

SCOTT COUNTY, MINNESOTA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDING, DECEMBER 31, 2018



Mission: To advance safe, healthy, and livable communities through citizen-focused services.

Prepared by the Office of Management and Budget



COMPREHENSIVE ANNUAL FINANCIAL REPORT

**SCOTT COUNTY
SHAKOPEE, MINNESOTA**

FOR THE YEAR ENDED DECEMBER 31, 2018

Prepared by the Office of Management and Budget

Scott County

Geographic Location in Minnesota



**SCOTT COUNTY
SHAKOPEE, MINNESOTA**

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SHAKOPEE, MINNESOTA**

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**SCOTT COUNTY
SHAKOPEE, MINNESOTA**

INTRODUCTORY SECTION

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SCOTT COUNTY GOVERNMENT CENTER

Office of Management and Budget
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Shakopee, MN 55379-1220
(952) 496-8166 • Fax (952) 496-8382
<http://www.co.scott.mn.us>

DATE: June 13, 2019

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

Subject: 2018 COMPREHENSIVE ANNUAL FINANCIAL REPORT

The Comprehensive Annual Financial Report (CAFR) of Scott County is submitted for the fiscal year ended December 31, 2018. The County's Office of Management and Budget prepared this report in conformity with generally accepted accounting principles (GAAP) in the United States of America. Responsibility for both the accuracy and completeness of the presented data and the fairness of the presentation, including all disclosures, rests with the County. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and sets forth the financial position and results of operations and cash flows of the County, as measured by the financial activity of its various funds, and all disclosures necessary to enable maximum understanding of the County's financial affairs.

Independent Audit

Minnesota State Law requires an audit to be made of the books of account, financial records, and transactions of the County. This requirement has been complied with and the Auditor's report has been included in this report.

Single Audit

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

The County is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). It provides for a single independent audit of the financial operations, including the compliance with certain provisions of federal laws and regulations. The requirements have been established to ensure that audits are made on an organizational wide basis rather than a grant-by-grant basis. The grants for which these requirements applied are identified in the Schedule of Expenditures of Federal Awards.

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

Internal Controls

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

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

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

Profile of the Government

Scott County was organized in 1855 as a County in the State of Minnesota. It has an area of 375 square miles including 11 full and fractional townships and 7 incorporated municipalities. The 2018 population was 147,381. It is one of seven counties comprising the Twin Cities metropolitan area. The County seat, Shakopee, is located on the Minnesota River 25 miles southwest of the state capital, St. Paul.

Scott County operates under an elected five-member County Board, each member representing a district of the County. The County Board is responsible, among other things, for passing ordinances, adopting the budget, and the hiring of the County's Administrator. The County Administrator is responsible for carrying out the policies and ordinances of the County Board, for overseeing day-to-day operations of the government, and for appointing the heads of various divisions and departments. The County Board is elected on a non-partisan basis. County Board members serve four-year staggered terms.

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

Various potential component units were evaluated to determine whether they should be reported in the County's financial report. A component unit was considered to be part of the County's reporting entity when it was concluded that the County was financially accountable for the entity or the nature and significance of the relationship between County and the entity was such that exclusion would cause the County's basic financial statements to be misleading or incomplete. Scott County has two blended component units: the Scott County Regional Railroad Authority (Authority) and the Scott Watershed Management Organization (WMO). The Authority was created pursuant to Minnesota Statutes. The Scott County Board of Commissioners appoints the Authority's five member board and the WMO's five member board. The Scott County Community Development Agency is a discretely presented component unit. The Agency was established in 1980 pursuant to special Minnesota legislation. Its five member board is also appointed by the Scott County Board of Commissioners.

Budgetary Controls

The annual budget serves as the foundation for the Scott County Government financial planning and control. The County budgets at a more detailed level than is required by law in Minnesota or for federal programs. The budgets are developed by divisions and departments on a line item basis to cover their clients' needs, keeping in mind general guidelines set by the County Board of Commissioners. The divisions and departments submit their budget requests to the County Administrator, who must balance the competing needs against available resources. The County Board makes final adjustments to the budgets, which are then adopted and available for use on January 1st of the year. Budgetary control has traditionally been maintained at the department category level.

Division and department managers are held responsible for their budget performance. Compliance with budgets is essential for the County to maintain its sound financial condition.

Financial Policies

The County has a fund balance policy mandating a minimum threshold for the General Fund. The policy requires a minimum unrestricted fund balance (committed, assigned and unassigned) at year end of 25-30% of operating expenditures.

Economic Condition and Outlook

Scott County is in the Southwest quadrant of the Twin Cities Metropolitan Region. It is strategically located near an international airport, major rail lines, navigable rivers, and major interstate highways. The economic condition and outlook for Scott County reflects the economic vibrancy of the Metropolitan Region.

Key Economic Indicators

Scott County continues to be one of the fastest growing counties in Minnesota. From 2010 to 2018 Scott County grew by 13.4% and was the fastest growing county in Minnesota on a percentage growth basis.

Economic Indicators	Amount	Annual Percent Change
Unemployment Rate (2018)	2.5%	(0.7%)
Number of Households (2017)	47,864	1.5%
Population (2018)	147,381	1.1%

Population

The U.S. Census Bureau estimates that the population in the County had increased to 147,381 by July 1, 2018. Scott County has the 9th largest population out of the 87 counties in Minnesota.

Economy

Scott County continued to enjoy lower unemployment rates than the State of Minnesota and the United States in 2018. Scott County has a median household income (\$93,151); that is consistently among the highest of the counties in Minnesota. Approximately 4.0 percent of Scott County's residents live in poverty. The poverty rate is consistently among the lowest in Minnesota.

Property Values and Taxation Trends

Scott County has experienced an increase in property values for the past five years from 2014 through 2018 after four years of declining property values. In 2018 Scott County experienced an increase of 6.1%, bringing its property values to 115.4% of the 2010 level.

Year	Estimated Market Value		Assessed Valuation/ Tax Capacity Amount
	Amount	Percentage Growth	
2012	\$13,986,614,300	(1.5)%	\$147,880,081
2013	\$13,274,718,800	(5.1)%	\$140,113,811
2014	\$13,606,908,300	2.5%	\$144,285,577
2015	\$14,849,174,900	9.1%	\$158,806,171
2016	\$15,704,212,500	5.8%	\$168,324,337
2017	\$16,337,842,200	4.0%	\$177,304,584
2018	\$17,331,681,400	6.1%	\$188,886,670

Gross tax capacity has correspondingly increased or decreased as market values have increased or decreased.

Awards and Acknowledgements

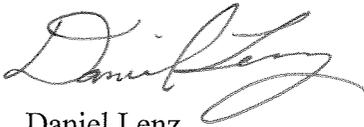
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Scott County for its comprehensive annual financial report for the fiscal year ended December 31, 2017. This was the thirteenth consecutive year that the government has achieved this prestigious award. In order

to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

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

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Daniel Lenz", written in a cursive style.

Daniel Lenz
Chief Financial Officer

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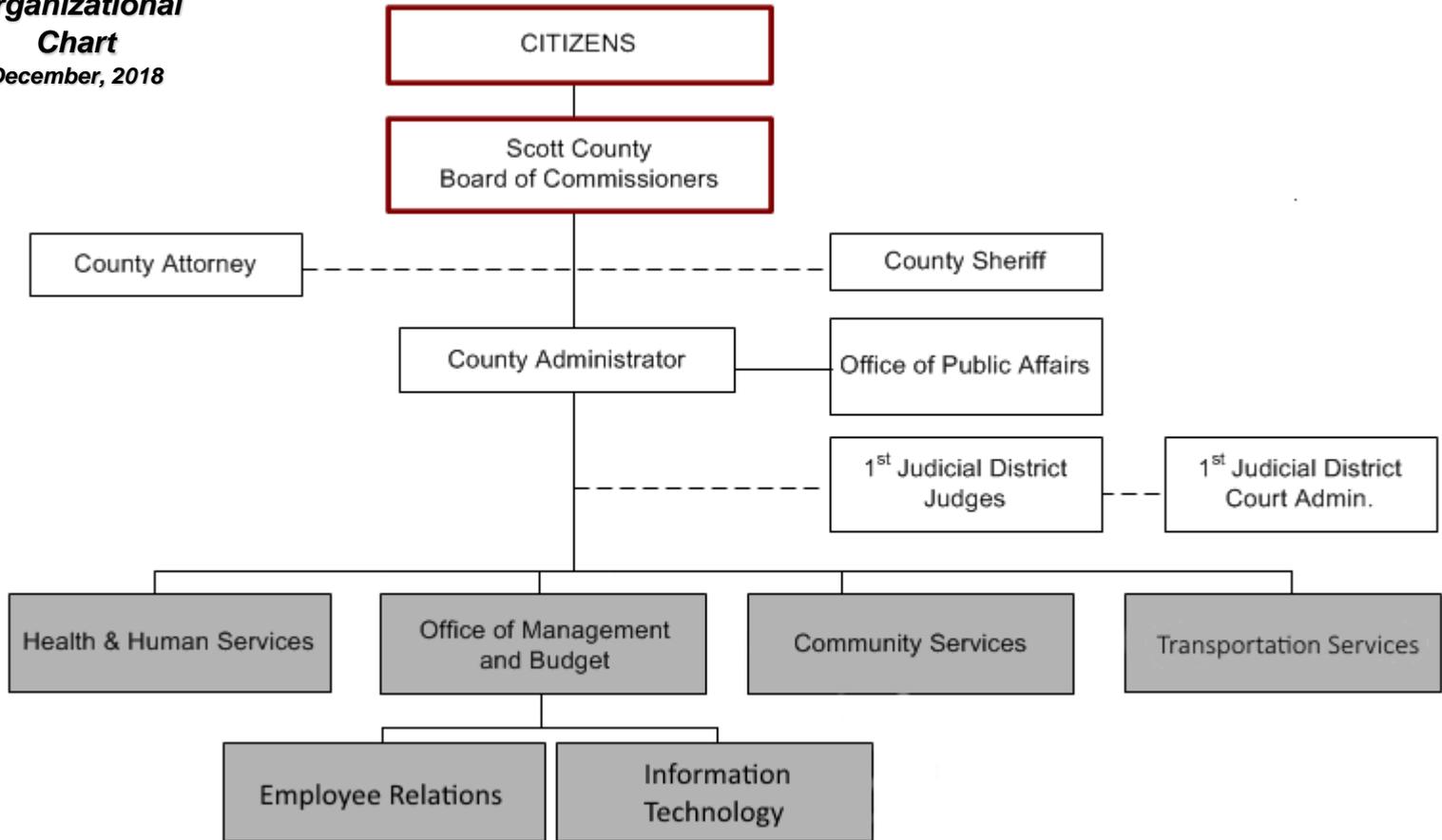
**SCOTT COUNTY
SHAKOPEE, MINNESOTA**

ORGANIZATION

Elected		Term Expires
Commissioners		
Chair	Barb Weckman Brekke	District 1 December 2020
Vice Chair	Dave Beer	District 4 December 2020
Board Member	Tom Wolf	District 2 December 2020
Board Member	Michael Beard	District 3 December 2022
Board Member	Jon Ulrich	District 5 December 2022
Attorney	Ronald Hocevar	December 2022
County Sheriff	Luke Hennen	December 2022
Appointed		
Administrator	Lezlie Vermillion	Indefinite
Agricultural Inspector	Nick Reishus	Indefinite
Assessor	Michael Thompson	December 2020
Auditor / Treasurer	Cindy Geis	Indefinite
Deputy Administrator	Lezlie Vermillion	Indefinite
Drainage Inspector	James Hentges	Indefinite
Highway Engineer	Anthony Winiecki	April 2020
Human Services Director	Pam Selvig	Indefinite
Surveyor	James Hentges	May 2019
Veteran's Services Director	Jerry Brua	August 2022



**County
Organizational
Chart**
December, 2018





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

Scott County
Minnesota

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2017

Christopher P. Morill

Executive Director/CEO

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**SCOTT COUNTY
SHAKOPEE, MINNESOTA**

FINANCIAL SECTION

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JULIE BLAHA
STATE AUDITOR

STATE OF MINNESOTA

OFFICE OF THE STATE AUDITOR

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INDEPENDENT AUDITOR'S REPORT

Board of County Commissioners
Scott County
Shakopee, Minnesota

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Scott County, Minnesota, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Scott County Community Development Agency, the discretely presented component unit. 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 the discretely presented component unit, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Scott County as of December 31, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter – Change in Accounting Principle

As discussed in Note 1.F. to the financial statements, in 2018, the County adopted new accounting guidance by implementing the provisions of Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which represents a change in accounting principles. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

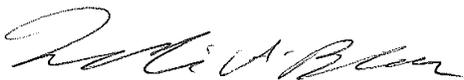
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Scott County’s basic financial statements. The Introductory Section, the Supplementary Information, and the Statistical Section as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Supplementary Information as listed in the table of contents 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Supplementary Information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Introductory and Statistical Sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 13, 2019, on our consideration of Scott 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 Scott 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 Scott County’s internal control over financial reporting and compliance. It does not include the Scott County Community Development Agency, which was audited by other auditors.



JULIE BLAHA
STATE AUDITOR



GREG HIERLINGER, CPA
DEPUTY STATE AUDITOR

June 13, 2019

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**SCOTT COUNTY
SHAKOPEE, MINNESOTA**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2018
(Unaudited)**

The Financial Management of Scott County offers the readers of Scott County's financial statements this narrative overview and analysis of the financial activities of Scott County for the fiscal year ended December 31, 2018. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal and the notes to the financial statements.

Financial Highlights

- The assets and deferred outflows of resources of Scott County exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$409,023,744 (net position). Of this amount, \$22,791,937 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total assets and deferred outflows of resources decreased by \$4,276,713. The decrease is due to a change in actuarial assumptions related to pensions.
- As of the close of the current fiscal year, Scott County governmental funds reported combined ending fund balances of \$77,519,462. Approximately 90% of this amount, \$69,551,643, is available for spending at the government's discretion (unrestricted fund balance).
- At the end of the current fiscal year, unrestricted fund balance for the General Fund was \$37,899,214, or 36% of the total General Fund expenditures.
- Scott County's general obligation bonds and loans payable decreased by \$4,456,031 or 8% during the current fiscal year. The key factor in this decrease was the scheduled payment of principal and interest during 2018.

Overview of the Financial Statements

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

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

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

The *statement of activities* presents information showing how the government'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 only 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 have functions of Scott County that are principally supported by taxes and intergovernmental revenues (governmental activities). The governmental activities of Scott County include general government, public safety, highways and streets, transit, sanitation, human services, health, culture and recreation, conservation of natural resources, and economic development.

The government-wide financial statements include not only Scott County itself (known as the primary government), but also a legally separate Scott County Community Development Agency for which Scott County is financially accountable. Financial information for the component unit is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 23 – 27 of this report.

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Scott County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related requirements. All of the funds of Scott County can be divided into three 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 statement. 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 balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Scott County maintains ten individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Watershed Management Organization Fund, Debt Service Fund, Road and Bridge Construction Fund and Capital Improvement Fund, all of which are considered major funds. Data from the Ditch Fund, Law Library Fund, Regional Railroad Authority Fund, Regional Training Facility Fund and Transportation Initiative Fund are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

Scott County adopts an annual appropriated budget for its five major governmental funds and its nonmajor governmental funds except the Ditch Fund, Regional Railroad Authority Fund, Regional Training Facility Fund and the Transportation Initiative Fund. A budgetary comparison schedule has been provided for these funds to demonstrate compliance with their budgets.

The basic governmental fund financial statements can be found on pages 28 – 38 of this report.

General Fund. The General Fund is used to account for all financial resources except those to be accounted for in another fund.

Special Revenue Fund. Special Revenue governmental funds account for the proceeds of specific revenue that are restricted, committed or assigned to expenditures for specific purposes. The Special Revenue Funds include:

- Ditch
- Law Library
- Regional Railroad Authority
- Regional Training Facility
- Transportation Initiative
- Watershed Management Organization

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

Capital Projects Fund. The Capital Projects Funds track major construction projects. The Capital Projects Funds include:

- Road and Bridge Construction
- Capital Improvement

Proprietary funds. Scott County uses only one type of proprietary fund. Internal Service funds are an accounting device used to accumulate and allocate costs internally among Scott County's various functions. Scott County uses an internal service fund to account for its self-insurance and an additional internal service fund was used to fund future other postemployment benefits in a revocable trust fund but the trust was made irrevocable and the fund was closed. A trust fund has been set up to account for this irrevocable trust.

The proprietary fund financial statements can be found on Exhibits 7 through 9 of this report.

Fiduciary Funds. Fiduciary 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 statement because resources of those funds are not available to support Scott County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on Exhibits 10 and 11 and Statements A-5 and A-6 of this report.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 44 – 107 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. The combining statements referred to earlier in connection with nonmajor governmental funds are presented at the beginning of the supplementary information section. Combining and individual fund statements can be found on pages 127 and 128 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Scott County, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$409,023,744 at the close of the most recent fiscal year.

Net investment in capital assets of \$377,965,278 (e.g., land, land improvements, buildings, machinery and equipment, infrastructure and construction in progress, less any depreciation and related debt used to acquire assets that is still outstanding) represents 92% of total net position. Scott County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Scott County's investments in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Approximately 2% of Scott County’s net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position \$22,791,937 or approximately 6% may be used to meet the government’s ongoing obligations to citizens and creditors.

Scott County's Net Position

	Governmental Activities	
	2018	2017
Current and other assets	\$ 100,815,096	\$ 118,936,160
Capital assets	430,010,788	409,718,831
Total assets	\$ 530,825,884	\$ 528,654,991
Deferred Outflows of Resources	\$ 16,272,380	\$ 22,719,986
Long-term liabilities outstanding	\$ 101,386,830	\$ 123,272,927
Other liabilities	8,289,381	7,642,922
Total liabilities	\$ 109,676,211	\$ 130,915,849
Deferred Inflows of Resources	\$ 28,398,309	\$ 20,621,534
Net Position:		
Net investment in capital assets	\$ 377,965,278	\$ 353,255,239
Restricted	8,266,529	14,388,608
Unrestricted	22,791,937	32,193,747
Total net position	\$ 409,023,744	\$ 399,837,594
Change in accounting principal (Note 1.F)		(13,327,209)
Total net position as restated		\$ 386,510,385

At the end of the current fiscal year, Scott County is able to report positive balances in all three categories of net position. The same held true for the prior fiscal year.

Key elements of the increase in net position are as follows: Scott County’s net position increased by \$22,513,359 during the current fiscal year. The primary reason for this change is due to the move of Scott County’s Other Employment Benefit Trust moving from a revocable trust to an irrevocable trust. This change accounted for over \$17 million of the increase. Additional increases occurred from the construction of highways and streets in Scott County. In 2018 Scott County continued construction expansion of County Highways 16, 21, 42, 46 and 83. County Highways 16, 21, 42, 46 and 83 had \$15,443,123 of construction work either completed or in progress during 2018. The construction expenses of these projects are capitalized for the government-wide statements and depreciated over the useful life of the assets.

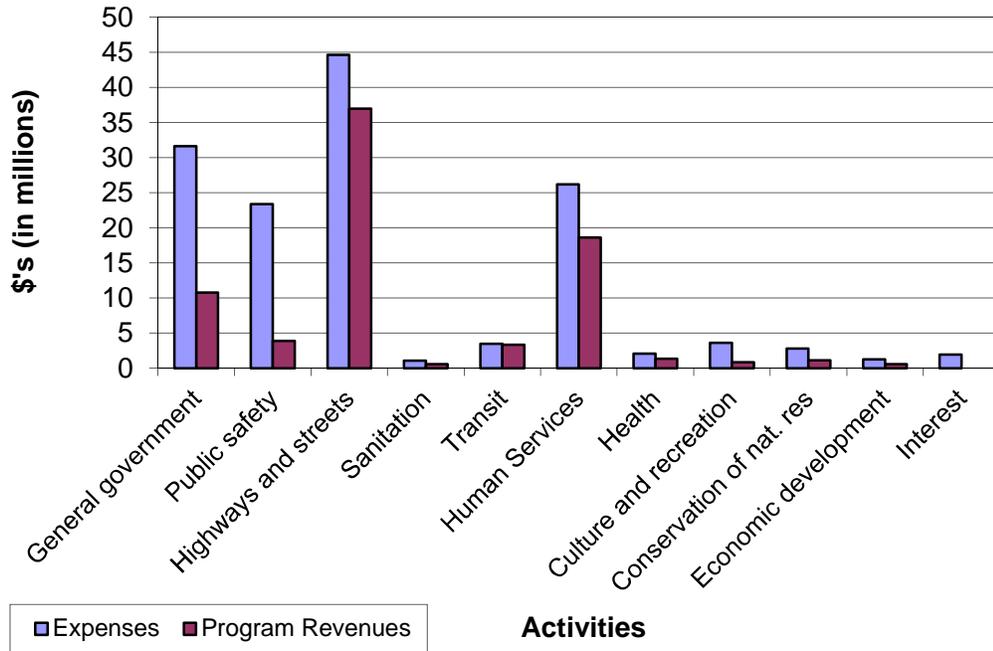
This is the first year the county implemented the new other postemployment benefits reporting standards; Government Accounting Standards Board Statement 75. The county had to make a prior year change in Accounting Principles to record the county’s other postemployment liability and related deferred outflows of resources.

Scott County's Changes in Net Position

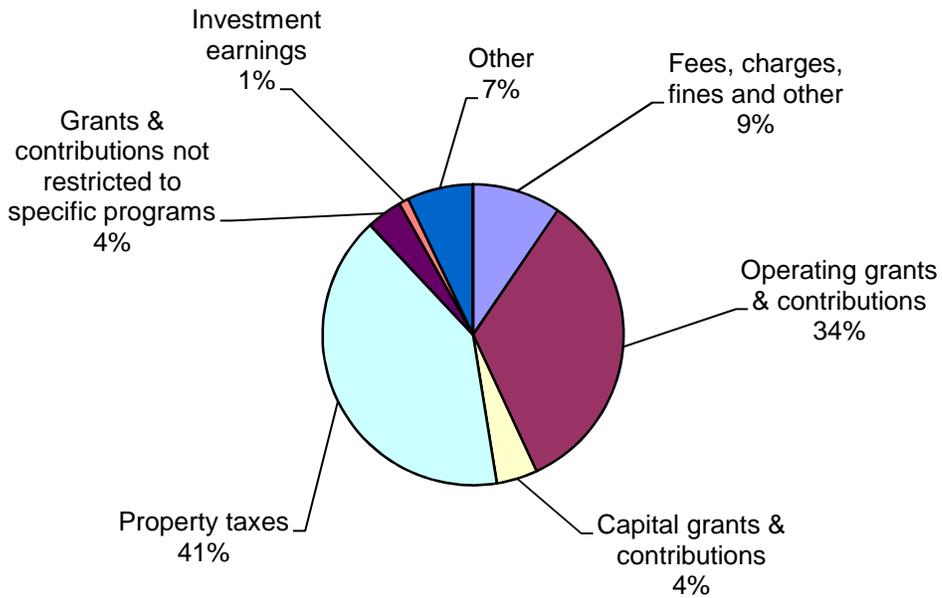
	Governmental Activities	
	2018	2017
Revenues:		
Program revenues:		
Fees, charges, fines and other	\$ 15,634,729	\$ 14,823,734
Operating grants & contributions	55,184,985	42,256,502
Capital grants & contributions	7,229,557	2,015,050
General revenues:		
Property taxes	66,683,380	64,348,387
Payment in lieu of taxes	88,752	82,391
Grants & contributions not restricted to specific programs	6,341,316	5,722,964
Investment earnings	1,742,300	1,125,514
Miscellaneous	11,550,454	10,587,957
Total Revenues	\$ 164,455,473	\$ 140,962,499
Expenses:		
General government	\$ 31,614,251	\$ 32,474,886
Public safety	23,349,244	26,497,355
Highway and streets	44,643,123	27,256,091
Sanitation	1,094,938	1,371,142
Transit	3,459,910	2,761,710
Human services	26,177,633	23,866,045
Health	2,056,077	3,712,501
Culture and recreation	3,589,510	4,663,308
Conservation of natural resources	2,801,249	2,698,916
Economic development	1,239,107	1,171,284
Interest	1,917,072	2,273,169
Total Expenses	\$ 141,942,114	\$ 128,746,407
Change in net position	\$ 22,513,359	\$ 12,216,092
Net Position 1/1	399,837,594	387,621,502
Change in accounting principle	(13,327,209)	0
Total Net position 1/1 as restated	386,510,385	387,621,502
Net position 12/31	\$ 409,023,744	\$ 399,837,594

Revenue increased in 2018 and this was primarily due to operating grants and contributions increasing by \$12,928,483. This was due to an increase in grant funds on road construction projects. The primary drivers for this increase were increases in state highway user tax funding, disaster grant funding and city contributions for services performed by the highway department. Expenses increased by \$13,195,707 with the largest change coming from the increased expenses for highway maintenance and road constructions projects.

Expenses and Program Revenues – Governmental Activities



Revenues by Source - Governmental Activities



Financial Analysis of the Government's Funds

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

Governmental funds. The focus of Scott County *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing Scott County's financing requirements. In particular, unrestricted fund balances 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 the current fiscal year, Scott County's governmental funds reported combined ending fund balances of \$77,519,462, an increase of \$1,150,095 in comparison with the prior year. Of the total amount, \$69,551,643, constitutes unrestricted fund balance, which is available for spending at the government's discretion. The remainder of fund balance is considered nonspendable or restricted to indicate that it is not available for new spending because it has been restricted for various reasons either by state law, grant agreements, or bond covenants. The main driver in the increase in fund balance was from investment earnings. The unrestricted fund balance associated with this increased by \$711,368 in 2018.

The General Fund is the chief operating fund of Scott County. At the end of the current fiscal year, unrestricted fund balance of the General Fund was \$37,899,214, while total fund balance increased to \$44,219,855. As a measure of the General Fund's liquidity, it may be useful to compare both unrestricted fund balance and the total fund balance to total fund expenditures. Unrestricted fund balance represents 36% of total General Fund expenditures, while total fund balance represents 42% of that same amount.

The fund balance of Scott County's General Fund increased by \$2,274,751 during the current fiscal year. Many favorable variances caused the fund balance to increase including an increase in revenue due to an increase in investment earnings. Revenues also increased due to greater social services grants.

The Watershed Management Organization Fund had a total fund balance of \$479,819 at the end of the current fiscal year. The fund balance of the Watershed Management Organization Fund decreased \$22,222 during the current fiscal year due to a decrease in one of their grants.

The Road and Bridge Construction Fund had a total fund balance of \$29,288,773 at the end of the current fiscal year. The fund balance of the Road and Bridge Construction Fund increased by \$1,013,050 during the current fiscal year due to the third full year of transportation sales tax received in 2018.

The Capital Improvement Fund had a total fund balance of \$1,274,177 at the end of the current fiscal year. The Capital Improvement Fund decreased by \$2,151,059 during the fiscal year. This decrease is primarily due to the not completing as many projects as was planned during 2017 and having to complete them in 2018.

The Debt Service Fund had a total fund balance of \$717,819 at the end of the current fiscal year. The Debt Service Fund increased by \$37,295 during the current fiscal year. The increase was the result of receiving more taxes.

The Ditch Fund had a total fund balance of \$77,154 at the end of the current fiscal year. The fund balance of the Ditch Fund decreased by \$34,743 during the fiscal year. This decrease was due to increased ditch projects in 2018.

The Regional Railroad Authority Fund had a fund balance of \$96,836 at the end of the current fiscal year. Fund balance increased by \$967 due to increased investment earnings.

The Law Library Fund had a total fund balance of \$333,415 at the end of the current fiscal year. The fund balance of the Law Library Fund increased by \$53,136 during the fiscal year. This increase was due to increased investment earnings and a decrease in expenses.

The Transportation Fund had a fund balance of \$336,952 at the end of the current fiscal year. The fund balance of the Transportation Fund increased by \$37,092 due to increased investment earnings and a decrease in expenses.

The Regional Training Facility Fund had a fund balance of \$694,662 at the end of the current fiscal year. The fund balance of the Regional Training Facility Fund decreased by \$58,172 due to increased expenses from purchase of sanitary pump and water softner.

General Fund Budgetary Highlights

Between the original and final budget for 2018, there was a small overall decrease in revenue and some changes due to shifting of revenue between categories. There was also one small increase in expenses due to a purchase that was not made in 2017 but purchased in 2018.

The variance of the final budget versus actual was due to a variety of favorable financials resulting in an increase in fund balance. The largest included an increase in revenue due to investment earnings and also intergovernmental revenue due to an increase in social services grants.

Capital Asset and Debt Administration

Capital Assets. Scott County's investment in capital assets for its government as of December 31, 2018, amounted to \$430,010,788 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings, machinery and equipment, infrastructure, and construction in progress. The total increase in the Scott County investment in capital assets for the current year was approximately 5%.

Major capital asset events during the current fiscal year included the following:

- Continued infrastructure construction on highways. Many road construction projects are still in the construction stage so construction in progress increased by \$14,613,776. Some of the major projects being worked on are highways County Highways 16, 21, 42, 46 and 83.

**Scott County's Capital Assets
(net of depreciation)**

	Governmental Activities	
	2018	2017
Land	\$ 99,921,525	\$ 92,684,192
Land Improvements	2,917,828	1,130,971
Buildings	43,799,962	45,566,464
Machinery and Equipment	9,683,629	8,134,195
Infrastructure	252,269,282	255,398,223
Construction in Progress	21,418,562	6,804,786
Total	\$ 430,010,788	\$ 409,718,831

Additional information on Scott County’s capital assets can be found in the notes on pages 64 and 65 of this report.

Long-term Debt. At the end of the current fiscal year, Scott County had total bonded debt outstanding of \$52,045,510. This is a decrease of \$4,418,082 from the start of the year. Current and future county tax levies are used to finance \$52,045,510 of the bond indebtedness.

- The decrease in the total bonded debt is primarily related to scheduled payment of principal and interest during 2018.

Scott County's Outstanding Debt

General Obligation Bonds

	Governmental Activities	
	2018	2017
General Obligation Bonds	\$ 52,045,510	\$ 56,463,592

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. The current debt limitation for Scott County is \$519,950,442, which is significantly in excess of Scott County’s outstanding general obligation debt.

Additional information on Scott County’s long-term debt can be found in the notes on pages 67 - 69 of this report.

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for Scott County is currently 2.5%, which is a decrease from a rate of 3.3% a year ago. This compares favorably to the State's average unemployment rate of 2.9% and the national average of 3.9%.

These factors were considered in preparing Scott County's budget for the 2018 fiscal year.

Requests for Information

This financial report is designed to provide a general overview of Scott 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 Office of Management and Budget Division, 200 Fourth Avenue West, Government Center, Shakopee, MN 55379-1220. Or visit our website at www.co.scott.mn.us.

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BASIC FINANCIAL STATEMENTS

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**SCOTT COUNTY
SHAKOPEE, MINNESOTA**

Exhibit 1

**STATEMENT OF NET POSITION
DECEMBER 31, 2018**

	Primary Government Governmental Activities	Component Unit Community Development Agency
<u>Assets</u>		
Cash and pooled investments	\$ 76,973,732	\$ 7,006,809
Petty cash and change funds	7,925	-
Taxes receivable		
Prior	507,154	-
Accounts receivable - net	1,259,757	86,900
Accrued interest receivable	335,616	2,442
Notes and loan receivable	1,117,961	1,450,000
Due from other governments	19,686,403	195,543
Inventories	924,257	-
Prepaid items	2,291	132,612
Restricted assets		
Cash and pooled investments	-	8,724,818
Capital assets		
Non-depreciable	121,340,087	6,575,936
Depreciable - net of accumulated depreciation	308,670,701	55,577,265
	\$ 530,825,884	\$ 79,752,325
<u>Deferred Outflows of Resources</u>		
Deferred charges on refunding	\$ -	\$ 471,779
Deferred pension contributions	2,186,955	-
Deferred pension economic experience difference	1,144,191	-
Deferred pension changes in actuarial assumptions	9,774,522	-
Deferred pension changes in proportionate share	1,854,732	-
Deferred other post employment benefits	1,311,980	53,045
	\$ 16,272,380	\$ 524,824

**SCOTT COUNTY
SHAKOPEE, MINNESOTA**

***Exhibit 1
(Continued)***

**STATEMENT OF NET POSITION
DECEMBER 31, 2018**

	<u>Primary Government</u> <u>Governmental</u> <u>Activities</u>	<u>Component Unit</u> <u>Community</u> <u>Development</u> <u>Agency</u>
<u>Liabilities</u>		
Accounts payable	\$ 1,917,147	\$ 409,547
Purchasing card payable	5,858	-
Salaries payable	1,529,946	45,463
Contracts payable	1,365,426	-
Retainage payable	937,560	-
Due to other governments	1,727,397	323,505
Accrued interest payable	441,031	772,337
Security deposit payable	-	357,299
Unearned revenue	365,016	109,266
Long-term liabilities:		
Due within one year		
General obligation bonds payable	4,185,000	-
Revenue bonds payable	-	1,650,000
Loans payable	268,204	432,558
Claims payable	742,374	-
Compensated absences	3,707,201	113,320
Due in more than one year		
General obligation bonds payable	47,860,510	-
Revenue bonds payable	-	39,887,793
Loans payable	1,166,757	2,146,436
Non current liabilities other	-	45,687
Compensated absences	1,948,484	20,898
Net pension liability	39,750,684	-
Net other post employment benefits liability	1,757,616	737,108
Total Liabilities	\$ 109,676,211	\$ 47,051,217
<u>Deferred Inflows of Resources</u>		
Advance from other government	5,971,709	-
Deferred pension economic experience difference	1,988,230	-
Deferred pension investment results	5,140,767	-
Deferred pension changes in actuarial assumptions	13,881,754	-
Deferred pension changes in proportionate share	1,415,849	-
Total Deferred Inflows of Resources	\$ 28,398,309	\$ -

**SCOTT COUNTY
SHAKOPEE, MINNESOTA**

***Exhibit 1
(Continued)***

**STATEMENT OF NET POSITION
DECEMBER 31, 2018**

	Primary Government Governmental Activities	Component Unit Community Development Agency
<u>Net Position</u>		
Net investment in capital assets	\$ 377,965,278	\$ 18,508,193
Restricted for		
Debt service	717,819	2,048,320
Equipment replacement	331,991	-
Solid waste	2,268,312	-
Human services	309,406	-
MNDOT allotments	1,225,258	-
Gravel pit closure	266,353	-
MRTS funding	78,810	-
Veterans services	4,663	-
Local recycling program	892,935	-
E911	487,226	-
Aquatic invasive species program	237,819	-
Carrying permits	283,801	-
Sheriff's contingency	311,587	-
Conservation of natural resources	83,346	-
Transportation initiative	336,952	-
Law library	333,415	-
Regional rail authority	96,836	-
Other purposes	-	6,301,669
Unrestricted	22,791,937	6,367,750
Total Net Position	\$ 409,023,744	\$ 33,225,932

**SCOTT COUNTY
SHAKOPEE, MINNESOTA**

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2018**

	Expenses	Fees, Charges, Fines, and Other	Program Revenues Operating Grants and Contributions
<u>Functions/Programs</u>			
Primary government			
Governmental activities			
General government	\$ 31,614,251	\$ 7,616,034	\$ 3,079,099
Public safety	23,349,244	2,276,383	1,584,488
Highways and streets	44,643,123	1,592,604	28,278,943
Sanitation	1,094,938	167,881	406,563
Transit	3,459,910	808,114	2,524,551
Human services	26,177,633	2,476,419	16,121,017
Health	2,056,077	108,478	1,248,800
Culture and recreation	3,589,510	368,142	463,131
Conservation of natural resources	2,801,249	220,674	886,191
Economic development	1,239,107	-	592,202
Interest	1,917,072	-	-
	\$ 141,942,114	\$ 15,634,729	\$ 55,184,985
Total Primary Government			
Component unit			
Community Development Agency	\$ 14,008,694	\$ 7,291,631	\$ 3,969,379

General Revenues

Property taxes
Gravel taxes
Wheelage taxes
Transportation sales tax
Mortgage registry and deed tax
Payments in lieu of tax
Grants and contributions not restricted to specific programs
Unrestricted investment earnings
Miscellaneous

Total general revenues

Change in net position

Net Position - Beginning, as previously reported

Restatement (Note 1.F. and not 9.G.)

Net Position - Beginning as restated

Net Position - Ending

Exhibit 2

Net (Expense) Revenue and Changes in Net Position		
Capital Grants and Contributions	Primary Government Governmental Activities	Component Unit Community Development Agency
\$	\$	
87,327	(20,831,791)	
33,886	(19,454,487)	
7,108,344	(7,663,232)	
-	(520,494)	
-	(127,245)	
-	(7,580,197)	
-	(698,799)	
-	(2,758,237)	
-	(1,694,384)	
-	(646,905)	
-	(1,917,072)	
\$ 7,229,557	\$ (63,892,843)	
\$ 55,616		\$ (2,692,068)
	\$	\$
	66,683,380	3,040,826
	172,951	-
	1,330,783	-
	9,497,779	-
	528,791	-
	88,752	-
	6,341,316	167,575
	1,742,300	45,544
	20,150	526,049
	\$ 86,406,202	\$ 3,779,994
	\$ 22,513,359	\$ 1,087,926
	\$	\$
	399,837,594	32,436,063
	(13,327,209)	(298,057)
	386,510,385	32,138,006
	\$ 409,023,744	\$ 33,225,932

**SCOTT COUNTY
SHAKOPEE, MINNESOTA**

**BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2018**

	General	Watershed Management Organization
<u>Assets</u>		
Cash and pooled investments	\$ 42,280,554	\$ 953,646
Petty cash and change funds	7,835	-
Taxes receivable		
Prior	396,131	7,682
Accounts receivable	1,106,946	-
Accrued interest receivable	287,871	3,699
Due from other governments	5,971,660	71,233
Prepaid items	2,291	-
Inventories	924,257	-
Loans receivable	-	-
	\$ 50,977,545	\$ 1,036,260
<u>Liabilities, Deferred Inflows of Resources, and Fund Balances</u>		
Liabilities		
Accounts payable	\$ 1,690,577	\$ 34,634
Purchasing card payable	-	5,858
Salaries payable	1,517,231	7,826
Contracts payable	-	-
Retainage payable	-	-
Due to other governments	1,352,717	161,017
Unearned revenue	27,112	337,904
	\$ 4,587,637	\$ 547,239
Deferred Inflows of Resources		
Unavailable revenue	\$ 2,170,053	\$ 9,202
Advance from other government	-	-
	\$ 2,170,053	\$ 9,202

Exhibit 3

<u>Road and Bridge Construction</u>	<u>Capital Improvement</u>	<u>Debt Service</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 24,866,949	\$ 378,660	\$ 712,890	\$ 1,533,605	\$ 70,726,304
-	-	-	90	7,925
33,623	13,448	50,544	-	501,428
146,479	3,200	-	3,132	1,259,757
4,361	-	6,126	8,843	310,900
13,565,943	59,191	-	18,376	19,686,403
-	-	-	-	2,291
-	-	-	-	924,257
-	1,117,961	-	-	1,117,961
<u>\$ 38,617,355</u>	<u>\$ 1,572,460</u>	<u>\$ 769,560</u>	<u>\$ 1,564,046</u>	<u>\$ 94,537,226</u>
\$ 113,694	\$ 59,171	\$ -	\$ 19,071	\$ 1,917,147
-	-	-	-	5,858
-	2,904	-	1,985	1,529,946
1,155,866	209,560	-	-	1,365,426
937,560	-	-	-	937,560
203,528	10,000	-	135	1,727,397
-	-	-	-	365,016
<u>\$ 2,410,648</u>	<u>\$ 281,635</u>	<u>\$ -</u>	<u>\$ 21,191</u>	<u>\$ 7,848,350</u>
\$ 946,225	\$ 16,648	\$ 51,741	\$ 3,836	\$ 3,197,705
5,971,709	-	-	-	5,971,709
<u>\$ 6,917,934</u>	<u>\$ 16,648</u>	<u>\$ 51,741</u>	<u>\$ 3,836</u>	<u>\$ 9,169,414</u>

**SCOTT COUNTY
SHAKOPEE, MINNESOTA**

**BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2018**

	General	Watershed Management Organization
Fund Balances		
Nonspendable		
Inventory	\$ 924,257	\$ -
Prepaid items	2,291	-
Restricted		
Solid waste	2,268,312	-
Recorder's equipment	331,991	-
E-911	487,226	-
Local recycling development	892,935	-
Aquatic invasive species	237,819	-
Restricted for MRTS Capital Funding	-	-
Administering the carrying of weapons	283,801	-
Law enforcement	311,587	-
Gravel pit closure	266,353	-
Veteran's services	4,663	-
Debt service	-	-
Ditch maintenance and repairs	-	-
Law library	-	-
Regional railroad authority	-	-
Transportation initiative	-	-
Restricted for child protection	309,406	-
Committed		
Committed for Treatment Court	688,135	-
Assigned		
Wheelage tax construction projects	-	-
Transportation tax construction projects	-	-
County parks	664,059	-
Water quality	16,795	-
Library operations	251,651	-
Meth task force	255,346	-
Sheriff	164,981	-
Juvenile alternative facility wood program	6,700	-
Extension services	15,371	-
Elections	33,020	-
Juvenile restitution	100,907	-
Septic loan program	3,669	-
Contracted Purchase	509,054	-
New Options & mobile crisis response	582,000	-
Road & bridge construction	-	-
Capital improvement	-	-
Water Management Organization (WMO)	-	479,819
Public safety	-	-
Unassigned	34,607,526	-
Total Fund Balances	\$ 44,219,855	\$ 479,819
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 50,977,545	\$ 1,036,260

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

Exhibit 3
(Continued)

Road and Bridge Construction	Capital Improvement	Debt Service	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ 924,257
-	-	-	-	2,291
-	-	-	-	2,268,312
-	-	-	-	331,991
-	-	-	-	487,226
-	-	-	-	892,935
-	-	-	-	237,819
-	78,810	-	-	78,810
-	-	-	-	283,801
-	-	-	-	311,587
-	-	-	-	266,353
-	-	-	-	4,663
-	-	717,819	-	717,819
-	-	-	83,346	83,346
-	-	-	333,415	333,415
-	-	-	96,836	96,836
-	-	-	336,952	336,952
-	-	-	-	309,406
-	-	-	-	688,135
169,823	-	-	-	169,823
7,714,902	-	-	-	7,714,902
-	-	-	-	664,059
-	-	-	-	16,795
-	-	-	-	251,651
-	-	-	-	255,346
-	-	-	-	164,981
-	-	-	-	6,700
-	-	-	-	15,371
-	-	-	-	33,020
-	-	-	-	100,907
-	-	-	-	3,669
-	-	-	-	509,054
-	-	-	-	582,000
21,404,048	-	-	-	21,404,048
-	1,195,367	-	-	1,195,367
-	-	-	-	479,819
-	-	-	694,662	694,662
-	-	-	(6,192)	34,601,334
\$ 29,288,773	\$ 1,274,177	\$ 717,819	\$ 1,539,019	\$ 77,519,462
\$ 38,617,355	\$ 1,572,460	\$ 769,560	\$ 1,564,046	\$ 94,537,226

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

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**SCOTT COUNTY
SHAKOPEE, MINNESOTA**

Exhibit 4

**RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION--GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2018**

Fund balances - total governmental funds (Exhibit 3)	\$	77,519,462
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.		430,010,788
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as deferred inflows of resources in the governmental funds.		3,197,705
Internal service funds are used by management to charge the costs of self-insurance to individual funds. The assets and liabilities included in governmental activities in the statement of net position are:		5,535,496
Deferred outflows of resources and deferred inflows of resources are created as a result of various differences related to pensions and other post employment benefits that are not recognized in the governmental funds.		
Deferred outflows related to pensions and other post employment benefits		16,272,380
Deferred inflows related to pensions and other post employment benefits		(22,426,600)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds.		
General obligation bonds	\$ (52,045,510)	
Loans payable	(1,434,961)	
Compensated absences	(5,655,685)	
Accrued interest payable	(441,031)	
Net pension liability	(39,750,684)	
Net other post employment benefits liability	(1,757,616)	(101,085,487)
Net Position of Governmental Activities (Exhibit 1)		<u>\$ 409,023,744</u>

**SCOTT COUNTY
SHAKOPEE, MINNESOTA**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018**

	General	Watershed Management Organization
Revenues		
Taxes	\$ 53,378,304	\$ 1,163,005
Special assessments	251,946	-
Licenses and permits	1,711,046	-
Intergovernmental	36,052,644	804,910
Charges for services	10,093,705	14,138
Fines and forfeits	703,143	-
Gifts and contributions	142,367	-
Investment earnings	1,075,677	16,577
Miscellaneous	1,829,328	65,377
	\$ 105,238,160	\$ 2,064,007
Expenditures		
Current		
General government	\$ 29,364,790	\$ -
Public safety	22,170,769	-
Highways and streets	11,949,526	-
Sanitation	1,094,938	-
Transit	3,511,801	-
Human services	26,789,228	-
Health	2,146,142	-
Culture and recreation	5,184,509	-
Conservation of natural resources	683,550	1,986,229
Economic development	1,211,759	-
Intergovernmental		
Highways and streets	253,426	-
Capital outlay		
	-	-
Debt service		
Principal	183,888	94,551
Interest	-	5,449
Administrative (fiscal) charges	-	-
	\$ 104,544,326	\$ 2,086,229
Excess of Revenues Over (Under)		
Expenditures	\$ 693,834	\$ (22,222)

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

Exhibit 5

<u>Road and Bridge Construction</u>	<u>Capital Improvement</u>	<u>Debt Service</u>	<u>Other Governmental Funds</u>	<u>Total</u>
\$ 15,318,989	\$ 1,895,501	\$ 6,432,210	\$ -	\$ 78,188,009
-	-	-	42,430	294,376
-	-	-	-	1,711,046
37,306,313	215,319	-	499,986	74,879,172
408,435	133,095	-	430,269	11,079,642
-	-	-	-	703,143
-	-	-	-	142,367
540,523	45,251	22,004	39,385	1,739,417
12,018	32,654	-	737	1,940,114
<u>\$ 53,586,278</u>	<u>\$ 2,321,820</u>	<u>\$ 6,454,214</u>	<u>\$ 1,012,807</u>	<u>\$ 170,677,286</u>
\$ -	\$ -	\$ -	\$ 154,858	\$ 29,519,648
-	-	-	572,932	22,743,701
-	-	-	96,261	12,045,787
-	-	-	-	1,094,938
-	-	-	-	3,511,801
-	-	-	-	26,789,228
-	-	-	-	2,146,142
-	-	-	-	5,184,509
-	-	-	79,128	2,748,907
-	-	-	869	1,212,628
-	-	-	-	253,426
50,247,865	5,752,574	-	-	56,000,439
-	-	4,131,496	-	4,409,935
-	-	2,275,733	-	2,281,182
-	-	9,690	-	9,690
<u>\$ 50,247,865</u>	<u>\$ 5,752,574</u>	<u>\$ 6,416,919</u>	<u>\$ 904,048</u>	<u>\$ 169,951,961</u>
<u>\$ 3,338,413</u>	<u>\$ (3,430,754)</u>	<u>\$ 37,295</u>	<u>\$ 108,759</u>	<u>\$ 725,325</u>

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

**SCOTT COUNTY
SHAKOPEE, MINNESOTA**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018**

	<u>General</u>	<u>Watershed Management Organization</u>
Other Financing Sources (Uses)		
Transfers in	\$ 2,397,813	\$ -
Transfers out	(1,116,809)	-
Proceeds from septic loan program	299,913	-
Proceeds from sale of capital assets	-	-
	<hr/>	<hr/>
Total Other Financing Sources (Uses)	\$ 1,580,917	\$ -
	<hr/>	<hr/>
Net Change in Fund Balance	\$ 2,274,751	\$ (22,222)
	<hr/>	<hr/>
Fund Balance - January 1	41,945,104	502,041
	<hr/>	<hr/>
Fund Balance - December 31	\$ 44,219,855	\$ 479,819
	<hr/> <hr/>	<hr/> <hr/>

Exhibit 5
(Continued)

Road and Bridge Construction	Capital Improvement	Debt Service	Other Governmental Funds	Total
\$ -	\$ 1,312,670	\$ -	\$ -	\$ 3,710,483
(2,358,195)	(125,000)	-	(110,479)	(3,710,483)
-	-	-	-	299,913
<u>32,832</u>	<u>92,025</u>	<u>-</u>	<u>-</u>	<u>124,857</u>
\$ (2,325,363)	\$ 1,279,695	\$ -	\$ (110,479)	\$ 424,770
\$ 1,013,050	\$ (2,151,059)	\$ 37,295	\$ (1,720)	\$ 1,150,095
<u>28,275,723</u>	<u>3,425,236</u>	<u>680,524</u>	<u>1,540,739</u>	<u>76,369,367</u>
<u>\$ 29,288,773</u>	<u>\$ 1,274,177</u>	<u>\$ 717,819</u>	<u>\$ 1,539,019</u>	<u>\$ 77,519,462</u>

**SCOTT COUNTY
SHAKOPEE, MINNESOTA**

Exhibit 6

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS
TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES--GOVERNMENTAL ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2018**

Net change in fund balances - total governmental funds (Exhibit 5) \$ 1,150,095

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

In the funds, under the modified accrual basis, receivables not available for expenditure are deferred. In the statement of activities, those revenues are recognized when earned. The adjustment to revenue between the fund statements and the statement of activities is the increase (decrease) in revenue deferred as unavailable.

Deferred inflows of resources - unavailable revenue - December 31	\$ 3,197,705	
Deferred inflows of resources - unavailable revenue - January 1	<u>(9,006,917)</u>	(5,809,212)

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. Also, in the statement of activities, only the gain or loss on the disposal of assets is reported; whereas, in the governmental funds, the proceeds from the sale increase financial resources. Therefore, the change in net position differs from the change in fund balance by the net book value of the assets sold.

Expenditures for general capital assets and infrastructure	\$ 33,515,785	
Net book value of assets sold	(223,179)	
Current year depreciation	<u>(13,000,649)</u>	20,291,957

Issuing long-term debt provides current financial resources to governmental funds, while the repayment of debt consumes current financial resources. Neither transaction, however, has any effect on net position. Also, governmental funds report the net effect of premiums and discounts, and similar items when debt is first issued; whereas, those amounts are deferred and amortized over the life of the debt in the statement of net position.

Proceeds of new debt		
Septic loans issued		(299,913)
Principal repayments		
General obligation bonds	\$ 4,065,000	
Loans payable	<u>337,862</u>	4,402,862
Current year amortization of discounts and premiums		353,082

**SCOTT COUNTY
SHAKOPEE, MINNESOTA**

Exhibit 6
(Continued)

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS
TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES--GOVERNMENTAL ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2018**

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 accrued interest payable	\$	27,791	
Change in compensated absences		(247,560)	
Change in net other post employment benefits liability		17,673,657	
Change in deferred other post employment benefits outflows		1,311,980	
Change in net pension liability		13,556,124	
Change in deferred pension outflows		(7,759,586)	
Change in deferred pension inflows		(4,986,521)	
		19,575,885	

Internal service funds are used by management to charge the cost of certain activities to individual funds. The expense of certain activities of the internal service funds is reported with governmental activities.

Governmental activities share of net income after transfers (17,151,397)

Change in Net Position of Governmental Activities (Exhibit 2) \$ 22,513,359

**SCOTT COUNTY
SHAKOPEE, MINNESOTA**

Exhibit 7

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2018**

		Governmental Activities Internal Service Funds
<u>Assets</u>		
Current Assets:		
Cash and pooled investments	\$	6,247,428
Taxes receivable		
Prior		5,726
Accrued interest receivable		24,716
Total Assets	\$	6,277,870
<u>Liabilities</u>		
Current Liabilities:		
Claims payable		742,374
<u>Net Position</u>		
Net position unrestricted	\$	5,535,496

**SCOTT COUNTY
SHAKOPEE, MINNESOTA**

Exhibit 8

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018**

		Governmental Activities Internal Service Funds
Operating Revenues		
Charges for services	\$	12,856,855
Miscellaneous		877,589
Total Operating Revenues	\$	13,734,444
 Operating Expenses		
Professional services		31,705,243
Operating Income (Loss)	\$	(17,970,799)
 Nonoperating Revenues (Expenses)		
Property taxes	\$	699,431
Investment earnings		119,971
Total Nonoperating revenues (expenses)	\$	819,402
 Change in Net Position	\$	(17,151,397)
 Net Position - January 1		22,686,893
Net Position - December 31	\$	5,535,496

**SCOTT COUNTY
SHAKOPEE, MINNESOTA**

Exhibit 9

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018
Increase (Decrease) in Cash and Cash Equivalents**

	Governmental Activities Internal Service Funds
Cash Flows from Operating Activities	
Receipts from customers and users	\$ 3,391,546
Receipts from internal services provided	9,465,309
Receipts from insurance provider	877,589
Payments to suppliers	(13,862,375)
Payment to irrevocable trust	(17,617,922)
Net cash provided by (used in) operating activities	\$ (17,745,853)
Cash Flows from Noncapital Financing Activities	
Property taxes	\$ 666,691
Cash Flows from Investing Activities	
Purchase of OPEB revocable trust investment	\$ 17,617,922
Investment earnings received	105,078
Net cash provided by (used in) investing activities	\$ 17,723,000
Net Increase (Decrease) in Cash and Cash Equivalents	\$ 643,838
Cash and Cash Equivalents at January 1	5,603,590
Cash and Cash Equivalents at December 31	\$ 6,247,428
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities	
Operating income (loss)	\$ (17,970,799)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities	
Increase (decrease) in claims payable	224,946
Net Cash Provided by (Used in) Operating Activities	\$ (17,745,853)

**SCOTT COUNTY
SHAKOPEE, MINNESOTA**

Exhibit 10

**STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2018**

	Investment Trust	Other Postemployment Benefits Trust Fund	Agency Funds
<u>Assets</u>			
Cash and pooled investments	\$ 53,880	\$ -	\$ 3,335,898
Accounts Receivable	-	-	932
OPEB irrevocable trust investments	-	18,023,979	-
Accrued interest receivable	217	-	699
Due from other governments	-	-	108,385
	\$ 54,097	\$ 18,023,979	\$ 3,445,914
<u>Liabilities</u>			
Accounts payable	\$ -	\$ -	\$ 13,844
Due to other governments	-	-	3,432,070
	\$ -	\$ -	\$ 3,445,914
<u>Net Position</u>			
Net position, held in trust for pool participants	\$ 54,097	\$ -	
Net position, held in trust for OPEB participants	-	18,023,979	
	\$ 54,097	\$ 18,023,979	

**SCOTT COUNTY
SHAKOPEE, MINNESOTA**

Exhibit 11

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018**

	Investment Trust	Other Postemployment Benefits Trust Fund
<u>Additions</u>		
Employer Contributions	\$ -	\$ 19,926,956
Investment earnings	1,025	-
Total Additions	\$ 1,025	\$ 19,926,956
<u>Deductions</u>		
Investment losses	\$ -	\$ 292,437
Plus: investment expense	-	1,506
Net investment losses	\$ -	\$ 293,943
Retiree health premiums	-	1,609,034
Total Deductions	\$ -	\$ 1,902,977
Change in net position	\$ 1,025	\$ 18,023,979
Net Position - January 1	53,072	-
Net Position - December 31	\$ 54,097	\$ 18,023,979

NOTES TO FINANCIAL STATEMENTS

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**SCOTT COUNTY
SHAKOPEE, MINNESOTA**

**NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2018**

1. Summary of Significant Accounting Policies

The County’s financial statements are prepared in accordance with generally accepted accounting principles (GAAP) in the United States of America as of and for the year ended December 31, 2018. The Government Accounting Standards Board (GASB) is responsible for establishing GAAP for government units through its pronouncements (statements and interpretations). The more significant accounting policies established in GAAP and used by the County are discussed below.

A. Financial Reporting Entity

Scott County was established March 5, 1853, and is an organized county having the powers, duties, and privileges granted counties by Minn. Stat. ch. 373. As required by accounting principles generally accepted in the United States of America, these financial statements present Scott County (primary government) and its component units for which the County is financially accountable. The County is governed by a five-member Board of Commissioners elected from districts within the County. The Board is organized with a chair and vice chair elected at the annual meeting in January of each year.

Blended Component Units

Blended component units are legally separate organizations that are so intertwined with the County that they are, in substance, the same as the County and, therefore, are reported as if they were part of the County. Scott County has two blended component units.

<u>Component Unit</u>	<u>Component Unit Reporting Entity Because</u>	<u>Separate Financial Statements</u>
Regional Railroad Authority (RRA) provides for the preservation or improvement of rail transportation within the County.	County Commissioners are the members of the RRA Board and management of Scott County has operational responsibility for the entity.	Separate financial statements are not prepared.

**SCOTT COUNTY
SHAKOPEE, MINNESOTA**

**NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2018**

<p>Scott Watershed Management Organization (WMO) manages the quantity, and tries to improve the quality, of runoff.</p>	<p>County Commissioners are the members of the WMO Board and management of Scott County has operational responsibility for the entity.</p>	<p>Separate financial statements are not prepared.</p>
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Discretely Presented Component Unit

While part of the reporting entity, discretely presented component units are presented in a separate column in the government-wide financial statements to emphasize that they are legally separate from the County. The following component unit of Scott County is discretely presented:

Component Unit	Component Unit Reporting Entity Because	Separate Financial Statements
<p>Scott County Community Development Agency (CDA) provides services pursuant to Minn. Stat. §§ 469.001-.047.</p>	<p>County appoints board members and the County would be responsible in the case of financial default.</p>	<p>Scott County CDA 323 South Naumkeag Street Shakopee, MN 55379</p>

Joint Ventures and Jointly-Governed Organizations

The County participates in several joint ventures which are described in Note 8.C. The County also participates in jointly-governed organizations which are described in Note 8.D.

B. Basic Financial Statements

1. Government-Wide Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) display information about the primary government and its component units. These statements include the financial activities of the overall County government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent

**SCOTT COUNTY
SHAKOPEE, MINNESOTA**

**NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2018**

on fees and charges to external parties for support. Scott County does not have any business-type activities.

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

The statement of activities demonstrates the degree to which the direct expenses of each function of the County's governmental activities are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or activity. Program revenues include: (1) fees, fines, and charges paid by the recipients of goods, services, or privileges provided by a given function or activity; and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or activity. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

2. Fund Financial Statements

The fund financial statements provide information about the County's funds, including its fiduciary funds and blended component units. Separate statements for each fund category--governmental, proprietary, and fiduciary--are presented. The emphasis of governmental and proprietary fund financial statements are on major individual governmental funds, with each displayed as a separate column in the fund financial statements. All remaining governmental funds are aggregated and reported as nonmajor funds.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or incidental activities.

**SCOTT COUNTY
SHAKOPEE, MINNESOTA**

**NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2018**

The County reports the following major governmental funds:

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

The Watershed Management Organization Special Revenue Fund accounts for the financial resources to be used for proper resource management and implementation of the approved Scott County Watershed Management Organization Comprehensive Water Resources Management Plan. The major revenue sources are intergovernmental grants received from the Federal Government and the State of Minnesota.

The Road and Bridge Construction Capital Projects Fund is used to account for financial resources to be used for construction of roads, bridges and other projects affecting County roadways.

The Capital Improvement Capital Projects Fund is used to account for financial resources to be used for capital acquisition, construction, or improvement of capital facilities.

The Debt Service Fund is used to account for the financial resources restricted for payments made for the principal and interest on long-term debt of the government.

Additionally, the County reports the following fund types:

The Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

The Internal Service Funds account for self-insurance activities provided to other departments and funds on a cost-reimbursement basis.

The Trust Funds are used to account for resources legally held in trust for others. Scott County holds individual investments on behalf of a local cemetery. Scott County also accumulates resources in an irrevocable trust for the intended purpose of meeting future other post-employment benefits obligations.

**SCOTT COUNTY
SHAKOPEE, MINNESOTA**

**NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2018**

The Agency Funds are custodial in nature and do not present results of operations or have a measurement focus. Agency funds account for monies held on behalf of school districts and special districts that use the County as a depository; property taxes collected on behalf of other governments; and surety bonds and performance deposits.

C. Measurement Focus and Basis of Accounting

The government-wide, proprietary fund, and fiduciary fund financial statements are reported using the *economic resources measurement focus* and the *full accrual basis of accounting*. 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. Scott County considers all revenues to be *available* if they are collected within 60 days after the end of the current period. Property and other taxes, licenses, and interest are all considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, compensated absences, and claims and judgments, which are recognized as expenditures to the extent that they have matured. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

The principal operating revenues of the government's internal service funds are charges to customers. Operating expenses for internal service funds are the cost of services. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

**SCOTT COUNTY
SHAKOPEE, MINNESOTA**

**NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2018**

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity

1. Deposits and Investments

The cash balances of substantially all funds are pooled and invested by the County Property Tax Revenue and Records Manager for the purpose of increasing earnings through investment activities. Pooled and fund investments are reported at their fair value at December 31, 2018. A market approach is used to value all investments other than external investment pools, which are measured at the net asset or fair value per share. Pursuant to Minn. Stat. § 385.07, investment earnings on cash and pooled investments are credited to the General Fund. Additionally the county invests funds held for post-employment benefits with the State Board of Investments. The fair value of the investment is the fair value per share of the underlying portfolio. Other funds received investment earnings based on other state statutes, grant agreements, contracts, and bond covenants. Pooled investment earnings for 2018 were \$1,075,677.

Minn. Stat. § 118A.02 authorizes the County to designate depositories for public funds and make investments. Minn. Stat. § 118A.03 requires that all bank 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 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.

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

- (1) securities which are direct obligations or are guaranteed or insured issues of the United States, its agencies, its instrumentalities, or organizations created by an act of Congress, except mortgage-backed securities defined as "high risk" by Minn. Stat. § 118A.04, subd. 6;

**SCOTT COUNTY
SHAKOPEE, MINNESOTA**

**NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2018**

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

Cash and cash equivalents are identified only for the purpose of the statement of cash flows reporting by the proprietary fund. Cash and pooled investments that have the characteristics of demand deposits, are considered to be cash and cash equivalents on the statement of cash flows.

2. Receivables and Payables

Activity 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). Advances between funds, as reported in the fund financial statements, would be offset by a fund balance nonspendable account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

Property taxes are levied as of January 1 on property values assessed as of the same date. The tax levy notice is mailed in March with the first half payment due on May 15 and the second half payment due October 15.

**SCOTT COUNTY
SHAKOPEE, MINNESOTA**

**NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2018**

Unpaid taxes at December 31 become liens on the respective property and are classified in the financial statements as delinquent taxes receivable.

3. Inventories and Prepaid Items

Inventory in the General Fund, consisting of parts, field materials, and supplies, is valued by using the weighted average cost. The cost value of these inventories will be recorded as an expenditure at the time the individual items are used.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures when consumed rather than when purchased.

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 governmental activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. 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.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

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Property, plant, and equipment of the primary government, as well as the component unit, are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings	40
Building improvements	10-20
Land improvements	10-20
Public domain infrastructure	25-75
Machinery, furniture, equipment, and vehicles	3-10

6. Unearned Revenue

Governmental funds and government-wide financial statements report unearned revenue in connection with resources that have been received, but not yet earned.

7. Postemployment Benefits Other Than Pensions (OPEB)

For the purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expenses, information about the fiduciary net positions of Scott county OPEB benefits and additions to/deductions from the fiduciary net position have been determined on the same basis as they are reported by Scott County. For this purpose, Scott County recognized benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

8. Pension Plan

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

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pension liability is liquidated primarily by the General Fund, Watershed Management Organization Special Revenue Fund and the Law Library Special Revenue Fund.

9. Compensated Absences

The liability for compensated absences reported in the financial statements consists of unpaid, accumulated annual paid time off and sick leave balances. The liability has been calculated using the vesting method, in which leave amounts for both employees who currently are eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included. Compensated absences are accrued when incurred in the government-wide and proprietary fund financial statements. 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 government-wide statement of net position reports both current and noncurrent portions of compensated absences. The current portion consists of an amount based on a three-year average of terminated employees. The noncurrent portion consists of the remaining amount of vacation and vested sick leave.

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 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, as well as bond issuance costs, during the current period. The face amount of the debt issued is reported as an other financing source. 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.

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11. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expenditures/expense) until then. The County reports deferred outflows of resources only under the full accrual basis of accounting associated with pension plans and other postemployment benefits (OPEB) and, accordingly, are reported only on the statement of net position.

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has three types of deferred inflows. Advance allotments represent state aid received by the county but not yet appropriated by the State of Minnesota. Advance allotments are reported in the governmental funds balance sheet and on the government-wide statement of net position. The governmental funds report unavailable revenue from delinquent taxes receivable, grant receivables, and long-term receivables. Unavailable revenue arises only under the modified accrual basis of accounting and, accordingly, is reported only in the governmental funds balance sheet. The unavailable revenue amount is deferred and recognized as an inflow of resources in the period that the amounts become available. The County also reports deferred inflows of resources associated with pension and OPEB benefits. These inflows arise only under the full accrual basis of accounting and, accordingly, are reported only in the statement of net position.

12. 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.

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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.

13. Fund Equity

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

Nonspendable – the nonspendable fund balance amounts cannot be converted to cash, such as inventories or prepayments, or are legally or contractually required to be maintained intact.

Restricted – the fund balance amounts have externally imposed constraints placed on their use which are legally enforceable.

Committed – the fund balance amounts have self-imposed constraints on items that can be used only for the specific purposes as determined by formal action of the County Board. Any funds set aside as committed fund balance requires the passage of a resolution by a simple majority vote. Amounts within this category require the same formal Board action to remove the commitment.

Assigned – the fund balance amounts have self-imposed constraints to demonstrate intent, which can be established by Board action or delegated by the County Board to others. The County Board authorized the County Administrator and the Chief Financial Officer as the officials authorized to assign fund balance to a specific purpose. This authorization was made by the Fund Balance Policy was adopted by the County Board on July 5, 2011.

Unassigned – the fund balance amounts are available for any public purpose. The County's General Fund is the only fund that may report a positive unassigned fund balance as the remaining balance after all other amounts have been classified.

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The 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.

Minimum Fund Balance

Scott County has adopted a minimum fund balance policy for the General Fund. The General Fund is heavily reliant on property tax revenues to fund current operations. However, current property tax revenues are not available for distribution until June. Therefore, the County Board has determined the need to maintain a minimum unrestricted fund balance (committed, assigned, and unassigned) at year end of 25-30% of operating expenditures. The Fund Balance Policy was adopted by the County Board on July 5, 2011. At December 31, 2018, unrestricted fund balances for the General Fund was at or above the minimum fund balance levels.

14. 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, deferred outflows of resources, liabilities, and deferred inflows of resources; 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.

E. Revenues

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

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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 deferred inflows of resources 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 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.

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F. Change in Accounting Principles

During the year ended December 31, 2018, the County adopted new accounting guidance by implementing the provisions of GASB Statement 75. GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, changes standards for recognizing and measuring other postemployment benefit (OPEB) liabilities and related deferred outflows of resources, deferred inflows of resources, and OPEB expense. This statement also requires additional note disclosures and schedules in the required supplementary information. Beginning net position has been restated to reflect this change.

	Governmental Activities
Net Position, January 1, 2018, as previously reported	\$ 399,837,594
Change in accounting principles	(13,327,209)
Net Position, January 1, 2018, as restated	\$ 386,510,385

2. Stewardship, Compliance and Accountability

Deficit Fund Equity

The Ditch Fund had a deficit unassigned fund balance of \$6,192 as of December 31, 2018. This deficit was caused by the timing of ditch maintenance expenses. A special assessment will be made to correct this problem.

Tax Abatement Agreements

Scott County negotiates property tax abatement agreements on an individual basis. The County has tax abatements with three entities as of December 31, 2018, as follows:

Business	Percentage of Taxes Abated during The Fiscal Year	Amount of Taxes Abated During the Fiscal Year
Rosemount, Inc.	57	\$ 64,401
Datacard Corporation	37	30,206
Shutterfly, Inc.	76	59,049

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Each agreement was negotiated under Minnesota Statutes Sections §469.1812 to 469.1815 (the Abatement Act). But for the tax abatement, the projects above would not have been economically feasible. The County has not made any commitments as part of the agreements other than to reduce taxes. Amounts are requested by the recipient and the County Board determines the actual abatement amount. The percentage displayed above shows how much of the recipients taxes were abated.

These abatements are made for the purpose of attracting and retaining jobs in the County. Recipients need to meet conditions in order for the tax abatement. These conditions can include the creation of a set number of new jobs, the retention of existing jobs and a certain wage level of the jobs.

The County has the option to recapture taxes if the conditions are not met. That decision is made by the County Board in consultation with the County Administrator.

The tax abatement recipient's taxes are reduced through a reduction of assessed value.

The County is subject to property tax abatements granted by tax increment finance (TIF) authorities within the County. TIF authorities are defined in Minnesota Statutes Sections §469.174 and include cities, housing redevelopment authorities, economic development authorities and port authorities. TIF captures the increased property taxes (increment) that a new real estate development generates to pay qualifying expenses related to the development. In many instances, the developer agrees to provide financing for the qualifying expenses. In exchange, the TIF authority agrees to annually pay a portion of the increment to the developer. These TIF agreements affect the property tax revenues of all governments that levy property taxes on the property subject to the TIF agreement.

In the case of the County, TIF agreements of other local governments have resulted in reductions of County property tax revenues for the year ended December 31, 2018, as shown below:

<u>Tax Abatement Program</u>	<u>Taxes Abated</u>
Tax Increment Financing:	
City of:	
Jordan	\$ 151,288
Prior Lake	662,385
Savage	153,393
Shakopee	323,096

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3. Detailed Notes on All Funds

A. Assets

1. Deposits and Investments

Reconciliation of Scott County's total cash and investments to the basic financial statements follows:

Government-wide statement of net position		
Governmental activities		
Cash and pooled investments	\$	76,973,732
Petty cash and change funds		7,925
Statement of fiduciary net position		
OPEB irrevocable trust investment		18,023,979
Cash and pooled investments		
Investment trusts fund		53,880
Agency funds		3,335,898
		98,395,414
Total Cash and Investments	\$	98,395,414
Deposits	\$	5,549,176
Petty cash and change funds		7,925
Investments		92,838,313
		98,395,414
Total Deposits, Cash on Hand, and Investments	\$	98,395,414

As of December 31, 2018, Scott County had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Credit Rating</u>	<u>Weighted Average Maturity (Years)</u>
U.S. government securities	\$ 11,034,633	*AA+	2.65
Negotiable certificates of deposit	19,719,192	N/A	2.24
Mutual funds	27,937,089	*AAA	0.00
Municipal bonds	993,420	*AA-	
Municipal bonds	11,028	*A+	
Municipal bonds	149,980	*BBB-	
Total municipal bonds	1,154,428		1.89
Commercial paper	14,968,992	*A-1	0.08

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Money in external investment pool	18,023,979	N/A	0.00
Total fair value	\$92,838,313		
Portfolio weighted average maturity			1.64

*Ratings are provided by Standard and Poor's credit rating agency.

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. It is the County's policy to have less than 10% of the investment portfolio invested between ten years and thirty years on any given day. The County manages its exposure to fair value losses arising from increasing interest rates by limiting the portion of its investment portfolio that may be invested between ten and thirty years.

Credit Risk

State law limits investments in commercial paper issued by United States corporations or their Canadian subsidiaries that is rated in the highest quality category by at least two nationally recognized rating agencies and matures in 270 days or less. It is Scott County's policy to invest within the state law.

Concentration of Credit Risk

Concentration of credit risk is defined as positions of 5 percent or more in the securities of a single issuer. Scott County does not have a policy specifically related to concentration of credit risk. More than 5 percent of Scott County's investments are in negotiable certificates of deposits, commercial paper, external investment pool (Minnesota State Board of Investment), and federal home loan mortgages. These investments are 21.2%, 16.1%, 19.4% and 11.9%, respectively, of the County's total investments.

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned to it. The County does not have a deposit policy for custodial credit risk. As of December 31, 2018, all of Scott County's deposits were insured or collateralized in accordance with Minnesota statutes.

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Custodial Credit Risk – Investments

For an investment, this is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Scott County does not have a policy for custodial credit risk for investments. At December 31, 2018, none of the county’s investments were subject to custodial credit risk.

The County implemented GASB Statement No. 72, *Fair Value Measurement and Application* for the year ending December 31, 2016. Investments for the County are stated at fair value and a market approach is used to value investments.

The County categorizes its investments using a fair value hierarchy established by generally accepted accounting principles. The hierarchy places investment in one of three categories based upon the inputs used to measure the fair value of the investment. Debt and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted for identical securities in active markets. Debt securities classified in Level 2 of the fair value hierarchy are valued using significant other observable inputs. This might include quoted prices for similar securities in active markets. Securities classified in Level 3 of the hierarchy are valued using significant unobservable inputs, this primarily includes securities that do not have active markets.

At December 31, 2018, Scott County had the following recurring fair value measurements.

	Fair Value Measurements Using			
	December 31, 2018	Level 1	Level 2	Level 3
Investments by fair value				
Debt Securities				
US Agencies	\$ 11,034,633	\$ -	\$ 11,034,633	\$ -
Municipal/Public Bonds	1,154,428	-	1,154,428	-
Negotiable Certificates of Deposit	19,719,192	-	19,719,192	-
Commercial Paper	14,968,992	14,968,992		
Money Market Mutual Funds	27,937,089	27,937,089	-	-
Total Debt Securities	<u>\$ 74,814,334</u>	<u>\$ 42,906,081</u>	<u>\$ 31,908,253</u>	<u>\$ -</u>

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The County also holds funds with the State Board of Investments, an external investment pool. At year-end the funds held were \$18,023,979 in the Equity Pool. The fair value of the investments is the fair value per share of the underlying portfolio. The County invests in this pool due to the increased investment authority and historically higher rate of return on investments, as an irrevocable OPEB trust.

2. Receivables

There is no allowance for uncollectible receivables because such amounts are not expected to be material. The collection rate for taxes on average exceeds 99% and it has been determined that the other receivables will be collected.

Receivables at December 31, 2018, are:

	Total Receivable	Amounts Not Scheduled for Collection in the Subsequent Year
Taxes	\$ 507,154	\$ -
Accounts receivable	1,259,757	-
Accrued interest receivable	335,616	-
Loans receivable	1,117,961	1,050,961
Due from other governments	19,686,403	-
Total receivables for governmental activities	\$ 22,906,891	\$ 1,050,961

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned.

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At the end of the current 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
Unavailable Revenue		
Delinquent property taxes	\$ 501,428	\$ -
Account receivables that do not provide current financial resources	373,741	-
Grant receivables that do not provide current financial resources	2,193,231	-
Interest receivable that does not provide current financial resources	129,305	-
Grant drawdowns prior to meeting all Eligibility requirements	-	365,016
Advance Allotments	5,971,709	
Total	\$ 9,169,414	\$ 365,016

Detail of loans receivable

The loans receivable balance includes \$747,637 to City of Jordan for library and \$370,324 to the City of Elko New Market for cost of expansion and interior finish of a library/service center.

3. Capital Assets

Capital asset activity for the year ended December 31, 2018, was as follows:

Governmental Activities

	Beginning Balance	Increase	Decreases	Ending Balance
Capital assets, not being depreciated				
Land	\$ 92,684,192	\$ 7,411,433	\$ 174,100	\$ 99,921,525
Construction in progress	6,804,786	19,581,383	4,967,607	21,418,562
Total capital assets, not being depreciated	\$ 99,488,978	\$ 26,992,816	\$ 5,141,707	\$ 121,340,087
Capital assets being depreciated				
Land improvements	\$ 1,605,537	\$ 1,965,442	\$ -	\$ 3,570,979
Buildings	78,473,160	-	-	78,473,160

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	Beginning Balance	Increase	Decrease	Ending Balance
Continued:				
Machinery, furniture, equipment, and vehicles	24,042,626	4,557,527	1,420,232	27,179,921
Infrastructure	320,355,925	4,967,607	-	325,323,532
			-	
Total capital assets being depreciated	\$ 424,477,248	\$ 11,490,576	\$ 1,420,232	\$ 434,547,592
Less: accumulated depreciation				
Land improvements	\$ 474,566	\$ 178,585	\$ -	\$ 653,151
Buildings	32,906,696	1,766,502	-	34,673,198
Machinery, furniture, equipment, and vehicles	15,908,431	2,959,014	1,371,153	17,496,292
Infrastructure	64,957,702	8,096,548	-	73,054,250
Total accumulated depreciation	\$ 114,247,395	\$ 13,000,649	\$ 1,371,153	\$ 125,876,891
Total capital assets, being depreciated, net	\$ 310,229,853	\$ (1,510,073)	\$ 49,079	\$ 308,670,701
Governmental Activities Capital Assets, Net	\$ 409,718,831	\$ 25,482,743	\$ 5,190,786	\$ 430,010,788

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

Governmental Activities	
General government	\$ 1,765,884
Public safety	2,314,350
Highways and streets, including depreciation of infrastructure assets	8,675,087
Conservation of natural resources	3,331
Culture and recreation	235,896
Human services	6,101
	<hr/>
Total Depreciation Expense - Governmental Activities	\$ 13,000,649

B. Interfund Receivables, Payables, and Transfers

Interfund Transfers

Interfund transfers for the year ended December 31, 2018, consisted of the following:

Transfers to General Fund from the Road and Bridge Construction Fund	\$ 2,272,813	Provide funds for additional transit services and additional seal coating projects across the county.
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Transfers to Capital Improvement Fund from the General Fund	1,116,809	Provide funds for capital outlay for systems updates for taxation, computer assisted mass appraisal, and E-permitting, and investment earnings for capital.
Transfers to General Fund from the Capital Improvement Fund	125,000	Provide funds for storage area network items.
Transfers to Capital Improvement Fund from the Regional Training Facility Fund	110,479	Provide funds for sanitary pumps and water softener.
Transfers to Capital Improvement Fund from the Road and Bridge Construction Fund	85,382	Provide funds for video security services at Marschall Road Transit Station.
Total Interfund Transfers	\$ 3,710,483	

C. Liabilities

1. Construction Commitments

The government has active construction projects as of December 31, 2018. The projects include the following:

	Spent-to-Date	Remaining Commitment
Governmental Activities		
General government	\$ 6,509,299	\$ 2,553,488
Conservation of natural resources	19,041	38,833
Culture and recreation	1,352,745	13,403
Roads and bridges	33,582,311	40,898,137
Total	\$ 41,463,396	\$ 43,503,861

2. Leases

Operating Leases

The County has not entered into lease agreements as lessee for financing equipment.

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3. Capital Leases

The County has not entered into lease agreements as lessee for financing the acquisition of equipment.

4. Loans for Septic Program

The County has entered into a loan agreement for \$1,435,562 with the Minnesota Department of Agriculture to operate a loan fund for the purpose of funding the repair of failing septic systems. The loans will be paid from special assessments. The loans due to the Department of Agriculture will be paid in semi-annual payments over 10 years with no interest.

5. Long-Term Debt

Governmental Activities

Types of Indebtedness	Final Maturity	Installment Amounts	Interest Rates (%)	Original Issue Amount	Outstanding Balance December 31, 2018
2008A G.O. Capital Improvement Bonds	2019	\$275,000 - \$520,000	4.00	\$ 4,630,000	\$ 520,000
2009A G.O. Capital Improvement Bonds	2026	\$880,000 - \$1,235,000	1.65- 5.50	16,800,000	9,170,000
2012A G.O. Refund Law Enforcement Bonds	2033	\$820,000 - \$1,745,000	3.00-4.50	24,570,000	20,130,000
2014A G.O. Capital Improvement Bonds	2034	\$125,000 - \$225,000	2.00-3.50	3,355,000	2,820,000
2014B G.O. Refund CIP Bonds	2027	\$1,410,000 - \$2,020,000	4.00-5.00	17,170,000	15,760,000
Total general obligation bonds				<u>\$ 66,525,000</u>	\$ 48,400,000
Plus: unamortized premium / discount					<u>3,645,510</u>
Total General Obligation Bonds, net					<u>\$ 52,045,510</u>

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Types of Indebtedness	Final Maturity	Installment Amounts	Interest Rates (%)	Original Issue Amount	Outstanding Balance December 31, 2018
Loans payable:					
2006 Citimortgage, Inc.	2022	\$40,555 - \$81,110	4.29	\$ 896,080	\$ 256,495
Septic Loan	2026	\$2,547 - \$31,213	0.00	1,435,562	1,079,998
Clean Water Partnership Loan	2024	-	2.00	382,036	98,468
Total Loans Payable				<u>\$ 2,713,678</u>	<u>\$ 1,434,961</u>

Debt Service Requirements

Debt service requirements at December 31, 2018, were as follows:

Year Ending December 31	General Obligation Bonds		Loans Payable	
	Principal	Interest	Principal	Interest
2019	\$ 4,185,000	\$ 2,083,574	\$ 268,204	\$ 10,634
2020	3,830,000	1,896,418	188,368	6,613
2021	4,075,000	1,718,655	193,645	3,443
2022	4,100,000	1,538,050	159,234	491
2023	4,265,000	1,357,575	122,428	-
2024-2028	18,640,000	3,916,055	463,515	-
2029-2033	9,080,000	1,071,150	13,973	-
2034	225,000	7,875	-	-
Total	<u>\$ 48,400,000</u>	<u>\$ 13,589,352</u>	<u>\$ 1,409,367</u>	<u>\$ 21,181</u>

The Minnesota Department of Agriculture provided a payment schedule in September and does not include funds received between September 25, 2018 and December 31, 2018, which totaled \$25,594.

As part of the American Recovery and Reinvestment Act of 2009 (ARRA), Scott County issued \$16,800,000 of Build America Bonds (BABS), which were issued for the construction of County State-Aid Highway 21. The Series 2009A Bonds are direct pay tax credit BABS, in which the County will receive a payment from the federal government equal to 35 percent of the amount of interest payable on each interest payment date. The County has complied with all requirements of ARRA to be eligible for the BABS interest credit. Pursuant to the requirements of the Balanced Budget and Emergency Deficit Control Act of 1985 the refundable credit has been reduced by 7.3% from sequestration.

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Taking into consideration the aforementioned BABS interest credit, as of December 31, 2018, the County's net annual debt service requirements to amortize all taxable general obligation bonds outstanding, including interest of \$12,877,874, is as follows:

Year Ending December 31	Principal	Interest	Federal Subsidy	Net Interest	Total Payment
2019	\$ 4,185,000	\$ 2,083,574	\$ (151,331)	\$ 1,932,243	\$ 6,117,243
2020	3,830,000	1,896,418	(135,350)	1,761,068	5,591,068
2021	4,075,000	1,718,655	(118,475)	1,600,180	5,675,180
2022	4,100,000	1,538,050	(100,693)	1,437,357	5,537,357
2023	4,265,000	1,357,575	(81,875)	1,275,700	5,540,700
2024-2028	18,640,000	3,916,055	(123,754)	3,792,301	22,432,301
2029-2033	9,080,000	1,071,150	-	1,071,150	10,151,150
2034	225,000	7,875	-	7,875	232,875
Total	\$ 48,400,000	\$ 13,589,352	\$ (711,478)	\$ 12,877,874	\$ 61,277,874

6. Changes in Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2018, was as follows:

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
Bonds Payable					
General obligation bonds	\$ 52,465,000	\$ -	\$ 4,065,000	\$ 48,400,000	\$ 4,185,000
Unamortized Premiums/ Discounts	3,998,592	-	353,082	3,645,510	-
Loans payable	1,472,910	299,913	337,862	1,434,961	268,204
Compensated absences	5,408,125	5,501,077	5,253,517	5,655,685	3,707,201
Long-Term Liabilities	\$ 63,344,627	\$ 5,800,990	\$ 10,009,461	\$ 59,136,156	\$ 8,160,405

The internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. Also, compensated absences are generally liquidated by the General Fund and special revenue funds. Bonded debt is paid from the Debt Service Fund. Net other post-employment benefit obligations are generally liquidated by the General Fund and special revenue funds.

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4. Pension Plans

A. Defined Benefit Pension Plans

1. Plan Description

All full-time and certain part-time employees of Scott County are covered by defined benefit pension plans administered by the Public Employees Retirement Association of Minnesota (PERA). PERA administers the General Employees Retirement Plan (the General Employees Plan), the Public Employees Police and Fire Plan (the Police and Fire Plan), and the Public Employees Local Government Correctional Service Retirement Plan (the Correctional Plan), which are cost-sharing, multiple-employer retirement plans. These plans are established and administered in accordance with Minn. Stat. chs. 353 and 356. PERA's defined benefit pension plans are tax qualified plans under Section 401(a) of the Internal Revenue Code.

The General Employees Plan (accounted for in the General Employees Fund) has multiple benefit structures with members belonging to the Coordinated Plan, the Basic Plan, or the Minneapolis Employees Retirement Fund. Coordinated Plan members are covered by Social Security and Basic Plan and Minneapolis Employees Retirement Fund members are not. The Basic Plan was closed to new members in 1967. The Minneapolis Employees Retirement Fund was closed to new members during 1978 and merged into the General Employees Plan in 2015. All new members must participate in the Coordinated Plan, for which benefits vest after five years of credited service. No Scott County employees belong to either the Basic Plan or the Minneapolis Employees Retirement Fund.

Police officers, firefighters, and peace officers who qualify for membership by statute are covered by the Police and Fire Plan (accounted for in the Police and Fire Fund). For members first hired after June 30, 2010, but before July 1, 2014, benefits vest on a prorated basis starting with 50 percent after five years and increasing 10 percent for each year of service until fully vested after 10 years. Benefits for members first hired after June 30, 2014, vest on a prorated basis from 50 percent after 10 years and increasing 5.00 percent for each year of service until fully vested after 20 years.

Local government employees of a county-administered facility who are responsible for the direct security, custody, and control of the county correctional

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facility and its inmates are covered by the Correctional Plan (accounted for in the Correctional Fund). For members hired after June 30, 2010, benefits vest on a prorated basis starting with 50 percent after five years and increasing 10 percent for each year of service until fully vested after 10 years.

2. Benefits Provided

PERA provides retirement benefits as well as disability benefits to members and benefits to survivors upon death of eligible members. Benefit provisions are established by state statute and can be modified only by the state legislature. Benefit increases are provided to benefit recipients each January. Increases are related to the funding ratio of the plan. General Employees Plan and Police and Fire Plan benefit recipients receive a future annual 1.00 percent for the post-retirement benefit increase, while Correctional Plan benefit recipients receive 2.50 percent. If the funding ratio reaches 90 percent for two consecutive years, the benefit increase will revert to 2.50 percent. If, after reverting to a 2.50 percent benefit increase, the funding ratio declines to less than 80 percent for one year or less than 85 percent for two consecutive years, the benefit increase will decrease to 1.00 percent.

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

Benefits are based on a member's highest average salary for any 60 consecutive months of allowable service, age, and years of credit at termination of service. In the General Employees Plan, two methods are used to compute benefits for Coordinated and Plan members. Members hired prior to July 1, 1989, receive the higher of a step-rate benefit accrual formula (Method 1) or a level accrual formula (Method 2). Under Method 1, the annuity accrual rate for a Coordinated Plan member is 1.20 percent of average salary for each of the first 10 years of service and 1.70 percent of average salary for each remaining year. Under Method 2, the annuity accrual rate is 1.70 percent for Coordinated Plan members for each year of service. Only Method 2 is used for members hired after June 30, 1989. For Police and Fire Plan members, the annuity accrual rate is 3.00 percent of average salary for each year of service. For Correctional Plan members, the annuity accrual rate is 1.90 percent of average salary for each year of service.

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For General Employees Plan 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. For Police and Fire Plan and Correctional Plan members, normal retirement age is 55, and for members who were hired prior to July 1, 1989, a full annuity is available when age plus years of service equal 90. Disability benefits are available for vested members and are based on years of service and average high-five salary.

3. Contributions

Pension benefits are funded from member and employer contributions and income from the investment of fund assets. Rates for employer and employee contributions are set by Minn. Stat. ch. 353. These statutes are established and amended by the state legislature. General Employees Plan members were required to contribute 6.50 percent of their annual covered salary in 2018. Police and Fire Plan members were required to contribute 10.80 percent of their annual covered salary in 2018. Correctional Plan members were required to contribute 5.83 percent of their annual covered salary in 2018.

In 2018, the County was required to contribute the following percentages of annual covered salary:

General Employees Plan - Coordinated Plan members	7.50%
Police and Fire Plan	16.20
Correctional Plan	8.75

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

The County's contributions for the year ended December 31, 2018, to the pension plans were:

General Employees Plan	\$ 3,289,818
Police and Fire Plan	647,989
Correctional Plan	386,143

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

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4. Pension Costs

General Employees Plan

At December 31, 2018, the County reported a liability of \$35,460,195 for its proportionate share of the General Employees Plan's net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability was based on the County's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2017, through June 30, 2018, relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2018, the County's proportion was 0.6392 percent. It was 0.6601 percent measured as of June 30, 2017. The County recognized pension expense of \$3,750,280 for its proportionate share of the General Employees Plan's pension expense.

The County also recognized \$271,219 as revenue, which results in a reduction of the net pension liability, for its proportionate share of the State of Minnesota's contribution to the General Employees Plan, which qualifies as a special funding situation. Legislation requires the State of Minnesota to contribute \$16 million to the General Employees Plan for the fiscal years ended June 30, 2018 and 2019, and \$6 million thereafter, through calendar year 2031.

The County's proportionate share of the net pension liability	\$ 35,460,195
State of Minnesota's proportionate share of the net pension liability associated with the County	1,163,040
Total	<u>\$ 36,623,235</u>

The 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:

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	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 967,885	\$ 1,004,291
Changes in actuarial assumptions	3,289,307	4,073,504
Difference between projected and actual investment earnings	-	3,911,584
Changes in proportion	1,599,542	1,138,018
Contributions paid to PERA subsequent to measurement date	1,662,242	-
 Total	\$ 7,518,976	\$ 10,127,397

The \$1,662,242 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2019. 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
2019	\$ 1,329,466
2020	(1,592,518)
2021	(3,267,498)
2022	(740,113)

Public Employees Police and Fire Plan

At December 31, 2018, the County reported a liability of \$3,944,872 for its proportionate share of the Police and Fire Plan's net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability was based on the County's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2017, through June 30, 2018, relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2018, the County's proportion was 0.3670 percent. It was 0.3690 percent measured as of June 30, 2017. The County recognized pension expense of \$447,427 for its proportionate share of the Police and Fire Plan's pension expense.

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The County also recognized \$33,030 as revenue, which results in a reduction of the net pension liability, for its proportionate share of the State of Minnesota's on-behalf contribution to the Police and Fire Plan. Legislation requires the State of Minnesota to contribute \$9 million to the Police and Fire Plan each year, starting in fiscal year 2014, until the plan is 90 percent funded.

The 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	\$ 158,166	\$ 945,790
Changes in actuarial assumptions	4,770,630	5,789,409
Difference between projected and actual investment earnings	-	842,505
Changes in proportion	255,190	56,590
Contributions paid to PERA subsequent to measurement date	328,293	-
Total	\$ 5,512,279	\$ 7,634,294

The \$328,293 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2019. 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
2019	\$ (87,856)
2020	(268,998)
2021	(558,883)
2022	(1,517,181)
2023	(17,390)

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Correctional Plan

At December 31, 2018, the County reported a liability of \$345,617 for its proportionate share of the Correctional Plan's net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability was based on the County's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2017, through June 30, 2018, relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2018, the County's proportion was 2.1014 percent. It was 2.1700 percent measured as of June 30, 2017. The County recognized a reduction in pension expense of \$412,566 for its proportionate share of the Correctional Plan's pension expense.

The 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	\$ 18,140	\$ 38,149
Changes in actuarial assumptions	1,714,585	4,018,841
Difference between projected and actual investment earnings	-	386,678
Changes in proportion	-	221,241
Contributions paid to PERA subsequent to measurement date	196,420	-
Total	\$ 1,929,145	\$ 4,664,909

The \$196,420 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2019. 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
2019	\$ 158,125
2020	(1,629,508)
2021	(1,388,427)
2022	(72,374)

Total Pension Expense

The total pension expense for all plans recognized by the County for the year ended December 31, 2018, was \$3,785,141.

5. Actuarial Assumptions

The total pension liability in the June 30, 2018, actuarial valuation was determined using the individual entry age normal actuarial cost method and the following additional actuarial assumptions:

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

Salary increases were based on a service-related table. Mortality rates for active members, retirees, survivors, and disabilitants for all plans were based on RP-2014 tables for males or females, as appropriate, with slight adjustments. Cost of living benefit increases for retirees are assumed to be 1.25 percent for the General Employees Plan and 2.00 percent for the Correctional Plan. For the Police and Fire Plan, cost of living benefit increases for retirees are 1.00 percent as set by state statute.

Actuarial assumptions used in the June 30, 2018, valuation were based on the results of actuarial experience studies. The experience study for the General Employees Plan was dated June 30, 2015. The experience study for the Police and Fire Plan was dated August 30, 2016. The experience study for the Correctional Plan was dated February 2012. Economic assumptions were updated in 2017 based on a review of inflation and investment return assumptions.

The long-term expected rate of return on pension plan investments is 7.50 percent. The State Board of Investment, which manages the investments of PERA, prepares an analysis of the reasonableness of the long-term expected rate of return on a

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regular basis 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 arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic stocks	36%	5.10%
International stocks	17	5.30
Bonds	20	0.75
Alternative assets	25	5.90
Cash	2	0.00

6. Discount Rate

The discount rate used to measure the total pension liability was 7.50 percent in 2018, which remained consistent with 2017. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rate specified in statute. Based on that assumption, the fiduciary net position of the General Employees Plan and the Police and Fire Plan, and Correctional Plan were projected to be available to make all projected future benefit payments of current active and inactive employees. 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.

7. Changes in Actuarial Assumptions

The following changes in actuarial assumptions occurred in 2018:

General Employees Plan

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

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Police and Fire Plan

- The mortality projection scale was changed from MP-2015 to MP-2017.
- Post-retirement benefit increases 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. Additionally, 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.
- Member contributions were changed effective January 1, 2019 and January 1, 2020 from 10.80 percent to 11.30 and 11.80 percent of pay, respectively. Employer contributions were changed effective January 1, 2019 and January 1, 2020 from 16.20 percent to 16.95 and 17.70 percent of pay, respectively. Interest credited on member contributions decreased from 4.00 percent to 3.00 percent, beginning July 1, 2018.
- Deferred augmentation was changed to 0.00 percent, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

Correctional Plan

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

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8. Pension Liability Sensitivity

The following presents the County’s proportionate share of the net pension liability calculated using the discount rate previously disclosed, as well as what the County’s proportionate share of the net pension liability would be if it were calculated using a discount rate 1.00 percentage point lower or 1.00 percentage point higher than the current discount rate:

	Proportionate Share of the					
	General Employees Plan		Police and Fire Plan		Correctional Plan	
	Discount Rate	Net Position Liability	Discount Rate	Net Position Liability	Discount Rate	Net Pension Liability
1% Decrease	6.50 %	\$ 57,627,357	6.50 %	\$ 8,387,235	4.96 %	\$ 2,957,889
Current	7.50	35,460,195	7.50	3,944,872	5.96	345,617
1% Increase	8.50	17,161,836	8.50	210,878	6.96	(1,744,120)

9. Pension Plan Fiduciary Net Position

Detailed information about the 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; by writing to PERA at 60 Empire Drive, Suite 200, St. Paul, Minnesota 55103-2088; or by calling 651-296-7460 or 1-800-652-9026.

B. Defined Contribution Plan

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

Plan benefits depend solely on amounts contributed to the plan plus investment earnings, less administrative expenses. For those qualified personnel who elect to participate, Minn. Stat. § 353D.03 specifies plan provisions, including the employee and employer contribution rates. An eligible elected official who decides to participate contributes 5.00 percent of salary, which is matched by the employer. Employee and employer contributions are combined and used to purchase shares in one or more of the

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seven accounts of the Minnesota Supplemental Investment Fund. For administering the plan, PERA receives 2.00 percent of employer contributions and 0.25 percent of the assets in each member account annually.

Total contributions by dollar amount and percentage of covered payroll made by Scott County during the year ended December 31, 2018, were:

	Employee	Employer
Contribution amount	\$ 13,343	\$ 13,343
Percentage of covered payroll	5.00 %	5.00 %

5. Other Postemployment Benefits (OPEB)

A. Plan Description

Scott County provides post employment health care benefits (OPEB) for retired employees through a single employer defined benefit plan. The County provides health insurance benefits for eligible retired employees and their dependents. The benefits, benefit levels, employee contributions, and employer contributions are administered by the Board of County Commissioners and can be amended by the County through its personnel policy manual and union contracts within the guidelines of Minnesota Statute. The Scott County Board of Commissioners consists of five elected commissioners elected from the districts within the County. The County provides benefits for retirees as required by Minn. Stat. § 471.61, subd. 2b. The plan does not issue a separate report.

Scott County established an OPEB irrevocable trust in 2018, pursuant to Minn. Stat. § 471.6175, to prefund a portion of the OPEB liability. The trust was originally established as a revocable trust and the trust was concerted to an irrevocable trust. The change was authorized December 6, 2018 through board resolution 2018-184. The Public Employees Retirement Association (PERA) serves as the trust administrator for the irrevocable trust account. No additional trust contributions are expected to be made, and no benefits are currently being paid from the trust. As a result, the funding policy is considered to be the pay-as-you-go method under which contributions to the plan are generally made at the same time and in the same amount as retiree benefits and expenses become due. During 2108, Scott County had a year-end balance in the OPEB irrevocable trust of \$18,023,979.

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The irrevocable trust is reported in the Statement of Net Position, Other Post Employment Benefits Trust Fund. This financial statement is prepared using the accrual basis of accounting.

Contributions to the plan are recognized when due and the County has made a commitment to provide the contributions. The fair value of investments is determined by the Minnesota State Board of Investment.

B. Benefits Provided

At retirement, employees of the County receiving a retirement or disability benefit, or eligible to receive a benefit, from a Minnesota public pension plan (other than a volunteer Firefighter plan) may continue to participate in the County's group health insurance plan that the employee was a participant of immediately prior to retirement.

Non-bargained employees hired prior to July 1, 1992 with continuous benefit eligible employment since date of hire are eligible for a County contribution for retiree healthcare (i.e. the County will pay a portion of the single premium). Non-bargained employees hired on or after July 1, 1992 are not eligible for a County contribution for retiree healthcare and will pay a 2.0 percent administrative fee in addition to their premium.

Bargained employees hired prior to July 1, 1993 with continuous benefit eligible employment since date of hire are eligible for a County contribution for retiree healthcare (i.e. the County will pay a portion of the single premium). Bargained hired on or after July 1, 1993 are not eligible for a County contribution for retiree healthcare and will pay a 2.0 percent administrative fee in addition to their premium. Employees who are members of the LELS – Deputized Labor Group are assumed to participate in the Police and Fire Plan. If they become disabled in the line-of-duty, they may continue the same coverage they had on their date of disability, at the same (Active Employee) rate.

C. Participants

At January 1, 2018, membership consisted of:

Retirees currently receiving benefits (includes 2 disabled retirees)	208
Beneficiaries currently receiving benefits	5
Active employees	718
Total	<u>931</u>

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D. Funding Policy and Contributions

The County negotiates the contribution percentage between the County and employees through union contracts and personnel policy. For those employees eligible for a County contribution for retiree healthcare, the County will pay a portion of the single premium under the County’s group healthcare plans based on the retiree’s years of benefit eligible employment at retirement. Employees with less than 10 years of benefit eligible service will not receive a County contribution, employees with 10-14 years of benefit eligible service will receive a 50 percent County contribution, employees with 15-19 years of benefit eligible service will receive a 75 percent County contribution, and those employees with 20 or more years of benefit eligible service will receive a 100 percent County contribution towards a single premium. During 2018, Scott County contributed \$19,601,322 to the plan.

E. Total OPEB Liability

The County’s net OPEB liability of \$1,757,616 was measured as of December 31, 2018, and was determined by an actuarial valuation as of that date.

The components of the net OPEB liability of Scott County at December 31, 2018, were as follows:

Total OPEB liability	\$	19,781,595
Plan fiduciary net position		18,023,979
 Net OPEB liability (asset)		 \$ 1,757,616
 Plan fiduciary net position as a percentage of the total OPEB liability		 91.1%
 Covered-employee payroll	\$	 48,100,000
 Net OPEB liability (asset) as a percentage of covered-employee payroll		 3.7%

Investments

The OPEB investments are held in an irrevocable trust and invested 59 percent in a Non-Retirement Bond Fund and 41 percent in a Non-Retirement Equity Fund by the Minnesota State Board of Investments. The County’s investment policy delegates investment policy decisions to the County Treasurer, including asset allocation. The policy can only be amended by the County Board.

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Rate of Return

For the year ended December 31, 2018, the annual money-weighted rate of return on investments, net of investment expense, was (1.63) percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Discount Rate

The discount rate used to measure the net OPEB liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumed that County contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Changes in the Net OPEB Liability

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a – b)
Balance at January 1, 2018, as restated	\$ 19,431,273	\$ -	\$ 19,431,273
Changes for the year			
Service cost	208,842	-	208,842
Interest	1,424,880	-	1,424,880
Benefit payments	(1,283,400)	(1,283,400)	-
Contributions - employer	-	19,601,322	(19,601,322)
Net investment income	-	(292,437)	292,437
Administrative expense	-	(1,506)	1,506
Net change	350,322	18,023,979	(17,673,657)
Balance at December 31, 2018	\$ 19,781,595	\$ 18,023,979	\$ 1,757,616

Net OPEB Liability Sensitivity

The following presents the net OPEB liability of the County, calculated using the discount rate previously disclosed, as well as what the County's net OPEB liability would be if it were calculated using a discount rate that is 1.0 percentage point lower or 1.0 percentage point higher than the current discount rate:

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	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
1% Decrease	\$ 21,862,640	\$ 18,023,979	\$ 3,838,661
Current Discount Rate	19,781,595	18,023,979	1,757,616
1% Increase	18,014,449	18,023,979	(9,530)

The following presents the net OPEB liability of the County, calculated using the health care cost trend previously disclosed, as well as what the County's net OPEB liability would be if it were calculated using health care cost trend rates that are 1.0 percentage point lower or 1.0 percentage point higher than the current health care cost trend rate:

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
1% Decrease	\$ 17,770,386	\$ 18,023,979	\$ (253,593)
Current	19,781,595	18,023,979	1,757,616
1% Increase	22,153,314	18,023,979	4,129,335

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

For the year ended December 31, 2018, the County recognized OPEB expense of \$327,995. 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 projected and actual investment earnings	\$ 1,311,980	\$ -

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

Year Ended December 31	OPEB Expense Amount
2019	\$ 327,995
2020	327,995
2021	327,995
2022	327,995

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F. Actuarial Methods and Assumptions

The actuarial assumptions used in this Actuarial Valuation are based on actual County experience and developed through discussions with the County, or are drawn from the Public Employees Retirement Association of Minnesota (PERA) July 1, 2017 Actuarial Valuations.

The total net OPEB liability in the fiscal year-end December 31, 2018, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.75 percent
Salary increases	3.5 percent
Health care cost trend (Pre-65)	8.5 percent, decreasing 0.5 percent per year to an ultimate rate of 5.0 percent
Health care cost trend (Post-65)	6.0 percent, decreasing 0.25 percent per year to an ultimate rate of 5.0 percent

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

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

The mortality rates are based on the rates used in the PERA plan of which the employee, retiree, or beneficiary is a participant. The following Mortality Tables were used for the employees, retirees, or beneficiaries in the Coordinated Plan:

	<u>Mortality Table</u>
Healthy Pre-Retirement	RP-2014 Employee Mortality Table, adjusted for white collar and mortality improvements using projection scale MP-2015.
Healthy Post-Retirement	RP-2014 Healthy Annuitant Mortality Table, adjusted for white collar and mortality improvements using projection scale MP-2015.
Disabled	RP-2014 Disabled Mortality Table, adjusted for mortality improvements using projection scale MP-2015.

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The following Mortality Tables were used for the employees, retirees, or beneficiaries in the Police and Fire or Correctional Plans:

	Mortality Table
Healthy Pre-Retirement	RP-2014 Employee Generational Mortality Table with mortality improvement scale MP-2016.
Healthy Post-Retirement	RP-2014 Annuitant Generational Mortality Table projected with mortality improvement scale MP-2016.
Disabled	RP-2014 Annuitant Generational Mortality Table projected with mortality improvement scale MP-2016.

The actuarial assumptions used in the December 31, 2018 valuation were based on the results of an actuarial experience study for the period January 1, 2016 to January 1, 2018.

G. Changes in Actuarial Assumptions

The following changes in actuarial assumptions occurred in 2018:

- The withdrawal rates have been updated to follow the rates used in the PERA plan of which the employee is a participant.
- Mortality tables for healthy pre-retirement changed from RP 2000 non-annuitant generational mortality, projected with scale AA. Mortality tables for healthy post-retirement changed from RP 2000 annuitant generational mortality, projected with scale AA. Mortality tables for disabled changed from RP 2000 health annuitant mortality.

6. Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors or omissions; injuries to employees; or natural disasters. The County has entered into a joint powers agreement with other Minnesota counties to form the Minnesota Counties Intergovernmental Trust (MCIT). The County is a member of both the MCIT Workers' Compensation and Property and Casualty Divisions. The County self-insures for employee health and dental coverage. For other risk, the County carries commercial insurance. There were no significant reductions in insurance from the prior year. The amount of settlements did not exceed insurance coverage for the past three fiscal years.

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The Workers' Compensation Division of MCIT is self-sustaining based on the contributions charged, so that total contributions plus compounded earnings on these contributions will equal the amount needed to satisfy claims liabilities and other expenses. MCIT participates in the Workers' Compensation Reinsurance Association with coverage at \$500,000 per claim in 2018 and 2019. Should the MCIT Workers' Compensation Division liabilities exceed assets, MCIT may assess the County in a method and amount to be determined by MCIT.

The Property and Casualty Division of MCIT is self-sustaining and the County pays an annual premium to cover current and future losses. The MCIT carries reinsurance for its property lines to protect against catastrophic losses. Should the MCIT Property and Casualty Division liabilities exceed assets, MCIT may assess the County in a method and amount to be determined by MCIT.

The County established a limited risk management program for health and dental coverages in 1993. Premiums are paid into the Self-Insurance Internal Service Fund by all other funds and are available to pay claims, claim reserves, and administrative costs of the program. The County has retained risk up to a \$225,000 stop-loss per person per year (\$14,944,814 aggregate) for the health plan. There is a maximum claim limit of \$1,250 per person per year for the dental plan.

Liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). 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 re-evaluated periodically to consider the effects of inflation, recent claim settlement trends (including frequency and amount of pay-outs), and other economic and social factors. Changes in the balances of claims liabilities during the past two years are as follows:

	Year Ended December 31	
	2018	2017
Unpaid claims, beginning of fiscal year	\$ 517,428	\$ 675,918
Incurred claims (including IBNRs)	10,947,059	10,077,354
Claims payments	(10,722,113)	(10,235,844)
Unpaid Claims, End of Fiscal Year	\$ 742,374	\$ 517,428

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7. Conduit Debt

The majority of the conduit bond financings are private activity bonds where the bond proceeds are lent to a private individual or entity to meet a public purpose. Tax-exempt private activity bonds require an allocation of bonding authority. The revenues pledged to repay the bonds are paid by the private entity directly to the trustee. In 2004 Scott County entered into a conduit debt agreement with St. John the Baptist Church where St. John the Baptist Church issued \$4,622,771 of debt for the replacement of existing school facilities plus handicapped accessibility for school renovation of the Parish center for meetings and classrooms. The outstanding balance as of December 31, 2018 was \$1,845,235. Neither the County nor any other political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

8. Summary of Significant Contingencies and Other Items

A. Subsequent Events

On May 2, 2019, Scott County issued \$77,430,000 of General Obligation Capital Improvement Plan and Refunding Bonds, Series 2019A, to refund the 2009A General Obligation Capital Improvement Bonds and provide financing for the construction of a new facility. The interest rate on the new bonds range from 3.00 – 5.00 percent and the maturity date is December 1, 2044.

B. Contingent Liabilities

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

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

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C. Joint Ventures

Public Safety Training Facility

The Public Safety Training Facility Joint Powers Board became effective August 1, 2006 through an agreement between Scott County, the Shakopee Mdewakanton Sioux Community, and the cities within Scott County. The agreement was made to provide for the development and operation of a training facility that can provide an effective and efficient method of training public safety providers.

The County agrees to provide its land and facilities located at 17706 Valley View Road, Jordan, Minnesota to the parties as the site for the development of the training facility.

The County issued \$5,000,000 in bonds to provide for the collective contribution of the parties which was used for renovation and construction to bring the facility into an operational status.

The county agrees to provide 50% with the Community and Cities agreeing to provide the remaining 50% of the funds associated with the debt service payments and the ongoing costs to operate the facility, minus out revenues, as determined by the debt service payments and annual budget approved by the board.

The Community will pay proportionally based upon total number of public safety providers within each discipline as a portion of the overall number of public safety providers within each discipline of all participating entities. The Cities will pay proportionally based upon valuation for tax purposes. The contribution levels are recalculated every 3 years.

Cedar Lake Area Wastewater Collection and Treatment System

Pursuant to Minn. Stat. § 471.59, Scott County entered into a joint powers agreement with Cedar Lake Area Water and Sanitary Sewer District.

According to the agreement, the District shall design and construct the Cedar Lake Area Wastewater Collection and Treatment System in order to provide sewer services to all customers in the District's service area.

The County shall provide administrative assistance to the District and provide funds to enable the District to meet its administrative needs until such time as the District receives financing for construction. The total monetary obligation of the County to the

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District shall not exceed \$15,000. The joint powers' treasurer handles the accounting functions. Current financial statements are not available.

Metropolitan Library Service Agency (MELSA)

Scott County entered into a joint powers agreement with the other six metropolitan area counties and the Cities of St. 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 or assistance from the federal government, the State of Minnesota, or any person or agency for MELSA. MELSA handles the accounting functions for the Board.

Separate financial information can be obtained from:

Metropolitan Library Service Agency
Suite 314
1619 Dayton Avenue
Saint Paul, Minnesota 55104-1849

Metropolitan Emergency Services Board

Pursuant to Minn. Stat. § 471.59, Scott County entered into a joint powers agreement with Anoka, Carver, Dakota, Hennepin, Ramsey, and Washington Counties. The purposes of the agreement are: (a) the implementation and administration of a regional 911 system, and (b) encouraging the development of new resources and the coordination of emergency medical services.

The Board, consisting of two commissioners from each of the counties, determines the amount of contribution by each participating county according to an assessment formula. Financial statements are prepared by Washington County and audited by Redpath and Company. Financial statements can be obtained at the 911 Board Office, 2099 University Avenue, Saint Paul, Minnesota 55104-3431.

SmartLink Transit

Pursuant to Minn. Stat. § 471.59, Scott County entered into a joint powers agreement with Carver County. The objective of the agreement is to work together to provide

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transportation services to residents in Carver and Scott Counties by partnering to use existing resources and develop expanded transit services in order to increase the scope, availability, and quality of the two-county region's transit system.

Both entities are governed by their respective Boards. The Management Team, consisting of equal partners from both counties, is responsible for major operational and budgetary decisions, long-range planning and capital equipment purchases. Scott County is the fiscal agent, receiving funds on behalf of both counties for administration of the programs and services.

Separate financial statements are not available.

Southwest Metro Drug Task Force

The Southwest Metro Drug Task Force was established in 2000 under the authority of the Joint Powers Act, pursuant to Minn. Stat. § 471.59, and includes Carver, McLeod, and Scott Counties, and the Cities of Chaska, Chanhassen, Shakopee, Mound, Hutchinson, West Hennepin, and Minnetrista and the South Lake Minnetonka Police Department. The Drug Task Force's objectives are to detect, investigate and apprehend controlled substance offenders in the three-county area.

Control of the Southwest Metro Drug Task Force is vested in the Southwest Metro Drug Task Force Executive Committee. The Executive Committee consists of one designated official from each of the three counties and eight cities. In the event of dissolution of the Drug Task Force, the remaining net position will be distributed among the agencies based on their level of participation. However, if only one agency terminates the agreement and the Drug Task Force continues, all equipment will remain with the Drug Task Force.

Financing is provided by grants, forfeiture money, and appropriations from members. Complete financial information can be obtained from the City of Shakopee, 129 Holmes Street South, Shakopee, Minnesota 55379.

Vermillion River Watershed Joint Powers Agreement

Scott County entered into a joint powers agreement with Dakota County, pursuant to Minn. Stat. § 471.59, and Minn. Stat. Ch. 103B to prepare, adopt and implement the watershed plan for the Vermillion River. The Joint Powers Board consists of one county commissioner from Scott County and two county commissioners from Dakota

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County. Complete financial information can be obtained from Dakota County Financial Services, 1590 Highway 55, Hastings, Minnesota 55033.

Minnesota Valley Transit Authority (MVTA)

Pursuant to Minnesota Statutes §§ 473.384, 473.388, and 471.59, Scott County entered into a joint powers agreement with Dakota County and the Cities of Apple Valley, Burnsville, Eagan, Rosemount, and Savage. The purpose of this agreement is to provide public transit service to persons within the participating Cities and the Metropolitan Area.

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 withdrawal of any party 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 Minn. Stat. § 473.388, Subd. 7.

D. Jointly-Governed Organizations

Scott County, in conjunction with other governmental entities and various private organizations, has formed the jointly-governed organization listed below:

Scott County Family Services and Children's Mental Health Collaborative

Scott County entered into the Scott County Family Services and Children's Mental Health Collaborative. The purpose of the Collaborative is to enhance family strengths and support through service coordination and access to informal communication. The Collaborative started in 1996.

The Collaborative consists of: Scott County Human Services; Minnesota River Valley Special Education Cooperative; CAP Agency; Scott County Corrections; Scott County CDA; Shakopee, Prior Lake/Savage, Jordan, Belle Plaine, New Prague, and Burnsville/Eagan/Savage School Districts; and the Family Leadership Council.

Scott County is the fiscal agent for the Collaborative. Financing is provided by various grants. Counties participating in local children's mental health collaboratives must

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contribute to the local collaborative's integrated fund an amount at least equal to any allocations awarded from the TEFRA Restructuring, Collaborative Implementation, Collaborative Wrap-Around, and Adolescent Services grant programs. The total grant award for 2018 was \$395,897. The Collaborative's transactions are accounted for in an agency fund of Scott County.

9. Scott County Community Development Agency Component Unit Notes

A. Summary of Significant Accounting Policies

The Scott County Community Development Agency (the CDA) was created under the laws of the State of Minnesota. The CDA is governed by a five-member Board of Commissioners (the Board) appointed by the Scott County Board of Commissioners. The CDA provides economic development and affordable housing for the citizens within the County.

Reporting Entity

The CDA has considered all potential units for which it is financially accountable, and other organizations for which the nature and significance of their relationship with the CDA are such that exclusion would cause the CDA's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board (GASB) has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body, and (1) the ability of the primary government to impose its will on that organization or (2) the potential for the organization to provide specific benefits to, or impose specific financial burdens on the primary government. The CDA is reported as a discrete component unit in Scott County's financial statements.

The Greentree Development Corporation is a Minnesota non-profit corporation holding IRS classification as a 501(c)(3) tax exempt organization with a public charity status under 509(a)(1) and 170(b)(1)(A)(vi). Although legally separate from the CDA, Greentree Development Corporation is reported as if it were part of the CDA as a blended component unit. The Board of Directors of the Corporation are comprised of the Board of Commissioners of the Scott County Community Development Agency, and their terms of office as directors of the Corporation shall be conterminous with their terms as Commissioners. It is this criterion that results in the Greentree Development Corporation being reported as a blended component unit.

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Government-wide Statements

Government-wide Financial Statements – The statement of net position and statement of activities display information about the Agency. These statements include the financial activities of the overall government.

The statement of activities presents a comparison between direct expenses and program revenues. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include 1) charges paid by the recipients of goods or services offered by the programs and 2) grants and contributions that are restricted to meeting the operations of capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented instead as general revenues.

Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting.

Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the Agency gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes are recognized in the fiscal year for which the taxes are levied. Revenues from grants, entitlements and donations are recognized in the fiscal year in which all eligible requirements have been satisfied.

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

Deposits and Investments

The CDA's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. Investments are stated at fair value. The investments in the broker money markets are external investment pools. The reported value of the pools is equal to the value of the pool's shares.

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Restricted Cash and Pooled Investments

The bond indenture requires the CDA to establish and maintain various trust funds related to construction of the projects, bond sinking and reserve funds, and operating reserve funds.

Property Taxes

The CDA Board annually adopts a levy and certifies it to the County for collection. The County is responsible for collecting all property taxes for the CDA. Real property taxes are paid by taxpayers of the County in two equal installments on May 15 and October 15. The County provides tax settlements to the CDA three times per year, in January, July and December.

Delinquent taxes receivable include the past twelve years' uncollected taxes.

Accounts Receivable

Accounts receivable include amounts billed for services provided before year end. All trade receivables are shown net of an allowance for uncollectable. The allowance for uncollectable at December 31, 2018 was \$24,072.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

Capital Assets

Capital assets are recorded at historical cost or at estimated historical cost if actual historical cost is not available. Donated capital assets are valued at their acquisition value on the date donated. The CDA defines capital assets as those assets with an initial, individual cost of more than \$5,000 and an estimated life in excess of two years. Donated capital assets are recorded at acquisition value at the date of donation. Capital assets used in operations are depreciated using the straight-line method over their estimated useful lives.

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Estimated useful lives are as follows:

Buildings	40 years
Building improvements	15 years
Furniture and fixtures	5-10 years
Equipment	3-10 years

Deferred Outflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. The CDA only has two items that qualifies for reporting in this category. Accordingly, the items, deferred charge on refunding and deferred other postemployment benefits reported in the statement of net position. The 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. The deferred other postemployment benefit results from actuarial calculations and current year OPEB contributions made subsequent to the measurement date.

Compensated Absences

The Agency's policy allows employees to accumulate paid time off (PTO) up to a maximum of 54 days. The CDA accrues accumulated unpaid compensated absences when earned by the employee.

Other Postemployment Benefits

Under Minnesota statute 471.61, subdivision 2b, public employers must allow retirees and their dependents to continue coverage indefinitely in an employer-sponsored health care plan, under the following conditions: 1) Retirees must be receiving (or eligible to receive) an annuity from a Minnesota public pension plan, 2) Coverage must continue in a group plan until age 65, and retirees must pay no more than the group premium, and 3) Retirees are able to add dependent coverage during open enrollment period or qualifying life event prior to retirement. All premiums are funded on a pay-as-you-go basis. The liability was determined, in accordance with GASB No. 75, at January 1,

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2017. The General fund is typically used to liquidate governmental other postemployment benefit payments.

B. Detailed Notes

1. Assets

Deposits

Custodial credit risk for deposits and investments is the risk that in the event of a bank failure, the CDA's deposits and investments may not be returned or the CDA will not be able to recover collateral securities in the possession of an outside party. The government does not have a deposit policy. However, Minnesota Statutes require that all deposits with financial institutions must be collateralized in an amount equal to 110% of deposits in excess of FDIC insurance. At December 31, 2018, the Agency's carrying amount of deposits was \$7,692,086 and the bank balance was \$7,427,996. All of this bank balance was covered by federal depository insurance and collateral held by the CDA's agent in the CDA's name.

Investments

At December 31, 2018, the CDA had the following investments:

	Credit Quality/ Rating (1)	Segmented Time Distribution (2)	Amount	Fair Value Measurements Using		
				Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level						
Non-pooled commercial paper	A-1+	less than 6 months	\$ 5,457,326	\$ -	\$ 5,457,326	\$ -
Investments measured at amortized cost						
Pooled Broker Money Market	N/A	less than 6 months	2,580,465			
Total investments			<u>\$ 8,037,791</u>			

Debt Securities classified in Level 2 are valued using significant other observable inputs.

(1) Ratings are provided by various credit rating agencies where applicable to indicate associated credit risk.

(2) Interest rate risk is disclosed using the segmented time distribution method.

N/A Indicates not applicable or available.

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The investments of the CDA are subject to the following risks, which are not addressed in the investment policy:

Interest Rate Risk: Is the risk that changes in interest rates will adversely affect the fair value of an investment.

Credit Risk: Is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Ratings are provided by various credit rating agencies and where applicable, indicate associated credit risk. Minnesota Statutes limit the CDA's investments.

Custodial Credit Risk: 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.

Concentration of Credit Risk: Is the risk of loss attributed to the magnitude of a government's investment in a single issue.

A reconciliation of cash and temporary investments is as follows:

Carrying amount of deposits	\$	7,692,086
Investments		8,037,791
Cash on hand		1,750
Total	\$	15,731,627

Cash and investments		
Cash-unrestricted	\$	7,006,809
Cash-other restricted		301,825
Cash-tenant security deposits		385,202
Restricted investments		8,037,791
Total	\$	15,731,627

Notes Receivable

The balance of notes receivable as of December 31, 2018 is \$1,450,000. Of the balance \$350,000 is for a 0 percent deferred loan for the construction of a 66 unit affordable housing project with a maturity date of December 31, 2042, \$500,000 is for a 0 percent deferred loan for construction of a 68 unit affordable housing project with a maturity date of December 31, 2034 and \$600,000 is for two 0

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percent deferred loans for construction of a 57 unit and a 54 unit affordable housing projects with a maturity dates of December 31, 2048.

Capital Assets

Capital asset activity for the year ended December 31, 2018, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Non-depreciable assets:				
Land and land improvements	\$ 6,575,936	\$ -	\$ -	\$ 6,575,936
Depreciable assets				
Buildings and improvements	82,023,371	230,376	-	82,253,747
Equipment	1,167,534	95,287	-	1,262,821
Total depreciable assets	83,190,905	325,663	-	83,516,568
Accumulated depreciation				
Buildings and improvements	(25,111,586)	(2,271,638)	-	(27,383,224)
Equipment	(464,876)	(91,203)	-	(556,079)
Total accumulated depreciation	(25,576,462)	(2,362,841)	-	(27,939,303)
Depreciable assets, net	57,614,443	(2,037,178)	-	55,577,265
Capital assets, net	\$ 64,190,379	\$ (2,037,178)	\$ -	\$ 62,153,201

2. Liabilities

Long-Term Liabilities

Revenue Bonds

The CDA has the following revenue bonds outstanding at December 31, 2018, which were issued to finance rental buildings and will be repaid from rental income. The CDA is being reimbursed for a portion of its interest paid on the 2010A Build America Bonds; this is shown as a credit in the debt maturity schedule below.

Bond Series	Original Amount	Interest Rates (%)	Final Maturity	Balance at Year End
Series – 2010	\$ 5,370,000	2.00 – 4.00	2/1/2036	\$ 4,185,000
Series – 2010A	1,780,000	2.85 – 5.30	2/1/2028	1,595,000
Series – 2010B	4,445,000	5.50 – 6.60	2/1/2045	4,445,000

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**NOTES TO THE FINANCIAL STATEMENTS
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Series – 2012B	5,885,000	2.00 – 3.63	2/1/2034	4,730,000
Series – 2012C	7,110,000	3.00 – 4.00	2/1/2047	5,425,000
Series – 2013A	2,330,000	2.00 – 4.00	2/1/2027	1,660,000
Series – 2013B	1,135,000	2.00 – 4.00	2/1/2027	825,000
Series – 2013C	2,880,000	2.00 – 4.25	2/1/2033	2,400,000
Series – 2013E	1,220,000	2.00 – 3.00	2/1/2023	1,000,000
Series – 2015	7,930,000	2.00 – 3.60	2/1/2048	7,930,000
Series – 2017A	5,900,000	2.00 – 3.75	2/1/2042	5,900,000
Series – 2017B	1,385,000	2.00 – 3.25	2/1/2029	1,385,000
Total Bonds				\$ 41,480,000

Debt Service Requirements

Debt service requirements to maturity for the Community Development Agency are as follows:

Year Ending December 31	Principal	Interest	Credit	Total
2019	\$ 1,650,000	\$ 1,638,527	\$ (149,070)	\$ 3,139,457
2020	1,720,000	1,602,312	(147,185)	3,175,127
2021	1,800,000	1,571,457	(145,102)	3,226,355
2022	1,850,000	1,524,482	(142,827)	3,231,655
2023	1,895,000	1,475,559	(140,338)	3,230,221
2024 – 2028	8,765,000	6,583,591	(656,029)	14,692,562
2029 – 2033	8,370,000	5,209,379	(541,873)	13,037,506
2034 – 2038	6,285,000	3,914,316	(383,453)	9,815,863
2039 – 2043	5,450,000	2,971,727	(194,991)	8,226,736
2044 – 2048	3,695,000	2,243,635	(18,043)	5,920,592
Totals	\$ 41,480,000	\$ 28,734,985	\$ (2,518,911)	\$ 67,696,074

Loans

The CDA had the following loans payable outstanding as of December 31, 2018:

Description	Authorized and Issued	Interest Rates (%)	Final Maturity	Balance at Year End
USDA Rural Development Loan	\$ 338,111	6.00	3/31/2030	\$ 304,905
USDA Rural Development Loan	284,844	4.88	4/20/2045	277,017
Market Village SAC & WAC Note	384,749	0.00	12/31/2025	236,767
MHFA Deferred Loan	257,982	0.00	6/10/2033	257,982
MHFA (POHP) Deferred Loan	400,000	0.00	10/28/2019	400,000
MHFA Deferred Loan	275,000	0.00	4/20/2045	275,000

**SCOTT COUNTY
SHAKOPEE, MINNESOTA**

**NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2018**

MHFA Deferred Loan	307,886	0.00	3/31/2031	307,886
MHFA Deferred Loan	91,000	0.00	6/26/2033	91,000
MHFA Deferred Loan	134,551	0.00	12/31/2033	133,777
Multifamily Preservation and Revitalization Loan	106,808	4.25	4/30/2060	100,846
Multifamily Preservation and Revitalization Loan	204,681	3.13	2/1/2063	<u>193,814</u>
Total Loans				<u>\$ 2,578,994</u>

Loan Debt Service Requirements

Loan debt service requirements to maturity for the Community Development Agency are as follows:

Year Ending December 31	Principal	Interest	Total
2019	\$ 432,558	\$ 4,961	\$ 437,519
2020	32,662	4,857	37,519
2021	32,770	4,749	37,519
2022	32,882	4,637	37,519
2023	32,998	4,521	37,519
2024 – 2028	107,690	20,713	128,403
2029 – 2033	1,118,182	17,114	1,135,296
2034 – 2038	26,800	12,814	39,614
2039 – 2043	308,963	7,668	316,631
2044 – 2048	313,107	2,133	315,240
2049 – 2053	45,490	-	45,490
2054 – 2058	54,343	-	54,343
2059 – 2063	40,549	-	40,549
Totals	<u>\$ 2,578,994</u>	<u>\$ 84,167</u>	<u>\$ 2,663,161</u>

**SCOTT COUNTY
SHAKOPEE, MINNESOTA**

**NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2018**

Changes in Long-term Liabilities

	Beginning Balance	Additions	Deductions	Ending Balance	Due within one year
Revenue bonds	\$ 43,165,000	\$ -	\$ (1,685,000)	\$ 41,480,000	\$ 1,650,000
Unamortized Bond Premium	60,090	-	(2,297)	57,793	-
Loans payable	2,775,412	-	(196,418)	2,578,994	432,558
Noncurrent liabilities –					
Other	27,171	18,516	-	45,687	-
OPEB liability	674,994	62,114	-	737,108	-
Compensated absences	122,621	161,637	(150,040)	134,218	113,320
Long-term liabilities	\$ 46,825,288	\$ 242,267	\$ (2,033,755)	\$ 45,033,800	\$ 2,195,878

Pledged Revenue

These bonds were issued to finance the buildings for the various properties. They will be repaid from future net revenues pledged from the properties. Annual principal and interest payments on the bonds are expected to require more than 52 percent of the net revenues from the properties. Principal and interest paid for the current year and total customer net revenues were \$7,004,715 and \$7,004,715, respectively.

Postemployment Benefits Other than Pensions

A. Plan Description

The CDA administers a single-employer defined benefit healthcare plan (“the Retiree Health Plan”). The plan provides lifetime healthcare insurance for eligible retirees and their spouses through the CDA’s group health insurance plan, which covers both active and retired members. Retirees who are Medicare eligible can receive coverage in the CDA-sponsored Medicare Supplemental Plan or remain in one of the group healthcare plans. Benefit provisions are annually established by the CDA board. The Retiree Health Plan does not issue a publicly available financial report.

The group healthcare plans are integrated with Medicare based on the Coordination of Benefits (COB) method. The COB method determines the employer’s cost by treating Medicare as any other primary insurer would be regarded under a secondary payment provision. The retiree plan, as secondary

**SCOTT COUNTY
SHAKOPEE, MINNESOTA**

**NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2018**

payer, pays up to the amount it would pay as primary payer, with the exception that it will not pay benefits already paid by Medicare.

At December 31, 2018, the following employees were covered by the benefit terms:

Inactive Plan Members or Beneficiaries Currently Receiving Benefit Payments	-
Inactive Plan Members Entitles to but not yet Receiving Benefit Payments	-
Active Plan Members	22
 Total Plan Members	22

B. Funding Policy

Contribution requirements also are set by the Board annually. For fiscal year 2018, the CDA contributed \$24,044 to the plan. Based on an eligible retiree’s years of continuous regular full-time service at retirement, the CDA will pay a portion of the single premium under one of the group healthcare plans or the Medicare Supplemental Plan, as defined: 50, 75, and 100 percent for 10 to 14, 15 to 19, and 20 or more years of continuous regular full-time service, respectively. This benefit is only available to those employees/retirees with a hire date prior to April 11, 2006. In fiscal year 2018, total member contributions were \$23,576.

C. Actuarial Methods and Assumptions

The CDA’s total OPEB liability of \$737,108 was measured as of December 31, 2018, and the total OPEB liability used to calculate the total OPEB liability as determined by an actuarial valuation as of January 1, 2018. Roll forward procedures were used to roll forward the total OPEB liability to the measurement date.

The total OPEB liability in the January 1, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate	3.44%
20-Year Municipal Bond Yield	3.44%
Inflation Rate	2.75%
Salary Increases	3.50%
Medical Trend Rate	8.5% in 2018 grading to 5% over 7 years

**SCOTT COUNTY
SHAKOPEE, MINNESOTA**

**NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2018**

D. Changes in the Total OPEB Liability

	Total OPEB Liability (a)
Balances at December 31, 2017	\$ 674,994
Changes for the Year:	
Service cost	21,865
Interest	25,912
Changes in assumptions or other inputs	37,062
Benefit payments	(22,725)
Net Changes	62,114
Balances at December 31, 2018	\$ 737,108

E. Sensitivity of the Total OPEB Liability

The following presents the total OPEB liability of the CDA, as well as what the CDA's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (2.44 percent) or 1-percentage-point higher (4.44 percent) than the current discount rate:

1 Percent Increase (2.44%)	Current (3.44%)	1 Percent Decrease (4.44 %)
\$ 635,702	\$ 737,108	\$ 864,690

The following presents the total OPEB liability of the CDA, as well as what the CDA's total OPEB liability would be if it were calculated using a Healthcare Cost Trend Rate that is 1-percentage point lower (7.50 percent decreasing to 4.00 percent) or 1-percentage-point higher (9.50 percent increasing to 6.00 percent) than the current discount rate:

1 Percent Decrease (7.5% Decreasing to 4%)	Healthcare Cost Trend Rates (8.5% Decreasing to 5%)	1 Percent Increase (9.5% Decreasing to 6%)
\$ 625,163	\$ 737,108	\$ 881,748

**SCOTT COUNTY
SHAKOPEE, MINNESOTA**

**NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2018**

F. OPEB Expense and Deferred Outflows of Resources

For the year ended December 31, 2018, the CDA recognized OPEB expense of \$9,062. At December 31, 2018, the CDA reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Actuarial Assumptions	\$ 30,320	\$ -
Contributions to OPEB Subsequent to the Measurement Date	22,725	-
Total	\$ 53,045	\$ -

Deferred outflows of resources totaling \$22,725 related to pensions resulting from the CDA's contributions to OPEB subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the year ended December 31, 2019. Other amounts reported as deferred outflows related to OPEB will be recognized in OPEB expense as follows:

Year Ended December 31:			
2019	\$		6,742
2020			6,742
2021			6,742
2022			6,742
2023			3,352

Retirement Plan

All permanent full-time employees of the CDA are eligible to participate in the Housing Agency Retirement Trust (the Trust). The Trust is a defined contribution plan administered by a trustee. Employees under this Plan receive a pension based on the amount deposited in the Plan by the employee and employer and the amount of investment income earned. Therefore, the Trust is fully funded at all times.

Participating employees vest in the CDA's future and past service contributions based on each full year of continuous employment. Total payroll and eligible payroll for employees covered by the Plan for the year ended December 31, 2018, was \$1,298,270.

**SCOTT COUNTY
SHAKOPEE, MINNESOTA**

**NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2018**

The CDA contributed \$103,178 and employees contributed \$82,550 in the Plan for the year ended December 31, 2018.

G. Change in Accounting Principle

During fiscal year 2018, the CDA implemented a new accounting pronouncement issued by the Government Accounting Standards Board (GASB), Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. These standards required a retroactive implementation which resulted in the restatement of beginning balances in the December 31, 2018 financial statements. Changes related to these standards are reflected in the financial statements and schedules and related disclosures are included in Note 1.

As a result of the restatement of beginning balances, the following schedule reconciles the previously reported December 31, 2017 balances to the December 31, 2018 financial statements:

Fund	Net Position January 1, 2018 as Previously Reported	Prior Period Restatement	Net Position January 1, 2018 as Restated
Business-type Activities	\$ 32,436,063	\$ (298,057)	\$ 32,138,006

REQUIRED SUPPLEMENTARY INFORMATION

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**SCOTT COUNTY
SHAKOPEE, MINNESOTA**

Schedule 1

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2018**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 53,665,768	\$ 53,665,780	\$ 53,378,304	\$ (287,476)
Special assessments	-	-	251,946	251,946
Licenses and permits	1,660,000	1,655,000	1,711,046	56,046
Intergovernmental	31,619,533	31,605,533	36,052,644	4,447,111
Charges for services	10,496,175	10,509,258	10,093,705	(415,553)
Fines and forfeits	798,726	798,726	703,143	(95,583)
Gifts and contributions	23,100	25,600	142,367	116,767
Investment earnings	372,000	372,000	1,075,677	703,677
Miscellaneous	1,983,953	1,976,705	1,829,328	(147,377)
Total Revenues	\$ 100,619,255	\$ 100,608,602	\$ 105,238,160	\$ 4,629,558
Expenditures				
Current				
General government				
Commissioners	\$ 755,023	\$ 755,023	\$ 703,853	\$ 51,170
Courts	613,552	613,552	689,094	(75,542)
County administration	612,946	612,946	540,345	72,601
Finance	4,068,868	4,068,868	3,704,616	364,252
Land records	1,320,941	1,320,941	1,337,868	(16,927)
Customer service	901,225	901,225	869,103	32,122
Information technology	5,945,692	5,898,692	5,318,676	580,016
Employee relations	1,508,954	1,508,954	1,434,329	74,625
Attorney	5,579,441	5,579,441	5,609,213	(29,772)
Building inspections	630,403	630,403	624,446	5,957
Planning and analysis	997,449	997,449	1,055,746	(58,297)
Environmental health	1,071,024	1,113,795	781,903	331,892
Zoning	413,643	413,643	425,354	(11,711)
Taxation	2,083,810	2,083,810	2,046,415	37,395
Elections	520,054	520,054	624,383	(104,329)
Facilities management	3,071,234	3,071,234	3,241,088	(169,854)
Veterans service officer	363,618	363,618	358,358	5,260
Total general government	\$ 30,457,877	\$ 30,453,648	\$ 29,364,790	\$ 1,088,858

**SCOTT COUNTY
SHAKOPEE, MINNESOTA**

Schedule 1
(Continued)

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2018**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Expenditures				
Current (Continued)				
Public safety				
Sheriff	\$ 7,238,652	\$ 7,225,487	\$ 7,183,927	\$ 41,560
County jail	7,366,289	7,397,289	7,414,943	(17,654)
Emergency services	360,891	360,591	386,716	(26,125)
Medical examiner	314,978	314,978	301,767	13,211
Law enforcement	2,613,745	2,606,245	2,892,385	(286,140)
Community corrections	4,294,188	4,294,188	3,991,031	303,157
Total public safety	\$ 22,188,743	\$ 22,198,778	\$ 22,170,769	\$ 28,009
Highways and streets				
Administration	\$ 681,213	\$ 681,213	\$ 638,025	\$ 43,188
Engineering	2,851,961	2,851,961	2,751,887	100,074
Maintenance	5,570,325	5,670,325	8,175,711	(2,505,386)
Equipment and maintenance shops	676,904	576,904	383,903	193,001
Total highways and streets	\$ 9,780,403	\$ 9,780,403	\$ 11,949,526	\$ (2,169,123)
Sanitation				
SCORE	\$ 678,300	\$ 678,300	\$ 1,094,938	\$ (416,638)
Transit				
Transit	\$ 2,482,219	\$ 2,482,219	\$ 3,511,801	\$ (1,029,582)
Human services				
Income maintenance	\$ 3,747,058	\$ 3,747,058	\$ 3,794,678	\$ (47,620)
Administration	2,602,375	2,548,650	2,583,056	(34,406)
Social services	19,805,739	19,859,464	20,411,494	(552,030)
Total human services	\$ 26,155,172	\$ 26,155,172	\$ 26,789,228	\$ (634,056)
Health				
Family health	\$ 2,044,483	\$ 2,044,483	\$ 2,146,142	\$ (101,659)
Culture and recreation				
Historical society	\$ 140,000	\$ 140,000	\$ 140,000	\$ -
Parks	1,619,678	1,619,678	1,608,424	11,254
County library	3,323,455	3,323,455	3,436,085	(112,630)
Total culture and recreation	\$ 5,083,133	\$ 5,083,133	\$ 5,184,509	\$ (101,376)

**SCOTT COUNTY
SHAKOPEE, MINNESOTA**

Schedule 1
(Continued)

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2018**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Expenditures				
Current (Continued)				
Conservation of natural resources				
County extension	\$ 357,953	\$ 357,953	\$ 330,229	\$ 27,724
Agricultural society/county fair	107,000	107,000	107,000	-
Natural resources	249,194	249,194	246,321	2,873
Total conservation of natural resources	\$ 714,147	\$ 714,147	\$ 683,550	\$ 30,597
Economic development				
Employment and training	\$ 1,219,303	\$ 1,219,303	\$ 1,211,759	\$ 7,544
Intergovernmental				
Highways and streets	\$ -	\$ -	\$ 253,426	\$ (253,426)
Debt Service				
Principal	\$ -	\$ -	\$ 183,888	\$ (183,888)
Total Expenditures	\$ 100,803,780	\$ 100,809,586	\$ 104,544,326	\$ (3,734,740)
Excess of Revenues Over (Under)				
Expenditures	\$ (184,525)	\$ (200,984)	\$ 693,834	\$ 894,818
Other Financing Sources (Uses)				
Transfers in	\$ 2,173,830	\$ 2,173,830	\$ 2,397,813	\$ 223,983
Transfers out	330,700	377,700	(1,116,809)	(1,494,509)
Proceeds from septic loan program	-	-	299,913	299,913
Total Other Financing Sources (Uses)	\$ 2,504,530	\$ 2,551,530	\$ 1,580,917	\$ (970,613)
Net Change in Fund Balance	\$ 2,320,005	\$ 2,350,546	\$ 2,274,751	\$ (75,795)
Fund Balance - January 1	41,945,104	41,945,104	41,945,104	-
Fund Balance - December 31	\$ 44,265,109	\$ 44,295,650	\$ 44,219,855	\$ (75,795)

**SCOTT COUNTY
SHAKOPEE, MINNESOTA**

Schedule 2

**BUDGETARY COMPARISON SCHEDULE
WATERSHED MANAGEMENT ORGANIZATION SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2018**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 1,170,000	\$ 1,170,000	\$ 1,163,005	\$ (6,995)
Intergovernmental	1,108,094	919,094	804,910	(114,184)
Charges for services	22,540	-	14,138	14,138
Investment earnings	10,000	10,000	16,577	6,577
Miscellaneous	-	-	65,377	65,377
Total Revenues	\$ 2,310,634	\$ 2,099,094	\$ 2,064,007	\$ (35,087)
Expenditures				
Current				
Conservation of natural resources				
Water management	\$ 2,119,036	\$ 1,937,115	\$ 1,986,229	\$ (49,114)
Debt Service				
Principal	\$ -	\$ -	\$ 94,551	\$ (94,551)
Interest	-	-	5,449	(5,449)
Total Debt Service	\$ -	\$ -	\$ 100,000	\$ (100,000)
Total Expenditures	\$ 2,119,036	\$ 1,937,115	\$ 2,086,229	\$ (149,114)
Excess of Revenues Over (Under) Expenditures	\$ 191,598	\$ 161,979	\$ (22,222)	\$ (184,201)
Other Financing Sources (Uses)				
Transfers in	\$ 12,000	\$ 12,000	\$ -	\$ (12,000)
Transfers out	(100,000)	(100,000)	-	100,000
Total Other Financing Sources (Uses)	\$ (88,000)	\$ (88,000)	\$ -	\$ 88,000
Net Change in Fund Balance	\$ 103,598	\$ 73,979	\$ (22,222)	\$ (96,201)
Fund Balance - January 1	502,041	502,041	502,041	-
Fund Balance - December 31	\$ 605,639	\$ 576,020	\$ 479,819	\$ (96,201)

**SCOTT COUNTY
SHAKOPEE, MINNESOTA**

Schedule 3

**SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
OTHER POSTEMPLOYMENT BENEFITS
DECEMBER 31, 2018**

	2018
Total OPEB Liability	
Service cost	\$ 208,842
Interest	1,424,880
Benefit payments	(1,283,400)
Net change in total OPEB liability	\$ 350,322
Total OPEB Liability - Beginning	19,431,273
Total OPEB Liability - Ending (a)	\$ 19,781,595
Plan Fiduciary Net Position	
Contributions - employer	\$ 19,601,322
Net investment income	(292,437)
Administrative expense	(1,506)
Benefit payments	(1,283,400)
Net change in plan fiduciary net position	\$ 18,023,979
Total Plan Fiduciary Net Position - Beginning	-
Total Plan Fiduciary Net Position - Ending (b)	\$ 18,023,979
Total Net OPEB Liability (Asset) - Ending (a) - (b)	\$ 1,757,616
Plan fiduciary net position as a percentage of the total OPEB liability	91.11%
Covered-employee payroll	\$ 48,100,000
Total Net OPEB liability (asset) as a percentage of covered-employee payroll	3.65%

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

**SCOTT COUNTY
SHAKOPEE, MINNESOTA**

Schedule 4

**SCHEDULE OF CONTRIBUTIONS
OTHER POSTEMPLOYMENT BENEFITS
DECEMBER 31, 2018**

	<u>2018</u>
Actuarially determined contribution	\$ 18,051,741
Contributions in relation to the actuarially determined contribution	<u>19,601,322</u>
Contribution deficiency (excess)	\$ 1,549,581
Covered-employee payroll	\$ 48,100,000
Contributions as a percentage of covered-employee payroll	40.75%

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

**SCOTT COUNTY
SHAKOPEE, MINNESOTA**

Schedule 5

**SCHEDULE OF INVESTMENT RETURNS
OTHER POSTEMPLOYMENT BENEFITS
DECEMBER 31, 2018**

	<u>2018</u>
Annual money-weighted rate of return, net of investment expenses	-1.63%

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

**SCOTT COUNTY
SHAKOPEE, MINNESOTA**

Schedule 6

**SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
PERA GENERAL EMPLOYEES RETIREMENT PLAN
DECEMBER 31, 2018**

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 Scott 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 (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
2018	0.6392%	\$ 35,460,195	\$ 1,163,040	\$ 36,623,235	\$ 42,953,286	82.56%	79.53%
2017	0.6601%	42,140,348	529,840	42,670,188	42,521,944	99.10%	75.90%
2016	0.6207%	50,397,761	658,207	51,055,968	38,517,299	130.84%	68.91%
2015	0.6313%	32,717,242	N/A	32,717,242	37,096,265	88.20%	78.19%

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.

N/A - Not Applicable

**SCOTT COUNTY
SHAKOPEE, MINNESOTA**

Schedule 7

**SCHEDULE OF CONTRIBUTIONS
PERA GENERAL EMPLOYEES RETIREMENT PLAN
DECEMBER 31, 2018**

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)
2018	\$ 3,288,810	\$ 3,289,818	\$ 1,008	\$ 43,850,796	7.50%
2017	3,168,445	3,168,496	51	42,245,929	7.50%
2016	2,963,502	2,963,502	-	39,513,367	7.50%
2015	2,938,316	2,938,541	225	39,177,552	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.

**SCOTT COUNTY
SHAKOPEE, MINNESOTA**

Schedule 8

**SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
PERA PUBLIC EMPLOYEES POLICE AND FIRE PLAN
DECEMBER 31, 2018**

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
2018	0.367%	\$ 3,944,872	\$ 3,867,459	102.00%	88.40%
2017	0.369%	4,981,939	3,786,265	131.58%	85.43%
2016	0.360%	14,447,426	3,465,437	416.90%	63.88%
2015	0.366%	4,158,616	3,346,113	124.28%	86.61%

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.

**SCOTT COUNTY
SHAKOPEE, MINNESOTA**

Schedule 9

**SCHEDULE OF CONTRIBUTIONS
PERA PUBLIC EMPLOYEES POLICE AND FIRE PLAN
DECEMBER 31, 2018**

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)
2018	\$ 647,989	\$ 647,989	\$ -	\$ 3,999,932	16.20%
2017	603,283	603,283	-	3,723,970	16.20%
2016	569,661	569,660	(1)	3,516,421	16.20%
2015	577,625	577,625	-	3,565,589	16.20%

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

**SCOTT COUNTY
SHAKOPEE, MINNESOTA**

Schedule 10

**SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
PERA PUBLIC EMPLOYEES CORRECTIONAL PLAN
DECEMBER 31, 2018**

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
2018	2.10%	\$ 345,617	\$ 4,291,868	8.05%	97.67%
2017	2.17%	6,184,521	4,334,457	142.68%	67.89%
2016	2.21%	8,073,439	4,169,865	193.61%	58.16%
2015	2.25%	347,850	4,025,888	8.64%	96.95%

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.

**SCOTT COUNTY
SHAKOPEE, MINNESOTA**

Schedule 11

**SCHEDULE OF CONTRIBUTIONS
PERA PUBLIC EMPLOYEES CORRECTIONAL PLAN
DECEMBER 31, 2018**

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)
2018	\$ 386,125	\$ 386,143	\$ 18	\$ 4,412,860	8.75%
2017	367,499	367,499	-	4,199,992	8.75%
2016	366,481	366,506	25	4,188,357	8.75%
2015	374,253	374,263	10	4,277,181	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.

SCOTT COUNTY
SHAKOPEE, MINNESOTA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2018

I. **Stewardship, compliance, and accountability**

A. **Budgetary information**

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all budgeted governmental funds. Each appropriation lapses at the end of the fiscal year to the extent that it has not been expended.

The appropriated budget is prepared by fund, function, and department. The County's budgets may be amended or modified at any time by the County Board. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department level.

The Ditch, Transportation Initiative, Regional Training Facility and Regional Railroad Authority special revenue funds were not annually appropriated for during 2018.

B. **Excess of expenditures over appropriations**

For the year ended December 31, 2018, General Fund expenditures exceeded appropriations in the Courts, Land Records, Attorney, Planning and Analysis, Zoning, Elections, Facilities Management, County Jail, Emergency Services, Law Enforcement, Highway and Streets Maintenance, SCORE, Transit, Income Maintenance, Human Services Administration, Social Services, Family Health, County Library, Intergovernmental, and Debt Service of the General Fund. The amounts expenditures exceeded appropriation were \$75,542, \$16,927, \$29,772, \$58,297, \$11,711, \$104,329, \$169,854, \$17,654, \$26,125, \$286,140, \$2,505,386 \$416,638, \$1,029,582, \$47,620, \$34,406, \$552,030, \$101,659, \$112,630, \$253,426, \$183,888, respectively.

The Watershed Management Organization Special Revenue Fund Water Management and Debt Service expenditures exceeded appropriations by \$49,114, \$100,000, respectively.

II. **Other Post Employment Benefits**

In 2018, Scott County implemented Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. In 2018, the County established an irrevocable trust, pursuant to Minn. Stat. § 471.6175 to prefund a portion of the OPEB liability. The irrevocable trust is reported in the Other Post Employment Benefits Trust Fiduciary Fund. See Note 5 in the notes to the financial statements for addition information regarding the County's other postemployment benefits.

SCOTT COUNTY
SHAKOPEE, MINNESOTA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2018

II. **Other Post Employment Benefits (continued)**

Actuarially determined contribution rates are calculated as of January 1, 2018 valuation date, measured at December 31, 2018.

Changes in Actuarial Assumptions

The following changes in actuarial assumptions occurred in 2018:

- The withdrawal rates have been updated to follow the rates used in the PERA plan of which the employee is a participant.
- Mortality tables for healthy pre-retirement changed from RP 2000 non-annuitant generational mortality, projected with scale AA. Mortality tables for healthy post-retirement changed from RP 2000 annuitant generational mortality, projected with scale AA. Mortality tables for disabled changed from RP 2000 health annuitant mortality.

III. **Defined Benefit Pension Plans - Changes in Significant 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 Plan

2018

- The mortality projection scale was changed from MP-2015 to MP-2017.
- The assumed benefit increase rate was changed from 1.0 percent per year through 2044 and 2.5 percent per year thereafter, to 1.25 percent per year.

2017

The Combined Service Annuity (CSA) loads were changed from 0.8 percent for active members and 60 percent for vested and non-vested deferred members (30 percent for deferred Minneapolis Employees Retirement Fund members). The revised CSA loads are now 0.0 percent for active member liability, 15 percent for vested deferred member liability, and 3.0 percent for non-vested deferred member liability.

SCOTT COUNTY
SHAKOPEE, MINNESOTA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2018

III. **Defined Benefit Pension Plans - Changes in Significant Plan Provisions, Actuarial Methods, and Assumptions**

General Employees Plan (continued)

- The assumed post-retirement benefit increase rate was changed from 1.0 percent per year for all years to 1.0 percent per year through 2044 and 2.5 percent per year thereafter.
- Minneapolis Employees Retirement Fund plan provisions change the employer supplemental contribution to \$21,000,000 in calendar years 2017 and 2018 and returns to \$31,000,000 through calendar year 2031. The state's required contribution is \$16,000,000 in PERA's fiscal years 2018 and 2019 and returns to \$6,000,000 annually through calendar year 2031.

2016

- The assumed post-retirement benefit increase rate was changed from 1.0 percent per year through 2035 and 2.50 percent per year thereafter, to 1.00 percent for all future years.
- The assumed investment rate was changed from 7.90 percent to 7.50 percent. The single discount rate was also changed from 7.90 percent to 7.50 percent.
- Other assumptions were changed pursuant to the experience study dated June 30, 2015. The assumed payroll growth and inflation were decreased by 0.25 percent. Payroll growth was reduced from 3.5 percent to 3.25 percent. Inflation was reduced from 2.75 percent to 2.5 percent.

Police and Fire Plan

2018

- The mortality projection scale was changed from MP-2016 to MP-2017.
- Post-retirement benefit increases changed to 1.0 percent for all years, with no trigger.
- An end date of July 1, 2048 was added to the existing \$9.0 million state contribution. Additionally, annual state aid will equal \$4.5 million in fiscal year 2019 and 2020, and \$9.0 million thereafter, until the plan reaches 100 percent funding, or July 1, 2048 if earlier.

SCOTT COUNTY
SHAKOPEE, MINNESOTA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2018

III. **Defined Benefit Pension Plans - Changes in Significant Plan Provisions, Actuarial Methods, and Assumptions**

Police and Fire Plan

2018 (continued)

- Member contributions were changed effective January 1, 2019 and January 1, 2020 from 10.8 percent to 11.3 and 11.8 percent of pay, respectively. Employer contributions were changed effective January 1, 2019 and January 1, 2020 from 16.2 percent to 16.95 and 17.7 percent of pay, respectively. Interest credited on member contributions decreased from 4.0 percent to 3.0 percent beginning July 1, 2018.
- Deferred augmentation was changed to 0.0 percent, effective January 1, 2019. Augmentation that has already accrued for deferred member will still apply.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

2017

- The 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.
- The assumed rates of retirement were changed, resulting in fewer retirements.
- The CSA load was 30 percent for vested and non-vested, deferred members. The CSA has been changed to 33 percent for vested members and 2.0 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 table assumed for healthy retirees.
- The assumed termination rates were decreased to 3.0 percent for the first three years of service. Rates beyond the select period of three years were adjusted, resulting in more expected terminations overall.

SCOTT COUNTY
SHAKOPEE, MINNESOTA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2018

III. **Defined Benefit Pension Plans - Changes in Significant Plan Provisions, Actuarial Methods, and Assumptions**

Police and Fire Plan

2017 (continued)

- The assumed percentage of married female members was decreased from 65 percent to 60 percent.
- The assumed age difference was changed from separate assumptions for male members (wives assumed to be three years younger) and female members (husbands assumed to be four years older) to the assumption that males are two years older than females.
- The assumed percentage of female members electing joint and survivor annuities was increased.
- The assumed post-retirement benefit increase rate was changed from 1.0 percent for all years to 1.0 percent per year through 2064 and 2.5 percent thereafter.
- The single discount rate was changed from 5.60 percent per annum to 7.50 percent per annum.

2016

- The assumed post-retirement benefit increase rate was changed from 1.00 percent per year through 2037 and 2.50 percent per year thereafter, to 1.00 percent for all future years.
- The assumed investment rate was changed from 7.90 percent to 7.50 percent. The single discount rate was changed from 7.90 percent to 5.60 percent.
- The assumed payroll growth and inflation were decreased by 0.25 percent. Payroll growth was reduced from 3.50 percent to 3.25 percent. Inflation was reduced from 2.75 percent to 2.50 percent.

SCOTT COUNTY
SHAKOPEE, MINNESOTA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2018

III. **Defined Benefit Pension Plans - Changes in Significant Plan Provisions, Actuarial Methods, and Assumptions (continued)**

Correctional Plan

2018

- The single discount rate was changed from 5.96 percent per annum to 7.50 percent per annum.
- The mortality projection scale was changed from MP-2016 to MP-2017.
- The assumed post-retirement benefit increase was changed from 2.5 percent per year to 2.0 percent per year.

2017

- 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 Scale MP-2016).
- The CSA load was 30 percent for vested and non-vested, deferred members. The CSA has been changed to 35 percent for vested members and 1.0 percent for non-vested members.
- The single discount rate was changed from 5.31 percent per annum to 5.96 percent per annum.

2016

- The assumed investment rate was changed from 7.90 percent to 7.50 percent. The single discount rate was changed from 7.90 percent to 5.31 percent.
- The assumed payroll growth and inflation were decreased by 0.25 percent. Payroll growth was reduced from 3.50 percent to 3.25 percent. Inflation was reduced from 2.75 percent to 2.50 percent.

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SUPPLEMENTARY INFORMATION

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**SCOTT COUNTY
SHAKOPEE, MINNESOTA**

Statement A-1

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS
DECEMBER 31, 2018**

	<u>Ditch</u>	<u>Regional Railroad Authority</u>	<u>Law Library</u>	<u>Transportation Initiative</u>	<u>Regional Training Facility</u>	<u>Total</u>
Assets						
Cash and pooled investments	\$ 93,411	\$ 96,609	\$ 319,539	\$ 337,316	\$ 686,730	\$ 1,533,605
Petty cash and change funds	-	-	40	-	50	90
Accounts receivable	-	-	32	-	3,100	3,132
Accrued interest receivable	301	390	1,335	1,355	5,462	8,843
Due from other governments	-	-	16,376	-	2,000	18,376
Total Assets	\$ 93,712	\$ 96,999	\$ 337,322	\$ 338,671	\$ 697,342	\$ 1,564,046
Liabilities, Deferred Inflows of Resources and Fund Balances						
Liabilities						
Accounts payable	\$ 16,305	\$ -	\$ 1,356	\$ 1,151	\$ 259	\$ 19,071
Salaries payable	-	-	1,985	-	-	1,985
Due to other governments	135	-	-	-	-	135
Total Liabilities	\$ 16,440	\$ -	\$ 3,341	\$ 1,151	\$ 259	\$ 21,191
Deferred Inflows of Resources						
Unavailable revenue	\$ 118	\$ 163	\$ 566	\$ 568	\$ 2,421	\$ 3,836
Fund Balances						
Restricted						
Ditch maintenance and repairs	\$ 83,346	\$ -	\$ -	\$ -	\$ -	\$ 83,346
Law library	-	-	333,415	-	-	333,415
Regional railroad authority	-	96,836	-	-	-	96,836
Transportation initiative	-	-	-	336,952	-	336,952
Assigned						
Public safety	-	-	-	-	694,662	694,662
Unassigned	(6,192)	-	-	-	-	(6,192)
Total Fund Balances	\$ 77,154	\$ 96,836	\$ 333,415	\$ 336,952	\$ 694,662	\$ 1,539,019
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 93,712	\$ 96,999	\$ 337,322	\$ 338,671	\$ 697,342	\$ 1,564,046

**SCOTT COUNTY
SHAKOPEE, MINNESOTA**

Statement A-2

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018**

	<u>Ditch</u>	<u>Regional Railroad Authority</u>	<u>Law Library</u>	<u>Transportation Initiative</u>	<u>Regional Training Facility</u>	<u>Total</u>
Revenues						
Special assessments	\$ 42,430	\$ -	\$ -	\$ -	\$ -	\$ 42,430
Intergovernmental	-	-	-	-	499,986	499,986
Charges for services	-	-	201,232	126,400	102,637	430,269
Investment earnings	1,955	1,836	6,035	6,953	22,606	39,385
Miscellaneous	-	-	727	-	10	737
Total Revenues	\$ 44,385	\$ 1,836	\$ 207,994	\$ 133,353	\$ 625,239	\$ 1,012,807
Expenditures						
Current						
General government	\$ -	\$ -	\$ 154,858	\$ -	\$ -	\$ 154,858
Public safety	-	-	-	-	572,932	572,932
Highways and streets	-	-	-	96,261	-	96,261
Conservation of natural resources	79,128	-	-	-	-	79,128
Economic development	-	869	-	-	-	869
Total Expenditures	\$ 79,128	\$ 869	\$ 154,858	\$ 96,261	\$ 572,932	\$ 904,048
Excess of Revenues Over (Under)						
Expenditures	\$ (34,743)	\$ 967	\$ 53,136	\$ 37,092	\$ 52,307	\$ 108,759
Other Financing Sources (Uses)						
Transfers out	-	-	-	-	(110,479)	(110,479)
Net Change in Fund Balance	\$ (34,743)	\$ 967	\$ 53,136	\$ 37,092	\$ (58,172)	\$ (1,720)
Fund Balance - January 1	111,897	95,869	280,279	299,860	752,834	1,540,739
Fund Balance - December 31	\$ 77,154	\$ 96,836	\$ 333,415	\$ 336,952	\$ 694,662	\$ 1,539,019

**SCOTT COUNTY
SHAKOPEE, MINNESOTA**

Schedule 12

**BUDGETARY COMPARISON SCHEDULE
ROAD AND BRIDGE CONSTRUCTION FUND
FOR THE YEAR ENDED DECEMBER 31, 2018**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 5,690,427	\$ 5,690,427	\$ 15,318,989	\$ 9,628,562
Intergovernmental	36,115,721	36,115,721	37,306,313	1,190,592
Charges for services	-	-	408,435	408,435
Investment earnings	-	-	540,523	540,523
Miscellaneous	-	-	12,018	12,018
Total Revenues	\$ 41,806,148	\$ 41,806,148	\$ 53,586,278	\$ 11,780,130
Expenditures				
Capital outlay				
Highways and streets	\$ 62,511,517	\$ 62,511,517	\$ 50,247,865	\$ 12,263,652
Excess of Revenues Over (Under)				
Expenditures	\$ (20,705,369)	\$ (20,705,369)	\$ 3,338,413	\$ 24,043,782
Other Financing Sources (Uses)				
Transfers out	\$ -	\$ -	\$ (2,358,195)	\$ (2,358,195)
Proceeds from sale of capital assets	-	-	32,832	32,832
Total Other Financing Sources (Uses)	\$ -	\$ -	\$ (2,325,363)	\$ (2,325,363)
Net Change in Fund Balance	\$ (20,705,369)	\$ (20,705,369)	\$ 1,013,050	\$ 21,718,419
Fund Balance - January 1	28,275,723	28,275,723	28,275,723	-
Fund Balance - December 31	\$ 7,570,354	\$ 7,570,354	\$ 29,288,773	\$ 21,718,419

**SCOTT COUNTY
SHAKOPEE, MINNESOTA**

Schedule 13

**BUDGETARY COMPARISON SCHEDULE
CAPITAL IMPROVEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2018**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 1,895,501	\$ 1,895,501	\$ 1,895,501	\$ -
Intergovernmental	1,055,400	1,055,400	215,319	(840,081)
Charges for services	17,500	17,500	133,095	115,595
Investment earnings	-	-	45,251	45,251
Miscellaneous	-	-	32,654	32,654
Total Revenues	\$ 2,968,401	\$ 2,968,401	\$ 2,321,820	\$ (646,581)
Expenditures				
Capital outlay				
General government	\$ 8,647,448	\$ 8,647,448	\$ 5,333,189	\$ 3,314,259
Public safety	-	-	110,479	(110,479)
Culture and recreation	-	-	308,906	(308,906)
Total Expenditures	\$ 8,647,448	\$ 8,647,448	\$ 5,752,574	\$ 2,894,874
Excess of Revenues Over (Under) Expenditures	\$ (5,679,047)	\$ (5,679,047)	\$ (3,430,754)	\$ 2,248,293
Other Financing Sources (Uses)				
Transfers in	\$ 355,000	\$ 355,000	\$ 1,312,670	\$ 957,670
Transfers out	-	-	(125,000)	(125,000)
Proceeds from sale of capital assets	-	-	92,025	92,025
Total Other Financing Sources (Uses)	\$ 355,000	\$ 355,000	\$ 1,279,695	\$ 924,695
Net Change in Fund Balance	\$ (5,324,047)	\$ (5,324,047)	\$ (2,151,059)	\$ 3,172,988
Fund Balance - January 1	3,425,236	3,425,236	3,425,236	-
Fund Balance - December 31	\$ (1,898,811)	\$ (1,898,811)	\$ 1,274,177	\$ 3,172,988

**SCOTT COUNTY
SHAKOPEE, MINNESOTA**

Schedule 14

**BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE YEAR ENDED DECEMBER 31, 2018**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 6,432,229	\$ 6,432,229	\$ 6,432,210	\$ (19)
Investment earnings	-	-	22,004	22,004
Total Revenues	<u>\$ 6,432,229</u>	<u>\$ 6,432,229</u>	<u>\$ 6,454,214</u>	<u>\$ 21,985</u>
Expenditures				
Debt service				
Principal	\$ 4,131,496	\$ 4,131,496	\$ 4,131,496	\$ -
Interest	2,275,733	2,275,733	2,275,733	-
Administrative - fiscal charges	25,000	25,000	9,690	15,310
Total Expenditures	<u>\$ 6,432,229</u>	<u>\$ 6,432,229</u>	<u>\$ 6,416,919</u>	<u>\$ 15,310</u>
Net Change in Fund Balance	\$ -	\$ -	\$ 37,295	\$ 37,295
Fund Balance - January 1	<u>680,524</u>	<u>680,524</u>	<u>680,524</u>	<u>-</u>
Fund Balance - December 31	<u><u>\$ 680,524</u></u>	<u><u>\$ 680,524</u></u>	<u><u>\$ 717,819</u></u>	<u><u>\$ 37,295</u></u>

**SCOTT COUNTY
SHAKOPEE, MINNESOTA**

Schedule 15

**BUDGETARY COMPARISON SCHEDULE
LAW LIBRARY SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2018**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Licenses and permits	\$ 750	\$ 750	\$ -	\$ (750)
Charges for services	214,236	214,236	201,232	(13,004)
Investment earnings	2,000	2,000	6,035	4,035
Miscellaneous	-	-	727	727
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenues	\$ 216,986	\$ 216,986	\$ 207,994	\$ (8,992)
Expenditures				
Current				
General government				
Law library	216,986	216,986	154,858	62,128
	<hr/>	<hr/>	<hr/>	<hr/>
Net Change in Fund Balance	\$ -	\$ -	\$ 53,136	\$ 53,136
Fund Balance - January 1	280,279	280,279	280,279	-
	<hr/>	<hr/>	<hr/>	<hr/>
Fund Balance - December 31	\$ 280,279	\$ 280,279	\$ 333,415	\$ 53,136
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**SCOTT COUNTY
SHAKOPEE, MINNESOTA**

Statement A-3

**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018**

	Self-Insurance	Other Post Employment Benefits Fund	Total
Operating Revenues			
Charges for services	\$ 12,856,855	\$ -	\$ 12,856,855
Miscellaneous	877,589	-	877,589
Total Operating Revenues	\$ 13,734,444	\$ -	\$ 13,734,444
Operating Expenses			
Professional services	14,087,321	17,617,922	31,705,243
Operating Income (Loss)	\$ (352,877)	\$ (17,617,922)	\$ (17,970,799)
Nonoperating Revenues (Expenses)			
Property taxes	\$ 699,431	\$ -	\$ 699,431
Investment earnings	119,971	-	119,971
Total Nonoperating revenues (expenses)	\$ 819,402	\$ -	\$ 819,402
Change in Net Position	\$ 466,525	\$ (17,617,922)	\$ (17,151,397)
Net Position - January 1	5,068,971	17,617,922	22,686,893
Net Position - December 31	\$ 5,535,496	\$ -	\$ 5,535,496

**SCOTT COUNTY
SHAKOPEE, MINNESOTA**

Statement A-4

**INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2018
Increase (Decrease) in Cash and Cash Equivalents**

	<u>Self-Insurance</u>	<u>Other Post Employment Benefits Fund</u>	<u>Total</u>
Cash Flows from Operating Activities			
Receipts from customers and users	\$ 3,391,546	\$ -	\$ 3,391,546
Receipts from internal services provided	9,465,309	-	9,465,309
Receipts from insurance provider	877,589	-	877,589
Payments to suppliers	(13,862,375)	-	(13,862,375)
Payment to irrevocable trust	-	(17,617,922)	(17,617,922)
	<u>-</u>	<u>(17,617,922)</u>	<u>(17,617,922)</u>
Net cash provided by (used in) operating activities	\$ (127,931)	\$ (17,617,922)	\$ (17,745,853)
Cash Flows from Noncapital Financing Activities			
Property taxes	\$ 666,691	\$ -	\$ 666,691
	<u>666,691</u>	<u>-</u>	<u>666,691</u>
Cash Flows from Investing Activities			
Purchase of OPEB irrevocable trust investment	\$ -	\$ 17,617,922	\$ 17,617,922
Investment earnings received	105,078	-	105,078
	<u>105,078</u>	<u>17,617,922</u>	<u>17,723,000</u>
Net cash provided by (used in) investing activities	\$ 105,078	\$ 17,617,922	\$ 17,723,000
Net Increase (Decrease) in Cash and Cash Equivalents	\$ 643,838	\$ -	\$ 643,838
Cash and Cash Equivalents at January 1	5,603,590	-	5,603,590
	<u>5,603,590</u>	<u>-</u>	<u>5,603,590</u>
Cash and Cash Equivalents at December 31	\$ 6,247,428	\$ -	\$ 6,247,428
	<u>6,247,428</u>	<u>-</u>	<u>6,247,428</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities			
Operating income (loss)	\$ (352,877)	\$ (17,617,922)	\$ (17,970,799)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities			
Increase (decrease) in claims payable	224,946	-	224,946
	<u>224,946</u>	<u>-</u>	<u>224,946</u>
Net Cash Provided by (Used in) Operating Activities	\$ (127,931)	\$ (17,617,922)	\$ (17,745,853)
	<u>(127,931)</u>	<u>(17,617,922)</u>	<u>(17,745,853)</u>

**SCOTT COUNTY
SHAKOPEE, MINNESOTA**

Statement B-1

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018**

	Balance January 1	Additions	Deductions	Balance December 31
<u>HIGHWAY 169 COALITION</u>				
<u>Assets</u>				
Cash and pooled investments	\$ 134,954	\$ 37,680	\$ 10,593	\$ 162,041
<u>Liabilities</u>				
Due to other governments	\$ 134,954	\$ 37,680	\$ 10,593	\$ 162,041
 <u>TRI-CITY TACTICAL TEAM</u>				
<u>Assets</u>				
Cash and pooled investments	\$ 30,049	\$ 56,407	\$ 78,216	\$ 8,240
<u>Liabilities</u>				
Accounts payable	\$ 12,476	\$ 5,916	\$ 12,476	\$ 5,916
Due to other governments	17,573	50,652	65,901	2,324
Total Liabilities	\$ 30,049	\$ 56,568	\$ 78,377	\$ 8,240

**SCOTT COUNTY
SHAKOPEE, MINNESOTA**

Statement B-1
(Continued)

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018**

	Balance January 1	Additions	Deductions	Balance December 31
<u>SCOTT FAMILY NET</u>				
<u>Assets</u>				
Cash and pooled investments	\$ 126,906	\$ 385,423	\$ 328,092	\$ 184,237
Accrued interest receivable	672	699	672	699
Due from other governments	93,931	108,385	93,931	108,385
Total Assets	\$ 221,509	\$ 494,507	\$ 422,695	\$ 293,321
<u>Liabilities</u>				
Due to other governments	\$ 221,509	\$ 494,507	\$ 422,695	\$ 293,321
<u>METRO CHILD CARE LICENSE</u>				
<u>Assets</u>				
Cash and pooled investments	\$ 789	\$ 3,570	\$ 2,533	\$ 1,826
<u>Liabilities</u>				
Due to other governments	\$ 789	\$ 3,720	\$ 2,683	\$ 1,826
<u>MINNESOTA PUBLIC BROADBAND ALLIANCE</u>				
<u>Assets</u>				
Cash and pooled investments	\$ 9,064	\$ 18,500	\$ 18,295	\$ 9,269
<u>Liabilities</u>				
Due to other governments	\$ 9,064	\$ 18,500	\$ 18,295	\$ 9,269

**SCOTT COUNTY
SHAKOPEE, MINNESOTA**

Statement B-1
(Continued)

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018**

	Balance January 1	Additions	Deductions	Balance December 31
<u>COLLECTIONS FOR OTHER AGENCIES</u>				
<u>Assets</u>				
Cash and pooled investments	\$ 10,528,623	\$ 295,106,409	\$ 302,664,747	\$ 2,970,285
Accounts Receivable	-	1,131	199	932
Total Assets	\$ 10,528,623	\$ 295,107,540	\$ 302,664,946	\$ 2,971,217
<u>Liabilities</u>				
Accounts payable	\$ 404,969	\$ 7,928	\$ 404,969	\$ 7,928
Due to other governments	10,123,654	301,489,531	308,649,896	2,963,289
Total Liabilities	\$ 10,528,623	\$ 301,497,459	\$ 309,054,865	\$ 2,971,217
<u>TOTAL ALL AGENCY FUNDS</u>				
<u>Assets</u>				
Cash and pooled investments	\$ 10,830,385	\$ 295,607,989	\$ 303,102,476	\$ 3,335,898
Accounts receivable	-	1,131	199	932
Accrued interest receivable	672	699	672	699
Due from other governments	93,931	108,385	93,931	108,385
Total Assets	\$ 10,924,988	\$ 295,718,204	\$ 303,197,278	\$ 3,445,914
<u>Liabilities</u>				
Accounts payable	\$ 417,445	\$ 13,844	\$ 417,445	\$ 13,844
Due to other governments	10,507,543	302,094,590	309,170,063	3,432,070
Total Liabilities	\$ 10,924,988	\$ 302,108,434	\$ 309,587,508	\$ 3,445,914

**SCOTT COUNTY
SHAKOPEE, MINNESOTA**

Schedule 16

**SCHEDULE OF INTERGOVERNMENTAL REVENUE
FOR THE YEAR ENDED DECEMBER 31, 2018**

	Total Primary Government
Appropriations and Shared Revenue	
State	
Highway users tax	\$ 22,203,398
County program aid	5,555,965
PERA rate reimbursement	110,620
Disparity reduction aid	304,249
Disparity reduction aid	10,263
Police aid	374,830
Aquatic invasive species prevention	70,252
Performance aid	20,260
Sales tax rebate	386,585
SCORE	406,388
Market value credit	151,698
	\$ 29,594,508
Total Appropriations and Shared Revenue	
Reimbursement for Services	
State	
Minnesota Department of Human Services	\$ 3,231,925
Minnesota Department of Transportation	973,600
	\$ 4,205,525
Total Reimbursement for Services	
Payments	
Local	
City contribution	\$ 968,284
MELSA	131,105
Metropolitan Council	1,524,392
	\$ 2,623,781
Total Payments	
Grants	
State	
Minnesota Department of Corrections	\$ 1,346,145
Education	12,904
Employment and Economic Development	266,588
Health	688,144
Human Services	7,087,095
Natural Resources	115,962
Peace Officers Board	52,635
Pollution Control	88,778

**SCOTT COUNTY
SHAKOPEE, MINNESOTA**

***Schedule 16
(Continued)***

**SCHEDULE OF INTERGOVERNMENTAL REVENUE
FOR THE YEAR ENDED DECEMBER 31, 2018**

	Total Primary Government
Grants	
State	
Minnesota Department of (continued)	
Public Safety	270,794
Secretary of State	87,327
Transportation	10,907,771
Veterans Affairs	15,000
Water and Soil Resources	842,216
	\$ 21,781,359
Federal	
Department of	
Agriculture	\$ 625,275
Housing and Urban Development	91,974
Justice	167,748
Labor	325,614
Transportation	7,445,097
Environmental Protection Agency	83,390
Education	2,263
Health and Human Services	7,487,363
Homeland Security	188,391
	\$ 16,417,115
Total State and Federal Grants	\$ 38,198,474
Build America Bonds Interest Subsidy	\$ 168,132
Payments in lieu of taxes	88,752
	\$ 74,879,172
Total Intergovernmental Revenue	\$ 74,879,172

**SCOTT COUNTY
SHAKOPEE, MINNESOTA**

Schedule 17

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2018**

Federal Grantor Pass-Through Agency Program or Cluster Title	Federal CFDA Number	Pass-Through Grant Numbers	Expenditures
U.S. Department of Agriculture			
Passed Through Minnesota Department of Education			
Child Nutrition Cluster			
School Breakfast Program	10.553	1000006830	\$ 7,013
National School Lunch Program	10.555	1000006831	11,934
Passed Through Minnesota Department of Human Services			
SNAP Cluster			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	182MN101S2514	<u>606,328</u>
Total U.S. Department of Agriculture			\$ 625,275
U.S. Department of Housing and Urban Development			
Direct			
Shelter Plus Care	14.238	-	<u>\$ 91,974</u>
U.S. Department of Justice			
Direct			
Drug Court Discretionary Grant Program	16.585	-	\$ 145,168
State Criminal Alien Assistance Program	16.606	-	<u>22,580</u>
Total U.S. Department of Justice			\$ 167,748
U.S. Department of Labor			
Passed Through Minnesota Department of Employment and Economic Development			
Senior Community Service Employment Program	17.235	Not provided	\$ 37,590
Passed Through Dakota-Scott Service Delivery Area #14			
Workforce Investment Act (WIA) Cluster			
WIA Adult Program	17.258	Not provided	62,209
WIA Youth Activities	17.259	Not provided	96,895
WIA Dislocated Worker Formula Grants	17.278	Not provided	<u>128,920</u>
Total U.S. Department of Labor			\$ 325,614
U.S. Department of Transportation			
Passed Through Minnesota Department of Transportation			
Highway Planning and Construction Cluster			
Highway Planning and Construction	20.205	1030070	\$ 7,108,344
Transit Services Programs Cluster			
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	Not provided	315,917
Passed Through City of Shakopee, Minnesota			
Highway Safety Cluster			
State and Community Highway Safety	20.600	18-04-04	4,262
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	18-03-05	12,317
Highway Safety Cluster			
National Priority Safety Programs	20.616	18-02-05	<u>4,257</u>
Total U.S. Department of Transportation			\$ 7,445,097
U.S. Environmental Protection Agency			
Passed Through Minnesota Pollution Control Agency			
Nonpoint Source Implementation Grants	66.460	69592	<u>\$ 83,390</u>
U.S. Department of Education			
Passed Through Minnesota Department of Health			
Special Education - Grants for Infants and Families	84.181	12-7000-000097	<u>\$ 2,263</u>

**SCOTT COUNTY
SHAKOPEE, MINNESOTA**

Schedule 17
(Continued)

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2018**

Federal Grantor Pass-Through Agency Program or Cluster Title	Federal CFDA Number	Pass-Through Grant Numbers	Expenditures
U.S. Department of Health and Human Services			
Passed Through Minnesota Department of Health			
Public Health Emergency Preparedness	93.069	U90TP000529	108,162
Universal Newborn Hearing Screening	93.251	Not provided	1,625
Immunization Cooperative Agreements	93.268	5NH231P000707	2,000
Early Hearing Detection and Intervention Information System (EDHI-IS) Surveillance Program	93.314	Not Provided	525
PPHF CapacityBuilding Assistance to Strengthen Public Health Immunization Infrastructure and Performance financed in part by Prevention and Public Health Funds	93.539	Not provided	6,900
TANF Cluster			
Temporary Assistance for Needy Families (Total Temporary Assistance for Needy Families 93.558 \$640,615)	93.558	1801MNTANF	76,565
Maternal and Child Health Services Block Grant to the States	93.994	Not provided	66,226
Passed Through Minnesota Department of Human Services			
Promoting Safe and Stable Families	93.556	G-1701MNFPS	149,940
TANF Cluster			
Temporary Assistance for Needy Families (Total Temporary Assistance for Needy Families 93.558 \$640,615)	93.558	1801MNTANF	564,050
Child Support Enforcement	93.563	1804MNCSES	539,577
Child Support Enforcement (Total Child Support Enforcement 93.563 \$1,775,578)	93.563	1804MNCES	1,236,001
CCDF Cluster			
Child Care and Development Block Grant	93.575	G1701MNCDF	91,242
Community-Based Child Abuse Prevention Grants	93.590	G-1702MNFPRG	35,904
CCDF Cluster			
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	G1801MNCDF	50,302
Stephanie Tubbs Jones Child Welfare Services Program	93.645	G-1701MNCWSS	22,596
Foster Care Title IV-E	93.658	1801MNFOS	525,377
Social Services Block Grant	93.667	G-1801MNSOSR	410,856
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	G-1801MNCILP	9,000
Medicaid Cluster			
Medical Assistance Program	93.778	1805MN5ADM	3,494,876
Block Grants for Community Mental Health Services	93.958	SM010027-17	18,967
Block Grants for Prevention and Treatment of Substance Abuse	93.959	2B08TI010027-17	2,040
Total U.S. Department of Health and Human Services			\$ 7,412,731
U.S. Department of Homeland Security			
Passed Through Minnesota Department of Natural Resources			
Boating Safety Financial Assistance	97.012	R29G40CGFFY16	\$ 51,339
Passed Through Minnesota Department of Public Safety			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	Not provided	12,645
Emergency Management Performance Grants	97.042	SCOTTCO-0072	66,349
Homeland Security Grant Program	97.067	SCOTTCO-0010	58,058
Total U.S. Department of Homeland Security			\$ 188,391
Total Federal Awards			\$ 16,342,483
Totals by Cluster			
Totals expenditures for Child Nutrition Cluster			\$ 18,947
Totals expenditures for SNAP Cluster			606,328
Totals expenditures for WIOA Cluster			288,024
Totals expenditures for Highway Planning and Construction Cluster			7,108,344
Totals expenditures for Transit Services Programs Cluster			315,917
Totals expenditures for Highway Safety Cluster			8,519
Totals expenditures for TANF Cluster			640,615
Totals expenditures for CCDF Cluster			141,544
Totals expenditures for Medicaid Cluster			3,494,876

Scott County did not pass any federal awards to subrecipients in 2018.

**SCOTT COUNTY
SHAKOPEE, MINNESOTA**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2018**

1. Reporting Entity

The Schedule of Expenditures of Federal Awards presents the activities of federal award programs expended by Scott County. Scott County's financial statements include the operations of the Scott County Community Development Agency (CDA) component unit, which expended \$4,791,760 in federal awards during the year ended December 31, 2018, which are not included in the Schedule of Expenditures of Federal Awards. The CDA had a separate single audit. The County's reporting entity is defined in Note 1 to the financial statements.

2. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Scott County under programs of the federal government for the year ended December 31, 2018. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of Scott County, it is not intended to and does not present the financial position, changes in net position, or cash flows of Scott County.

3. Summary of Significant Accounting Policies

Expenditures reported on the schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Scott County has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

**SCOTT COUNTY
SHAKOPEE, MINNESOTA**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2018**

4. Reconciliation to Schedule of Intergovernmental Revenue

Federal grant revenue per Schedule of Intergovernmental Revenue	\$ 16,417,115
Grants received more than 60 days after year-end unavailable in 2018	
Temporary Assistance for Needy Families (TANF)	158,983
Promoting Safe and Stable Families	6,978
Community-Based Child Abuse Prevention Grants	8,976
Stephanie Tubbs Jones Child Welfare Services Program	5,649
John H. Chafee Foster Care Program for Successful Transition to Adulthood	4,079
Unavailable in 2017, recognized as revenue in 2018	
John H. Chafee Foster Care Program for Successful Transition to Adulthood	(5,411)
Community-Based Child Abuse Prevention Grants	(9,816)
Child Support Enforcement	(64,500)
Temporary Assistance for Needy Families (TANF)	(132,498)
Promoting Safe and Stable Families	(40,770)
Stephanie Tubbs Jones Child Welfare Services Program	(6,302)
	<hr/>
Expenditures Per Schedule of Expenditures of Federal Awards	\$ 16,342,483

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**SCOTT COUNTY
SHAKOPEE, MINNESOTA**

STATISTICAL SECTION

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STATISTICAL SECTION

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

Contents

Financial Trends

These schedules contain trend information to help the reader understand how government's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.

Debt Capacity

These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

Operating Information

These schedules contain service data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

**SCOTT COUNTY
SHAKOPEE, MINNESOTA**

**NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(full accrual basis of accounting)**

	2009	2010	2011	2012
Governmental activities				
Net investment in capital assets	\$ 219,679,890	\$ 243,792,338	\$ 269,165,069	\$ 256,619,645
Restricted	20,768,690	10,028,182	6,973,535	33,575,609
Unrestricted	<u>19,409,745</u>	<u>35,315,122</u>	<u>42,819,333</u>	<u>50,694,730</u>
Total Net Position	<u>\$ 259,858,325</u>	<u>\$ 289,135,642</u>	<u>\$ 318,957,937</u>	<u>\$ 340,889,984</u>

Note 1: Accounting standards require that net position be reported in three components in the financial statements: net investment in capital assets; restricted; and unrestricted. Net position is considered restricted when (1) an external party, such as the state or federal government, places a restriction on how the resources may be used, or (2) enabling legislation is enacted by the County.

Scott County implemented GASB 75 for the fiscal year ended December 31, 2018. Prior year amounts were not restated.

Data Source: Annual Financial Statements

Schedule 18

Fiscal Year					
2013	2014	2015	2016	2017	2018
\$ 297,182,966	\$ 306,794,026	\$ 309,266,183	\$ 349,716,847	\$ 353,255,239	\$ 377,965,278
7,139,661	29,435,765	28,745,570	28,876,416	14,388,608	8,266,529
54,568,412	41,020,006	25,863,442	9,028,239	32,193,747	22,791,937
<u>\$ 358,891,039</u>	<u>\$ 377,249,797</u>	<u>\$ 363,875,195</u>	<u>\$ 387,621,502</u>	<u>\$ 399,837,594</u>	<u>\$ 409,023,744</u>

**SCOTT COUNTY
SHAKOPEE, MINNESOTA**

CHANGES IN NET POSITION, LAST TEN FISCAL YEARS

(full accrual basis of accounting)

	2009	2010	2011
Expenses			
Governmental activities:			
General government	\$ 25,031,861	\$ 25,569,214	\$ 26,020,342
Public safety	16,146,129	16,185,608	16,294,233
Highways and streets	18,125,207	16,084,909	16,900,570
Sanitation	-	-	-
Transit	2,924,354	3,473,775	3,594,642
Human services	20,762,767	20,005,842	20,060,750
Health	1,701,344	1,789,338	1,693,024
Culture and recreation	3,108,008	4,050,508	3,920,374
Conservation of natural resources	2,619,937	1,924,732	2,514,175
Economic development	1,507,141	1,398,746	1,333,970
Interest	3,865,760	4,026,691	3,565,887
Total primary government expenses	<u>\$ 95,792,508</u>	<u>\$ 94,509,363</u>	<u>\$ 95,897,967</u>
Program Revenues			
Governmental activities:			
Charges for Services			
General government	\$ 6,149,260	\$ 5,354,212	\$ 5,203,569
Public safety	2,035,402	1,680,664	1,674,703
Highways and streets	604,946	798,715	796,752
Sanitation	-	-	-
Transit	1,196,881	1,415,864	1,543,471
Human services	2,057,987	2,120,274	2,230,123
Health	121,446	154,390	110,810
Culture and recreation	295,048	218,196	207,091
Conservation of natural resources	168,430	75,722	278,801
Economic development	-	-	-
Operating grants and contributions	27,566,924	24,999,777	24,671,062
Capital grants and contributions	8,668,561	15,620,321	22,226,552
Total primary government program revenues	<u>\$ 48,864,885</u>	<u>\$ 52,438,135</u>	<u>\$ 58,942,934</u>
Net (Expense)/Revenue			
Governmental activities			
Total primary government program revenues	<u>\$ (46,927,623)</u>	<u>\$ (42,071,228)</u>	<u>\$ (36,955,033)</u>

Schedule 19

		Year Ended						
		2012	2013	2014	2015	2016	2017	2018
\$	25,675,079	\$ 25,229,256	\$ 30,143,892	\$ 32,109,825	\$ 30,298,725	\$ 32,474,886	\$ 31,614,251	
	16,937,581	17,268,253	17,743,767	18,948,832	25,910,680	26,497,355	23,349,244	
	17,459,381	26,439,022	29,186,953	15,398,128	22,056,070	27,256,091	44,643,123	
	-	-	607,561	367,426	1,603,079	1,371,142	1,094,938	
	3,442,515	3,332,636	3,505,356	3,115,863	2,601,358	2,761,710	3,459,910	
	19,891,285	19,510,732	20,503,295	23,017,902	23,712,167	23,866,045	26,177,633	
	1,390,006	1,316,532	1,472,934	1,703,752	3,426,764	3,712,501	2,056,077	
	3,915,280	4,050,068	5,251,659	6,939,073	5,222,454	4,663,308	3,589,510	
	1,989,395	2,151,983	3,230,343	3,673,025	3,571,073	2,698,916	2,801,249	
	987,356	981,813	841,163	957,393	1,315,879	1,171,284	1,239,107	
	4,053,538	3,895,230	3,124,296	3,224,828	3,045,973	2,273,169	1,917,072	
\$	<u>95,741,416</u>	<u>\$ 104,175,525</u>	<u>\$ 115,611,219</u>	<u>\$ 109,456,047</u>	<u>\$ 122,764,222</u>	<u>\$ 128,746,407</u>	<u>\$ 141,942,114</u>	
\$	6,958,585	\$ 6,401,581	\$ 6,890,000	\$ 7,426,176	\$ 7,578,766	\$ 7,914,967	\$ 7,616,034	
	1,857,644	1,779,580	1,859,285	1,728,686	2,062,163	2,220,190	2,276,383	
	725,435	651,448	772,082	598,774	1,332,138	742,072	1,592,604	
	-	-	-	513,959	50,888	67,598	167,881	
	1,351,766	1,088,239	1,313,284	908,723	709,931	587,374	808,114	
	2,056,806	2,370,983	2,429,197	2,889,415	2,136,492	2,137,530	2,476,419	
	102,084	67,375	55,705	102,920	422,151	440,955	108,478	
	196,645	196,028	682,658	1,134,804	481,355	401,251	368,142	
	290,463	156,396	211,219	855,208	247,862	311,797	220,674	
	4,130	20	-	865	-	-	-	
	26,217,820	25,184,387	30,615,377	38,876,351	46,869,060	42,256,502	55,184,985	
	13,388,169	17,758,672	21,439,843	6,495,839	6,049,778	2,015,050	7,229,557	
\$	<u>53,149,547</u>	<u>\$ 55,654,709</u>	<u>\$ 66,268,650</u>	<u>\$ 61,531,720</u>	<u>\$ 67,940,584</u>	<u>\$ 59,095,286</u>	<u>\$ 78,049,271</u>	
\$	<u>(42,591,869)</u>	<u>\$ (48,520,816)</u>	<u>\$ (49,342,569)</u>	<u>\$ (47,924,327)</u>	<u>\$ (54,823,638)</u>	<u>\$ (69,651,121)</u>	<u>\$ (63,892,843)</u>	

**SCOTT COUNTY
SHAKOPEE, MINNESOTA**

CHANGES IN NET POSITION, LAST TEN FISCAL YEARS
(full accrual basis of accounting)

	2009	2010	2011
General Revenues and Other			
Changes in Net Position			
Governmental activities:			
Property taxes	\$ 55,370,987	\$ 54,786,848	\$ 54,926,442
Gravel taxes	85,247	100,073	111,633
Wheelage taxes	529,219	536,934	550,580
Transportation sales tax	-	-	-
Mortgage registry and deed taxes	412,677	524,190	772,834
Payments in lieu of tax	191,592	173,057	165,167
Unrestricted grants and contributions	7,130,870	9,656,150	8,645,828
Investment earnings	553,275	1,030,065	565,872
Miscellaneous	387,064	1,085,128	783,972
Gain on sale of capital assets	-	-	-
Special item	-	1,978,388	255,000
Total primary government	<u>\$ 64,660,931</u>	<u>\$ 69,870,833</u>	<u>\$ 66,777,328</u>
Change in Net Position			
Governmental activities			
Total primary government	<u>\$ 17,733,308</u>	<u>\$ 27,799,605</u>	<u>\$ 29,822,295</u>

Data Source: Annual Financial Statements

Schedule 19
(Continued)

		Year Ended					
2012	2013	2014	2015	2016	2017	2018	
\$ 57,765,265	\$ 57,332,363	\$ 57,894,286	\$ 58,874,657	\$ 61,554,040	\$ 64,348,387	\$ 66,683,380	
106,910	92,391	177,084	169,208	169,075	139,760	172,951	
596,998	656,970	1,159,298	1,234,422	1,237,205	1,251,421	1,330,783	
-	-	-	1,161,867	8,668,775	8,715,658	9,497,779	
623,017	657,881	691,590	216,441	342,695	481,118	528,791	
157,582	65,026	70,669	75,612	74,575	82,391	88,752	
4,445,791	8,120,359	6,589,766	5,850,006	5,670,325	5,722,964	6,341,316	
607,833	(403,119)	1,118,634	924,250	853,255	1,125,514	1,742,300	
-	-	-	-	-	-	20,150	
220,520	-	-	-	-	-	-	
-	-	-	-	-	-	-	
<u>\$ 64,523,916</u>	<u>\$ 66,521,871</u>	<u>\$ 67,701,327</u>	<u>\$ 68,506,463</u>	<u>\$ 78,569,945</u>	<u>\$ 81,867,213</u>	<u>\$ 86,406,202</u>	
<u>\$ 21,932,047</u>	<u>\$ 18,001,055</u>	<u>\$ 18,358,758</u>	<u>\$ 20,582,136</u>	<u>\$ 23,746,307</u>	<u>\$ 12,216,092</u>	<u>\$ 22,513,359</u>	

**SCOTT COUNTY
SHAKOPEE, MINNESOTA**

**FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS**
(modified accrual basis of accounting)

	2009	2010	2011	2012
General Fund				
Reserved	\$ 3,449,526	\$ 4,172,275	\$ -	\$ -
Unreserved	12,410,944	12,289,285	-	-
NonSpendable	-	-	767,306	977,679
Restricted	-	-	4,390,740	5,184,792
Committed	-	-	-	-
Assigned	-	-	1,777,610	1,563,761
Unassigned	-	-	24,249,502	25,785,362
Total General Fund	<u>\$ 15,860,470</u>	<u>\$ 16,461,560</u>	<u>\$ 31,185,158</u>	<u>\$ 33,511,594</u>
All Other Governmental Funds				
Reserved	\$ 30,964,714	\$ 13,509,774	\$ -	\$ -
Unreserved, reported in:				
Special revenue funds	9,322,506	12,208,274	-	-
Capital projects funds	(7,978,103)	2,729,909	-	-
Debt service funds	1,632,935	279,782	-	-
Nonspendable	-	-	-	-
Restricted	-	-	1,215,876	27,775,511
Assigned	-	-	11,887,388	16,597,214
Unassigned	-	-	-	(27,897)
Total all other governmental funds	<u>\$ 33,942,052</u>	<u>\$ 28,727,739</u>	<u>\$ 13,103,264</u>	<u>\$ 44,344,828</u>

Scott County implemented GASB 54 for the fiscal year ended December 31, 2011. Prior year amounts were not restated.

In 2011 the Human Services Fund was combined with the General Fund for reporting purposes.

For the years prior to 2011 the Human Services Fund is in the All Other Governmental Funds area.

Data Source: Annual Financial Statements

Schedule 20

2013	2014	2015	2016	2017	2018
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
549,737	745,193	897,091	914,688	1,181,092	926,548
4,999,266	5,003,119	5,360,350	5,402,534	5,312,434	5,394,093
-	-	-	900,000	805,431	688,135
1,398,285	1,348,718	1,416,692	1,433,599	2,609,976	2,603,553
26,620,439	28,092,963	30,521,914	32,079,694	32,036,171	34,607,526
<u>\$ 33,567,727</u>	<u>\$ 35,189,993</u>	<u>\$ 38,196,047</u>	<u>\$ 40,730,515</u>	<u>\$ 41,945,104</u>	<u>\$ 44,219,855</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	1,737,633	-	-	-
1,517,844	21,539,875	20,836,282	20,266,509	1,542,047	1,647,178
16,953,811	18,858,868	21,862,631	28,722,100	32,900,454	31,658,621
-	-	(3,746)	(7,727)	(18,238)	(6,192)
<u>\$ 18,471,655</u>	<u>\$ 40,398,743</u>	<u>\$ 44,432,800</u>	<u>\$ 48,980,882</u>	<u>\$ 34,424,263</u>	<u>\$ 33,299,607</u>

**SCOTT COUNTY
SHAKOPEE, MINNESOTA**

**CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS**
(modified accrual basis of accounting)

	2009	2010	2011	2012
Revenues				
Taxes	\$ 56,308,616	\$ 56,097,116	\$ 56,689,599	\$ 59,119,757
Special assessments	-	-	112,083	106,206
Licenses and permits	998,947	956,867	1,006,168	1,247,330
Intergovernmental	43,702,233	50,016,195	55,019,543	42,646,956
Charges for services	11,057,512	10,117,300	9,890,944	10,255,226
Fines and forfeits	120,584	102,042	116,248	91,813
Gifts and contributions	714,909	64,559	74,738	74,170
Investment earnings	334,182	889,273	485,225	517,836
Other revenue	1,607,135	2,586,860	2,170,592	2,061,681
Total revenues	\$ 114,844,118	\$ 120,830,212	\$ 125,565,140	\$ 116,120,975
Expenditures				
Current				
General government	\$ 23,789,126	\$ 24,125,719	\$ 24,552,060	\$ 24,293,743
Public safety	14,449,775	15,014,465	14,512,018	14,603,955
Highways and streets	30,231,684	7,860,921	7,786,847	8,186,677
Sanitation				
Transit	2,897,641	3,419,790	3,563,000	3,419,536
Human services	20,593,583	19,929,032	20,098,380	20,058,459
Health	1,660,907	1,747,268	1,714,613	1,385,883
Culture and recreation	3,034,801	3,959,358	3,855,843	3,868,405
Conservation of natural resources	2,600,089	1,911,120	2,504,661	1,980,255
Economic development	1,498,310	1,382,638	1,336,037	1,000,573
Intergovernmental				
Highways and streets	-	-	-	-
Capital outlay	4,531,060	34,797,249	38,784,427	22,396,425
Debt service				
Principal	13,831,263	9,582,207	4,504,273	4,631,429
Interest	3,954,984	3,937,212	3,539,948	3,390,477
Bond issuance costs	103,947	-	-	163,531
Fiscal charges	18,422	7,849	4,965	4,700
Advance refunding escrow	-	-	-	-
Total expenditures	\$ 123,195,592	\$ 127,674,828	\$ 126,757,072	\$ 109,384,048
Excess of revenues over (under) expenditures	\$ (8,351,474)	\$ (6,844,616)	\$ (1,191,932)	\$ 6,736,927

Schedule 21

Fiscal Year							
2013	2014	2015	2016	2017	2018		
\$ 58,935,847	\$ 60,217,509	\$ 62,376,322	\$ 72,104,674	\$ 74,979,754	\$ 78,188,009		
7,869	9,236	190,003	68,905	128,821	294,376		
1,327,380	1,394,179	1,403,171	1,625,128	1,761,519	1,711,046		
49,692,152	57,973,797	55,057,614	57,660,072	45,534,631	74,879,172		
10,153,873	10,258,724	11,223,353	10,157,400	10,658,760	11,079,642		
74,029	298,302	826,231	807,683	723,512	703,143		
89,574	79,950	80,156	334,786	180,150	142,367		
(566,974)	1,060,043	994,891	852,578	1,028,049	1,739,417		
2,170,941	2,425,917	2,310,045	2,143,719	2,307,575	1,940,114		
<u>\$ 121,884,691</u>	<u>\$ 133,717,657</u>	<u>\$ 134,461,786</u>	<u>\$ 145,754,945</u>	<u>\$ 137,302,771</u>	<u>\$ 170,677,286</u>		
\$ 24,699,581	\$ 26,315,714	\$ 28,537,000	\$ 25,084,314	\$ 27,825,675	\$ 29,519,648		
15,189,495	16,093,598	16,896,046	20,943,751	21,748,136	22,743,701		
9,155,097	9,806,360	9,688,426	10,441,458	9,934,918	12,045,787		
	388,692	367,426	1,603,079	1,371,142	1,094,938		
3,411,286	3,531,791	3,214,598	2,627,760	2,788,435	3,511,801		
20,192,948	21,350,609	23,342,814	23,266,739	24,360,275	26,789,228		
1,361,953	1,508,546	1,710,630	3,414,214	3,702,223	2,146,142		
4,104,066	4,325,258	4,479,431	4,727,835	4,975,169	5,184,509		
2,163,304	3,236,997	3,666,724	3,553,439	2,741,980	2,748,907		
996,344	860,627	953,692	1,305,737	1,186,546	1,212,628		
-	218,869	187,442	216,132	215,945	253,426		
32,433,019	38,693,151	27,431,371	33,864,310	24,530,355	56,000,439		
5,618,679	4,656,028	3,908,479	6,012,268	22,647,715	4,409,935		
3,891,309	2,873,641	3,635,513	3,455,345	3,176,306	2,281,182		
-	289,321	-	-	-	-		
12,470	9,070	8,225	10,025	3,225	9,690		
-	-	-	-	-	-		
<u>\$ 123,229,551</u>	<u>\$ 134,158,272</u>	<u>\$ 128,027,817</u>	<u>\$ 140,526,406</u>	<u>\$ 151,208,045</u>	<u>\$ 169,951,961</u>		
<u>\$ (1,344,860)</u>	<u>\$ (440,615)</u>	<u>\$ 6,433,969</u>	<u>\$ 5,228,539</u>	<u>\$ (13,905,274)</u>	<u>\$ 725,325</u>		

**SCOTT COUNTY
SHAKOPEE, MINNESOTA**

**CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS**
(modified accrual basis of accounting)

	2009	2010	2011	2012
Other Financing Sources (Uses)				
Transfers in	\$ 10,270,989	\$ 6,811,165	\$ 4,002,750	\$ 4,549,090
Transfers out	(10,270,989)	(6,811,165)	(4,002,750)	(4,549,090)
Bonds and notes issued	16,800,000	-	-	-
Refunding bonds issued	-	-	-	24,570,000
Payment of refunded bond	-	-	-	-
Premium on bonds issued	104,056	-	-	1,980,553
Septic loans issued	-	-	-	-
Clean water partnership loans issued	-	-	-	-
Proceeds from sale of capital assets	42,512	50,286	36,055	-
Loans issued	1,760,363	202,719	-	-
Total other financing sources (uses)	<u>\$ 18,706,931</u>	<u>\$ 253,005</u>	<u>\$ 36,055</u>	<u>\$ 26,550,553</u>
Special Item				
Proceeds from sale of land	\$ -	\$ -	\$ -	\$ 280,520
Interest from loan to state	-	1,978,388	-	-
Sale of sewer rights	-	-	255,000	-
Total special items	<u>\$ -</u>	<u>\$ 1,978,388</u>	<u>\$ 255,000</u>	<u>\$ 280,520</u>
Net change in fund balance	<u>\$ 10,355,457</u>	<u>\$ (4,613,223)</u>	<u>\$ (900,877)</u>	<u>\$ 33,568,000</u>
Debt service as a percentage of noncapital expenditures	17.13%	13.88%	8.60%	8.73%

Data Source: Annual Financial Statements

Schedule 21
(Continued)

Fiscal Year							
2013	2014	2015	2016	2017	2018		
\$ 3,220,795	\$ 2,730,620	\$ 1,439,327	\$ 4,400,915	\$ 2,441,627	\$ 3,710,483		
(3,220,795)	(2,730,620)	(1,439,327)	(3,067,890)	(2,441,627)	(3,710,483)		
-	3,355,000	-	-	-	-		
-	17,170,000	-	-	-	-		
(24,570,000)	-	-	-	-	-		
-	3,104,168	-	-	-	-		
-	234,555	258,910	202,714	439,470	299,913		
-	-	217,832	164,204	-	-		
97,820	126,246	129,400	154,068	123,774	124,857		
-	-	-	-	-	-		
<u>\$ (24,472,180)</u>	<u>\$ 23,989,969</u>	<u>\$ 606,142</u>	<u>\$ 1,854,011</u>	<u>\$ 563,244</u>	<u>\$ 424,770</u>		
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
-	-	-	-	-	-		
-	-	-	-	-	-		
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>		
<u>\$ (25,817,040)</u>	<u>\$ 23,549,354</u>	<u>\$ 7,040,111</u>	<u>\$ 7,082,550</u>	<u>\$ (13,342,030)</u>	<u>\$ 1,150,095</u>		
9.17%	6.58%	7.12%	8.27%	18.35%	4.90%		

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**SCOTT COUNTY
SHAKOPEE, MINNESOTA**

Schedule 22

**ASSESSED AND ESTIMATED MARKET VALUE OF TAXABLE PROPERTY*
LAST TEN FISCAL YEARS**

Fiscal Year Assessed	Real Property		Personal Property		Total		% of Total Assessed to Total Estimated Market Value	Total Direct County Tax Rate
	Assessed Value **	Estimated Market Value	Assessed Value **	Estimated Market Value	Assessed Value **	Estimated Market Value		
2008/2009	167,394,353	15,902,765,600	1,452,313	74,260,900	168,846,666	15,977,026,500	1.06%	34.401
2009/2010	161,166,414	14,936,986,800	1,496,714	77,314,200	162,663,128	15,014,301,000	1.08%	35.014
2010/2011	154,142,098	14,087,188,800	2,255,603	114,411,800	156,397,701	14,201,600,600	1.10%	37.397
2011/2012	145,540,747	13,868,070,800	2,339,334	118,543,500	147,880,081	13,986,614,300	1.06%	40.640
2012/2013	137,630,150	13,150,250,900	2,483,661	124,467,900	140,113,811	13,274,718,800	1.06%	42.628
2013/2014	141,617,386	13,473,213,200	2,668,191	133,695,100	144,285,577	13,606,908,300	1.06%	41.728
2014/2015	155,422,417	14,686,672,000	3,223,922	162,502,900	158,806,171	14,849,174,900	1.07%	38.478
2015/2016	164,715,027	15,522,359,500	3,609,310	181,853,000	168,324,337	15,704,212,500	1.07%	37.931
2016/2017	173,400,853	16,141,169,500	3,903,731	196,672,700	177,304,584	16,337,842,200	1.09%	37.652
2017/2018	184,603,320	17,116,103,300	4,283,350	215,578,100	188,886,670	17,331,681,400	1.09%	36.849

* 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 prior to Fiscal Disparity and Tax Increment District Adjustments.

Data Source: Taxation Department

**SCOTT COUNTY
SHAKOPEE, MINNESOTA**

**TAX CAPACITY RATES PAYABLE
ALL DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS**

Governments	2009	2010	2011	2012
County	32.684	33.237	35.541	38.802
Scott County WMO	1.209	1.259	1.305	1.336
Scott Vermillion WMO	0.508	0.518	0.551	0.502
Total direct rate	34.401	35.014	37.397	40.640
Cities				
Belle Plaine	54.023	61.338	67.320	83.936
Elko New Market	36.967	39.580	43.912	45.259
Jordan	52.736	60.840	60.660	71.938
New Prague	52.677	58.692	64.080	70.083
Prior Lake	27.947	29.442	30.710	29.740
Savage	46.013	47.335	48.278	51.123
Shakopee	32.630	33.710	34.731	36.655
Townships				
Belle Plaine	9.891	10.161	9.577	11.709
Belle Plaine Fire	2.921	2.673	2.525	2.682
Jordan Fire	3.338	2.837	2.417	3.471
New Prague Fire	3.219	2.873	2.674	4.135
Blakeley	14.709	13.492	13.077	17.695
Cedar Lake	5.903	6.298	6.351	6.661
New Prague Fire	8.760	2.925	3.306	3.574
New Market Fire	8.602	2.859	2.988	3.033
Credit River	10.876	10.977	16.586	12.847
Helena	7.061	7.723	8.541	8.337
Jordan Fire	5.258	4.174	4.668	3.880
New Prague Fire	2.818	3.147	3.649	3.896
Jackson	15.130	10.546	10.209	13.212
Louisville	4.548	4.635	4.724	4.810
New Market	8.036	9.787	12.213	15.979

Schedule 23

<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
40.674	39.720	36.638	36.175	35.896	35.114
1.411	1.388	1.316	1.302	1.292	1.275
0.544	0.620	0.525	0.454	0.464	0.460
<u>42.629</u>	<u>41.728</u>	<u>38.479</u>	<u>37.931</u>	<u>37.652</u>	<u>36.849</u>
92.904	92.246	89.461	89.328	84.684	84.601
54.336	53.547	46.652	48.577	47.817	46.032
71.604	76.247	63.968	68.426	71.240	71.622
74.535	70.348	64.644	62.255	62.246	61.249
31.887	30.736	31.988	31.953	32.685	33.040
55.508	55.278	51.743	49.905	47.841	47.117
41.996	41.437	37.862	37.902	38.522	37.212
12.774	13.641	11.672	11.512	11.041	11.128
2.743	2.504	2.417	2.364	2.556	3.116
3.028	5.105	2.357	2.281	2.229	2.378
3.574	3.444	2.634	2.579	2.763	3.892
16.590	16.851	16.777	17.571	16.888	17.870
6.666	6.828	6.188	6.271	6.272	6.258
3.711	3.690	3.324	3.059	3.037	2.834
3.069	3.600	3.310	2.110	2.149	1.978
13.648	14.212	13.520	13.712	14.017	14.864
9.097	10.443	9.637	9.428	10.603	9.948
3.776	1.535	1.468	1.472	2.760	3.239
3.880	3.587	3.271	3.174	3.027	2.904
12.207	12.719	11.162	10.843	12.129	12.681
4.896	4.507	4.641	4.959	5.004	4.918
14.232	15.482	15.039	14.424	27.583	19.456

**SCOTT COUNTY
SHAKOPEE, MINNESOTA**

**TAX CAPACITY RATES PAYABLE
ALL DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS**

Governments	2009	2010	2011	2012
Sand Creek	15.406	15.699	17.362	18.660
St. Lawrence	17.405	17.048	18.539	19.342
Belle Plaine Fire	4.242	4.118	4.252	4.466
Jordan Fire	4.959	4.473	5.017	5.892
Spring Lake Twp	10.292	11.613	16.250	16.579
Schools				
Burnsville	19.842	20.668	21.855	21.878
Lakeville	27.062	27.714	32.138	32.059
Bloomington	17.424	19.306	21.896	22.464
LeSueur/Henderson	30.635	27.099	21.773	22.818
Belle Plaine	35.376	38.125	38.310	40.597
Jordan	24.043	24.370	21.509	29.672
Prior Lake	30.801	32.701	34.042	34.388
Shakopee	27.274	29.351	31.182	35.512
New Prague	28.449	31.305	30.137	32.475
Henderson	24.231	20.839		
Special Districts				
Shakopee EDA	0.044	-	-	-
Jordan EDA	1.041	1.181	1.154	1.375
County HRA-CDA	1.552	1.612	1.701	1.729
Met Council	0.803	0.795	0.828	0.959
Mosquito Control	0.470	0.454	0.482	0.538
Met Transit	1.203	1.381	1.440	1.647
Lower MN Watershed	0.888	0.490	0.240	0.455
Prior Lake/Spring Lake Water	1.784	2.004	2.069	2.084
Cedar Lake Improvement	0.314	0.330	0.389	0.408
Region 9 Develop Authority	0.197	0.207	0.198	0.207
Cedar Lake Sewer & Water	1.784	1.988	3.895	4.113
Prior Lake EDA	-	-	-	-

N/A - Not Available

Data Source: Taxation Department

Schedule 23
(Continued)

<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
18.864	18.717	18.059	17.476	17.761	17.837
18.326	19.264	17.980	16.661	15.812	15.578
4.147	4.211	4.262	4.008	3.751	3.974
6.170	6.638	6.253	5.731	5.492	5.208
18.199	17.871	15.659	14.926	15.251	15.081
26.168	25.661	24.554	31.065	27.529	25.759
33.535	33.048	31.459	35.293	32.914	32.992
26.758	28.183	25.739	24.239	20.637	20.764
22.038	23.206	21.807	21.112	19.169	20.183
41.653	39.070	37.412	35.557	35.478	36.362
24.912	26.184	33.609	38.369	33.805	34.432
35.520	36.129	32.639	32.223	30.664	33.006
39.715	36.963	35.578	53.478	49.282	52.141
34.444	33.724	31.031	38.450	37.153	38.474
-	-	-	-	-	0.759
1.367	1.443	1.389	1.456	1.428	1.462
1.724	1.685	1.571	1.642	1.639	1.617
1.017	1.034	0.959	0.921	0.850	0.853
0.557	0.533	0.488	0.472	0.449	0.451
1.744	1.624	1.524	1.485	1.407	1.410
0.659	0.693	0.627	0.610	0.634	0.642
2.101	2.058	2.435	3.157	3.401	4.356
3.556	3.485	3.232	3.025	2.768	2.473
0.209	0.176	0.151	0.151	0.166	0.168
4.046	4.098	4.708	4.154	4.032	3.399
-	0.551	0.551	-	-	-

**SCOTT COUNTY
SHAKOPEE, MINNESOTA**

Schedule 24

**TEN LARGEST TAXPAYERS IN THE COUNTY
CURRENT YEAR AND NINE YEARS AGO**

2018			2009		
NAME	TAX CAPACITY VALUE	% OF TOTAL COUNTY TAX CAPACITY	NAME	TAX CAPACITY VALUE	% OF TOTAL COUNTY TAX CAPACITY
Northern States Power	\$ 2,294,986	1.22%	Northern States Power	\$ 926,073	0.55%
RELP Shakopee LLC	1,199,250	0.63%	Centerpoint Energy Resource	541,107	0.32%
Centerpoint Energy Resource	1,083,108	0.57%	Ryan Companies US Inc	515,144	0.31%
Great River Energy	690,604	0.37%	Shakopee Mdewakanton Sioux	498,496	0.30%
MN Pipeline	683,754	0.36%	Inland Shak Valley Marketplace	422,786	0.25%
Rahr Malting Company	665,420	0.35%	Certainteed Products Corp	419,420	0.25%
Union Pacific RR Company	572,691	0.30%	Rahr Malting Company	415,377	0.25%
Rosemount Inc	524,470	0.28%	Minnesota Valley Electric	412,241	0.24%
St. Francis Regional Medical Ctr	500,500	0.26%	Tollefson Development	402,793	0.24%
Continental 298 Fund LLC	500,000	0.26%	Seagate Technology LLC	399,250	0.24%
Total	\$ 8,714,783	4.60%	Total	\$ 4,952,687	2.95%

Data Source: Taxation Department

**SCOTT COUNTY
SHAKOPEE, MINNESOTA**

Schedule 25

**PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

<u>Fiscal Year</u>	<u>Total Tax Levy</u>	<u>Current Year Tax Collection</u>	<u>Current Year Detail</u>		<u>Delinquent Collections Abatements</u>	<u>Total Current Year Collections</u>	<u>% of Current Levy</u>	<u>Outstanding Delinquent Taxes</u>	<u>Total Delinquent Taxes as a % of Current Levy</u>
			<u>Percent (%) of Levy</u>	<u>Delinquent</u>					
2009	53,645,571	51,818,203	96.59%	1,827,368	1,824,448	53,642,651	99.99%	2,920	0.01%
2010	53,548,852	52,458,392	97.96%	1,090,460	1,086,052	53,544,444	99.99%	4,408	0.01%
2011	54,346,114	53,555,028	98.54%	791,086	785,347	54,340,375	99.99%	5,739	0.01%
2012	57,318,899	56,557,633	98.67%	761,266	750,740	57,308,373	99.98%	10,526	0.02%
2013	56,958,445	56,216,333	98.70%	742,112	733,329	56,949,662	99.98%	8,783	0.02%
2014	57,564,877	57,073,643	99.15%	491,234	478,141	57,551,784	99.98%	13,093	0.02%
2015	58,592,621	58,233,375	99.39%	359,246	341,112	58,574,487	99.97%	18,134	0.03%
2016	60,656,428	60,337,404	99.47%	319,024	284,003	60,621,407	99.94%	35,021	0.06%
2017	63,496,466	63,011,943	99.24%	484,523	443,098	63,455,041	99.93%	41,425	0.07%
2018	65,532,020	65,144,460	99.41%	387,560	74,225	65,218,685	99.52%	313,335	0.48%

Data Source: Taxation Department

**SCOTT COUNTY
SHAKOPEE, MINNESOTA**

Schedule 26

**RATIOS OF OUTSTANDING DEBT TO PERSONAL INCOME AND DEBT PER CAPITA
LAST TEN FISCAL YEARS**

Fiscal Year	General Obligation Bonds	Loans Payable	Less Debt Service Fund	Net Total Debt	Personal Income	Total Debt Per Capita		Percentage of Personal Income	
						Total	Net	Total	Net
2009	91,760,694	2,524,195	1,632,935	92,651,954	5,423,533,000	714.61	702.23	1.74%	1.71%
2010	82,062,316	2,679,707	279,782	84,462,241	5,663,651,000	652.22	650.07	1.50%	1.49%
2011	77,538,602	2,630,434	331,923	79,837,113	6,111,664,000	604.79	602.29	1.31%	1.31%
2012	99,444,078	2,579,005	26,860,703	75,162,380	6,377,052,000	754.88	556.13	1.60%	1.18%
2013	69,149,689	2,525,326	634,029	71,040,986	6,467,655,000	522.29	517.67	1.11%	1.10%
2014	88,079,708	2,703,853	20,713,794	70,069,767	6,813,376,000	649.98	501.67	1.33%	1.03%
2015	83,843,021	3,104,569	20,072,776	66,874,814	7,459,766,000	613.78	472.08	1.17%	0.90%
2016	79,451,334	1,416,155	19,470,431	61,397,058	7,661,736,000	562.83	427.32	1.06%	0.80%
2017	56,463,592	1,472,910	680,524	57,255,978	8,276,061,000	397.30	392.63	0.70%	0.69%
2018	52,045,510	1,434,961	717,819	52,762,652	N/A	362.87	358.00	N/A	N/A

N/A = Not Available

Data Source: Taxation Department

**SCOTT COUNTY
SHAKOPEE, MINNESOTA**

Schedule 27

**RATIO OF TOTAL AND NET BONDED DEBT TO ASSESSED VALUATION/TAX CAPACITY
AND TOTAL AND NET BONDED DEBT PER CAPITA
LAST TEN FISCAL YEARS**

Fiscal Year Assessed	Population	Assessed Valuation/Tax Capacity	Long-Term Debt	Less Amount Available for Debt Service	Net LT Debt	Debt Per Capita		LT Debt to Assessed Valuation/Tax Capacity	
			General Obligation Bonds			Total	Net	Total (%)	Net (%)
2009	131,939	168,846,666	91,760,694	1,632,935	90,127,759	695.48	683.10	54.35%	53.38%
2010	129,928	162,663,128	82,062,316	279,782	81,782,534	631.60	629.45	50.45%	50.28%
2011	132,556	156,397,701	77,538,602	331,923	77,206,679	584.95	582.45	49.58%	49.37%
2012	135,152	147,880,081	99,444,078	26,860,703	72,583,375	735.79	537.05	67.25%	49.08%
2013	137,232	140,113,811	69,149,689	634,029	68,515,660	503.89	499.27	49.35%	48.90%
2014	139,672	144,285,577	88,079,708	20,713,794	67,365,914	630.62	482.32	61.05%	46.69%
2015	141,660	158,646,339	83,843,021	20,072,776	63,770,245	591.86	450.16	52.85%	40.20%
2016	143,680	168,324,337	79,451,334	19,470,431	59,980,903	552.97	417.46	47.20%	35.63%
2017	145,827	177,304,584	56,463,592	680,524	55,783,068	387.20	382.53	31.85%	31.46%
2018	147,381	188,886,670	52,045,510	717,819	51,327,691	353.14	348.27	27.55%	27.17%

Data Source: Annual Financial Statements

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**SCOTT COUNTY
SHAKOPEE, MINNESOTA**

Schedule 28

**CURRENT UNDERLYING AND OVERLAPPING (INDIRECT) DEBT OF SCOTT COUNTY
January 2, 2019**

Taxing Unit (a)	Debt (b)	Debt Applicable to Valuation in County	
		Percent (%)	Amount
Underlying			
Scott County	\$ 53,480,471	100.00%	\$ 53,480,471
Overlapping (c)			
Cities			
Belle Plaine	\$ 12,202,100	100.00%	\$ 12,202,100
Elko New Market	13,888,000	100.00%	13,888,000
Jordan	10,074,000	100.00%	10,074,000
New Prague	40,632,999	58.27%	23,676,036
Prior Lake	34,610,000	100.00%	34,610,000
Savage	39,008,000	100.00%	39,008,000
Shakopee	32,350,000	100.00%	32,350,000
School Districts			
191 (Burnsville-Eagan-Savage)	144,690,000	24.96%	36,118,965
194 (Lakeville)	119,515,000	18.06%	21,589,190
271 (Bloomington)	77,925,000	0.08%	59,223
2397 (LeSueur/Henderson)	9,425,000	1.20%	113,100
716 (Belle Plaine)	27,575,000	75.11%	20,711,583
717 (Jordan)	56,550,000	100.00%	56,550,000
719 (Prior Lake)	105,980,000	100.00%	105,980,000
720 (Shakopee)	169,630,000	100.00%	169,630,000
721 (New Prague)	93,465,000	63.62%	59,462,433
Townships			
Credit River	3,145,000	100.00%	3,145,000
Sand Creek	325,000	100.00%	325,000
Spring Lake	1,660,000	100.00%	1,660,000
Special Taxing Districts			
Metropolitan Council (includes Met Transit)	1,549,087,966	4.69%	72,652,226
Scott County CDA	41,480,000	100.00%	41,480,000
Cedar Lake Sewer & Water	1,268,418	100.00%	1,268,418
Prior Lake Spring Lake Watershed	510,000	100.00%	510,000
Subtotal, overlapping debt			<u>\$ 757,063,274</u>
Total underlying and overlapping debt			<u>\$ 810,543,745</u>

(a) Only those taxing units with debt outstanding are shown here.

(b) Excludes general obligation debt supported by revenues and general obligation tax and aid anticipation certificates of indebtedness, but includes debt supported by tax increments.
Debt shown is as of January 2, 2019.

(c) Determined by ratio of assessed valuation of property subject to taxation in overlapping unit to valuation of property subject to taxation in reporting unit.

**SCOTT COUNTY
SHAKOPEE, MINNESOTA**

**LEGAL DEBT MARGIN
LAST TEN FISCAL YEARS**

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Estimated Market Value (see schedule 22)	\$ 15,977,026,500	\$ 15,014,301,000	\$ 14,201,600,600	\$ 13,986,614,300
Legal debt margin				
Debt limit (3% of assessed value)	479,310,795	450,429,030	426,048,018	419,598,429
Debt applicable to limit:				
General Obligation bonds	91,760,694	81,260,000	76,805,000	96,795,000
Facility Lease bonds	-	-	-	-
Less: amount available for debt service	<u>(1,632,935)</u>	<u>(279,782)</u>	<u>(331,923)</u>	<u>(26,860,703)</u>
Total debt applicable to limit	<u>90,127,759</u>	<u>80,980,218</u>	<u>76,473,077</u>	<u>69,934,297</u>
Legal debt margin	<u>\$ 389,183,036</u>	<u>\$ 369,448,812</u>	<u>\$ 349,574,941</u>	<u>\$ 349,664,132</u>
Total debt applicable to the limit as a percentage of debt limit	18.80%	17.98%	17.95%	16.67%

Minn. Stat. Section 475.53, subd. 1 states that except as otherwise provided in Minn. Stat. Sections 475.51 to 475.74, no municipality except a school district 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. Prior to 2008, the debt limit was two percent of the estimated market value.

Source: Assessed values are provided by Scott County Taxation Department.

Schedule 29

Fiscal Year					
<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
\$ 13,274,718,800	\$ 13,606,908,300	\$ 14,849,174,900	\$ 15,704,212,500	\$ 16,337,842,200	\$ 17,331,681,400
398,241,564	408,207,249	445,475,247	471,126,375	490,135,266	519,950,442
66,660,000	82,585,000	78,735,000	74,730,000	52,465,000	48,400,000
-	-	-	-	-	-
(634,029)	(20,713,794)	(20,151,982)	(19,470,431)	(680,524)	(717,819)
66,025,971	61,871,206	58,583,018	55,259,569	51,784,476	47,682,181
<u>\$ 332,215,593</u>	<u>\$ 346,336,043</u>	<u>\$ 386,892,229</u>	<u>\$ 415,866,806</u>	<u>\$ 438,350,790</u>	<u>\$ 472,268,261</u>
16.58%	15.16%	13.15%	11.73%	10.57%	9.17%

**SCOTT COUNTY
SHAKOPEE, MINNESOTA**

Schedule 30

**DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

Fiscal Year	(1) Population	(2) Personal Income	(2) Per Capita Income	(1) Median Age	(3) School Enrollment K-12	(4) Annual Average Unemployment Percentage Rate (%)
2009	131,939	5,423,533,000	40,967	34	21,202	7.3%
2010	129,928	5,663,651,000	42,891	35	21,751	6.9%
2011	132,556	6,111,664,000	45,967	35	21,992	5.8%
2012	135,047	6,377,052,000	47,080	35	22,849	5.0%
2013	137,603	6,467,655,000	47,174	36	23,488	4.4%
2014	139,672	6,813,376,000	48,781	36	23,860	3.6%
2015	141,660	7,459,766,000	52,660	36	24,486	3.1%
2016	143,680	7,661,736,000	53,325	36	24,833	3.3%
2017	145,827	8,276,061,000	56,753	36	25,616	2.8%
2018	147,381	N/A	N/A	N/A	27,355	2.5%

Data Sources:

- (1) United States Census Bureau and United States 2010 Census
- (2) <http://bea.gov/bea/regional>
- (3) State Department of Education
- (4) State Department of Employment and Economic Development

N/A - Not Available

**SCOTT COUNTY
SHAKOPEE, MINNESOTA**

Schedule 31

**PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO**

2018			2009		
Employer	Employees	Percentage of Total County Employment	Employer	Employees	Percentage of Total County Employment
Shakopee Mdewakanton Sioux	4,200	7.42%	Shakopee Mdewakanton Sioux	4,177	9.57%
Amazon	2,500	4.42%	Valleyfair	1,675	3.84%
Seagate Technology LLC	1,800	3.18%	Seagate Technology LLC	1,200	2.75%
Valleyfair	1,600	2.83%	I.S.D. No. 719 (Prior Lake - Savage)	1,000	2.29%
I.S.D. No. 719 (Prior Lake - Savage)	1,438	2.54%	I.S.D. No. 720 (Shakopee)	980	2.25%
I.S.D. No. 720 (Shakopee)	1,131	2.00%	St. Francis Regional Medical Center	800	1.83%
Canterbury Park	995	1.76%	Scott County	750	1.72%
St. Francis Regional Medical Center	958	1.69%	Canterbury Park	743	1.70%
Imagine Print Solutions	823	1.45%	Women's Correctional Facility	611	1.40%
Scott County	742	1.31%	I.S.D. No. 721 (New Prague)	600	1.38%
Total	16,187	28.60%	Total	12,536	28.73%

Data Source: 2018 and 2009 information from Springsted Inc.

Note: Springsted Inc. does not have this information prior to 2009.

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**SCOTT COUNTY
SHAKOPEE, MINNESOTA**

Schedule 32

**FULL-TIME EQUIVALENTS SCOTT COUNTY EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS**

Function	Full-time Equivalent Employees as of December 31									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Government	220	213	213	207	208	210	224	224	233	239
Public Safety	141	142	139	140	138	138	143	144	146	148
Highways and Streets	68	62	60	60	62	65	66	65	58	58
Transit	25	26	26	25	26	35	12	8	8	8
Human Services	188	195	193	193	197	206	221	226	233	219
Health	16	18	12	14	14	14	15	16	16	18
Culture and Recreation	34	30	29	29	29	29	29	29	29	30
Conservation of Natural Resources	5	4	4	4	4	5	5	5	5	4
Economic Development	6	8	8	6	5	5	5	5	5	5
Total	703	698	684	678	683	707	720	722	733	729

Data Source: Employee Relations Department

**SCOTT COUNTY
SHAKOPEE, MINNESOTA**

**OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST EIGHT FISCAL YEARS**

	2011	2012
Function/Program		
<u>General Government</u>		
Employee Relations		
Collective bargaining agreements	9	9
Finance		
Cash receipts processed	70,248	78,382
Physical payroll checks issued	2,826	2,309
ACH payroll payments	19,491	19,693
Claims paid	26,629	27,146
Properties physically appraised	11,155	11,163
New dwelling permits	386	513
Community Corrections		
Recidivism rates (percentage of felony offenders supervised by Scott County Community Corrections who subsequently received another felony conviction)		
Adults while under supervision	14%	16%
Juvenile while under supervision	40%	30%
Adult offender employment (percentage of adult offenders who obtained and maintained employment while under supervision)	54%	46%
Juvenile education (percentage of juvenile offenders who maintained education while under supervision)	95%	80%
Land Records		
Deeds recorded	7,074	5,392
Real estate documents processed	29,785	36,901
Birth certificates issued	3,190	3,109
Death certificates issued	711	607
Marriage licenses applied for	625	671
Customer Service		
Passports applied for	2,970	3,088
Motor vehicle registrations issued	26,673	28,587
<u>Public Safety</u>		
Sheriff		
Total calls for service received	182,114	166,016
Scott County calls	12,249	10,936
All law enforcement agencies	53,172	55,167
Medical calls	668	643
Drug cases	261	136
Fatal crashes	4	2
Personal injury crashes	73	105
Property damage crashes	580	546
Citations issued	2,247	1,944
Total arrests	3,938	2,305
Drug arrests	127	108
Inmates booked:	4,173	4,081

Schedule 33

Fiscal Year						
2013	2014	2015	2016	2017	2018	
9	9	9	10	10	10	
81,057	67,593	67,699	65,308	113,166	113,602	
1,718	1,631	1,545	1,050	784	436	
20,182	21,275	22,310	21,801	22,055	21,103	
27,118	26,496	26,623	26,647	28,219	44,627	
11,287	11,080	14,277	11,312	14,104	16,974	
621	504	411	518	563	715	
25%	17%	26%	26%	33%	20%	
18%	0%	25%	7%	15%	6%	
49%	52%	59%	64%	44%	73%	
86%	79%	78%	85%	83%	97%	
5,102	4,656	5,502	5,679	5,568	5,502	
33,842	25,158	30,048	30,736	27,500	30,048	
3,255	3,469	3,719	3,760	3,795	3,713	
1,022	972	1,078	1,156	1,065	915	
663	783	771	751	601	633	
3,494	3,704	4,323	4,636	4,998	3,623	
30,890	31,545	32,728	35,101	27,329	26,736	
178,416	230,881	204,296	212,545	153,583	151,594	
9,925	9,844	9,975	20,568	23,862	23,639	
64,006	63,783	67,985	99,888	149,471	147,971	
701	652	770	756	648	590	
182	189	187	214	179	190	
4	3	5	1	3	5	
87	72	77	81	91	75	
598	579	604	548	504	543	
2,854	2,404	1,522	1,292	1,867	1,354	
1,592	1,596	1,594	1,432	1,221	1,279	
129	130	58	91	179	196	
4,023	4,381	4,828	5,074	5,800	5,581	

**SCOTT COUNTY
SHAKOPEE, MINNESOTA**

**OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST EIGHT FISCAL YEARS**

	2011	2012
Function/Program		
Males booked	3,050	3,079
Females booked	988	1,002
Adults booked	4,038	3,956
Juveniles booked	135	125
Average daily inmate population - adult	110	114
<u>Highways and Streets</u>		
Resurfacing (miles)	N/A	8.9
Vehicle/equipment units serviced	N/A	206
<u>Transit</u>		
Revenue miles	942,150	866,141
Revenue hours	54,463	51,271
Passengers	223,065	209,756
Passenger per revenue mile	0.24	0.24
Passenger per revenue hour	4.10	4.09
Cost per passenger	15.70	16.58
<u>Human Services</u>		
Income Maintenance		
Percent of SNAP expedited applications processed within one business day	66.6%	63.5%
Percent of cash assistance and SNAP applications processed timely	84.9%	82.4%
Social Services		
Percent of children who are subjects of a repeat report within 12 months of an accepted maltreatment report	N/A	N/A
Percent of children in out-of-home placement to achieve permanency in less than a year	90.9%	76.7%
Percent of days children in foster care or pre-adoptive homes were placed with relatives	N/A	N/A
Number of children in out of home placement (unduplicated)	147	145
Number of hours developmental disabilities social workers spent providing case management services to clients	12,307	11,160
Number of hours daycare licensing staff spent educating, licensing and monitoring daycare providers	6,567	6,155
Number of clients served in the mental health center (unduplicated)	2,577	2,637
Percentage improvement in Child and Adolescent Service Intensity Instrument (CASII) Score case open compared to case close	N/A	42.3%
Average number of active child support cases per month	3,206	3,240
Total child support disbursed	\$ 12,123,793	\$ 12,498,115
Percent of current child support collected (FFY for given year)	76%	78%
Percent of open child support cases with paternity established (FFY)	107%	109%
Percent of open child support cases with an order established (FFY)	87%	87%

Schedule 33
(Continued)

Fiscal Year						
2013	2014	2015	2016	2017	2018	
3,046	3,271	3,490	3,664	4,062	3,894	
977	1,110	1,224	1,325	1,674	1,595	
3,937	4,269	4,714	4,989	5,662	5,489	
86	1,112	114	85	138	92	
122	138	132	132	147	130	
15.9	N/A	N/A	5.8	23.6	11.2	
N/A	N/A	N/A	202	197	191	
906,393	889,828	718,359	753,588	820,450	945,255	
51,353	52,303	46,125	28,789	30,178	30,928	
193,832	190,023	192,957	161,088	159,292	165,309	
0.21	0.21	0.27	0.21	0.19	0.17	
3.77	3.63	4.18	5.60	5.29	5.34	
17.30	18.03	15.06	14.08	14.87	12.39	
70.9%	64.6%	66.7%	63.6%	65.2%	65.8%	
84.6%	85.7%	86.6%	95.7%	95.9%	94.8%	
14.1%	14.0%	15.0%	17.5%	17.2%	20.0%	
74.1%	88.0%	96.0%	100.0%	48.1%	65.9%	
42.7%	51.5%	68.3%	64.4%	57.6%	55.5%	
97	88	105	137	167	178	
11,084	11,039	12,212	12,575	13,762	13,992	
5,930	5,802	5,457	5,007	4,402	3,869	
2,697	2,701	2,796	4,026	4,223	4,519	
65.4%	80.6%	65.9%	66.7%	74.5%	67.2%	
3,267	3,175	3,064	2,993	3,000	2,880	
\$ 12,745,363	\$ 13,025,548	\$ 13,160,378	\$ 12,627,050	\$ 12,525,126	\$ 12,398,086	
77%	78%	79%	80%	80%	80%	
110%	107%	108%	105%	109%	104%	
88%	90%	91%	91%	91%	91%	

**SCOTT COUNTY
SHAKOPEE, MINNESOTA**

**OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST EIGHT FISCAL YEARS**

	2011	2012
Function/Program		
<u>Public Health</u>		
Number of tuberculosis (TB) cases	6	7
Number of tuberculosis cases completing curative therapy with 12 months (12 month delay for data availability)	5	7
Percent of children immunized by kindergarten entrance (reported by school year ending on year shown)	2010-2011	2011-2012
Dtap	94.7%	95.7%
Polio	94.8%	95.9%
MMR	94.7%	95.4%
Hep B	95.8%	96.2%
Varicella	93.8%	93.6%
Child and Teen Checkup participation ratio (FFY of given year)	66%	65%
<u>Culture & Recreation</u>		
Parks		
Visits		
Total	644,500	597,400
Summer	283,000	262,900
Winter	62,200	57,400
Spring/fall	299,300	277,100
Library		
Registered card holders	100,563	107,731
Visits	561,568	528,421
Circulation	928,621	892,242
Number of materials	238,489	236,478
Public service hours	14,528	16,146
Attendance of library hosted programs	29,638	27,086
Recorded book downloads	N/A	3,131
Digital downloads (includes recorded books, digital magazines, ebooks)	4,822	28,208
<u>Economic Development</u>		
Employment and Training		
Work participation rate	53.7%	65.1%
Minnesota Family Investment Program three-year Self-Support Index (Timing April of prior year through March of current)	73.5%	74.1%

Data Source: Scott County Finance Division and other County departments.

Note: Information prior to 2010 is not available.

N/A: Not available

Schedule 33
(Continued)

Fiscal Year					
2013	2014	2015	2016	2017	2018
2	3	3	1	4	5
2	3	N/A	1	4	5
2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018
95.8%	96.0%	95.5%	95.3%	93.9%	94.4%
95.9%	96.3%	95.9%	95.6%	93.0%	94.1%
95.8%	94.3%	95.4%	94.9%	93.5%	91.2%
96.8%	96.3%	96.4%	96.2%	94.8%	95.2%
95.3%	93.8%	95.1%	94.1%	92.7%	92.8%
68%	70%	68%	72%	72%	54%
651,800	664,900	600,800	604,100	810,000	N/A
289,000	294,300	267,500	270,900	294,400	N/A
61,800	62,900	56,600	58,200	103,900	N/A
301,000	307,700	276,700	275,000	411,700	N/A
108,820	115,543	100,973	100,275	101,781	104,067
505,995	509,971	500,507	494,852	495,347	462,887
842,430	864,421	868,115	890,710	919,654	906,700
236,594	268,977	265,359	263,232	226,689	226,052
16,424	16,587	16,654	16,617	16,619	16,787
26,840	28,830	33,291	36,180	33,797	33,092
5,925	9,102	16,923	22,381	29,008	33,516
52,221	72,089	82,249	95,910	103,704	110,869
66.1%	67.8%	51.3%	58.6%	57.3%	53.2%
80.7%	79.1%	82.9%	79.3%	75.4%	78.0%

**SCOTT COUNTY
SHAKOPEE, MINNESOTA**

Schedule 34

**CAPITAL ASSET AND INFRASTRUCTURE STATISTICS BY FUNCTION/PROGRAM
LAST EIGHT FISCAL YEARS**

	Fiscal Year							
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Function/Program								
General Government								
Government Center	1	1	1	1	1	1	1	1
Public Safety								
Justice Center	1	1	1	1	1	1	1	1
Patrol Units	34	34	33	33	24	24	24	24
Emergency Management Vehicles	1	1	2	2	0	0	0	0
Highways & Streets								
Mileage								
County State Aid Highway (CSAH)	250	250	250	250	250	250	250	253
County Road	107	107	107	107	107	107	107	95
Scott County Bridges (total)	64	66	73	73	73	73	76	71
Traffic Signals	59	69	69	69	69	69	69	55
Culverts	N/A	901	901	901	901	901	1,617	421
Transit								
Number of buses	36	24	24	24	24	24	23	23
Culture & Recreation								
Libraries	8	8	8	8	8	8	8	8
Parks Acreage	1,756	1,756	1,756	1,756	1,756	1,756	1,784	1,784
Regional Parks and Trails	4	4	4	4	4	4	4	4
Playground Structures	2	2	2	2	2	1	1	1
Fairgrounds	1	1	1	1	1	1	1	1

Data Source: Scott County Finance Division and other County departments.

Note: Information prior to 2010 is not available.

N/A: Not available