

Annual Comprehensive Financial Report

Dakota County, Minnesota
Fiscal Year Ended
December 31, 2021



2021

Dakota
COUNTY

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



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

For The Year Ended December 31, 2021



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

September 20, 2022

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

SUBJECT: 2021 ANNUAL COMPREHENSIVE FINANCIAL REPORT

The Annual Comprehensive Financial Report (ACFR) of Dakota County is submitted for the fiscal year ended December 31, 2021. The County’s Finance Department prepared this report in conformity with generally accepted accounting principles (GAAP). Responsibility for both the accuracy and completeness of the presented data and the fairness of the presentation, including all disclosures, rests with the County. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and sets forth the financial position and results of operations and cash flows of the County, as measured by the financial activity of its various funds, and all disclosures necessary to enable maximum understanding of the County's financial affairs.

Independent Audit

Minnesota State statutes require an annual audit of the books of account, financial records, and transactions of the County. The CPA firm of CliftonLarsonAllen LLP, was chosen through a RFP process to conduct the County’s audit for 2021. 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 13 townships and 21 full and fractional incorporated municipalities. The 2021 population was 442,038 making it the third most populous county in the State. It is one of seven counties comprising the Twin Cities metropolitan area. The county seat, Hastings, is located on the Mississippi River 18 miles southeast of the state capital, St. Paul.

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

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

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

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

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

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

Budgetary Controls

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

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

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

Fiscal Policies

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

Factors Affecting Financial Condition

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

Key population, labor force and employment trends:

- Dakota County's population increased from 2000 to 2021 by 23.6%, adding slightly fewer than 84,000 people. According to U.S. Census Bureau estimates, 2008 was the first year since 1977 that Dakota County's population growth slowed to 1% or less; that steady growth trend has continued in almost every year since then continuing through 2020. Between 2020 and 2040, regional growth is projected to continue at an average rate of just under 1% per year. The total population in the seven-county metropolitan region is anticipated to increase by 17.7% between 2020 and 2040, to more than 3.75 million residents. The Metropolitan Council projects the County will attain a population of about 521,000 people by the year 2040, an increase of 81,000 people (between 2020 and 2040).
- According to the Minnesota Department of Employment and Economic Development (DEED) there were 10,392 private sector firms and 160,088 private sector employees in Dakota County. The largest employing industry sectors in the county are trade, transportation, & utilities (46,348), education and health services (36,720), leisure and hospitality (16,888), professional and business services (20,351), and manufacturing (18,813).
- Dakota County maintains one of the lowest per capita property tax rates in the State of Minnesota. This means that for each unit of value for a property, property owners in Dakota County pay the least amount. The price of government in Dakota County (taxes versus personal income) has declined over the last ten years.
- COVID-19 continued to have a significant impact on Dakota County's operations. The impacts included activities such as emergency preparedness, remote work planning, and COVID-19 testing. In the spring of 2022, as the pandemic has shifted from an emergency into a normalized response, the County's continuity of operations team (COOP) was put on hold. In addition to other programmatic responses, the County Board began to consider potential projects for American Rescue Plan (ARP) funding. Of the \$83 million in ARP funding, significant projects have included the Bylesby Dam, Mental Health Crisis Response services, and the Thompson Oaks River Greenway.

Key Economic Indicators

In 2021, Dakota County's unemployment rate (3.4%) maintained a similar average unemployment rate to the State of Minnesota (3.4%), both of which were lower than the rate for the U.S. (5.3%).

Economic Indicators	Amount	Annual Percentage Change
Unemployment Rate (2021)	3.4%	(2.50)%
Number of Households (2020)	168,008	0.31%
Population (2020)	439,882	2.53%

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

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

	Dakota County		2021 Distribution		% Change 2020-2021	
	Avg Number of Employees		Dakota	Minnesota	Dakota	Minnesota
	<u>2020</u>	<u>2021</u>	<u>County</u>	<u>Minnesota</u>	<u>County</u>	<u>Minnesota</u>
Total, All Industries	177,866	181,093	100.0%	100.00%	-6.5%	-6.7%
Agricultural, Forestry, Fishing	886	989	0.5%	0.8%	3.0%	1.7%
Mining	112	114	0.1%	0.2%	4.7%	-6.2%
Construction	9,596	10,218	5.6%	4.8%	-7.3%	-2.4%
Manufacturing	18,204	18,813	10.4%	11.4%	-3.9%	-4.6%
Utilities	528	519	0.3%	0.5%	-3.0%	-1.6%
Wholesale Trade	8,747	8,804	4.9%	4.6%	0.7%	-2.8%
Retail Trade	23,406	23,518	13.0%	10.2%	-2.1%	-5.7%
Information	5,026	4,748	2.6%	1.7%	-21.4%	-7.8%
Finance, Insurance & Real Estate	14,753	13,719	7.6%	6.7%	-2.4%	-1.7%
Services	51,145	53,776	29.7%	30.9%	-10.2%	-11.4%
Other	45,459	45,875	25.3%	28.1%	-5.8%	-5.2%
Total, All Industries -- Government	20,710	21,005	11.6%	13.5%	-3.7%	-5.2%
Total, All Industries -- Private	157,156	160,088	88.4%	86.5%	-6.8%	-6.9%

Source: MN Department of Employment & Economic Development

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

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

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Residential	\$377,812	\$396,328	\$428,034	\$380,207	\$459,019
Commercial	75,553	113,426	87,771	87,457	40,764
Industrial	27,277	49,196	24,898	37,441	25,338
Agricultural	1,637	1,939	3,168	2,126	3,862
Apartments	45,713	125,067	134,186	118,226	149,648
Total Value	<u>\$527,992</u>	<u>\$685,956</u>	<u>\$678,057</u>	<u>\$625,457</u>	<u>\$678,631</u>

Source: Dakota County Assessor's Office

Major Initiatives by Dakota County

Dakota County government 2021 highlights:

- Provided visitor services to over 2 million annual park and greenway visitors.
- Maintained and improved our roads, restored natural lands, tested, and protected water, reduced trash, assessed and collected taxes, and surveyed property lines.
- Assisted the elderly and disabled, helped motorists and families and jobseekers, protected kids, supported the victims of crime, and held people accountable when they did wrong.
- Processed over 3,300 passport applications.

Library

- In 2021, over 4.8 million digital and physical items were checked out.
- Continued new curbside service with over 45,000 appointments.
- Provided in-person and virtual events with nearly 10,000 attendees.

ARP Funding

- Began to utilize over \$83 million in ARP funding to assist Dakota County residents and businesses.
- Significant projects included work on the Byllesby Dam and hiring additional attorneys to assist with the criminal case backlog.

Parks and Natural Resources

- In 2021, over 8,7300 people participated in outdoor education programs, school field trips, and other major events
- Opened over 3.7 miles of trails for public use.

Supporting our Staff

- Ensured a safe work environment, as a significant number of staff transitioned to a hybrid work environment.

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, 2021.

<u>Bargaining Unit</u>	<u>Term of Contract</u>	<u>Status of Contract</u>
AFSCME - Human Services	2021-2022	Settled
AFSCME - Library	2021-2022	Settled
Attorney Employees' Assoc.	2021-2022	Settled
Community Corrections	2021-2022	Settled
Human Services Supervisors' Assoc.	2021-2022	Settled
Public Health Services/MNA	2021-2022	Settled
Road & Bridge Maintenance	2021-2022	Settled
Sheriff Licensed Deputies	2021-2022	Settled
Sheriff Jail	2021-2022	Settled
Sheriff Supervisor	2021-2022	Settled
Sheriff Non-license Supervisor	2021-2022	Settled

Awards and Acknowledgements

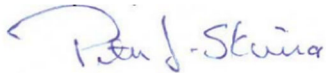
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Dakota County for its annual comprehensive financial report for the fiscal year ended December 31, 2020. This was the 32nd consecutive year that the County has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized annual comprehensive financial report. This must satisfy both generally accepted accounting principles and applicable legal requirements.

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

Additionally, the GFOA presented an award of Distinguished Budget Presentation to Dakota County for its annual budget for the year 2021. This is the 25th year Dakota County has received the award.

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

Respectfully submitted,

A handwritten signature in blue ink that reads "Peter Skwira". The signature is written in a cursive style with a large initial "P" and a long horizontal stroke.

Peter Skwira
Director of Finance



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Dakota County
Minnesota**

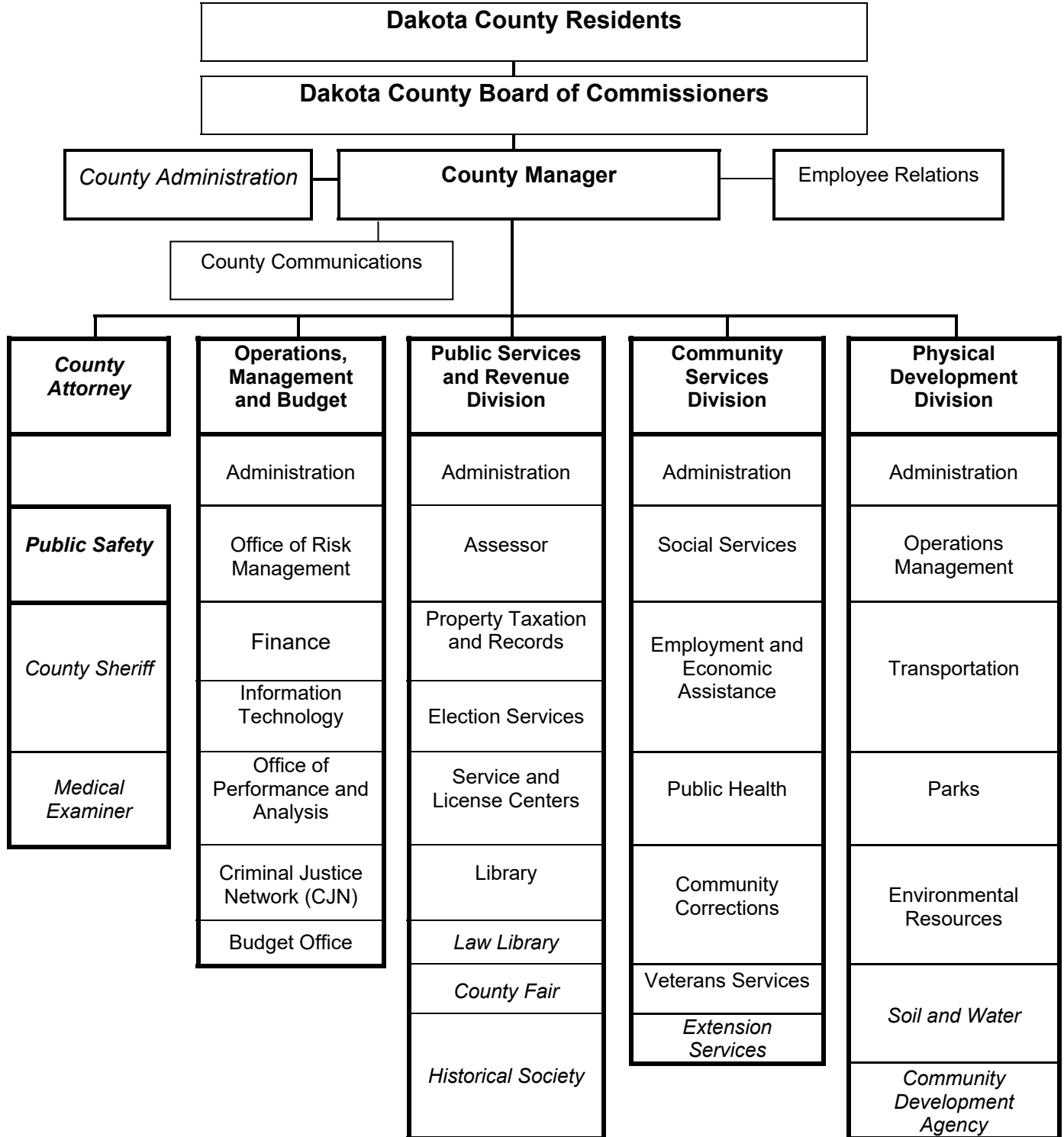
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2020

Christopher P. Morill

Executive Director/CEO

2021 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

2021

Officer	Name	Term	
		From	To
Commissioners:			
1 st District	Mike Slavik	Jan. 2013	Dec. 2022
2 nd District	Kathleen A. Gaylord	Jan. 2003	Dec. 2022
3 rd District	Laurie Halverson	Jan. 2021	Dec. 2024
4 th District	Joe Atkins	Jan. 2017	Dec. 2024
5 th District	Liz Workman	Jan. 2009	Dec. 2024
6 th District	Mary Liz Holberg*	Jan. 2015	Dec. 2022
7 th District	Mary Hamann-Roland	Jan. 2021	Dec. 2024
 Officers:			
Elected -			
Attorney	Kathryn M. Keena	May 2021	Dec. 2022
Sheriff	Timothy J. Leslie	Jan. 2015	Dec. 2022
 Appointed -			
County Manager	Matthew G. Smith	May 2016	Indefinite
Deputy County Manager/Director of Operations, Mgmt. & Budget	Vacant	-	-
Director of Community Services	Marti Fischbach	June 2020	Indefinite
Director of Physical Development	Steven Mielke	July 2014	Indefinite
Director of Public Service & Revenue Div.	Thomas V. Novak	July 1998	Indefinite

* Chair



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, 2021, 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, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Dakota County, as of December 31, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof and the budgetary comparisons for the general fund, highway fund, environmental legacy fund, DC transportation sales tax special revenue fund, and the special federal revenue fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of Dakota County Community Development Agency (CDA), which represents 99.7% and 97.9%, respectively, of the assets and revenues of the aggregate discretely presented component units as of December 31, 2021, and the respective changes in financial position for the year then ended. 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, 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 fund financial statements and schedules and the accompanying 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* is presented for purposes of additional analysis and is 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, is 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 September 20, 2022, 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.



CliftonLarsonAllen LLP

Minneapolis, Minnesota
September 20, 2022

Dakota County, Minnesota | December 31, Management's Discussion and Analysis | 2021

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, 2021. We encourage readers to consider the information presented here in conjunction with additional information furnished in our letter of transmittal and the notes to the financial statements.

Financial Highlights

- Dakota County's assets and deferred outflows exceeded liabilities and deferred inflows at the close of 12/31/2021 by \$1,235,313,659 (*net position*). Of this amount, \$158,257,519 (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors.
- Dakota County's total net position improved by \$9,178,290 for the year ended December 31, 2021. This positive change is a combination of increases in grant receipts for general government, public safety and human services programs, as well as investments in capital assets.
- As of the close of the 2021 fiscal year, Dakota County governmental funds' ending fund balance had a decrease of \$31,542,207 before the \$235,935 increase in inventories, from 2020. This reduction in fund balance is primarily due to an increase in expenditures for improvements in buildings, roads and infrastructure. Approximately 75.9% or \$234,386,783 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 \$106,210,374 or 38.06% of total General Fund expenditures.

Overview of the Financial Statements

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

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

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

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

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

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

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

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

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

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

Within the governmental funds, Dakota County maintains three fund types: General, Special Revenue and Capital Projects. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance for the major funds. Major funds include: General Fund, Highway Fund, Environmental Legacy Fund, DC Transportation Sales Tax Fund, Special Federal Revenue Fund and Capital Projects Fund. Data from the other five special revenue non-major governmental funds are combined into a single, aggregated presentation. Individual fund data for each of the non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

Dakota County adopts an annual budget for its 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 30-43 of this report.

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

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

- Highway
- Attorney Forfeiture
- DC Transportation Sales Tax
- County Library
- County Parks
- Environmental Legacy
- Regional Rail
- Law Library
- 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 2021.

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 44-46 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 47-48 of this report.

Notes to the Financial Statements. The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements.

The notes to the financial statements may be found on pages 49-94 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 109-127 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 \$1,235,313,659 at the close of 2021, which is an increase of \$9,178,290 for the year ended December 31, 2021.

Net investment in capital assets, of \$988,454,511 (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 (80.0%). 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			
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 476,106,304	\$ 467,268,776	\$ (7,232,396)	\$ 1,395,576	\$ 468,873,908	\$ 468,664,352
Capital assets	966,715,834	922,594,784	25,106,870	16,537,939	991,822,704	939,132,723
Total assets	<u>\$ 1,442,822,138</u>	<u>\$ 1,389,863,560</u>	<u>\$ 17,874,474</u>	<u>\$ 17,933,515</u>	<u>\$ 1,460,696,612</u>	<u>\$ 1,407,797,075</u>
Deferred outflows of resources	<u>\$ 69,932,255</u>	<u>\$ 17,909,346</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 69,932,255</u>	<u>\$ 17,909,346</u>
Long-term liabilities outstanding	\$ 115,900,999	\$ 148,816,007	\$ -	\$ -	\$ 115,900,999	\$ 148,816,007
Other liabilities	91,235,423	36,009,450	1,590,302	388,610	92,825,725	36,398,060
Total liabilities	<u>\$ 207,136,422</u>	<u>\$ 184,825,457</u>	<u>\$ 1,590,302</u>	<u>\$ 388,610</u>	<u>\$ 208,726,724</u>	<u>\$ 185,214,067</u>
Deferred inflows of resources	<u>\$ 86,588,484</u>	<u>\$ 14,356,985</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 86,588,484</u>	<u>\$ 14,356,985</u>
Net position:						
Net investment in capital assets	\$ 963,769,288	\$ 919,606,162	\$ 24,685,223	\$ 16,537,939	\$ 988,454,511	\$ 936,144,101
Restricted	88,463,500	111,648,309	138,129	137,535	88,601,629	111,785,844
Unrestricted	166,796,699	177,335,993	(8,539,180)	869,431	158,257,519	178,205,424
Total net position	<u>\$ 1,219,029,487</u>	<u>\$ 1,208,590,464</u>	<u>\$ 16,284,172</u>	<u>\$ 17,544,905</u>	<u>\$ 1,235,313,659</u>	<u>\$ 1,226,135,369</u>

Dakota County's total net position increased by \$9,178,290 from 2020's ending balance. This change can be attributed to a combination of factors, with the primary change occurring in additional reimbursements for grants for highway projects and investment earnings.

A portion of Dakota County's net position, \$88,601,629 or 7.17% represents resources that are subject to external restrictions on how they may be used. Restricted net position decreased \$23,184,215 during the current fiscal year. The remaining balance of unrestricted net position of \$158,257,519 may be used to meet Dakota County's obligations to citizens and creditors.

As indicated above, Dakota County had positive balances in all three categories of net position at the end of 2021, including the government as a whole, and in each type of activity.

Dakota County, Minnesota | December 31, Management's Discussion and Analysis | 2021

Governmental Activities. The Governmental activities' net position makes up the majority of the County's total net position. These activities increased by \$10,439,023 from 2020 due to increases in grant reimbursements for transportation projects and investment earnings.

Business-type Activities. Business-type activities incurred a decrease from 2020's net position by \$1,260,733 accounting for (5.7)% of the total change in the government's net position. Infrastructure improvements and transfers from governmental activities make up the majority of the decrease in activity.

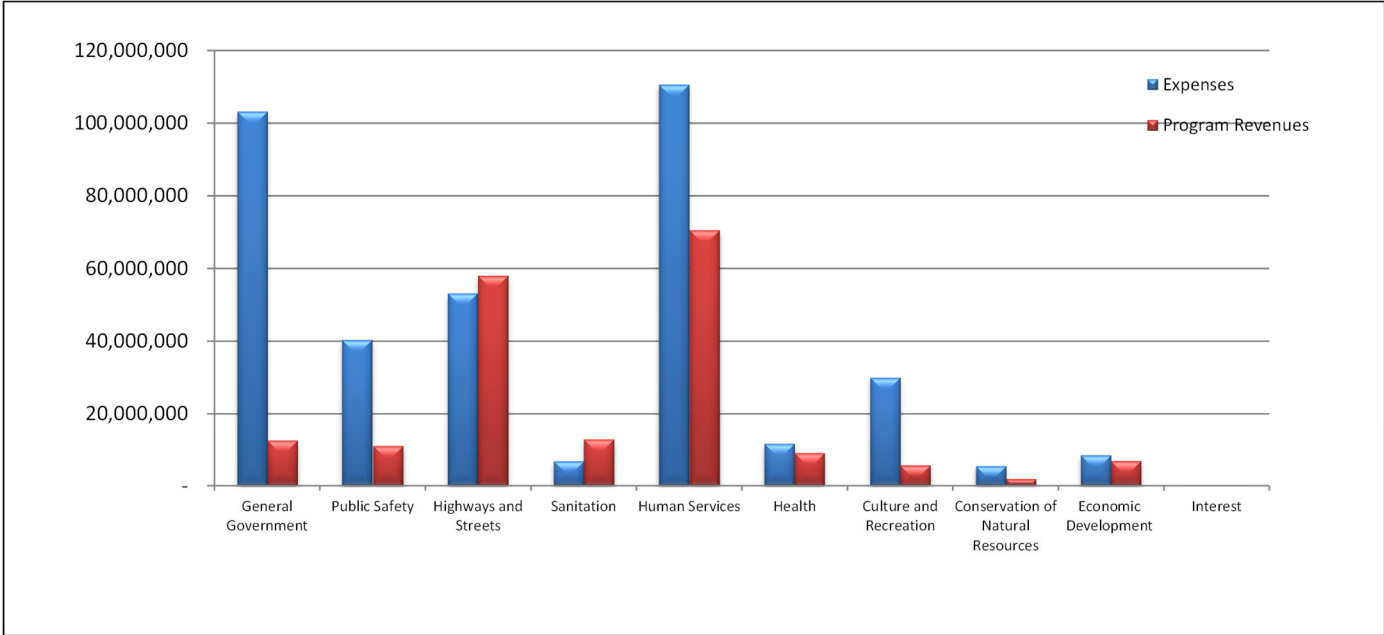
Dakota County's Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program revenues:						
Fees, charges, fines and other	\$ 30,136,606	\$ 25,260,934	\$ 89,597	\$ 640,757	\$ 30,226,203	\$ 25,901,691
Operating grants & contributions	136,911,814	183,952,498	-	-	136,911,814	183,952,498
Capital grants & contributions	20,523,927	16,586,747	-	-	20,523,927	16,586,747
General revenues and transfers:						
Taxes	172,286,665	169,183,390	-	-	172,286,665	169,183,390
Grants & contributions not restricted to specific programs	20,488,774	20,408,983	-	-	20,488,774	20,408,983
Investment income	(2,375,772)	10,633,812	-	-	(2,375,772)	10,633,812
Other	1,410,676	1,233,097	-	-	1,410,676	1,233,097
Total revenues	<u>\$ 379,382,690</u>	<u>\$ 427,259,461</u>	<u>\$ 89,597</u>	<u>\$ 640,757</u>	<u>\$ 379,472,287</u>	<u>\$ 427,900,218</u>
Expenses:						
General government	\$ 103,124,299	\$ 114,244,168	\$ -	\$ -	\$ 103,124,299	\$ 114,244,168
Public safety	40,334,880	39,898,807	-	-	40,334,880	39,898,807
Highways and streets	53,160,503	55,598,564	-	-	53,160,503	55,598,564
Sanitation	6,659,081	8,296,785	-	-	6,659,081	8,296,785
Human services	110,567,209	98,788,720	-	-	110,567,209	98,788,720
Health	11,481,958	11,424,919	-	-	11,481,958	11,424,919
Culture and recreation	29,918,672	25,730,014	-	-	29,918,672	25,730,014
Conservation of natural resources	5,348,771	5,349,827	-	-	5,348,771	5,349,827
Economic development	8,348,294	6,404,966	-	-	8,348,294	6,404,966
Interest	-	-	-	-	-	-
Operating expenses – GIS	-	-	3,406	17,642	3,406	17,642
Operating expenses – Byllesby	-	-	1,346,924	1,228,093	1,346,924	1,228,093
Total expenses	<u>\$ 368,943,667</u>	<u>\$ 365,736,770</u>	<u>\$ 1,350,330</u>	<u>\$ 1,245,735</u>	<u>\$ 370,293,997</u>	<u>\$ 366,982,505</u>
Increase (decrease) in net position	<u>\$ 10,439,023</u>	<u>\$ 61,522,691</u>	<u>\$ (1,260,733)</u>	<u>\$ (604,978)</u>	<u>\$ 9,178,290</u>	<u>\$ 60,917,713</u>
Transfers	-	-	-	-	-	-
Net position January 1	1,208,590,464	1,145,210,316	17,544,905	18,149,883	1,226,135,369	1,163,360,199
Prior period adjustment	-	1,857,457	-	-	-	1,857,457
Net position January 1, restated	<u>\$ 1,208,590,464</u>	<u>\$ 1,147,067,773</u>	<u>\$ 17,544,905</u>	<u>\$ 18,149,883</u>	<u>\$ 1,226,135,369</u>	<u>\$ 1,165,217,656</u>
Net Position December 31	<u>\$ 1,219,029,487</u>	<u>\$ 1,208,590,464</u>	<u>\$ 16,284,172</u>	<u>\$ 17,544,905</u>	<u>\$ 1,235,313,659</u>	<u>\$ 1,226,135,369</u>

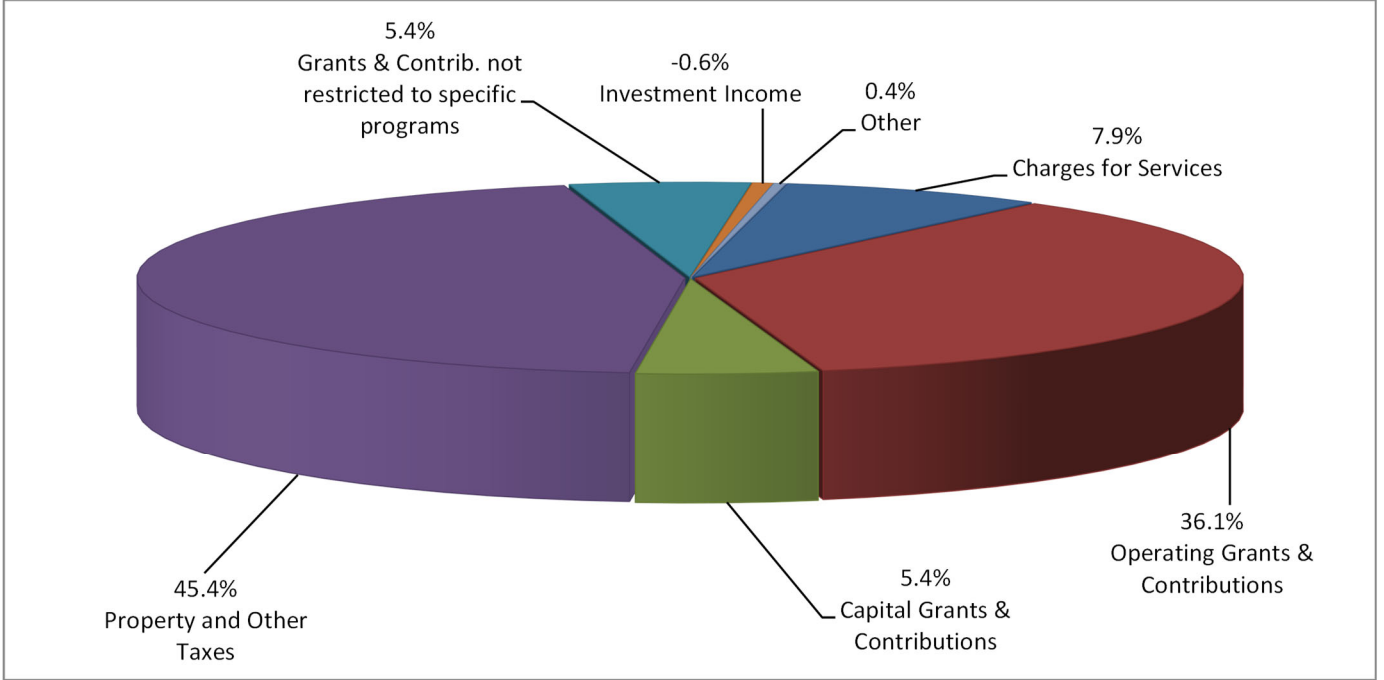
Dakota County, Minnesota Management's Discussion and Analysis

December 31,
2021

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 2021, Dakota County's governmental funds reported combined ending fund balances of \$308,635,566, a net decrease of \$31,306,272 due primarily to increases in spending on buildings, highway and infrastructure improvements. The majority of the fund balance, \$234,386,783, is available for spending at the government's discretion. The remainder of fund balance, \$74,248,783, 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 2021, the General Fund's fund balance was \$110,292,751 of which \$106,210,374 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 38.06% of the 2021 total General Fund expenditures of \$279,072,343, while total fund balance represents 39.5% of total expenditures.

Highway Fund. The Highway Fund's total fund balance at 2021 was \$62,970,397 which is a \$10.2 million increase from 2020 due to an increase in grant reimbursements. The new alignment of County State Aid Highway (CSAH) 63 in Inver Grove Heights, the reconstruction and expansion of CSAH 26 from Trunk Highway (TH) 55 to TH 3 in Inver Grove Heights and Eagan, of CSAH 30 from CSAH 43 to Trenton Road in Eagan, of CSAH 56 from I-494 to Grand Ave in South St Paul, of CSAH 78 from CSAH 79 to CSAH 47 from Castle Rock Township to the City/Township of Hampton, and of CSAH 91 from TH 61 to 3 miles north of TH 61 in Marshan Township are some of the major projects the Highway staff has been working on.

Environmental Legacy. The Environmental Legacy Fund was established in 2015 from the transfer of activities originally organized within the Environmental Management Fund. These activities represent fees collected for the protection and preservation of the environment. Although the proceeds reported in this fund are from specific revenue sources, the use of these funds are for costs related to environmental projects. The 2021 net fund balance of \$55,075,511 is reported as *committed and restricted fund* balances.

DC Transportation Sales Tax Fund. The DC Transportation Sales Tax Fund was established in 2017. The purpose of this fund is the regional highway and transit investment as part of the broader county transportation system. The DC Transportation Sales Tax Fund's total fund balance at 2021 was \$65,950,725 which is restricted for statutorily defined transportation and transit projects.

Special Federal Revenue Fund. The Special Federal Revenue Fund was established in 2021. 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. There are no plans in the near future for new bond issuances.

Capital Projects Fund. The Capital Projects Fund has a negative fund balance of \$4,434,957. The major projects in 2021 included the completion of the Safety and Mental Health Alternative Response Training (SMART) Center. The negative fund balance is due to outstanding state bonding revenue.

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

Net position restricted for equipment replacement of the *Geographic Information Systems Enterprise Fund* at the end of the year totaled \$138,129, an increase of \$594 from 2020. *The Byllesby Dam Enterprise Fund* increased its investment in capital assets net position balance to \$24,685,223 for the purpose of maintaining the Federal Energy Regulatory Commission mandated spillway upgrade and likewise, decreased the unrestricted net position balance at the end of the year to a negative \$8,539,180. *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 \$13,775,758. The net position of the internal service fund increased by \$1,074,590 over the past year due to the increased funds collected for self-insurance costs versus costs in claims paid. Other factors concerning the finances of these funds are addressed in the discussion of Dakota County's business-type activities.

General Fund Budgetary Highlights

Comparison of Original Budget to Final Amended Budget

The difference between the General Fund's original budget and the final amended budget shows an increase of \$53,767,395 for expenditures at fiscal year-end. The major changes from original to final budget for expenditures may be summarized as follows:

- \$20.2 million for Federal Emergency Rental and Services Assistance
- \$2.0 million for COVID-19 Vaccination implementation expenditures
- \$3.7 million for carry-over of unspent funds for new Medical Examiner Facility
- \$8.6 million for business and non-profit assistance program to address impacts due to pandemic
- \$2.2 million for 2020 carry-over of unspent funds for data upgrades and expansion of network systems.
- \$8.6 million for carry-over of unspent funds for farmland conservation and matching grant funds.
- \$1.1 million for emergency management grants and 800MHz equipment.
- \$3.8 million in human services for carry-over of unspent funds and increases in grant programs.

The difference between the original budget and final amended budget for revenues was \$32,335,010. The majority of this increase from original to final budget relates to increases in grant funding and carry-overs of 2020 revenues for various programs identified above.

Comparison of Actual Resources to Final Amended Budget

Actual expenditures were \$37,630,430 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, 2021, amounts to \$988,454,511 (net of accumulated depreciation). Investment in capital assets includes land, buildings, improvements other than buildings, machinery and equipment, infrastructure, and construction in progress. The total increase in the Dakota County's investment in capital assets for the current fiscal year was \$52,310,410, or 5.6%.

Major capital asset events during 2021 included the following:

- Worked on a variety of county road construction projects, trails, bridges and transit improvements totaling over \$51.4 million.
- Over \$3.9 million in investments of fleet and maintenance vehicles, and software and fiber upgrades.

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Dakota County's Capital Assets

	Governmental		Business-type		Total	
	Activities		Activities			
	2021	2020	2021	2020	2021	2020
Land	\$ 291,821,767	\$ 274,295,141	\$ -	\$ -	\$ 291,821,767	\$ 274,295,141
Buildings	151,642,788	146,823,606	-	-	151,642,788	146,823,606
Machinery and equipment	10,167,028	11,218,749	-	-	10,167,028	11,218,749
Infrastructure	404,781,095	399,721,535	9,739,696	9,893,751	414,520,791	409,615,286
Improvements other than buildings	60,336,559	57,436,490	-	-	60,336,559	57,436,490
Construction in progress	47,966,597	33,099,263	15,367,174	6,644,188	63,333,771	39,743,451
Total	\$ 966,715,834	\$ 922,594,784	\$ 25,106,870	\$ 16,537,939	\$ 991,822,704	\$ 939,132,723

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

Long-term Debt. At the end of 2021, Dakota County had zero bonded debt outstanding.

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

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

Additional information on Dakota County's long-term debt may be found in Note III. G. beginning on page 72 of this report.

Economic Factors and Next Year's Budgets and Rates

- For the seventh year in a row, Dakota County has the lowest property tax rate among the Metropolitan counties. The County has continued to provide services with little increase in overall cost of government to residents. Property tax increases remain below the Consumer Price Index inflation rate.
- Dakota County's property tax values continue to rise, mostly due to appreciation in values. The 2022 total County property tax on a median home is expected to increase by 1.15% or \$7.41.

On December 14, 2021, the Dakota County Board of Commissioners approved the 2022 budget for \$441.7 million, an increase of \$15.9 million or 3.7% from the 2021 budget. Under the Adopted Budget, the total operating budget totals \$289.5 million, a decrease of \$4.0 million or 1.4% less than the previous year. Additionally, the Adopted Budget includes \$152.2 million for the 2022 Capital Improvement Program (CIP), an increase of \$19.9 million, or 19.9% more than the 2021 CIP.

The 2022 total property tax levy is \$144.6 million, which is a zero increase over the 2021 levy. Additionally, as a means of helping manage the risk of potential state aid reductions, the adopted budget assigns a portion of general purpose aid to the County's capital budgets.

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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, 2021**

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Community Development Agency	Vermillion River Watershed
Assets					
Cash and pooled investments	\$ 402,267,912	\$ 1,838,636	\$ 404,106,548	\$ 112,917,745	\$ 1,151,334
Petty cash and change funds	19,876	-	19,876	-	-
Investments	-	-	-	36,039,083	-
Taxes receivable					
Current	-	-	-	5,107,164	58,491
Prior	726,706	-	726,706	-	1,858
Special assessments receivable	-	-	-	218,748	-
Accounts receivable	2,146,314	-	2,146,314	896,460	-
Note receivable	-	-	-	62,409,479	-
Accrued interest receivable	523,113	-	523,113	2,770,493	-
Internal balances	9,071,032	(9,071,032)	-	-	-
Due from other governments	57,799,119	-	57,799,119	8,190,168	201,053
Inventories	2,311,673	-	2,311,673	-	-
Prepaid items	196,917	-	196,917	825,879	-
Restricted assets					
Cash and pooled investments	-	-	-	22,360,813	-
Investment in joint venture	-	-	-	7,192,399	-
Lease receivable	475,873	-	475,873	-	-
Net pension asset	567,769	-	567,769	-	-
Capital assets					
Non-depreciable	339,788,364	15,367,174	355,155,538	38,858,658	-
Depreciable - net of accumulated depreciation	626,927,470	9,739,696	636,667,166	148,446,521	-
Total Assets	\$ 1,442,822,138	\$ 17,874,474	\$ 1,460,696,612	\$ 446,233,610	\$ 1,412,736
Deferred Outflows of Resources					
Deferred OPEB outflows	\$ 1,553,000	\$ -	\$ 1,553,000	\$ -	\$ -
Deferred pension outflows	68,379,255	-	68,379,255	-	-
Deferred charge on refundings	-	-	-	3,116	-
Total deferred outflows of resources	\$ 69,932,255	\$ -	\$ 69,932,255	\$ 3,116	\$ -
Liabilities					
Accounts payable	\$ 26,049,398	\$ 1,168,655	\$ 27,218,053	\$ 5,487,654	\$ 164,861
Salaries payable	7,782,212	-	7,782,212	304,299	-
Contracts payable	2,946,546	421,647	3,368,193	-	-
Due to other governments	2,984,741	-	2,984,741	685,369	-
Accrued interest payable	-	-	-	2,816,054	-
Unearned revenue	47,648,620	-	47,648,620	297,677	-
Compensated absences					
Due within one year	1,128,067	-	1,128,067	614,042	-
Due in more than one year	22,025,949	-	22,025,949	609,842	-
Claims and judgments payable					
Due within one year	2,695,839	-	2,695,839	-	-
Due in more than one year	1,895,457	-	1,895,457	-	-
General obligation bonds payable					
Due within one year	-	-	-	3,525,000	-
Due in more than one year	-	-	-	79,125,814	-
Total OPEB liability					
Due in more than one year	12,541,677	-	12,541,677	-	-

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

**DAKOTA COUNTY
MINNESOTA**

**STATEMENT OF NET POSITION
DECEMBER 31, 2021**

	<u>Primary Government</u>			<u>Component Units</u>	
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>	<u>Community Development Agency</u>	<u>Vermillion River Watershed</u>
<u>Liabilities (Cont.)</u>					
Net pension liability					
Due in more than one year	\$ 79,437,916	\$ -	\$ 79,437,916	\$ -	\$ -
Notes payable					
Due within one year	-	-	-	46,520	-
Due in more than one year	-	-	-	13,133,871	-
Total Liabilities	\$ 207,136,422	\$ 1,590,302	\$ 208,726,724	\$ 106,646,142	\$ 164,861
<u>Deferred Inflows of Resources</u>					
Deferred pension inflows	\$ 85,940,672	\$ -	\$ 85,940,672	\$ -	\$ -
Deferred OPEB inflows	171,939	-	171,939	-	-
Leases	475,873	-	475,873	-	-
Deferred property taxes inflow	-	-	-	11,030,239	-
Total deferred inflows of resources	\$ 86,588,484	\$ -	\$ 86,588,484	\$ 11,030,239	\$ -
<u>Net Position</u>					
Net investment in capital assets	\$ 963,769,288	\$ 24,685,223	\$ 988,454,511	\$ 99,326,312	\$ -
Restricted for					
Capital projects	-	-	-	17,224,227	-
General government	726,209	-	726,209	-	-
Public safety	846,765	-	846,765	-	-
Highways and streets	82,782,519	-	82,782,519	-	-
Sanitation	2,049,124	-	2,049,124	-	-
Conservation of natural resources	164,345	-	164,345	-	-
Debt service	-	-	-	45,633,287	-
Equipment replacement	1,894,538	138,129	2,032,667	-	-
Federal grants	-	-	-	2,186,344	-
Tax increment	-	-	-	8,857,741	-
HOPE program	-	-	-	5,170,038	-
Unrestricted	166,796,699	(8,539,180)	158,257,519	150,162,396	1,247,875
Total Net Position	\$ 1,219,029,487	\$ 16,284,172	\$ 1,235,313,659	\$ 328,560,345	\$ 1,247,875

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

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**DAKOTA COUNTY
MINNESOTA**

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Program Revenues				Net (Expense) Revenue and Changes in Net Position			Component Units	
	Expenses	Fees, Charges for Services, Fines, and Other	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Community Development Agency	Vermillion River Watershed
					Governmental Activities	Business-Type Activities	Total		
Functions/Programs									
Primary government									
Governmental activities									
General government	\$ 103,124,299	\$ 8,931,071	\$ 3,466,776	\$ -	\$ (90,726,452)	\$ -	\$ (90,726,452)		
Public safety	40,334,880	2,215,119	8,697,834	-	(29,421,927)	-	(29,421,927)		
Highways and streets	53,160,503	894,736	36,902,854	20,159,601	4,796,688	-	4,796,688		
Sanitation	6,659,081	11,033,419	1,666,425	-	6,040,763	-	6,040,763		
Human services	110,567,209	3,107,236	67,402,559	-	(40,057,414)	-	(40,057,414)		
Health	11,481,958	1,828,905	7,130,086	-	(2,522,967)	-	(2,522,967)		
Culture and recreation	29,918,672	1,596,076	3,611,661	364,326	(24,346,609)	-	(24,346,609)		
Conservation of natural resources	5,348,771	530,044	1,288,370	-	(3,530,357)	-	(3,530,357)		
Economic development	8,348,294	-	6,745,249	-	(1,603,045)	-	(1,603,045)		
Total governmental activities	\$ 368,943,667	\$ 30,136,606	\$ 136,911,814	\$ 20,523,927	\$ (181,371,320)	\$ -	\$ (181,371,320)		
Business-type activities									
Geographic Information System	\$ 3,406	\$ 4,000	\$ -	\$ -	\$ -	\$ 594	\$ 594		
Byllesby Dam	1,346,924	85,597	-	-	-	(1,261,327)	(1,261,327)		
Total business-type activities	\$ 1,350,330	\$ 89,597	\$ -	\$ -	\$ -	\$ (1,260,733)	\$ (1,260,733)		
Total primary government	\$ 370,293,997	\$ 30,226,203	\$ 136,911,814	\$ 20,523,927	\$ (181,371,320)	\$ (1,260,733)	\$ (182,632,053)		
Component units									
Community Development Agency	\$ 59,587,281	\$ 31,369,199	\$ 33,099,844	\$ -			\$ 4,881,762	\$ -	
Vermillion River Watershed	1,557,495	23,521	653,027	-			-	(880,947)	
Total component units	\$ 61,144,776	\$ 31,392,720	\$ 33,752,871	\$ -			\$ 4,881,762	\$ (880,947)	

DAKOTA COUNTY
MINNESOTA

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021

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				\$ 145,115,328	\$ -	\$ 145,115,328	\$ 11,065,743	\$ 970,789
Gravel taxes				813,440	-	813,440	-	-
Mortgage registry and deed tax				1,170,517	-	1,170,517	-	-
Wheelage tax				4,100,773	-	4,100,773	-	-
Transit tax				21,086,607	-	21,086,607	-	-
Grants and contributions not restricted to specific programs				20,488,774	-	20,488,774	-	-
Investment earnings				(2,375,772)	-	(2,375,772)	183,092	13,473
Miscellaneous				1,175,182	-	1,175,182	-	-
Gain on sale of capital assets				235,494	-	235,494	-	-
Total general revenues				<u>\$ 191,810,343</u>	<u>\$ -</u>	<u>\$ 191,810,343</u>	<u>\$ 11,248,835</u>	<u>\$ 984,262</u>
Change in net position				<u>\$ 10,439,023</u>	<u>\$ (1,260,733)</u>	<u>\$ 9,178,290</u>	<u>\$ 16,130,597</u>	<u>\$ 103,315</u>
Net Position - Beginning				<u>1,208,590,464</u>	<u>17,544,905</u>	<u>1,226,135,369</u>	<u>312,429,748</u>	<u>1,144,560</u>
Net Position - Ending				<u><u>\$ 1,219,029,487</u></u>	<u><u>\$ 16,284,172</u></u>	<u><u>\$ 1,235,313,659</u></u>	<u><u>\$ 328,560,345</u></u>	<u><u>\$ 1,247,875</u></u>

**DAKOTA COUNTY
MINNESOTA**

**BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2021**

	<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>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>Assets</u>								
Cash and pooled investments	\$ 113,327,993	\$ 57,702,158	\$ 59,464,841	\$ 66,340,710	\$ 41,658,689	\$ -	\$ 12,482,958	\$ 350,977,349
Petty cash and change funds	14,990	-	-	-	-	-	4,886	19,876
Taxes receivable								
Prior	608,615	20,357	-	-	-	18,533	79,201	726,706
Accounts receivable	560,557	174,066	1,195,430	-	-	-	216,261	2,146,314
Accrued interest receivable	523,113	-	-	-	-	-	-	523,113
Due from other funds	20,145,485	1,158,751	6	-	-	4,654,485	8,425,516	34,384,243
Due from other governments	14,000,218	38,710,071	42,967	3,944,366	-	214,687	766,338	57,678,647
Prepaid items	196,917	-	-	-	-	-	-	196,917
Inventories	704,531	1,607,142	-	-	-	-	-	2,311,673
Lease receivable	475,873	-	-	-	-	-	-	475,873
Total Assets	\$ 150,558,292	\$ 99,372,545	\$ 60,703,244	\$ 70,285,076	\$ 41,658,689	\$ 4,887,705	\$ 21,975,160	\$ 449,440,711
<u>Liabilities, Deferred Inflows of Resources and Fund Balances</u>								
Liabilities								
Accounts payable	\$ 13,768,661	\$ 6,502,207	\$ 652,703	\$ 1,159,694	\$ -	\$ 1,036,034	\$ 1,379,518	\$ 24,498,817
Salaries payable	6,890,239	331,881	137,719	-	-	-	422,373	7,782,212
Claims and judgments payable - current	135,126	-	-	-	-	-	-	135,126
Contracts payable	17,824	760,565	1,951	1,495,595	-	93,770	576,841	2,946,546
Due to other funds	10,358,827	852,875	4,511,885	1,679,062	-	8,171,930	581,568	26,156,147
Due to other governments	2,979,004	65	1,759	-	-	-	3,913	2,984,741
Unearned revenue - other	4,543,346	994,704	321,094	-	41,658,689	-	130,787	47,648,620
Total Liabilities	\$ 38,693,027	\$ 9,442,297	\$ 5,627,111	\$ 4,334,351	\$ 41,658,689	\$ 9,301,734	\$ 3,095,000	\$ 112,152,209
Deferred Inflows of Resources								
Unavailable revenue	\$ 1,096,641	\$ 10,128,057	\$ 622	\$ -	\$ -	\$ 20,928	\$ 99,021	\$ 11,345,269
Leases	475,873	-	-	-	-	-	-	475,873
Revenues deferred for highway allotments	-	16,831,794	-	-	-	-	-	16,831,794
Total Deferred Inflows of Resources	\$ 1,572,514	\$ 26,959,851	\$ 622	\$ -	\$ -	\$ 20,928	\$ 99,021	\$ 28,652,936

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

**BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2021**

	<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>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>Liabilities, Deferred Inflows of Resources and Fund Balances (Continued)</u>								
Fund Balances								
Non-spendable:								
Inventories	\$ 704,531	\$ 1,607,142	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,311,673
Prepays	196,917	-	-	-	-	-	-	196,917
Missing heirs	108,487	-	-	-	-	-	-	108,487
Restricted for:								
Law library	-	-	-	-	-	-	262,167	262,167
Recorder's equipment purchases	1,894,538	-	-	-	-	-	-	1,894,538
Victim Witness	108,519	-	-	-	-	-	-	108,519
Boat and water	421,405	-	-	-	-	-	-	421,405
Attorney-Diversion	133,292	-	-	-	-	-	-	133,292
Sheriff-Alcohol compliance	2,511	-	-	-	-	-	-	2,511
Criminal forfeitures	40,294	-	-	-	-	-	132,903	173,197
Permit to carry	422,849	-	-	-	-	-	-	422,849
Gravel pit restoration	-	-	2,049,124	-	-	-	-	2,049,124
Aquatic invasive species	-	-	164,345	-	-	-	-	164,345
Transportation and transit	-	-	-	65,950,725	-	-	-	65,950,725
Child support fees	49,034	-	-	-	-	-	-	49,034
Committed to:								
Protection, preservation or enhancement of environment	-	-	52,862,042	-	-	-	-	52,862,042
Assigned to:								
Public safety	20,842	-	-	-	-	-	-	20,842
Highways and streets	-	61,363,255	-	-	-	-	-	61,363,255
Culture and recreation	-	-	-	-	-	-	8,990,256	8,990,256
Economic development	-	-	-	-	-	-	9,395,813	9,395,813
Liability and loss reserve	2,693,002	-	-	-	-	-	-	2,693,002
CJIN RMS	548,577	-	-	-	-	-	-	548,577
CJIN Enterprise	725,759	-	-	-	-	-	-	725,759
Unassigned	102,222,194	-	-	-	-	(4,434,957)	-	97,787,237
Total Fund Balances	\$ 110,292,751	\$ 62,970,397	\$ 55,075,511	\$ 65,950,725	\$ -	\$ (4,434,957)	\$ 18,781,139	\$ 308,635,566
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 150,558,292	\$ 99,372,545	\$ 60,703,244	\$ 70,285,076	\$ 41,658,689	\$ 4,887,705	\$ 21,975,160	\$ 449,440,711

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, 2021**

Fund balances - total governmental funds		\$	308,635,566
Amounts reported for governmental activities in the statement of net position are different because:			
Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds			966,715,834
Other long-term assets are not available to pay for current period expenditures and, therefore, are unavailable in the governmental funds			
Deferred inflows of resources - unavailable revenue	\$ 28,177,063		
Net pension asset	<u>567,769</u>		28,744,832
Deferred outflows of resources resulting from pension obligations are not available resources and, therefore, are not reported in governmental funds			68,379,255
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.			13,775,758
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	\$ (1,843,170)		
Net pension liability	<u>(79,437,916)</u>		(81,281,086)
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>(85,940,672)</u>
Net position of governmental activities		\$	<u>1,219,029,487</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, 2021**

	<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>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues								
Taxes	\$ 124,681,678	\$ 8,558,205	\$ 173,518	\$ 21,086,607	\$ -	\$ 3,337,574	\$ 14,695,837	\$ 172,533,419
Licenses and permits	1,067,273	293,507	1,049,987	-	-	-	139,349	2,550,116
Intergovernmental	113,045,730	72,559,564	2,487,059	-	7,461	268,310	5,270,806	193,638,930
Charges for services	12,618,563	217,546	9,795,467	-	-	-	1,529,399	24,160,975
Fines and forfeits	8,066	-	-	-	-	-	92,189	100,255
Gifts and contributions	9,000	-	-	-	-	-	108,198	117,198
Investment earnings	(1,877,966)	-	-	-	-	-	125,091	(1,752,875)
Miscellaneous	3,784,726	406,311	643,504	-	-	215,475	159,475	5,209,491
Total Revenues	\$ 253,337,070	\$ 82,035,133	\$ 14,149,535	\$ 21,086,607	\$ 7,461	\$ 3,821,359	\$ 22,120,344	\$ 396,557,509
Expenditures								
Current								
General government	\$ 93,402,310	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 423,290	\$ 93,825,600
Public safety	48,536,508	-	-	-	7,461	-	-	48,543,969
Highways and streets	440,150	72,131,458	-	23,000,807	-	-	-	95,572,415
Sanitation	-	-	6,898,702	-	-	-	-	6,898,702
Human services	114,442,511	-	-	-	-	-	-	114,442,511
Health	12,163,647	-	-	-	-	-	-	12,163,647
Culture and recreation	457,547	-	-	-	-	-	31,342,667	31,800,214
Conservation of natural resources	2,643,033	-	2,711,417	-	-	-	-	5,354,450
Economic development	6,986,637	-	-	-	-	-	1,724,900	8,711,537
Capital outlay	-	-	-	-	-	11,660,400	-	11,660,400
Total Expenditures	\$ 279,072,343	\$ 72,131,458	\$ 9,610,119	\$ 23,000,807	\$ 7,461	\$ 11,660,400	\$ 33,490,857	\$ 428,973,445
Excess of Revenues Over (Under) Expenditures	\$ (25,735,273)	\$ 9,903,675	\$ 4,539,416	\$ (1,914,200)	\$ -	\$ (7,839,041)	\$ (11,370,513)	\$ (32,415,936)

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, 2021**

	<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>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Other Financing Sources (Uses)								
Transfers in	\$ 1,471,643	\$ -	\$ -	\$ -	\$ -	\$ 4,358,445	\$ 9,055,930	\$ 14,886,018
Transfers out	(8,245,569)	-	(4,402,561)	(657,042)	-	(954,361)	-	(14,259,533)
Proceeds from sale of assets	247,244	-	-	-	-	-	-	247,244
Total Other Financing Sources (Uses)	\$ (6,526,682)	\$ -	\$ (4,402,561)	\$ (657,042)	\$ -	\$ 3,404,084	\$ 9,055,930	\$ 873,729
Net Change in Fund Balance	\$ (32,261,955)	\$ 9,903,675	\$ 136,855	\$ (2,571,242)	\$ -	\$ (4,434,957)	\$ (2,314,583)	\$ (31,542,207)
Fund Balance - January 1	142,658,690	52,726,803	54,938,656	68,521,967	-	-	21,095,722	339,941,838
Increase (decrease) in inventories	(103,984)	339,919	-	-	-	-	-	235,935
Fund Balance - December 31	\$ 110,292,751	\$ 62,970,397	\$ 55,075,511	\$ 65,950,725	\$ -	\$ (4,434,957)	\$ 18,781,139	\$ 308,635,566

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, 2021**

Net change in fund balances - total governmental funds **\$ (31,542,207)**

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

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

Expenditures for general capital assets, infrastructure, and other related capital assets	\$ 71,530,301	
Current year depreciation	<u>(27,235,012)</u>	44,295,289

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. (174,239)

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	\$ 28,177,063	
Unavailable revenue - January 1	<u>(44,752,065)</u>	(16,575,002)

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. 1,074,590

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

Change in claims and judgments payable	\$ 1,491,669	
Change in net pension liability/asset	32,264,076	
Change in deferred outflows of resources	52,366,909	
Change in deferred inflows of resources	(72,997,997)	
Change in inventories	<u>235,935</u>	<u>13,360,592</u>

Change in net position of governmental activities **\$ 10,439,023**

**DAKOTA COUNTY
MINNESOTA**

**BUDGETARY COMPARISON STATEMENT
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 124,611,672	\$ 124,651,011	\$ 124,681,678	\$ 30,667
Licenses and permits	929,250	929,250	1,067,273	138,023
Intergovernmental	83,712,490	115,826,495	113,045,730	(2,780,765)
Charges for services	21,316,979	21,418,136	12,618,563	(8,799,573)
Fines and forfeits	20,000	20,000	8,066	(11,934)
Gifts and contributions	2,500	3,156	9,000	5,844
Investment earnings	8,266,969	8,266,969	(1,877,966)	(10,144,935)
Miscellaneous	3,570,963	3,650,816	3,784,726	133,910
Total Revenues	\$ 242,430,823	\$ 274,765,833	\$ 253,337,070	\$ (21,428,763)
Expenditures				
Current				
General government				
Commissioners	\$ 867,962	\$ 905,901	\$ 861,794	\$ 44,107
Courts services	457,413	457,413	793,429	(336,016)
County administration	1,806,337	2,095,788	1,527,172	568,616
OMB division administration	8,065,801	8,932,035	5,738,250	3,193,785
Public service and revenue admin	648,391	974,509	780,938	193,571
Service and license centers	2,457,607	2,824,254	2,734,193	90,061
Property taxation and records	3,915,953	4,635,238	4,278,028	357,210
County assessor	4,552,590	4,622,514	4,484,701	137,813
Elections	681,361	979,134	1,172,644	(193,510)
Accounting and auditing	3,054,410	3,370,995	3,305,447	65,548
Information technology	14,446,370	17,522,984	15,027,650	2,495,334
Operations management services	16,015,076	16,273,540	15,021,544	1,251,996
Employee relations	3,016,230	3,271,512	2,996,864	274,648
Attorney	8,293,214	9,043,612	8,208,855	834,757
Risk management	3,720,534	5,024,438	3,737,171	1,287,267
Physical development administration	2,902,380	3,166,759	2,848,123	318,636
Communications	952,472	980,498	901,737	78,761
County-wide operations	17,218,780	21,074,736	18,164,790	2,909,946
Veterans service officer	785,242	843,780	818,980	24,800
Total general government	\$ 93,858,123	\$ 106,999,640	\$ 93,402,310	\$ 13,597,330
Public safety				
Sheriff	\$ 24,875,545	\$ 27,360,015	\$ 26,069,900	\$ 1,290,115
Medical Examiner	1,404,437	1,404,437	1,469,828	(65,391)
Community corrections	21,651,576	22,582,442	20,996,780	1,585,662
Total public safety	\$ 47,931,558	\$ 51,346,894	\$ 48,536,508	\$ 2,810,386

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, 2021**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Expenditures				
Current (Continued)				
Highway and streets				
Other-highway and streets	\$ 538,680	\$ 1,046,099	\$ 440,150	\$ 605,949
Human services				
Administration	\$ 2,244,550	\$ 2,584,581	\$ 2,127,468	\$ 457,113
Income maintenance	30,555,237	31,168,986	29,726,679	1,442,307
Social services	66,200,392	89,304,458	82,588,364	6,716,094
Total human services	\$ 99,000,179	\$ 123,058,025	\$ 114,442,511	\$ 8,615,514
Health				
Public health	\$ 11,897,176	\$ 15,124,274	\$ 12,163,647	\$ 2,960,627
Culture and recreation				
Historical society	\$ 107,185	\$ 132,185	\$ 132,185	\$ -
County fair	191,117	191,117	191,117	-
Parks	300,000	300,000	134,245	165,755
Total culture and recreation	\$ 598,302	\$ 623,302	\$ 457,547	\$ 165,755
Conservation of natural resources				
Soil and water conservation	\$ 331,302	\$ 331,302	\$ 331,302	\$ -
Farmland and natural area program	4,410,000	13,044,284	1,960,157	11,084,127
County extension	370,441	381,583	347,772	33,811
Other conservaton	-	-	3,802	(3,802)
Total conservation of natural resources	\$ 5,111,743	\$ 13,757,169	\$ 2,643,033	\$ 11,114,136
Economic development				
Administration	\$ -	\$ -	\$ 3,583,441	\$ (3,583,441)
Community development	4,000,117	4,747,870	3,403,196	1,344,674
Total economic development	\$ 4,000,117	\$ 4,747,870	\$ 6,986,637	\$ (2,238,767)
Total Expenditures	\$ 262,935,878	\$ 316,703,273	\$ 279,072,343	\$ 37,630,930

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, 2021**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Excess of Revenues Over (Under) Expenditures	\$ (20,505,055)	\$ (41,937,440)	\$ (25,735,273)	\$ 16,202,167
Other Financing Sources (Uses)				
Transfers in	\$ -	\$ 845,159	\$ 1,471,643	\$ 626,484
Transfers out	(4,358,445)	(6,859,646)	(8,245,569)	(1,385,923)
Proceeds from sale of assets	402,000	402,000	247,244	(154,756)
Total Other Financing Sources (Uses)	\$ (3,956,445)	\$ (5,612,487)	\$ (6,526,682)	\$ (914,195)
Net Change in Fund Balance	\$ (24,461,500)	\$ (47,549,927)	\$ (32,261,955)	\$ 15,287,972
Fund Balance - January 1	142,658,690	142,658,690	142,658,690	-
Increase (decrease) in inventories	-	-	(103,984)	(103,984)
Fund Balance - December 31	\$ 118,197,190	\$ 95,108,763	\$ 110,292,751	\$ 15,183,988

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, 2021**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 6,922,335	\$ 6,922,336	\$ 8,558,205	\$ 1,635,869
Licenses and permits	226,534	226,534	293,507	66,973
Intergovernmental	57,170,526	184,984,297	72,559,564	(112,424,733)
Charges for services	273,771	326,821	217,546	(109,275)
Miscellaneous	224,410	224,410	406,311	181,901
Total Revenues	\$ 64,817,576	\$ 192,684,398	\$ 82,035,133	\$ (110,649,265)
Expenditures				
Current				
Highway and streets				
Administration	\$ 2,148,838	\$ 2,618,901	\$ 2,870,188	\$ (251,287)
Maintenance	6,080,348	6,080,348	5,807,885	272,463
Construction	77,663,352	151,706,298	63,453,385	88,252,913
Total Expenditures	\$ 85,892,538	\$ 160,405,547	\$ 72,131,458	\$ 88,274,089
Excess of Revenues Over (Under)				
Expenditures	\$ (21,074,962)	\$ 32,278,851	\$ 9,903,675	\$ (22,375,176)
Net Change in Fund Balance	\$ (21,074,962)	\$ 32,304,851	\$ 9,903,675	\$ (22,401,176)
Fund Balance - January 1	52,726,803	52,726,803	52,726,803	-
Increase (decrease) in inventories	-	-	339,919	339,919
Fund Balance - December 31	\$ 31,651,841	\$ 85,031,654	\$ 62,970,397	\$ (22,061,257)

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, 2021**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 160,000	\$ 160,000	\$ 173,518	\$ 13,518
Licenses and permits	1,043,292	1,043,292	1,049,987	6,695
Intergovernmental	2,397,948	2,533,367	2,487,059	(46,308)
Charges for services	7,525,676	7,525,676	9,795,467	2,269,791
Miscellaneous	625,265	625,265	643,504	18,239
Total Revenues	\$ 11,752,181	\$ 11,887,600	\$ 14,149,535	\$ 2,261,935
Expenditures				
Current				
Sanitation				
Solid waste	\$ 7,111,096	\$ 9,993,150	\$ 6,898,702	\$ 3,094,448
Total Sanitation	\$ 7,111,096	\$ 9,993,150	\$ 6,898,702	\$ 3,094,448
Conservation of natural resources				
Water resources	\$ 3,093,773	\$ 3,854,806	\$ 2,711,417	\$ 1,143,389
Total conservation of natural resources	\$ 3,093,773	\$ 3,854,806	\$ 2,711,417	\$ 1,143,389
Total Expenditures	\$ 10,204,869	\$ 13,847,956	\$ 9,610,119	\$ 4,237,837
Excess of Revenues Over (Under) Expenditures	\$ 1,547,312	\$ (1,960,356)	\$ 4,539,416	\$ 6,499,772
Other Financing Sources (Uses)				
Transfers out	\$ (12,719,429)	\$ (16,002,911)	\$ (4,402,561)	\$ 11,600,350
Total Other Financing Sources (Uses)	\$ (12,719,429)	\$ (16,002,911)	\$ (4,402,561)	\$ 11,600,350
Change in Fund Balance	\$ (11,172,117)	\$ (17,963,267)	\$ 136,855	\$ 18,100,122
Fund Balance - January 1	54,938,656	54,938,656	54,938,656	-
Fund Balance - December 31	\$ 43,766,539	\$ 36,975,389	\$ 55,075,511	\$ 18,100,122

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, 2021**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 15,042,112	\$ 15,042,112	\$ 21,086,607	\$ 6,044,495
Intergovernmental	5,447,000	26,907,788	-	(26,907,788)
Total Revenues	\$ 20,489,112	\$ 41,949,900	\$ 21,086,607	\$ (20,863,293)
Expenditures				
Current				
Highway and streets				
Administration	\$ 20,489,112	\$ 47,262,346	\$ 23,000,807	\$ 24,261,539
Total Expenditures	\$ 20,489,112	\$ 47,262,346	\$ 23,000,807	\$ 24,261,539
Excess of Revenues Over (Under) Expenditures	\$ -	\$ (5,312,446)	\$ (1,914,200)	\$ 3,398,246
Other Financing Sources (Uses)				
Transfers out	\$ -	\$ (657,043)	\$ (657,042)	\$ 1
Total Other Financing Sources (Uses)	\$ -	\$ (657,043)	\$ (657,042)	\$ 1
Net Change in Fund Balance	\$ -	\$ (5,969,489)	\$ (2,571,242)	\$ 3,398,247
Fund Balance - January 1	68,521,967	68,521,967	68,521,967	-
Fund Balance - December 31	\$ 68,521,967	\$ 62,552,478	\$ 65,950,725	\$ 3,398,247

**DAKOTA COUNTY
MINNESOTA**

**BUDGETARY COMPARISON STATEMENT
BUDGET AND ACTUAL
FEDERAL REVENUE (ARPA) SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$ -	\$ 41,493,881	\$ 7,461	\$ (41,486,420)
Total Revenues	<u>\$ -</u>	<u>\$ 41,493,881</u>	<u>\$ 7,461</u>	<u>\$ (41,486,420)</u>
Expenditures				
Current				
General Government				
County Attorney	\$ -	\$ 57,777	\$ 7,461	\$ 50,316
Total Expenditures	<u>\$ -</u>	<u>\$ 57,777</u>	<u>\$ 7,461</u>	<u>\$ 50,316</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ 41,436,104</u>	<u>\$ -</u>	<u>\$ (41,436,104)</u>
Other Financing Sources (Uses)				
Transfers out	\$ -	\$ -	\$ -	\$ -
Total Other Financing Sources (Uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net Change in Fund Balance	\$ -	\$ 41,436,104	\$ -	\$ (41,436,104)
Fund Balance - January 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - December 31	<u><u>\$ -</u></u>	<u><u>\$ 41,436,104</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (41,436,104)</u></u>

DAKOTA COUNTY
MINNESOTA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2021

	Enterprise Funds			Governmental Activities - Employee Services Reserve Internal Service Fund
	Byllesby Dam Enterprise Fund	Nonmajor Enterprise Funds	Total Enterprise Funds	
<u>Assets</u>				
Current assets:				
Cash and pooled investments	\$ 1,700,507	\$ 138,129	\$ 1,838,636	\$ 51,290,563
Due from other funds	-	-	-	2,233,579
Due from other governments	-	-	-	120,472
Total current assets	\$ 1,700,507	\$ 138,129	\$ 1,838,636	\$ 53,644,614
Noncurrent assets				
Capital assets:				
Nondepreciable:				
Construction in progress	\$ 15,367,174	-	\$ 15,367,174	-
Depreciable (net)	9,739,696	-	9,739,696	-
Total noncurrent assets	\$ 25,106,870	\$ -	\$ 25,106,870	\$ -
Total Assets	\$ 26,807,377	\$ 138,129	\$ 26,945,506	\$ 53,644,614
<u>Deferred Outflows of Resources</u>				
Deferred outflows - OPEB	\$ -	\$ -	\$ -	\$ 1,553,000
Total deferred outflows of resources	\$ -	\$ -	\$ -	\$ 1,553,000
<u>Liabilities</u>				
Current liabilities:				
Accounts payable	\$ 1,168,655	-	\$ 1,168,655	\$ 1,550,581
Claims and judgements payable - current	-	-	-	2,613,000
Compensated absences payable - current	-	-	-	1,128,067
Contracts payable	421,647	-	421,647	-
Due to other funds	9,071,032	-	9,071,032	1,390,643
Total current liabilities	\$ 10,661,334	\$ -	\$ 10,661,334	\$ 6,682,291
Noncurrent liabilities:				
Compensated absences payable - long-term	\$ -	-	-	\$ 22,025,949
Total OPEB liability	-	-	-	12,541,677
Total noncurrent liabilities	\$ -	\$ -	\$ -	\$ 34,567,626
Total Liabilities	\$ 10,661,334	\$ -	\$ 10,661,334	\$ 41,249,917
<u>Deferred Inflows of Resources</u>				
Deferred inflows - OPEB	\$ -	\$ -	\$ -	\$ 171,939
Net Position				
Investment in capital assets	\$ 24,685,223	-	\$ 24,685,223	-
Restricted for				
Equipment replacement	-	138,129	138,129	-
Unrestricted	(8,539,180)	-	(8,539,180)	13,775,758
Total Net Position	\$ 16,146,043	\$ 138,129	\$ 16,284,172	\$ 13,775,758

**DAKOTA COUNTY
MINNESOTA**

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021**

	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	\$ 85,597	\$ 4,000	\$ 89,597	\$ 32,864,904
Total Operating Revenues	\$ 85,597	\$ 4,000	\$ 89,597	\$ 32,864,904
Operating Expenses				
Personal services	\$ -	\$ -	\$ -	\$ 141,605
Professional services	-	-	-	191,662
Medical claims	-	-	-	28,322,691
Repairs and maintenance	1,192,869	-	1,192,869	-
Administration and fiscal services	-	-	-	1,793,993
OPEB expense	-	-	-	711,000
Depreciation	154,055	-	154,055	-
Other services and charges	-	3,406	3,406	11,002
Total Operating Expenses	\$ 1,346,924	\$ 3,406	\$ 1,350,330	\$ 31,171,953
Operating income (loss)	\$ (1,261,327)	\$ 594	\$ (1,260,733)	\$ 1,692,951
Nonoperating revenues (expenses)				
Investment earnings	\$ -	-	\$ -	\$ 8,124
Total Nonoperating revenues (expenses)	\$ -	\$ -	\$ -	\$ 8,124
Income before contributions and transfers	\$ (1,261,327)	\$ 594	\$ (1,260,733)	\$ 1,701,075
Transfers out	-	-	-	(626,485)
Change in Net Position	\$ (1,261,327)	\$ 594	\$ (1,260,733)	\$ 1,074,590
Net Position - January 1	17,407,370	137,535	17,544,905	12,701,168
Net Position - December 31	\$ 16,146,043	\$ 138,129	\$ 16,284,172	\$ 13,775,758

**DAKOTA COUNTY
MINNESOTA**

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021
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	\$ 85,597	\$ 4,000	\$ 89,597	\$ -
Receipts from internal services provided	-	-	-	36,159,905
Payments to suppliers	8,823	(3,406)	5,417	(29,590,615)
Payments to internal services used	-	-	-	(5,061)
Net cash provided by (used in) operating activities	<u>\$ 94,420</u>	<u>\$ 594</u>	<u>\$ 95,014</u>	<u>\$ 6,564,229</u>
Cash Flows from Noncapital Financing Activities				
Due to other funds	\$ 8,648,527	\$ -	\$ 8,648,527	\$ -
Transfers out	-	-	-	(626,485)
Net cash provided by (used in) noncapital financing activities	<u>\$ 8,648,527</u>	<u>\$ -</u>	<u>\$ 8,648,527</u>	<u>\$ (626,485)</u>
Cash Flows from Capital and Related Financing Activities				
Acquisition and construction of capital assets	\$ (8,722,986)	\$ -	\$ (8,722,986)	\$ -
Net cash provided by (used in) capital and related financing activities	<u>\$ (8,722,986)</u>	<u>\$ -</u>	<u>\$ (8,722,986)</u>	<u>\$ -</u>
Cash Flows from Investing Activities				
Investment earnings	\$ -	\$ -	\$ -	\$ 8,124
Net cash provided by (used in) investing activities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,124</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>\$ 19,961</u>	<u>\$ 594</u>	<u>\$ 20,555</u>	<u>\$ 5,945,868</u>
Cash and Cash Equivalents at January 1	<u>1,680,546</u>	<u>-</u>	<u>1,680,546</u>	<u>45,344,695</u>
Cash and Cash Equivalents at December 31	<u><u>\$ 1,700,507</u></u>	<u><u>\$ 594</u></u>	<u><u>\$ 1,701,101</u></u>	<u><u>\$ 51,290,563</u></u>
Reconciliation of Operating Income to Net Cash Provided by (Used in) Operating Activities				
Operating income (loss)	\$ (1,261,327)	\$ -	\$ (1,261,327)	\$ 1,692,951
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	-	-	-	54
(Increase) decrease in due from other governments	-	-	-	(120,418)
(Increase) decrease in due from other funds	-	-	-	3,071,365
Increase (decrease) in accounts payable	785,207	-	785,207	268,733
Increase (decrease) in claims and judgements payable	416,485	-	416,485	804,000
Increase (decrease) in compensated absences payable	-	-	-	(622,554)
Increase (decrease) in due to other funds	-	-	-	759,098
Increase (decrease) in OPEB liability	-	-	-	711,000
Total adjustments	<u>\$ 1,355,747</u>	<u>\$ -</u>	<u>\$ 1,355,747</u>	<u>\$ 4,871,278</u>
Net Cash Provided by (Used in) Operating Activities	<u><u>\$ 94,420</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 94,420</u></u>	<u><u>\$ 6,564,229</u></u>

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, 2021**

	Private-Purpose Trusts	Custodial Funds
<u>Assets</u>		
Cash and pooled investments	\$ 821,197	\$ 43,654,860
Accounts receivable	-	56,217
Due from other governments	140,049	975,997
Taxes receivable for other governments	-	1,524,678
Total Assets	\$ 961,246	\$ 46,211,752
<u>Liabilities</u>		
Accounts payable	\$ 4,937	\$ 725,290
Due to other governments	138,518	37,419,423
Total Liabilities	\$ 143,455	\$ 38,144,713
<u>Net Position</u>		
Net position held in trust for other purposes	\$ 808,167	\$ -
Restricted for Individuals, organizations, other governments	9,624	8,067,039
Total Net Position	\$ 817,791	\$ 8,067,039

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, 2021**

	Private-Purpose Trusts	Custodial Funds
<u>ADDITIONS:</u>		
Federal Grants	\$ -	\$ 1,664,802
State Grants	634,005	1,786,081
Other agencies	125,116	2,635,884
Contributions	-	
Individuals	-	1,767,926
Property tax collections for other government:	-	681,610,623
Other taxes and fees for other government:	-	2,110,649
License and fees collected for State	-	35,479,394
Miscellaneous	-	7,207,760
Transfers in	111,034	-
Investment earnings:		
Interest	367	5,821
Total additions	\$ 870,522	\$ 734,268,940
<u>DEDUCTIONS:</u>		
Judicial District expenses	\$ 621,003	\$ -
Emergency preparedness expenses	80,208	-
Beneficiary payments to individuals	117,873	4,202,293
Payments of property tax to other government:	-	681,800,769
Payments to state	-	35,629,303
Administrative expense	-	1,052,443
I-Net expenses	-	1,563,791
Payments to other entities	-	10,638,076
Total deductions	\$ 819,084	\$ 734,886,675
Change in net position	\$ 51,438	\$ (617,735)
Net position - January 1	766,353	8,684,774
Net position - December 31	\$ 817,791	\$ 8,067,039

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Changes in Accounting Principles

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

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

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

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

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

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

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construction of new housing affordable to low and moderate income households; promote economic development efforts and provide assistance to the County communities through community-development programs; and to provide low and moderate income family and senior households with decent, safe, and affordable rental housing opportunities.

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

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. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund, custodial fund, and private purpose trust fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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

The government reports the following major governmental funds:

The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the general government except those accounted for in another fund.

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.

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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 2021.

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

The government reports the following non-major governmental funds:

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

- County Library 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.

Additionally, the government reports the following fund types:

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

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

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

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

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

Custodial Funds are used to account for assets held by the County as an agent for individuals, private organizations, other governments, or other funds. Custodial funds are custodial in nature. 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, 2021. The GASB is responsible for establishing GAAP for state and local governments through its pronouncements (statements and interpretations). The more significant accounting policies established in GAAP and used by the County are discussed below.

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

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

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

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

1. Deposits and Investments

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

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

2. Receivables and Payables

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

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

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

3. Inventories and Prepaid Items

Inventory is valued at cost using the first-in/first-out (FIFO) method. Inventory in the General Fund and the Highway Special Revenue Fund consists of expendable supplies held for consumption. The inventory items within the General Fund includes fleet equipment. Changes in inventories for the County are recognized on the consumption method.

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

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4. *Restricted Assets*

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

5. *Capital Assets*

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

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

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 at June 30th.

7. Pension Plan

For purposes of measuring the net pension liability, deferred outflows/inflows of resources, and pension expense, information about the fiduciary net position of the Public Employees Retirement Association (PERA) and additions to/deductions from PERA's fiduciary net position have been determined on the same basis as they are reported by PERA. For this purpose, plan contributions are recognized as of employer payroll paid dates and benefit payments, and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

8. Net Position Flow Assumption

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

9. Compensated Absences

It is the government's policy to permit employees to accumulate earned but unused flex leave, vacation and sick pay benefits. Under the County's personnel policies and union contracts, County employees are granted flex leave or vacation and sick leave in varying amounts based on length of service. Certain County employees are also granted compensatory time. Unused accumulated flex leave, vacation leave, compensatory time, and sick leave, are paid to employees upon termination. Vacation and sick leave accruals vary from 12 to 20 days per year. Flextime accruals vary from 20 to 40 days per year. A liability for the compensated absences is reported in the internal service fund and the governmental activities

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

10. Long-Term Obligations

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

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

11. Classification of Net Position

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

Net investment in capital assets - the amount of net position representing capital assets net of accumulated depreciation and 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

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cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts.

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

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

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

13. Minimum Fund Balance Policy

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

E. Revenues

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

Imposed Nonexchange Transactions

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

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

Intergovernmental

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

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

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

Exchange Transactions

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

F. Use of Estimates

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

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

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

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

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

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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:

Fund	Amount
General	\$ 53,747,395
Highway	\$ 74,513,009
Environmental Legacy	\$ 3,643,087
DC Transportation Sales Tax	\$ 26,773,234
Federal Revenue	\$ 57,777
Capital Projects	\$ 25,590,416
County Library	\$ 713,518
County Parks	\$ 51,658,857
Regional Rail	\$ 5,531,057

B. Excess of Expenditures Over Appropriations

For the year ended December 31, 2021, expenditures exceeded appropriations in Court Services in the General Fund by \$336,016, Elections by \$193,510, Medical Examiner by \$65,391, Other Conservation in the General Fund by \$3,802, Economic Development-Administration in the General Fund by \$3,583,441, and Administration in Highway Special Revenue Fund by \$251,287. These excess expenditures were funded by available fund balance and current year savings.

III. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

1. Cash and Cash Equivalents

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

2. Deposits and Investments

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

Dakota County invests in an external investment pool, the Minnesota Association of Governments Investing for Counties (MAGIC) Fund, which is created under a joint powers agreement pursuant to Minn. Stat. § 471.59. Investments in the MAGIC portfolio pool are valued at amortized cost, per GASB 79, while investments

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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	\$ 402,267,912
Petty cash and change funds	19,876
Business-type activities	
Cash and pooled investments	1,838,636
Discrete Component Unit	
Vermillion River Watershed	
Cash and pooled investments	1,151,334
Statement of fiduciary net position	
Cash and pooled investments	
Private-purpose trust funds	821,197
Custodial funds	43,654,860
Total Cash and Investments	<u>\$ 449,753,815</u>
Deposits	\$ 81,532,950
Petty cash and change funds	19,876
Investments	368,200,989
Total Deposits, Cash on hand, and Investments	<u>\$ 449,753,815</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, 2021, 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 (1) or are guaranteed or insured issues of the United States, its agencies, its instrumentalities, or organizations created by an act of Congress, except mortgage-backed securities defined as "high risk" by Minn. Stat. § 118A.04, subd. 6;
- (2) mutual funds through shares of registered investment companies provided the mutual fund receives certain ratings depending on its investments;

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- (3) general obligations of the State of Minnesota and its municipalities, and in certain state agency and local obligations of Minnesota and other states provided such obligations have certain specified bond ratings by a national bond rating service;
- (4) bankers' acceptances of United States banks;
- (5) commercial paper issued by United States corporations or their Canadian subsidiaries that is rated in the highest quality category by two nationally recognized rating agencies and matures in 270 days or less; and
- (6) with certain restrictions, in repurchase agreements, securities lending agreements, joint powers investment trusts, and guaranteed investment contracts.

Interest Rate Risk - Interest rate risk is the risk that changes in the market interest rates will adversely affect the fair value of an investment. To limit exposure to interest rate risk, the County's investment policy is to structure the portfolio so that securities mature to meet cash requirements for ongoing operations and to invest operating funds primarily in shorter term securities, money market mutual funds, or similar investing pools and limits the average maturity of the portfolio. The investment maturities are as follows:

At December 31, 2021, the County had the following investments:

Type of Security	Credit Risk	Less Than 1 Year	1-5 Years	More Than 5 Years	Total
US Government:					
US Treasury Securities	Aaa	\$ 18,354,956	\$ 47,078,874	\$ 13,025,999	\$ 78,459,829
US Government Instrumentalities:					
Federal Farm Credit Bank	Aaa	2,027,287	3,027,505		\$ 5,054,792
Federal Home Loan Bank	Aaa	3,030,201	2,602,465		\$ 5,632,666
Federal Home Loan Mortgage Corp	Aaa	1,969,497	26,848,034	5,274,546	\$ 34,092,077
Federal Home Loan Mortgage Corp	N/R		3,260,479		\$ 3,260,479
Federal National Mortgage Assoc	Aaa	4,976,192	12,986,232	12,815,170	\$ 30,777,594
Federal National Mortgage Assoc	N/R	3,277,278	2,762,150		\$ 6,039,428
Government National Mortgage Assn	Aaa			132,499	\$ 132,499
Small Business Administration	Aaa		323,895	1,492,371	\$ 1,816,267
Tennessee Valley Authority	N/R		3,586,402		\$ 3,586,402
Certificates of Deposit	N/R	253,000			\$ 253,000
Municipal Bonds	Aaa	7,541,284	1,731,771	1,571,588	\$ 10,844,643
Municipal Bonds	Aa1	4,019,468	3,858,860	1,872,114	\$ 9,750,442
Municipal Bonds	Aa2	1,067,428	8,717,330	1,427,542	\$ 11,212,299
Municipal Bonds	Aa3	717,324	2,062,362	631,790	\$ 3,411,476
Municipal Bonds	N/R	275,250	4,567,077	1,574,378	\$ 6,416,705
MAGIC Investment Portfolio					
Investment Term Portfolio	N/R	70,500,000			\$ 70,500,000
Investment Portfolio	N/R	170,843			\$ 170,843
Invesco - Government & Analysis	N/R	34,363,006			\$ 34,363,006
Government Money Market Funds	N/R	41,697,801			\$ 41,697,801
Commercial Paper	P-1	8,584,563			\$ 8,584,563
Commercial Paper	N/R	2,144,178			\$ 2,144,178
Total		\$ 204,969,555	\$ 123,413,436	\$ 39,817,998	\$ 368,200,989

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

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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, 2021 is listed in the table above, which displays rating assignments per Moody's Investors Service.

Custodial Credit Risk-Investments - The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. As required by County policy, at December 31, 2021, all of Dakota County's investments are held by a third party custodian and were not exposed to custodial credit risk.

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

Issuer/Security	Amount Invested	Percentage
MAGIC Investment Term Portfolio	\$ 70,670,843	19%
Federal Home Loan Mortgage Corp	37,352,555	10%
Federal National Mortgage Assoc.	36,817,022	10%
Total	\$ 144,840,420	39%

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

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

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

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

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

Shares of MAGIC Term Series are purchased to mature upon pre-determined maturity dates selected by the County at the time of purchase. Should the County need to redeem shares in a MAGIC Term Series prematurely they must provide notice at least 7 days prior to premature redemption date. The value of a premature

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redemption is equal to the original price for such share, plus dividends thereon, at the projected yield less such share's allocation of any losses incurred by the series, less a premature redemption penalty, if any.

At December 31, 2021, the County had the following recurring fair value measurements:

Investment Type	Fair Value Measurements:			
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
US Government:				
US Treasury Securities	\$ 78,459,829	\$ 78,459,829		
US Government Instrumentalities:				
Federal Farm Credit Bank	5,054,792		5,054,792	
Federal Home Loan Bank	5,632,666		5,632,666	
Federal Home Loan Mortgage Corp	37,352,555		37,352,555	
Federal National Mortgage Assoc	36,817,022		36,817,022	
Government National Mortgage Assn	132,499		132,499	
Small Business Administration	1,816,267		1,816,267	
Tennessee Valley Authority	3,586,402		3,586,402	
Certificates of Deposit	253,000		253,000	
Commercial Paper	1,072,399		1,072,399	
Municipal Bonds	41,635,566		41,635,566	
	<u>\$ 211,812,996</u>	<u>\$ 78,459,829</u>	<u>\$ 133,353,167</u>	<u>\$ -</u>
Investments measured at amortized cost				
MAGIC Portfolio	170,843			
Government Money Market Funds				
Commercial Paper	9,656,342			
Money Markets	41,697,801			
Total investments measured at amortized cost	<u>51,524,986</u>			
Investments measured at the net asset value (NAV)				
MAGIC Investment Term Portfolio	70,500,000			
Invesco - Government & Agency Portfolio	34,363,006			
Total Investments measured at NAV	<u>104,863,006</u>			
Total Investments	<u>\$ 368,200,989</u>			

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

Statement of Net Position	
Cash and Cash Equivalents	\$ 112,917,745
Investments	36,039,083
Restricted Cash and Cash Equivalents	22,360,813
Total Cash, Cash Equivalents and Investments	<u>\$ 171,317,641</u>
Deposits	\$ 10,706,935
Petty Cash	7,155
Investments	160,603,551
Total Deposits and Investments	<u>\$ 171,317,641</u>

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As of June 30, 2021, the Community Development Agency (CDA) had the following investments:

Investment Type	Carrying Amount/ Fair Value	Investment Maturities (in Years)		
		Less Than 1	1-5	More Than 5
U.S. Government Agencies:				
Federal Farm Credit Banks	\$ 9,903,410	\$ -	\$ 9,903,410	\$ -
Federal Home Loan Mortgage Corp.	3,993,081	-	3,881,865	111,216
Federal Home Loan Bank	11,887,425	-	11,887,425	-
Federal National Mortgage Assoc.	8,750,372	-	8,075,338	675,034
Government Nat'l Mortgage Assoc.	252,326	-	-	252,326
Money market funds	30,979,980	30,979,980	-	-
4M Fund	94,836,957	94,836,957	-	-
	<u>\$ 160,603,551</u>	<u>\$ 125,816,937</u>	<u>\$ 33,748,038</u>	<u>\$ 1,038,576</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, 2021, the CDA had more than five percent of its total investments with the Federal Farm Credit Banks, Federal Home Loan Mortgage Corp, Federal Home Loan Bank, Federal National Mortgage Association, money market funds and the 4M Fund.

Custodial Credit Risk-Investments - For an investment, this is the risk that, in the event of the failure of the counterparty, the CDA will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. At June 30, 2021, all investments are held by counterparties, are insured or registered, and are not exposed to custodial risk.

Fair value reporting. The CDA's investments that are not recorded at amortized cost are recorded at fair value as of June 30, 2021. GASB Statement No. 72, Fair Value Measurement and Application, defines fair value as the price that would be received to sell an asset between market participants at the measure date. This statement establishes a hierarchy of valuation inputs based on the extent to which the inputs are observable in the market place.

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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, 2021, of the U.S. Government Agencies totaling \$34,786,614 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 \$30,979,980 and \$94,836,957, 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	\$ 912,775	\$ -
Charges for services	-	151,580
Grant receivables that do not provide current financial resources	16,831,794	-
Reimbursement from other governments	10,098,261	-
Miscellaneous	334,233	748,478
Lease receivable	475,873	-
Grant drawdowns prior to meeting all eligibility requirements	-	46,748,562
Total deferred inflows of resources/ unearned revenue for governmental funds	\$ 28,652,936	\$ 47,648,620

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C. Notes Receivable

The CDA has issued various notes to individuals, businesses, not-for-profits, governmental units, and joint ventures. These notes are generally secured by liens on real and personal property and allowances for uncollectible loans are generally not recorded as such amounts are not expected to be material. Notes receivable at June 30, 2021 consist of the following:

Loan Description	Loan Balance
Homebuyer loans	\$ 2,727,070
Homeowner rehab loans - deferred	16,608,943
Discretely Presented Component Units:	
First Mortgage	\$ 5,054,495
Other	13,724,529
	\$ 18,779,024
Multifamily loans:	
Deferred	\$ 13,493,735
Installment	7,990,933
	\$ 21,484,668
Supportive housing	2,742,741
Other	67,033
	\$ 62,409,479

D. Lease Receivable

Dakota Communications Center Joint Powers Board

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

The annual lease requirement payments to maturity are as follows:

Year Ended December 31	Lease Receivable
2022	\$ 483,400
Total Lease Receivable	483,400
Less Interest	(7,527)
Present Value of Lease Receivable	\$ 475,873

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

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E. Capital Assets

Capital asset activity for the year ended December 31, 2021, was as follows:

Primary Government

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 274,295,141	\$ 17,526,626	\$ -	\$ 291,821,767
Construction in progress	33,099,263	51,448,318	(36,580,984)	47,966,597
Total capital assets, not being depreciated	<u>\$ 307,394,404</u>	<u>\$ 68,974,944</u>	<u>\$ (36,580,984)</u>	<u>\$ 339,788,364</u>
Capital assets, being depreciated:				
Buildings	\$ 240,541,260	\$ 9,931,607	\$ -	\$ 250,472,867
Improvements other than buildings	77,321,852	8,176,075	-	85,497,927
Machinery and equipment	48,848,275	2,767,238	(1,800,280)	49,815,233
Infrastructure	632,390,860	18,261,421	-	650,652,281
Total capital assets, being depreciated	<u>\$ 999,102,247</u>	<u>\$ 39,136,341</u>	<u>\$ (1,800,280)</u>	<u>\$ 1,036,438,308</u>
Less accumulated depreciation for:				
Buildings	\$ (93,717,654)	\$ (5,112,425)	\$ -	\$ (98,830,079)
Improvements other than buildings	(19,885,362)	(5,276,006)	-	(25,161,368)
Machinery and equipment	(37,629,526)	(3,644,720)	1,626,041	(39,648,205)
Infrastructure	(232,669,325)	(13,201,861)	-	(245,871,186)
Total accumulated depreciation	<u>\$ (383,901,867)</u>	<u>\$ (27,235,012)</u>	<u>\$ 1,626,041</u>	<u>\$ (409,510,838)</u>
Total capital assets, being depreciated, net	<u>\$ 615,200,380</u>	<u>\$ 11,901,329</u>	<u>\$ (174,239)</u>	<u>\$ 626,927,470</u>
Governmental activities capital assets, net	<u>\$ 922,594,784</u>	<u>\$ 80,876,273</u>	<u>\$ (36,755,223)</u>	<u>\$ 966,715,834</u>
	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Construction /development in progress	\$ 6,644,189	\$ 8,722,985	\$ -	\$ 15,367,174
Total capital assets, not being depreciated	<u>\$ 6,644,189</u>	<u>\$ 8,722,985</u>	<u>\$ -</u>	<u>\$ 15,367,174</u>
Capital assets, being depreciated:				
Infrastructure	\$ 10,783,855	\$ -	\$ -	\$ 10,783,855
Total capital assets, being depreciated	<u>\$ 10,783,855</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,783,855</u>
Less accumulated depreciation for:				
Infrastructure	\$ (890,104)	\$ (154,055)	\$ -	\$ (1,044,159)
Total accumulated depreciation	<u>\$ (890,104)</u>	<u>\$ (154,055)</u>	<u>\$ -</u>	<u>\$ (1,044,159)</u>
Total capital assets, being depreciated, net	<u>\$ 9,893,751</u>	<u>\$ (154,055)</u>	<u>\$ -</u>	<u>\$ 9,739,696</u>
Business-type activities:				
Capital assets, net	<u>\$ 16,537,940</u>	<u>\$ 8,568,930</u>	<u>\$ -</u>	<u>\$ 25,106,870</u>

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

Governmental Activities:	
General Government	\$ 3,503,728
Public Safety	1,764,265
Highways and Streets, including depreciation of general infrastructure	16,808,560
Human Services	28,609
Health	3,271
Economic Development	-
Culture and Recreation	5,115,672
Conservation of Natural Resources	9,885
Sanitation	1,022
Total depreciation expense - governmental activities	\$ 27,235,012
Business-type activities:	
Infrastructure	\$ 154,055
Total depreciation expense--business-type activities	\$ 154,055

Construction Commitments

The County has active construction projects as of December 31, 2021. The projects include street construction in areas with newly developed housing, widening and construction of existing streets and bridges, and prairie restoration, culverts, sewer, landscaping and lighting for parks and trails. At year-end the government's major commitments with contractors are as follows:

<u>Project</u>	<u>Spent-to-Date</u>	<u>Remaining Commitment</u>
Transportation Construction	\$ 83,531,120	\$ 23,487,203
Transportation-Sales Tax Construction	28,481,271	2,105,016
Environmental Resources	7,417	62,328
Parks Construction	13,715,854	1,589,005
Buildings Construction	30,086,047	2,005,427
	\$ 155,821,709	\$ 29,248,979

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

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Discretely Presented Component Unit

Activity for the CDA for the year ended June 30, 2021, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Government activities:				
Capital assets, not being depreciated:				
Land	\$ 33,677,048	\$ 271,802	\$ 3,009,192	\$ 30,939,658
Construction in progress	241,106	7,677,894	-	7,919,000
Total capital assets, not being depreciated:	<u>\$ 33,918,154</u>	<u>\$ 7,949,696</u>	<u>\$ 3,009,192</u>	<u>\$ 38,858,658</u>
Capital assets, being depreciated:				
Land improvements	\$ 7,038,419	\$ 84,020	\$ 13,900	\$ 7,108,539
Buildings	243,278,910	1,883,181	418,015	244,744,076
Furniture and equipment	9,300,217	294,745	264,897	9,330,065
Total capital assets, being depreciated	<u>\$ 259,617,546</u>	<u>\$ 2,261,946</u>	<u>\$ 696,812</u>	<u>\$ 261,182,680</u>
Less accumulated depreciation for:				
Land improvements	\$ (5,651,912)	\$ (185,517)	\$ (13,900)	\$ (5,823,529)
Buildings	(92,516,952)	(6,053,658)	(172,926)	(98,397,684)
Furniture and equipment	(8,538,757)	(228,436)	(252,247)	(8,514,946)
Total accumulated depreciation	<u>\$ (106,707,621)</u>	<u>\$ (6,467,611)</u>	<u>\$ (439,073)</u>	<u>\$ (112,736,159)</u>
Total capital assets, being depreciated, net	<u>152,909,925</u>	<u>(4,205,665)</u>	<u>257,739</u>	<u>148,446,521</u>
Governmental activities capital assets, net	<u>\$ 186,828,079</u>	<u>\$ 3,744,031</u>	<u>\$ 3,266,931</u>	<u>\$ 187,305,179</u>

The cost and accumulated depreciation of capital assets relating to operating leases is \$956,692 and \$525,541 respectively for a carrying value of \$431,151.

As of June 30, 2021, the CDA's commitments with contractors are as follows:

Project	Spent-to-Date	Remaining Commitment
Public Housing Development	\$ 267,361	\$ 9,639
Workforce Housing Development	8,387,428	363,220
	<u>\$ 8,654,789</u>	<u>\$ 372,859</u>

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F. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of December 31, 2021, is as follows:

Due to/from other funds:

Receivable Fund	Payable Fund	Amount
General	Highway	\$ 534,429
	Environmental Legacy	921,919
	DC Transportation Sales Tax	1,282
	Capital Projects	8,045,520
	Nonmajor Governmental Funds	431,786
	Internal Service Fund	1,144,850
	Byllesby Dam	9,065,699
Highway	General	128
	DC Transportation Sales Tax	1,020,737
	Nonmajor Governmental Funds	35,050
	Internal Service Fund	102,836
Environmental Legacy	General	6
Capital Projects	General	4,359,350
	Highway	284,645
	Nonmajor Governmental Funds	10,490
Nonmajor Governmental Funds	General	3,888,387
	Environmental Legacy	3,557,402
	DC Transportation Sales Tax	657,043
	Capital Projects	126,411
	Nonmajor Governmental Funds	53,316
	Internal Service Fund	142,957
Internal Service Fund	General	2,110,957
	Highway	33,800
	Environmental Legacy	32,563
	Nonmajor Governmental Funds	50,925
	Byllesby Dam	5,334
Total		<u><u>\$ 36,617,822</u></u>

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

Interfund Transfers:

Transfer In	Transfer Out	Amount
General	Environmental Legacy	\$ 845,159
	Internal Service Fund	626,485
Capital Projects	General	4,358,445
Nonmajor Governmental Funds	General	3,887,124
	Environmental Legacy	3,557,402
	DC Transportation Sales/Use Tax	657,042
	Capital Projects	954,361
Total		<u><u>\$ 14,886,018</u></u>

Dakota County, Minnesota

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

G. Long-Term Debt

Primary Government

General Obligation Bonds

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

Bonds payable at December 31, 2020 are zero as the County paid the final amount due on the General Obligation Refunding Bonds issued in 2007. These bonds refunded outstanding General Obligation Capital Improvement Bonds, series 1999A and 2001A. On February 1, 2016 the County chose to make an early payoff of \$23,420,000 to satisfy all outstanding bond obligations.

Changes in Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2021, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
Claims and judgments	\$ 5,176,739	\$ 29,445,761	\$ (30,031,204)	\$ 4,591,296	\$ 2,695,839
Compensated absences	23,776,570	1,598,755	(2,221,309)	23,154,016	1,128,067
Long-term liabilities	<u>\$ 28,953,309</u>	<u>\$ 31,044,516</u>	<u>\$ (32,252,513)</u>	<u>\$ 27,745,312</u>	<u>\$ 3,823,906</u>

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

Discretely Presented Component Unit

Activity for the CDA for the year ended June 30, 2021, 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 receivable 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

Dakota County, Minnesota

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from the effective date of June, 2009. The purpose of the loan was to provide financing for the construction of a 25-unit youth housing development.

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

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

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

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

\$360,000 Dakota County Workforce Housing LLC, Low Income Large Family note payable to MHFA. The loan is for a term of 30 years with interest of one percent (1%) per year accruing on the unpaid amount. The principal and all accrued interest shall be due and payable in one lump sum on January 4, 2024. The loan was initially made to the Inver Grove Heights Family Housing Limited Partnership, to provide financing for a portion of the construction. Upon dissolution in 2012, the liabilities of the partnership were transferred to the LLC.

\$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.

\$170,000 Dakota County Workforce Housing LLC, note payable to the Family Housing Fund. The loan is for a term of 30 years with simple interest of one percent (1%) on the unpaid principal amount until the maturity date of June 18, 2023. The loan was initially made to the Apple Valley 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.

\$360,000 Dakota County Workforce Housing LLC, Low Income Large Family note payable to MHFA. The loan is for a term of 30 years with interest of one percent (1%) per year accruing on the unpaid amount. The principal and all accrued interest shall be due and payable in one lump sum on June 18, 2023. The loan was initially made to the Apple Valley 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.

\$396,000 Dakota County Workforce Housing LLC, Low Income Large Family note payable to MHFA. The loan is for a term of 30 years with interest of one percent (1%) per year accruing on the unpaid amount. The principal and all accrued interest shall be due and payable in one lump sum on February 25, 2027. The loan was initially

made to the Hastings Family Housing Limited Partnership, to provide financing for a portion of the construction. Upon dissolution in 2013, the liabilities of the partnership were transferred to the LLC.

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

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

\$132,000 Dakota County Workforce Housing LLC, Affordable Rental Investment Fund note payable to MHFA. The loan is for a term of 30 years with interest of one percent (1%) per year accruing on the unpaid amount. Annual payment of \$44,000 with balance of principal and accrued interest due on June 30, 2024. The loan was initially made to the Lakeville Family Housing Limited Partnership, to provide financing for a portion of the construction. Upon dissolution in 2013, the liabilities of the partnership were transferred to the LLC.

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

\$2,520 Dakota County Workforce Housing LLC, note payable to the Family Housing Fund. The loan is for a term of 30 years with interest of one percent (1%) per year accruing on the unpaid amount. Annual payment of \$2,790 with balance of principal and interest due and payable on September 25, 2021. The loan was initially made to the Burnsville Family Housing Limited Partnership, to provide financing for a portion of the construction. Upon dissolution in 2014, the liabilities of the partnership were transferred to the LLC.

\$360,000 Dakota County Workforce Housing LLC, Low Income Large Family note payable to MHFA. The loan is for a term of 30 years with interest of one percent (1%) per year accruing on the unpaid amount. The principal and all accrued interest shall be due and payable in one lump sum on September 1, 2022. The loan was initially made to the Burnsville 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.

\$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

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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.

\$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.

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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 October 1, 2034. The loan was initially made to the Eagan Cedar Family Housing Limited Partnership, to provide financing for a portion of the construction. Upon dissolution in 2019, the liabilities of the partnership were transferred to the LLC.

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

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

The annual principal and interest maturities for notes payable in business-type activities for fiscal years subsequent to June 30, 2021 are as follows:

	Principal	Interest	Total
2022	\$ 46,520	\$ 6	\$ 46,526
2023	934,000	280,715	1,214,715
2024	404,000	148,661	552,661
2025	125,000	37,504	162,504
2026	771,000	220,457	991,457
2027-2031	6,567,878	872,099	7,439,977
2032-2036	2,568,344	537,161	3,105,505
2037-2041	1,163,649	-	1,163,649
2042-2044	600,000	-	600,000
	<u>\$ 13,180,391</u>	<u>\$ 2,096,603</u>	<u>\$ 15,276,994</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, 2021 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	\$ 1,330,000
2013 Housing Development Bonds	12/18/13	01/01/27	2.00 - 2.85%	\$ 7,630,000	5,675,000
2015A Housing Development Bonds	05/27/15	01/01/42	3.00 - 5.00%	\$21,745,000	21,345,000
2015B Housing Development Bonds	05/27/15	01/01/35	3.00 - 5.00%	\$24,025,000	18,670,000
2020A Housing Development Bonds	09/24/20	01/01/46	2.00 - 5.00%	\$ 8,655,000	8,655,000
2020B Housing Development Bonds	09/24/20	01/01/40	2.00 - 5.00%	\$21,800,000	21,800,000
Subtotal					<u>\$77,475,000</u>
Less current maturities					<u>(3,525,000)</u>
Total					<u>\$73,950,000</u>

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The annual principal and interest maturities for the fiscal years subsequent to June 30, 2021 are as follows:

	Principal	Interest	Total
2022	\$ 3,525,000	\$ 2,697,763	\$ 6,222,763
2023	3,895,000	2,537,812	6,432,812
2024	3,910,000	2,360,312	6,270,312
2025	3,850,000	2,189,375	6,039,375
2026	4,000,000	2,020,451	6,020,451
2027-2031	18,745,000	7,762,666	26,507,666
2032-2036	20,765,000	4,476,099	25,241,099
2037-2041	13,955,000	2,052,305	16,007,305
2042-2046	4,830,000	246,449	5,076,449
Total	<u>\$ 77,475,000</u>	<u>\$ 26,343,232</u>	<u>\$ 103,818,232</u>

Bond Refunding

In September 2020, the CDA issued the Series 2020A Housing Development Bonds to finance the construction of a 54-unit workforce housing development in the City of West St. Paul, Minnesota. The CDA also issued the Series 2020B Housing Development Bonds to affect the current refunding of \$24,280,000 of outstanding bonds for the Series 2010A, 2010C and 2010D Housing Development Bonds. These bonds were called for redemption on October 29, 2020 at a price of par plus accrued interest. This current debt refunding was done to take advantage of lower interest rates. This transaction resulted in an economic gain of \$4,515,816 and reduced future debt service payments by \$5,233,704.

Pledged Revenue

The CDA has pledged as security for the \$77,475,000 of outstanding Housing Development bonds, a portion of its annual tax levy (special benefit tax) that is levied pursuant to Minnesota Statutes, Section 469.033, Subd. 6. These bonds were used to finance the acquisition and construction of senior housing developments. The CDA is currently committed, to the extent it is within its power to do so, to levy and collect \$5,600,000 for the payment and debt service on these bonds. The total principal and interest remaining on this debt is \$103,818,232 with annual requirements ranging from \$6,432,812 in 2023 to \$5,076,449 in the final year. The tax levy has averaged over \$7 million per year for the last ten years and the amount of tax proceeds pledged towards Housing Development bond debt service is \$5,600,000. For the current year, \$5,600,000 of tax levy was paid on the debt service for the bonds.

Changes in Long Term Liabilities:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Compensated absences	\$ 1,111,669	\$ 720,378	\$ (608,163)	\$ 1,223,884	\$ 614,042
Notes payable	13,227,128	-	(46,737)	13,180,391	46,520
Bonds payable	74,790,000	30,455,000	(27,770,000)	77,475,000	3,525,000
Plus deferred amounts:					
For issuance premiums	2,299,030	3,298,026	(421,242)	5,175,814	-
Total bonds payable	<u>\$ 77,089,030</u>	<u>\$ -</u>	<u>\$(28,191,242)</u>	<u>\$ 82,650,814</u>	<u>\$ 3,525,000</u>
	<u>\$ 91,427,827</u>	<u>\$ 720,378</u>	<u>\$(28,846,142)</u>	<u>\$ 97,055,089</u>	<u>\$ 4,185,562</u>

Conduit Debt

The CDA has issued certain limited-obligation revenue bonds, including: 1) mortgage revenue bonds issued to provide funding for first time homebuyer loans; 2) multifamily housing revenue bonds issued to provide funds to finance specific multifamily rental housing projects; 3) industrial development revenue bonds issued to assist manufacturing companies in financing new facilities, structural improvements and expansions, and new equipment; 4) essential function bonds to finance facilities used by the general public; and 5) 501(c)3 bonds issued to finance specific rental housing projects developed by nonprofit organizations. This debt is secured by the property financed and is payable solely from payments received on the underlying loans. The CDA is not obligated in any manner for repayment of this debt and accordingly, it is not reported as liabilities in the accompanying financial statements. The aggregate amount of all outstanding conduit debt obligations at June 30, 2021 was \$232,320,859.

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 12/31/21	Year ended 12/31/20
Unpaid claims, beginning of fiscal year	\$ 5,176,739	\$ 5,644,911
Incurred claims (including IBNR)	29,445,761	26,882,551
Claim payments	(30,031,204)	(27,350,723)
Unpaid claims, end of fiscal year	\$ 4,591,296	\$ 5,176,739

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.

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

C. Joint Powers Debt Commitment

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

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

D. Joint Ventures

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

1. Metropolitan Emergency Services Board: Dakota County entered into a joint powers agreement with the Counties of Anoka, Carver, Chisago, Hennepin, Isanti, Ramsey, Scott, Washington, and the City of Minneapolis, pursuant to Minnesota Statutes section 471.59 to comply with the mandate of Minnesota Statutes, Chapter 403, for the implementation and administration of a regional 911 system and encourage the development of new resources and the coordination of emergency medical services. Dakota County paid annual dues of \$166,446 in 2021. 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 2021. 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

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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 \$947,514 in expenditures in 2021 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). PERA's defined benefit pension plans are established and administered in accordance with Minnesota Statutes, Chapters 353 and 356. PERA's defined benefit pension plans are tax qualified plans under Section 401(a) of the Internal Revenue Code.

1. General Employees Retirement Plan

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

2. Public Employees Police and Fire Plan

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

3. Local Government Correctional Plan

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

b. Benefits Provided

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

1. General Employees Retirement Plan

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

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

2. Police and Fire Plan Benefits

Benefits for Police and Fire Plan members first hired after June 30, 2010, but before July 1, 2014, vest on a prorated basis from 50% after five years up to 100% after ten years of credited service. Benefits for Police and Fire Plan members first hired after June 30, 2014, vest on a prorated basis from 50% after ten years up to 100% after twenty years of credited service. The annuity accrual rate is 3% of average salary for each year of service. For Police and Fire Plan members who were first hired prior to July 1, 1989, a full annuity is available when age plus years of service equal at least 90. Benefit increases are provided to benefit recipients each January. The postretirement increase is fixed at 1%. Recipients that have been receiving the annuity or benefit for at least 36 months as of the June 30 before the effective date of the increase will receive the full increase. Recipients receiving the annuity or benefit for at least 25 months but less than 36 months as of the June 30 before the effective date of the increase will receive a reduced prorated increase.

3. Correctional Plan Benefits

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

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

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c. Contributions

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

1. General Employees Fund Contributions

Coordinated Plan members were required to contribute 6.50% of their annual covered salary in fiscal year 2021 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, 2021, were \$9,457,441. 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 2021 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, 2021, were \$1,379,155. 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 2021 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, 2021, were \$660,207. 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, 2021, Dakota County reported a liability of \$74,600,456 for its proportionate share of the General Employees Fund's net pension liability. Dakota County's net pension liability reflected a reduction due to the State of Minnesota's contribution of \$16 million. The State of Minnesota is considered a non-employer contributing entity and the state's contribution meets the definition of a special funding situation. The State of Minnesota's proportionate share of the net pension liability associated with Dakota County totaled \$2,278,211.

The net pension liability was measured as of June 30, 2021, 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, 2020 through June 30, 2021, relative to the total employer contributions received from all of PERA's participating employers. Dakota County's proportionate share was 1.7469% at the end of the measurement period and 1.6916% for the beginning of the period.

Dakota County's proportionate share of the net pension liability	\$ 74,600,456
State of Minnesota's proportionate share of the net pension liability associated with Dakota County	<u>2,278,211</u>
Total	<u>\$ 76,878,667</u>

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There were no provision changes during the measurement period.

For the year ended December 31, 2021, Dakota County recognized pension expense of \$1,531,330 for its proportionate share of the General Employees Plan's pension expense. In addition, Dakota County recognized an additional \$183,815 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of \$16 million to the General Employees Fund.

At December 31, 2021, 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	\$ 458,325	\$ 2,282,980
Changes in actuarial assumptions	\$45,549,492	\$ 1,650,209
Net collective difference between projected and actual investment earnings		\$64,607,147
Changes in proportion	\$ 4,457,228	\$ -
Contributions paid to PERA subsequent to the measurement date [to be calculated by employer]	\$ 4,658,744	
Total	\$55,123,789	\$68,540,336

The \$4,658,744 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, 2022. 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
2022	\$ (1,359,225)
2023	\$ 645,916
2024	\$ 259,762
2025	\$(17,621,744)

2. Police and Fire Fund Pension Costs

At December 31, 2021, Dakota County reported a liability of \$4,837,460 for its proportionate share of the Police and Fire Fund's net pension liability. The net pension liability was measured as of June 30, 2021, 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, 2020 through June 30, 2021, relative to the total employer contributions received from all of PERA's participating employers. Dakota County's proportionate share was 0.6267% at the end of the measurement period and 0.6674% for the beginning of the period.

The State of Minnesota contributed \$18 million to the Police and Fire Fund in the plan fiscal year ended June 30, 2021. The contribution consisted of \$9 million in direct state aid that does meet the definition of a special funding situation and \$9 million in supplemental state aid that does not meet the definition of a special funding situation. The \$9 million direct state was paid on October 1, 2020. Thereafter, by October 1 of each year, the state will pay \$9 million to the Police and Fire Fund until

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full funding is reached or July 1, 2048, whichever is earlier. The \$9 million in supplemental state aid will continue until the fund is 90% funded, or until the State Patrol Plan (administered by the Minnesota State Retirement System) is 90% funded, whichever occurs later. Strong asset returns for the fiscal year ended 2021 will accelerate the phasing out of these state contributions, although we do not anticipate them to be phased out during the fiscal year ending 2022.

The State of Minnesota is included as a non-employer contributing entity in the Police and Fire Retirement Plan Schedule of Employer Allocations and Schedule of Pension Amounts by Employer, Current Reporting Period Only (pension allocation schedules) for the \$9 million in direct state aid. Police and Fire Plan employers need to recognize their proportionate share of the State of Minnesota's pension expense (and grant revenue) under GASB 68 special funding situation accounting and financial reporting requirements. For the year ended June 30, 2021, Dakota County recognized pension revenue of \$(232,441) for its proportionate share of the Police and Fire Plan's pension expense. Dakota County recognized \$39,608 as grant revenue for its proportionate share of the State of Minnesota's pension expense for the contribution of \$9 million to the Police and Fire Fund.

The State of Minnesota is not included as a non-employer contributing entity in the Police and Fire Pension Plan pension allocation schedules for the \$9 million in supplemental state aid. Dakota County recognized \$56,403 for the year ended December 31, 2021 as revenue and an offsetting reduction of net pension liability for its proportionate share of the State of Minnesota's on-behalf contributions to the Police and Fire Fund.

Dakota County proportionate share of the net pension liability	\$4,837,460
State of Minnesota's proportionate share of the net pension liability associated with the Dakota County	<u>217,487</u>
Total	<u>\$5,054,947</u>

There were no provision changes during the measurement period

At December 31, 2021, Dakota County reported its proportionate share of the Police and Fire Plan's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 929,090	\$ -
Changes in actuarial assumptions	\$ 7,109,802	\$ 2,657,886
Net collective difference between projected and actual investment earnings		\$ 9,243,161
Changes in proportion	\$ 350,263	\$ 563,950
Contributions paid to PERA subsequent to the measurement date [to be calculated by employer]	\$ 707,778	
Total	\$ 9,096,933	\$12,464,997

The \$707,778 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, 2022. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

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Year ended December 31:	Pension Expense Amount
2022	\$(3,149,084)
2023	\$ (663,355)
2024	\$ (676,926)
2025	\$(1,030,159)
2026	\$ 1,443,682

3. Correctional Plan Pension Costs

At December 31, 2021, Dakota County reported an asset of \$567,769 for its proportionate share of the Correctional Plan's net pension liability. The net pension asset was measured as of June 30, 2021, and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of that date. Dakota County's proportionate share of the net pension asset was based on Dakota County's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2020 through June 30, 2021, relative to the total employer contributions received from all of PERA's participating employers. Dakota County's proportionate share was 3.4561% at the end of the measurement period and 3.3883% for the beginning of the period.

There were no provision changes during the measurement period.

For the year ended December 31, 2021 Dakota County recognized pension revenue of \$(1,411,837) for its proportionate share of the Correctional Plan's pension revenue.

At December 31, 2021, 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	\$ -	\$ 323,820
Changes in actuarial assumptions	\$3,554,071	\$ 53,219
Net collective difference between projected and actual investment earnings		\$ 4,558,300
Changes in proportion	\$ 274,447	\$ -
Contributions paid to PERA subsequent to the measurement date [to be calculated by employer]	\$ 330,015	
Total	\$4,158,533	\$4,935,339

The \$330,015 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, 2022. 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
2022	\$ (38,064)
2023	\$ 72,671
2024	\$ 97,589
2025	\$(1,238,017)

4. Total Pension Expense

The total pension revenue for all plans recognized by the County for the year ended December 31, 2021 was \$110,475.

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, 2021, 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 6.5%. 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 6.5% was deemed to be within that range of reasonableness for financial reporting purposes.

Inflation is assumed to be 2.25% for the General Employees Plan, 2.25% for the Police and Fire Plan, and 2.25% for the Correctional Plan. Benefit increases after retirement are assumed to be 1.25% for the General Employees Plan and 2% for the Correction Plan. The Police and Fire Plan benefit increase is fixed at 1% per year and that increase was used in the valuation.

Salary growth assumptions in the General Employees Plan range in annual increments from 10.25% after one year of service to 3.0% after 29 years of service and 6.0% per year thereafter. In the Police and Fire Plan, salary growth assumptions range from 11.75% after one year of service to 3.0% after 24 years of service. In the Correctional Plan, salary growth assumptions range from 11.0% at age 20 to 3.0% at age 60.

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

Actuarial assumptions for the General Employees Plan are reviewed every four years. The most recent four-year experience study for the General Employees Plan was completed in 2019. The assumption changes were adopted by the Board and became effective with the July 1, 2020 actuarial valuation. The most recent four-year experience studies for the Police and Fire and the Correctional Plan were

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completed in 2020 were adopted by the Board and became effective with the July 1, 2021 actuarial valuation.

The following changes in actuarial assumptions and plan provisions occurred in 2021:

General Employees Fund

Changes in Actuarial Assumptions:

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

Police and Fire Fund

Changes in Actuarial Assumptions:

- The investment return and single discount rates were changed from 7.50% to 6.50%, for financial reporting purposes.
- The inflation assumption was changed from 2.50% to 2.25%.
- The payroll growth assumption was changed from 3.25% to 3.00%.
- 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 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% to 70%. Minor changes to form of payment assumptions were applied.

Correctional Fund

Changes in Actuarial Assumptions:

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

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- 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% to 75%.
- Minor changes to form of payment assumptions were applied.

g. Discount Rate

The discount rate used to measure the total pension liability in 2021 was 6.5%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at rates set in Minnesota Statutes. Based on these assumptions, the fiduciary net positions of the General Employees Fund, the Police and Fire Fund, and the Correctional Fund were projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

h. Pension Liability Sensitivity

The following presents Dakota County's 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's proportionate share of the net pension liability would be if it were calculated using a discount rate one percentage point lower or one percentage point higher than the current discount rate:

Sensitivity Analysis (In Thousands)					
<i>Net Pension Liability (Asset) at Different Discount Rates</i>					
	General Employees Fund		Police and Fire Fund		Correctional Fund
1% Lower	5.50%	\$152,146,849	5.50%	\$15,358,117	5.50% \$ 5,908,929
Current Discount Rate	6.50%	\$ 74,600,456	6.50%	\$ 4,837,460	6.50% \$(567,769)
1% Higher	7.50%	\$ 10,968,907	7.50%	\$(3,786,872)	7.50% \$(5,707,715)

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.

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

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

Plan benefits depend solely on amounts contributed to the plan plus investment earnings, less administrative expenses. Minnesota Statutes, Chapter 353D.03, specifies plan provisions, including the employee and employer contribution rates for those qualified personnel who elect to participate. An eligible elected official who decides to participate contributes 5% of salary which is matched by the elected official's employer. For

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ambulance service personnel, employer contributions are determined by the employer, and for salaried employees contributions must be a fixed percentage of salary. Employer contributions for volunteer personnel may be a unit value for each call or period of alert duty. Employees who are paid for their services may elect to make member contributions in an amount not to exceed the employer share. Employer and employee contributions are combined and used to purchase shares in one or more of the seven accounts of the Minnesota Supplemental Investment Fund. For administering the plan, PERA receives 2% of employer contributions and twenty-five hundredths of one percent (0.25%) of the assets in each member's account annually.

Total contributions made by Dakota County during fiscal year 2021 were:

Contribution Amount		Percentage of Covered Payroll		Required
Employee	Employer	Employee	Employer	Rate
\$35,019	\$35,019	5%	5%	5%

H. Other Post-Employment Benefits

Plan Description

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

In addition to providing the pension benefits described above, the County provides post-retirement health care benefits. This benefit is provided based on County Board Resolution #81-519 as part of the Sheriff's contract settlement. The eligible participants were employees of the Sheriff Department who have retired. The County currently has 27 eligible participants. Based on this plan, the county contributes \$60 a month per participant for health insurance. The participant contributes either \$700 for single coverage or \$2,223 for family coverage per month. During 2021, the County expended \$17,820 for this benefit.

Employees covered by benefit terms. At December 31, 2021, the following employees were covered by the benefit terms:

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

Contributions

The County funds its OPEB obligation on a pay as you go basis. The County contributes none of the cost of current year premiums for eligible retired plan members and their spouses, except for the implicit rate subsidy, described below. For fiscal year 2021, the County contributed \$0.00 to the plan. Plan members receiving benefit contribute 100% of their premium costs. As of December 31, 2021 there were 68 beneficiaries and retirees receiving health benefits from the County's health plans.

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Total OPEB Liability

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

Actuarial assumptions

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

Discount Rate	2.06%
Inflation	2.25%
Initial Medical Trend Rate	6.00%
Ultimate Medical Trend Rate	3.80%
Year Ultimate Trend Rate Reached	2069

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

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

Discount rate

A single discount rate of 2.06% was used to measure the Total OPEB Liability as of December 31, 2021. This Single discount rate was based on a municipal bond rate of 2.06% (based on the 20-year Bond Buyer GO Index as of the end of December 2021). 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, 2020 reporting year was 2.12%.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at 12/31/2020	<u>\$ 12,108,677</u>
Changes for the year:	
Service cost	\$ 805,000
Interest	267,000
Changes in Assumptions - Discount Rate	50,000
Benefit Payments - Employer - Implicit Subsidy	<u>(689,000)</u>
Net Changes	\$ 433,000
Balance at 12/31/2021	<u>\$ 12,541,677</u>

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Changes in assumptions for the Actuarial Report with a measurement date of December 31, 2021 are as follows:

- Inflation was updated to 2.25% from 2.50%.
- The salary increase assumption was updated to reflect the reduction in inflation;
- The medical trend rate assumption was updated to reflect the reduction in inflation;
- The 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 mortality improvement scale available as of the Measurement Date.
- The Discount Rate was also updated from 2.12% to 2.06%.

Sensitivity of the Total OPEB liability to changes in the discount rate and healthcare cost trend rates. The following presents the Total OPEB liability of the County, as well as what the County's Total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.06 percent) or 1-percentage-point higher (3.06 percent) than the current discount rate:

	1% Decrease (1.06)%	Discount Rate (2.06)%	1% Increase (3.06)%
Total OPEB liability (asset)	\$ 13,405,000	\$ 12,541,677	\$ 11,718,000

Sensitivity of the Total OPEB liability to changes in the healthcare cost trend rates. The following presents the Total OPEB liability of the County, as well as what the County's Total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (5.0 percent decreasing to 2.8 percent) or 1-percentage-point higher (7.0 percent decreasing to 4.8 percent) than the current healthcare cost trend rates:

	1% Decrease (5.0% decreasing to 2.8%)	Healthcare Cost Trend Rates (6.00% decreasing to 3.8%)	1% Increase (7.0% decreasing to 4.8%)
Total OPEB liability (asset)	\$ 11,124,000	\$ 12,541,677	\$ 14,214,000

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

For the year ended December 31, 2021, the County recognized OPEB expense of \$1,400,000. At December 31, 2021, 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	\$ 658,000	\$ -
Changes of assumptions	895,000	171,939
Total	\$ 1,553,000	\$ 171,939

Dakota County, Minnesota | **December 31,**
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Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	
2022	\$328,000
2023	\$328,000
2024	\$354,000
2025	\$340,000
2026	\$29,000
Thereafter	\$2,061

I. Subsequent Event

During 2022, final settlement agreements were reached with pharmaceutical companies and distributors as part of the National Prescription Opiate Litigation. For Dakota County, the amount to be received as a result of this litigation is \$9,814,545, to be received over 18 years, this amount is not considered material to the County and will be reflected in the County's 2022 ACFR.

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Required Supplementary Information

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**DAKOTA COUNTY
MINNESOTA**

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

December 31, 2021

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

Notes to Schedule:

Benefit changes: None

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

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 mortality improvement scale available as of the Measurement Date.

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 municipal bond rate of 2.06% (based on the 20-year Bond Buyer GO Index as of the end of December 2021).

2020 assumptions:

- The mortality assumption was updated to be consistent with the assumptions used in the 2014-2018 experience study for the PERA General plan with the exception of using the Pub-2010 General Headcount-Weighted Mortality Table instead of the Pub-2010 General Amount-Weighted Mortality Table. Adjustment factors were consistent with those recommended in the experience study.
- The withdrawal and retirement assumptions were updated to be consistent with the assumptions used in the 2014-2018 experience study for the PERA General plan, after adjustment from benefit-weighting to headcount-weighting.

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

2019 assumptions:

- Inflation was updated to 2.50% (from 2.75%)
- The Salary Increase Assumption was updated to reflect the reduction in inflation;
- The medical trend rate assumption was updated to reflect the reduction in inflation;
- The mortality assumption was updated from the assumption used in the January 1, 2018 actuarial report to reflect mortality improvements using Scale MP-2018, the most recently published mortality improvement scale available as of the Measurement Date.

In addition to the assumptions changes above, a single discount rate of 2.74% was used to measure the Total OPEB Liability as of December 31, 2019. This single discount rate was based on municipal bond rate of 2.74% (based on the 20-year Bond Buyer GO Index as of the end of December 2019).

2018 assumptions:

- Inflation was updated to 2.50% (from 2.75%)
- The Salary Increase Assumption was updated to reflect the reduction in inflation;
- The medical trend rate assumption was updated to reflect the reduction in inflation;
- The mortality assumption was updated from the assumption used in the January 1, 2018 actuarial report to reflect mortality improvements using Scale MP-2018, the most recently published mortality improvement scale available as of the Measurement Date.

In addition to the assumptions changes above, a single discount rate of 4.10% was used to measure the Total OPEB Liability as of December 31, 2018. This single discount rate was based on municipal bond rate of 4.10% (based on the 20-year Bond Buyer GO Index as of the end of December 2018).

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

**DAKOTA COUNTY
MINNESOTA**

**SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
PERA GENERAL EMPLOYEES RETIREMENT PLAN
DECEMBER 31, 2021**

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

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

**DAKOTA COUNTY
MINNESOTA**

**SCHEDULE OF CONTRIBUTIONS
PERA GENERAL EMPLOYEES RETIREMENT PLAN
DECEMBER 31, 2021**

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

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

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

**DAKOTA COUNTY
MINNESOTA**

**SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
PERA PUBLIC EMPLOYEES POLICE AND FIRE PLAN
DECEMBER 31, 2021**

Measurement Date	Employer's Proportion of the Net Pension Liability (Asset)	Employer's Proportionate Share of the Net Pension Liability (Asset) (a)	Covered Payroll (b)	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll (a/b)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	0.584%	\$ 6,635,607	\$ 5,349,904	124.03%	86.61%
2016	0.589	23,637,595	5,556,937	425.37	63.88
2017	0.649	8,762,272	6,658,474	131.60	85.43
2018	0.654	6,965,637	6,887,800	101.13	88.84
2019	0.654	6,961,426	6,896,956	100.93	89.26
2020	0.667	8,797,046	7,513,126	117.09	87.19
2021	0.627	4,837,460	7,691,092	62.90	93.66

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

**DAKOTA COUNTY
MINNESOTA**

**SCHEDULE OF CONTRIBUTIONS
PERA PUBLIC EMPLOYEES POLICE AND FIRE PLAN
DECEMBER 31, 2021**

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

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

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

**DAKOTA COUNTY
MINNESOTA**

**SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
PERA PUBLIC EMPLOYEES CORRECTIONAL PLAN
DECEMBER 31, 2021**

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

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

**DAKOTA COUNTY
MINNESOTA**

**SCHEDULE OF CONTRIBUTIONS
PERA PUBLIC EMPLOYEES CORRECTIONAL PLAN
DECEMBER 31, 2021**

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

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

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

**DAKOTA COUNTY
MINNESOTA**

NOTES TO THE SCHEDULES OF PROPORTIONATE SHARE OF NET PENSION
LIABILITY AND SCHEDULES OF CONTRIBUTIONS
FOR THE YEAR ENDED DECEMBER 31, 2021

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

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

**DAKOTA COUNTY
MINNESOTA**

**NOTES TO THE SCHEDULES OF PROPORTIONATE SHARE OF NET PENSION
LIABILITY AND SCHEDULES OF CONTRIBUTIONS
FOR THE YEAR ENDED DECEMBER 31, 2021**

- 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.
- 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

**DAKOTA COUNTY
MINNESOTA**

**NOTES TO THE SCHEDULES OF PROPORTIONATE SHARE OF NET PENSION
LIABILITY AND SCHEDULES OF CONTRIBUTIONS
FOR THE YEAR ENDED DECEMBER 31, 2021**

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.

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, 2021**

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

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 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.

**DAKOTA COUNTY
MINNESOTA**

**NOTES TO THE SCHEDULES OF PROPORTIONATE SHARE OF NET PENSION
LIABILITY AND SCHEDULES OF CONTRIBUTIONS
FOR THE YEAR ENDED DECEMBER 31, 2021**

- 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.
- New annual state aid will equal \$4.5 million in fiscal years 2019 and 2020, and \$9.0 million thereafter until the plan reaches 100 percent funding, or July 1, 2048, if earlier, which meets the special funding situation definition.
- Member contributions were changed from 10.80 percent to 11.30 percent of pay, effective January 1, 2019 and 11.80 percent of pay, effective January 1, 2020.
- Employer contributions were changed from 16.20 percent to 16.95 percent of pay, effective January 1, 2019 and 17.70 percent of pay, effective January 1, 2020.
- Interest credited on member contributions decreased from 4.00 percent to 3.00 percent, beginning July 1, 2018.

**DAKOTA COUNTY
MINNESOTA**

NOTES TO THE SCHEDULES OF PROPORTIONATE SHARE OF NET PENSION
LIABILITY AND SCHEDULES OF CONTRIBUTIONS
FOR THE YEAR ENDED DECEMBER 31, 2021

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

2017 Changes

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- There have been no changes since the prior valuation.

**DAKOTA COUNTY
MINNESOTA**

NOTES TO THE SCHEDULES OF PROPORTIONATE SHARE OF NET PENSION
LIABILITY AND SCHEDULES OF CONTRIBUTIONS
FOR THE YEAR ENDED DECEMBER 31, 2021

2016 Changes:

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2015 Changes:

Changes in Actuarial Assumptions

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

Changes in Plan Provisions:

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

Correctional Fund

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

**DAKOTA COUNTY
MINNESOTA**

**NOTES TO THE SCHEDULES OF PROPORTIONATE SHARE OF NET PENSION
LIABILITY AND SCHEDULES OF CONTRIBUTIONS
FOR THE YEAR ENDED DECEMBER 31, 2021**

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 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 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.

**DAKOTA COUNTY
MINNESOTA**

NOTES TO THE SCHEDULES OF PROPORTIONATE SHARE OF NET PENSION
LIABILITY AND SCHEDULES OF CONTRIBUTIONS
FOR THE YEAR ENDED DECEMBER 31, 2021

- The assumed post-retirement benefit increase was changed from 2.50 percent per year to 2.00 percent per year.

Changes in Plan Provisions

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

2017 Changes

Changes in Actuarial Assumptions

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

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, 2021

2016 Changes:

Changes in Actuarial Assumptions

- The assumed investment return was changed from 7.90 percent to 7.50 percent. The single discount rate changed from 7.90 percent to 5.31 percent.

- The assumed future salary increases, payroll growth, and inflation were decreased by 0.25 percent to 3.25 percent for payroll growth and 2.5 percent for inflation.

Changes in Plan Provisions

There have been no changes since the prior valuation.

2015 Changes

Changes in Actuarial Assumptions

- There have been no changes since the prior valuation.

Changes in Plan Provisions

- There have been no changes since the prior valuation.



Supplementary Information

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**DAKOTA COUNTY
MINNESOTA**

**BUDGETARY COMPARISON SCHEDULE
BUDGET AND ACTUAL
CAPITAL PROJECTS FUND
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 3,338,405	\$ 3,339,305	\$ 3,337,574	\$ (1,731)
Intergovernmental	4,607,448	13,148,217	268,310	(12,879,907)
Miscellaneous	-	-	215,475	215,475
Total Revenues	\$ 7,945,853	\$ 16,487,522	\$ 3,821,359	\$ (12,666,163)
Expenditures				
Capital outlay				
Capital outlay	12,304,298	37,894,714	11,660,400	26,234,314
Excess of Revenues Over (Under)				
Expenditures	\$ (4,358,445)	\$ (21,407,192)	\$ (7,839,041)	\$ 13,568,151
Other Financing Sources				
Transfers in	\$ 4,358,445	\$ 4,358,445	\$ 4,358,445	\$ -
Net Change in Fund Balance	\$ -	\$ (18,003,108)	\$ (4,434,957)	\$ 13,568,151
Fund Balance - January 1	-	-	-	-
Fund Balance - December 31	\$ -	\$ (18,003,108)	\$ (4,434,957)	\$ 13,568,151

**DAKOTA COUNTY
MINNESOTA**

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2021**

	Special Revenue Funds					Total Nonmajor Governmental Funds
	County Library	County Parks	Regional Rail	Law Library	Attorney Forfeiture	
<u>Assets</u>						
Cash and pooled investments	\$ 1,816,214	\$ 790,906	\$ 9,420,655	\$ 253,706	\$ 201,477	\$ 12,482,958
Petty cash and change funds	3,246	1,600	-	40	-	4,886
Taxes receivable						
Prior	70,075	7,958	1,168	-	-	79,201
Accounts receivable	14,883	190,985	-	-	10,393	216,261
Due from other funds	94,899	8,317,728	7,301	5,588	-	8,425,516
Due from other governments	15,115	733,210	-	17,980	33	766,338
Total Assets	\$ 2,014,432	\$ 10,042,387	\$ 9,429,124	\$ 277,314	\$ 211,903	\$ 21,975,160
<u>Liabilities, Deferred Inflows of Resources, and Fund Balances</u>						
Liabilities						
Accounts payable	\$ 20,478	\$ 1,352,921	\$ -	\$ 6,119	\$ -	\$ 1,379,518
Salaries payable	342,609	71,684	-	8,080	-	422,373
Contracts payable	-	576,841	-	-	-	576,841
Due to other funds	107,562	362,099	31,962	945	79,000	581,568
Due to other governments	1,957	1,953	-	3	-	3,913
Unearned revenue - other	-	130,787	-	-	-	130,787
Total Liabilities	\$ 472,606	\$ 2,496,285	\$ 31,962	\$ 15,147	\$ 79,000	\$ 3,095,000
Deferred Inflows of Resources						
Unavailable revenue	\$ 87,404	\$ 10,268	\$ 1,349	\$ -	\$ -	\$ 99,021
Total deferred inflows of resources	\$ 87,404	\$ 10,268	\$ 1,349	\$ -	\$ -	\$ 99,021

**DAKOTA COUNTY
MINNESOTA**

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2021**

	Special Revenue Funds					Total Nonmajor Governmental Funds
	County Library	County Parks	Regional Rail	Law Library	Attorney Forfeiture	
Fund Balances						
Restricted for:						
Law library	\$ -	\$ -	\$ -	\$ 262,167	\$ -	\$ 262,167
Criminal forfeitures	-	-	-	-	132,903	132,903
Assigned to:						
Culture and recreation	1,454,422	7,535,834	-	-	-	8,990,256
Economic development	-	-	9,395,813	-	-	9,395,813
Total Fund Balances	\$ 1,454,422	\$ 7,535,834	\$ 9,395,813	\$ 262,167	\$ 132,903	\$ 18,781,139
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 2,014,432	\$ 10,042,387	\$ 9,429,124	\$ 277,314	\$ 211,903	\$ 21,975,160

**DAKOTA COUNTY
MINNESOTA**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>Special Revenue Funds</u>					<u>Total Nonmajor Governmental Funds</u>
	<u>County Library</u>	<u>County Parks</u>	<u>Regional Rail</u>	<u>Law Library</u>	<u>Attorney Forfeiture</u>	
Revenues						
Taxes	\$ 13,279,785	\$ 1,416,052	\$ -	\$ -	\$ -	\$ 14,695,837
License and permits	-	139,349	-	-	-	139,349
Intergovernmental	255,683	5,015,123	-	-	-	5,270,806
Charges for services	55,600	1,244,795	-	229,004	-	1,529,399
Fines and forfeits	-	2,400	-	-	89,789	92,189
Gifts and contributions	87,591	20,607	-	-	-	108,198
Investment earnings	1,081	-	124,010	-	-	125,091
Miscellaneous	144,116	10,535	-	4,824	-	159,475
Total Revenues	\$ 13,823,856	\$ 7,848,861	\$ 124,010	\$ 233,828	\$ 89,789	\$ 22,120,344
Expenditures						
Current						
General government	\$ -	\$ -	\$ -	\$ 337,143	\$ 86,147	\$ 423,290
Culture and recreation	13,980,723	17,361,944	-	-	-	31,342,667
Economic development	-	-	1,724,900	-	-	1,724,900
Total Expenditures	\$ 13,980,723	\$ 17,361,944	\$ 1,724,900	\$ 337,143	\$ 86,147	\$ 33,490,857
Excess of Revenues Over (Under) Expenditures	\$ (156,867)	\$ (9,513,083)	\$ (1,600,890)	\$ (103,315)	\$ 3,642	\$ (11,370,513)

**DAKOTA COUNTY
MINNESOTA**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>Special Revenue Funds</u>					<u>Total Nonmajor Governmental Funds</u>
	<u>County Library</u>	<u>County Parks</u>	<u>Regional Rail</u>	<u>Law Library</u>	<u>Attorney Forfeiture</u>	
Other Financing Sources (Uses)						
Transfers in	\$ -	\$ 9,055,930	\$ -	\$ -	\$ -	\$ 9,055,930
Total Other Financing Sources (Uses)	<u>\$ -</u>	<u>\$ 9,055,930</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,055,930</u>
Net Change in Fund Balance	\$ (156,867)	\$ (457,153)	\$ (1,600,890)	\$ (103,315)	\$ 3,642	\$ (2,314,583)
Fund Balance - January 1	<u>1,611,289</u>	<u>7,992,987</u>	<u>10,996,703</u>	<u>365,482</u>	<u>129,261</u>	<u>21,095,722</u>
Fund Balance - December 31	<u><u>\$ 1,454,422</u></u>	<u><u>\$ 7,535,834</u></u>	<u><u>\$ 9,395,813</u></u>	<u><u>\$ 262,167</u></u>	<u><u>\$ 132,903</u></u>	<u><u>\$ 18,781,139</u></u>

**DAKOTA COUNTY
MINNESOTA**

**BUDGETARY COMPARISON SCHEDULE
BUDGET AND ACTUAL
COUNTY LIBRARY SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 13,360,345	\$ 13,307,028	\$ 13,279,785	\$ (27,243)
Intergovernmental	145,000	145,000	255,683	110,683
Charges for services	400,000	400,000	55,600	(344,400)
Gifts and contributions	-	-	87,591	87,591
Investment earnings	-	-	1,081	1,081
Miscellaneous	179,000	179,000	144,116	(34,884)
Total Revenues	\$ 14,084,345	\$ 14,031,028	\$ 13,823,856	\$ (207,172)
Expenditures				
Current				
Culture and recreation				
Regional library	14,084,345	14,797,863	13,980,723	817,140
Net Change in Fund Balance	\$ -	\$ (766,835)	\$ (156,867)	\$ 609,968
Fund Balance - January 1	1,611,289	1,611,289	1,611,289	-
Fund Balance - December 31	\$ 1,611,289	\$ 844,454	\$ 1,454,422	\$ 609,968

**DAKOTA COUNTY
MINNESOTA**

**BUDGETARY COMPARISON SCHEDULE
BUDGET AND ACTUAL
COUNTY PARKS SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 1,404,740	\$ 1,417,818	\$ 1,416,052	\$ (1,766)
Licenses and permits	94,500	94,500	139,349	44,849
Intergovernmental	8,250,662	26,458,054	5,015,123	(21,442,931)
Charges for services	1,061,374	1,052,848	1,244,795	191,947
Fines and forfeits	10,000	10,000	2,400	(7,600)
Gifts and contributions	-	20,000	20,607	607
Miscellaneous	2,000	2,000	10,535	8,535
Total Revenues	\$ 10,823,276	\$ 29,055,220	\$ 7,848,861	\$ (21,206,359)
Expenditures				
Current				
Culture and recreation				
Parks	19,200,089	70,858,946	17,361,944	53,497,002
Excess of Revenues Over (Under)				
Expenditures	\$ (8,376,813)	\$ (41,803,726)	\$ (9,513,083)	\$ 32,290,643
Other Financing Sources (Uses)				
Transfers in	\$ -	\$ 7,460,928	\$ 9,055,930	\$ 1,595,002
Net Change in Fund Balance	\$ (8,376,813)	\$ (35,252,798)	\$ (457,153)	\$ 34,795,645
Fund Balance - January 1	7,992,987	7,992,987	7,992,987	-
Fund Balance - December 31	\$ (383,826)	\$ (27,259,811)	\$ 7,535,834	\$ 34,795,645

**DAKOTA COUNTY
MINNESOTA**

**BUDGETARY COMPARISON SCHEDULE
BUDGET AND ACTUAL
REGIONAL RAIL SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Investment earnings	\$ 165,223	\$ 165,223	\$ 124,010	\$ (41,213)
Total Revenues	\$ 165,223	\$ 165,223	\$ 124,010	\$ (41,213)
Expenditures				
Economic development				
Community development	\$ 62,500	\$ 5,593,557	\$ 1,680,000	\$ 3,913,557
Administration	139,419	139,419	44,900	94,519
Total Expenditures	\$ 201,919	\$ 5,732,976	\$ 1,724,900	\$ 4,008,076
Net Change in Fund Balance	\$ (36,696)	\$ (5,567,753)	\$ (1,600,890)	\$ 3,966,863
Fund Balance - January 1	10,996,703	10,996,703	10,996,703	-
Fund Balance - December 31	\$ 10,960,007	\$ 5,428,950	\$ 9,395,813	\$ 3,966,863

**DAKOTA COUNTY
MINNESOTA**

**STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUND
DECEMBER 31, 2021**

	<u>Geographic Information System Enterprise Fund</u>
Assets	
Current assets:	
Cash and pooled investments	\$ <u>138,129</u>
Total current assets	\$ <u>138,129</u>
Total Assets	\$ <u>138,129</u>
 Net Position	
Restricted for Equipment replacement	\$ <u>138,129</u>
Total Net Position	\$ <u><u>138,129</u></u>

**DAKOTA COUNTY
MINNESOTA**

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
NONMAJOR ENTERPRISE FUND
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>Geographic Information System Enterprise Fund</u>
Operating Revenues	
Charges for services	\$ <u>4,000</u>
Total Operating Revenues	\$ <u>4,000</u>
Operating Expenses	
Other services and charges	\$ <u>3,406</u>
Total Operating Expenses	\$ <u>3,406</u>
Operating income (loss)	\$ <u>594</u>
Change in Net Position	\$ 594
Net Position - January 1	<u>137,535</u>
Net Position - December 31	<u><u>138,129</u></u>

**DAKOTA COUNTY
MINNESOTA**

**STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUND
FOR THE YEAR ENDED DECEMBER 31, 2021
Increase (Decrease) in Cash and Cash Equivalents**

	Geographic Information System Enterprise Fund
Cash Flows from Operating Activities	
Receipts from customers and users	\$ 4,000
Payments to suppliers	<u>(3,406)</u>
Net cash provided by (used in) operating activities	<u>\$ 594</u>
Net Increase (Decrease) in Cash and Cash Equivalents	\$ 594
Cash and Cash Equivalents at January 1	<u>137,535</u>
Cash and Cash Equivalents at December 31	<u><u>\$ 138,129</u></u>
Reconciliation of Operating Income to Net Cash Provided by (Used in) Operating Activities	
Operating income (loss)	<u>\$ 594</u>
Net Cash Provided by (Used in) Operating Activities	<u><u>\$ 594</u></u>

**DAKOTA COUNTY
MINNESOTA**

**COMBINING STATEMENT OF FIDUCIARY NET POSITION
PRIVATE-PURPOSE TRUST FUNDS
DECEMBER 31, 2021**

	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	\$ -	\$ 30,724	\$ 781,405	\$ 9,068	\$ 821,197
Due from other governments	138,518	24	951	556	140,049
Total Assets	\$ 138,518	\$ 30,748	\$ 782,356	\$ 9,624	\$ 961,246
<u>Liabilities</u>					
Accounts payable	\$ -	\$ -	\$ 4,937	\$ -	\$ 4,937
Due to other governments	138,518	-	-	-	138,518
Total Liabilities	\$ 138,518	\$ -	\$ 4,937	\$ -	\$ 143,455
<u>Net Position</u>					
Net position held in trust for other purposes	\$ -	\$ 30,748	\$ 777,419	\$ -	\$ 808,167
Restricted for Individuals, organizations, other governments	-	-	-	9,624	9,624
Total Net Position	\$ -	\$ 30,748	\$ 777,419	\$ 9,624	\$ 817,791

**DAKOTA COUNTY
MINNESOTA**

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PRIVATE-PURPOSE TRUST FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>First Judicial District Trust Fund</u>	<u>Rural Solid Waste Commission Trust Fund</u>	<u>Domestic Preparedness Team Trust Fund</u>	<u>Social Welfare Trust Fund</u>	<u>Total Private- Purpose Trust Fund</u>
<u>ADDITIONS:</u>					
State Grants					
Minnesota Dept of Trial Courts	\$ 621,003	\$ -	\$ -	\$ -	\$ 621,003
Minnesota Dept of Public Safety	-	-	13,002	-	13,002
Other agencies	-	-	125,116	-	125,116
Contributions:					
Individuals	-	-	-	111,034	111,034
Investment earnings:					
Interest	-	367	-	-	367
Total additions	\$ 621,003	\$ 367	\$ 138,118	\$ 111,034	\$ 870,522
<u>DEDUCTIONS:</u>					
Judicial District expense	\$ 621,003	\$ -	\$ -	\$ -	\$ 621,003
Emergency preparedness expenses	-	-	80,208	-	80,208
Beneficiary payments to individuals	-	-	-	117,873	117,873
Total deductions	\$ 621,003	\$ -	\$ 80,208	\$ 117,873	\$ 819,084
Change in net position	\$ -	\$ 367	\$ 57,910	\$ (6,839)	\$ 51,438
Net position - January 1	-	30,381	719,509	16,463	766,353
Net position - December 31	\$ -	\$ 30,748	\$ 777,419	\$ 9,624	\$ 817,791

**DAKOTA COUNTY
HASTINGS, MINNESOTA**

**COMBINING STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS - OTHER CUSTODIAL FUNDS
DECEMBER 31, 2021**

	Custodial Funds							
	Agricultural Conservation	Dakota Broadband Board	Dakota-Scott WSA	Electronic Crimes Unit	Forfeited Tax	Historical Society	Local Collaboratives	Metro Alliance for Healthy Families
<u>Assets</u>								
Cash and pooled investments	\$ 372,195	\$ 260,465	\$ -	\$ -	\$ 3,432,742	\$ -	\$ 1,806,241	\$ 174,771
Due from other governments	-	190,394	29,216	-	-	-	-	600,969
Accounts receivable	-	56,217	-	-	-	-	-	-
Taxes receivable for other governments	-	-	-	-	-	-	-	-
Total Assets	\$ 372,195	\$ 507,076	\$ 29,216	\$ -	\$ 3,432,742	\$ -	\$ 1,806,241	\$ 775,740
<u>Liabilities</u>								
Accounts payable	\$ -	\$ 161,766	\$ -	\$ 525	\$ 86,307	\$ -	\$ 302	\$ 475,508
Due to other governments	-	-	29,216	125,789	-	276,238	-	48,118
Total Liabilities	\$ -	\$ 161,766	\$ 29,216	\$ 126,314	\$ 86,307	\$ 276,238	\$ 302	\$ 523,626
<u>Net Position</u>								
Restricted for Individuals, organizations, other governments	\$ 372,195	\$ 345,310	\$ -	\$ (126,314)	\$ 3,346,435	\$ (276,238)	\$ 1,805,939	\$ 252,114

**DAKOTA COUNTY
HASTINGS, MINNESOTA**

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

Cont.

	<u>Custodial Funds</u>						Total Other Custodial Funds
	Metropolitan Emergency Services Board	Metropolitan Inter-County Association	Sheriff Funds	Sheriff Inmate Funds	State Revenue	Taxes and Penalties	
<u>Assets</u>							
Cash and pooled investments	\$ -	\$ 336,916	\$ 419,263	\$ 70,357	\$ 394,752	\$ 36,387,158	\$ 43,654,860
Due from other governments	155,418	-	-	-	-	-	975,997
Accounts receivable	-	-	-	-	-	-	56,217
Taxes receivable for other governments	-	-	-	-	-	1,524,678	1,524,678
Total Assets	\$ 155,418	\$ 336,916	\$ 419,263	\$ 70,357	\$ 394,752	\$ 37,911,836	\$ 46,211,752
<u>Liabilities</u>							
Accounts payable	\$ -	\$ -	\$ 882	\$ -	\$ -	\$ -	\$ 725,290
Due to other governments	158,152	-	-	-	394,752	36,387,158	37,419,423
Total Liabilities	\$ 158,152	\$ -	\$ 882	\$ -	\$ 394,752	\$ 36,387,158	\$ 38,144,713
<u>Net Position</u>							
Restricted for Individuals, organizations, other governments	\$ (2,734)	\$ 336,916	\$ 418,381	\$ 70,357	\$ -	\$ 1,524,678	\$ 8,067,039

**DAKOTA COUNTY
HASTINGS, MINNESOTA**

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS - OTHER CUSTODIAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Custodial Funds							
	Agricultural Conservation	Dakota Broadband Board	Dakota-Scott WSA	Electronic Crimes Unit	Forfeited Tax	Historical Society	Local Collaboratives	
Additions								
Federal Grants	\$ -	\$ -	\$ 514,707	\$ -	\$ -	\$ -	\$ 1,150,095	\$ -
State Grants	-	-	-	-	-	-	-	1,786,081
From other agencies	-	1,412,332	-	83,008	-	-	38,689	-
Contributions:								
Individuals	118,454	-	-	-	-	-	-	-
Property tax collections for other governments	-	-	-	-	-	-	-	-
Other taxes and fees for other governments	-	-	-	-	311,751	-	-	-
License and fees collected for State	-	-	-	-	-	-	-	-
Miscellaneous	-	963,526	-	-	-	246,422	-	117
Investment earnings:								
Interest, dividends, other	-	-	-	-	-	-	-	-
Total Additions	\$ 118,454	\$ 2,375,858	\$ 514,707	\$ 83,008	\$ 311,751	\$ 246,422	\$ 1,188,784	\$ 1,786,198
Deductions								
Beneficiary payments to individuals	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,745,237
Payments of property tax to other governments	-	-	-	-	-	-	-	-
Payments to state	-	-	-	-	-	-	-	-
Administrative expense	-	771,713	-	-	-	276,238	-	265
I-Net expenses	-	1,563,791	-	-	-	-	-	-
Payments to other entities	-	-	514,707	227,313	435,394	-	947,816	-
Total Deductions	\$ -	\$ 2,335,504	\$ 514,707	\$ 227,313	\$ 435,394	\$ 276,238	\$ 947,816	\$ 1,745,502
Change in net position	\$ 118,454	\$ 40,354	\$ -	\$ (144,305)	\$ (123,643)	\$ (29,816)	\$ 240,968	\$ 40,696
Net Position – January 1	253,741	304,956	-	17,991	3,470,078	(246,422)	1,564,971	211,418
Net Position – December 31	\$ 372,195	\$ 345,310	\$ -	\$ (126,314)	\$ 3,346,435	\$ (276,238)	\$ 1,805,939	\$ 252,114

**DAKOTA COUNTY
HASTINGS, MINNESOTA**

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS - OTHER CUSTODIAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021**

Cont.

	Custodial Funds						Total Other Custodial Funds
	Metropolitan Emergency Services Board	Metropolitan Inter-County Association	Sheriff Funds	Sheriff Inmate Funds	State Revenue	Taxes and Penalties	
Additions							
Federal Grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,664,802
State Grants	-	-	-	-	-	-	1,786,081
From other agencies	1,088,760	-	13,095	-	-	-	2,635,884
Contributions:							
Individuals	-	-	124,891	1,374,672	149,909	-	1,767,926
Property tax collections for other governments	-	-	-	-	-	681,610,623	681,610,623
Other taxes and fees for other governments	-	396,767	-	-	-	1,402,131	2,110,649
License and fees collected for State	-	-	-	-	35,479,394	-	35,479,394
Miscellaneous	-	-	5,997,695	-	-	-	7,207,760
Investment earnings:							
Interest, dividends, other	-	5,821	-	-	-	-	5,821
Total Additions	\$ 1,088,760	\$ 402,588	\$ 6,135,681	\$ 1,374,672	\$ 35,629,303	\$ 683,012,754	\$ 734,268,940
Deductions							
Beneficiary payments to individuals	\$ 1,092,385	\$ -	\$ -	\$ 1,364,671	\$ -	\$ -	\$ 4,202,293
Payments of property tax to other governments	-	-	-	-	-	681,800,769	681,800,769
Payments to state	-	-	-	-	35,629,303	-	35,629,303
Administrative expense	-	-	4,227	-	-	-	1,052,443
I-Net expenses	-	-	-	-	-	-	1,563,791
Payments to other entities	-	390,000	6,450,073	-	-	1,672,773	10,638,076
Total Deductions	\$ 1,092,385	\$ 390,000	\$ 6,454,300	\$ 1,364,671	\$ 35,629,303	\$ 683,473,542	\$ 734,886,675
Change in net position	\$ (3,625)	\$ 12,588	\$ (318,619)	\$ 10,001	\$ -	\$ (460,788)	\$ (617,735)
Net Position – January 1	891	324,328	737,000	60,356	-	1,985,466	8,684,774
Net Position – December 31	\$ (2,734)	\$ 336,916	\$ 418,381	\$ 70,357	\$ -	\$ 1,524,678	\$ 8,067,039

**DAKOTA COUNTY
MINNESOTA**

**GOVERNMENTAL FUND BALANCE SHEET AND
GOVERNMENTAL ACTIVITIES - STATEMENT OF NET POSITION
VERMILLION RIVER WATERSHED DISTRICT
DECEMBER 31, 2021**

Assets

Cash and investments	\$ 1,151,334
Taxes receivable	
Current	58,491
Prior - net	1,858
Due from other governments	<u>201,053</u>
Total Assets	<u><u>\$ 1,412,736</u></u>

Liabilities

Current liabilities	
Accounts payable	<u>\$ 164,861</u>
Total Liabilities	<u>\$ 164,861</u>

Fund Balance/Net Position

Unrestricted	<u>\$ 1,247,875</u>
Total Fund Balance/Net Position	<u>\$ 1,247,875</u>
Total Liabilities and Fund Balance/Net Position	<u><u>\$ 1,412,736</u></u>

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

**DAKOTA COUNTY
MINNESOTA**

**GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
AND GOVERNMENTAL ACTIVITIES - STATEMENT OF ACTIVITIES
VERMILLION RIVER WATERSHED DISTRICT
FOR THE YEAR ENDED DECEMBER 31, 2021**

Revenues	
Taxes	\$ 972,251
License and permits	4,902
Intergovernmental	651,565
Investment earnings	13,473
Miscellaneous	18,619
	<u>1,660,810</u>
Total Revenues	\$ 1,660,810
Expenditures/Expenses	
Current	
Conservation of natural resources	\$ 1,557,495
	<u>1,557,495</u>
Net Change in Fund Balance/ Net Position	\$ 103,315
Fund Balance/Net Position - January 1	<u>1,144,560</u>
Fund Balance/Net Position - December 31	\$ <u>1,247,875</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, 2021**

	<u>Governmental Funds</u>	<u>Enterprise Funds</u>	<u>Total Primary Government</u>
Appropriations and Shared Revenue			
State			
Highway users tax	\$ 57,872,657	\$ -	\$ 57,872,657
PERA - state aid	392,310	-	392,310
Disparity reduction aid	1,681	-	1,681
Police aid	752,259	-	752,259
Agricultural preserve credit	10,275	-	10,275
County program aid	20,320,557	-	20,320,557
Local performance aid	25,000	-	25,000
Market value credit	131,261	-	131,261
SCORE	1,261,853	-	1,261,853
Aquatic invasive species	119,521	-	119,521
Total Appropriations and Shared Revenue	\$ 80,887,374	\$ -	\$ 80,887,374
Reimbursement for Services			
State			
Minnesota Department of Human Services	\$ 10,602,864	\$ -	\$ 10,602,864
Payments			
Local			
County contributions	\$ 309,891	\$ -	\$ 309,891
City contributions	1,075,905	-	1,075,905
Metropolitan Council	934,297	-	934,297
City and agency share of construction	10,331,620	-	10,331,620
MELSA	220,094	-	220,094
Other contributions	349,043	-	349,043
Local contributions	2,288,466	-	2,288,466
Total Payments	\$ 15,509,316	\$ -	\$ 15,509,316
Grants			
State			
Minnesota Department/Board of			
Public Safety	\$ 219,490	\$ -	\$ 219,490
Transportation	1,459,734	-	1,459,734
Health	2,466,939	-	2,466,939
Commerce	39,786	-	39,786
Natural Resources	1,946,433	-	1,946,433
Human Services	14,360,216	-	14,360,216
Water and Soil Resources	710,135	-	710,135
Employment and Economic Development	832,983	-	832,983
Trial Courts	228,243	-	228,243
Education	4,903	-	4,903
Historical Society	144,440	-	144,440
Peace Officer Standards and Training	84,490	-	84,490
Corrections	5,508,294	-	5,508,294
Veterans Affairs	29,756	-	29,756
Information Technology	10,000	-	10,000
Housing Finance Agency	320,844	-	320,844
Pollution Control Agency	348,109	-	348,109
Total State	\$ 28,714,795	\$ -	\$ 28,714,795

**DAKOTA COUNTY
MINNESOTA**

**SCHEDULE OF INTERGOVERNMENTAL REVENUE
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>Governmental Funds</u>	<u>Enterprise Funds</u>	<u>Total Primary Government</u>
Grants (Continued)			
Federal			
Department of			
Agriculture	\$ 4,628,031	\$ -	\$ 4,628,031
Housing and Urban Development	4,181,336	-	4,181,336
Interior	5,913	-	5,913
Justice	56,957	-	56,957
Labor	661,885	-	661,885
Transportation	3,470,411	-	3,470,411
Revenue	15,346,594	-	15,346,594
Education	2,024	-	2,024
Health and Human Services	28,145,425	-	28,145,425
Elections Assistance Commission	70,789	-	70,789
Homeland Security	1,355,216	-	1,355,216
	<u>\$ 57,924,581</u>	<u>\$ -</u>	<u>\$ 57,924,581</u>
Total Federal	<u>\$ 57,924,581</u>	<u>\$ -</u>	<u>\$ 57,924,581</u>
Total State and Federal Grants	<u>\$ 86,639,376</u>	<u>\$ -</u>	<u>\$ 86,639,376</u>
Total Intergovernmental Revenue	<u>\$ 193,638,930</u>	<u>\$ -</u>	<u>\$ 193,638,930</u>

**DAKOTA COUNTY
MINNESOTA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2021**

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	E37P04521	\$ 8,059	\$ -
National School Lunch Program	10.555	E37P04621	16,280	-
(Total expenditures for Child Nutrition Cluster \$24,339)				
Passed Through Minnesota Department of Health Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	H12H302	1,419,987	-
Passed Through Minnesota Department of Agriculture WIC Farmers' Market Nutrition Program (FMNP)	10.572	B0421F172615	3,822	-
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	H55210010	3,179,883	-
Total U.S. Department of Agriculture			\$ 4,628,031	\$ -
U.S. Department of Housing and Urban Development				
Direct				
Community Development Block Grants - Entitlement Grants Cluster				
Community Development Block Grants/Entitlement Grants	14.218		\$ 2,110,366	\$ 2,110,366
HOME Investment Partnerships Program	14.239		978,384	978,384
Continuum of Care Program	14.267		597,895	-
Passed Through Minnesota Department of Human Services Emergency Solutions Grant Program	14.231	E-18-UC-27-0003	494,691	494,691
Total U.S. Department of Housing and Urban Development			\$ 4,181,336	\$ 3,583,441
U.S. Department of Interior				
Direct				
Mississippi National River and Recreation Area State and Local Assistance	15.941		\$ 5,913	\$ -
Total U.S. Department of Interior			\$ 5,913	\$ -
U.S. Department of Justice				
Direct				
Edward Byrne Memorial Formula Grant Program	16.579		\$ 10,698	\$ -
Equitable Sharing Program	16.922		6,960	-
Passed Through Minnesota Department of Public Safety Crime Victim Assistance	16.575	P0760VOCAFFY19	39,299	-
Total U.S. Department of Justice			\$ 56,957	\$ -

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, 2021**

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	9143100	\$ 100,198	\$ -
WIOA Adult Program	17.258	0143100	133,357	-
WIOA Adult Program	17.258	1143100	18,844	-
(Total expenditures for WIOA Adult Program 17.258 \$252,399)				
WIOA Youth Activities	17.259	0143600	169,183	-
WIOA Youth Activities	17.259	1143600	84,488	-
(Total expenditures for WIOA Youth Activities 17.259 \$253,671)				
WIOA Dislocated Worker Formula Grants	17.278	9148000	177,239	-
WIOA Dislocated Worker Formula Grants	17.278	0148000	188,873	-
WIOA Dislocated Worker Formula Grants	17.278	1148000	17,387	-
(Total expenditures for WIOA Dislocated Worker Formula Grants 17.278 \$383,499)				
(Total expenditures for WIOA Cluster \$889,569)				
Total U.S. Department of Labor			\$ 889,569	\$ -
U.S. Department of Transportation				
Passed Through Minnesota Department of Transportation				
Highway Planning and Construction Cluster				
Highway Planning and Construction	20.205	1918265	\$ 16,848	\$ -
Highway Planning and Construction	20.205	1920180	364,326	-
Highway Planning and Construction	20.205	1920183	388,800	-
Highway Planning and Construction	20.205	1921136	336,334	-
Highway Planning and Construction	20.205	1917115	168,250	-
Highway Planning and Construction	20.205	1918126	1,426,204	-
Highway Planning and Construction	20.205	1919147	494,837	-
(Total expenditures for Highway Planning and Construction 20.205 \$3,195,599)				
Transit Services Programs Cluster				
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	TMN20513-201714	254,891	-
Highway Safety Cluster				
National Priority Safety Programs	20.616	P079220405D	4,509	-
Passed Through City of Mendota Heights				
State and Community Highway Safety	20.600	Not Provided	4,678	-
(Total expenditures for Highway Safety Cluster \$9,187)				
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	P079221AL164	10,734	-
Total U.S. Department of Transportation			\$ 3,470,411	\$ -
U.S. Department of Treasury				
Passed through Minnesota Department of Revenue				
COVID-19 Coronavirus Relief Fund	21.019	G90CARESDIST	\$ 414,968	\$ -
COVID-19 Emergency Rental Assistance Program	21.023	ERAE016	14,924,165	8,035,321
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	Not Provided	7,461	-
Total U.S. Department of Treasury			\$ 15,346,594	\$ 8,035,321
U.S. Department of Education				
Passed Through Minnesota Department of Health				
Special Education-Grants for Infants and Families	84.181	Not Provided	\$ 2,024	\$ -
Total U.S. Department of Education			\$ 2,024	\$ -

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, 2021**

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 Health and Human Services				
Passed Through Minnesota Department of Health				
Public Health Emergency Preparedness	93.069	H12H675J	\$ 275,527	\$ -
Universal Newborn Hearing Screening	93.251	H12H671	4,325	-
Immunization Cluster				
Immunization Cooperative Agreements	93.268	H12H715	544,953	-
Early Hearing Detection and Intervention				
Information System (EHDI-IS) Surveillance Program	93.314	H12H738	825	-
Epidemiology and Laboratory Capacity for Prevention and Control of Emerging Infectious Diseases (ELC)	93.323	H12H717H	911,395	-
Temporary Assistance for Needy Families	93.558	H55214077	325,356	-
(Total expenditures for Temporary Assistance for Needy Families 93.558 \$2,456,997)				
ACA Maternal, Infant, and Early Childhood Home Visiting Program	93.870	H12H722H	451,483	-
Maternal and Child Health Services Block Grant to the States	93.994	H12H722H	280,443	-
Passed Through Minnesota Department of Human Services				
Guardianship Assistance	93.090	H55211409	31,000	-
Comprehensive Community Mental Health Services for Children w/Serious Emotional Disturbances	93.104	H55178015	68,173	-
Promoting Safe and Stable Families	93.556	H55210100	113,226	-
Temporary Assistance for Needy Families	93.558	H55214077	2,131,641	-
(Total expenditures for Temporary Assistance for Needy Families 93.558 \$2,456,997)				
Child Support Enforcement	93.563	H55214004	7,224,412	-
Child Support Enforcement Title IV-D	93.566	H12HP981	2,500	-
Community-Based Child Abuse Prevention Grants	93.590	H55209100	79,897	-
Child Care and Development Fund Cluster				
Child Care and Development Block Grant	93.575	H55219358	405,213	-
Stephanie Tubbs Jones Child Welfare Services Program	93.645	H55211400	65,231	-
Foster Care - Title IV-E	93.658	H55211401	1,646,122	-
Adoption Assistance	93.659	H55211407	464,063	-
Social Services Block Grant	93.667	H55216190	1,491,110	-
Chafee Foster Care Independence Program	93.674	H55201420	114,658	-
Medicaid Cluster				
Medical Assistance Program	93.778	H55215048	12,663,966	-
Total U.S. Department of Health and Human Services			\$ 29,295,519	\$ -
Executive Office of the President				
Direct				
High Intensity Drug Trafficking Areas Program	95.001		\$ 70,789	\$ -
Total Executive Office of the President			\$ 70,789	\$ -

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, 2021**

Federal Grantor Pass-Through Agency Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Numbers	Total Federal Expenditures	Passed Through to Subrecipients
U.S. Department of Homeland Security				
Passed Through Minnesota Department of Natural Resources Boating Safety Financial Assistance	97.012	R29G70CGBLA19	\$ 81,966	\$ -
Passed Through Minnesota Department of Public Safety Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	P07204531	657,340	-
Emergency Management Performance Grants	97.042	P072019EMPG	23,188	-
Emergency Management Performance Grants	97.042	P072020EMPG	142,725	-
Homeland Security Grant Program	97.067	P072018UASI	449,997	-
Total U.S. Department of Homeland Security			\$ 1,355,216	\$ -
Total Federal Expenditures			\$ 59,302,359	\$ 11,618,762

**DAKOTA COUNTY
MINNESOTA**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2021**

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 \$32,296,109 in federal awards during the year ended June 30, 2021. 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, 2021. The information in this Schedule is presented in accordance with the requirements of 2 CFR Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Dakota County, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Dakota County.

3. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance for all awards with the exception of Federal Assistance Listing Number 21.019, which follows criteria determined by the Department of Treasury for allowability of costs. Under these principles, certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

4. Indirect Cost Rate

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

**DAKOTA COUNTY
MINNESOTA**

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2021

5. Reconciliation to Schedule of Intergovernmental Revenue

Federal grant revenue per Schedule of Intergovernmental Revenue	\$ 57,924,581
Grants held in the Custodial Fund	
WIA/WIOA Cluster	
WIA/WIOA Adult Program	85,959
WIA/WIOA Youth Activities	48,541
WIA/WIOA Dislocated Worker Formula Grants	93,184
Foster Care – Title IV-E	286,623
Medical Assistance Program	<u>863,471</u>
Expenditures Per Schedule of Expenditures of Federal Awards	<u>\$ 59,302,359</u>



Statistical Section

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Statistical Section

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

Contents

	<u>Page</u>
Financial Trends	139
These schedules contain trend information to help the reader understand how the County’s financial performance and well-being have changed over time.	
Revenue Capacity	146
These schedules contain information to help the reader assess the factors affecting the County’s ability to generate its property taxes.	
Debt Capacity	152
These schedules present information to help the reader assess the affordability to the County’s current levels of outstanding debt and the County’s ability to issue additional debt in the future.	
Demographic and Economic Information	155
These schedules offer demographic and economic indicators to help the reader understand the environment within which the County’s financial activities take place and to help make comparisons over time and with other governments.	
Operating Information	157
These schedules contain information about the County’s operations and resources to help the reader understand how the County provides the activities it performs.	

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

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Dakota County, Minnesota

Net Position by Component

Primary Government

	2012	2013 (Restated)	2014	2015	2016	2017	2018	2019 (Restated)	2020	2021
Governmental Activities										
Net Investment in Capital Assets	\$ 634,821,240	\$ 634,927,138	\$ 676,893,277	\$ 728,602,522	\$ 792,116,539	\$ 818,225,255	\$ 838,737,456	\$ 874,497,312	\$ 919,606,162	\$ 963,769,288
Restricted	12,189,502	27,406,220	21,784,009	25,176,075	32,212,249	53,245,122	75,360,146	82,891,449	111,648,309	88,463,500
Unrestricted	250,601,958	285,711,445	311,862,759	224,447,938	178,894,978	183,692,007	197,544,002	189,679,012	177,335,993	166,796,699
Total Net Position - Governmental Activities	\$ 897,612,700	\$ 948,044,803	\$ 1,010,540,045	\$ 978,226,535	\$ 1,003,223,766	\$ 1,055,162,384	\$ 1,111,641,604	\$ 1,147,067,773	\$ 1,208,590,464	\$ 1,219,029,487
Business-Type Activities										
Net Investment in Capital Assets	\$ -	\$ 5,031,329	\$ 7,245,061	\$ 8,826,272	\$ 10,643,733	\$ 10,665,893	\$ 12,640,982	\$ 15,391,857	\$ 16,537,939	\$ 24,685,223
Restricted	2,063,341	149,306	147,267	149,531	149,030	147,414	147,849	151,177	137,535	138,129
Unrestricted	-	2,517,358	563,377	2,165,111	883,264	778,232	(1,247,952)	2,606,849	869,431	(8,539,180)
Total Net Position - Business-Type Activities	\$ 2,063,341	\$ 7,697,993	\$ 7,955,705	\$ 11,140,914	\$ 11,676,027	\$ 11,591,539	\$ 11,540,879	\$ 18,149,883	\$ 17,544,905	\$ 16,284,172
Total Primary Government										
Net Investment in Capital Assets	\$ 634,821,240	\$ 639,958,467	\$ 684,138,338	\$ 737,428,794	\$ 802,760,272	\$ 828,891,148	\$ 851,378,438	\$ 889,889,169	\$ 936,144,101	\$ 988,454,511
Restricted	14,252,843	27,555,526	21,931,276	25,325,606	32,361,279	53,392,536	75,507,995	83,042,626	111,785,844	88,601,629
Unrestricted	250,601,958	288,228,803	312,426,136	226,613,049	179,778,242	184,470,239	196,467,633	192,285,861	178,205,424	158,257,519
Total Net Position - Primary Government	\$ 899,676,041	\$ 955,742,796	\$ 1,018,495,750	\$ 989,367,449	\$ 1,014,899,793	\$ 1,066,753,923	\$ 1,123,182,483	\$ 1,165,217,656	\$ 1,226,135,369	\$ 1,235,313,659

Components Units

	2012	2013 (Restated)	2014	2015	2016	2017	2018	2019	2020	2021
Community Development Agency										
Net Investment in Capital Assets	\$ 82,152,316	\$ 81,612,927	\$ 84,988,917	\$ 89,380,592	\$ 92,249,133	\$ 97,672,468	\$ 154,077,941	\$ 151,591,709	\$ 153,603,277	\$ 99,326,312
Restricted	54,930,480	61,288,925	62,251,756	60,449,437	58,413,028	64,440,381	77,931,026	83,594,582	87,766,420	79,071,637
Unrestricted	83,933,498	86,865,611	97,038,422	103,144,207	110,772,169	112,797,004	118,198,799	124,929,751	135,131,691	150,162,396
Total Net Position - Community Development Agency	\$ 221,016,294	\$ 229,767,463	\$ 244,279,095	\$ 252,974,236	\$ 261,434,330	\$ 274,909,853	\$ 350,207,766	\$ 360,116,042	\$ 376,501,388	\$ 328,560,345
Vermillion River Watershed										
Net Investment in Capital Assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	1,646,229	1,953,185	1,925,156	1,885,377	1,269,938	1,932,414	1,165,425	1,118,905	1,144,560	1,247,875
Total Net Position - Vermillion River Watershed	\$ 1,646,229	\$ 1,953,185	\$ 1,925,156	\$ 1,885,377	\$ 1,269,938	\$ 1,932,414	\$ 1,165,425	\$ 1,118,905	\$ 1,144,560	\$ 1,247,875

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	2012	2013 (Restated)	2014	2015	2016	2017	2018	2019 (Restated)	2020	2021
Primary Government										
<i>Governmental Activities</i>										
General Government	\$ 55,323,557	\$ 56,902,146	\$ 65,584,363	\$ 66,920,647	\$ 69,769,800	\$ 72,720,526	\$ 84,613,959	\$ 85,859,668	\$ 114,244,168	\$ 103,124,299
Public Safety	35,409,600	35,334,573	39,366,008	39,590,503	46,842,871	47,468,787	44,040,881	46,082,194	39,898,807	40,334,880
Highways and Streets	22,657,918	31,617,540	24,441,165	25,151,932	33,382,078	42,360,176	44,100,007	36,977,152	55,598,564	53,160,503
Sanitation	5,197,563	5,326,179	3,910,489	4,535,062	5,050,371	5,433,200	5,406,632	7,012,878	8,296,785	6,659,081
Human Services	66,997,873	66,211,619	70,662,704	72,053,369	81,202,624	83,935,657	87,735,585	91,577,154	98,788,720	110,567,209
Health	8,486,409	7,861,046	8,602,529	9,377,952	9,976,992	10,230,313	10,202,972	11,370,593	11,424,919	11,481,958
Culture and Recreation	18,171,501	17,287,925	13,567,104	18,114,323	20,365,261	22,611,807	18,452,909	19,838,959	25,730,014	29,918,672
Conservation of Natural Resources	4,016,128	4,276,455	3,520,375	4,852,937	4,093,572	7,387,706	3,470,791	4,452,761	5,349,827	5,348,771
Economic Development	8,216,401	8,079,665	9,946,696	11,715,865	9,073,780	9,032,938	9,774,538	10,349,954	6,404,966	8,348,294
Interest	2,212,496	1,916,583	1,447,204	1,013,259	64,536	13,828	9,366	4,758	-	-
Total Governmental Activities	\$ 226,689,446	\$ 234,813,731	\$ 241,048,637	\$ 253,325,849	\$ 279,821,885	\$ 301,194,938	\$ 307,807,640	\$ 313,526,071	\$ 365,736,770	\$ 368,943,667
<i>Business-Type Activities</i>										
Geographic Information Systems	\$ 9,072	\$ 9,096	\$ 9,100	\$ 44,123	\$ 624	\$ 5,647	\$ 3,565	\$ 672	\$ 17,642	\$ 3,406
Criminal Justice Information Integration Network	48,021	113,463	151,656	-	-	-	-	-	-	-
Byllesby Dam	928,924	407,634	867,864	753,762	1,495,120	1,116,690	755,385	851,568	1,228,093	1,346,924
Total Business-Type Activities	\$ 986,017	\$ 530,193	\$ 1,028,620	\$ 797,885	\$ 1,495,744	\$ 1,122,337	\$ 758,950	\$ 852,240	\$ 1,245,735	\$ 1,350,330
Total Primary Government Expenses	\$ 227,675,463	\$ 235,343,924	\$ 242,077,257	\$ 254,123,734	\$ 281,317,629	\$ 302,317,275	\$ 308,566,590	\$ 314,378,311	\$ 366,982,505	\$ 370,293,997
Program Revenues										
Primary Government										
<i>Governmental Activities</i>										
Fees, fines, charges and other:										
General Government	\$ 7,817,635	\$ 7,819,235	\$ 7,536,670	\$ 7,434,589	\$ 8,659,515	\$ 7,329,162	\$ 7,893,302	\$ 8,856,120	\$ 7,592,650	\$ 8,931,071
Public Safety	3,491,571	3,331,432	3,021,044	2,763,775	3,059,881	2,775,730	2,418,920	2,606,891	2,159,857	2,215,119
Highways and Streets	576,243	3,589,979	641,484	532,360	969,540	676,328	789,920	1,763,077	627,804	894,736
Sanitation	8,433,603	7,713,818	7,881,052	9,012,270	8,975,849	9,609,107	10,643,605	9,959,911	9,707,364	11,033,419
Human Services	5,683,801	7,776,989	940,947	2,341,929	2,195,204	2,154,736	1,913,574	1,483,044	2,571,490	3,107,236
Health	1,463,958	1,363,361	1,211,838	1,738,043	887,883	899,157	871,760	1,065,750	937,179	1,828,905
Culture and Recreation	1,558,792	1,540,512	1,539,480	1,570,060	1,712,736	1,787,799	1,842,587	1,726,198	1,083,883	1,596,076
Conservation of Natural Resources	20,021	25,455	391,528	378,424	414,241	599,109	513,655	642,998	580,707	530,044
Economic Development	243,643	302,581	-	-	-	13,863	-	-	-	-
Total Governmental Fees, Fines, Charges and Other	\$ 29,289,267	\$ 33,463,362	\$ 23,164,043	\$ 25,771,450	\$ 26,874,849	\$ 25,844,991	\$ 26,887,323	\$ 28,103,989	\$ 25,260,934	\$ 30,136,606
<i>Business-Type Activities</i>										
Geographic Information Systems	\$ 13,166	\$ 11,032	\$ 7,061	\$ 46,387	\$ 123	\$ 4,031	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000
Criminal Justice Information Integration Network	147,584	118,632	127,058	-	-	-	-	-	-	-
Byllesby Dam	603,569	657,061	690,875	578,688	702,190	840,710	704,290	705,361	636,757	85,597
Total Business-Type Program Revenues	\$ 764,319	\$ 786,725	\$ 824,994	\$ 625,075	\$ 702,313	\$ 844,741	\$ 708,290	\$ 709,361	\$ 640,757	\$ 89,597
Total Primary Government Fees, Fines, Charges and Other	\$ 30,053,586	\$ 34,250,087	\$ 23,989,037	\$ 26,396,525	\$ 27,577,162	\$ 26,689,732	\$ 27,595,613	\$ 28,813,350	\$ 25,901,691	\$ 30,226,203

Dakota County, Minnesota

Changes in Net Position

(Continued) (Continued)

Program Revenues	2012	2013 (Restated)	2014	2015	2016	2017	2018	2019 (Restated)	2020	2021
Primary Government										
<i>Governmental Activities</i>										
Operating Grants and Contributions:										
General Government	\$ 4,387,424	\$ 3,560,993	\$ 2,349,541	\$ 2,431,014	\$ 3,563,340	\$ 4,432,346	\$ 4,902,994	\$ 4,571,663	\$ 29,838,081	\$ 3,466,776
Public Safety	7,460,653	9,773,312	7,463,572	7,809,033	8,118,248	8,634,623	8,868,822	8,935,228	23,826,050	8,697,834
Highways and Streets	17,177,991	20,887,253	29,785,696	25,031,461	29,004,308	56,386,910	36,629,521	32,716,101	34,866,037	36,902,854
Sanitation	544,354	450,558	1,920,547	1,526,796	1,527,686	1,529,470	1,530,301	1,588,869	1,696,560	1,666,425
Human Services	28,276,091	29,671,099	41,818,152	39,216,444	42,920,353	45,210,891	50,180,826	49,556,440	61,505,763	67,402,559
Health	4,841,022	5,036,177	4,574,675	4,805,213	4,317,792	4,596,981	4,420,029	5,081,288	9,499,341	7,130,086
Culture and Recreation	2,114,445	3,410,363	2,580,992	4,869,406	3,382,097	8,106,626	1,383,441	4,714,178	7,292,899	3,611,661
Conservation of Natural Resources	2,289,603	3,491,245	877,855	2,139,007	2,168,548	3,938,542	1,662,649	819,948	783,884	1,288,370
Economic Development	8,617,863	7,590,498	10,162,440	11,585,829	8,882,185	10,963,998	6,380,251	7,706,546	14,643,883	6,745,249
Total Governmental Operating Grants and Contributions	\$ 75,709,446	\$ 83,871,498	\$ 101,533,470	\$ 99,414,203	\$ 103,884,557	\$ 143,800,387	\$ 115,958,834	\$ 115,690,261	\$ 183,952,498	\$ 136,911,814
<i>Business-Type Activities</i>										
Geographic Information Systems	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Criminal Justice Information Integration Network	-	-	-	-	-	-	-	-	-	-
Byllesby Dam	157,769	2,354,120	-	-	1,328,544	193,108	-	1,149,604	-	-
Total Business-Type Operating Grants and Contributions	\$ 157,769	\$ 2,354,120	\$ -	\$ -	\$ 1,328,544	\$ 193,108	\$ -	\$ 1,149,604	\$ -	\$ -
Total Primary Government Operating Grants and Contributions	\$ 75,867,215	\$ 86,225,618	\$ 101,533,470	\$ 99,414,203	\$ 105,213,101	\$ 143,993,495	\$ 115,958,834	\$ 116,839,865	\$ 183,952,498	\$ 136,911,814
Program Revenues										
Primary Government										
<i>Governmental Activities</i>										
Capital Grants and Contributions:										
General Government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public Safety	53,349	-	-	-	-	-	-	-	-	-
Highways and Streets	34,413,883	21,319,833	14,923,646	17,803,674	12,486,120	15,019,326	31,272,243	7,644,775	16,232,689	20,159,601
Sanitation	-	-	-	-	-	-	-	-	-	-
Human Services	-	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-	-
Culture and Recreation	153,585	130,735	1,027,842	3,630,509	1,493,529	1,451,949	1,616,402	5,574	354,058	364,326
Conservation of Natural Resources	-	-	-	-	-	-	-	-	-	-
Economic Development	-	-	-	-	-	-	-	-	-	-
Total Governmental Capital Grants and Contributions	\$ 34,620,817	\$ 21,450,568	\$ 15,951,488	\$ 21,434,183	\$ 13,979,649	\$ 16,471,275	\$ 32,888,645	\$ 7,650,349	\$ 16,586,747	\$ 20,523,927
<i>Business-Type Activities</i>										
Geographic Information Systems	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Criminal Justice Information Integration Network	-	-	-	-	-	-	-	-	-	-
Byllesby Dam	-	-	777,414	1,310,519	-	-	-	-	-	-
Total Business-Type Capital Grants and Contributions	\$ -	\$ -	\$ 777,414	\$ 1,310,519	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Primary Government Capital Grants and Contributions	\$ 34,620,817	\$ 21,450,568	\$ 16,728,902	\$ 22,744,702	\$ 13,979,649	\$ 16,471,275	\$ 32,888,645	\$ 7,650,349	\$ 16,586,747	\$ 20,523,927

Dakota County, Minnesota

Changes in Net Position

(Continued) (Continued)

Net (Expense) Revenue (a)

	2012	2013 (Restated)	2014	2015	2016	2017	2018	2019 (Restated)	2020	2021
Primary Government										
<i>Governmental Activities</i>										
General Government	\$ (43,118,498)	\$ (45,521,918)	\$ (55,698,152)	\$ (57,055,044)	\$ (57,546,945)	\$ (60,959,018)	\$ (71,817,663)	\$ (72,431,885)	\$ (76,813,437)	\$ (90,726,452)
Public Safety	(24,404,027)	(22,229,829)	(28,881,392)	(29,017,695)	(35,664,742)	(36,058,434)	(32,753,139)	(34,540,075)	(13,912,900)	(29,421,927)
Highways and Streets	29,510,199	14,179,525	20,909,661	18,215,563	9,077,890	29,722,388	24,591,677	5,146,801	(3,872,034)	4,796,688
Sanitation	3,780,394	2,838,197	5,891,110	6,004,004	5,453,164	5,705,377	6,767,274	4,535,902	3,107,139	6,040,763
Human Services	(33,037,981)	(28,763,531)	(27,903,605)	(30,494,996)	(36,087,067)	(36,570,030)	(35,641,185)	(40,537,670)	(34,711,467)	(40,057,414)
Health	(2,181,429)	(1,461,508)	(2,816,016)	(2,834,696)	(4,771,317)	(4,734,175)	(4,911,183)	(5,223,555)	(988,399)	(2,522,967)
Culture and Recreation	(14,344,679)	(12,206,315)	(8,418,790)	(8,044,348)	(13,776,899)	(11,265,433)	(13,610,479)	(13,393,009)	(16,999,174)	(24,346,609)
Conservation of Natural Resources	(1,706,504)	(759,755)	(2,250,992)	(2,335,506)	(1,510,783)	(2,850,055)	(1,294,487)	(2,989,815)	(3,985,236)	(3,530,357)
Economic Development	645,105	(186,586)	215,744	(130,036)	(191,595)	1,944,923	(3,394,287)	(2,643,408)	8,238,917	(1,603,045)
Interest	(2,212,496)	(1,916,583)	(1,447,204)	(1,013,259)	(64,536)	(13,828)	(9,366)	(4,758)	-	-
Total Governmental Net (Expense) Revenue	\$ (87,069,916)	\$ (96,028,303)	\$ (100,399,636)	\$ (106,706,013)	\$ (135,082,830)	\$ (115,078,285)	\$ (132,072,838)	\$ (162,081,472)	\$ (139,936,591)	\$ (181,371,320)
<i>Business-Type Activities</i>										
Geographic Information Systems	\$ 4,094	\$ 1,936	\$ (2,039)	\$ 2,264	\$ (501)	\$ (1,616)	\$ 435	\$ 3,328	\$ (13,642)	\$ 594
Criminal Justice Information Integration Network	99,563	5,169	(24,598)	-	-	-	-	-	-	-
Byllesby Dam	(167,586)	2,603,547	600,425	1,135,445	535,614	(82,872)	(51,095)	1,003,397	(591,336)	(1,261,327)
Total Business-Type Net (Expense) Revenue	\$ (63,929)	\$ 2,610,652	\$ 573,788	\$ 1,137,709	\$ 535,113	\$ (84,488)	\$ (50,660)	\$ 1,006,725	\$ (604,978)	\$ (1,260,333)
Total Primary Government Net (Expense) Revenue	\$ (87,133,845)	\$ (93,417,651)	\$ (99,825,848)	\$ (105,568,304)	\$ (134,547,717)	\$ (115,162,773)	\$ (132,123,498)	\$ (161,074,747)	\$ (140,541,569)	\$ (182,632,053)
General Revenues, Transfers, and Special Items										
Primary Government										
<i>Governmental Activities</i>										
Property Taxes	\$ 132,725,693	\$ 131,085,200	\$ 130,961,310	\$ 131,291,226	\$ 132,104,314	\$ 134,913,760	\$ 137,667,064	\$ 141,178,006	\$ 144,969,549	\$ 145,115,328
Gravel Taxes	571,663	616,104	641,711	648,871	702,699	681,057	758,483	755,599	866,369	813,440
Mortgage Registry and Deed Tax	481,980	541,012	469,380	620,763	644,838	662,588	632,849	756,387	896,215	1,170,517
Wheeleage Tax (1st year collected was 2014)	-	-	3,622,715	3,882,501	4,121,216	3,880,323	4,060,282	4,150,519	3,969,104	4,100,773
Transit Tax (1st year collected was 2017)	-	-	-	-	-	2,634,283	18,092,372	20,739,456	18,482,153	21,086,607
Payment in lieu of Tax	1,736,049	1,877,236	-	-	-	-	-	-	-	-
Gift and Contributions (unrestricted)	38,595	24,009	-	-	-	-	-	-	-	-
Grants and Contributions (unrestricted)	15,293,028	15,709,430	17,392,414	17,729,391	18,310,891	17,366,297	19,152,689	18,963,824	20,408,983	20,488,774
Investment Earnings	6,212,921	(3,034,627)	7,902,963	3,027,128	2,678,241	5,349,627	8,500,619	15,343,510	10,633,812	(2,375,772)
Miscellaneous	1,633,838	2,475,734	1,543,935	1,658,116	1,210,534	1,329,806	1,259,350	1,152,925	1,216,610	1,175,182
Gain on Sale of Capital Assets	103,593	190,308	44,374	170,593	307,328	199,162	301,350	69,694	16,487	235,494
Transfers	-	(3,024,000)	316,076	(2,047,500)	-	-	-	(5,602,279)	-	-
Governmental Activities General Revenues, Transfers, and Special Items	\$ 158,797,360	\$ 146,460,406	\$ 162,894,878	\$ 156,981,089	\$ 160,080,061	\$ 167,016,903	\$ 190,425,058	\$ 197,507,641	\$ 201,459,282	\$ 191,810,343
Total Change in Net Position - Governmental Activities	\$ 71,727,444	\$ 50,432,103	\$ 62,495,242	\$ 50,275,076	\$ 24,997,231	\$ 51,938,618	\$ 58,352,220	\$ 35,426,169	\$ 61,522,691	\$ 10,439,023
<i>Business-Type Activities</i>										
Transfers	\$ -	\$ 3,024,000	\$ (316,076)	\$ 2,047,500	\$ -	\$ -	\$ -	\$ 5,602,279	\$ -	\$ -
Total General Revenues - Business-Type Activities	\$ -	\$ 3,024,000	\$ (316,076)	\$ 2,047,500	\$ -	\$ -	\$ -	\$ 5,602,279	\$ -	\$ -
Total Change in Net Position - Business-Type Activities	\$ (63,929)	\$ 5,634,652	\$ 257,712	\$ 3,185,209	\$ 535,113	\$ (84,488)	\$ (50,660)	\$ 6,609,004	\$ (604,978)	\$ (1,260,733)
Total Change in Net Position - Primary Government	\$ 71,663,515	\$ 56,066,755	\$ 62,752,954	\$ 53,460,285	\$ 25,532,344	\$ 51,854,130	\$ 58,301,560	\$ 42,035,173	\$ 60,917,713	\$ 9,178,290

function or program is supported with its own fees and program-specific grants versus its reliance upon funding from taxes and other government revenues. Numbers in parentheses indicate that expenses were greater than program revenues and therefore general revenues were needed to finance that function or program. Numbers without parentheses mean that program revenues were more than sufficient to cover expenses.

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

Dakota County, Minnesota

Changes in Net Position - Component Units

Expenses	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Component Unit										
Community Development Agency	\$ 38,850,422	\$ 45,690,723	\$ 45,809,051	\$ 48,779,121	\$ 50,192,082	\$ 54,180,692	\$ 61,783,314	\$ 62,328,777	\$ 62,298,076	\$ 59,587,281
Vermillion River Watershed	908,946	883,232	988,024	937,527	1,778,826	1,425,151	2,021,279	1,360,526	1,411,767	1,557,495
Total Component Unit	\$ 39,759,368	\$ 46,573,955	\$ 46,797,075	\$ 49,716,648	\$ 51,970,908	\$ 55,605,843	\$ 63,804,593	\$ 63,689,303	\$ 63,709,843	\$ 61,144,776
Program Revenues										
Component Unit										
Community Development Agency	\$ 43,888,022	\$ 46,279,218	\$ 51,920,861	\$ 48,824,536	\$ 49,592,155	\$ 58,450,581	\$ 63,308,990	\$ 60,142,109	\$ 66,637,510	\$ 64,469,043
Vermillion River Watershed	70,084	342,979	75,224	58,206	319,291	1,196,933	332,945	372,496	454,731	676,548
Total Component Unit	\$ 43,958,106	\$ 46,622,197	\$ 51,996,085	\$ 48,882,742	\$ 49,911,446	\$ 59,647,514	\$ 63,641,935	\$ 60,514,605	\$ 67,092,241	\$ 65,145,591
General Revenues - Community Development Agency										
Property Taxes	\$ 7,261,674	\$ 7,092,062	\$ 6,513,347	\$ 6,612,923	\$ 6,807,677	\$ 7,010,940	\$ 9,125,928	\$ 9,532,762	\$ 10,312,761	\$ 11,065,743
Tax Increment Financing Revenue	1,635,537	1,659,474	1,280,041	1,510,242	1,434,707	1,532,006	-	-	-	-
Investment Earnings	316,807	105,064	606,434	526,561	817,637	662,688	1,326,251	2,562,182	1,733,151	183,092
Miscellaneous	-	-	-	-	-	-	-	-	-	-
Total General Revenues - Community Development Agency	\$ 9,214,018	\$ 8,856,600	\$ 8,399,822	\$ 8,649,726	\$ 9,060,021	\$ 9,205,634	\$ 10,452,179	\$ 12,094,944	\$ 12,045,912	\$ 11,248,835
Total Change in Net Position - Community Development Agency	\$ 14,251,618	\$ 9,445,095	\$ 14,511,632	\$ 8,695,141	\$ 8,460,094	\$ 13,475,523	\$ 11,977,855	\$ 9,908,276	\$ 16,385,346	\$ 16,130,597
General Revenues - Vermillion River Watershed										
Property Taxes	\$ 1,257,737	\$ 835,041	\$ 861,518	\$ 816,583	\$ 819,669	\$ 863,702	\$ 890,963	\$ 911,947	\$ 966,568	\$ 970,789
Grants and Contributions (unrestricted)	33,337	-	-	-	-	-	-	-	-	-
Investment Earnings	14,528	12,168	23,253	22,959	24,427	26,992	30,382	29,563	16,123	13,473
Miscellaneous	-	-	-	-	-	-	-	-	-	-
Gain on Sale of Capital Assets	-	-	-	-	-	-	-	-	-	-
Total General Revenues - Vermillion River Watershed	\$ 1,305,602	\$ 847,209	\$ 884,771	\$ 839,542	\$ 844,096	\$ 890,694	\$ 921,345	\$ 941,510	\$ 982,691	\$ 984,262
Total Change in Net Position - Vermillion River Watershed	\$ 466,740	\$ 306,956	\$ (28,029)	\$ (39,779)	\$ (615,439)	\$ 662,476	\$ (766,989)	\$ (46,520)	\$ 25,655	\$ 103,315
Total Change in Net Position - Component Units	\$ 14,718,358	\$ 9,752,051	\$ 14,483,603	\$ 8,655,362	\$ 7,844,655	\$ 14,137,999	\$ 11,210,866	\$ 9,861,756	\$ 16,411,001	\$ 16,233,912

(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

	2012	2013	2014	2015	2016	2017	2018	2019 (Restated)	2020	2021
General Fund:										
Nonspendable	\$ 2,642,011	\$ 2,715,339	\$ 2,668,745	\$ 918,924	\$ 590,622	\$ 903,399	\$ 1,142,119	\$ 1,037,914	\$ 1,137,028	\$ 1,009,935
Restricted	2,891,453	2,737,517	4,863,501	2,411,854	3,422,516	3,574,610	3,767,272	2,061,693	11,150,828	3,072,442
Committed	509,796	292,387	1,018,120	-	40,601,526	48,010,163	49,455,436	-	-	-
Assigned	30,525,901	25,488,970	114,550,801	15,991,647	12,212,149	12,091,582	14,760,382	13,472,166	2,924,451	3,988,180
Unassigned	33,158,235	31,174,973	37,407,381	136,384,503	121,527,661	122,585,397	124,293,814	114,172,594	127,446,383	102,222,194
Total General Fund	\$ 69,727,396	\$ 62,409,186	\$ 160,508,548	\$ 155,706,928	\$ 178,354,474	\$ 187,165,151	\$ 193,419,023	\$ 130,744,367	\$ 142,658,690	\$ 110,292,751
All Other Governmental Funds										
Nonspendable	\$ 1,266,666	\$ 1,152,899	\$ 1,321,295	\$ 1,951,000	\$ 1,837,540	\$ 1,218,877	\$ 1,254,552	\$ 972,331	\$ 1,267,223	\$ 1,607,142
Restricted	9,298,049	7,211,942	3,006,049	2,116,826	1,053,347	24,992,184	43,514,584	64,620,388	71,063,628	68,559,264
Committed	16,800,000	16,800,000	16,800,000	33,903,045	-	-	-	51,092,680	52,891,738	52,862,042
Assigned	180,051,459	195,028,051	126,133,830	106,849,172	89,054,808	97,638,134	103,076,851	107,993,553	72,060,559	79,749,324
Unassigned	-	-	-	(596,278)	-	(585,420)	-	-	-	(4,434,957)
Total Unreserved	-	-	-	-	-	-	-	-	-	-
Total All Other Governmental Funds	\$ 207,416,174	\$ 220,192,892	\$ 147,261,174	\$ 144,223,765	\$ 91,945,695	\$ 123,263,775	\$ 147,845,987	\$ 224,678,952	\$ 197,283,148	\$ 198,342,815

Dakota County, Minnesota

Changes in Fund Balances Governmental Funds

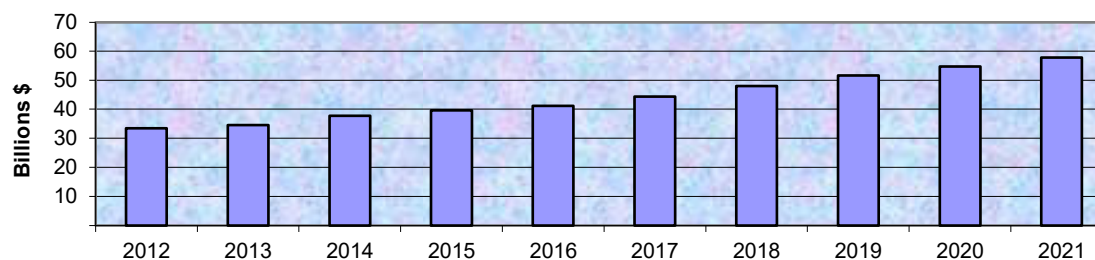
	2012	2013	2014	2015	2016	2017	2018	2019 (Restated)	2020	2021
Revenues										
Taxes	\$ 135,267,764	\$ 134,665,766	\$ 136,359,731	\$ 136,989,719	\$ 137,648,397	\$ 142,973,021	\$ 161,251,560	\$ 167,727,301	\$ 168,959,044	\$ 172,533,419
Licenses and Permits	1,208,683	1,254,978	2,129,725	2,311,817	2,199,311	2,256,683	2,250,783	2,525,678	2,191,773	2,550,116
Intergovernmental	131,281,021	110,790,958	140,173,118	131,962,034	129,148,654	180,266,276	159,220,862	155,163,215	198,988,771	193,638,930
Charges for Services	30,362,450	34,425,251	20,543,486	20,848,708	20,977,000	20,817,024	21,674,944	21,713,363	21,494,465	24,160,975
Fines and Forfeits	153,638	113,171	81,087	112,460	84,343	98,239	86,600	86,443	66,752	100,255
Gifts and Contributions	39,756	24,652	124,616	12,676	23,694	30,509	73,419	62,530	54,336	117,198
Investment Earnings	5,597,900	(3,057,304)	7,846,381	2,886,545	3,210,132	5,349,627	7,792,530	15,292,119	10,436,162	(1,752,875)
Miscellaneous	4,845,230	4,495,180	4,501,053	4,552,892	5,001,712	5,109,882	5,137,299	4,919,350	4,592,479	5,209,491
Total Revenues	\$ 308,756,442	\$ 282,712,652	\$ 311,759,197	\$ 299,676,851	\$ 298,293,243	\$ 356,901,261	\$ 357,487,997	\$ 367,489,999	\$ 406,783,782	\$ 396,557,509
Expenditures										
Current										
General Government	\$ 57,123,212	\$ 56,842,557	\$ 56,895,468	\$ 66,437,160	\$ 61,998,869	\$ 66,332,612	\$ 67,587,263	\$ 73,357,603	\$ 99,179,207	\$ 93,825,600
Public Safety	35,365,244	36,676,226	38,118,314	38,732,137	40,331,218	41,898,007	44,122,644	45,401,308	47,978,646	48,543,969
Highways and Streets	43,150,384	50,801,833	45,884,786	53,273,832	59,981,844	65,207,585	59,501,236	60,248,651	82,936,211	95,572,415
Sanitation	7,028,601	7,398,443	5,900,555	4,628,357	4,972,357	5,314,937	5,351,296	6,983,842	8,427,367	6,898,702
Human Services	69,426,226	70,193,719	71,073,035	71,867,015	76,989,354	80,280,668	86,751,403	90,791,578	101,739,931	114,442,511
Health	8,476,575	8,162,589	8,729,094	9,356,123	9,338,776	9,709,710	10,070,410	11,304,671	12,100,456	12,163,647
Culture and Recreation	21,350,343	21,450,861	24,217,982	25,272,217	28,326,858	25,965,503	27,891,578	27,328,953	33,652,104	31,800,214
Conservation of natural resources	4,013,593	4,274,132	3,576,475	4,935,421	3,980,145	7,261,105	3,455,271	4,387,366	5,501,305	5,354,450
Economic Development	8,597,724	8,947,128	10,485,161	11,995,645	9,408,698	9,378,042	10,056,935	10,456,088	6,498,522	8,711,537
Intergovernmental										
Highways and Streets	-	-	186,803	199,461	-	-	-	-	-	-
Capital Outlay	1,268,782	1,727,246	7,604,780	8,825,960	8,416,595	5,262,334	12,272,244	17,129,719	25,427,764	11,660,400
Debt Service										
Principal Retirement	5,625,000	5,855,000	12,825,000	10,299,591	23,556,611	136,449	140,911	145,518	-	-
Interest	2,270,450	2,020,059	1,655,031	1,180,282	495,500	13,828	9,366	4,758	-	-
Bond Issuance Costs	-	-	-	-	-	-	-	-	-	-
Administrative Charges	3,200	2,950	3,350	8,750	6,450	-	-	-	-	-
Total Expenditures	\$ 263,699,334	\$ 274,352,743	\$ 287,155,834	\$ 307,011,951	\$ 327,803,275	\$ 316,760,780	\$ 327,210,557	\$ 347,540,055	\$ 423,441,513	\$ 428,973,445
Excess of Revenues Over/ (Under) Expenditures	\$ 45,057,108	\$ 8,359,909	\$ 24,603,363	\$ (7,335,100)	\$ (29,510,032)	\$ 40,140,481	\$ 30,277,440	\$ 19,949,944	\$ (16,657,731)	\$ (32,415,936)
Other Financing Sources										
Transfers In	\$ 14,372,584	\$ 4,147,314	\$ 8,782,958	\$ 53,670,221	\$ 26,639,436	\$ 3,195,718	\$ 14,079,834	\$ 18,301,058	\$ 29,882,363	\$ 14,886,018
Transfers Out	(19,372,584)	(7,171,314)	(8,466,882)	(55,717,721)	(26,639,436)	(3,092,144)	(13,966,718)	(23,785,252)	(29,261,110)	(14,259,533)
Bonds Issued	-	-	-	-	-	-	-	-	-	-
Proceeds From Sale of Refunding Bonds	-	-	-	-	-	-	-	-	-	-
Premium/(Discount) on Bond Issuance	-	-	-	-	-	-	-	-	-	-
Proceeds from Capital Lease	-	-	-	704,080	-	-	-	-	-	-
Proceeds from Sale of Capital Assets	104,196	187,815	44,374	190,994	314,626	199,162	301,350	69,694	191,474	247,244
Total Other Financing Sources	\$ (4,895,804)	\$ (2,836,185)	\$ 360,450	\$ (1,152,426)	\$ 314,626	\$ 302,736	\$ 414,466	\$ (5,414,500)	\$ 812,727	\$ 873,729
Net Change in Fund Balance	\$ 40,161,304	\$ 5,523,724	\$ 24,963,813	\$ (8,487,526)	\$ (29,195,406)	\$ 40,443,217	\$ 30,691,906	\$ 14,535,444	\$ (15,845,004)	\$ (31,542,207)
Debt Service Expenditures as Percent of Non-Capital Expenditures	3.58%	3.38%	6.02%	4.67%	9.03%	0.06%	0.05%	0.05%	0.00%	0.00%

Dakota County, Minnesota

ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY LAST TEN YEARS

Year Assessed	Real Property		Personal Property		Total		Assessed to % of Total Total Estimated Market Value	Total Direct County Tax Rate
	Assessed* Value	Estimated Market Value	Assessed Value	Estimated Market Value	Assessed Value	Estimated Market Value		
2012	\$ 391,453,804	\$ 33,032,629,112	\$ 8,488,045	\$ 436,668,024	\$ 399,941,849	\$ 33,469,297,136	1.2 %	0.31426
2013	402,125,071	34,109,574,007	8,665,752	445,586,670	410,790,823	34,555,160,677	1.2	0.33421
2014	434,588,066	37,249,751,955	9,073,792	465,663,370	443,661,858	37,715,415,325	1.2	0.33745
2015	454,661,066	39,093,256,221	9,845,321	504,162,445	464,506,387	39,597,418,666	1.2	0.29633
2016	471,286,219	40,645,907,860	10,787,023	552,044,681	482,073,242	41,197,952,541	1.2	0.28570
2017	507,139,039	43,796,489,603	11,400,448	582,982,924	518,539,487	44,379,472,527	1.2	0.28004
2018	547,666,437	47,405,446,930	11,603,384	593,137,563	559,269,821	47,998,584,493	1.2	0.26580
2019	589,610,832	51,055,156,039	11,572,869	591,828,463	601,183,701	51,646,984,502	1.2	0.25386
2020	626,417,610	54,081,034,984	12,229,486	624,354,483	638,647,096	54,705,389,467	1.2	0.24133
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

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>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<u>DAKOTA COUNTY</u>										
Revenue	0.13467	0.14353	0.14759	0.13473	0.13825	0.12761	0.11444	0.10520	0.10057	0.08581
Highway	0.01186	0.01094	0.01311	0.01094	0.01144	0.01255	0.01140	0.01049	0.11232	0.00586
Community Services	0.11654	0.12475	0.12475	0.11073	0.10290	0.10708	0.10795	0.10715	0.00689	0.09550
Environmental Management	0.00122	0.00129	0.00130	0.00124	0.00094	0.00092	0.00085	0.00079	0.00000	0.00000
Parks	0.00689	0.00721	0.00722	0.00249	0.00257	0.00275	0.00241	0.00258	0.00247	0.00210
County Library	0.02638	0.02840	0.02864	0.02649	0.02528	0.02495	0.02400	0.02300	0.00586	0.00499
County Building	0.00141	0.00152	0.00154	0.00137	0.00132	0.00129	0.00217	0.00212	0.02345	0.01998
Debt Services	0.00806	0.01371	0.01014	0.00528	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
DCLLR	0.00237	0.00286	0.00316	0.00306	0.00299	0.00289	0.00258	0.00253	0.00230	0.00206
County Referendum	0.00486	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
Total	0.31426	0.33421	0.33745	0.29633	0.28570	0.28004	0.26580	0.25386	0.24133	0.21630
<u>OVERLAPPING RATES:</u>										
<u>CITIES</u>										
Apple Valley	0.44110	0.49210	0.47891	0.45274	0.44721	0.44473	0.42475	0.39603	0.38782	0.38182
Burnsville	0.43213	0.47021	0.46670	0.44790	0.46525	0.46557	0.43552	0.43595	0.43148	0.43054
Coates	0.18984	0.22842	0.19507	0.20081	0.17482	0.17490	0.17399	0.15688	0.17196	0.10332
Eagan	0.34553	0.38272	0.38250	0.36525	0.37097	0.37385	0.36378	0.35227	0.35262	0.36119
Farmington	0.63093	0.66821	0.65876	0.61455	0.59239	0.58760	0.57161	0.54372	0.50971	0.50623
Hampton	0.48625	0.47055	0.44221	0.46932	0.42776	0.45342	0.40813	0.34468	0.44044	0.41069
Hastings	0.66083	0.68547	0.66246	0.62581	0.63577	0.62518	0.60864	0.59612	0.57391	0.58807
Inver Grove Heights	0.44883	0.46312	0.46128	0.48131	0.49266	0.51644	0.51112	0.53537	0.51037	0.51925
Lakeville	0.39051	0.41234	0.40696	0.38948	0.38669	0.37510	0.36419	0.35607	0.34615	0.32846
Lilydale	0.35128	0.35556	0.34570	0.32619	0.30133	0.30276	0.28772	0.27155	0.26130	0.24826
Mendota	0.46652	0.47239	0.46518	0.46806	0.49808	0.44384	0.51502	0.27453	0.30252	0.27020
Mendota Heights	0.32057	0.34479	0.34737	0.34964	0.35247	0.37487	0.37826	0.39294	0.38315	0.39741
Miesville	0.33151	0.34670	0.32952	0.32255	0.31950	0.31635	0.30821	0.29797	0.31106	0.30460
New Trier	0.54663	0.56659	0.61658	0.55227	0.52333	0.67619	0.53348	0.58132	0.52669	0.52702
Northfield	0.50947	0.61901	0.59785	0.56750	0.57552	0.55667	0.57164	0.56216	0.58161	0.59867
Randolph	0.30476	0.32743	0.36865	0.26076	0.26284	0.28171	0.24722	0.21488	0.31845	0.26849
Rosemount	0.46994	0.48862	0.47676	0.45152	0.43149	0.41832	0.40961	0.39355	0.38580	0.36949
South St. Paul	0.56466	0.63280	0.60901	0.60405	0.64693	0.63853	0.64041	0.64582	0.60847	0.64411
Sunfish Lake	0.23677	0.27800	0.26775	0.23869	0.25558	0.26178	0.26168	0.26206	0.28528	0.28529
Vermillion	0.48251	0.51193	0.47656	0.47954	0.41978	0.48789	0.41866	0.46032	0.41116	0.35757
West St. Paul	0.62205	0.69447	0.71249	0.70642	0.69795	0.71412	0.69287	0.28780	0.70106	0.70684

Unaudited

Dakota County, Minnesota

DIRECT AND OVERLAPPING GOVERNMENTS
TAX CAPACITY RATES
LAST TEN YEARS

(Continued)

<u>Governments</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<u>TOWNSHIPS</u>										
Castle Rock	0.14779	0.15622	0.14310	0.12364	0.12161	0.12145	0.12259	0.39603	0.11248	0.10332
Douglas	0.20791	0.22376	0.18733	0.18509	0.15701	0.15190	0.22048	0.16226	0.16392	0.17360
Empire	0.30845	0.31746	0.31164	0.29823	0.29445	0.29462	0.29892	0.27430	0.29131	0.27623
Eureka	0.18544	0.16861	0.15362	0.14688	0.13672	0.14463	0.14534	0.13685	0.20183	0.19139
Greenvale	0.12507	0.19220	0.17982	0.18013	0.17263	0.17123	0.16966	0.16868	0.16215	0.14046
Hampton	0.18002	0.17613	0.15415	0.14439	0.14581	0.13322	0.13514	0.12713	0.11824	0.11223
Marshan	0.16292	0.14877	0.13995	0.12860	0.12635	0.16613	0.16708	0.15110	0.19431	0.17011
Nininger	0.15208	0.15121	0.16384	0.16495	0.15829	0.16477	0.15484	0.15261	0.14610	0.13636
Randolph	0.06626	0.07444	0.08004	0.08665	0.08940	0.07345	0.09617	0.08630	0.08779	0.07036
Ravenna	0.15104	0.17773	0.20128	0.17452	0.18196	0.18164	0.17242	0.16870	0.15964	0.13176
Sciota	0.17412	0.17239	0.15021	0.13745	0.10887	0.07750	0.11892	0.13674	0.14562	0.13398
Vermillion	0.18664	0.19555	0.17466	0.17214	0.16724	0.16279	0.16282	0.15723	0.14728	0.16031
Waterford	0.13769	0.13640	0.13493	0.11909	0.16816	0.17375	0.28812	0.28780	0.28368	0.25143
<u>SCHOOL DISTRICTS</u>										
6	0.32306	0.35478	0.44522	0.35881	0.36719	0.35868	0.31367	0.29622	0.28878	-
191	0.21881	0.26168	0.25661	0.24554	0.31065	0.27529	0.25759	0.26202	0.23765	0.20273
192	0.55308	0.57226	0.56326	0.53474	0.57584	0.54269	0.52825	0.51401	0.53105	0.49481
194	0.32061	0.33535	0.33048	0.31459	0.35319	0.32914	0.32992	0.32535	0.34851	0.33983
195	0.20823	0.19114	0.18001	0.16685	0.18661	0.17065	0.17509	0.19879	0.20376	0.18555
196	0.28440	0.27956	0.27606	0.23271	0.24317	0.23336	0.21352	0.20613	0.19860	0.19971
197	0.21857	0.24429	0.23863	0.24063	0.22170	0.22295	0.21224	0.24246	0.22125	0.20391
199	0.28363	0.27556	0.33418	0.34864	0.30272	0.28572	0.26680	0.26537	0.22896	0.22296
200	0.25435	0.23932	0.23052	0.20965	0.20938	0.20305	0.20545	0.19079	0.17924	0.16214
252	0.22379	0.24555	0.23940	0.24900	0.28498	0.26310	0.24453	0.24663	0.20806	0.19835
659	0.34166	0.38435	0.36410	0.34064	0.32847	0.30937	0.33150	0.31216	0.30468	0.27017
<u>SPECIAL DISTRICTS</u>										
Watershed M	0.00440	0.00642	0.00748	0.00679	0.00691	0.00745	0.00712	0.00664	0.00540	0.00523
Watershed V	0.00541	0.00543	0.00545	0.00466	0.00449	0.00449	0.00429	0.00403	0.00399	0.00348
Transit District	0.01375	0.01458	0.01377	0.01292	0.01261	0.01215	0.01104	0.01244	0.01150	0.00969
Mosquito Control	0.00553	0.00573	0.00548	0.00518	0.00491	0.00475	0.00443	0.00435	0.00406	0.00372
Metropolitan Council	0.00968	0.01223	0.01015	0.00827	0.00958	0.00878	0.00821	0.00666	0.00606	0.00649
Dakota County CDA	0.01724	0.01664	0.01650	0.01559	0.01547	0.01548	0.01479	0.01479	0.01469	0.01391
Burnsville EDA	0.00806	0.00906	0.00889	0.00860	0.00891	0.00897	0.00955	0.00924	0.00136	0.00317
Hastings HRA	0.01640	0.01428	0.01613	0.01379	0.01551	0.01500	0.01454	0.01453	0.01455	0.01491
Northfield EDA	0.01728	0.01801	0.01716	0.01697	0.01702	0.01638	0.01624	0.01599	0.01572	0.01600
Northfield HRA	0.01844	0.01838	0.01751	0.01732	0.01763	0.01670	0.01655	0.01629	0.01602	0.01633
South St. Paul EDA	---	---	---	---	0.01363	0.01685	0.01358	0.01516	0.01383	0.01475
South St. Paul HRA	0.01618	0.01351	0.01450	0.01468	0.01649	0.01492	0.01453	0.01527	0.01417	0.01506
South Metro EMS	---	0.01774	0.01249	0.01264	0.01784	0.01541	0.01402	0.01333	0.01200	0.01800
Light Transit Rail	0.00401	0.00432	0.00403	0.00371	0.00357	0.00342	0.00031	---	---	---

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

Source: Dakota County Property Taxation and Records Department

Unaudited

Dakota County, Minnesota

PRINCIPAL TAXPAYERS CURRENT YEAR AND NINE YEARS AGO

<u>Name</u>	<u>Type of Business</u>	<u>2012 Tax Capacity Value</u>	<u>% of Total County Tax Capacity</u>	<u>Name</u>	<u>Type of Business</u>	<u>2021 Tax Capacity Value</u>	<u>% of Total County Tax Capacity</u>
Xcel Energy	Electric Utility	\$ 6,781,268	1.8 %	Xcel Energy	Utility	\$ 10,986,395	2 %
Burnsville Center Spe LP	Burnsville Center	2,079,250	0.5	Flint Hills Resources Pine Bend LLC	Industrial	6,396,448	1.1
Dakota Electric Assn.	Electric Utility	1,787,750	0.5	Northern Natural Gas Co.	Utility	2,679,952	0.5
Flint Hills	Refinery	1,731,603	0.4	Paragon Outlets Eagan LLC	Commercial	2,504,718	0.4
Great Northern Oil Co	Refinery	1,604,692	0.4	West Publishing Co	Industrial	2,460,914	0.4
West Publishing Co.	Book Publishing	1,463,325	0.4	SVC CPC Eagan LLC	Commercial	2,223,595	0.4
Northern Natural Gas Co.	Natural Gas Utility	1,338,438	0.3	MV Eagan Ventures LLC	Commercial	1,918,069	0.3
Minnegasco Inc.	Natural Gas Utility	1,070,610	0.3	Health Landlord (MN) LLC	Commercial	1,713,126	0.3
Eagan Promenade Inc	Health Care	780,284	0.2	Chicago & NW Trans Co	RR	1,840,352	0.3
Menard Inc	Retail	689,422	0.2	GSIC II Southview LLC	Apartment	1,072,206	0.2
	TOTAL	\$ 19,326,642	5.0 %		TOTAL	\$ 33,795,775	5.9 %

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

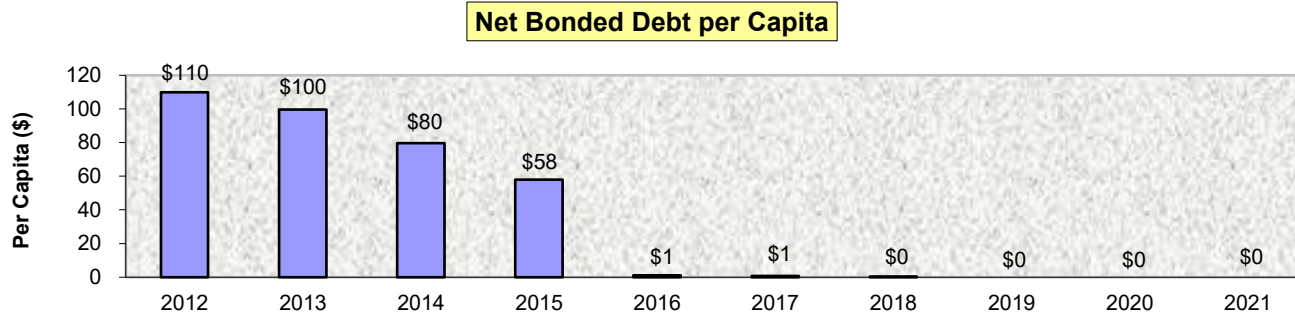
Fiscal Year	Total Tax Levy	Current Collections		Delinquent Collections	Total Collections	% of Current Levy	Outstanding Delinquent Taxes	Total Delinquent Taxes as a % of Current Levy
		Amount	% of Levy					
2012	\$ 129,407,276	\$ 127,976,767	98.9 %	\$ 1,297,520	\$ 129,274,287	99.9 %	\$ 1,406,033	1.1 %
2013	129,152,073	127,962,335	99.1	755,531	128,717,866	99.7	1,694,382	1.3
2014	128,377,938	127,389,352	99.2	892,658	128,282,010	99.9	1,342,028	1.0
2015	129,661,717	128,723,340	99.3	650,201	129,373,541	99.8	1,154,427	0.9
2016	130,196,625	129,468,269	99.4	430,689	129,898,958	99.8	1,198,369	0.9
2017	132,800,558	132,001,073	99.4	722,237	132,723,310	99.9	1,031,027	0.8
2018	136,651,774	135,904,206	99.5	757,616	136,661,822	100.0	1,009,680	0.7
2019	140,614,675	139,882,554	99.5	554,633	140,437,187	99.9	867,022	0.6
2020	144,613,647	143,544,446	99.3	1,016,467	144,560,913	100.0	414,365	0.3
2021	149,058,650	147,927,215	99.2	947,617	148,874,832	99.9	345,096	0.2

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

Dakota County, Minnesota

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

Year Assessed	Population	Assessed Value	Gross Bonded Debt	Capital Leases	Debt Service Funds	Net Debt	Ratio of Net Debt to Assessed Value*	Net Debt Per Capita**	Ratio of Net Debt to Personal Income
2012	405,088	\$ 399,941,849	\$ 52,358,268	\$ -	\$ 7,873,365	\$ 44,484,903	11.12 %	110	0.22%
2013	408,509	410,790,823	46,494,476	-	5,838,954	40,655,522	9.90	100	0.20%
2014	412,529	443,661,858	33,660,684	-	832,407	32,828,277	7.40	80	0.15%
2015	414,686	464,506,387	23,468,911	559,489	-	24,028,400	5.17	58	0.11%
2016	417,487	482,073,242	-	422,878	-	422,878	0.09	1	0.00%
2017	421,751	518,539,487	-	286,429	-	286,429	0.06	1	0.00%
2018	425,423	559,269,821	-	145,518	-	145,518	0.03	0	N/A***
2019	429,021	601,183,701	-	-	-	-	-	-	N/A***
2020	431,807	638,647,096	-	-	-	-	-	-	N/A***
2021	442,038	671,410,772	-	-	-	-	-	-	N/A***



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

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

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

Dakota County, Minnesota

COMPUTATION OF DIRECT, UNDERLYING AND OVERLAPPING BONDED DEBT GENERAL OBLIGATION BONDS DECEMBER 31, 2021

<u>Government Unit</u>	Gross GO Debt	Applicable to Dakota County	
	Outstanding ¹	Percent ²	Amount
Direct:			
Dakota County	\$ 0	0.0 %	\$ -
Underlying:			
Dakota County CDA	\$ 249,158,217	100.0 %	\$ 249,158,217
City of Apple Valley	25,453,732	100.0	25,453,732
City of Burnsville	66,610,319	100.0	66,610,319
City of Eagan	47,130,000	100.0	47,130,000
City of Farmington	9,855,000	100.0	9,855,000
City of Hampton	3,231,000	100.0	3,231,000
City of Hastings	21,255,000	99.9	21,233,745
City of Inver Grove Hts	43,890,000	100.0	43,890,000
City of Lakeville	133,320,000	100.0	133,320,000
City of Lilydale	2,210,000	100.0	2,210,000
City of Mendota	0	100.0	0
City of Mendota Heights	22,530,000	100.0	22,530,000
City of Northfield	49,872,774	7.9	3,939,949
City of Rosemount	6,975,000	100.0	6,975,000
City of South St. Paul	23,908,000	100.0	23,908,000
City of Sunfish Lake	1,945,874	100.0	1,945,874
City of West St. Paul	49,975,000	100.0	49,975,000
Empire Township	2,225,000	100.0	2,225,000
Randolph Township	1,903,000	100.0	1,903,000
Ravenna Township	0	100.0	0
Special S.D. #6 (South St Paul)	44,705,000	100.0	44,705,000
Ind. S.D. #191 (Burnsville)	132,640,000	75.8	100,541,120
Ind. S.D. #192 (Farmington)	151,275,000	100.0	151,275,000
Ind. S.D. #194 (Lakeville)	209,605,000	80.0	167,684,000
Ind. S.D. #195 (Randolph)	10,525,000	88.2	9,283,050
Ind. S.D. #196 (Rosemount)	110,985,000	100.0	110,985,000
Ind. S.D. #197 (W. St. Paul)	117,865,000	100.0	117,865,000
Ind. S.D. #199 (Inver Grove Hts.)	51,215,000	100.0	51,215,000
Ind. S.D. #200 (Hastings)	71,887,524	87.2	62,685,921
Ind. S.D. #252 (Cannon Falls)	19,000,000	4.9	931,000
Ind. S.D. #659 (Northfield)	51,015,000	14.8	7,550,220
Total underlying debt	\$ 1,732,165,440		\$ 1,540,214,147
Overlapping:			
Metropolitan Council (Parks & Solid Waste)	\$ 1,897,693,968 ³	13.4 %	\$ 254,290,992
Metropolitan Transit Commission	1,341,915,000	13.4 %	179,816,610
Total overlapping debt	\$ 3,239,608,968		\$ 434,107,602
Total debt	\$ 4,971,774,408		\$ 1,974,321,749

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

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

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

Dakota County, Minnesota

**Legal Debt Margin
Last Ten Fiscal Years**

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Estimated Market Value	\$ 33,469,297,136	\$ 34,555,160,677	\$ 37,715,415,325	\$ 39,597,418,666	\$ 41,197,952,541	\$ 44,379,472,527	\$ 47,998,584,493	\$ 51,646,984,502	\$ 54,705,389,467	\$ 57,846,857,307
Legal Debt Margin										
Debt Limit (3% of assessed value)*	\$ 1,004,078,914	\$ 1,036,654,820	\$ 1,131,462,460	\$ 1,187,922,560	\$ 1,235,938,576	\$ 1,331,384,176	\$ 1,439,957,535	\$ 1,549,409,535	\$ 1,641,161,684	\$ 1,735,405,719
Debt Applicable to limit:										
General Obligation Bonds	\$ 52,255,000	\$ 46,275,369	\$ 33,660,684	\$ 23,420,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Less: amount reserved for repayment of general obligation debt	(7,873,365)	(5,838,954)	(832,407)	-	-	-	-	-	-	-
Total Debt Applicable to Limit	\$ 44,381,635	\$ 40,436,415	\$ 32,828,277	\$ 23,420,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Legal Debt Margin	<u>\$ 959,697,279</u>	<u>\$ 996,218,405</u>	<u>\$ 1,098,634,183</u>	<u>\$ 1,164,502,560</u>	<u>\$ 1,235,938,576</u>	<u>\$ 1,331,384,176</u>	<u>\$ 1,439,957,535</u>	<u>\$ 1,549,409,535</u>	<u>\$ 1,641,161,684</u>	<u>\$ 1,735,405,719</u>
Total debt applicable to the limit as a percent of debt limit	4.4%	3.9%	3.0%	2.0%	-	-	-	-	-	-

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

Dakota County, Minnesota

DEMOGRAPHIC STATISTICS LAST TEN YEARS

<u>Fiscal Year</u>	<u>Population¹</u>	<u>Personal Income¹</u>	<u>Per Capita Income¹</u>	<u>Median Age²</u>	<u>School Enrollment K through 12³</u>	<u>Annual Average Unemployment Rate⁴</u>
2012	405,088	\$ 20,192,381,000	\$ 49,847	37.5	77,823	5.2%
2013	408,509	20,706,256,000	50,687	37.4	77,716	4.5
2014	412,529	21,524,339,000	52,177	36.8	75,226	3.8
2015	414,686	22,272,614,000	53,710	37.3	75,336	3.3
2016	417,487	22,951,451,000	54,975	37.6	75,123	3.4
2017	421,751	24,308,945,000	57,638	37.8	76,323	3.1
2018	425,423	25,802,276,000	60,651	38.2	76,821	2.5
2019	429,021	26,562,417,000	61,914	38.3	77,228	2.9
2020	431,807	27,958,762,000	64,748	37.7	77,711	5.9
2021	442,038	NA*	NA*	NA*	75,903	3.4

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>	<u>2012</u> <u>Employees</u>	<u>Percentage</u> <u>of Total County</u> <u>Employment</u>	<u>Employer</u>	<u>2021</u> <u>Employees</u>	<u>Percentage</u> <u>of Total County</u> <u>Employment</u>
Reuters Thomson West	7,100	3.06%	Independent School District 196	4,500	1.87%
Independent School District 196	4,120	1.78%	Thomson West	4,293	1.79%
Blue Cross-Blue Shield	3,523	1.52%	Blue Cross-Blue Shield of MN	3,000	1.25%
Dakota County	1,725	0.74%	Burnsville Center*	3,000	1.25%
Independent School District 191	1,600	0.69%	US Postal Service (Eagan)	2,400	1.00%
US Postal Service	1,570	0.68%	Independent School District 194	2,172	0.90%
Fairview Ridges Hospital	1,400	0.60%	Dakota County	2,030	0.84%
Independent School District 194	1,273	0.55%	Sun Country	1,500	0.62%
UTC (Goodrich)	1,200	0.52%	Fairview Ridges Hospital	1,500	0.62%
Koch Refinery (Flint Hills)	1,200	0.52%	Independent School District 191	1,317	0.55%
Total County Employment	<u>231,946</u>	<u>10.66%</u>	Total County Employment	<u>240,319</u>	<u>10.69%</u>

**Includes part-time employees*

Source: Department of Employment and Economic Development

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

Dakota County, Minnesota

COUNTY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM LAST TEN FISCAL YEARS

Function/program	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Function/program										
County Wide	3.00	3.00	2.00	3.00	2.00	2.00	2.00	2.00	2.00	1.00
Public Service										
Public Service	10.25	10.25	9.25	9.25	8.56	7.00	7.06	5.31	3.50	3.50
Assessor	35.00	35.00	35.00	37.00	38.00	38.50	38.50	40.00	40.00	40.00
Elections	0.00	0.00	0.00	0.00	0.00	0.00	5.00	5.00	5.00	5.00
Property Records	0.00	0.00	44.60	44.50	44.80	45.30	36.30	34.30	34.30	34.30
Treasurer-Auditor	43.60	43.60	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Service & Licensing	23.75	23.75	23.75	23.75	23.75	24.81	28.75	28.44	30.00	30.00
Library	135.93	135.93	135.93	135.93	135.92	134.86	134.86	130.48	130.81	130.81
Operations Management										
Risk Management	5.70	5.70	5.70	7.00	7.00	6.00	6.00	7.00	7.00	7.00
Information Technology	51.75	58.80	64.00	65.00	65.00	65.00	66.00	68.00	69.00	69.10
Financial Services	33.50	33.50	34.24	35.00	35.00	35.00	28.00	28.00	28.00	27.00
Budget	0.00	0.00	0.00	0.00	0.00	0.00	8.00	8.00	8.00	7.90
OMB Division Administration	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.00
Office of Performance & Analysis	12.00	12.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00
CJN	6.00	6.00	6.00	6.90	6.90	6.90	6.90	6.90	8.00	8.00
Administration										
County Administration	10.00	10.00	10.00	11.00	11.00	11.00	11.00	11.00	11.00	10.00
County Board	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
County Communications	6.10	6.10	6.10	7.00	7.00	8.00	8.00	8.00	8.00	8.00
Employee Relations	19.05	19.05	19.05	19.05	19.05	19.05	19.05	19.45	19.45	19.45
Community Services										
Community Services Administration	14.00	15.00	15.00	17.00	17.00	18.00	18.00	18.00	17.00	16.00
Social Services	297.52	298.50	299.22	313.52	333.52	355.20	363.20	372.75	382.35	394.35
Employment & Economic Assistance	245.50	244.60	255.50	248.10	254.10	267.15	268.12	267.20	271.20	273.20
Public Health	95.19	94.30	90.72	91.52	93.12	94.02	98.42	110.02	110.02	110.02
Veterans Services	6.00	6.00	6.00	6.00	6.00	7.00	7.00	7.00	7.00	7.00
Community Corrections	169.69	171.20	169.29	171.22	171.52	173.92	174.92	176.92	176.92	176.92
Public Safety										
Sheriff	171.30	171.30	172.71	174.09	179.09	182.59	186.09	183.25	188.25	191.25
County Attorney										
County Attorney	84.00	84.00	85.99	88.99	87.87	90.87	94.87	94.00	94.00	94.00
Physical Development										
Office of GIS	7.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Physical Development	20.50	20.50	25.75	25.75	25.35	25.35	26.35	25.35	26.35	26.35
Transportation	82.43	82.43	87.43	87.43	90.43	98.43	102.43	98.00	97.00	97.00
Operations Management	46.50	46.50	43.50	70.57	70.07	71.07	71.07	65.00	66.00	66.00
Parks	44.28	45.30	43.48	23.08	23.08	25.08	28.78	20.70	21.70	20.70
Water Resources	16.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Physical Development Planning	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Environmental Management/Resources	14.70	30.70	31.50	32.50	33.60	33.50	33.50	34.00	35.00	35.00
Survey	8.00	8.00	8.00	8.00	8.00	0.00	0.00	0.00	0.00	0.00
Byllesby Dam	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00	2.00	2.00
Total	1725.24	1728.01	1744.71	1777.15	1811.73	1860.60	1893.17	1890.07	1913.85	1927.85

Source: Dakota County Departmental documents

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Government										
Property Documents Recorded	98,546	98,215	73,232	78,517	80,652	75,564	70,130	74,001	99,794	110,100
County Veterans Population	27,617	27,067	27,550	27,048	25,689	25,094	24,496	23,900	23,900	25,170
New Adult Criminal Court Cases	3,799	3,664	3,812	4,069	4,253	4,784	4,851	4,918	4,450	433
Juvenile Delinquency Referrals	2,377	2,013	1,891	1,784	1,731	1,796	1,587	1,450	961	865
Commitment Referrals	243	249	250	252	233	253	270	255	323	343
Plat Reviews	51	62	83	86	92	74	93	74	86	94
Public Safety										
Probation Offenders Served ¹	11,902	11,503	10,903	10,642	10,566	12,192	12,349	12,270	10,869	10,057
Community Restoration Hours Served ³	85,762	66,676	60,606	57,634	58,124	54,523	52,235	52,299	22,212	29,877
Driving While Impaired Arrests	209	144	127	144	138	134	119	146	91	87
Applications for Permit to Carry Handguns	2,765	4,394	2,868	3,632	4,754	3,870	4,423	3,373	8,249	7,105
Daily Inmate Responsibility Average	247	211	229	214	225	215	208	203	125	144
Highways and Streets										
Fuel Used (Diesel and Unleaded)	92,342	117,978	127,653	103,998 ²	106,885	97,349	126,696	139,002	107,069	98,440
Sanitation										
Pounds of Household Hazardous Waste Collected	3,569,518	3,726,818	4,176,000	4,180,000	4,295,619	3,800,936	3,584,356	3,335,313	3,528,793	2,953,364
Human Services										
Intake and Crisis Calls	40,470	44,903	47,730	52,929	65,614	58,945	59,702	54,376	61,240	58,741
Average Monthly # of Children in Out-of-Home Placement	121	110	103	128	173	299	240	278	215	174
Chemical Health Assessments Completed	847	787	779	637	569	606	563	596	321	268
Public Assistance Caseload	21,979	22,700	25,819	36,575	40,110	40,346	42,570	41,180	46,237	52,603
Child Support Collections	\$47,316,219	\$46,646,864	\$45,957,834	\$44,973,145	\$44,531,574	\$43,208,675	\$42,849,581	\$42,057,930	\$44,910,870	\$40,587,510
Average # of Families Served - Child Care Assistance Programs	1,264	1,230	1,202	1,323	1,132	1,053	1,290	1,326	1,283	1,027
Long Term Care Clients on Medicaid Waiver	3,151	3,009	3,097	3,520	3,817	3,883	4,479	4,763	4,701	6,405
Health										
Family Health Referrals	651	582	857	1,131	1,146	1,282	1,446	1,263	896	685
WIC Clients	11,098	10,567	10,680	10,246	10,177	9,859	9,638	9,079	8,857	8,570
Number of Confirmed Tuberculosis Cases	16	25	41	30	17	21	29	33	16	17
Health Alerts Issued	35	24	21	13	20	13	16	11	26	21
Vaccinations Administered	3,236	3,045	2,812	1,615	1,604	1,684	1,696	2,380	872	61,975
Economic Development										
Employment and Training Caseload	5,544	4,907	4,639	4,223	4,192	4,303	4,306	4,023	3,157	2,793
Number of Adults Program Participants Placed in Employment	1,167	1,445	1,444	1,238	1,493	1,397	1,373	1,307	604	571

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>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
General Government										
Government Centers	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Public Safety										
Justice Center	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Patrol Units ¹	105.00	105.00	31.00	29.00	35.00	39.00	38.00	37.00	38.00	39.00
Transportation										
Bituminous (miles)	356.20	359.70	359.70	359.70	359.70	362.55	362.55	362.55	368.60	368.60
Concrete (miles)	2.80	2.80	2.80	2.80	2.80	2.80	2.80	2.80	2.80	2.80
Gravel (miles)	61.50	56.50	56.50	55.50	55.50	53.25	53.25	53.25	47.20	47.20
Bridges	34.00	34.00	34.00	34.00	34.00	34.00	34.00	34.00	34.00	34.00
Traffic signals	134.00	134.00	134.00	134.00	134.00	134.00	134.00	136.00	136.00	140.00
Culverts	47.00	48.00	48.00	48.00	48.00	48.00	48.00	48.00	28.00	49.00
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	5,322.00	5,382.00	5,539.00	5,602.00	5,653.00	5,653.00	5,611.00	5,611.00	5,653.00	5,653.00
County Parks	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Regional parks & trails	8.00	8.00	8.00	8.00	8.00	11.00	11.00	11.00	11.00	11.00
Libraries	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00

Data Sources: Various county departments

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

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