\$ 892,658	\$ 128,282,010	99.9	\$ 1,342,028	1.0 %
2015	129,661,717	128,723,340	99.3	650,201	129,373,541	99.8	1,154,427	0.9
2016	130,196,625	129,468,269	99.4	430,689	129,898,958	99.8	1,198,369	0.9
2017	132,800,558	132,001,073	99.4	722,237	132,723,310	99.9	1,031,027	0.8
2018	136,651,774	135,904,206	99.5	757,616	136,661,822	100.0	1,009,680	0.7
2019	140,614,675	139,882,554	99.5	554,633	140,437,187	99.9	867,022	0.6
2020	144,613,647	143,544,446	99.3	1,016,467	144,560,913	100.0	414,365	0.3
2021	149,058,650	147,927,215	99.2	947,617	148,874,832	99.9	345,096	0.2
2022	148,843,318	147,861,240	99.3	767,132	148,628,372	99.9	410,921	0.3
2023	151,725,780	150,557,841	99.2	320,907	150,878,748	99.4	410,921	0.3

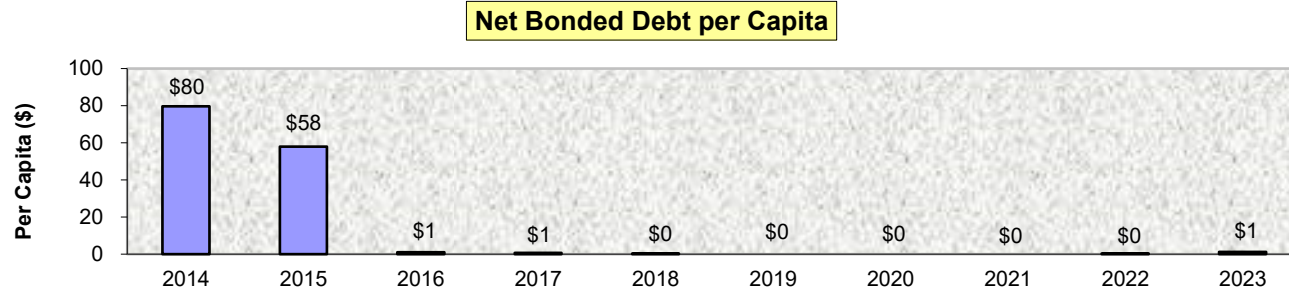
*Includes tax adjustments, tax credits and fiscal disparity adjustments

Source: Dakota County Property Taxation and Records Department

Dakota County, Minnesota

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

	A	B	C	D			Ratio of Net Debt to Assessed Value*	Net Debt Per Capita**	Ratio of Net Debt to Personal Income
Year Assessed	Population	Assessed Value	Gross Bonded Debt	Lease/SBITA Payable	Debt Service Funds	Net Debt			
2014	412,529	\$ 443,661,858	\$ 33,660,684	\$ -	\$ 832,407	\$ 32,828,277	7.40	80	0.15%
2015	414,686	464,506,387	23,468,911	559,489	-	24,028,400	5.17	58	0.11%
2016	417,487	482,073,242	-	422,878	-	422,878	0.09	1	0.00%
2017	421,751	518,539,487	-	286,429	-	286,429	0.06	1	0.00%
2018	425,423	559,269,821	-	145,518	-	145,518	0.03	0	N/A***
2019	429,021	601,183,701	-	-	-	-	-	-	N/A***
2020	431,807	638,647,096	-	-	-	-	-	-	N/A***
2021	442,038	671,410,772	-	-	-	-	-	-	N/A***
2022	443,341	780,277,104	-	128,686	-	128,686	0.02	0	N/A***
2023	447,440	830,424,687	-	496,801	-	496,801	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 DECEMBER 31, 2023

Government Unit	Debt Outstanding ¹	Applicable to Dakota County	
		Percent ²	Amount
<u>Direct:</u>			
Dakota County			
Leases Liability	\$ 104,198	100.0 %	\$ 104,198
Subscriptions Liability	392,603	100.0	392,603
Dakota County Total	496,801		496,801
<u>Underlying:</u>			
City of Apple Valley	\$ 30,975,360	100.0	30,975,360
City of Burnsville	61,000,000	100.0	61,000,000
City of Eagan	36,405,000	100.0	36,405,000
City of Farmington	9,560,000	100.0	9,560,000
City of Hampton	2,912,000	100.0	2,912,000
City of Hastings	24,840,000	99.9	24,815,160
Hastings EDA	0	100.0	0
City of Inver Grove Hts	34,970,000	100.0	34,970,000
City of Lakeville	146,760,000	100.0	146,760,000
City of Lilydale	1,965,000	100.0	1,965,000
City of Mendota	0	100.0	-
City of Mendota Heights	20,565,000	100.0	20,565,000
Miesville	0	100.0	0
New Trier	0	100.0	0
City of Northfield	70,291,054	7.9	5,552,993
Randolph City	1,892,000	100.0	1,892,000
City of Rosemount	112,310,000	100.0	112,310,000
City of South St. Paul	19,098,000	100.0	19,098,000
City of Sunfish Lake	1,535,874	100.0	1,535,874
City of Vermillion	0	100.0	0
City of West St. Paul	48,290,000	100.0	48,290,000
Castle Rock Township	\$ 0		0
Douglas	200,000	100.0	200,000
Empire Township	1,985,000	100.0	1,985,000
Greenvale Township	0		0
Randolph Township	0	100.0	0
Marshan Township	0	100.0	0
Vermillion Township	0		0
Dakota County CDA	\$ 201,433,415	100.0 %	\$ 201,433,415
Special S.D. #6 (South St Paul)	25,055,000	100.0	25,055,000
Ind. S.D. #191 (Burnsville)	106,710,000	75.8	80,886,180
Ind. S.D. #192 (Farmington)	114,450,000	100.0	114,450,000
Ind. S.D. #194 (Lakeville)	195,265,000	80.0	156,212,000
Ind. S.D. #195 (Randolph)	9,415,000	88.2	8,304,030
Ind. S.D. #196 (Rosemount)	385,260,000	100.0	385,260,000
Ind. S.D. #197 (W. St. Paul)	125,505,000	100.0	125,505,000
Ind. S.D. #199 (Inver Grove Hts.)	47,530,000	100.0	47,530,000
Ind. S.D. #200 (Hastings)	65,377,571	87.2	57,009,242
Ind. S.D. #252 (Cannon Falls)	23,905,000	4.9	1,171,345
Ind. S.D. #659 (Northfield)	46,530,000	14.8	6,886,440
Total underlying debt	\$ 1,971,990,274		\$ 1,770,494,039
<u>Overlapping:</u>			
Metropolitan Council (Parks & Solid Waste)	\$ 10,706,757 ³	13.4 %	\$ 1,434,705
Metropolitan Transit Commission	137,795,113	13.4 %	18,464,545
Total overlapping debt	\$ 148,501,870		\$ 19,899,250
Total debt	\$ 2,120,988,945		\$ 1,790,890,090

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

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

³ The Metropolitan Council also has outstanding \$78,702,623.00 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>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
<i>Estimated Market Value</i>	\$ 37,715,415,325	\$ 39,597,418,666	\$ 41,197,952,541	\$ 44,379,472,527	\$ 47,998,584,493	\$ 51,646,984,502	\$ 54,705,389,467	\$ 57,846,857,307	\$ 67,627,423,465	\$ 71,756,314,696
<i>Legal Debt Margin</i>										
Debt Limit (3% of assessed value)*	\$ 1,131,462,460	\$ 1,187,922,560	\$ 1,235,938,576	\$ 1,331,384,176	\$ 1,439,957,535	\$ 1,549,409,535	\$ 1,641,161,684	\$ 1,735,405,719	\$ 2,028,822,704	\$ 2,152,689,441
Debt Applicable to limit:										
General Obligation Bonds	\$ 33,660,684	\$ 23,420,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Less: amount reserved for repayment of general obligation debt	(832,407)	-	-	-	-	-	-	-	-	-
Total Debt Applicable to Limit	\$ 32,828,277	\$ 23,420,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Legal Debt Margin</i>	\$ 1,098,634,183	\$ 1,164,502,560	\$ 1,235,938,576	\$ 1,331,384,176	\$ 1,439,957,535	\$ 1,549,409,535	\$ 1,641,161,684	\$ 1,735,405,719	\$ 2,028,822,704	\$ 2,152,689,441
Total debt applicable to the limit as a percent of debt limit	3.0%	2.0%	-	-	-	-	-	-	-	-

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

Dakota County, Minnesota

DEMOGRAPHIC STATISTICS LAST TEN YEARS

Fiscal Year	Population¹	Personal Income¹	Per Capita Income¹	Median Age²	School Enrollment K through 12³	Annual Average Unemployment Rate⁴
2014	412,529	21,524,339,000	52,177	36.8	75,226	3.8
2015	414,686	22,272,614,000	53,710	37.3	75,336	3.3
2016	417,487	22,951,451,000	54,975	37.6	75,123	3.4
2017	421,751	24,308,945,000	57,638	37.8	76,323	3.1
2018	425,423	25,802,276,000	60,651	38.2	76,821	2.5
2019	429,021	26,562,417,000	61,914	38.3	77,228	2.9
2020	431,807	27,958,762,000	64,748	37.7	77,711	5.9
2021	442,038	30,026,160,000	67,927	39	75,499	3.1
2022	443,341	31,026,692,000	69,984	39	77,007	2.0
2023	447,440	31,026,692,000	69,984	48	77,293	2.7

Data Sources:

¹ US Dept Of Commerce, Bureau of Economic Analysis

² US Census Bureau

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

⁴ State Department of Employment and Economic Development

*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>	2014	Percentage of Total County	<u>Employer</u>	2023	Percentage of Total County
<u>Employees</u>		<u>Employment</u>	<u>Employees</u>		<u>Employment</u>
Reuters Thomson West	7,000	3.01%	Independent School District 196	5,981	2.49%
Blue Cross-Blue Shield	3,550	1.53%	Thomson West	5,225	2.17%
Independent School District 196	3,500	1.51%	Blue Cross-Blue Shield of MN	3,000	1.25%
Burnsville Center	3,000	1.29%	Burnsville Center*	3,000	1.25%
Prime Therapeutics	2,700	1.16%	Independent School District 194	1,270	0.53%
Dakota County	1,806	0.78%	US Postal Service (Eagan)	2,704	1.13%
Fairview Ridges Hospital	1,500	0.65%	Dakota County	1,974	0.82%
UTC Aerospace	1,500	0.65%	UTC Aerospace Systems	1,468	0.61%
US Postal Service	1,481	0.64%	CHS Inc	1,480	0.62%
Independent School District 191	1,374	0.59%	Independent School District 191	1,300	0.54%
Total County Employment	232,407	11.81%	Total County Employment	240,319	11.41%

**Includes part-time employees*

Source: Department of Employment and Economic Development

Note: This does not purport to be a comprehensive list and is based on a best efforts survey of individual employers. Some employers do not respond to inquiries. - BakerTilly (fka Springsted)

Unaudited

Dakota County, Minnesota

COUNTY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM LAST TEN FISCAL YEARS

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Function/program										
County Wide	2.00	3.00	2.00	2.00	2.00	2.00	2.00	1.00	2.00	2.00
Public Service										
Public Service	9.25	9.25	8.56	7.00	7.06	5.31	3.50	3.50	4.00	4.00
Assessor	35.00	37.00	38.00	38.50	38.50	40.00	40.00	40.00	40.00	40.00
Elections	0.00	0.00	0.00	0.00	5.00	5.00	5.00	5.00	5.00	8.00
Property Records	44.60	44.50	44.80	45.30	36.30	34.30	34.30	34.30	34.30	33.30
Service & Licensing	23.75	23.75	23.75	24.81	28.75	28.44	30.00	30.00	30.00	33.50
Library	135.93	135.93	135.92	134.86	134.86	130.48	130.81	130.81	124.30	130.20
Operations Management										
Risk Management	5.70	7.00	7.00	6.00	6.00	7.00	7.00	7.00	7.00	8.00
Information Technology	64.00	65.00	65.00	65.00	66.00	68.00	69.00	69.10	69.10	71.10
Financial Services	34.24	35.00	35.00	35.00	28.00	28.00	28.00	27.00	27.00	29.00
Budget	0.00	0.00	0.00	0.00	8.00	8.00	8.00	7.90	6.90	7.90
EFIS Division Administration	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.00	3.00	4.00
Office of Performance & Analysis	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00
CJN	6.00	6.90	6.90	6.90	6.90	6.90	8.00	8.00	8.00	0.00
Administration										
County Administration	10.00	11.00	11.00	11.00	11.00	11.00	11.00	10.00	8.00	8.00
County Board	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
County Communications	6.10	7.00	7.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00
Employee Relations	19.05	19.05	19.05	19.05	19.05	19.45	19.45	19.45	20.45	21.50
Community Services										
Community Services Administration	15.00	17.00	17.00	18.00	18.00	18.00	17.00	16.00	15.00	17.00
Social Services	299.22	313.52	333.52	355.20	363.20	372.75	382.35	394.35	424.35	485.20
Employment & Economic Assistance	255.50	248.10	254.10	267.15	268.12	267.20	271.20	273.20	282.50	306.00
Public Health	90.72	91.52	93.12	94.02	98.42	110.02	110.02	110.02	121.27	121.80
Veterans Services	6.00	6.00	6.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
Community Corrections	169.29	171.22	171.52	173.92	174.92	176.92	176.92	176.92	176.92	190.90
Public Safety										
Sheriff	172.71	174.09	179.09	182.59	186.09	183.25	188.25	191.25	191.25	196.30
County Attorney										
County Attorney	85.99	88.99	87.87	90.87	94.87	94.00	94.00	94.00	97.00	98.30
Physical Development										
Physical Development	25.75	25.75	25.35	25.35	26.35	25.35	26.35	26.35	25.85	35.60
Transportation	87.43	87.43	90.43	98.43	102.43	98.00	97.00	97.00	97.00	97.00
Operations Management	43.50	70.57	70.07	71.07	71.07	65.00	66.00	66.00	68.00	70.00
Parks	43.48	23.08	23.08	25.08	28.78	20.70	21.70	20.70	21.00	30.60
Environmental Resources	31.50	32.50	33.60	33.50	33.50	34.00	35.00	35.00	36.00	32.00
Survey	8.00	8.00	8.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Byllesby Dam	0.00	0.00	0.00	0.00	0.00	1.00	2.00	2.00	2.00	2.00
Total	1744.71	1777.15	1811.73	1860.60	1893.17	1890.07	1913.85	1927.85	1977.19	2113.20

Source: Dakota County Departmental documents

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Government										
Property Documents Recorded	73,232	78,517	80,652	75,564	70,130	74,001	99,794	110,100	70,713	52,000
County Veterans Population	27,550	27,048	25,689	25,094	24,496	23,900	23,900	25,170	21,950	21,413
New Adult Criminal Court Cases	3,812	4,069	4,253	4,784	4,851	4,918	4,450	4,333	4,252	3,919
Juvenile Delinquency Referrals	1,891	1,784	1,731	1,796	1,587	1,450	961	865	1,058	975
Commitment Referrals	250	252	233	253	270	255	323	343	375	361
Plat Reviews	83	86	92	74	93	74	86	94	83	58
Public Safety										
Probation Offenders Served ¹	10,903	10,642	10,566	12,192	12,349	12,270	10,869	10,057	10,451	10,160
Community Restoration Hours Served ³	60,606	57,634	58,124	54,523	52,235	52,299	22,212	29,877	28,390	27,329
Driving While Impaired Arrests	127	144	138	134	119	146	91	87	75	61
Applications for Permit to Carry Handguns	2,868	3,632	4,754	3,870	4,423	3,373	8,249	7,105	6,362	6,111
Daily Inmate Responsibility Average	229	214	225	215	208	203	125	144	165	180
Highways and Streets										
Fuel Used (Diesel and Unleaded)	127,653	103,998	106,885	97,349	126,696	139,002	107,069	98,440	110,729	108,626
Sanitation										
Pounds of Household Hazardous Waste Collected	4,176,000	4,180,000	4,295,619	3,800,936	3,584,356	3,335,313	3,528,793	2,953,364	2,652,038	2,590,028
Human Services										
Intake and Crisis Calls	47,730	52,929	65,614	58,945	59,702	54,376	61,240	58,741	76,419	54,422
Average Monthly # of Children in Out-of-Home Placement	103	128	173	299	240	278	215	174	172	187
Chemical Health Assessments Completed	779	637	569	606	563	596	321	268	419	597
Public Assistance Caseload	25,819	36,575	40,110	40,346	42,570	41,180	46,237	52,603	56,537	59,741
Child Support Collections	\$45,957,834	\$44,973,145	\$44,531,574	\$43,208,675	\$42,849,581	\$42,057,930	\$44,910,870	\$40,587,510	\$37,507,086	\$38,056,049
Average # of Families Served - Child Care Assistance Programs	1,202	1,323	1,132	1,053	1,290	1,326	1,283	1,027	1,158	1,293
Long Term Care Clients on Medicaid Waiver	3,097	3,520	3,817	3,883	4,479	4,763	4,701	6,405	8,950	9,572
Health										
Family Health Referrals	857	1,131	1,146	1,282	1,446	1,263	896	685	1,147	930
WIC Clients	10,680	10,246	10,177	9,859	9,638	9,079	8,603	8,570	9,139	9,737
Number of Confirmed Tuberculosis Cases	41	30	17	21	29	33	16	17	20	25
Health Alerts Issued	21	13	20	13	16	11	26	21	13	6
Vaccinations Administered	2,812	1,615	1,604	1,684	1,696	2,380	872	61,975	7,188	3,385
Culture and Recreation										
Visitors to Library (Gate Counts)	2,057,720	2,057,720								
Master Gardener Education Events	-	-								
Conservation of Natural Resources										
Tons of Soil Saved from Erosion										
Economic Development										
Employment and Training Caseload	4,639	4,223	4,192	4,303	4,306	4,023	3,157	2,793	2,447	2,699
Number of Adults Program Participants Placed in Employment	1,444	1,238	1,493	1,397	1,373	1,307	604	571	553	584

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

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

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

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

Dakota County, Minnesota

CAPITAL ASSET AND INFRASTRUCTURE STATISTICS BY FUNCTION/PROGRAM

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
	0									
General Government										
Government Centers	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Public Safety										
Justice Center	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Patrol Units ¹	31.00	29.00	35.00	39.00	38.00	37.00	38.00	39.00	41.00	42.00
Transportation										
Bituminous (miles)	359.70	359.70	359.70	362.55	362.55	362.55	368.60	368.60	372.60	374.00
Concrete (miles)	2.80	2.80	2.80	2.80	2.80	2.80	2.80	2.80	2.80	2.80
Gravel (miles)	56.50	55.50	55.50	53.25	53.25	53.25	47.20	47.20	43.20	43.20
Bridges	34.00	34.00	34.00	34.00	34.00	34.00	34.00	34.00	34.00	34.00
Traffic signals	134.00	134.00	134.00	134.00	134.00	136.00	136.00	140.00	140.00	141.00
Culverts	48.00	48.00	48.00	48.00	48.00	48.00	28.00	49.00	49.00	72.00
Highway Shops	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Culture & Recreation										
Acreage	5,539.00	5,602.00	5,653.00	5,653.00	5,611.00	5,611.00	5,653.00	5,653.00	5,965.00	6,280.00
County Parks	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Regional parks & trails	8.00	8.00	8.00	11.00	11.00	11.00	11.00	11.00	11.00	12.00
Libraries	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00

Data Sources: Various county departments

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

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