



DAKOTA COUNTY

MINNESOTA



ANNUAL COMPREHENSIVE FINANCIAL REPORT



FOR FISCAL YEAR ENDED DECEMBER 31, 2024



2024

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, 2024



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

December 31, 2025

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

SUBJECT: 2024 ANNUAL COMPREHENSIVE FINANCIAL REPORT

The Annual Comprehensive Financial Report (ACFR) of Dakota County is submitted for the fiscal year ended December 31, 2024. 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 request for proposal (RFP) process to conduct the County's audit for 2024. 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 2024 population was 453,156 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.

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 several 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 14% between 2010 and 2024, adding almost 55,000 people. The Minnesota State Demographic Center (SDC) projects Dakota County will increase an additional 15% by 2040. In that same period, the total population in the seven-county metropolitan region is anticipated to increase about 19%.
- According to the Minnesota Department of Employment and Economic Development (DEED), in 2024 there were 11,669 private sector firms and 166,159 private sector employees in Dakota County. The largest employing industry sectors in the County are trade, transportation, and utilities (44,678), education and health services (27,571), professional and business services (19,899), manufacturing (19,590), and leisure and hospitality (19,126).
- Dakota County maintains the lowest per capita property tax rate in the State of Minnesota. This means that for each unit of value for a property, property owners in Dakota County pay the least amount.
- The Federal response to COVID-19 had a significant impact on Dakota County operations through its use of American Rescue Plan (ARP) funding. ARP funds had an obligation deadline at the end of 2024. Of the \$83 million in ARP funding, several major projects and programs received funding, including Byllesby Dam, Mental Health Crisis Response services, the Nicols Pointe affordable housing development, the new Kaposia Library in South Saint Paul, the Law Enforcement Center Integrative Health Unit, and the Thompson Oaks River Greenway.

Key Economic Indicators

In 2024 Dakota County’s unemployment rate (2.9%) 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. (4.0%).

Economic Indicators	Amount	Annual Percentage Change
Unemployment Rate (2024)	2.9%	0.2%
Number of Households (2023)	181,442	1.2%
Population (2024)	453,156	1.3%

Sources: MN Department of Employment & Economic Development, 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		2024 Distribution		Percent Change 2023-2024	
	Number of Employees		Dakota County	State of Minnesota	Dakota County	State of Minnesota
	2023	2024				
Total, All Industries	187,751	189,051	100.0%	100.0%	0.7%	1.0%
Agricultural, Forestry, Fishing	1,100	1,125	0.6%	0.8%	2.3%	0.4%
Mining	109	110	0.1%	0.2%	0.9%	1.2%
Construction	10,717	10,526	5.6%	4.9%	-1.8%	1.5%
Manufacturing	19,774	19,590	10.4%	11.2%	-0.9%	-1.7%
Utilities	533	555	0.3%	0.5%	4.1%	1.5%
Wholesale Trade	8,911	8,910	4.7%	4.6%	0.0%	0.4%
Retail Trade	23,750	24,004	12.7%	9.8%	1.1%	0.5%
Information	5,271	5,054	2.7%	1.7%	-4.1%	-3.1%
Finance, Insurance & Real Estate	11,834	11,421	6.0%	6.1%	-3.5%	-1.2%
Services	57,188	57,145	30.2%	32.2%	-0.1%	-0.1%
Other	48,559	50,608	26.8%	28.1%	4.2%	4.1%
TOTAL						
Total, All Industries -- Government	21,945	22,892	12.1%	13.3%	4.3%	3.3%
Total, All Industries -- Private	165,806	166,159	87.9%	86.7%	0.2%	0.6%

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)

	2020	2021	2022	2023	2024
Residential	\$380,207	\$459,019	\$525,839	\$620,178	\$560,210
Commercial	87,457	40,764	27,630	39,676	108,449
Industrial	37,441	25,338	88,217	100,317	138,840
Agricultural	2,126	3,862	749	2,634	4,007
Apartments	118,226	149,648	229,824	310,837	232,365
Total Value	\$625,457	\$678,631	\$872,259	\$1,073,642	\$1,043,871

Source: Dakota County Assessor's Office

Major Initiatives by Dakota County

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

- We expanded County services in the northern part of the county through the new Kaposia Library in South St. Paul, after hours self-service access to libraries, and the new Crisis and Recovery Center in West St. Paul.
- We paid tribute to the late Dakota County Deputy Luther Klug by renaming a county road in his honor and holding a memorial event at the site.
- We partnered with the cities of South St. Paul and Lakeville on beautiful trailheads along our greenways in those communities.
- We celebrated the installation of new features that will begin generating electricity at Byllesby Dam. Soon, Dakota County will begin generating more electricity than our buildings and facilities use.
- We completed work on four solar installations at County buildings.
- Accessibility, road and safety improvements were made to Yankee Doodle Road in Eagan
- Our Public Health department was reaccredited for five years by the Public Health Accreditation Board.
- We looked out for our neighbors by adding Naloxone access in libraries.
- We expanded prevention work in our ApartmentConnect program that reaches tenants early before they fall into a crisis.
- We piloted innovative ways to directly connect the disability community with employers and others.
- We fortified our Veterans Court system, bringing partners into the fold and enhancing the program with peer mentors.
- We successfully administered the 2024 general election, including handling absentee ballot administration for all cities, school districts and townships in the county.
- Major highway projects made significant progress: Roundabouts at County Road 11 and Burnsville Parkway in the City of Burnsville and County Road 46 and County Road 85 (Goodwin Ave) in Vermillion and Nininger Townships were constructed to address critical safety concerns. County Road 63 (Delaware Ave) in front of Two Rivers High School in Mendota Heights and West St. Paul was completed to close a critical trail gap and make school safety improvements to the county road system.
- We successfully brought in nearly \$50 million external dollars to assist county projects in natural resource restoration, greenways, and park development. In addition to added 15 miles to the regional greenway system.
- First installation of the new and updated Greenway wayfinding standards which was installed on the 2.1-mile Vermillion River Greenway that runs along the south side of the Vermillion River in Hastings.
- After decades of work, we completed the connection from Hastings to St. Paul on the Mississippi River Greenway.
- We revised the County's solid waste management plan to align with new state direction for metropolitan counties and meet statutory requirements. The plan includes strategies to make progress towards the State's goal to recycle 75% of waste by 2030 and to carry out required strategies in the Minnesota Pollution Control Agency's new policy plan, including new and expanded focus in areas of waste reduction/reuse, wood waste management, organics (food scrap) recovery, and sustainable building material management.
- We completed design and started construction for the Lebanon Hills Maintenance Facility.
- Our County Fleet continues to lead the nation, collecting another award from the American Association of State Highway and Transportation Officials for Implementation of Lane Boundary Guidance System for Snowplow Operations.

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, 2024.

<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. 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. At the time of this writing, Dakota County's application for the Certificate of Achievement for Excellence in Financial Reporting for the annual comprehensive report for the fiscal year ended December 31, 2023 is still under review by the GFOA.

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 2024. This is the 28th year Dakota County has received the award.

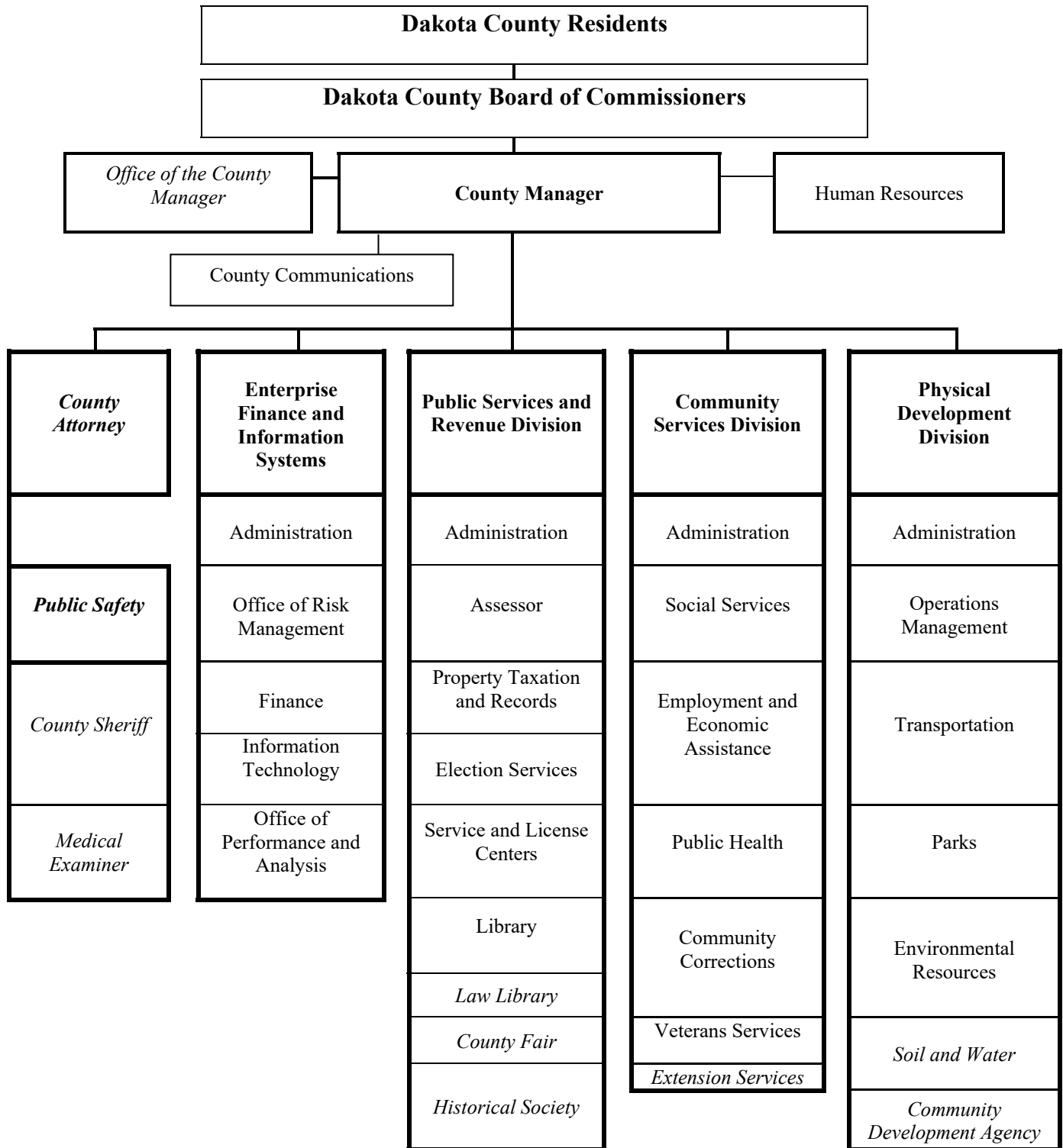
The timely preparation of this report could not have been accomplished without the professional and dedicated hard work of the entire staff of the Finance Department. In addition, cooperation was essential from many other departments, especially the County's Property Taxation and Records Department and 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 forward-looking manner.

Respectfully submitted,



William Wallo
Finance Director

2024 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

2024

Officer	Name	Term From	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	Heidi Welsch	September 2024	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

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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, 2024, 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, 2024, and the respective changes in financial position and, where applicable, cash flows thereof 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%, 99.9%, and 99.6%, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units as of December 31, 2024. 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.

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, budgetary comparison schedules of the General fund, Highway Special Revenue Fund, Environmental Legacy Special Revenue Fund, DC Transportation Sales Tax Special Revenue Fund, and the Special Federal Revenue Special Revenue Fund, 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, the budgetary comparison schedules of the Capital Projects Fund, County Library Special Revenue Fund, County Parks Special Revenue Fund, Regional Rail Special Revenue Fund, and the Opioids Settlement Special Revenue Fund, discretely presented component unit statements for the Vermillion River Watershed District, the schedule of intergovernmental revenues, and the 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 December 31, 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 cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Minneapolis, Minnesota
December 31, 2025

Dakota County, Minnesota | December 31, Management's Discussion and Analysis 2024

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, 2024. 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 December 31, 2024, by \$1,374,684,387 (*net position*). Of this amount, \$38,836,500 (*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 \$70,799,298 for the year ended December 31, 2024. This positive change is primarily due to program revenues exceeding program expenses for highway and streets, sanitation, health, and conservation of natural resources as well as an increase in property taxes with the increased levy and an increase in grants not restricted to specific programs with the increase in Coronavirus State and Local Fiscal Recovery Funds spending.
- As of the close of the 2024 fiscal year, Dakota County governmental funds' ending fund balance had a decrease of \$44,243,680 from 2023. This reduction in fund balance is primarily due to the delay in the reimbursement of intergovernmental revenue, incurring expenditures for capital projects funded by bonds that were not issued until July 2025, and an increase in expenditures for improvements in buildings, parks, trails, roads and infrastructure. General fund current expenditures of \$310,863,527 also exceeded its revenues of \$290,557,118 in 2024 due to the budgeted use of fund balance. Approximately 44.5% or \$99,339,305 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 \$68,646,091 or 22.1% 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, economic development, and interest. 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 2024.

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 43-90 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 119-137 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 \$1,374,684,387 at the close of 2024, which is an increase of \$70,799,298 for the year ended December 31, 2024.

Net investment in capital assets, of \$1,181,179,835 (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 (85.9%). 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			
	2024	2023	2024	2023	2024	2023
Current and other assets	\$ 392,959,100	\$ 456,921,540	\$ (589,268)	\$ (10,738,847)	\$ 392,369,832	\$ 446,182,693
Capital assets	1,135,418,810	1,050,542,915	56,537,234	48,768,157	1,191,956,044	1,099,311,072
Total assets	\$ 1,528,377,910	\$ 1,507,464,455	\$ 55,947,966	\$ 38,029,310	\$ 1,584,325,876	\$ 1,545,493,765
Deferred outflows of resources	\$ 30,336,071	\$ 45,882,186	\$ 19,205	\$ 30,170	\$ 30,355,276	\$ 45,912,356
Long-term liabilities outstanding	\$ 111,815,686	\$ 142,059,154	\$ 81,993	\$ 115,490	\$ 111,897,679	\$ 142,174,644
Other liabilities	58,570,467	86,874,953	1,471,423	1,396,237	60,041,890	88,271,190
Total liabilities	\$ 170,386,153	\$ 228,934,107	\$ 1,553,416	\$ 1,511,727	\$ 171,939,569	\$ 230,445,834
Deferred inflows of resources	\$ 68,002,504	\$ 57,033,299	\$ 54,692	\$ 41,899	\$ 68,057,196	\$ 57,075,198
Net position:						
Net investment in capital assets	\$ 1,126,104,653	\$ 1,044,863,780	\$ 55,075,182	\$ 47,378,397	\$ 1,181,179,835	\$ 1,092,242,177
Restricted	154,575,923	144,048,466	92,129	88,129	154,668,052	144,136,595
Unrestricted	39,644,748	78,466,989	(808,248)	(10,960,672)	38,836,500	67,506,317
Total net position	\$ 1,320,325,324	\$ 1,267,379,235	\$ 54,359,063	\$ 36,505,854	\$ 1,374,684,387	\$ 1,303,885,089

Dakota County's total net position increased by \$70,799,298 from 2023's ending balance. This change can be attributed to a combination of factors, but it is primarily due to program revenues exceeding program expenses for highway and streets, sanitation, health, and conservation of natural resources as well as an increase in property taxes with the increased levy and an increase in grants not restricted to specific programs with the increase in Coronavirus State and Local Fiscal Recovery Funds spending. Although expenses increased overall, there were decreases in general government, public safety, highway and streets, sanitation, conservation of natural resources, economic development, and interest, which contributed to the increase in net position. The change can also be attributed to the County's investment in capital assets and the related increase shown above in the net investment in capital assets, which often had related grant funding revenues.

A portion of Dakota County's net position, \$154,668,052 or 11.3% represents resources that are subject to external restrictions on how they may be used. Restricted net position increased \$10,531,457 during the current fiscal year. The remaining balance of unrestricted net position of \$38,836,500 may be used to meet Dakota County's obligations to citizens and creditors. Unrestricted net position decreased primarily due to the County's investment in capital assets and the related increase shown above in the net investment in capital assets.

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As indicated above, Dakota County had positive balances in all three categories of net position at the end of 2024 as a whole, but business-type activities had negative unrestricted net position in the amount of \$808,248 due to the Byllesby Dam being not producing revenues from electricity production for the past several years while the dam is being renovated.

Governmental Activities. The Governmental activities' net position makes up the majority of the County's total net position. These activities increased by \$52,946,089 from 2023 due to primarily due to program revenues exceeding program expenses for highway and streets, sanitation, health, and conservation of natural resources as well as an increase in property taxes with the increased levy and an increase in grants not restricted to specific programs with the increase in Coronavirus State and Local Fiscal Recovery Funds spending. Although expenses increased overall, there were decreases in general government, public safety, highway and streets, sanitation, conservation of natural resources, economic development, and interest, which contributed to the increase in net position. The change can also be attributed to the County's investment in capital assets and the related increase shown above in the net investment in capital assets which often had related grant funding revenues.

Business-type Activities. Business-type activities incurred an increase from 2023's net position by \$17,853,209. Operating grants and contributions make up the majority of the increase in activity.

Dakota County's Changes in Net Position

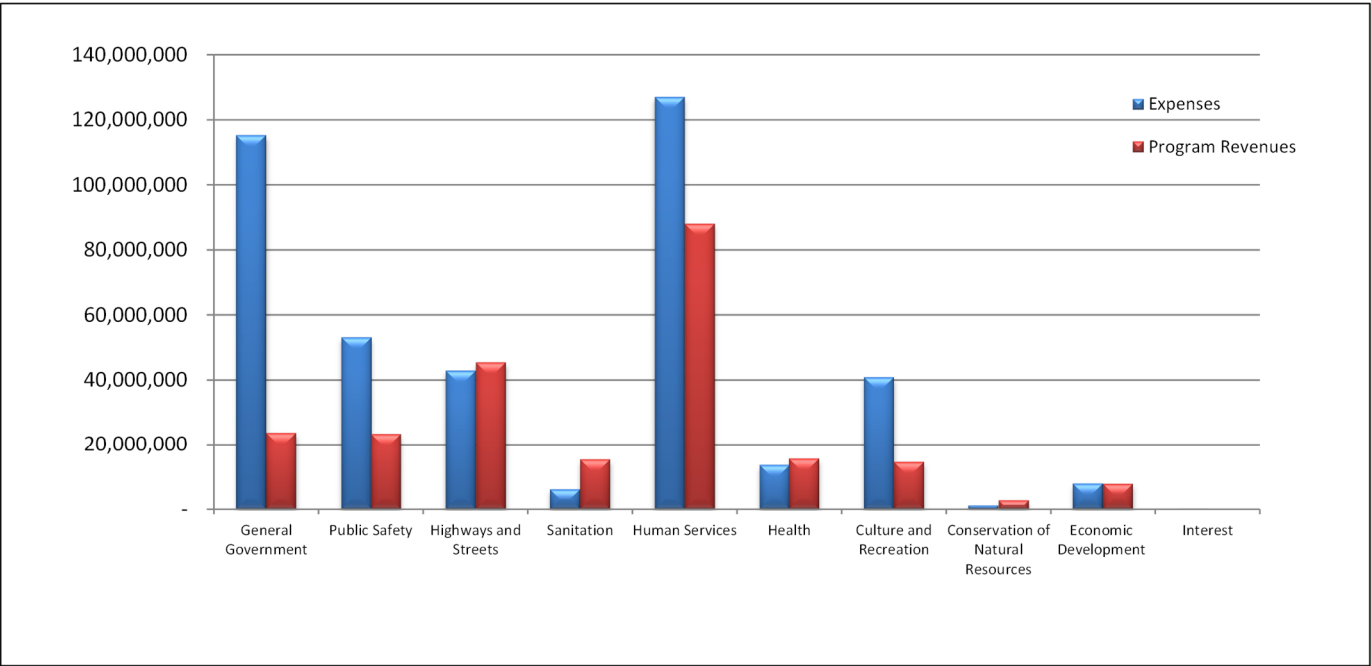
	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Revenues:						
Program revenues:						
Fees, charges, fines and other	\$ 34,958,474	\$ 27,825,534	\$ 315,200	\$ 186,876	\$ 35,273,674	\$ 28,012,410
Operating grants & contributions	181,875,172	187,956,743	15,356,691	13,550,768	197,231,863	201,507,511
Capital grants & contributions	19,906,746	24,952,897	-	-	19,906,746	24,952,897
General revenues and transfers:						
Taxes	185,925,354	179,553,865	-	-	185,925,354	179,553,865
Grants & contributions not restricted to specific programs	27,136,868	20,740,446	-	-	27,136,868	20,740,446
Investment income	13,413,479	15,805,880	-	-	13,413,479	15,805,880
Other	795,321	489,216	-	-	795,321	489,216
Total revenues	<u>\$ 464,011,414</u>	<u>\$ 457,324,581</u>	<u>\$ 15,671,891</u>	<u>\$ 13,737,644</u>	<u>\$ 479,683,305</u>	<u>\$ 471,062,225</u>
Expenses:						
General government	\$ 115,267,991	\$ 118,400,351	\$ -	\$ -	\$ 115,267,991	\$ 118,400,351
Public safety	53,140,453	54,280,509	-	-	53,140,453	54,280,509
Highways and streets	42,942,909	43,464,719	-	-	42,942,909	43,464,719
Sanitation	6,143,320	7,198,027	-	-	6,143,320	7,198,027
Human services	127,050,292	116,586,522	-	-	127,050,292	116,586,522
Health	13,610,989	12,673,415	-	-	13,610,989	12,673,415
Culture and recreation	40,863,586	24,282,869	-	-	40,863,586	24,282,869
Conservation of natural resources	1,142,006	4,949,385	-	-	1,142,006	4,949,385
Economic development	7,928,467	12,990,321	-	-	7,928,467	12,990,321
Interest	151,921	270,130	-	-	151,921	270,130
Operating expenses – Byllesby	-	-	642,073	922,275	642,073	922,275
Total expenses	<u>\$ 408,241,934</u>	<u>\$ 395,096,248</u>	<u>\$ 642,073</u>	<u>\$ 922,275</u>	<u>\$ 408,884,007</u>	<u>\$ 396,018,523</u>
Increase (decrease) in net position	<u>\$ 55,769,480</u>	<u>\$ 62,228,333</u>	<u>\$ 15,029,818</u>	<u>\$ 12,815,369</u>	<u>\$ 70,799,298</u>	<u>\$ 75,043,702</u>
Transfers	(2,823,391)	-	2,823,391	-	-	-
Net position January 1	1,267,379,235	1,205,150,902	36,505,854	23,690,485	1,303,885,089	1,228,841,387
Net Position December 31	<u>\$ 1,320,325,324</u>	<u>\$ 1,267,379,235</u>	<u>\$ 54,359,063</u>	<u>\$ 36,505,854</u>	<u>\$ 1,374,684,387</u>	<u>\$ 1,303,885,089</u>

Dakota County, Minnesota

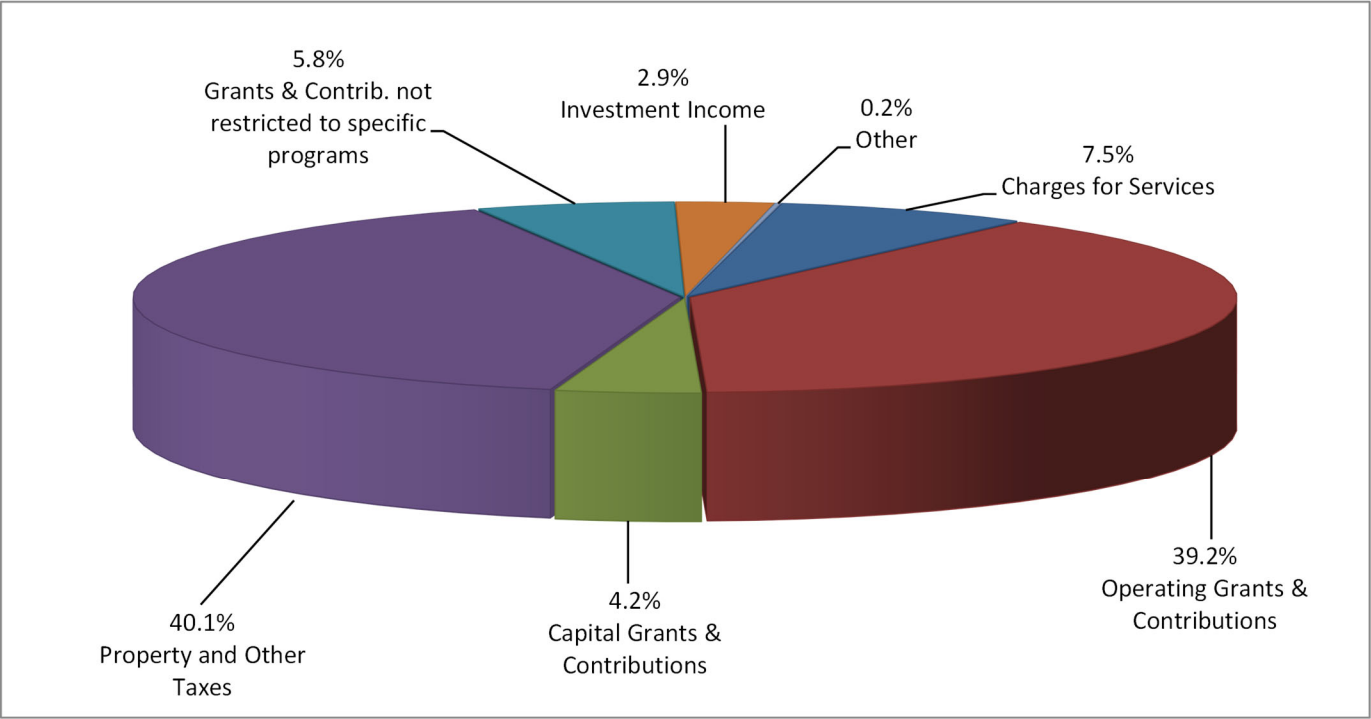
December 31, 2024

Management's Discussion and Analysis

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 2024, Dakota County's governmental funds reported combined ending fund balances of \$223,120,009, a net decrease of \$44,243,680 due primarily to the delay in reimbursement of intergovernmental revenue and bond funded capital expenditures being incurred in 2024 with the related bonds being issued in 2025. \$2,971,824 was also a spend down of the significant reserves in the Environmental Legacy fund on projects that meet the committed purpose of the protection, reservation, or enhancement of the environment. 44.5% of fund balance, \$99,339,305, is available for spending at the government's discretion. The remainder of fund balance, \$123,780,704, 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 2024, the General Fund's fund balance was \$79,077,068 of which \$68,646,091 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 22.08% of the 2024 total General Fund expenditures of \$310,863,527, while total fund balance represents 25.44% of total expenditures.

Highway Fund. The Highway Fund's total fund balance at 2024 was \$14,518,012, which is an \$926,326 increase from 2023 due to revenue remaining comparable to 2023 while expenditures decreased.

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 2024. The 2023 net fund balance of \$52,065,713 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 2024 was \$102,814,078 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 a new bond issuance in 2025.

Capital Projects Fund. The Capital Projects Fund has a negative fund balance of \$34,008,342. The major projects in 2024 included the work on solar panels and LED lighting at four County buildings, the law enforcement center integrative health unit, crisis and recovery center, the building of the South St. Paul Library, and the Lebanon Hills Grounds Maintenance Shop. The negative fund balance is due to the delay in the reimbursement of intergovernmental revenue and bond funded capital expenditures being incurred in 2024 with the related bonds being issued in 2025. \$983,679 of Inflation Reduction Act Investment Tax Credit funds will be received in 2026 to fund the majority of the solar panels and LED lighting project that was recorded in the capital projects fund.

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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 \$92,129, an increase of \$4,000 from 2023. The *Byllesby Dam Enterprise Fund* increased its investment in capital assets net position balance to \$55,075,182 for the purpose of maintaining the Federal Energy Regulatory Commission mandated spillway upgrade and likewise, reported unrestricted net position balance at the end of the year of a negative \$808,248. 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 \$11,744,213. The net position of the internal service fund decreased by \$372,306 over the past year due to the increase in medical claim expenses. 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 \$55,423,680 for expenditures at fiscal year-end. The major changes from original to final budget for expenditures may be summarized as follows:

- \$2.2 million for 2023 carry-over of unspent funds for Fleet capital equipment.
- \$5.7 million for 2023 carry-over of unspent funds for data upgrades and expansion of network systems.
- \$41.7 million for carry-over of unspent funds for farmland and wetland conservation and matching grant funds.
- \$1.2 million for emergency management grants and 800MHz equipment.
- \$6.5 million in social 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 \$27,639,910. The majority of this increase from original to final budget relates to increases in grant funding and carry-overs of 2023 revenues for various programs identified above.

Comparison of Actual Resources to Final Amended Budget

Actual expenditures were \$39,830,416 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, 2024, amounts to \$1,191,956,044 (net of accumulated depreciation and amortization). Investment in capital assets includes land, buildings, improvements other than buildings, machinery and equipment, infrastructure, construction in progress, lease assets, and intangible right to use subscription assets. The total increase in the Dakota County's investment in capital assets for the current fiscal year was \$92,644,972, or 8.43%.

Major capital asset events during 2024 included the following:

- Worked on a variety of county road construction projects, trails, bridges and transit improvements totaling over \$35.6 million.
- Over \$7.9 million in construction and upgrade costs to Byllesby Dam.
- \$8.2 million in solar panels and LED lighting as part of an energy efficiency project.

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

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Land	\$ 317,340,528	\$ 305,891,931	\$ -	\$ -	\$ 317,340,528	\$ 305,891,931
Buildings	147,573,632	143,153,358	-	-	147,573,632	143,153,358
Machinery and equipment	14,208,767	8,858,514	-	-	14,208,767	8,858,514
Infrastructure	493,620,390	441,829,584	9,277,531	9,431,586	502,897,921	451,261,170
Improvements other than buildings	75,982,334	58,800,064	-	-	75,982,334	58,800,064
Construction in progress	82,225,136	90,822,262	47,259,703	39,336,571	129,484,839	130,158,833
Total	<u>\$ 1,130,950,787</u>	<u>\$ 1,049,355,713</u>	<u>\$ 56,537,234</u>	<u>\$ 48,768,157</u>	<u>\$ 1,187,488,021</u>	<u>\$ 1,098,123,870</u>
Lease assets (intangible right to use)	\$ 455,730	\$ 552,997	\$ -	\$ -	\$ 455,730	\$ 552,997
Subscription assets (intangible right to use)	4,012,293	634,205	-	-	4,012,293	634,205
Total	<u>\$ 4,468,023</u>	<u>\$ 1,187,202</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,468,023</u>	<u>\$ 1,187,202</u>
Total capital assets net of depreciation and amortization	<u>\$ 1,135,418,810</u>	<u>\$ 1,050,542,915</u>	<u>\$ 56,537,234</u>	<u>\$ 48,768,157</u>	<u>\$ 1,191,956,044</u>	<u>\$ 1,099,311,072</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 2024, 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 66 of this report.

Economic Factors and Next Year's Budgets and Rates

- For the tenth 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.
- Dakota County's property tax values continue to rise, mostly due to appreciation in values. The 2025 total County property tax on a median home is expected to increase by 5.87% or \$39.62.

On December 17, 2024, the Dakota County Board of Commissioners approved the 2025 budget for \$523.1 million, an increase of \$8.8 million or 1.7% more than the 2024 budget. Under the Adopted Budget, the total operating budget totals \$367.0 million, an increase of \$30.8 million or 9.2% more than the previous year. Additionally, the Adopted Budget includes \$156.1 million for the 2025 Capital Improvement Program (CIP), a decrease of \$22.0 million, or 12.3% less than the 2024 CIP.

The 2025 total property tax levy is \$167.6 million, which is a 9.9% increase over the 2024 levy.

Dakota County, Minnesota | December 31, Management's Discussion and Analysis | 2024

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, 2024**

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Community Development Agency	Vermillion River Watershed
<u>Assets</u>					
Cash and pooled investments	\$ 291,695,504	\$ 92,129	\$ 291,787,633	\$ 139,315,399	\$ 1,805,287
Petty cash and change funds	21,193	-	21,193	-	-
Investments	-	-	-	55,391,843	-
Taxes receivable					
Current	-	-	-	6,745,657	49,536
Prior	897,304	-	897,304	-	1,191
Special assessments receivable	-	-	-	81,605	-
Accounts receivable	21,612,896	221	21,613,117	1,135,453	21,031
Note receivable	-	-	-	69,525,285	-
Accrued interest receivable	1,069,060	-	1,069,060	3,389,227	-
Internal balances	681,618	(681,618)	-	-	-
Due from other governments	73,504,881	-	73,504,881	7,716,142	12,604
Prepaid items	3,476,644	-	3,476,644	423,227	-
Restricted assets					
Cash and pooled investments	-	-	-	29,593,493	-
Investment in joint venture	-	-	-	5,533,552	-
Lease receivable	-	-	-	5,241,236	-
Capital assets					
Non-depreciable	399,565,664	47,259,703	446,825,367	41,116,878	-
Depreciable - net of accumulated depreciation	731,385,123	9,277,531	740,662,654	156,009,377	-
Amortizable - net of accumulated amortization	4,468,023	-	4,468,023	-	-
Total Assets	\$ 1,528,377,910	\$ 55,947,966	\$ 1,584,325,876	\$ 521,218,374	\$ 1,889,649
<u>Deferred Outflows of Resources</u>					
Deferred OPEB outflows	\$ 725,000	\$ -	\$ 725,000	\$ -	\$ -
Deferred pension outflows	29,611,071	19,205	29,630,276	-	-
Total deferred outflows of resources	\$ 30,336,071	\$ 19,205	\$ 30,355,276	\$ -	\$ -
<u>Liabilities</u>					
Accounts payable	\$ 17,188,121	\$ 122,833	\$ 17,310,954	\$ 5,316,967	\$ 118,186
Salaries payable	11,126,711	9,371	11,136,082	191,898	-
Contracts payable	5,363,829	1,339,219	6,703,048	-	15,847
Due to other governments	8,396,890	-	8,396,890	577,796	-
Accrued interest payable	-	-	-	2,369,757	-
Unearned revenue	7,995,348	-	7,995,348	2,238,138	-
Compensated absences					
Due within one year	2,226,459	-	2,226,459	695,353	-
Due in more than one year	24,817,574	-	24,817,574	690,244	-
Claims and judgments payable					
Due within one year	5,534,306	-	5,534,306	-	-
Due in more than one year	1,119,680	-	1,119,680	-	-
Leases payable					
Due within one year	14,596	-	14,596	-	-
Due in more than one year	75,496	-	75,496	-	-
Subscription payable					
Due within one year	908,528	-	908,528	-	-
Due in more than one year	2,951,708	-	2,951,708	-	-
General obligation bonds payable					
Due within one year	-	-	-	3,850,000	-
Due in more than one year	-	-	-	65,523,358	-

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

**DAKOTA COUNTY
MINNESOTA**

**STATEMENT OF NET POSITION
DECEMBER 31, 2024**

	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	10,087,000	-	10,087,000	-	-
Net pension liability					
Due in more than one year	71,929,907	81,993	72,011,900	-	-
Notes payable					
Due within one year	-	-	-	169,000	-
Due in more than one year	-	-	-	11,582,871	-
Total Liabilities	\$ 170,386,153	\$ 1,553,416	\$ 171,939,569	\$ 93,205,382	\$ 134,033
<u>Deferred Inflows of Resources</u>					
Deferred pension inflows	\$ 65,157,504	\$ 54,692	\$ 65,212,196	\$ -	\$ -
Deferred OPEB inflows	2,845,000	-	2,845,000	-	-
Deferred property taxes inflow	-	-	-	17,749,536	-
Total deferred inflows of resources	\$ 68,002,504	\$ 54,692	\$ 68,057,196	\$ 17,749,536	\$ -
<u>Net Position</u>					
Net investment in capital assets	\$ 1,126,104,653	\$ 55,075,182	\$ 1,181,179,835	\$ 118,818,718	\$ -
Restricted for					
Capital projects	-	-	-	30,952,396	-
General government	1,116,075	-	1,116,075	-	-
Public safety	5,059,280	-	5,059,280	-	-
Highways and streets	137,085,941	-	137,085,941	-	-
Health	4,861,673	-	4,861,673	-	-
Sanitation	2,569,392	-	2,569,392	-	-
Conservation of natural resources	144,107	-	144,107	-	-
Economic development	1,769,363	-	1,769,363	-	-
Debt service	-	-	-	54,170,560	-
Equipment replacement	1,970,092	92,129	2,062,221	-	-
Federal grants	-	-	-	4,076,490	-
Tax increment	-	-	-	13,519,487	-
HOPE program	-	-	-	5,388,023	-
Unrestricted	39,644,748	(808,248)	38,836,500	183,337,782	1,755,616
Total Net Position	\$ 1,320,325,324	\$ 54,359,063	\$ 1,374,684,387	\$ 410,263,456	\$ 1,755,616

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**DAKOTA COUNTY
MINNESOTA**

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2024**

	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	\$ 115,267,991	\$ 8,204,423	\$ 15,549,180	\$ -	\$ (91,514,388)	\$ -	\$ (91,514,388)		
Public safety	53,140,453	1,973,221	21,441,562	-	(29,725,670)	-	(29,725,670)		
Highways and streets	42,942,909	674,888	28,938,405	15,813,477	2,483,861	-	2,483,861		
Sanitation	6,143,320	11,419,521	3,900,176	-	9,176,377	-	9,176,377		
Human services	127,050,292	2,872,854	85,154,898	-	(39,022,540)	-	(39,022,540)		
Health	13,610,989	7,518,625	8,111,096	-	2,018,732	-	2,018,732		
Culture and recreation	40,863,586	1,772,504	8,750,900	4,093,269	(26,246,913)	-	(26,246,913)		
Conservation of natural resources	1,142,006	458,360	2,251,796	-	1,568,150	-	1,568,150		
Economic development	7,928,467	64,078	7,777,159	-	(87,230)	-	(87,230)		
Interest	151,921	-	-	-	(151,921)	-	(151,921)		
Total governmental activities	\$ 408,241,934	\$ 34,958,474	\$ 181,875,172	\$ 19,906,746	\$ (171,501,542)	\$ -	\$ (171,501,542)		
Business-type activities									
Geographic Information System	\$ -	\$ 4,000	\$ -	\$ -	\$ -	\$ 4,000	\$ 4,000		
Byllesby Dam	642,073	311,200	15,356,691	-	-	15,025,818	15,025,818		
Total business-type activities	\$ 642,073	\$ 315,200	\$ 15,356,691	\$ -	\$ -	\$ 15,029,818	\$ 15,029,818		
Total primary government	\$ 408,884,007	\$ 35,273,674	\$ 197,231,863	\$ 19,906,746	\$ (171,501,542)	\$ 15,029,818	\$ (156,471,724)		
Component units									
Community Development Agency	\$ 68,928,672	\$ 35,361,966	\$ 43,666,580	\$ 1,404,371				\$ 11,504,245	\$ -
Vermillion River Watershed	1,989,777	64,998	1,167,028	-				-	(757,751)
Total component units	\$ 70,918,449	\$ 35,426,964	\$ 44,833,608	\$ 1,404,371				\$ 11,504,245	\$ (757,751)

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, 2024**

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				\$ 154,768,678	\$ -	\$ 154,768,678	\$ 11,122,800	\$ 965,641
Gravel taxes				748,951	-	748,951	-	-
Mortgage registry and deed tax				696,015	-	696,015	-	-
Wheelage tax				4,123,411	-	4,123,411	-	-
Transit tax				25,588,299	-	25,588,299	-	-
Grants and contributions not restricted to specific programs				27,136,868	-	27,136,868	-	-
Investment earnings				13,413,479	-	13,413,479	9,859,768	90,855
Miscellaneous				423,581	-	423,581	-	-
Gain on sale of capital assets				371,740	-	371,740	-	-
Transfers				(2,823,391)	2,823,391	-	-	-
Total general revenues				<u>\$ 224,447,631</u>	<u>\$ 2,823,391</u>	<u>\$ 227,271,022</u>	<u>\$ 20,982,568</u>	<u>\$ 1,056,496</u>
Change in net position				<u>\$ 52,946,089</u>	<u>\$ 17,853,209</u>	<u>\$ 70,799,298</u>	<u>\$ 32,486,813</u>	<u>\$ 298,745</u>
Net Position - Beginning, as previously reported				\$ 1,267,379,235	\$ 36,505,854	\$ 1,303,885,089	\$ 375,540,386	\$ 1,456,871
Prior period adjustment (Note IV.H.)				-	-	-	2,236,257	-
Net Position - Beginning				<u>1,267,379,235</u>	<u>36,505,854</u>	<u>1,303,885,089</u>	<u>377,776,643</u>	<u>1,456,871</u>
Net Position - Ending				<u><u>\$ 1,320,325,324</u></u>	<u><u>\$ 54,359,063</u></u>	<u><u>\$ 1,374,684,387</u></u>	<u><u>\$ 410,263,456</u></u>	<u><u>\$ 1,755,616</u></u>

**DAKOTA COUNTY
MINNESOTA**

**BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2024**

	<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	\$ 40,798,161	\$ -	\$ 55,746,791	\$ 110,201,585	\$ 9,569,748	\$ -	\$ 20,552,052	\$ 236,868,337
Petty cash and change funds	15,939	-	-	-	-	-	5,254	21,193
Taxes receivable								
Prior	749,844	9,115	-	-	-	31,157	107,188	897,304
Accounts receivable	5,082,482	3,750,840	722,093	-	-	256,960	11,798,331	21,610,706
Accrued interest receivable	1,069,060	-	-	-	-	-	-	1,069,060
Due from other funds	54,431,360	13,777,697	1,243,670	3,516	1,958	7,202	4,255,744	73,721,147
Due from other governments	12,522,492	43,492,942	24,964	7,646,076	-	9,459,928	233,375	73,379,777
Prepaid items	1,147,021	2,329,623	-	-	-	-	-	3,476,644
Total Assets	\$ 115,816,359	\$ 63,360,217	\$ 57,737,518	\$ 117,851,177	\$ 9,571,706	\$ 9,755,247	\$ 36,951,944	\$ 411,044,168
<u>Liabilities, Deferred Inflows of Resources and Fund Balances</u>								
Liabilities								
Accounts payable	\$ 5,293,756	\$ 3,785,455	\$ 616,314	\$ 489,903	\$ 2,235,730	\$ 2,249,638	\$ 639,703	\$ 15,310,499
Salaries payable	9,859,190	440,941	163,524	-	-	-	663,056	11,126,711
Claims and judgments payable - current	2,988,449	-	-	-	-	-	-	2,988,449
Contracts payable	49,276	1,532,535	42,423	747,450	566,688	1,428,631	996,826	5,363,829
Due to other funds	7,705,367	3,977,947	3,961,727	13,799,746	437,610	30,601,388	14,193,151	74,676,936
Due to other governments	8,371,466	13,192	5,222	-	-	-	7,010	8,396,890
Unearned revenue - other	637,381	-	882,595	-	6,331,678	-	143,694	7,995,348
Total Liabilities	\$ 34,904,885	\$ 9,750,070	\$ 5,671,805	\$ 15,037,099	\$ 9,571,706	\$ 34,279,657	\$ 16,643,440	\$ 125,858,662
Deferred Inflows of Resources								
Unavailable revenue	\$ 1,834,406	\$ 4,820,272	\$ -	\$ -	\$ -	\$ 9,483,932	\$ 11,655,024	\$ 27,793,634
Revenues deferred for highway allotments	-	34,271,863	-	-	-	-	-	34,271,863
Total Deferred Inflows of Resources	\$ 1,834,406	\$ 39,092,135	\$ -	\$ -	\$ -	\$ 9,483,932	\$ 11,655,024	\$ 62,065,497

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

**BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2024**

	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	\$ 1,147,021	\$ 2,329,623	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,476,644
Restricted for:								
Law library	-	-	-	-	-	-	478,891	478,891
Recorder's equipment purchases	1,912,963	-	-	-	-	-	-	1,912,963
Victim Witness	137,969	-	-	-	-	-	-	137,969
Sheriff-911	4,167,718	-	-	-	-	-	-	4,167,718
Opioid settlement	-	-	-	-	-	-	4,861,673	4,861,673
Elections-HAVA	57,129	-	-	-	-	-	-	57,129
Boat and water	612,231	-	-	-	-	-	-	612,231
Attorney-Diversion	144,735	-	-	-	-	-	-	144,735
Sheriff-Alcohol compliance	2,511	-	-	-	-	-	-	2,511
Criminal forfeitures	144,146	-	-	-	-	-	151,963	296,109
Permit to carry	276,820	-	-	-	-	-	-	276,820
Gravel pit restoration	-	-	2,569,392	-	-	-	-	2,569,392
Aquatic invasive species	-	-	144,107	-	-	-	-	144,107
Transportation and transit	-	-	-	102,814,078	-	-	-	102,814,078
Child support fees	58,371	-	-	-	-	-	-	58,371
Human services	1,769,363	-	-	-	-	-	-	1,769,363
Committed to:								
Protection, preservation or enhancement of environment	-	-	49,352,214	-	-	-	-	49,352,214
Assigned to:								
Public safety	18,956	-	-	-	-	-	-	18,956
Highways and streets	-	12,188,389	-	-	-	-	-	12,188,389
Culture and recreation	-	-	-	-	-	-	1,147,790	1,147,790
Economic development	-	-	-	-	-	-	8,814,677	8,814,677
Liability and loss reserve	4,741,280	-	-	-	-	-	-	4,741,280
Unassigned	63,885,855	-	-	-	-	(34,008,342)	(6,801,514)	23,075,999
Total Fund Balances	\$ 79,077,068	\$ 14,518,012	\$ 52,065,713	\$ 102,814,078	\$ -	\$ (34,008,342)	\$ 8,653,480	\$ 223,120,009
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 115,816,359	\$ 63,360,217	\$ 57,737,518	\$ 117,851,177	\$ 9,571,706	\$ 9,755,247	\$ 36,951,944	\$ 411,044,168

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, 2024**

Fund balances - total governmental funds	\$ 223,120,009
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.	1,135,418,810
Deferred inflows of resources - unavailable revenue	62,065,497
Deferred outflows of resources resulting from pension obligations are not available resources and, therefore, are not reported in governmental funds.	29,611,071
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.	11,744,213
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	\$ (596,537)
Leases payable	(90,092)
SBITA payable	(3,860,236)
Net pension liability	<u>(71,929,907)</u>
	(76,476,772)
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>(65,157,504)</u>
Net position of governmental activities	<u><u>\$ 1,320,325,324</u></u>

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**DAKOTA COUNTY
MINNESOTA**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024**

	<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	\$ 131,843,876	\$ 6,128,114	\$ 194,742	\$ 25,514,299	\$ -	\$ 5,087,502	\$ 17,419,996	\$ 186,188,529
Licenses and permits	1,484,308	312,936	1,151,414	-	-	-	67,510	3,016,168
Intergovernmental	131,423,617	40,942,014	4,862,911	8,676,849	22,224,027	10,562	12,592,289	220,732,269
Charges for services	9,547,712	205,777	10,019,713	-	-	-	1,836,385	21,609,587
Fines and forfeits	4,406	-	-	-	-	-	35,529	39,935
Gifts and contributions	2,415	-	-	-	-	-	946,412	948,827
Investment earnings	13,304,120	-	-	-	-	-	427,853	13,731,973
Miscellaneous	2,946,664	171,296	717,454	-	-	261,208	3,138,951	7,235,573
Total Revenues	\$ 290,557,118	\$ 47,760,137	\$ 16,946,234	\$ 34,191,148	\$ 22,224,027	\$ 5,359,272	\$ 36,464,925	\$ 453,502,861
Expenditures								
Current								
General government	\$ 87,922,247	\$ -	\$ 3,936,336	\$ -	\$ 778,203	\$ -	\$ 585,224	\$ 93,222,010
Public safety	61,517,746	-	-	-	-	-	-	61,517,746
Highways and streets	1,360,476	28,862,194	-	32,762	-	-	-	30,255,432
Sanitation	-	-	6,663,440	-	-	-	-	6,663,440
Human services	129,471,390	-	-	-	2,473,941	-	-	131,945,331
Health	13,938,065	-	-	-	-	-	105,387	14,043,452
Culture and recreation	1,084,649	-	4,102,359	-	-	-	26,698,359	31,885,367
Conservation of natural resources	2,031,597	-	3,163,743	-	-	-	-	5,195,340
Economic development	7,933,353	-	-	-	-	-	47,938	7,981,291
Capital outlay	4,452,805	31,682,968	-	12,846,753	18,971,883	29,126,446	19,416,465	116,497,320
Debt service	-	-	-	-	-	-	-	-
Principal	999,278	-	-	-	-	-	-	999,278
Interest	151,921	-	-	-	-	-	-	151,921
Total Expenditures	\$ 310,863,527	\$ 60,545,162	\$ 17,865,878	\$ 12,879,515	\$ 22,224,027	\$ 29,126,446	\$ 46,853,373	\$ 500,357,928
Excess of Revenues Over (Under) Expenditures	\$ (20,306,409)	\$ (12,785,025)	\$ (919,644)	\$ 21,311,633	\$ -	\$ (23,767,174)	\$ (10,388,448)	\$ (46,855,067)

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, 2024**

	<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	\$ 634,034	\$ 13,711,351	\$ 1,133,333	\$ -	\$ -	\$ -	\$ 3,744,545	\$ 19,223,263
Transfers out	(4,539,557)	-	(3,185,513)	(13,711,351)	-	-	-	(21,436,421)
Subscriptions issued	4,452,805	-	-	-	-	-	-	4,452,805
Proceeds from sale of assets	371,740	-	-	-	-	-	-	371,740
Total Other Financing Sources (Uses)	\$ 919,022	\$ 13,711,351	\$ (2,052,180)	\$ (13,711,351)	\$ -	\$ -	\$ 3,744,545	\$ 2,611,387
Net Change in Fund Balance	\$ (19,387,387)	\$ 926,326	\$ (2,971,824)	\$ 7,600,282	\$ -	\$ (23,767,174)	\$ (6,643,903)	\$ (44,243,680)
Fund Balance - January 1	98,464,455	13,591,686	55,037,537	95,213,796	-	(10,241,168)	15,297,383	267,363,689
Fund Balance - December 31	\$ 79,077,068	\$ 14,518,012	\$ 52,065,713	\$ 102,814,078	\$ -	\$ (34,008,342)	\$ 8,653,480	\$ 223,120,009

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, 2024**

Net change in fund balances - total governmental funds **\$ (44,243,680)**

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	\$ 116,695,075	
Current year depreciation and amortization	<u>(31,215,098)</u>	85,479,977

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. (70,270)

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	\$ 999,278	
Subscriptions issued	<u>(4,452,805)</u>	(3,453,527)

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	\$ 62,065,497	
Unavailable revenue - January 1	<u>(54,641,251)</u>	7,424,246

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. (372,306)

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	\$ 145,631	
Change in net pension liability/asset	31,677,338	
Change in deferred outflows of resources	(15,062,114)	
Change in deferred inflows of resources	<u>(8,579,206)</u>	<u>8,181,649</u>

Change in net position of governmental activities **\$ 52,946,089**

**DAKOTA COUNTY
MINNESOTA**

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2024**

	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	\$ -	\$ 92,129	\$ 92,129	\$ 54,827,167
Accounts receivable (net)	221	-	221	2,190
Due from other funds	3,254,283	-	3,254,283	2,888,728
Due from other governments	-	-	-	125,104
Total current assets	\$ 3,254,504	\$ 92,129	\$ 3,346,633	\$ 57,843,189
Noncurrent assets				
Capital assets:				
Nondepreciable:				
Construction in progress	\$ 47,259,703	\$ -	\$ 47,259,703	\$ -
Depreciable (net)	9,277,531	-	9,277,531	-
Total noncurrent assets	\$ 56,537,234	\$ -	\$ 56,537,234	\$ -
Total Assets	\$ 59,791,738	\$ 92,129	\$ 59,883,867	\$ 57,843,189
<u>Deferred Outflows of Resources</u>				
Deferred OPEB outflows	\$ -	\$ -	\$ -	\$ 725,000
Deferred pension outflows	19,205	-	19,205	-
Total deferred outflows of resources	\$ 19,205	\$ -	\$ 19,205	\$ 725,000
<u>Liabilities</u>				
Current liabilities:				
Accounts payable	\$ 122,833	\$ -	\$ 122,833	\$ 1,877,622
Salaries payable	9,371	-	9,371	-
Claims and judgements payable - current	-	-	-	3,069,000
Compensated absences payable - current	-	-	-	2,226,459
Other post employment benefit (OPEB) - current	-	-	-	650,000
Contracts payable	1,339,219	-	1,339,219	-
Due to other funds	3,935,901	-	3,935,901	1,251,321
Total current liabilities	\$ 5,407,324	\$ -	\$ 5,407,324	\$ 9,074,402
Noncurrent liabilities:				
Compensated absences payable - long-term	\$ -	\$ -	\$ -	\$ 24,817,574
Net pension liability	81,993	-	81,993	-
OPEB liability - long-term	-	-	-	10,087,000
Total noncurrent liabilities	\$ 81,993	\$ -	\$ 81,993	\$ 34,904,574
Total Liabilities	\$ 5,489,317	\$ -	\$ 5,489,317	\$ 43,978,976
<u>Deferred Inflows of Resources</u>				
Deferred inflows - OPEB	\$ -	\$ -	\$ -	\$ 2,845,000
Deferred pension inflows	54,692	-	54,692	-
Total deferred inflows of resources	\$ 54,692	\$ -	\$ 54,692	\$ 2,845,000
Net Position				
Investment in capital assets	\$ 55,075,182	\$ -	\$ 55,075,182	\$ -
Restricted for				
Equipment replacement	-	92,129	92,129	-
Unrestricted	(808,248)	-	(808,248)	11,744,213
Total Net Position	\$ 54,266,934	\$ 92,129	\$ 54,359,063	\$ 11,744,213

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, 2024**

	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	\$ 39,751,029
Miscellaneous	311,200	-	311,200	19,626
Total Operating Revenues	\$ 311,200	\$ 4,000	\$ 315,200	\$ 39,770,655
Operating Expenses				
Personal services	\$ -	\$ -	\$ -	\$ 1,609,597
Professional services	-	-	-	280,797
Medical claims	-	-	-	37,745,281
Repairs and maintenance	488,018	-	488,018	-
Administration and fiscal services	-	-	-	6,671
OPEB expense	-	-	-	428,323
Depreciation	154,055	-	154,055	-
Other services and charges	-	-	-	13,543
Total Operating Expenses	\$ 642,073	\$ -	\$ 642,073	\$ 40,084,212
Operating income (loss)	\$ (330,873)	\$ 4,000	\$ (326,873)	\$ (313,557)
Nonoperating revenues (expenses)				
Intergovernmental	\$ 15,356,691	\$ -	\$ 15,356,691	\$ -
Investment earnings	-	-	-	551,484
Total Nonoperating revenues (expenses)	\$ 15,356,691	\$ -	\$ 15,356,691	\$ 551,484
Income before contributions and transfers	\$ 15,025,818	\$ 4,000	\$ 15,029,818	\$ 237,927
Transfers in	2,823,391	-	2,823,391	-
Transfers out	-	-	-	(610,233)
Change in Net Position	\$ 17,849,209	\$ 4,000	\$ 17,853,209	\$ (372,306)
Net Position - January 1	36,417,725	88,129	36,505,854	12,116,519
Net Position - December 31	\$ 54,266,934	\$ 92,129	\$ 54,359,063	\$ 11,744,213

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, 2024
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	\$ 310,979	\$ 4,000	\$ 314,979	\$ 19,626
Receipts from internal services provided	-	-	-	42,985,051
Payments to suppliers	(415,727)	-	(415,727)	(38,538,118)
Payments to employees	2,895	-	2,895	-
Payments for employees	(9,739)	-	(9,739)	-
Payments to internal services used	-	-	-	546,063
Net cash provided by (used in) operating activities	\$ (111,592)	\$ 4,000	\$ (107,592)	\$ 5,012,622
Cash Flows from Noncapital Financing Activities				
Due to other funds	\$ (8,589,708)	\$ -	\$ (8,589,708)	\$ -
Due from other funds	(3,254,283)	-	(3,254,283)	-
Transfers in	2,823,391	-	2,823,391	-
Transfers out	-	-	-	(610,233)
Net cash provided by (used in) noncapital financing activities	\$ (9,020,600)	\$ -	\$ (9,020,600)	\$ (610,233)
Cash Flows from Capital and Related Financing Activities				
Intergovernmental	\$ 15,356,691	\$ -	\$ 15,356,691	\$ -
Acquisition and construction of capital assets	(7,923,132)	-	(7,923,132)	-
Net cash provided by (used in) capital and related financing activities	\$ 7,433,559	\$ -	\$ 7,433,559	\$ -
Cash Flows from Investing Activities				
Investment earnings	\$ -	\$ -	\$ -	\$ 551,484
Net cash provided by (used in) investing activities	\$ -	\$ -	\$ -	\$ 551,484
Net Increase (Decrease) in Cash and Cash Equivalents	\$ (1,698,633)	\$ 4,000	\$ (1,694,633)	\$ 4,953,873
Cash and Cash Equivalents at January 1	1,698,633	88,129	1,786,762	49,873,294
Cash and Cash Equivalents at December 31	\$ -	\$ 92,129	\$ 92,129	\$ 54,827,167
Reconciliation of Operating Income to Net Cash Provided by (Used in) Operating Activities				
Operating income (loss)	\$ (330,873)	\$ 4,000	\$ (326,873)	\$ (313,557)
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	(221)	-	(221)	199,264
(Increase) decrease in due from other governments	-	-	-	(125,056)
(Increase) decrease in due from other funds	-	-	-	2,675,814
(Increase) decrease in deferred pension outflows	10,965	-	10,965	-
Increase (decrease) in accounts payable	(388,677)	-	(388,677)	86,174
Increase (decrease) in claims and judgements payable	2,895	-	2,895	(94,000)
Increase (decrease) in contracts payable	460,968	-	460,968	-
Increase (decrease) in compensated absences payable	-	-	-	1,573,942
Increase (decrease) in due to other funds	-	-	-	581,718
Increase (decrease) in deferred pension inflows	12,793	-	12,793	-
Increase (decrease) in OPEB liability	-	-	-	428,323
Increase (decrease) in pension liability	(33,497)	-	(33,497)	-
Total adjustments	\$ 219,281	\$ -	\$ 219,281	\$ 5,326,179
Net Cash Provided by (Used in) Operating Activities	\$ (111,592)	\$ 4,000	\$ (107,592)	\$ 5,012,622

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, 2024**

	Private-Purpose Trusts	Custodial Funds
	<hr/>	<hr/>
<u>Assets</u>		
Cash and pooled investments	\$ 1,034,791	\$ 53,535,790
Accounts receivable	733	654,874
Due from other governments	104,886	171,260
Prepaid item	-	7,301
Taxes receivable for other governments	-	2,130,278
	<hr/>	<hr/>
Total Assets	\$ 1,140,410	\$ 56,499,503
	<hr/>	<hr/>
<u>Liabilities</u>		
Accounts payable	\$ 170,914	\$ 1,330,388
Salaries payable	-	150,261
Due to other governments	104,691	45,382,206
	<hr/>	<hr/>
Total Liabilities	\$ 275,605	\$ 46,862,855
	<hr/>	<hr/>
<u>Net Position</u>		
Restricted - held in trust for other purposes	\$ 850,718	\$ -
Restricted for Individuals, organizations, other governments	14,087	9,636,648
	<hr/>	<hr/>
Total Net Position	\$ 864,805	\$ 9,636,648
	<hr/>	<hr/>

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, 2024**

	Private-Purpose Trusts	Custodial Funds
	<hr/>	<hr/>
<u>ADDITIONS:</u>		
Federal Grants	\$ -	\$ 1,771,361
State Grants	537,152	-
Other agencies	310,184	3,993,745
Contributions		
Individuals	90,620	1,783,474
Property tax collections for other governments	-	822,526,260
Other taxes and fees for other governments	-	1,095,025
License and fees collected for State	-	32,837,766
Fines and forfeitures	-	16,563,773
Miscellaneous	1,977	289,734
Investment earnings:		
Interest	1,603	190,513
	<hr/>	<hr/>
Total additions	\$ 941,536	\$ 881,051,651
	<hr/>	<hr/>
<u>DEDUCTIONS:</u>		
Judicial District expenses	\$ 530,420	\$ -
Emergency preparedness expenses	381,365	-
Beneficiary payments to individuals	89,330	2,438,276
Payments of property tax to other governments	-	822,147,915
Payments to state	-	32,904,252
Administrative expense	-	2,611,071
Payments to other entities	-	19,520,556
	<hr/>	<hr/>
Total deductions	\$ 1,001,115	\$ 879,622,070
	<hr/>	<hr/>
Change in net position	\$ (59,579)	\$ 1,429,581
	<hr/>	<hr/>
Net position - January 1	924,384	8,207,067
	<hr/>	<hr/>
Net position - December 31	\$ 864,805	\$ 9,636,648
	<hr/>	<hr/>

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

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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Adoption of New Accounting Standards

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

- Statement No. 101, "Compensated Absences." This statement updated the recognition and measurement guidance for compensated absences and associated salary-related payments and amended certain previously required disclosures. The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends December 31, 2024.

The County adopted the requirements of the guidance effective January 1, 2024, and has applied 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 development efforts and provide assistance to the County communities through community-development programs; and to provide low and moderate income family and senior households with decent, safe, and affordable rental housing opportunities.

Dakota County, Minnesota

Notes to the Financial Statements

December 31,
2024

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*.

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.

Dakota County, Minnesota

Notes to the Financial Statements

December 31,
2024

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 and other inflows of resources that pass through other governments. 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 and subscription-based information technology arrangements 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 2024.

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,
2024

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

December 31,
2024

- 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, 2024. 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

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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. Group assets are included with machinery and equipment classification with a threshold of \$175,000. Lease assets have a threshold of \$50,000. Subscription-Based Information Technology Arrangements (SBITA) assets also have a threshold of \$50,000. Internally generated intangible assets have a threshold of \$100,000.

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 employees and 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.

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 unassigned 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. G.

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 30. 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	\$ 55,423,680
Highway	64,438,710
Environmental Legacy	1,329,400
DC Transportation Sales Tax	59,389,413
Federal Revenue	86,886
Capital Projects	63,153,094
County Library	2,087,590
County Parks	682,592
Opioid Settlement	306,000

B. Excess of Expenditures Over Appropriations

For the year ended December 31, 2024, expenditures exceeded appropriations in the General Fund for Court Services by \$358,725, Service and License Centers by \$36,363, Property Taxation and Records by \$53,389, County-Wide Operations by \$4,326,789, Parks by \$761,347, Soil and Water Conservation by \$90, Economic Development-Administration by \$3,869,880, Capital Outlay by \$4,452,805, Debt Service Principal by \$999,278 and Interest by \$151,921. Expenditures exceeded appropriations in the Highway Special Revenue Fund for Administration by \$243,150, Maintenance by \$1,369,963, Construction by \$1,052,334. Expenditures exceeded appropriations in the Environmental Legacy Special Revenue Fund for General Government by \$3,936,336, Culture and Recreation by \$4,102,359, Other Conservation by \$21,443. Expenditures exceeded appropriations in the DC Transportation Sales Tax Special Revenue Fund for Administration by \$32,762. Expenditures exceeded appropriations in the Federal Revenue (ARPA) Special Revenue Fund for Finance by \$8,280, County Building by \$501,656, for Employment and Economic Development by \$45,661, Social Services by \$697,342, Capital Outlay by \$18,971,883. Expenditures exceeded appropriations in the Parks Special Revenue Fund for Parks by \$2,927,290. These excess expenditures were funded by available fund balance and current year savings.

C. Deficit Fund Balances

The County has deficit fund balances as of December 31, 2024, in the following funds:

	Fund Balance
	Deficit
Capital Projects Fund	\$ (34,008,342)
County Parks Fund	(6,801,514)

The County intends to fund the County Parks Fund deficit from Metropolitan Council grants. The County intends to fund the deficit in the Capital Projects fund using \$8,046,872 of the 2025A bond proceeds issued on July 10, 2025 as well a \$9,459,928 grant flowing through the Minnesota Department of Human Services to fund the construction of the new Crisis and Recovery Center which was recorded as a receivable but the revenues were not received within the County's period of availability for 2024. The remainder of the deficit fund balance in the Capital Projects fund will first be funded by other available grants, with the final remaining amount being funded by a transfer from the General Fund, as needed.

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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 or amortized cost. Pursuant to Minn. Stat. § 385.07, investment earnings on cash and pooled investments are credited to the General Fund. Other funds received investment earnings based on state statutes, grant agreements, contracts, and bond covenants.

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

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

Government-wide statement of net position	
Governmental Activities	
Cash and pooled investments	\$ 291,695,504
Petty cash and change funds	21,193
Business-type activities	
Cash and pooled investments	92,129
Discrete Component Unit	
Vermillion River Watershed	
Cash and pooled investments	1,805,287
Statement of fiduciary net position	
Cash and pooled investments	
Private-purpose trust funds	1,034,791
Custodial funds	53,535,790
Total Cash and Investments	<u>\$ 348,184,694</u>
Deposits	\$ 26,231,534
Petty cash and change funds	21,193
Investments	321,931,967
Total Deposits, Cash on hand, and Investments	<u>\$ 348,184,694</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, 2024, the County's deposits were not exposed to custodial credit risk. The County policy is that all cash certificates of deposit, and other depository accounts shall be collateralized by pledged securities as specified in Minn. Stat. § 118A.03.

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

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

Interest Rate Risk - Interest rate risk is the risk that changes in the market interest rates will adversely affect the fair value of an investment. To limit exposure to interest rate risk, the County's investment policy is to structure the portfolio so that securities mature to meet cash requirements for ongoing operations and to invest operating 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:

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At December 31, 2024, the County had the following investments:

Type of Security	Lowest Available Credit Risk Rating	Less Than 1 Year	1-5 Years	More Than 5 Years	Total
US Treasury Securities	Aaa (Moody's)	\$ 11,403,442	\$ 52,303,147	\$ 20,260,947	\$ 83,967,536
US Agency Securities	Aaa (Moody's)	522,884	9,659,785	1,922,395	12,105,064
US Agency Securities	N/R	1,926,393	31,744,884	25,343,262	59,014,539
Municipal Bonds	Aaa (Moody's)	34,937	1,899,226	703,948	2,638,111
Municipal Bonds	Aa1 (Moody's)	871,466	3,508,880	-	4,380,346
Municipal Bonds	AA+ (S&P)	149,406	1,010,648	-	1,160,054
Municipal Bonds	Aa2 (Moody's)	615,419	3,132,117	1,037,268	4,784,804
Municipal Bonds	AA (S&P)	966,003	318,567	-	1,284,570
Municipal Bonds	Aa3 (Moody's)	569,538	471,327	-	1,040,865
Municipal Bonds	AA- (S&P)	-	485,305	-	485,305
Municipal Bonds	A+ (S&P)	213,873	-	-	213,873
MAGIC Portfolio	AAAm (S&P)	126,229,858	-	-	126,229,858
Commercial Paper	A-1+ (S&P)	1,153,744	-	-	1,153,744
Commercial Paper	A-1 (S&P)	4,581,423	-	-	4,581,423
Government Money Market Funds	N/R	2,403,766	-	-	2,403,766
Invesco Govt & Agcy Money Market Fund	AAAm (S&P)	16,488,109	-	-	16,488,109
Total Investments:		\$ 168,130,261	\$ 104,533,886	\$ 49,267,820	\$ 321,931,967

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, 2024 is listed in the table above, which displays the lowest available rating assignments per Moody's Investors Service, S&P Global, or Fitch Ratings.

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, 2024, all of Dakota County's investments are held by a third party custodian and were not exposed to custodial credit risk.

Concentration of Credit Risk - The concentration of credit risk is the risk of loss that may be caused by the County's investment in a single issuer. It is the County's policy that U.S. Treasury securities, U.S. Agency Securities, and obligations backed by U.S. Treasury and/or U.S. Agency securities, may be held without limit. These investments are implicitly guaranteed by the U.S. government. Per GASB statement No. 40, investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are excluded from concentration of credit risk disclosure requirements. Investments in any one category, other than noted above, that represent 5% or more of the County's investments are as follows:

Issuer/Security	Amount Invested	Percentage
Federal Home Loan Mortgage Corp.	\$ 32,449,015	10.08%
Federal National Mortgage Assoc.	30,819,792	9.57%
Total	\$ 63,268,807	19.65%

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:

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- *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.

The Invesco Government & Agency portfolio is valued at net asset value (NAV) as it does not meet the liquidity criteria to be valued at amortized cost. The investments are considered a short-term investment trust without any early redemption penalties. There are no unfunded commitments related to this investment. The County reports its investment in this portfolio at the NAV per share. The Fund seeks to preserve a value and share price of \$1 per share.

At December 31, 2024, 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 Treasury Securities	\$ 83,967,536	\$ 83,967,536	\$ -	\$ -
US Agency Securities	71,119,603	-	71,119,603	-
Municipal Bonds	15,987,928	-	15,987,928	-
Total Investments Measured at Fair Value	\$ 171,075,067	\$ 83,967,536	\$ 87,107,531	\$ -
Investments Measured at Amortized Cost				
MAGIC Portfolio	\$ 126,229,858			
Commercial Paper	5,735,167			
Government Money Market Funds	2,403,766			
Total Investments Measured at Amortized Cost	\$ 134,368,791			
Investments Measured at Net Asset Value (NAV)				
Invesco Government & Agency Money Market Fund	\$ 16,488,109			
Total Investments:	\$ 321,931,967			

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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	\$ 139,315,399
Investments	55,391,843
Restricted Cash and Cash Equivalents	29,593,493
Total Cash and Investments	<u>\$ 224,300,735</u>
Deposits	\$ 25,795,862
Petty cash	250
Investments	198,504,623
Total Deposits, Cash on hand, and Investments	<u>\$ 224,300,735</u>

As of June 30, 2024, 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	\$ 20,719,440	\$ 20,719,440	\$ -	\$ -
U.S. Government Agencies:				
Federal Farm Credit Banks	17,202,080	6,791,580	10,410,500	-
Federal Home Loan Mortgage Corp.	3,837,366	-	3,670,602	166,764
Federal Home Loan Bank	7,388,089	-	7,388,089	-
Federal National Mortgage Assoc.	6,218,588	2,072,532	3,810,440	335,616
Government Nat'l Mortgage Assoc.	26,280	-	-	26,280
Money market funds	28,624,815	28,624,815	-	-
Local government investment pool	114,487,965	114,487,965	-	-
	<u>\$ 198,504,623</u>	<u>\$ 172,696,332</u>	<u>\$ 25,279,631</u>	<u>\$ 528,660</u>

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

Credit Risk - Generally, credit risk is the risk that an insurer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The CDA's investment policy places no restrictions on credit risk other than requiring compliance with state Law. State Law does not limit investments in securities of U.S. Government Agencies including 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, 2024, the CDA had more than five percent of its total investments with the U.S. Treasury, Federal Farm Credit Banks, money market funds and a local investment pool.

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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. All investment securities are registered in the CDA's name, are in the possession of the CDA's trustee or are held by a custodial bank for the CDA under a tri-party agreement.

Fair value reporting. The CDA's investments that are not recorded at amortized cost are recorded at fair value as of June 30, 2024. 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 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, 2024, of the U.S. Treasury Notes totaling \$20,719,440 were classified as level 1 and U.S. Government Agencies totaling \$34,672,403 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 \$28,624,815 and \$114,487,965, 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	\$ 704,066	\$ -
Charges for services	-	180,273
Grant receivables that do not provide current financial resources	43,731,791	-
Reimbursement from other governments	4,813,401	-
Miscellaneous	12,816,239	983,787
Grant drawdowns prior to meeting all eligibility requirements	-	6,831,288
Total deferred inflows of resources/		
unearned revenue for governmental funds	<u>\$ 62,065,497</u>	<u>\$ 7,995,348</u>

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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, 2024 consist of the following:

Loan Description	Loan Balance
Homebuyer loans	\$ 1,969,289
Homeowner rehab loans - deferred	19,288,237
Discretely Presented Component Units:	
First Mortgage	\$ 3,748,411
Other	10,828,330
Revolving	154,026
	<u>\$ 14,730,767</u>
Multifamily loans:	
Deferred	\$ 23,750,239
Installment	6,988,705
	<u>\$ 30,738,944</u>
Supportive housing	2,706,015
Other	92,033
	<u><u>\$ 69,525,285</u></u>

D. Capital Assets

Capital asset activity for the year ended December 31, 2024, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 305,891,931	\$ 11,448,597	\$ -	\$ 317,340,528
Construction in progress	90,822,262	91,964,575	(100,561,701)	82,225,136
Total capital assets, not being depreciated	<u>\$ 396,714,193</u>	<u>\$ 103,413,172</u>	<u>\$ (100,561,701)</u>	<u>\$ 399,565,664</u>
Capital assets, being depreciated:				
Buildings	\$ 252,333,024	\$ 9,607,452	\$ -	\$ 261,940,476
Improvements other than buildings	91,504,766	22,737,138	-	114,241,904
Machinery and equipment	50,996,074	9,169,893	(3,274,728)	56,891,239
Infrastructure	715,683,940	67,342,504	-	783,026,444
Total capital assets, being depreciated	<u>\$ 1,110,517,804</u>	<u>\$ 108,856,987</u>	<u>\$ (3,274,728)</u>	<u>\$ 1,216,100,063</u>
Less accumulated depreciation for:				
Buildings	\$ (109,179,666)	\$ (5,187,178)	\$ -	\$ (114,366,844)
Improvements other than buildings	(32,704,702)	(5,554,868)	-	(38,259,570)
Machinery and equipment	(42,137,560)	(3,749,370)	3,204,458	(42,682,472)
Infrastructure	(273,854,356)	(15,551,698)	-	(289,406,054)
Total accumulated depreciation	<u>\$ (457,876,284)</u>	<u>\$ (30,043,114)</u>	<u>\$ 3,204,458</u>	<u>\$ (484,714,940)</u>
Total capital assets, being depreciated, net	<u>\$ 652,641,520</u>	<u>\$ 78,813,873</u>	<u>\$ (70,270)</u>	<u>\$ 731,385,123</u>
Assets, being amortized:				
Lease assets	\$ 780,450	\$ -	\$ (36,287)	\$ 744,163
Subscription assets	773,748	4,452,805	-	5,226,553
Total assets, being amortized	<u>\$ 1,554,198</u>	<u>\$ 4,452,805</u>	<u>\$ (36,287)</u>	<u>\$ 5,970,716</u>
Accumulated amortization for:				
Lease assets	\$ (227,453)	\$ (97,267)	\$ 36,287	\$ (288,433)
Subscription based assets	(139,543)	(1,074,717)	-	(1,214,260)
Total accumulated amortization	<u>\$ (366,996)</u>	<u>\$ (1,171,984)</u>	<u>\$ 36,287</u>	<u>\$ (1,502,693)</u>
Total assets, being amortized, net	<u>\$ 1,187,202</u>	<u>\$ 3,280,821</u>	<u>\$ -</u>	<u>\$ 4,468,023</u>
Governmental activities capital assets, net	<u><u>\$ 1,050,542,915</u></u>	<u><u>\$ 185,507,866</u></u>	<u><u>\$ (100,631,971)</u></u>	<u><u>\$ 1,135,418,810</u></u>

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	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Construction /development in progress	\$ 39,336,571	\$ 7,923,132	\$ -	\$ 47,259,703
Total capital assets, not being depreciated	\$ 39,336,571	\$ 7,923,132	\$ -	\$ 47,259,703
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	\$ (1,352,269)	\$ (154,055)	\$ -	\$ (1,506,324)
Total accumulated depreciation	\$ (1,352,269)	\$ (154,055)	\$ -	\$ (1,506,324)
Total capital assets, being depreciated, net	\$ 9,431,586	\$ (154,055)	\$ -	\$ 9,277,531
Business-type activities:				
Capital assets, net	\$ 48,768,157	\$ 7,769,077	\$ -	\$ 56,537,234

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	\$ 4,534,136
Public Safety	1,873,690
Highways and Streets, including depreciation of general infrastructure	18,253,978
Human Services	59,685
Health	12,361
Culture and Recreation	6,461,719
Conservation of Natural Resources	15,586
Sanitation	3,943
Total depreciation and amortization expense - governmental activities	<u>\$ 31,215,098</u>

Business-type activities:

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

Construction Commitments

The County has active construction projects as of December 31, 2024. 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:

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Project	Spent-to-Date	Remaining Commitment
Transportation Construction	\$ 104,446,212	\$ 4,370,617
Transportation-Sales Tax Construction	27,441,312	6,736,640
Environmental Legacy	10,789,405	3,793,197
Federal Fund Construction	14,138,654	3,548,581
Parks Construction	25,532,963	6,801,086
Buildings Construction	43,197,153	12,745,325
	<u>\$ 225,545,699</u>	<u>\$ 37,995,446</u>
 Byllesby Dam Contracts	 <u>\$ 34,224,943</u>	 <u>\$ 5,072,912</u>

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

Discretely Presented Component Units

Activity for the CDA for the year ended June 30, 2024, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Government activities:				
Capital assets, not being depreciated:				
Land	\$ 35,860,651	\$ 1,566,455	\$ 2,144,668	\$ 35,282,438
Construction in progress	1,006,211	5,834,440	1,006,211	5,834,440
Total capital assets, not being depreciated:	<u>\$ 36,866,862</u>	<u>\$ 7,400,895</u>	<u>\$ 3,150,879</u>	<u>\$ 41,116,878</u>
Capital assets, being depreciated:				
Land improvements	\$ 8,704,597	\$ 1,855,363	\$ 176,938	\$ 10,383,022
Buildings	270,661,107	3,122,513	524,312	273,259,308
Furniture and equipment	10,426,778	701,911	98,703	11,029,986
Total capital assets, being depreciated	<u>\$ 289,792,482</u>	<u>\$ 5,679,787</u>	<u>\$ 799,953</u>	<u>\$ 294,672,316</u>
Less accumulated depreciation for:				
Land improvements	\$ (7,065,589)	\$ (283,510)	\$ (142,621)	\$ (7,206,478)
Buildings	(115,875,993)	(6,591,669)	(257,035)	(122,210,627)
Furniture and equipment	(8,990,889)	(353,648)	(98,703)	(9,245,834)
Total accumulated depreciation	<u>\$ (131,932,471)</u>	<u>\$ (7,228,827)</u>	<u>\$ (498,359)</u>	<u>\$ (138,662,939)</u>
Total capital assets, being depreciated, net	<u>157,860,011</u>	<u>(1,549,040)</u>	<u>301,594</u>	<u>156,009,377</u>
Governmental activities capital assets, net	<u>\$ 194,726,873</u>	<u>\$ 5,851,855</u>	<u>\$ 3,452,473</u>	<u>\$ 197,126,255</u>

On June 30, 2024, the CDA had \$1,962,082 remaining on a \$7,258,201 commitment for Nicols Point, a senior housing development with a preference for Veterans in the City of Eagan, MN.

On December 31, 2024, the Vermillion River Watershed had \$196,013 remaining on a \$209,406 commitment.

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E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of December 31, 2024, is as follows:

Due to/from other funds:

Receivable Fund	Payable Fund	Amount
General	Highway	\$ 3,974,431
	Environmental Legacy	728,469
	DC Transportation Sales Tax	74,594
	Special Federal Revenue	6,718
	Capital Projects	30,601,388
	Nonmajor Governmental Funds	14,008,043
	Internal Service Fund	1,215,664
	Byllesby Dam	3,822,053
Highway	General	2,863
	DC Transportation Sales Tax	13,725,152
	Nonmajor Governmental Funds	16,909
	Internal Service Fund	32,773
Environmental Legacy	General	1,134,902
	Byllesby Dam	108,768
DC Transportation Sales/Use Tax	Highway	3,516
Federal Revenue	Internal Service Fund	1,958
Capital Projects	General	7,202
Nonmajor Governmental Funds	General	2,643,605
	Environmental Legacy	1,611,213
	Internal Service Fund	926
Internal Service Fund	General	2,643,904
	Environmental Legacy	71,545
	Nonmajor Governmental Funds	168,199
	Byllesby Dam	5,080
Byllesby Dam	General	1,272,891
	Environmental Legacy	1,550,500
	Special Federal Revenue	430,892
Total		<u>\$ 79,864,158</u>

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

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Interfund Transfers:

Transfer In	Transfer Out	Amount
General	Environmental Legacy	\$ 23,801
	Internal Service Fund	610,233
Highway	DC Transportation Sales/Use Tax	13,711,351
Environmental Legacy	General	1,133,333
Nonmajor Governmental Funds	General	2,133,333
	Environmental Legacy	1,611,212
Byllesby Dam	General	1,272,891
	Capital Projects	1,550,500
Total		<u>\$ 22,046,654</u>

Transfers 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, 2024 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, 2024, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Claims and judgments	\$ 7,586,909	\$ 38,445,304	\$ (39,378,227)	\$ 6,653,986	\$ 5,534,306
Compensated absences	25,446,085	1,597,948	-	27,044,033	2,226,459
Lease liability	104,198	-	(14,106)	90,092	14,596
Subscription liability	392,603	4,452,805	(985,172)	3,860,236	908,528
Long-term liabilities	<u>\$ 33,529,795</u>	<u>\$ 44,496,057</u>	<u>\$ (40,377,505)</u>	<u>\$ 37,648,347</u>	<u>\$ 8,683,889</u>

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

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Discretely Presented Component Unit

Activity for the CDA for the year ended June 30, 2024, 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.

\$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.

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\$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.

\$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.

\$236,000 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.

\$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.

\$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.

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\$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 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

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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, 2024 are as follows:

	Principal	Interest	Total
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	609,591	180,182	789,773
2030-2034	6,516,333	687,498	7,203,831
2035-2039	2,287,467	254,968	2,542,435
2040-2044	600,000	-	600,000
	<u>\$ 11,751,871</u>	<u>\$ 1,604,505</u>	<u>\$ 13,356,376</u>

Housing Development Bonds

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

Bonds payable at June 30, 2024 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	\$ 530,000
2013 Housing Development Bonds	12/18/13	01/01/27	2.00 - 2.85%	\$ 7,630,000	3,625,000
2015A Housing Development Bonds	05/27/15	01/01/42	3.00 - 5.00%	\$ 21,745,000	20,455,000
2015B Housing Development Bonds	05/27/15	01/01/35	3.00 - 5.00%	\$ 24,025,000	13,555,000
2020A Housing Development Bonds	09/24/20	01/01/46	2.00 - 5.00%	\$ 8,655,000	8,175,000
2020B Housing Development Bonds	09/24/20	01/01/40	2.00 - 5.00%	\$ 21,800,000	19,805,000
Subtotal					<u>\$ 66,145,000</u>
Less current maturities					<u>(3,850,000)</u>
Total					<u>\$ 62,295,000</u>

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The annual principal and interest maturities for the fiscal years subsequent to June 30, 2024 are as follows:

	Principal	Interest	Total
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
2028	3,545,000	1,692,437	5,237,437
2029	3,600,000	1,543,188	5,143,188
2030-2034	20,495,000	5,721,638	26,216,638
2035-2039	16,185,000	2,889,950	19,074,950
2040-2044	9,590,000	809,537	10,399,537
2045-2046	920,000	29,431	949,431
Total	<u>\$ 66,145,000</u>	<u>\$ 18,747,344</u>	<u>\$ 84,892,344</u>

Pledged Revenue

The \$66,145,000 of outstanding housing development bonds are backed by a general obligation pledge of Dakota County. In addition, the CDA has pledged a portion of its annual tax levy (special benefit tax) that is levied pursuant to Minnesota Statutes, Section 469.033, Subd. 6, and the net operating revenues of the bond-financed developments, including interest earnings, proceeds of the bond issues, and amounts held by the trustee.

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 of debt service on these bonds. The total principal and interest remaining on this debt is \$84,892,344 with annual requirements ranging from \$6,039,375 in 2025 to \$949,341 in the final year. The annual pledge revenue available for debt service is expected to exceed the principal and interest for each year the bonds will be outstanding,

For the current year, total pledged revenues available for debt service was \$27,044,119 and principal and interest was \$6,270,313.

Changes in Long-Term Liabilities

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Compensated absences	\$ 1,342,113	\$ 930,145	\$ (886,661)	\$ 1,385,597	\$ 695,353
Notes payable	12,199,871	-	(448,000)	11,751,871	169,000
Bonds payable	70,055,000	-	(3,910,000)	66,145,000	3,850,000
Plus deferred amounts:					
For issuance premiums	3,657,494	-	(429,136)	3,228,358	-
Total bonds payable	<u>\$ 73,712,494</u>	<u>\$ -</u>	<u>\$ (4,339,136)</u>	<u>\$ 69,373,358</u>	<u>\$ 3,850,000</u>
	<u>\$ 87,254,478</u>	<u>\$ 930,145</u>	<u>\$ (5,673,797)</u>	<u>\$ 82,510,826</u>	<u>\$ 4,714,353</u>

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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, 2024, was \$266,304,248.

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 2030.

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

Year Ending	Principal	Interest	Total
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	16,732	668	17,400
2030	11,863	123	11,986
	<u>\$ 90,092</u>	<u>\$ 8,894</u>	<u>\$ 98,986</u>

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

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 2.900% - 5.375%.

The future subscription payments under SBITA agreements are as follows:

Year Ending	Principal	Interest	Total
2025	\$ 908,528	\$ 118,455	\$ 1,026,983
2026	938,620	81,149	1,019,769
2027	975,376	42,430	1,017,806
2028	1,037,712	1,331	1,039,043
	<u>\$ 3,860,236</u>	<u>\$ 243,365</u>	<u>\$ 4,103,601</u>

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

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 12/31/24	Year ended 12/31/23
Unpaid claims, beginning of fiscal year	\$ 7,586,909	\$ 5,343,500
Incurred claims (including IBNR)	38,445,304	39,654,622
Claim payments	(39,378,227)	(37,411,213)
Unpaid claims, end of fiscal year	<u>\$ 6,653,986</u>	<u>\$ 7,586,909</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.

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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 \$213,368 in 2024. 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 2024. 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 \$850,181 in expenditures in 2024 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

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). These plan provisions are established and administered according to Minnesota Statutes chapters 353, 353D, 353E, 353G, and 356. Minnesota Statutes chapter 356 defines each plan's financial reporting requirements. PERA's defined benefit pension plans are tax qualified plans under Section 401(a) of the Internal Revenue Code.

1. General Employees Retirement Plan (General Plan)

Membership in the General Plan includes employees of counties, cities, townships, schools in non-certified positions, and other governmental entities whose revenues are derived from taxation, fees, or assessments. Plan membership is required for any employee who is expected to earn more than \$425 in a month, unless the employee meets exclusion criteria.

2. Public Employees Police and Fire Retirement Plan (Police and Fire Plan)

Membership in the Police & Fire Plan includes full-time, licensed police officers and firefighters who meet the membership criteria defined in Minnesota Statutes section 353.64 and who are not earning service credit in any other PERA retirement plan or a local relief association for the same service. Employers can provide Police & Fire Plan coverage for part-time positions and certain other public safety positions by submitting a resolution adopted by the entity's governing body. The resolution must state that the position meets plan requirements.

3. Public Employees Local Government Correctional Service Retirement Plan (Correctional Plan)

Membership in the Correctional Plan includes correctional officers serving in county and regional adult and juvenile corrections facilities. 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. When a member is "vested," they have earned enough service credit to receive a lifetime monthly benefit after leaving public service and reaching an eligible retirement age. Members who retire at or over their Social Security full retirement age with at least one year of service qualify for a retirement benefit.

1. General Employees Plan Benefits

General Employees Plan requires three years of service to vest. 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 General Plan members. Members hired prior to July 1, 1989, receive the higher of the Step or Level formulas. Only the Level formula is used for members hired after June 30, 1989. Under the Step formula, General Plan members receive 1.2% of the highest average salary for each of the first 10 years of service and 1.7% for each additional year. Under the Level formula, General Plan members receive 1.7% of highest average salary for all years of service. For members hired prior to July 1, 1989 a full retirement benefit is available when age plus years of service equal 90 and normal retirement age is 65. Members can receive a reduced requirement benefit as early as age 55 if they have three or more years of service. Early retirement benefits are reduced by 0.25% for each month under age 65. Members with 30 or more years of service can retire at any age with a reduction of 0.25% for each month the member is younger than age 62. The Level formula allows General Plan members to receive a full retirement benefit at age 65 if they were first hired before July 1, 1989 or at age 66 if they were hired on or after July 1, 1989. Early retirement begins at age 55 with an actuarial reduction applied to the benefit.

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%. The 2024 annual increase was 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 prorated increase.

2. Police and Fire Plan Benefits

Benefits for Police and Fire Plan members hired before July 1, 2010, are vested after three years of service. Members hired on or after July 1, 2010, are 50% vested after five years of service and 100% vested after ten years. After five years, vesting increase by 10% each full year of service until members are 100% vested after ten years. Police and Fire Plan members receive 3% of highest average salary for all years of service. Police and Fire Plan members receive a full retirement benefit when they are age 55 and vested, or when their age plus their years of service equals 90 or greater if they were first hired before July 1, 1989. Early retirement starts at age 50, and early retirement benefits are reduced by 0.417% each month members are younger than age 55.

3. Correctional Plan Benefits

Benefits for Correctional Plan members hired before July 1, 2010, are vested after three years of service. Members hired on or after July 1, 2010, are 50% vested after five years of service and 100% vested after ten years. After five years, vesting increase by 10% each full year of service until members are 100% vested after ten years. Correctional Plan members receive 1.9% of highest average salary for each year of service. Correctional Plan members receive a full retirement benefit when they are age 55 and vested or when their age plus their years of service equals 90 or greater if they were first hired before July 1, 1989. Early retirement begins at age 50 with an actuarial reduction applied to the benefit.

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 1% and a maximum of 2.5%. The 2024 annual increase was 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%.

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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 prorated increase.

c. Contributions

Minnesota Statutes 353, 353E, 353G, and 356 set 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 2024 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, 2024, were \$11,215,960. 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 2024 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, 2024, were \$1,623,800. 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 2024 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, 2024, were \$875,423. Dakota County's contributions were equal to the required contributions as set by state statute.

d. Pension Costs

1. General Employees Fund Pension Costs

At December 31, 2024, Dakota County reported a liability of \$62,567,167 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 \$1,617,859.

Dakota County's proportionate share of the net pension liability	\$ 62,567,167
State of Minnesota's proportionate share of the net pension liability associated with Dakota County	<u>1,617,859</u>
Total	<u>\$ 64,185,026</u>

The net pension liability was measured as of June 30, 2024, 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

Dakota County, Minnesota

Notes to the Financial Statements

**December 31,
2024**

contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2023 through June 30, 2024, relative to the total employer contributions received from all of PERA's participating employers. Dakota County's proportionate share was 1.6924% at the end of the measurement period and 1.6386% for the beginning of the period.

There were no provision changes during the measurement period.

For the year ended December 31, 2024, Dakota County recognized pension expense of \$5,632,001 for its proportionate share of the General Employees Plan's pension expense. In addition, Dakota County recognized an additional \$20,046 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.

During the plan year ended June 30, 2024, the State of Minnesota contributed \$170.1 million to the General Employees Fund. The State of Minnesota is not included as a non-employer contributing entity in the General Employees Plan pension allocation schedules for the \$170.1 million in direct state aid because this contribution was not considered to meet the definition of a special funding situation. Dakota County recognized \$2,878,670 for the year ended December 31, 2024 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 General Employees Fund.

At December 31, 2024, 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	\$ 5,882,954	\$ -
Changes in actuarial assumptions	305,476	23,680,642
Net difference between projected and actual earnings on pension plan investments	-	18,168,991
Changes in proportion	2,535,756	2,491,820
Employer contributions subsequent to the measurement date	5,699,654	-
Total	<u>\$ 14,423,840</u>	<u>\$ 44,341,453</u>

The \$5,699,654 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, 2025. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:	Pension Expense Amount
2025	(\$20,529,560)
2026	(\$3,471,704)
2027	(\$6,820,602)
2028	(\$4,795,401)

Dakota County, Minnesota

Notes to the Financial Statements

**December 31,
2024**

2. Police and Fire Fund Pension Costs

At December 31, 2024, Dakota County reported a liability of \$8,305,168 for its proportionate share of the Police and Fire Fund's net pension liability. The net pension liability was measured as of June 30, 2024, 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, 2023 through June 30, 2024, relative to the total employer contributions received from all of PERA's participating employers. Dakota County's proportionate share was 0.6313% at the end of the measurement period and 0.6114% for the beginning of the period.

The State of Minnesota contributed \$37.4 million to the Police and Fire Fund in the plan fiscal year ended June 30, 2024. The contribution consisted of \$9 million in direct state aid that meets the definition of a special funding situation, additional one-time direct state aid contribution of \$19.4 million, and \$9 million in supplemental state aid that does not meet the definition of a special funding situation. Additionally, \$9 million supplemental state aid was paid on October 1, 2024. 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 \$316,590.

Dakota County's proportionate share of the net pension liability	\$8,305,168
State of Minnesota's proportionate share of the net pension liability associated with the Dakota County	<u>316,590</u>
Total	<u>\$8,621,758</u>

For the year ended December 31, 2024, Dakota County recognized pension expense of \$1,445,230 for its proportionate share of the Police and Fire Plan's pension expense. Dakota County recognized \$124,461 as 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 special funding situation.

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 \$28.4 million in supplemental state aid because this contribution was not considered to meet the definition of a special funding situation. Dakota County recognized \$179,264 for the year ended December 31, 2024 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.

At December 31, 2024, Dakota County reported its proportionate share of the Police and Fire Plan's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Dakota County, Minnesota

Notes to the Financial Statements

December 31, 2024

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 3,236,595	\$ -
Changes in actuarial assumptions	9,129,533	12,229,574
Net difference between projected and actual earnings on pension plan investments	-	2,700,431
Changes in proportion	414,451	499,125
Employer contributions subsequent to the measurement date	837,299	-
Total	<u>\$ 13,617,878</u>	<u>\$ 15,429,130</u>

The \$837,299 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, 2025. 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
2025	(\$460,590)
2026	\$2,031,606
2027	(\$1,232,272)
2028	(\$3,236,916)
2029	\$249,621

3. Correctional Plan Pension Costs

At December 31, 2024, Dakota County reported a liability of \$1,139,565 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, 2023 through June 30, 2024, relative to the total employer contributions received from all of PERA's participating employers. Dakota County's proportionate share was 3.7390% at the end of the measurement period and 3.3978% for the beginning of the period.

There were no provision changes during the measurement period.

For the year ended December 31, 2024 Dakota County recognized pension expense of \$1,834,761 for its proportionate share of the Correctional Plan's pension expense.

During the plan year ended June 30, 2024, the State of Minnesota contributed \$5.3 million to the Correctional Employees Fund. The State of Minnesota is not included as a non-employer contributing entity in the Correctional Plan pension allocation schedules for the \$5.3 million in direct state aid because this contribution was not considered to meet the definition of a special funding situation. Dakota county recognized \$196,521 for the year ended December 31, 2024 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 Correctional Employees Fund.

Dakota County, Minnesota

Notes to the Financial Statements

December 31, 2024

At December 31, 2024, 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:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 807,769	\$ -
Changes in actuarial assumptions	-	3,855,458
Net difference between projected and actual earnings on pension plan investments	-	1,582,346
Changes in proportion	348,346	3,809
Employer contributions subsequent to the measurement date	432,443	-
Total	\$ 1,588,558	\$ 5,441,613

The \$432,443 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
2025	(\$4,122,596)
2026	\$751,201
2027	(\$488,177)
2028	(\$425,926)

4. Aggregate Pension Expense

The total pension expense for all plans recognized by the Dakota County for the year ended December 31, 2024 was \$9,056,499.

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 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.

The total pension liability for each of the cost-sharing defined benefit plans was determined by an actuarial valuation as of June 30, 2024, using the entry age normal actuarial cost method. The long-term rate of return on pension plan investments used to determine the total liability is 7%. The 7% assumption is based on a review of inflation and investment return assumptions from a number of national investment consulting firms. The review provided a range of investment return rates considered reasonable by the actuary. An investment return of 7% is within that range.

- Inflation is assumed to be 2.25% for the General Employees Plan, Police & 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 & Fire Plan, and 2% for the Correctional Plan.

Salary growth assumptions in the General Employees Plan range in annual increments from 10.25% after one year of service to 3% after 27 years of service. In the Police & Fire Plan, salary growth assumptions range in annual increments from 11.75% after one year of service to 3% after 24 years of service. In the Correctional Plan, salary growth assumptions range from 11% at age 20 to 3% 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 & Fire Plan and the Correctional Plan 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 General Employees Plan was last reviewed in 2022. The assumption changes were adopted by the board and became effective with the July 1, 2023 actuarial valuation. The Police & Fire Plan and Correctional Plan were reviewed in 2024. PERA anticipates the experience study will be approved by the Legislative Commission on Pensions and Retirement and become effective with the July 1, 2025 actuarial valuation.

The following changes in actuarial assumptions and plan provisions occurred in 2024:

General Employees Fund

Changes in Actuarial Assumptions:

- Rates of merit and seniority were adjusted, resulting in slightly higher rates.
- Assumed rates of retirement were adjusted as follows: increase the rate of assumed unreduced retirements, slight adjustments to Rule of 90 retirement rates, and slight adjustments to early retirement rates for Tier 1 and Tier 2 members.
- Minor increase in assumed withdrawals for males and females.
- Lower rates of disability.
- Continued use of Pub-2010 general mortality table with slight rate adjustments as recommended in the most recent experience study.
- Minor changes to form of payment assumptions for male and female retirees.
- Minor changes to assumptions made with respect to missing participant data.

Changes in Plan Provisions:

- The workers' compensation offset for disability benefits was eliminated. The actuarial equivalent factors updated to reflect the changes in assumptions.

Police and Fire Fund

Changes in Actuarial Assumptions:

- No changes in actuarial assumptions

Changes in Plan Provisions:

- The State contribution of \$9.0 million per year will continue until the earlier of 1) both the Police & Fire Plan and the State Patrol Retirement Fund attain 90 percent funded status for three consecutive years (on an actuarial value of assets basis) or 2) July 1, 2048. The contribution was previously due to expire after attaining a 90 percent funded status for one year.
- The additional \$9.0 million contribution will continue until the Police & Fire Plan is fully funded for a minimum of three consecutive years on an actuarial value of assets basis, or July 1, 2048, whichever is earlier. This contribution was previously due to expire upon attainment of fully funded status on an actuarial value of assets basis for one year (or July 1, 2048 if earlier).

Correctional Fund

Changes in Actuarial Assumptions:

- No changes in actuarial assumptions

Changes in Plan Provisions:

- Employee contribution rates will increase from 5.83% of pay to 6.83% of pay, effective July 1, 2025.
- Employer contribution rates will increase from 8.75% of pay to 10.25% of pay, effective July 1, 2025.
- The benefit multiplier changed from 1.9% to 2.2% for service earned after June 30, 2025.

g. Discount Rate

The discount rate used to measure the total pension liability in 2024 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:

Dakota County, Minnesota

Notes to the Financial Statements

**December 31,
2024**

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%	\$136,656,763	6.00%	\$19,626,733	6.00% \$ 9,260,362
Current Discount Rate	7.00%	\$ 62,567,167	7.00%	\$ 8,305,168	7.00% \$ 1,139,566
1% Higher	8.00%	\$ 1,621,717	8.00%	\$ (992,207)	8.00% \$(5,329,912)

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.

2. 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 and 356, 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 2024 were:

Contribution Amount		Percentage of Covered Payroll		Required
Employee	Employer	Employee	Employer	Rate
\$34,393	\$34,393	5%	5%	5%

G. Other Post-Employment Benefits

Plan Description

The county provides health insurance benefits for certain retired employees under a single-employer self-insured plan. The County provides benefits for retirees as required by Minnesota Statute 471.61 subdivision 2b. Active employees, who retire from the County when eligible to receive a retirement benefit from the Public Employees Retirement Association (PERA) of Minnesota (or similar plan) and do not participate in any other health benefits program providing coverage similar to 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.

Dakota County, Minnesota

Notes to the Financial Statements

**December 31,
2024**

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 22 eligible participants. Based on this plan, the county contributes \$60 a month per participant for health insurance. The participant contributes either \$855 for single coverage or \$2,685 for family coverage per month. During 2024, the County expended \$16,500 for this benefit.

Employees covered by benefit terms. At December 31, 2024, the following employees were covered by the benefit terms:

Retirees and Beneficiaries	59
Inactive Employees Entitled to but not yet receiving benefit payments	-
Active Plan Members	1,613
	<u>1,672</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 in the amount of \$650,000 for fiscal year 2024. For fiscal year 2024, the County contributed \$0.00 to the plan. Plan members receiving benefit contribute 100% of their premium costs. As of December 31, 2024 there were 59 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, 2024, and the total OPEB liability used to calculate the total OPEB liability was determined by an actuarial valuation January 1, 2024.

Actuarial assumptions

The total OPEB liability in the January 1, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate	4.08%
Inflation	2.25%
Initial Medical Trend Rate	8.19%
Ultimate Medical Trend Rate	3.68%
Year Ultimate Trend Rate Reached	2075

The mortality, withdrawal and retirement assumptions were based on the assumptions used in the 2018-2022 experience study for PERA General and adjusted from benefit-weighting to headcount-weighting.

The salary increase assumption were based on the assumptions used in the 2018-2022 experience study for PERA General.

The annual medical trend is based on recent trend surveys, short-term expectations specific to Dakota County, and the current version of the SOA-Getzen trend model.

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 29, 2023, which would cover the period from July 1, 2018 through June 30, 2022.

Dakota County, Minnesota

Notes to the Financial Statements

**December 31,
2024**

Discount rate

A single discount rate of 4.08% was used to measure the Total OPEB Liability as of December 31, 2024. This single discount rate was based on a municipal bond rate of 4.08% (based on the 20-year Bond Buyer GO Index as of the end of December 2024). 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, 2023 reporting year was 3.26%.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at 12/31/2023	\$ 13,182,677
Changes for the year:	
Service cost	\$ 794,323
Interest	445,000
Changes in Assumptions - Discount Rate	(621,000)
Changes in Assumptions - Other	(21,000)
Benefit Payments - Employer - Implicit Subsidy	(650,000)
Difference between projected and actual experience	(2,393,000)
Net Changes	\$ (2,445,677)
Balance at 12/31/2024	\$ 10,737,000

Changes in assumptions for the Actuarial Report with a measurement date of December 31, 2024 are as follows:

- The mortality, withdrawal and retirement assumptions were updated to the assumptions used in the 2018-2022 experience study for PERA General and adjusted from benefit-weighting to headcount-weighting.
- The salary increase assumption was updated to the assumptions used in the 2018-2022 experience study for PERA General.
- 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.
- The discount rate increased from 3.26% to 4.08%.

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 (3.08 percent) or 1-percentage-point higher (5.08 percent) than the current discount rate:

	1% Decrease (3.08)%	Discount Rate (4.08)%	1% Increase (5.08)%
Total OPEB liability (asset)	\$ 11,498,000	\$ 10,737,000	\$ 10,025,000

Dakota County, Minnesota

Notes to the Financial Statements

**December 31,
2024**

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 (7.19 percent decreasing to 2.68 percent) or 1-percentage-point higher (9.19 percent decreasing to 4.68 percent) than the current healthcare cost trend rates:

	1% Decrease (7.19% decreasing to 2.68%)	Healthcare Cost Trend Rates (8.19% decreasing to 3.68%)	1% Increase (9.19% decreasing to 4.68%)
Total OPEB liability (asset)	\$ 9,691,000	\$ 10,737,000	\$ 11,950,000

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

For the year ended December 31, 2024, the County recognized OPEB expense of \$1,078,000. At December 31, 2024, 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	\$ 246,000	\$ 1,994,000
Changes in assumptions	479,000	851,000
Total	\$ 725,000	\$ 2,845,000

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 December 31:

2025	(\$175,000)
2026	(\$486,000)
2027	(\$513,000)
2028	(\$452,000)
2029	(\$494,000)

H. Dakota County CDA Workforce Housing 2 LLC Merger

During the fiscal year, the Rosemount Family Housing Limited Partnership merged into this LLC. The beginning balances of the assets, liabilities and net position of the partnership, as of the beginning of the period, were determined based on the carrying values reported in the separate audited financial statements as of June 30, 2023. These beginning balances and the adjustments made to these beginning balances are as follows:

Dakota County, Minnesota

Notes to the Financial Statements

December 31, 2024


	Beginning Balance	Rosemount FHLP	Total	Adjustments		Total
				Debit	Credit	
ASSETS						
Current assets	\$ 2,268,473	\$ 899,909	\$ 3,168,382	\$ -	\$ -	\$ 3,168,382
Capital assets	9,120,722	4,155,816	13,276,538	7,068	22,308	13,261,298
Total assets	<u>\$ 11,389,195</u>	<u>\$ 5,055,725</u>	<u>\$ 16,444,920</u>	<u>\$ 7,068</u>	<u>\$ 22,308</u>	<u>\$ 16,429,680</u>
LIABILITIES						
Current liabilities	\$ 2,635,431	\$ 51,787	\$ 2,687,218	\$ -	\$ -	\$ 2,687,218
Noncurrent liabilities	-	1,990,479	1,990,479	(8,447)	-	1,998,926
Total liabilities	<u>\$ 2,635,431</u>	<u>\$ 2,042,266</u>	<u>\$ 4,677,697</u>	<u>\$ (8,447)</u>	<u>\$ -</u>	<u>\$ 4,686,144</u>
NET POSITION						
Net investment in capital assets	\$ 9,120,722	\$ 3,964,576	\$ 13,085,298	\$ -	\$ -	\$ 13,085,298
Restricted for capital projects	1,565,962	289,342	1,855,304	-	-	1,855,304
Unrestricted	(1,932,920)	(1,240,459)	(3,173,379)	23,688	-	(3,197,067)
Total net position	<u>\$ 8,753,764</u>	<u>\$ 3,013,459</u>	<u>\$ 11,767,223</u>	<u>\$ 23,688</u>	<u>\$ -</u>	<u>\$ 11,743,535</u>

The merger adjustment for Rosemount FHLP less adjustments is \$2,989,771 less the reclassification of \$753,514 that had been recorded as an investment in component units for a net merger adjustment of \$2,236,257.

I. Subsequent Event

On July 10, 2025, the County issued the \$35,640,000 2025A General Obligation Capital Improvement Plan Bonds carrying coupon interest rates varying from 4.00% to 5.00%. The bonds mature on February 1, 2043, with a first available call date of February 1, 2035. The bonds were issued pursuant to Minnesota Statutes, Section 373.40 and Minnesota Statutes, Chapter 475, as amended, for the purpose of financing the construction of a Lebanon Hills Maintenance Facility and improvements to the Wentworth and Burnhaven Libraries.

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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, 2024**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Taxes	\$ 133,023,481	\$ 132,554,906	\$ 131,843,876	\$ (711,030)
Licenses and permits	1,173,845	1,173,845	1,484,308	310,463
Intergovernmental	110,110,853	137,431,471	131,423,617	(6,007,854)
Charges for services	24,108,715	23,957,692	9,547,712	(14,409,980)
Fines and forfeits	8,000	8,000	4,406	(3,594)
Gifts and contributions	2,500	2,500	2,415	(85)
Investment earnings	8,294,731	8,294,731	13,304,120	5,009,389
Miscellaneous	4,139,863	5,078,753	2,946,664	(2,132,089)
Total Revenues	\$ 280,861,988	\$ 308,501,898	\$ 290,557,118	\$ (17,944,780)
Expenditures				
Current				
General government				
Commissioners	\$ 996,069	\$ 996,069	\$ 938,912	\$ 57,157
Courts services	495,561	495,561	854,286	(358,725)
County administration	1,600,357	1,595,525	1,497,100	98,425
EFIS division administration	3,133,693	2,231,481	1,412,943	818,538
Public service and revenue admin	891,752	1,096,649	980,407	116,242
Service and license centers	2,891,968	2,986,070	3,022,433	(36,363)
Property taxation and records	4,253,247	4,359,172	4,412,561	(53,389)
County assessor	4,655,567	4,954,246	4,909,572	44,674
Elections	2,810,378	3,541,214	3,317,603	223,611
Accounting and auditing	3,839,261	5,197,110	5,148,344	48,766
Information technology	15,550,726	23,661,061	17,888,588	5,772,473
Operations management services	16,744,012	17,196,540	14,401,832	2,794,708
Human resources	3,680,064	3,889,277	3,648,237	241,040
Attorney	8,968,708	9,262,025	8,865,621	396,404
Risk management	4,522,991	8,342,412	7,133,535	1,208,877
Physical development administration	3,328,142	3,675,273	3,549,247	126,026
Communications	1,191,288	1,354,760	1,332,495	22,265
County-wide operations	8,170,859	(599,927)	3,726,862	(4,326,789)
Veterans service officer	910,773	928,418	881,669	46,749
Total general government	\$ 88,635,416	\$ 95,162,936	\$ 87,922,247	\$ 7,240,689
Public safety				
Sheriff	\$ 31,224,158	\$ 37,242,500	\$ 33,996,803	\$ 3,245,697
Medical Examiner	1,998,144	1,998,144	1,998,144	-
Community corrections	25,817,418	27,181,082	25,522,799	1,658,283
Total public safety	\$ 59,039,720	\$ 66,421,726	\$ 61,517,746	\$ 4,903,980

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, 2024**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Expenditures				
Current (Continued)				
Highway and streets				
Other-highway and streets	\$ 2,578,907	\$ 4,855,614	\$ 1,360,476	\$ 3,495,138
Total highway and streets	\$ 2,578,907	\$ 4,855,614	\$ 1,360,476	\$ 3,495,138
Human services				
Administration	\$ 2,396,258	\$ 2,638,859	\$ 2,305,319	\$ 333,540
Income maintenance	37,187,748	38,394,218	36,419,370	1,974,848
Social services	83,384,816	96,652,881	90,746,701	5,906,180
Total human services	\$ 122,968,822	\$ 137,685,958	\$ 129,471,390	\$ 8,214,568
Health				
Public health	\$ 14,026,293	\$ 16,059,643	\$ 13,938,065	\$ 2,121,578
Total health	\$ 14,026,293	\$ 16,059,643	\$ 13,938,065	\$ 2,121,578
Culture and recreation				
Historical society	\$ 107,185	\$ 132,185	\$ 132,185	\$ -
County fair	191,117	191,117	191,117	-
Parks	-	-	761,347	(761,347)
Total culture and recreation	\$ 298,302	\$ 323,302	\$ 1,084,649	\$ (761,347)
Conservation of natural resources				
Soil and water conservation	\$ 381,302	\$ 381,302	\$ 381,392	\$ (90)
Farmland and natural area program	2,458,644	23,252,794	1,235,391	22,017,403
County extension	371,917	422,991	414,814	8,177
Total conservation of natural resources	\$ 3,211,863	\$ 24,057,087	\$ 2,031,597	\$ 22,025,490
Economic development				
Administration	\$ -	\$ -	\$ 3,869,880	\$ (3,869,880)
Community development	4,510,940	6,127,677	4,063,473	2,064,204
Total economic development	\$ 4,510,940	\$ 6,127,677	\$ 7,933,353	\$ (1,805,676)

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, 2024**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Expenditures				
Capital outlay				
Capital outlay	\$ -	\$ -	\$ 4,452,805	\$ (4,452,805)
Total capital outlay	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,452,805</u>	<u>(4,452,805)</u>
Debt service				
Principal	\$ -	\$ -	\$ 999,278	\$ (999,278)
Interest	-	-	151,921	(151,921)
Total debt service	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,151,199</u>	<u>\$ (1,151,199)</u>
Total Expenditures	<u>\$ 295,270,263</u>	<u>\$ 350,693,943</u>	<u>\$ 310,863,527</u>	<u>\$ 39,830,416</u>
Excess of Revenues Over (Under)				
Expenditures	<u>\$ (14,408,275)</u>	<u>\$ (42,192,045)</u>	<u>\$ (20,306,409)</u>	<u>\$ 21,885,636</u>
Other Financing Sources (Uses)				
Transfers in	\$ -	\$ 23,801	\$ 634,034	\$ 610,233
Transfers out	(24,225)	(24,225)	(4,539,557)	(4,515,332)
Subscriptions issued	-	-	4,452,805	4,452,805
Proceeds from sale of assets	599,500	599,500	371,740	(227,760)
Total Other Financing Sources (Uses)	<u>\$ 575,275</u>	<u>\$ 599,076</u>	<u>\$ 919,022</u>	<u>\$ 319,946</u>
Net Change in Fund Balance	<u>\$ (13,833,000)</u>	<u>\$ (41,592,969)</u>	<u>\$ (19,387,387)</u>	<u>\$ 22,205,582</u>
Fund Balance - January 1	<u>98,464,455</u>	<u>98,464,455</u>	<u>98,464,455</u>	<u>-</u>
Fund Balance - December 31	<u><u>\$ 84,631,455</u></u>	<u><u>\$ 56,871,486</u></u>	<u><u>\$ 79,077,068</u></u>	<u><u>\$ 22,205,582</u></u>

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

**DAKOTA COUNTY
MINNESOTA**

**BUDGETARY COMPARISON STATEMENT
BUDGET AND ACTUAL
HIGHWAY SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2024**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Taxes	\$ 6,229,982	\$ 6,218,850	\$ 6,128,114	\$ (90,736)
Licenses and permits	270,000	270,000	312,936	42,936
Intergovernmental	58,126,167	58,126,167	40,942,014	(17,184,153)
Charges for services	210,009	210,009	205,777	(4,232)
Miscellaneous	276,300	276,300	171,296	(105,004)
Total Revenues	\$ 65,112,458	\$ 65,101,326	\$ 47,760,137	\$ (17,341,189)
Expenditures				
Current				
Highway and streets				
Administration	\$ 1,701,054	\$ 1,695,488	\$ 1,938,638	\$ (243,150)
Maintenance	6,959,214	6,953,648	8,323,611	(1,369,963)
Construction	16,049,031	16,049,031	17,101,365	(1,052,334)
Survey	1,764,220	1,764,220	1,498,580	265,640
Total highways and streets	\$ 26,473,519	\$ 26,462,387	\$ 28,862,194	\$ (2,399,807)
Capital outlay				
Capital outlay	\$ 48,161,180	\$ 112,611,022	\$ 31,682,968	\$ 80,928,054
Total capital outlay	\$ 48,161,180	\$ 112,611,022	\$ 31,682,968	\$ 80,928,054
Total Expenditures	\$ 74,634,699	\$ 139,073,409	\$ 60,545,162	\$ 78,528,247
Excess of Revenues Over (Under)				
Expenditures	\$ (9,522,241)	\$ (73,972,083)	\$ (12,785,025)	\$ 61,187,058
Other Financing Sources (Uses)				
Transfers in	\$ -	\$ -	\$ 13,711,351	\$ 13,711,351
Proceeds from sale of capital assets	133,000	133,000	-	(133,000)
Total Other Financing Sources (Uses)	\$ 133,000	\$ 133,000	\$ 13,711,351	\$ 13,578,351
Net Change in Fund Balance	\$ (9,389,241)	\$ (73,839,083)	\$ 926,326	\$ 74,765,409
Fund Balance - January 1	13,591,686	13,591,686	13,591,686	-
Fund Balance - December 31	\$ 4,202,445	\$ (60,247,397)	\$ 14,518,012	\$ 74,765,409

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, 2024**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Taxes	\$ 185,000	\$ 185,000	\$ 194,742	\$ 9,742
Licenses and permits	1,080,027	1,080,027	1,151,414	71,387
Intergovernmental	2,539,006	2,867,155	4,862,911	1,995,756
Charges for services	7,638,164	7,638,164	10,019,713	2,381,549
Miscellaneous	658,006	687,796	717,454	29,658
Total Revenues	\$ 12,100,203	\$ 12,458,142	\$ 16,946,234	\$ 4,488,092
Expenditures				
Current				
General				
General government	\$ -	\$ -	\$ 3,936,336	\$ (3,936,336)
Total General government	\$ -	\$ -	\$ 3,936,336	\$ (3,936,336)
Sanitation				
Solid waste	\$ 6,135,002	\$ 7,464,402	\$ 6,663,440	\$ 800,962
Total Sanitation	\$ 6,135,002	\$ 7,464,402	\$ 6,663,440	\$ 800,962
Culture and recreation				
Culture and recreation	\$ -	\$ -	\$ 4,102,359	\$ (4,102,359)
Total Culture and recreation	\$ -	\$ -	\$ 4,102,359	\$ (4,102,359)
Conservation of natural resources				
Water resources	\$ 3,354,978	\$ 3,661,412	\$ 3,142,300	\$ 519,112
Other conservation	-	-	21,443	(21,443)
Total conservation of natural resources	\$ -	\$ -	\$ 3,163,743	\$ (21,443)
Total Expenditures	\$ 6,135,002	\$ 7,464,402	\$ 17,865,878	\$ 779,519
Excess of Revenues Over (Under) Expenditures	\$ 5,965,201	\$ 4,993,740	\$ (919,644)	\$ 5,267,611
Other Financing Sources (Uses)				
Transfers in	\$ -	\$ -	\$ 1,133,333	\$ 1,133,333
Transfers out	-	(23,801)	(3,185,513)	(3,161,712)
Total Other Financing Sources (Uses)	\$ -	\$ (23,801)	\$ (2,052,180)	\$ (2,028,379)
Change in Fund Balance	\$ 5,965,201	\$ 4,969,939	\$ (2,971,824)	\$ 3,239,232
Fund Balance - January 1	55,037,537	55,037,537	55,037,537	-
Fund Balance - December 31	\$ 61,002,738	\$ 60,007,476	\$ 52,065,713	\$ 3,239,232

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, 2024**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Taxes	\$ 15,538,705	\$ 15,538,705	\$ 25,514,299	\$ 9,975,594
Intergovernmental	19,972,660	19,972,660	8,676,849	(11,295,811)
Total Revenues	\$ 35,511,365	\$ 35,511,365	\$ 34,191,148	\$ (1,320,217)
Expenditures				
Current				
Highway and streets				
Administration	\$ -	\$ -	\$ 32,762	\$ (32,762)
Total highways and streets	\$ -	\$ -	\$ 32,762	\$ (32,762)
Capital outlay				
Capital outlay	\$ 35,511,365	\$ 94,900,778	\$ 12,846,753	\$ 82,054,025
Total capital outlay	\$ 35,511,365	\$ 94,900,778	\$ 12,846,753	\$ 82,054,025
Total Expenditures	\$ 35,511,365	\$ 94,900,778	\$ 12,879,515	\$ 82,021,263
Excess of Revenues Over (Under)				
Expenditures	\$ -	\$ (59,389,413)	\$ 21,311,633	\$ 80,701,046
Other Financing Sources (Uses)				
Transfers out	\$ -	\$ -	\$ (13,711,351)	\$ (13,711,351)
Total Other Financing Sources (Uses)	\$ -	\$ -	\$ (13,711,351)	\$ (13,711,351)
Net Change in Fund Balance	\$ -	\$ (59,389,413)	\$ 7,600,282	\$ 66,989,695
Fund Balance - January 1	95,213,796	95,213,796	95,213,796	-
Fund Balance - December 31	\$ 95,213,796	\$ 35,824,383	\$ 102,814,078	\$ 66,989,695

**DAKOTA COUNTY
MINNESOTA**

**BUDGETARY COMPARISON STATEMENT
BUDGET AND ACTUAL
FEDERAL REVENUE (ARPA) SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2024**

	<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	\$ 2,129,052	\$ 2,215,938	\$ 22,224,027	\$ 20,008,089
Total Revenues	\$ 2,129,052	\$ 2,215,938	\$ 22,224,027	\$ 20,008,089
Expenditures				
Current				
General Government				
County attorney	\$ 302,893	\$ 302,893	\$ 31,381	\$ 271,512
County-wide operations	150,000	150,000	150,000	-
Finance	-	-	8,280	(8,280)
County building	-	-	501,656	(501,656)
Information technology	-	86,886	86,886	-
Total general government	\$ 452,893	\$ 539,779	\$ 778,203	\$ (238,424)
Human services				
Employment and economic development	\$ 383,995	\$ 383,995	\$ 429,656	\$ (45,661)
Social services	1,346,943	1,346,943	2,044,285	(697,342)
Total human services	\$ 1,730,938	\$ 1,730,938	\$ 2,473,941	\$ (743,003)
Capital outlay				
Capital outlay	\$ -	\$ -	\$ 18,971,883	\$ (18,971,883)
Total capital outlay	\$ -	\$ -	\$ 18,971,883	\$ (18,971,883)
Total Expenditures	\$ 2,183,831	\$ 2,270,717	\$ 22,224,027	\$ (981,427)
Excess of Revenues Over (Under)				
Expenditures	\$ (54,779)	\$ (54,779)	\$ -	\$ 19,026,662
Net Change in Fund Balance	\$ (54,779)	\$ (54,779)	\$ -	\$ 19,026,662
Fund Balance - January 1	-	-	-	-
Fund Balance - December 31	\$ (54,779)	\$ (54,779)	\$ -	\$ 19,026,662

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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	\$ 55,423,680
Highway	64,438,710
Environmental Legacy	1,329,400
DC Transportation Sales Tax	59,389,413
Federal Revenue	86,886
Capital Projects	63,153,094
County Library	2,087,590
County Parks	682,592
Opioid Settlement	306,000

B. Excess of Expenditures Over Appropriations

For the year ended December 31, 2024, expenditures exceeded appropriations in the General Fund for Court Services by \$358,725, Service and License Centers by \$36,363, Property Taxation and Records by \$53,389, County-Wide Operations by \$4,326,789, Parks by \$761,347, Soil and Water Conservation by \$90, Economic Development-Administration by \$3,869,880, Capital Outlay by \$4,452,805, Debt Service Principal by \$999,278 and Interest by \$151,921. Expenditures exceeded appropriations in the Highway Special Revenue Fund for Administration by \$243,150, Maintenance by \$1,369,963, Construction by \$1,052,334. Expenditures exceeded appropriations in the Environmental Legacy Special Revenue Fund for General Government by \$3,936,336, Culture and Recreation by \$4,102,359, Other Conservation by \$21,443. Expenditures exceeded appropriations in the DC Transportation Sales Tax Special Revenue Fund for Administration by \$32,762. Expenditures exceeded appropriations in the Federal Revenue (ARPA) Special Revenue Fund for Finance by \$8,280, County Building by \$501,656, for Employment and Economic Development by \$45,661, Social Services by \$697,342, Capital Outlay

by \$18,971,883. Expenditures exceeded appropriations in the Parks Special Revenue Fund for Parks by \$2,927,290. These excess expenditures were funded by available fund balance and current year savings.

C. Deficit Fund Balances

The County has deficit fund balances as of December 31, 2024, in the following funds:

	Fund Balance
	Deficit
Capital Projects Fund	\$ (34,008,342)
County Parks Fund	(6,801,514)

The County intends to fund the County Parks Fund deficit from Metropolitan Council grants. The County intends to fund the deficit in the Capital Projects fund using \$8,046,872 of the 2025A bond proceeds issued on July 10, 2025 as well a \$9,459,928 grant flowing through the Minnesota Department of Human Services to fund the construction of the new Crisis and Recovery Center which was recorded as a receivable but the revenues were not received within the County’s period of availability for 2024. The remainder of the deficit fund balance in the Capital Projects fund will first be funded by other available grants, with the final remaining amount being funded by a transfer from the General Fund, as needed.

**DAKOTA COUNTY
MINNESOTA**

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

December 31, 2024

	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 experience	-	-	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	\$ 8,791,677	\$ 10,129,677	\$ 12,108,677	\$ 12,541,677	\$ 12,399,677	\$ 13,182,677

Covered employee payroll	\$ 131,815,000	\$ 139,031,000	\$ 145,134,000	\$ 150,285,000	\$ 153,261,000	\$ 161,698,000
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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%
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Notes to Schedule:

Benefit changes: None

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

2024 assumptions:

- The mortality, withdrawal and retirement assumptions were updated to the assumptions used in the 2018-2022 experience study for PERA General, and adjusted from benefit-weighting to headcount-weighting.
- The salary increase assumption was updated to the assumptions used in the 2018-2022 experience study for PERA General.
- 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.
- In addition to the assumptions changes above, a single discount rate of 4.08% was used to measure the Total OPEB Liability as of December 31, 2024.

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 published.
- 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 based on the 2018-2022 experience study for PERA General.

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 mortality table.
- The withdrawal and retirement assumptions were updated to be consistent with the assumptions used in the 2014-2018 experience study for the PERA General plan, after adjustment from the 2010-2019 experience study.
- The salary increase assumption was updated to be consistent with the assumptions used in the 2014-2018 experience study for the PERA General plan.
- The spouse age assumption was updated to be consistent with the assumptions used in the 2014-2018 experience study for the PERA General plan.
- The inflation rate decreased from 2.75% to 2.25%.
- The payroll growth rate decreased from 3.50% to 3.00%.
- The annual medical claims costs and premiums were updated based on recent experience.
- The annual medical trend was updated based on recent trend surveys, short-term expectations specific to Dakota County, and the current version of the SOA-Getzen trend model.

2019 assumptions:

- Inflation was updated to 2.50% (from 2.75%)
- The Salary Increase Assumption was updated to reflect the reduction in inflation;
- The medical trend rate assumption was updated to reflect the reduction in inflation;
- The mortality assumption was updated from the assumption used in the January 1, 2018 actuarial report to reflect mortality improvements using Scale MP-2018, the most recently published.
- In addition to the assumptions changes above, a single discount rate of 2.74% was used to measure the Total OPEB Liability as of December 31, 2019. This single discount rate was based on the 2018-2022 experience study for PERA General.

2018 assumptions:

- Inflation was updated to 2.50% (from 2.75%)
- The Salary Increase Assumption was updated to reflect the reduction in inflation;
- The medical trend rate assumption was updated to reflect the reduction in inflation;
- The mortality assumption was updated from the assumption used in the January 1, 2018 actuarial report to reflect mortality improvements using Scale MP-2018, the most recently published.
- In addition to the assumptions changes above, a single discount rate of 4.10% was used to measure the Total OPEB Liability as of December 31, 2018. This single discount rate was based on the 2018-2022 experience study for PERA General.

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, 2024**

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
2024	1.6924	62,567,167	1,617,859	64,185,026	143,138,568	43.71	89.08

The measurement date for each year is June 30.

**DAKOTA COUNTY
MINNESOTA**

**SCHEDULE OF CONTRIBUTIONS
PERA GENERAL EMPLOYEES RETIREMENT PLAN
DECEMBER 31, 2024**

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
2024	11,215,960	11,215,960	-	149,546,133	7.50

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, 2024**

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 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
2024	0.631	8,305,168	316,590	8,621,758	8,739,229	95.03	90.17

The measurement date for each year is June 30.

**DAKOTA COUNTY
MINNESOTA**

**SCHEDULE OF CONTRIBUTIONS
PERA PUBLIC EMPLOYEES POLICE AND FIRE PLAN
DECEMBER 31, 2024**

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
2024	1,623,800	1,623,800	-	9,174,011	17.70

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, 2024**

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	3.140%	\$ 485,444	\$ 5,619,220	8.64%	96.95%
2016	2.960	10,813,294	5,575,906	193.93	58.16
2017	3.140	8,949,031	6,183,626	144.72	67.89
2018	3.032	498,607	6,191,632	8.05	97.64
2019	3.148	435,854	6,714,968	6.49	98.17
2020	3.383	918,025	7,102,592	12.93	96.67
2021	3.456	(567,768)	7,454,668	(7.62)	101.61
2022	3.399	11,296,615	7,574,406	149.14	74.58
2023	3.398	1,535,975	7,966,851	19.28	95.94
2024	3.739	1,139,565	9,493,123	12.00	97.54

The measurement date for each year is June 30.

**DAKOTA COUNTY
MINNESOTA**

**SCHEDULE OF CONTRIBUTIONS
PERA PUBLIC EMPLOYEES CORRECTIONAL PLAN
DECEMBER 31, 2024**

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
2024	875,423	875,423	-	10,004,834	8.75

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, 2024

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

2024 Changes

Changes in Actuarial Assumptions

- Rates of merit and seniority were adjusted, resulting in slightly higher rates.
- Assumed rates of retirement were adjusted as follows: increase the rate of assumed unreduced retirements, slight adjustments to Rule of 90 retirement rates, and slight adjustments to early retirement rates for Tier 1 and Tier 2 members.
- Minor increase in assumed withdrawals for males and females.
- Lower rates of disability.
- Continued use of Pub-2010 general mortality table with slight rate adjustments as recommended in the most recent experience study.
- Minor changes to form of payment assumptions for male and female retirees.
- Minor changes to assumptions made with respect to missing participant data.

Changes in Plan Provisions

- The workers' compensation offset for disability benefits was eliminated. The actuarial equivalent factors updated to reflect the changes in assumptions.

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.

**DAKOTA COUNTY
MINNESOTA**

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

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.

**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, 2024**

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

Changes in Plan Provisions

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

2018 Changes

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- The augmentation adjustment in early retirement factors is eliminated over a five-year period starting July 1, 2019, resulting in actuarial equivalence after June 30, 2024.
- Interest credited on member contributions decreased from 4.00 percent to 3.00 percent, beginning July 1, 2018.
- Deferred augmentation was changed to 0.00 percent, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Contribution stabilizer provisions were repealed.

**DAKOTA COUNTY
MINNESOTA**

**NOTES TO THE SCHEDULES OF PROPORTIONATE SHARE OF NET PENSION
LIABILITY AND SCHEDULES OF CONTRIBUTIONS
FOR THE YEAR ENDED DECEMBER 31, 2024**

- 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.
- 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.

**DAKOTA COUNTY
MINNESOTA**

**NOTES TO THE SCHEDULES OF PROPORTIONATE SHARE OF NET PENSION
LIABILITY AND SCHEDULES OF CONTRIBUTIONS
FOR THE YEAR ENDED DECEMBER 31, 2024**

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.

Police and Fire Fund

2024 Changes

Changes in Actuarial Assumptions

- There were no changes since the previous valuation.

Changes in Plan Provisions

- The State contribution of \$9.0 million per year will continue until the earlier of 1) both the Police & Fire Plan and the State Patrol Retirement Fund attain 90 percent funded status for three consecutive years (on an actuarial value of assets basis) or 2) July 1, 2048. The contribution was previously due to expire after attaining a 90 percent funded status for one year.
- The additional \$9.0 million contribution will continue until the Police & Fire Plan is fully funded for a minimum of three consecutive years on an actuarial value of assets basis, or July 1, 2048, whichever is earlier. This contribution was previously due to expire upon attainment of fully funded status on an actuarial value of assets basis for one year (or July 1, 2048 if earlier).

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.

**DAKOTA COUNTY
MINNESOTA**

**NOTES TO THE SCHEDULES OF PROPORTIONATE SHARE OF NET PENSION
LIABILITY AND SCHEDULES OF CONTRIBUTIONS
FOR THE YEAR ENDED DECEMBER 31, 2024**

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.
- 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).

**DAKOTA COUNTY
MINNESOTA**

**NOTES TO THE SCHEDULES OF PROPORTIONATE SHARE OF NET PENSION
LIABILITY AND SCHEDULES OF CONTRIBUTIONS
FOR THE YEAR ENDED DECEMBER 31, 2024**

- 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.

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.

**DAKOTA COUNTY
MINNESOTA**

**NOTES TO THE SCHEDULES OF PROPORTIONATE SHARE OF NET PENSION
LIABILITY AND SCHEDULES OF CONTRIBUTIONS
FOR THE YEAR ENDED DECEMBER 31, 2024**

- 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.
- 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.

**DAKOTA COUNTY
MINNESOTA**

**NOTES TO THE SCHEDULES OF PROPORTIONATE SHARE OF NET PENSION
LIABILITY AND SCHEDULES OF CONTRIBUTIONS
FOR THE YEAR ENDED DECEMBER 31, 2024**

- 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.

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

**DAKOTA COUNTY
MINNESOTA**

**NOTES TO THE SCHEDULES OF PROPORTIONATE SHARE OF NET PENSION
LIABILITY AND SCHEDULES OF CONTRIBUTIONS
FOR THE YEAR ENDED DECEMBER 31, 2024**

Correctional Fund

2024 Changes

Changes in Actuarial Assumptions

- There were no changes since the previous valuation.

Changes in Plan Provisions

- Employee contribution rates will increase from 5.83% of pay to 6.83% of pay, effective July 1, 2025.
- Employer contribution rates will increase from 8.75% of pay to 10.25% of pay, effective July 1, 2025.
- The benefit multiplier changed from 1.9% to 2.2% for service earned after June 30, 2025.

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.

**DAKOTA COUNTY
MINNESOTA**

**NOTES TO THE SCHEDULES OF PROPORTIONATE SHARE OF NET PENSION
LIABILITY AND SCHEDULES OF CONTRIBUTIONS
FOR THE YEAR ENDED DECEMBER 31, 2024**

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.
- 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.

**DAKOTA COUNTY
MINNESOTA**

**NOTES TO THE SCHEDULES OF PROPORTIONATE SHARE OF NET PENSION
LIABILITY AND SCHEDULES OF CONTRIBUTIONS
FOR THE YEAR ENDED DECEMBER 31, 2024**

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 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).

**DAKOTA COUNTY
MINNESOTA**

**NOTES TO THE SCHEDULES OF PROPORTIONATE SHARE OF NET PENSION
LIABILITY AND SCHEDULES OF CONTRIBUTIONS
FOR THE YEAR ENDED DECEMBER 31, 2024**

- 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.

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.

**DAKOTA COUNTY
MINNESOTA**

**NOTES TO THE SCHEDULES OF PROPORTIONATE SHARE OF NET PENSION
LIABILITY AND SCHEDULES OF CONTRIBUTIONS
FOR THE YEAR ENDED DECEMBER 31, 2024**

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Supplementary Information

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**DAKOTA COUNTY
MINNESOTA**

**BUDGETARY COMPARISON SCHEDULE
BUDGET AND ACTUAL
CAPITAL PROJECTS FUND
FOR THE YEAR ENDED DECEMBER 31, 2024**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Taxes	\$ 5,113,996	\$ 5,113,996	\$ 5,087,502	\$ (26,494)
Intergovernmental	8,000,000	8,000,000	10,562	(7,989,438)
Miscellaneous	-	-	261,208	261,208
Total Revenues	\$ 13,113,996	\$ 13,113,996	\$ 5,359,272	\$ (7,754,724)
Expenditures				
Capital outlay				
Capital outlay	49,065,441	112,218,535	29,126,446	83,092,089
Excess of Revenues Over (Under)				
Expenditures	\$ (35,951,445)	\$ (99,104,539)	\$ (23,767,174)	\$ 75,337,365
Fund Balance - January 1	(10,241,168)	(10,241,168)	(10,241,168)	-
Fund Balance - December 31	\$ (46,192,613)	\$ (109,345,707)	\$ (34,008,342)	\$ 75,337,365

**DAKOTA COUNTY
MINNESOTA**

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2024**

	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	\$ 1,673,173	\$ 4,595,951	\$ 8,723,541	\$ 463,214	\$ 152,233	\$ 4,943,940	\$ 20,552,052
Petty cash and change funds	3,614	1,600	-	40	-	-	5,254
Taxes receivable							
Prior	98,925	7,549	714	-	-	-	107,188
Accounts receivable	13,354	210,001	-	-	-	11,574,976	11,798,331
Due from other funds	427,459	3,797,027	28,783	1,550	-	925	4,255,744
Due from other governments	10,139	119,299	63,593	40,344	-	-	233,375
Total Assets	\$ 2,226,664	\$ 8,731,427	\$ 8,816,631	\$ 505,148	\$ 152,233	\$ 16,519,841	\$ 36,951,944
<u>Liabilities, Deferred Inflows of Resources, and Fund Balances</u>							
Liabilities							
Accounts payable	\$ 13,753	\$ 619,216	\$ 1,317	\$ 4,397	\$ 270	\$ 750	\$ 639,703
Salaries payable	495,975	148,547	-	13,103	-	5,431	663,056
Contracts payable	-	996,826	-	-	-	-	996,826
Due to other funds	492,374	13,615,009	-	8,757	-	77,011	14,193,151
Due to other governments	3,204	3,806	-	-	-	-	7,010
Unearned revenue - other	-	143,694	-	-	-	-	143,694
Total Liabilities	\$ 1,005,306	\$ 15,527,098	\$ 1,317	\$ 26,257	\$ 270	\$ 83,192	\$ 16,643,440
Deferred Inflows of Resources							
Unavailable revenue	\$ 73,568	\$ 5,843	\$ 637	\$ -	\$ -	\$ 11,574,976	\$ 11,655,024
Total deferred inflows of resources	\$ 73,568	\$ 5,843	\$ 637	\$ -	\$ -	\$ 11,574,976	\$ 11,655,024

**DAKOTA COUNTY
MINNESOTA**

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2024**

	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	\$ -	\$ -	\$ -	\$ 478,891	\$ -	\$ -	\$ 478,891
Criminal forfeitures	-	-	-	-	151,963	-	151,963
Opioid settlement	-	-	-	-	-	4,861,673	4,861,673
Assigned to:							
Culture and recreation	1,147,790	-	-	-	-	-	1,147,790
Economic development	-	-	8,814,677	-	-	-	8,814,677
Unassigned	-	(6,801,514)	-	-	-	-	(6,801,514)
Total Fund Balances	\$ 1,147,790	\$ (6,801,514)	\$ 8,814,677	\$ 478,891	\$ 151,963	\$ 4,861,673	\$ 8,653,480
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 2,226,664	\$ 8,731,427	\$ 8,816,631	\$ 505,148	\$ 152,233	\$ 16,519,841	\$ 36,951,944

**DAKOTA COUNTY
MINNESOTA**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024**

	Special Revenue Funds						Total Nonmajor Governmental Funds
	County Library	County Parks	Regional Rail	Law Library	Attorney Forfeiture	Opioid Settlement	
Revenues							
Taxes	\$ 16,117,943	\$ 1,301,591	\$ 462	\$ -	\$ -	\$ -	\$ 17,419,996
License and permits	-	67,510	-	-	-	-	67,510
Intergovernmental	398,570	12,043,719	-	150,000	-	-	12,592,289
Charges for services	15,711	1,457,512	-	363,162	-	-	1,836,385
Fines and forfeits	-	415	-	-	35,114	-	35,529
Gifts and contributions	941,671	4,741	-	-	-	-	946,412
Investment earnings	3,413	-	424,440	-	-	-	427,853
Miscellaneous	228,328	3,106	63,593	20,808	-	2,823,116	3,138,951
Total Revenues	\$ 17,705,636	\$ 14,878,594	\$ 488,495	\$ 533,970	\$ 35,114	\$ 2,823,116	\$ 36,464,925
Expenditures							
Current							
General government	\$ -	\$ -	\$ -	\$ 383,206	\$ 21,544	\$ 180,474	\$ 585,224
Health	-	-	-	-	-	105,387	105,387
Culture and recreation	16,906,008	9,792,351	-	-	-	-	26,698,359
Economic development	-	-	47,938	-	-	-	47,938
Capital outlay	-	19,416,465	-	-	-	-	19,416,465
Total Expenditures	\$ 16,906,008	\$ 29,208,816	\$ 47,938	\$ 383,206	\$ 21,544	\$ 285,861	\$ 46,853,373
Excess of Revenues Over (Under)							
Expenditures	\$ 799,628	\$ (14,330,222)	\$ 440,557	\$ 150,764	\$ 13,570	\$ 2,537,255	\$ (10,388,448)

**DAKOTA COUNTY
MINNESOTA**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024**

	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	\$ -	\$ 3,744,545	\$ -	\$ -	\$ -	\$ -	\$ 3,744,545
Total Other Financing Sources (Uses)	\$ -	\$ 3,744,545	\$ -	\$ -	\$ -	\$ -	\$ 3,744,545
Net Change in Fund Balance	\$ 799,628	\$ (10,585,677)	\$ 440,557	\$ 150,764	\$ 13,570	\$ 2,537,255	\$ (6,643,903)
Fund Balance - January 1	348,162	3,784,163	8,374,120	328,127	138,393	2,324,418	15,297,383
Fund Balance - December 31	\$ 1,147,790	\$ (6,801,514)	\$ 8,814,677	\$ 478,891	\$ 151,963	\$ 4,861,673	\$ 8,653,480

**DAKOTA COUNTY
MINNESOTA**

**BUDGETARY COMPARISON SCHEDULE
BUDGET AND ACTUAL
COUNTY LIBRARY SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2024**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Taxes	\$ 15,766,655	\$ 16,193,881	\$ 16,117,943	\$ (75,938)
Intergovernmental	131,880	131,880	398,570	266,690
Charges for services	-	-	15,711	15,711
Gifts and contributions	-	845,118	941,671	96,553
Investment earnings	-	-	3,413	3,413
Miscellaneous	174,000	174,000	228,328	54,328
Total Revenues	\$ 16,072,535	\$ 17,344,879	\$ 17,705,636	\$ 360,757
Expenditures				
Current				
Culture and recreation				
Regional library	16,095,275	18,182,865	16,906,008	1,276,857
Net Change in Fund Balance	\$ (22,740)	\$ (837,986)	\$ 799,628	\$ 1,637,614
Fund Balance - January 1	348,162	348,162	348,162	-
Fund Balance - December 31	\$ 325,422	\$ (489,824)	\$ 1,147,790	\$ 1,637,614

**DAKOTA COUNTY
MINNESOTA**

**BUDGETARY COMPARISON SCHEDULE
BUDGET AND ACTUAL
COUNTY PARKS SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2024**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Taxes	\$ 1,255,088	\$ 1,307,569	\$ 1,301,591	\$ (5,978)
Licenses and permits	108,000	108,000	67,510	(40,490)
Intergovernmental	17,940,523	17,940,523	12,043,719	(5,896,804)
Charges for services	1,340,748	1,340,748	1,457,512	116,764
Fines and forfeits	10,000	10,000	415	(9,585)
Gifts and contributions	-	-	4,741	4,741
Miscellaneous	2,000	2,000	3,106	1,106
Total Revenues	\$ 20,656,359	\$ 20,708,840	\$ 14,878,594	\$ (5,830,246)
Expenditures				
Current				
Culture and recreation				
Parks	6,182,469	6,865,061	9,792,351	(2,927,290)
Total culture and recreation	\$ 6,182,469	\$ 6,865,061	\$ 9,792,351	\$ (2,927,290)
Capital outlay				
Capital outlay	\$ -	\$ -	\$ 19,416,465	\$ (19,416,465)
Total capital outlay	\$ -	\$ -	\$ 19,416,465	\$ (19,416,465)
Total Expenditures	\$ 6,182,469	\$ 6,865,061	\$ 29,208,816	\$ (22,343,755)
Excess of Revenues Over (Under)				
Expenditures	\$ 14,473,890	\$ 13,843,779	\$ (14,330,222)	\$ (28,174,001)
Other Financing Sources (Uses)				
Transfers in	\$ -	\$ -	\$ 3,744,545	\$ 3,744,545
Net Change in Fund Balance	\$ 14,473,890	\$ 13,843,779	\$ (10,585,677)	\$ (24,429,456)
Fund Balance - January 1	3,784,163	3,784,163	3,784,163	-
Fund Balance - December 31	\$ 18,258,053	\$ 17,627,942	\$ (6,801,514)	\$ (24,429,456)

**DAKOTA COUNTY
MINNESOTA**

**BUDGETARY COMPARISON SCHEDULE
BUDGET AND ACTUAL
REGIONAL RAIL SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2024**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Taxes	\$ -	\$ -	\$ 462	\$ 462
Investment earnings	-	-	424,440	424,440
Miscellaneous	-	-	63,593	63,593
Total Revenues	\$ -	\$ -	\$ 488,495	\$ 488,495
Expenditures				
Economic development				
Administration	\$ 330,769	\$ -	\$ 47,938	\$ (47,938)
Total Expenditures	\$ 330,769	\$ -	\$ 47,938	\$ (47,938)
Net Change in Fund Balance	\$ (330,769)	\$ -	\$ 440,557	\$ 440,557
Fund Balance - January 1	8,374,120	8,374,120	8,374,120	-
Fund Balance - December 31	\$ 8,043,351	\$ 8,374,120	\$ 8,814,677	\$ 440,557

**DAKOTA COUNTY
MINNESOTA**

**BUDGETARY COMPARISON STATEMENT
BUDGET AND ACTUAL
OPIOIDS SETTLEMENT SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2024**

	<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	\$ 459,166	\$ 1,535,224	\$ 2,823,116	\$ 1,287,892
Total Revenues	\$ 459,166	\$ 1,535,224	\$ 2,823,116	\$ 1,287,892
Expenditures				
Current				
General Government				
County-wide operations	\$ 770,058	\$ 1,005,558	\$ 180,474	\$ 825,084
Total general government	\$ 770,058	\$ 1,005,558	\$ 180,474	\$ 825,084
Health				
Public health	\$ 134,166	\$ 204,666	\$ 105,387	\$ 99,279
Total health	\$ 134,166	\$ 204,666	\$ 105,387	\$ 99,279
Total Expenditures	\$ 904,224	\$ 1,210,224	\$ 285,861	\$ 924,363
Excess of Revenues Over (Under)				
Expenditures	\$ (445,058)	\$ 325,000	\$ 2,537,255	\$ 2,212,255
Net Change in Fund Balance	\$ (445,058)	\$ 325,000	\$ 2,537,255	\$ 2,212,255
Fund Balance - January 1	2,324,418	2,324,418	2,324,418	-
Fund Balance - December 31	\$ 1,879,360	\$ 2,649,418	\$ 4,861,673	\$ 2,212,255

**DAKOTA COUNTY
MINNESOTA**

**STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUND
DECEMBER 31, 2024**

	<u>Geographic Information System Enterprise Fund</u>
Assets	
Current assets:	
Cash and pooled investments	\$ 92,129
Total current assets	\$ 92,129
 Total Assets	 \$ 92,129
 Net Position	
Equipment replacement	\$ 92,129
Total Net Position	\$ 92,129

**DAKOTA COUNTY
MINNESOTA**

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
NONMAJOR ENTERPRISE FUND
FOR THE YEAR ENDED DECEMBER 31, 2024**

	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	88,129
Net Position - December 31	\$ 92,129

**DAKOTA COUNTY
MINNESOTA**

**STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUND
FOR THE YEAR ENDED DECEMBER 31, 2024
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
Cash and Cash Equivalents at January 1	<u>88,129</u>
Cash and Cash Equivalents at December 31	<u><u>\$ 92,129</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	<u><u>\$ 4,000</u></u>

**DAKOTA COUNTY
MINNESOTA**

**COMBINING STATEMENT OF FIDUCIARY NET POSITION
PRIVATE-PURPOSE TRUST FUNDS
DECEMBER 31, 2024**

	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	\$ -	\$ 33,134	\$ 988,126	\$ 13,531	\$ 1,034,791
Accounts receivable	-	177	-	556	733
Due from other governments	104,691	195	-	-	104,886
Total Assets	\$ 104,691	\$ 33,506	\$ 988,126	\$ 14,087	\$ 1,140,410
<u>Liabilities</u>					
Accounts payable	\$ -	\$ -	\$ 170,914	\$ -	\$ 170,914
Due to other governments	104,691	-	-	-	104,691
Total Liabilities	\$ 104,691	\$ -	\$ 170,914	\$ -	\$ 275,605
<u>Net Position</u>					
Restricted - held in trust for other purposes	\$ -	\$ 33,506	\$ 817,212	\$ -	\$ 850,718
Restricted for Individuals, organizations, other governments	-	-	-	14,087	14,087
Total Net Position	\$ -	\$ 33,506	\$ 817,212	\$ 14,087	\$ 864,805

**DAKOTA COUNTY
MINNESOTA**

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PRIVATE-PURPOSE TRUST FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024**

	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	\$ 530,420	\$ -	\$ -	\$ -	\$ 530,420
Minnesota Dept of Public Safety	-	-	6,732	-	6,732
Other agencies	-	-	310,184	-	310,184
Miscellaneous	-	-	1,977	-	1,977
Contributions:					
Individuals	-	-	-	90,620	90,620
Investment earnings:					
Interest	-	1,603	-	-	1,603
Total additions	<u>\$ 530,420</u>	<u>\$ 1,603</u>	<u>\$ 318,893</u>	<u>\$ 90,620</u>	<u>\$ 941,536</u>
<u>DEDUCTIONS:</u>					
Judicial District expense	\$ 530,420	\$ -	\$ -	\$ -	\$ 530,420
Emergency preparedness expenses	-	-	381,365	-	381,365
Beneficiary payments to individuals	-	-	-	89,330	89,330
Total deductions	<u>\$ 530,420</u>	<u>\$ -</u>	<u>\$ 381,365</u>	<u>\$ 89,330</u>	<u>\$ 1,001,115</u>
Change in net position	\$ -	\$ 1,603	\$ (62,472)	\$ 1,290	\$ (59,579)
Net position - January 1	<u>-</u>	<u>31,903</u>	<u>879,684</u>	<u>12,797</u>	<u>924,384</u>
Net position - December 31	<u><u>\$ -</u></u>	<u><u>\$ 33,506</u></u>	<u><u>\$ 817,212</u></u>	<u><u>\$ 14,087</u></u>	<u><u>\$ 864,805</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							
	Agricultural Conservation	Criminal Justice Network	Dakota Broadband Board	Dakota-Scott WSA	Electronic Crimes Unit	Forfeited Tax	Historical Society	Local Collaboratives
<u>Assets</u>								
Cash and pooled investments	\$ 288,905	\$ 2,132,039	\$ -	\$ 57,820	\$ -	\$ 1,617,535	\$ -	\$ 2,689,592
Due from other governments	-	19,999	-	-	-	-	-	-
Accounts receivable	-	539,194	111,205	-	947	1,311	30	-
Prepaid item	-	7,301	-	-	-	-	-	-
Taxes receivable for other governments	-	-	-	-	-	-	-	-
Total Assets	\$ 288,905	\$ 2,698,533	\$ 111,205	\$ 57,820	\$ 947	\$ 1,618,846	\$ 30	\$ 2,689,592
<u>Liabilities</u>								
Accounts payable	\$ -	\$ 1,262,469	\$ -	\$ -	\$ 67,919	\$ -	\$ -	\$ -
Salaries payable	-	150,261	-	-	-	-	-	-
Due to other governments	-	-	314,229	57,820	133,976	-	442,709	-
Total Liabilities	\$ -	\$ 1,412,730	\$ 314,229	\$ 57,820	\$ 201,895	\$ -	\$ 442,709	\$ -
<u>Net Position</u>								
Restricted for Individuals, organizations, other governments	\$ 288,905	\$ 1,285,803	\$ (203,024)	\$ -	\$ (200,948)	\$ 1,618,846	\$ (442,679)	\$ 2,689,592

**DAKOTA COUNTY
HASTINGS, MINNESOTA**

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

Cont.

	Custodial Funds							
	Metro Alliance for Healthy Families	Metropolitan Emergency Services Board	Metropolitan Inter-County Association	Sheriff Funds	Sheriff Inmate Funds	State Revenue	Taxes and Penalties	Total Other Custodial Funds
<u>Assets</u>								
Cash and pooled investments	\$ 329,081	\$ -	\$ 338,909	\$ 1,728,522	\$ 150,099	\$ 515,613	\$ 43,687,675	\$ 53,535,790
Due from other governments	70	149,141	2,050	-	-	-	-	171,260
Accounts receivable	-	-	1,597	590	-	-	-	654,874
Prepaid item	-	-	-	-	-	-	-	7,301
Taxes receivable for other governments	-	-	-	-	-	-	2,130,278	2,130,278
Total Assets	\$ 329,151	\$ 149,141	\$ 342,556	\$ 1,729,112	\$ 150,099	\$ 515,613	\$ 45,817,953	\$ 56,499,503
<u>Liabilities</u>								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,330,388
Salaries payable	-	-	-	-	-	-	-	150,261
Due to other governments	-	230,184	-	-	-	515,613	43,687,675	45,382,206
Total Liabilities	\$ -	\$ 230,184	\$ -	\$ -	\$ -	\$ 515,613	\$ 43,687,675	\$ 46,862,855
<u>Net Position</u>								
Restricted for Individuals, organizations, other governments	\$ 329,151	\$ (81,043)	\$ 342,556	\$ 1,729,112	\$ 150,099	\$ -	\$ 2,130,278	\$ 9,636,648

**DAKOTA COUNTY
HASTINGS, MINNESOTA**

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS - OTHER CUSTODIAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024**

	Custodial Funds							
	Agricultural Conservation	Criminal Justice Network	Dakota Broadband Board	Dakota-Scott WSA	Electronic Crimes Unit	Forfeited Tax	Historical Society	Local Collaboratives
Additions								
Federal Grants	\$ -	-	\$ -	\$ 618,724	\$ 126,114	\$ -	\$ -	\$ 1,026,523
From other agencies	-	1,900,590	103,909	-	165,300	-	-	530,994
Contributions:								
Individuals	155,543	\$ -	-	-	-	-	-	-
Property tax collections for other governments	-	-	-	-	-	-	-	-
Other taxes and fees for other governments	-	-	-	-	-	152,721	-	-
License and fees collected for State	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-
Miscellaneous	-	147,862	-	-	-	-	141,872	-
Investment earnings:								
Interest	-	167,589	-	-	-	-	-	-
Total Additions	\$ 155,543	\$ 2,216,041	\$ 103,909	\$ 618,724	\$ 291,414	\$ 152,721	\$ 141,872	\$ 1,557,517
Deductions								
Beneficiary payments to individuals	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Payments of property tax to other governments	-	-	-	-	-	-	-	-
Payments to state	-	-	-	-	-	-	-	-
Administrative expense	-	2,327,977	-	-	-	-	282,678	-
Payments to other entities	149,925	-	-	618,724	278,491	22,031	-	850,181
Total Deductions	\$ 149,925	\$ 2,327,977	\$ -	\$ 618,724	\$ 278,491	\$ 22,031	\$ 282,678	\$ 850,181
Change in net position	\$ 5,618	\$ (111,936)	\$ 103,909	\$ -	\$ 12,923	\$ 130,690	\$ (140,806)	\$ 707,336
Net Position – January 1	283,287	\$ 1,397,739	\$ (306,933)	\$ -	\$ (213,871)	\$ 1,488,156	\$ (301,873)	\$ 1,982,256
Net Position – December 31	\$ 288,905	\$ 1,285,803	\$ (203,024)	\$ -	\$ (200,948)	\$ 1,618,846	\$ (442,679)	\$ 2,689,592

**DAKOTA COUNTY
HASTINGS, MINNESOTA**

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS - OTHER CUSTODIAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024**

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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,771,361
From other agencies	-	1,102,618	-	190,334	-	-	-	3,993,745
Contributions:								
Individuals	-	-	-	250,984	1,310,461	66,486	-	1,783,474
Property tax collections for other governments	-	-	-	-	-	-	822,526,260	822,526,260
Other taxes and fees for other governments	-	-	453,891	-	-	-	488,413	1,095,025
License and fees collected for State	-	-	-	-	-	32,837,766	-	32,837,766
Fines and forfeitures	-	-	-	16,563,773	-	-	-	16,563,773
Miscellaneous	-	-	-	-	-	-	-	289,734
Investment earnings:								
Interest	-	-	22,924	-	-	-	-	190,513
Total Additions	\$ -	\$ 1,102,618	\$ 476,815	\$ 17,005,091	\$ 1,310,461	\$ 32,904,252	\$ 823,014,673	\$ 881,051,651
Deductions								
Beneficiary payments to individuals	\$ -	\$ 1,184,553	\$ -	\$ -	\$ 1,253,723	\$ -	\$ -	\$ 2,438,276
Payments of property tax to other governments	-	-	-	-	-	-	822,147,915	822,147,915
Payments to state	-	-	-	-	-	32,904,252	-	32,904,252
Administrative expense	-	-	-	416	-	-	-	2,611,071
Payments to other entities	-	-	495,175	16,617,616	-	-	488,413	19,520,556
Total Deductions	\$ -	\$ 1,184,553	\$ 495,175	\$ 16,618,032	\$ 1,253,723	\$ 32,904,252	\$ 822,636,328	\$ 879,622,070
Change in net position	\$ -	\$ (81,935)	\$ (18,360)	\$ 387,059	\$ 56,738	\$ -	\$ 378,345	\$ 1,429,581
Net Position – January 1	\$ 329,151	\$ 892	\$ 360,916	\$ 1,342,053	\$ 93,361	\$ -	\$ 1,751,933	\$ 8,207,067
Net Position – December 31	\$ 329,151	\$ (81,043)	\$ 342,556	\$ 1,729,112	\$ 150,099	\$ -	\$ 2,130,278	\$ 9,636,648

**DAKOTA COUNTY
MINNESOTA**

**GOVERNMENTAL FUND BALANCE SHEET AND
GOVERNMENTAL ACTIVITIES - STATEMENT OF NET POSITION
VERMILLION RIVER WATERSHED DISTRICT
DECEMBER 31, 2024**

Assets

Cash and investments	\$ 1,805,287
Taxes receivable	
Current	49,536
Prior - net	1,191
Accounts receivable	21,031
Due from other governments	<u>12,604</u>
Total Assets	<u>\$ 1,889,649</u>

Liabilities

Current liabilities	
Accounts payable	\$ 118,186
Contracts payable	<u>15,847</u>
Total Liabilities	<u>\$ 134,033</u>

Fund Balance/Net Position

Unrestricted	<u>\$ 1,755,616</u>
Total Fund Balance/Net Position	<u>\$ 1,755,616</u>
Total Liabilities and Fund Balance/Net Position	<u>\$ 1,889,649</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, 2024**

Revenues	
Taxes	\$ 965,641
License and permits	470
Intergovernmental	1,167,028
Investment earnings	90,855
Miscellaneous	<u>64,528</u>
Total Revenues	<u>\$ 2,288,522</u>
Expenditures/Expenses	
Current	
Conservation of natural resources	<u>\$ 1,989,777</u>
Net Change in Fund Balance/ Net Position	\$ 298,745
Fund Balance/Net Position - January 1	<u>1,456,871</u>
Fund Balance/Net Position - December 31	<u><u>\$ 1,755,616</u></u>

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

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Governmental Revenue Schedules

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**DAKOTA COUNTY
MINNESOTA**

**SCHEDULE OF INTERGOVERNMENTAL REVENUE
FOR THE YEAR ENDED DECEMBER 31, 2024**

	Governmental Funds	Enterprise Funds	Total Primary Government
Appropriations and Shared Revenue			
State			
Highway users tax	\$ 34,351,216	\$ -	\$ 34,351,216
PERA - state aid	384,415	-	384,415
Disparity reduction aid	1,681	-	1,681
Police aid	1,000,538	-	1,000,538
Agricultural preserve credit	21,859	-	21,859
County program aid	26,785,585	-	26,785,585
Local performance aid	25,000	-	25,000
Market value credit	135,655	-	135,655
SCORE	1,548,364	-	1,548,364
Aquatic invasive species	118,334	-	118,334
Total Appropriations and Shared Revenue	\$ 64,372,647	\$ -	\$ 64,372,647
Reimbursement for Services			
State			
Minnesota Department of Human Services	\$ 16,820,174	\$ -	\$ 16,820,174
Payments			
Local			
County contributions	\$ 1,680,271	\$ -	\$ 1,680,271
City contributions	941,015	-	941,015
Metropolitan Council	1,212,661	-	1,212,661
City and agency share of construction	9,689,119	-	9,689,119
MELSA	318,609	-	318,609
Local contributions	1,564,509	-	1,564,509
Payments in lieu of taxes	167,088	-	167,088
Total Payments	\$ 15,573,272	\$ -	\$ 15,573,272
Grants			
State			
Minnesota Department/Board of			
Agriculture	\$ 4,969	\$ -	\$ 4,969
Public Safety	379,486	-	379,486
Transportation	910,966	-	910,966
Health	2,367,291	-	2,367,291
Natural Resources	1,404,013	3,120,011	4,524,024
Human Services	18,241,118	-	18,241,118
Water and Soil Resources	299,261	-	299,261
Employment and Economic Development	1,191,588	-	1,191,588
Revenue	5,558,042	-	5,558,042
Trial Courts	170,841	-	170,841
Education	50,109	-	50,109
Secretary of State	655,886	-	655,886
Peace Officer Standards and Training	78,050	-	78,050
Corrections	8,276,557	-	8,276,557
Veterans Affairs	26,843	-	26,843
Housing Finance Agency	2,039,511	-	2,039,511
Pollution Control Agency	2,370,356	-	2,370,356
Total State	\$ 44,024,887	\$ 3,120,011	\$ 47,144,898

**DAKOTA COUNTY
MINNESOTA**

**SCHEDULE OF INTERGOVERNMENTAL REVENUE
FOR THE YEAR ENDED DECEMBER 31, 2024**

	<u>Governmental Funds</u>	<u>Enterprise Funds</u>	<u>Total Primary Government</u>
Grants (Continued)			
Federal			
Department of			
Agriculture	\$ 5,783,948	\$ -	\$ 5,783,948
Housing and Urban Development	4,529,866	-	4,529,866
Interior	900,000	-	900,000
Justice	423,531	-	423,531
Labor	1,021,685	-	1,021,685
Transportation	12,931,494	-	12,931,494
Revenue	22,410,770	12,236,680	34,647,450
Education	2,100	-	2,100
Health and Human Services	30,043,971	-	30,043,971
Elections Assistance Commission	105,623	-	105,623
Homeland Security	1,788,301	-	1,788,301
	<u>79,941,289</u>	<u>12,236,680</u>	<u>92,177,969</u>
Total Federal	<u>\$ 79,941,289</u>	<u>\$ 12,236,680</u>	<u>\$ 92,177,969</u>
Total State and Federal Grants	<u>\$ 123,966,176</u>	<u>\$ 15,356,691</u>	<u>\$ 139,322,867</u>
Total Intergovernmental Revenue	<u>\$ 220,732,269</u>	<u>\$ 15,356,691</u>	<u>\$ 236,088,960</u>

**DAKOTA COUNTY
MINNESOTA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2024**

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	E37P04524	\$ 14,280	\$ -
National School Lunch Program	10.555	E37P04624	25,812	-
(Total expenditures for Child Nutrition Cluster \$40,092)				
Passed Through Minnesota Department of Health				
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	H12H302	1,715,915	-
Passed Through Minnesota Department of Agriculture				
WIC Farmers' Market Nutrition Program (FMNP)	10.572	B0424F172614	523,950	-
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	H55240010	3,503,991	-
Total U.S. Department of Agriculture			\$ 5,783,948	\$ -
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	\$ 2,687,072	\$ 2,687,072
HOME Investment Partnerships Program	14.239	C0033191	1,022,339	1,022,339
Continuum of Care Program	14.267	MN0077L5K031811	659,986	-
Passed Through Minnesota Department of Human Services				
Emergency Solutions Grant Program	14.231	E-18-UC-27-0003	160,469	160,469
Total U.S. Department of Housing and Urban Development			\$ 4,529,866	\$ 3,869,880
U.S. Department of Interior				
Direct				
Mississippi National River and Recreation Area State and Local Assistance	15.941	Not Provided	\$ 900,000	\$ -
Total U.S. Department of Interior			\$ 900,000	\$ -
U.S. Department of Justice				
Direct				
Edward Byrne Memorial Formula Grant Program	16.579	Not Provided	\$ 84,699	\$ -
Drug Court Discretionary Grant Program	16.585	Not Provided	98,933	-
Equitable Sharing Program	16.922	Not Provided	59,097	-
Passed Through Minnesota Department of Public Safety				
Crime Victim Assistance	16.575	P0760VOCA23	180,802	-
Total U.S. Department of Justice			\$ 423,531	\$ -

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, 2024**

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	2143100	\$ 212,767	-
WIOA Adult Program	17.258	3143100	196,746	-
(Total expenditures for WIOA Adult Program 17.258 \$409,513)				
WIOA Youth Activities	17.259	2143600	123,499	-
WIOA Youth Activities	17.259	3143600	329,566	
(Total expenditures for WIOA Youth Activities 17.259 \$453,065)				
WIOA Dislocated Worker Formula Grants	17.278	2148000	287,040	-
WIOA Dislocated Worker Formula Grants	17.278	3148000	233,454	-
(Total expenditures for WIOA Dislocated Worker Formula Grants 17.278 \$520,494)				
(Total expenditures for WIOA Cluster \$1,383,072)				
Total U.S. Department of Labor			\$ 1,383,072	\$ -
U.S. Department of Transportation				
Passed Through Minnesota Department of Transportation				
Highway Planning and Construction Cluster				
Highway Planning and Construction	20.205	1919155	\$ 1,291	\$ -
Highway Planning and Construction	20.205	1919156	44,753	-
Highway Planning and Construction	20.205	1919161	1,818	-
Highway Planning and Construction	20.205	1920071	7,477,696	-
Highway Planning and Construction	20.205	1920180	5,594	-
Highway Planning and Construction	20.205	1923099	478,800	-
Highway Planning and Construction	20.205	1923139	3,608,875	-
Highway Planning and Construction	20.205	1924052	449,660	-
Highway Planning and Construction	20.205	1924095	120,279	-
Highway Planning and Construction	20.205	1924102	436,965	-
(Total expenditures for Highway Planning and Construction 20.205 \$12,625,731)				
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	TMN20513-201714	276,088	-
Highway Safety Cluster				
Passed Through City of South St. Paul				
State and Community Highway Safety	20.600	Not Provided	8,601	-
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	P079224AL164	19,666	-
National Priority Safety Programs	20.616	P079220405D	1,408	-
(Total expenditures for Highway Safety Cluster \$21,074)				
Total U.S. Department of Transportation			\$ 12,931,494	\$ -
U.S. Department of Treasury				
Passed through Minnesota Department of Revenue				
COVID-19 Emergency Rental Assistance Program	21.023	ERAE016	\$ 186,743	\$ -
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	Not Provided	34,460,707	-
Total U.S. Department of Treasury			\$ 34,647,450	\$ -

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, 2024**

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 Medical Reserve Corps Small Grant Program	93.008	H12H864N	\$ 13,875	\$ -
Public Health Emergency Preparedness	93.069	H12H675N	314,982	-
Environmental Public Health and Emergency Response	93.070	H12H720H	17,069	-
Universal Newborn Hearing Screening	93.251	H12H671P	4,350	-
Immunization Cooperative Agreements	93.268	H12H715N	53,558	-
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	H12H717J	255,407	-
Temporary Assistance for Needy Families	93.558	H55234077	364,265	-
(Total expenditures for Temporary Assistance for Needy Families 93.558 \$3,240,950)				
ACA Maternal, Infant, and Early Childhood Home Visiting Program	93.870	H12H868N	1,322,826	-
Centers for Disease Control and Prevention Collaboration with Academia to Strengthen Public Health	93.967	H12H816N	201,224	-
Maternal and Child Health Services Block Grant to the States	93.994	H12H301N	279,366	-
Passed Through Minnesota Department of Human Services Promoting Safe and Stable Families	93.556	H55240100	44,792	-
Temporary Assistance for Needy Families	93.558	H55234077	2,876,685	-
(Total expenditures for Temporary Assistance for Needy Families 93.558 \$3,240,950)				
Child Support Enforcement	93.563	H55244004	6,102,375	-
Child Support Enforcement Title IV-D	93.566	H55245100	4,252	-
Community-Based Child Abuse Prevention Grants	93.590	H55239100	100,245	-
Child Care and Development Block Grant	93.575	H55239358	869,966	-
Stephanie Tubbs Jones Child Welfare Services Program	93.645	H55241400	24,509	-
Foster Care - Title IV-E	93.658	H55241401	1,166,133	-
Adoption Assistance	93.659	H55241407	82,652	-
Social Services Block Grant	93.667	H55246190	1,521,431	-
Chafee Foster Care Independence Program	93.674	H55241420	68,017	-
Medical Assistance Program	93.778	H55245048	15,486,666	-
Block Grants for Community Mental Health Services	93.958	H55213980C	57,224	-
Block Grants for Prevention and Treatment of Substance Abuse	93.959	H55213504	89,490	-
Total U.S. Department of Health and Human Services			\$ 31,321,359	\$ -
Executive Office of the President				
Direct High Intensity Drug Trafficking Areas Program	95.001	Not Provided	\$ 105,623	\$ -
Total Executive Office of the President			\$ 105,623	\$ -

**DAKOTA COUNTY
MINNESOTA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2024**

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	R29G70CGBLA23	\$ 18,916	\$ -
Passed Through Minnesota Department of Public Safety				
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	P07204531	193,811	-
Emergency Management Performance Grants	97.042	P072022EMPG	98,879	-
Homeland Security Grant Program	97.067	P072022HSGP	1,424,120	-
Total U.S. Department of Homeland Security			\$ 1,735,726	\$ -
Total Federal Expenditures			\$ 93,764,169	\$ 3,869,880

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, 2024**

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 \$44,733,783 in federal awards during the year ended June 30, 2024. 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, 2024. 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, 2024**

5. Reconciliation to Schedule of Intergovernmental Revenue

Federal grant revenue per Schedule of Intergovernmental Revenue	\$ 92,177,969
Grants held in the Custodial Fund	
WIA/WIOA Cluster	
WIA/WIOA Adult Program	129,500
WIA/WIOA Youth Activities	90,790
WIA/WIOA Dislocated Worker Formula Grants	141,097
Foster Care – Title IV-E	250,865
Medical Assistance Program	1,026,523
Emergency Management Performance Grant	<u>(52,575)</u>
Expenditures Per Schedule of Expenditures of Federal Awards	<u>\$ 93,764,169</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	151
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	158
These schedules contain information to help the reader assess the factors affecting the County's ability to generate its property taxes.	
Debt Capacity	164
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	167
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	169
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

	2015	2016	2017	2018	2019 (Restated)	2020	2021	2022	2023	2024
Governmental Activities										
Net Investment in Capital Assets	\$ 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	\$ 1,126,104,653
Restricted	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	154,575,923
Unrestricted	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	39,644,748
Total Net Position - Governmental Activities	\$ 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	\$ 1,320,325,324
Business-Type Activities										
Net Investment in Capital Assets	\$ 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	\$ 55,075,182
Restricted	149,531	149,030	147,414	147,849	151,177	137,535	138,129	84,129	88,129	92,129
Unrestricted	2,165,111	883,264	778,232	(1,247,952)	2,606,849	869,431	(8,539,180)	(10,634,507)	(10,960,672)	(808,248)
Total Net Position - Business-Type Activities	\$ 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	\$ 54,359,063
Total Primary Government										
Net Investment in Capital Assets	\$ 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	\$ 1,181,179,835
Restricted	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	154,668,052
Unrestricted	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	38,836,500
Total Net Position - Primary Government	\$ 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	\$ 1,374,684,387

Components Units

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Community Development Agency										
Net Investment in Capital Assets	\$ 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	\$ 118,818,718
Restricted	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	108,106,956
Unrestricted	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	183,337,782
Total Net Position - Community Development Agency	\$ 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	\$ 410,263,456
Vermillion River Watershed										
Net Investment in Capital Assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	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	1,755,616
Total Net Position - Vermillion River Watershed	\$ 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	\$ 1,755,616

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	2015	2016	2017	2018	2019 (Restated)	2020	2021	2022	2023	2024
Primary Government										
<i>Governmental Activities</i>										
General Government	\$ 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	\$ 115,267,991
Public Safety	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	53,140,453
Highways and Streets	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	42,942,909
Sanitation	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	6,143,320
Human Services	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	127,050,292
Health	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	13,610,989
Culture and Recreation	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	40,863,586
Conservation of Natural Resources	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	1,142,006
Economic Development	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	7,928,467
Interest	1,013,259	64,536	13,828	9,366	4,758	-	-	46,847	270,130	151,921
Total Governmental Activities	\$ 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	\$ 408,241,934
<i>Business-Type Activities</i>										
Geographic Information Systems	\$ 44,123	\$ 624	\$ 5,647	\$ 3,565	\$ 672	\$ 17,642	\$ 3,406	\$ 58,000	\$ -	\$ -
Criminal Justice Information Integration Network	-	-	-	-	-	-	-	-	-	-
Byllesby Dam	753,762	1,495,120	1,116,690	755,385	851,568	1,228,093	1,346,924	895,918	922,275	642,073
Total Business-Type Activities	\$ 797,885	\$ 1,495,744	\$ 1,122,337	\$ 758,950	\$ 852,240	\$ 1,245,735	\$ 1,350,330	\$ 953,918	\$ 922,275	\$ 642,073
Total Primary Government Expenses	\$ 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	\$ 408,884,007
Program Revenues										
Primary Government										
<i>Governmental Activities</i>										
Fees, fines, charges and other:										
General Government	\$ 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	\$ 8,204,423
Public Safety	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	1,973,221
Highways and Streets	532,360	969,540	676,328	789,920	1,763,077	627,804	894,736	796,635	676,850	674,888
Sanitation	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	11,419,521
Human Services	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	2,872,854
Health	1,738,043	887,883	899,157	871,760	1,065,750	937,179	1,828,905	11,680,263	2,350,234	7,518,625
Culture and Recreation	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	1,772,504
Conservation of Natural Resources	378,424	414,241	599,109	513,655	642,998	580,707	530,044	630,150	339,383	458,360
Economic Development	-	-	13,863	-	-	-	-	-	40	64,078
Total Governmental Fees, Fines, Charges and Other	\$ 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	\$ 34,958,474
<i>Business-Type Activities</i>										
Geographic Information Systems	\$ 46,387	\$ 123	\$ 4,031	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000
Byllesby Dam	578,688	702,190	840,710	704,290	705,361	636,757	85,597	36	182,876	311,200
Total Business-Type Program Revenues	\$ 625,075	\$ 702,313	\$ 844,741	\$ 708,290	\$ 709,361	\$ 640,757	\$ 89,597	\$ 4,036	\$ 186,876	\$ 315,200
Total Primary Government Fees, Fines, Charges and Other	\$ 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	\$ 35,273,674

(Continued)

Dakota County, Minnesota

Changes in Net Position

Program Revenues

Primary Government

Governmental Activities

Operating Grants and Contributions:

	2015	2016	2017	2018	2019 (Restated)	2020	2021	2022	2023	2024
General Government	\$ 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	\$ 15,549,180
Public Safety	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	21,441,562
Highways and Streets	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	28,938,405
Sanitation	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	3,900,176
Human Services	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	85,154,898
Health	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	8,111,096
Culture and Recreation	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	8,750,900
Conservation of Natural Resources	2,139,007	2,168,548	3,938,542	1,662,649	819,948	783,884	1,288,370	(187,100)	5,310,171	2,251,796
Economic Development	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	7,777,159
Total Governmental Operating Grants and Contributions	\$ 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	\$ 181,875,172

Business-Type Activities

Byllesby Dam

	\$ -	\$ 1,328,544	\$ 193,108	\$ -	\$ 1,149,604	\$ -	\$ -	\$ 8,356,195	\$ 13,550,768	\$ 15,356,691
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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	\$ 15,356,691
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Total Primary Government Operating Grants and Contributions	\$ 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	\$ 197,231,863
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Program Revenues

Primary Government

Governmental Activities

Capital Grants and Contributions:

Highways and Streets	\$ 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	\$ 15,813,477
Culture and Recreation	3,630,509	1,493,529	1,451,949	1,616,402	5,574	354,058	364,326	346,414	567,609	4,093,269
Total Governmental Capital Grants and Contributions	\$ 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	\$ 19,906,746

Business-Type Activities

Byllesby Dam

	\$ 1,310,519	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
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Total Business-Type Capital Grants and Contributions	\$ 1,310,519	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
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Total Primary Government Capital Grants and Contributions	\$ 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	\$ 19,906,746
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(Continued)

Dakota County, Minnesota

Changes in Net Position

Net (Expense) Revenue (a)

	2015	2016	2017	2018	2019 (Restated)	2020	2021	2022	2023	2024
Primary Government										
<i>Governmental Activities</i>										
General Government	\$ (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)	\$ (91,514,388)
Public Safety	(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)	(29,725,670)
Highways and Streets	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	2,483,861
Sanitation	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	9,176,377
Human Services	(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)	(39,022,540)
Health	(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)	2,018,732
Culture and Recreation	(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)	(26,246,913)
Conservation of Natural Resources	(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	1,568,150
Economic Development	(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)	(87,230)
Interest	(1,013,259)	(64,536)	(13,828)	(9,366)	(4,758)	-	-	(46,847)	(270,130)	(151,921)
Total Governmental Net (Expense) Revenue	\$ (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)	\$ (171,501,542)
<i>Business-Type Activities</i>										
Geographic Information Systems	\$ 2,264	\$ (501)	\$ (1,616)	\$ 435	\$ 3,328	\$ (13,642)	\$ 594	\$ (54,000)	\$ 4,000	\$ 4,000
Byllesby Dam	1,135,445	535,614	(82,872)	(51,095)	1,003,397	(591,336)	(1,261,327)	7,460,313	12,811,369	15,025,818
Total Business-Type Net (Expense) Revenue	\$ 1,137,709	\$ 535,113	\$ (84,488)	\$ (50,660)	\$ 1,006,725	\$ (604,978)	\$ (1,260,733)	\$ 7,406,313	\$ 12,815,369	\$ 15,029,818
Total Primary Government Net (Expense) Revenue	\$ (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)	\$ (156,471,724)

General Revenues, Transfers, and Special Items

	2015	2016	2017	2018	2019 (Restated)	2020	2021	2022	2023	2024
Primary Government										
<i>Governmental Activities</i>										
Property Taxes	\$ 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	\$ 154,768,678
Gravel Taxes	648,871	702,699	681,057	758,483	755,599	866,369	813,440	775,816	780,897	748,951
Mortgage Registry and Deed Tax	620,763	644,838	662,588	632,849	756,387	896,215	1,170,517	923,232	427,532	696,015
Wheelage Tax (1st year collected was 2014)	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	4,123,411
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	25,588,299
Grants and Contributions (unrestricted)	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	27,136,868
Investment Earnings	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	13,413,479
Miscellaneous	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	423,581
Gain on Sale of Capital Assets	170,593	307,328	199,162	301,350	69,694	16,487	235,494	145,375	129,489	371,740
Transfers	(2,047,500)	-	-	-	(5,602,279)	-	-	-	-	(2,823,391)
Governmental Activities General Revenues, Transfers, and Special Items	\$ 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	\$ 224,447,631
Total Change in Net Position - Governmental Activities	\$ 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	\$ 52,946,089
<i>Business-Type Activities</i>										
Transfers	\$ 2,047,500	\$ -	\$ -	\$ -	\$ 5,602,279	\$ -	\$ -	\$ -	\$ -	\$ 2,823,391
Total General Revenues - Business-Type Activities	\$ 2,047,500	\$ -	\$ -	\$ -	\$ 5,602,279	\$ -	\$ -	\$ -	\$ -	\$ 2,823,391
Total Change in Net Position - Business-Type Activities	\$ 3,185,209	\$ 535,113	\$ (84,488)	\$ (50,660)	\$ 6,609,004	\$ (604,978)	\$ (1,260,733)	\$ 7,406,313	\$ 12,815,369	\$ 17,853,209
Total Change in Net Position - Primary Government	\$ 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	\$ 70,799,298

(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

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

<i>Expenses</i>	<i>2015</i>	<i>2016</i>	<i>2017</i>	<i>2018</i>	<i>2019</i>	<i>2020</i>	<i>2021</i>	<i>2022</i>	<i>2023</i>	<i>2024</i>
Component Unit										
Community Development Agency	\$ 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	\$ 68,928,672
Vermillion River Watershed	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	1,989,777
Total Component Unit	\$ 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	\$ 70,918,449
<i>Program Revenues</i>										
Component Unit										
Community Development Agency	\$ 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	\$ 80,432,917
Vermillion River Watershed	58,206	319,291	1,196,933	332,945	372,496	454,731	676,548	840,065	292,641	1,232,026
Total Component Unit	\$ 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	\$ 81,664,943
<i>General Revenues - Community Development Agency</i>	<i>2015</i>	<i>2016</i>	<i>2017</i>	<i>2018</i>	<i>2019</i>	<i>2020</i>	<i>2021</i>	<i>2022</i>	<i>2023</i>	<i>2024</i>
Property Taxes	\$ 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	\$ 11,122,800
Tax Increment Financing Revenue	1,510,242	1,434,707	1,532,006	-	-	-	-	-	-	-
Investment Earnings	526,561	817,637	662,688	1,326,251	2,562,182	1,733,151	183,092	(1,704,954)	5,025,778	9,859,768
Total General Revenues - Community Development Agency	\$ 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	\$ 20,982,568
Total Change in Net Position - Community Development Agency	\$ 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	\$ 32,486,813
<i>General Revenues - Vermillion River Watershed</i>	<i>2015</i>	<i>2016</i>	<i>2017</i>	<i>2018</i>	<i>2019</i>	<i>2020</i>	<i>2021</i>	<i>2022</i>	<i>2023</i>	<i>2024</i>
Property Taxes	\$ 816,583	\$ 819,669	\$ 863,702	\$ 890,963	\$ 911,947	\$ 966,568	\$ 970,789	\$ 972,771	\$ 966,993	\$ 965,641
Investment Earnings	22,959	24,427	26,992	30,382	29,563	16,123	13,473	26,196	43,027	90,855
Total General Revenues - Vermillion River Watershed	\$ 839,542	\$ 844,096	\$ 890,694	\$ 921,345	\$ 941,510	\$ 982,691	\$ 984,262	\$ 998,967	\$ 1,010,020	\$ 1,056,496
Total Change in Net Position - Vermillion River Watershed	\$ (39,779)	\$ (615,439)	\$ 662,476	\$ (766,989)	\$ (46,520)	\$ 25,655	\$ 103,315	\$ 889,643	\$ (680,647)	\$ 298,745
Total Change in Net Position - Component Units	\$ 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	\$ 32,785,558

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

Dakota County, Minnesota

Fund Balances Governmental Funds

	2015	2016	2017	2018	2019 (Restated)	2020	2021	2022	2023	2024
General Fund:										
Nondisposable	\$ 918,924	\$ 590,622	\$ 903,399	\$ 1,142,119	\$ 1,037,914	\$ 1,137,028	\$ 1,009,935	\$ 1,674,543	\$ 1,593,371	\$ 1,147,021
Restricted	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	9,283,956
Committed	-	40,601,526	48,010,163	49,455,436	-	-	-	-	-	-
Assigned	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	4,760,236
Unassigned	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	63,885,855
Total General Fund	\$ 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	\$ 79,077,068
All Other Governmental Funds										
Nondisposable	\$ 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	\$ 2,329,623
Restricted	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	111,020,104
Committed	33,903,045	-	-	-	51,092,680	52,891,738	52,862,042	54,652,341	52,539,172	49,352,214
Assigned	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	22,150,856
Unassigned	(596,278)	-	(585,420)	-	-	-	(4,434,957)	(2,852,777)	(10,241,168)	(40,809,856)
Total All Other Governmental Funds	\$ 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	\$ 144,042,941

Dakota County, Minnesota

Changes in Fund Balances Governmental Funds

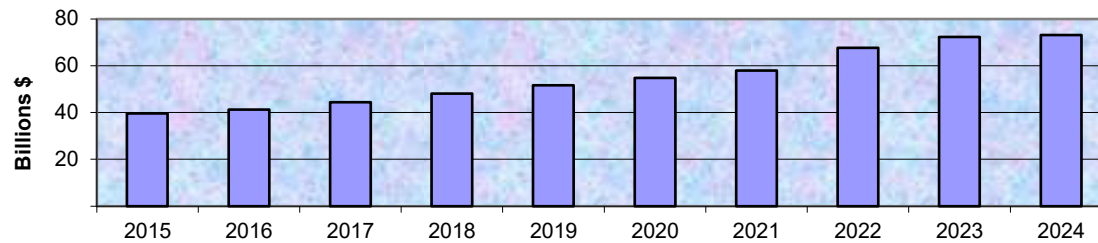
	2015	2016	2017	2018	2019 (Restated)	2020	2021	2022	2023	2024
Revenues										
Taxes	\$ 136,989,719	\$ 137,648,397	\$ 142,973,021	\$ 161,251,560	\$ 167,727,301	\$ 168,959,044	\$ 172,533,419	\$ 177,668,407	\$ 179,559,882	\$ 186,188,529
Licenses and Permits	2,311,817	2,199,311	2,256,683	2,250,783	2,525,678	2,191,773	2,550,116	2,584,844	2,558,034	3,016,168
Intergovernmental	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	220,732,269
Charges for Services	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	21,609,587
Fines and Forfeits	112,460	84,343	98,239	86,600	86,443	66,752	100,255	47,629	69,737	39,935
Gifts and Contributions	12,676	23,694	30,509	73,419	62,530	54,336	117,198	55,458	110,028	948,827
Investment Earnings	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	13,731,973
Miscellaneous	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	7,235,573
Total Revenues	\$ 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	\$ 453,502,861
Expenditures										
Current										
General Government	\$ 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	\$ 93,222,010
Public Safety	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	61,517,746
Highways and Streets	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	30,255,432
Sanitation	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	6,663,440
Human Services	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	131,945,331
Health	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	14,043,452
Culture and Recreation	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	31,885,367
Conservation of Natural Resources	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	5,195,340
Economic Development	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	7,981,291
Intergovernmental										
Highways and Streets	199,461	-	-	-	-	-	-	-	-	-
Capital Outlay	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	116,497,320
Debt Service										
Principal Retirement	10,299,591	23,556,611	136,449	140,911	145,518	-	-	38,606	24,488	999,278
Interest	1,180,282	495,500	13,828	9,366	4,758	-	-	4,996	3,830	151,921
Administrative Charges	8,750	6,450	-	-	-	-	-	-	-	-
Total Expenditures	\$ 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	\$ 500,357,928
Excess of Revenues Over/ (Under) Expenditures	\$ (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)	\$ (46,855,067)
Other Financing Sources										
Transfers In	\$ 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	\$ 19,223,263
Transfers Out	(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)	(21,436,421)
Proceeds from Leases	704,080	-	-	-	-	-	-	-	-	-
Subscriptions issued	-	-	-	-	-	-	-	-	773,748	4,452,805
Proceeds from Sale of Capital Assets	190,994	314,626	199,162	301,350	69,694	191,474	247,244	145,375	129,489	371,740
Total Other Financing Sources	\$ (1,152,426)	\$ 314,626	\$ 302,736	\$ 414,466	\$ (5,414,500)	\$ 812,727	\$ 873,729	\$ 776,043	\$ 1,508,669	\$ 2,611,387
Net Change in Fund Balance	\$ (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)	\$ (44,243,680)
Debt Service Expenditures as Percent of Non-Capital Expenditures	4.67%	9.03%	0.06%	0.05%	0.05%	0.00%	0.00%	0.01%	0.01%	0.30%

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		
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
2024	845,256,262	72,681,765,207	8,861,294	455,902,145	854,117,556	73,137,667,352	1.2	0.18323

Estimated Market Value-Real and Personal Property



*Valuations are determined as of January 1 of the year preceding the tax collection year. Amounts are shown for the year in which taxes are payable.

Assessed value is prior to Fiscal Disparity and Tax Increment District Adjustments.

Total County Direct Tax Rate available only in %.

Source: Dakota County Property Taxation and Records Department

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Dakota County, Minnesota

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

<u>Governments</u>	<u>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>2024</u>
<u>DAKOTA COUNTY</u>										
Revenue	0.13473	0.13825	0.12761	0.11444	0.10520	0.10561	0.10011	0.09562	0.08150	0.06371
Highway	0.01094	0.01144	0.01255	0.01140	0.01049	0.00655	0.00615	0.00568	0.00376	0.00184
Community Services	0.11073	0.10290	0.10708	0.10795	0.10715	0.09677	0.09029	0.08611	0.07737	0.08855
Environmental Management	0.00124	0.00094	0.00092	0.00085	0.00079	0.00000	0.00000	0.00000	0.00000	0.00000
Parks	0.00249	0.00257	0.00275	0.00241	0.00258	0.00234	0.00221	0.00146	0.00141	0.00151
County Library	0.02649	0.02528	0.02495	0.02400	0.02300	0.02230	0.02099	0.02021	0.01781	0.01894
County Building	0.00137	0.00132	0.00129	0.00217	0.00212	0.00557	0.00524	0.00499	0.00426	0.00614
Debt Services	0.00528	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
DCLLR	0.00306	0.00299	0.00289	0.00258	0.00253	0.00219	0.00217	0.00223	0.00223	0.00254
County Referendum	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
Total	0.29633	0.28570	0.28004	0.26580	0.25386	0.24133	0.22716	0.21630	0.18816	0.18323

OVERLAPPING RATES:

<u>CITIES</u>										
Apple Valley	0.45274	0.44721	0.44473	0.42475	0.39603	0.38782	0.38192	0.38182	0.35273	0.36789
Burnsville	0.44790	0.46525	0.46557	0.43552	0.43595	0.43148	0.42853	0.43054	0.42374	0.42503
Coates	0.20081	0.17482	0.17490	0.17399	0.15688	0.17196	0.13838	0.14258	0.12739	0.11370
Eagan	0.36525	0.37097	0.37385	0.36378	0.35227	0.35262	0.36333	0.36119	0.33566	0.33585
Farmington	0.61455	0.59239	0.58760	0.57161	0.54372	0.50971	0.49251	0.50623	0.42933	0.45069
Hampton	0.46932	0.42776	0.45342	0.40813	0.34468	0.44044	0.37915	0.41069	0.31361	0.32708
Hastings	0.62581	0.63577	0.62518	0.60864	0.59612	0.57391	0.57351	0.58807	0.53267	0.55230
Inver Grove Heights	0.48131	0.49266	0.51644	0.51112	0.53537	0.51037	0.50590	0.51925	0.48814	0.50132
Lakeville	0.38948	0.38669	0.37510	0.36419	0.35607	0.34615	0.34351	0.32846	0.29676	0.30213
Lilydale	0.32619	0.30133	0.30276	0.28772	0.27155	0.26130	0.25889	0.24826	0.24390	0.24294
Mendota	0.46806	0.49808	0.44384	0.51502	0.27453	0.30252	0.29374	0.27020	0.24974	0.28265
Mendota Heights	0.34964	0.35247	0.37487	0.37826	0.39294	0.38315	0.37849	0.39741	0.36889	0.37256
Miesville	0.32255	0.31950	0.31635	0.30821	0.29797	0.31106	0.30174	0.30460	0.27365	0.26593
New Trier	0.55227	0.52333	0.67619	0.53348	0.58132	0.52669	0.54828	0.52702	0.52814	0.52592
Northfield	0.56750	0.57552	0.55667	0.57164	0.56216	0.58161	0.56661	0.59867	0.62643	0.62224
Randolph	0.26076	0.26284	0.28171	0.24722	0.21488	0.31845	0.24405	0.26849	0.26199	0.25367
Rosemount	0.45152	0.43149	0.41832	0.40961	0.39355	0.38580	0.36954	0.36949	0.32345	0.33360
South St. Paul	0.60405	0.64693	0.63853	0.64041	0.64582	0.60847	0.63388	0.64411	0.60180	0.59453
Sunfish Lake	0.23869	0.25558	0.26178	0.26168	0.26206	0.28528	0.22716	0.28529	0.21814	0.26658
Vermillion	0.47954	0.41978	0.48789	0.41866	0.46032	0.41116	0.38087	0.35757	0.30192	0.30738
West St. Paul	0.70642	0.69795	0.71412	0.69287	0.28780	0.70106	0.69427	0.70684	0.67362	0.64708

Unaudited

Dakota County, Minnesota

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

<u>Governments</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>	(Continued) <u>2024</u>
<u>TOWNSHIPS</u>										
Castle Rock	0.12364	0.12161	0.12145	0.12259	0.39603	0.11248	0.10448	0.10332	0.09018	0.08083
Douglas	0.18509	0.15701	0.15190	0.22048	0.16226	0.16392	0.18881	0.17360	0.16560	0.16133
Empire	0.29823	0.29445	0.29462	0.29892	0.27430	0.29131	0.27250	0.27623	0.24073	0.25491
Eureka	0.14688	0.13672	0.14463	0.14534	0.13685	0.20183	0.19310	0.19139	0.17284	0.16663
Greenvale	0.18013	0.17263	0.17123	0.16966	0.16868	0.16215	0.14722	0.14046	0.11872	0.12738
Hampton	0.14439	0.14581	0.13322	0.13514	0.12713	0.11824	0.13208	0.11223	0.10495	0.09384
Marshan	0.12860	0.12635	0.16613	0.16708	0.15110	0.19431	0.17084	0.17011	0.14053	0.11935
Nininger	0.16495	0.15829	0.16477	0.15484	0.15261	0.14610	0.14461	0.13636	0.13410	0.12880
Randolph	0.08665	0.08940	0.07345	0.09617	0.08630	0.08779	0.08270	0.07036	0.06094	0.06268
Ravenna	0.17452	0.18196	0.18164	0.17242	0.16870	0.15964	0.17435	0.13176	0.11035	0.12026
Sciota	0.13745	0.10887	0.07750	0.11892	0.13674	0.14562	0.13129	0.13398	0.13353	0.12171
Vermillion	0.17214	0.16724	0.16279	0.16282	0.15723	0.14728	0.14070	0.16031	0.14204	0.13911
Waterford	0.11909	0.16816	0.17375	0.28812	0.28780	0.28368	0.26483	0.25143	0.22066	0.18612
<u>SCHOOL DISTRICTS</u>										
6	0.35881	0.36719	0.35868	0.31367	0.29622	0.28878	0.30270	0.29116	0.25628	0.24175
191	0.24554	0.31065	0.27529	0.25759	0.26202	0.23765	0.23699	0.20273	0.19403	0.17021
192	0.53474	0.57584	0.54269	0.52825	0.51401	0.53105	0.50805	0.49481	0.38497	0.36439
194	0.31459	0.35319	0.32914	0.32992	0.32535	0.34851	0.33894	0.33983	0.29473	0.29650
195	0.16685	0.18661	0.17065	0.17509	0.19879	0.20376	0.19035	0.18555	0.16691	0.15405
196	0.23271	0.24317	0.23336	0.21352	0.20613	0.19860	0.20046	0.19971	0.17904	0.23624
197	0.24063	0.22170	0.22295	0.21224	0.24246	0.22125	0.21900	0.20391	0.17067	0.17391
199	0.34864	0.30272	0.28572	0.26680	0.26537	0.22896	0.23368	0.22296	0.20009	0.20100
200	0.20965	0.20938	0.20305	0.20545	0.19079	0.17924	0.16757	0.16214	0.14207	0.16733
252	0.24900	0.28498	0.26310	0.24453	0.24663	0.20806	0.21262	0.19835	0.20363	0.20979
659	0.34064	0.32847	0.30937	0.33150	0.31216	0.30468	0.29959	0.27017	0.23821	0.36439
<u>SPECIAL DISTRICTS</u>										
Watershed M	0.00679	0.00691	0.00745	0.00712	0.00664	0.00540	0.00540	0.00523	0.00493	0.00675
Watershed V	0.00466	0.00449	0.00449	0.00429	0.00403	0.00399	0.00370	0.00348	0.00287	0.00270
Transit District	0.01292	0.01261	0.01215	0.01104	0.01244	0.01150	0.01038	0.00969	0.00849	0.00750
Mosquito Control	0.00518	0.00491	0.00475	0.00443	0.00435	0.00406	0.00384	0.00372	0.00325	0.00315
Metropolitan Council	0.00827	0.00958	0.00878	0.00821	0.00666	0.00606	0.00635	0.00649	0.00564	0.00620
Dakota County CDA	0.01559	0.01547	0.01548	0.01479	0.01479	0.01469	0.01375	0.01391	0.01176	0.01309
Burnsville EDA	0.00860	0.00891	0.00897	0.00955	0.00924	0.00136	0.00290	0.00317	0.00992	0.01081
Hastings HRA	0.01379	0.01551	0.01500	0.01454	0.01453	0.01455	0.01472	0.01491	0.01310	0.01531
Northfield EDA	0.01697	0.01702	0.01638	0.01624	0.01599	0.01572	0.01536	0.01600	0.01490	0.01550
Northfield HRA	0.01732	0.01763	0.01670	0.01655	0.01629	0.01602	0.01566	0.01633	0.01521	0.01582
South St. Paul EDA	---	0.01363	0.01685	0.01358	0.01516	0.01383	0.01558	0.01475	0.01371	0.01591
South St. Paul HRA	0.01468	0.01649	0.01492	0.01453	0.01527	0.01417	0.01588	0.01506	0.01399	0.01624
South Metro EMS	0.01264	0.01784	0.01541	0.01402	0.01333	0.01200	0.01162	0.01800	0.02289	0.03499
Light Transit Rail	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	2015 Tax Capacity Value	% of Total County Tax Capacity	Name	Type of Business	2024 Tax Capacity Value	% of Total County Tax Capacity
Northern States Power Co	Electric Utility	\$ 7,712,529	1.7 %	Northern States Power Co	Utility	\$ 8,674,113	1 %
Flint Hills	Refinery	3,466,876	0.7	Flint Hills Resources Pine Bend LLC	Industrial	4,786,931	0.6
Burnsville Center Spe LP	Burnsville Center	2,149,250	0.5	Northern Natural Gas Co.	Utility	1,953,772	0.2
Dakota Electric Assn.	Electric Utility	1,610,590	0.3	SVC CPC Eagan LLC	Commercial	1,739,680	0.2
West Publishing Co.	Book Publishing	1,464,158	0.3	Paragon Outlets Eagan LLC	Commercial	1,699,250	0.2
Northern Natural Gas Co.	Natural Gas Utility	1,397,192	0.3	Stag Industrial Holdings LLC	Industrial	1,498,622	0.2
Health Landlord (MN) LLC	Commercial	1,203,628	0.3	MV Eagan Ventures LLC	Commercial	1,404,872	0.2
Minnegasco Inc.	Natural Gas Utility	1,198,396	0.3	Eagan Property Owner LLC	Industrial	1,327,114	0.2
Eagan Promenade Inc	Health Care	802,242	0.2	Chicago & NW Trans Co	Railroad	1,321,001	0.2
Menard Inc	Retail	728,960	0.2	Breit Dakota Industrial Owner LLC	Industrial	1,224,446	0.1
	TOTAL	\$ 21,733,821	4.8 %	TOTAL		\$ 25,629,801	3.1 %

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					
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
2024	156,993,413	155,638,657	99.1	665,557	156,304,214	99.6	467,177	0.3

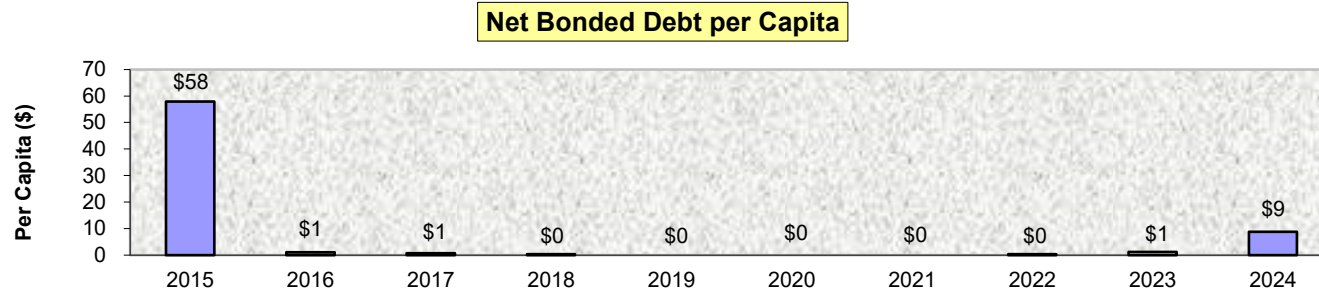
*Includes tax adjustments, tax credits and fiscal disparity adjustments

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			
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	0.00%
2019	429,021	601,183,701	-	-	-	-	-	-	0.00%
2020	431,807	638,647,096	-	-	-	-	-	-	0.00%
2021	442,038	671,410,772	-	-	-	-	-	-	0.00%
2022	443,341	780,277,104	-	128,686	-	128,686	0.02	0	0.00%
2023	447,440	830,424,687	-	496,801	-	496,801	0.06	1	0.00%
2024	453,156	854,117,556	-	3,950,328	-	3,950,328	0.46	9	***



* 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, 2024

Government Unit	Debt Outstanding¹	Applicable to Dakota County	
		Percent²	Amount
<u>Direct:</u>			
Dakota County			
Leases Liability	\$ 90,092	100.0 %	\$ 90,092
Subscriptions Liability	3,860,236	100.0	3,860,236
Dakota County Total	<u>\$ 3,950,328</u>		<u>\$ 3,950,328</u>
<u>Underlying:</u>			
City of Apple Valley	\$ 54,985,829	100.0	\$ 54,985,829
City of Burnsville	60,887,000	100.0	60,887,000
City of Eagan	52,985,000	100.0	52,985,000
City of Farmington	11,085,000	100.0	11,085,000
City of Hampton	5,252,000	100.0	5,252,000
City of Hastings	31,050,000	99.9	31,018,950
Hastings EDA	-	100.0	-
City of Inver Grove Hts	32,160,000	100.0	32,160,000
City of Lakeville	155,450,000	100.0	155,450,000
City of Lilydale	1,843,000	100.0	1,843,000
City of Mendota	-	100.0	-
City of Mendota Heights	21,290,000	100.0	21,290,000
Miesville	-	100.0	-
New Trier	-	100.0	-
City of Northfield	72,406,672	7.9	5,720,127
Randolph City	250,000	100.0	250,000
City of Rosemount	111,365,000	100.0	111,365,000
City of South St. Paul	23,218,113	100.0	23,218,113
City of Sunfish Lake	1,320,000	100.0	1,320,000
City of Vermillion	-	100.0	-
City of West St. Paul	44,745,000	100.0	44,745,000
Castle Rock Township	-		-
Douglas	160,450	100.0	160,450
Empire Township	1,475,000	100.0	1,475,000
Greenvale Township	-		-
Randolph Township	-	100.0	-
Marshan Township	-	100.0	-
Vermillion Township	-		-
Dakota County CDA	360,879,035	100.0	360,879,035
Special S.D. #6 (South St Paul)	22,450,000	100.0	22,450,000
Ind. S.D. #191 (Burnsville)	99,160,000	75.8	75,163,280
Ind. S.D. #192 (Farmington)	97,115,000	100.0	97,115,000
Ind. S.D. #194 (Lakeville)	179,275,000	80.0	143,420,000
Ind. S.D. #195 (Randolph)	8,860,000	88.2	7,814,520
Ind. S.D. #196 (Rosemount)	372,305,000	100.0	372,305,000
Ind. S.D. #197 (W. St. Paul)	139,705,000	100.0	139,705,000
Ind. S.D. #199 (Inver Grove Hts.)	43,930,000	100.0	43,930,000
Ind. S.D. #200 (Hastings)	62,284,420	87.2	54,312,014
Ind. S.D. #252 (Cannon Falls)	22,285,000	4.9	1,091,965
Ind. S.D. #659 (Northfield)	42,400,000	14.8	6,275,200
Total underlying debt	<u>\$ 2,132,576,519</u>		<u>\$ 1,939,671,483</u>
<u>Overlapping:</u>			
Metropolitan Council (Parks & Solid Waste)	\$ 12,946,537 ³	13.4 %	\$ 1,734,836
Metropolitan Transit Commission	124,948,534	13.4	16,743,104
Total overlapping debt	<u>\$ 137,895,071</u>		<u>\$ 18,477,940</u>
Total debt	<u><u>\$ 2,274,421,918</u></u>		<u><u>\$ 1,962,099,751</u></u>

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 \$91,798,319 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>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>2024</u>
<i>Estimated Market Value</i>	\$ 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	\$ 72,681,765,207
<i>Legal Debt Margin</i>										
Debt Limit (3% of assessed value)*	\$ 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	\$ 2,180,452,956
Debt Applicable to limit:										
General Obligation Bonds	\$ 23,420,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Less: amount reserved for repayment of general obligation debt	-	-	-	-	-	-	-	-	-	-
Total Debt Applicable to Limit	\$ 23,420,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Legal Debt Margin</i>	\$ 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	\$ 2,180,452,956
Total debt applicable to the limit as a percent of debt limit	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
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	38.5	75,499	3.1
2022	443,341	31,026,692,000	69,984	39.0	77,007	2.0
2023	447,440	33,566,347,000	75,019	39.1	77,293	2.7
2024	453,156	*	*	39.3	76,965	2.9

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>	2015	Percentage of Total County	<u>Employer</u>	2024	Percentage of Total County
<u>Employees</u>		<u>Employment</u>	<u>Employees</u>		<u>Employment</u>
Reuters Thomson West	7,000	2.99%	Independent School District 196	4,367	1.82%
Independent School District 196	4,000	1.71%	Thomson West	6,700	2.79%
Blue Cross-Blue Shield	3,120	1.33%	Blue Cross-Blue Shield of MN	3,000	1.25%
Burnsville Center	3,000	1.28%	Burnsville Center*	3,000	1.25%
Prime Therapeutics	2,700	1.15%	US Postal Service (Eagan)	2,704	1.13%
Dakota County	1,776	0.76%	Dakota County	2,052	0.85%
Fairview Ridges Hospital	1,500	0.64%	CHS Inc	2,300	0.96%
Sun County Airlines	1,500	0.64%	UTC Aerospace Systems	1,900	0.79%
Independent School District 191	1,500	0.64%	Independent School District 191	1,355	0.56%
UTC Aerospace	1,481	0.63%	Independent School District 194	1,334	0.56%
Total County Employment	234,087	<u>11.77%</u>	Total County Employment	240,319	<u>11.96%</u>

**Includes part-time employees*

Source: Department of Employment and Economic Development

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Function/program										
County Wide	3.00	2.00	2.00	2.00	2.00	2.00	1.00	2.00	2.00	2.00
Public Service										
Public Service	9.25	8.56	7.00	7.06	5.31	3.50	3.50	4.00	4.00	4.00
Assessor	37.00	38.00	38.50	38.50	40.00	40.00	40.00	40.00	40.00	40.00
Elections	0.00	0.00	0.00	5.00	5.00	5.00	5.00	5.00	8.00	8.00
Property Records	44.50	44.80	45.30	36.30	34.30	34.30	34.30	34.30	33.30	33.30
Service & Licensing	23.75	23.75	24.81	28.75	28.44	30.00	30.00	30.00	33.50	33.50
Library	135.93	135.92	134.86	134.86	130.48	130.81	130.81	124.30	130.20	130.20
Operations Management										
Risk Management	7.00	7.00	6.00	6.00	7.00	7.00	7.00	7.00	8.00	8.00
Information Technology	65.00	65.00	65.00	66.00	68.00	69.00	69.10	69.10	71.10	71.10
Financial Services	35.00	35.00	35.00	28.00	28.00	28.00	27.00	27.00	29.00	29.00
Budget	0.00	0.00	0.00	8.00	8.00	8.00	7.90	6.90	7.90	7.90
EFIS Division Administration	0.00	0.00	0.00	0.00	0.00	0.00	2.00	3.00	4.00	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	6.90	6.90	6.90	6.90	6.90	8.00	8.00	8.00	0.00	
Administration										
County Administration	11.00	11.00	11.00	11.00	11.00	11.00	10.00	8.00	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	7.00	7.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00
Employee Relations	19.05	19.05	19.05	19.05	19.45	19.45	19.45	20.45	21.50	21.50
Community Services										
Community Services Administration	17.00	17.00	18.00	18.00	18.00	17.00	16.00	15.00	17.00	17.00
Social Services	313.52	333.52	355.20	363.20	372.75	382.35	394.35	424.35	485.20	485.20
Employment & Economic Assistance	248.10	254.10	267.15	268.12	267.20	271.20	273.20	282.50	306.00	306.00
Public Health	91.52	93.12	94.02	98.42	110.02	110.02	110.02	121.27	121.80	121.80
Veterans Services	6.00	6.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
Community Corrections	171.22	171.52	173.92	174.92	176.92	176.92	176.92	176.92	190.90	190.90
Public Safety										
Sheriff	174.09	179.09	182.59	186.09	183.25	188.25	191.25	191.25	196.30	196.30
County Attorney										
County Attorney	88.99	87.87	90.87	94.87	94.00	94.00	94.00	97.00	98.30	98.30
Physical Development										
Physical Development	25.75	25.35	25.35	26.35	25.35	26.35	26.35	25.85	35.60	35.60
Transportation	87.43	90.43	98.43	102.43	98.00	97.00	97.00	97.00	97.00	97.00
Operations Management	70.57	70.07	71.07	71.07	65.00	66.00	66.00	68.00	70.00	70.00
Parks	23.08	23.08	25.08	28.78	20.70	21.70	20.70	21.00	30.60	30.60
Environmental Resources	32.50	33.60	33.50	33.50	34.00	35.00	35.00	36.00	32.00	32.00
Survey	8.00	8.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Byllesby Dam	0.00	0.00	0.00	0.00	1.00	2.00	2.00	2.00	2.00	2.00
Total	1777.15	1811.73	1860.60	1893.17	1890.07	1913.85	1927.85	1977.19	2113.20	2113.20

Source: Dakota County Departmental documents

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Government										
Property Documents Recorded	78,517	80,652	75,564	70,130	74,001	99,794	110,100	70,713	52,000	54,339
County Veterans Population	27,048	25,689	25,094	24,496	23,900	23,900	25,170	21,950	21,413	21,927
New Adult Criminal Court Cases	4,069	4,253	4,784	4,851	4,918	4,450	4,333	4,252	3,919	3,823
Juvenile Delinquency Referrals	1,784	1,731	1,796	1,587	1,450	961	865	1,058	975	996
Commitment Referrals	252	233	253	270	255	323	343	375	361	406
Plat Reviews	86	92	74	93	74	86	94	83	58	70
Public Safety										
Probation Offenders Served ¹	10,642	10,566	12,192	12,349	12,270	10,869	10,057	10,451	10,160	9,462
Community Restoration Hours Served ³	57,634	58,124	54,523	52,235	52,299	22,212	29,877	28,390	27,329	27,930
Driving While Impaired Arrests	144	138	134	119	146	91	87	75	61	68
Applications for Permit to Carry Handguns	3,632	4,754	3,870	4,423	3,373	8,249	7,105	6,362	6,111	3,746
Daily Inmate Responsibility Average	214	225	215	208	203	125	144	165	180	183
Highways and Streets										
Fuel Used (Diesel and Unleaded)	103,998	106,885	97,349	126,696	139,002	107,069	98,440	110,729	108,626	82,005
Sanitation										
Pounds of Household Hazardous Waste Collected	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	2,971,927
Human Services										
Intake and Crisis Calls	52,929	65,614	58,945	59,702	54,376	61,240	58,741	76,419	54,422	68,472
Average Monthly # of Children in Out-of-Home Placement	128	173	299	240	278	215	174	172	187	208
Chemical Health Assessments Completed	637	569	606	563	596	321	268	419	597	549
Public Assistance Caseload	36,575	40,110	40,346	42,570	41,180	46,237	52,603	56,537	59,741	52,633
Child Support Collections	\$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	\$37,964,917
Average # of Families Served - Child Care Assistance Programs	1,323	1,132	1,053	1,290	1,326	1,283	1,027	1,158	1,293	1,309
Long Term Care Clients on Medicaid Waiver	3,520	3,817	3,883	4,479	4,763	4,701	6,405	8,950	9,572	9,192
Health										
Family Health Referrals	1,131	1,146	1,282	1,446	1,263	896	685	1,147	930	1,031
WIC Clients	10,246	10,177	9,859	9,638	9,079	8,603	8,570	9,139	9,737	9,236
Number of Confirmed Tuberculosis Cases	30	17	21	29	33	16	17	20	25	21
Health Alerts Issued	13	20	13	16	11	26	21	13	6	22
Vaccinations Administered	1,615	1,604	1,684	1,696	2,380	872	61,975	7,188	3,385	3,776
Economic Development										
Employment and Training Caseload	4,223	4,192	4,303	4,306	4,023	3,157	2,793	2,447	2,699	2,508
Number of Adults Program Participants Placed in Employment	1,238	1,493	1,397	1,373	1,307	604	571	553	584	582

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>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>2024</u>
General Government										
Government Centers	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Public Safety										
Justice Center	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Patrol Units ¹	29.00	35.00	39.00	38.00	37.00	38.00	39.00	41.00	42.00	42.00
Transportation										
Bituminous (miles)	359.70	359.70	362.55	362.55	362.55	368.60	368.60	372.60	374.00	377.20
Concrete (miles)	2.80	2.80	2.80	2.80	2.80	2.80	2.80	2.80	2.80	2.80
Gravel (miles)	55.50	55.50	53.25	53.25	53.25	47.20	47.20	43.20	43.20	40.00
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	136.00	136.00	140.00	140.00	141.00	143.00
Culverts	48.00	48.00	48.00	48.00	48.00	28.00	49.00	49.00	72.00	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	5,602.00	5,653.00	5,653.00	5,611.00	5,611.00	5,653.00	5,653.00	5,965.00	6,280.00	6,842.00
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	11.00	11.00	11.00	11.00	11.00	11.00	12.00	12.00
Libraries	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	10.00

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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