

SCOTT COUNTY, MINNESOTA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDING, DECEMBER 31, 2019



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, 2019

Prepared by the Office of Management and Budget

Scott County

Geographic Location in Minnesota



**SCOTT COUNTY
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
200 Fourth Avenue West
Shakopee, MN 55379-1220
(952) 496-8166 • Fax (952) 496-8382
<http://www.co.scott.mn.us>

DATE: July 13, 2020

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

Subject: 2019 COMPREHENSIVE ANNUAL FINANCIAL REPORT

The Comprehensive Annual Financial Report (CAFR) of Scott County is submitted for the fiscal year ended December 31, 2019. 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 2019 population was 149,013. 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.

Long-Term Financial Planning

Long-term financial planning is performed on an ongoing basis. The County has a five-year financial model that is used to analyze current year decisions and the longer-term impact of those decisions. The County also has a five-year capital improvement program that projects out the needs of the transportation, parks, building improvement, technology improvement and capital equipment of the County over the next five years. The Scott County Fund Balance Policy requires a minimum fund balance of 25-30% of operating expenditures at year-end.

Scott County has a Debt Policy that requires the net debt to not exceed \$1,000 per capita, the net debt levy to not exceed \$100 per capita and the net debt should not rise above 1% of debt to market value. At the end of 2019 Scott County had net debt of \$119.9 million outstanding in general obligation bonds and loans issued as of December 31, 2019.

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 2019 Scott County grew by 14.7% and was the fastest growing county in Minnesota on a percentage growth basis.

Economic Indicators	Amount	Annual Percent Change
Unemployment Rate (2019)	2.8%	0.3%
Number of Households (2018)	48,510	1.3%
Population (2019)	149,013	1.1%

Population

The U.S. Census Bureau estimates that the population in the County had increased to 149,013 by July 1, 2019. 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 2019. Scott County has a median household income (\$97,744); that is consistently among the highest of the counties in Minnesota. Approximately 5.2 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 six years from 2014 through 2019. In 2019 Scott County experienced an increase of 7.7%, bringing its property values to 124.3% of the 2010 level.

Year	Estimated Market Value		Assessed Valuation/ Tax Capacity Amount
	Amount	Percentage Growth	
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
2019	\$18,663,164,400	7.7%	\$203,909,782

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, 2018. This was the fourteenth 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,



Daniel Lenz
Chief Financial Officer

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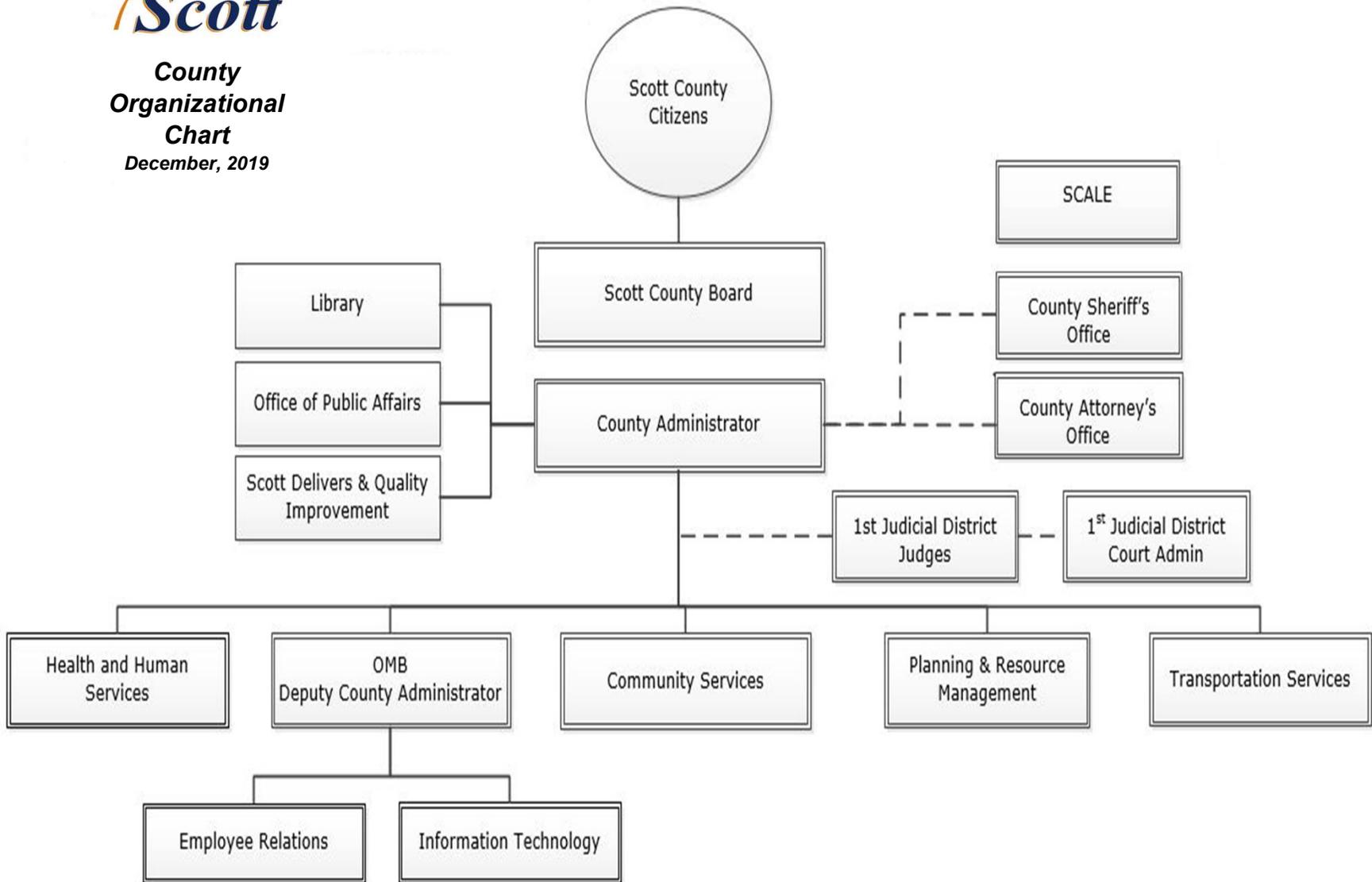
**SCOTT COUNTY
SHAKOPEE, MINNESOTA**

ORGANIZATION

Elected			Term Expires
Commissioners			
Chair	Dave Beer	District 4	December 2020
Vice Chair	Jon Ulrich	District 5	December 2022
Board Member	Barb Weckman Brekke	District 1	December 2020
Board Member	Tom Wolf	District 2	December 2020
Board Member	Michael Beard	District 3	December 2022
Attorney	Ronald Hocevar		December 2022
County Sheriff	Luke Hennen		December 2022
Appointed			
Administrator	Lezlie Vermillion		Indefinite
Agricultural Inspector	Dan Ekholm		Indefinite
Assessor	Michael Thompson		December 2020
Community Services Director/ Auditor/Treasurer	Cindy Geis		Indefinite
Deputy Administrator	Daniel Lenz		Indefinite
Drainage Inspector	James Hentges		Indefinite
Highway Engineer	Anthony Winiecki		April 2020
Human Services Director	Pam Selvig		Indefinite
Planning & Resource Management Director	Brad Davis		Indefinite
Surveyor	James Hentges		May 2023
Veteran's Services Director	Jerry Brua		August 2022



**County
Organizational
Chart**
December, 2019





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, 2018

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

SUITE 500
525 PARK STREET
SAINT PAUL, MN 55103-2139

(651) 296-2551 (Voice)
(651) 296-4755 (Fax)
state.auditor@state.mn.us (E-mail)
1-800-627-3529 (Relay Service)

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, 2019, 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, 2019, 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.

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 Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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 July 13, 2020, 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

July 13, 2020

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**SCOTT COUNTY
SHAKOPEE, MINNESOTA**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2019**

(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, 2019. 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 \$431,465,226 (net position). Of this amount, \$20,863,921 (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 increased by \$83,231,846. Mainly, the increase is due to a bond issuance for the construction of an additional Government Center over the upcoming three years and the proceeds from the bond issuance are being held in investments until it is needed.
- As of the close of the current fiscal year, Scott County governmental funds reported combined ending fund balances of \$142,657,637. Approximately 45% of this amount, \$63,693,100, 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 \$39,158,577, or 37% of the total General Fund expenditures.
- Scott County's general obligation bonds and loans payable increased by \$67,990,833 or 127% during the current fiscal year. The key factor in this increase was the issuance of new bonds for capital projects.

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.

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.

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 – 106 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 128 and 129 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 \$431,465,226 at the close of the most recent fiscal year.

Net investment in capital assets of \$386,210,817 (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 89% 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 6% 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 \$20,863,921 or approximately 5% may be used to meet the government's ongoing obligations to citizens and creditors.

Scott County's Net Position

	Governmental Activities	
	2019	2018
Current and other assets	\$ 166,738,748	\$ 100,815,096
Noncurrent and Capital assets	455,784,318	430,010,788
Total assets	\$ 622,523,066	\$ 530,825,884
Deferred Outflows of Resources	\$ 7,807,044	\$ 16,272,380
Long-term liabilities outstanding	\$ 167,725,742	\$ 101,386,830
Other liabilities	14,136,132	8,289,381
Total liabilities	\$ 181,861,874	\$ 109,676,211
Deferred Inflows of Resources	\$ 17,003,010	\$ 28,398,309
Net Position:		
Net investment in capital assets	\$ 386,210,817	\$ 377,965,278
Restricted	24,390,488	8,266,529
Unrestricted	20,863,921	22,791,937
Total net position	\$ 431,465,226	\$ 409,023,744

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 \$22,441,482 during the current fiscal year. The primary reason for this increase was from the construction of highways and streets in Scott County. In 2019 Scott County continued construction expansion of County Highways 16, 21, 42, 78, and 83. County Highways 16, 21, 42, 46 and 83 had \$15,213,967 of construction work either completed or in progress during 2019. The construction expenses of these projects are capitalized for the government-wide statements and depreciated over the useful life of the assets.

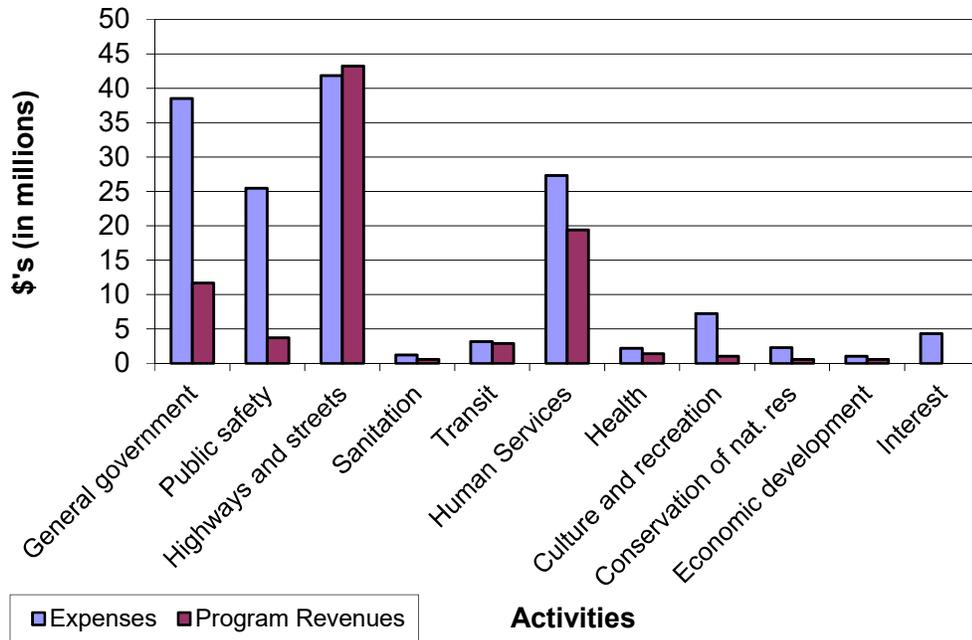
Scott County's Changes in Net Position

	Governmental Activities	
	2019	2018
Revenues:		
Program revenues:		
Fees, charges, fines and other	\$ 16,246,408	\$ 15,634,729
Operating grants & contributions	48,610,144	55,184,985
Capital grants & contributions	20,292,139	7,229,557
General revenues:		
Property taxes	68,952,056	66,683,380
Payment in lieu of taxes	89,456	88,752
Grants & contributions not restricted to specific programs	6,257,572	6,341,316
Investment earnings	3,876,238	1,742,300
Miscellaneous	12,727,387	11,550,454
Total Revenues	\$ 177,051,400	\$ 164,455,473
Expenses:		
General government	\$ 38,499,641	\$ 31,614,251
Public safety	25,483,922	23,349,244
Highway and streets	41,842,403	44,643,123
Sanitation	1,204,946	1,094,938
Transit	3,174,505	3,459,910
Human services	27,309,473	26,177,633
Health	2,200,983	2,056,077
Culture and recreation	7,228,148	3,589,510
Conservation of natural resources	2,272,840	2,801,249
Economic development	1,051,925	1,239,107
Interest	4,341,132	1,917,072
Total Expenses	\$ 154,609,918	\$ 141,942,114
Change in net position	\$ 22,441,482	\$ 22,513,359
Net Position 1/1	409,023,744	399,837,594
Change in accounting principle	0	(13,327,209)
Total Net position 1/1 as restated	409,023,744	386,510,385
Net position 12/31	\$ 431,465,226	\$ 409,023,744

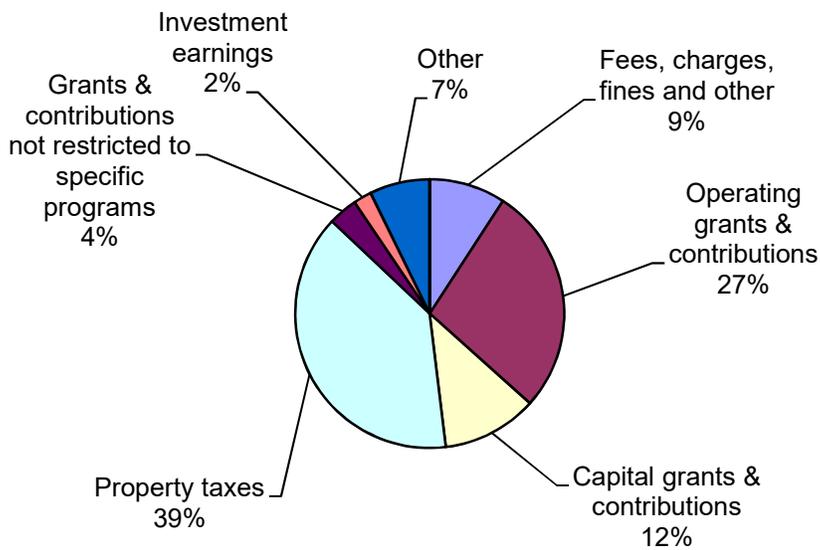
Revenue increased in 2019 and this was primarily due to capital grants and contributions increasing by \$13,062,582. This was due to an increase in grant funds on road construction projects. The primary drivers for this increase were increases in federal grant money for construction of a new interchange at Highway 169 and Highway 41. Expenses increased by \$12,667,804 with the changes coming from increased expenses in the General Government due to the increase in capital outlay for the construction of a new building, the increased expenses for

Culture and Recreation due to renovations at a park, the increases expenses for interest due to our increase in bonds.

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 \$142,657,637, an increase of \$65,138,175 in comparison with the prior year. Of the total amount, \$63,693,100, 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 drivers in the increase in fund balance was from an increase in grant funds on road construction projects and the issuance of new bonds for capital projects. The restricted fund balance associated with these increased \$6,502,368 and \$55,276,146, respectively in 2019.

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 \$39,158,577, while total fund balance increased to \$46,031,017. 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 37% of total General Fund expenditures, while total fund balance represents 43% of that same amount.

The fund balance of Scott County's General Fund increased by \$1,811,162 during the current fiscal year. Many favorable variances caused an increase to fund balance including an increase in investment earnings revenue. Revenues also increased due to greater social services grants.

The Watershed Management Organization Fund had a total fund balance of \$329,046 at the end of the current fiscal year. The fund balance of the Watershed Management Organization Fund decreased \$150,773 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 \$35,278,018 at the end of the current fiscal year. The fund balance of the Road and Bridge Construction Fund increased by \$5,989,245 during the current fiscal year due to the third full year of transportation sales tax received in 2019.

The Capital Improvement Fund had a total fund balance of \$58,070,574 at the end of the current fiscal year. The Capital Improvement Fund increased by \$56,796,397 during the fiscal year. This increase is primarily due to issuing bonds for capital projects that will be completed over the course of 3 years.

The Debt Service Fund had a total fund balance of \$1,559,088 at the end of the current fiscal year. The Debt Service Fund increased by \$841,269 during the current fiscal year. The increase was the result of receiving a premium on refunded bonds.

The Ditch Fund had a total fund balance of \$55,496 at the end of the current fiscal year. The fund balance of the Ditch Fund decreased by \$21,658 during the fiscal year. This decrease was due to increased ditch projects in 2019.

The Regional Railroad Authority Fund had a fund balance of \$97,632 at the end of the current fiscal year. The Fund balance of the Regional Railroad Authority increased by \$796 during the fiscal year. This increase is due to increased investment earnings.

The Law Library Fund had a total fund balance of \$403,967 at the end of the current fiscal year. The fund balance of the Law Library Fund increased by \$70,552 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 \$367,074 at the end of the current fiscal year. The fund balance of the Transportation Fund increased by \$30,122. This increase was due to increased investment earnings and a decrease in expenses.

The Regional Training Facility Fund had a fund balance of \$465,725 at the end of the current fiscal year. The fund balance of the Regional Training Facility Fund decreased by \$228,937. This decrease is due to increased expenses from repair of garage roof and shingles.

General Fund Budgetary Highlights

Between the original and final budget for 2019, there was an overall increase in revenue due to an increase in County State Aid Highway maintenance revenue and some changes due to shifting of revenue between categories. There was also an increase in highway maintenance from the increased revenue and changes in our IT department which was a planned expense in 2018 but started in 2019.

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, 2019, amounted to \$453,943,214 (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 6%.

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 \$28,881,932. Some of the major projects being worked on are County Highways 16, 21, 41, 42, 46 and 83.

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

	Governmental Activities	
	2019	2018
Land	\$ 101,551,468	\$ 99,921,525
Land Improvements	2,778,451	2,917,828
Buildings	41,888,749	43,799,962
Machinery and Equipment	7,881,986	9,683,629
Infrastructure	249,542,066	252,269,282
Construction in Progress	50,300,494	21,418,562
Total	\$ 453,943,214	\$ 430,010,788

Additional information on Scott County's capital assets can be found in the notes on pages 63 and 64 of this report.

Long-term Debt. At the end of the current fiscal year, Scott County had total bonded debt outstanding of \$120,138,185. This is an increase of \$68,092,675 from the start of the year. Current and future county tax levies are used to finance \$120,138,185 of the bond indebtedness.

- The increase in the total bonded debt is primarily related issuance of 2019A General Obligation Refund and CIP Bond.

**Scott County's Outstanding Debt
General Obligation Bonds**

	Governmental Activities	
	2019	2018
General Obligation Bonds	\$ 120,138,185	\$ 52,045,510

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 \$559,894,932, 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 66 - 68 of this report.

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for Scott County is currently 2.8%, which is an increase from a rate of 2.5% a year ago. This compares favorably to the State's average unemployment rate of 3.2% and the national average of 3.7%.

These factors were considered in preparing Scott County's budget for the 2019 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, 2019**

	Primary Government Governmental Activities	Component Unit Community Development Agency
<u>Assets</u>		
Cash and pooled investments	\$ 150,584,711	\$ 6,506,264
Petty cash and change funds	8,285	-
Taxes receivable		
Prior	516,887	-
Accounts receivable - net	962,099	110,717
Accrued interest receivable	311,657	-
Notes and loan receivable	1,050,961	1,900,000
Escrow receivable	-	431,158
Due from other governments	12,022,354	68,613
Inventories	1,214,992	-
Prepaid items	66,802	122,817
Restricted assets		
Cash and pooled investments	-	19,257,903
Noncurrent assets		
Net other postemployment benefits (OPEB) assets	1,841,104	-
Capital assets		
Non-depreciable	151,851,962	10,001,903
Depreciable - net of accumulated depreciation	302,091,252	53,590,380
Total Assets	\$ 622,523,066	\$ 91,989,755
<u>Deferred Outflows of Resources</u>		
Deferred charges on refunding	\$ -	\$ 434,805
Deferred pension contributions	2,289,991	-
Deferred pension economic experience difference	1,170,545	-
Deferred pension changes in actuarial assumptions	3,180,420	-
Deferred pension changes in proportionate share	1,166,088	-
Deferred other post employment benefits	-	67,498
Total Deferred Outflows of Resources	\$ 7,807,044	\$ 502,303

**SCOTT COUNTY
SHAKOPEE, MINNESOTA**

Exhibit 1
(Continued)

**STATEMENT OF NET POSITION
DECEMBER 31, 2019**

	Primary Government Governmental Activities	Component Unit Community Development Agency
<u>Liabilities</u>		
Accounts payable	\$ 2,606,847	\$ 1,599,651
Purchasing card payable	217	-
Salaries payable	1,803,896	61,839
Contracts payable	4,866,689	-
Retainage payable	2,645,963	-
Due to other governments	1,432,894	335,637
Accrued interest payable	600,648	489,961
Security deposit payable	-	354,927
Unearned revenue	178,978	110,981
Long-term liabilities:		
Due within one year		
General obligation bonds payable	2,735,000	-
Revenue bonds payable	-	1,570,000
Loans payable	195,003	410,427
Claims payable	929,764	-
Compensated absences	3,803,459	135,648
Due in more than one year		
General obligation bonds payable	117,403,185	-
Revenue bonds payable	-	50,194,815
Loans payable	1,138,116	2,179,158
Non current liabilities other	-	63,648
Compensated absences	1,968,593	20,898
Net pension liability	39,552,622	-
Net other post employment benefits liability	-	693,913
	\$ 181,861,874	\$ 58,221,503
<u>Deferred Inflows of Resources</u>		
Deferred pension economic experience difference	\$ 634,123	\$ -
Deferred pension investment results	4,950,903	-
Deferred pension changes in actuarial assumptions	9,826,649	-
Deferred pension changes in proportionate share	991,918	-
Deferred other post employment benefits	599,417	57,269
	\$ 17,003,010	\$ 57,269

**SCOTT COUNTY
SHAKOPEE, MINNESOTA**

Exhibit 1
(Continued)

**STATEMENT OF NET POSITION
DECEMBER 31, 2019**

	Primary Government Governmental Activities	Component Unit Community Development Agency
<u>Net Position</u>		
Net investment in capital assets	\$ 386,210,817	\$ 20,104,500
Restricted for		
Debt service	1,559,088	2,352,037
Equipment replacement	310,251	-
Solid waste	2,442,577	-
Human services	217,969	-
MNDOT allotments	1,983,891	-
Gravel pit closure	260,433	-
MRTS funding	104,370	-
Transportation sales tax projects	14,217,790	-
Veterans services	6,025	-
Local recycling program	801,182	-
E911	633,005	-
Aquatic invasive species program	254,032	-
Carrying permits	283,827	-
Sheriff's contingency	365,467	-
Sheriff's foreclosure sales surplus	15,878	-
Conservation of natural resources	66,030	-
Transportation initiative	367,074	-
Law library	403,967	-
Regional rail authority	97,632	-
Other purposes	-	4,801,089
Unrestricted	20,863,921	6,955,660
Total Net Position	\$ 431,465,226	\$ 34,213,286

**SCOTT COUNTY
SHAKOPEE, MINNESOTA**

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019**

	Expenses	Fees, Charges, Fines, and Other	Program Revenues Operating Grants and Contributions
<u>Functions/Programs</u>			
Primary government			
Governmental activities			
General government	\$ 38,499,641	\$ 8,592,703	\$ 3,102,303
Public safety	25,483,922	2,254,384	1,478,770
Highways and streets	41,842,403	1,294,732	21,648,060
Sanitation	1,204,946	163,972	413,718
Transit	3,174,505	484,027	2,397,820
Human services	27,309,473	2,920,275	16,500,739
Health	2,200,983	84,230	1,325,797
Culture and recreation	7,228,148	309,607	741,295
Conservation of natural resources	2,272,840	142,478	447,459
Economic development	1,051,925	-	554,183
Interest	4,341,132	-	-
Total Primary Government	<u>\$ 154,609,918</u>	<u>\$ 16,246,408</u>	<u>\$ 48,610,144</u>
Component unit			
Community Development Agency	<u>\$ 14,277,282</u>	<u>\$ 7,525,602</u>	<u>\$ 4,086,307</u>
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			
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
\$	\$	
-	(26,804,635)	
-	(21,750,768)	
20,292,139	1,392,528	
-	(627,256)	
-	(292,658)	
-	(7,888,459)	
-	(790,956)	
-	(6,177,246)	
-	(1,682,903)	
-	(497,742)	
-	(4,341,132)	
\$ 20,292,139	\$ (69,461,227)	
\$ 37,077		\$ (2,628,296)
	\$	\$
	68,952,056	3,229,990
	145,972	-
	1,364,240	-
	10,930,293	-
	278,850	-
	89,456	-
	6,257,572	159,791
	3,876,238	99,433
	8,032	126,436
	\$ 91,902,709	\$ 3,615,650
	\$ 22,441,482	\$ 987,354
	\$ 409,023,744	\$ 33,225,932
	\$ 431,465,226	\$ 34,213,286

**SCOTT COUNTY
SHAKOPEE, MINNESOTA**

**BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2019**

	General	Watershed Management Organization
<u>Assets</u>		
Cash and pooled investments	\$ 44,272,463	\$ 886,938
Petty cash and change funds	8,175	-
Taxes receivable		
Prior	404,453	8,853
Accounts receivable	867,747	-
Accrued interest receivable	180,944	1,694
Due from other governments	5,048,188	80,371
Prepaid items	66,802	-
Inventories	1,214,992	-
Loans receivable	-	-
	\$ 52,063,764	\$ 977,856
 <u>Liabilities, Deferred Inflows of Resources, and Fund Balances</u>		
Liabilities		
Accounts payable	\$ 2,072,294	\$ 54,998
Purchasing card payable	-	217
Salaries payable	1,793,030	8,285
Contracts payable	-	55,865
Retainage payable	-	2,866
Due to other governments	548,598	376,998
Unearned revenue	109,107	69,871
	\$ 4,523,029	\$ 569,100
Deferred Inflows of Resources		
Unavailable revenue	\$ 1,509,718	\$ 79,710
 Fund Balances		
Nonspendable		
Inventory	\$ 1,214,992	\$ -
Prepaid items	66,802	-

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>
\$ 33,207,457	\$ 62,247,975	\$ 1,563,855	\$ 1,368,400	\$ 143,547,088
-	-	-	110	8,285
33,688	15,306	49,023	-	511,323
88,170	-	-	6,182	962,099
96,100	6,883	7,382	4,546	297,549
6,866,751	4,260	-	22,784	12,022,354
-	-	-	-	66,802
-	-	-	-	1,214,992
-	1,050,961	-	-	1,050,961
<u>\$ 40,292,166</u>	<u>\$ 63,325,385</u>	<u>\$ 1,620,260</u>	<u>\$ 1,402,022</u>	<u>\$ 159,681,453</u>
\$ 218,267	\$ 241,001	\$ 10,500	\$ 9,787	\$ 2,606,847
-	-	-	-	217
-	2,581	-	-	1,803,896
769,949	4,040,875	-	-	4,866,689
2,100,409	542,688	-	-	2,645,963
97,436	409,819	-	43	1,432,894
-	-	-	-	178,978
<u>\$ 3,186,061</u>	<u>\$ 5,236,964</u>	<u>\$ 10,500</u>	<u>\$ 9,830</u>	<u>\$ 13,535,484</u>
<u>\$ 1,828,087</u>	<u>\$ 17,847</u>	<u>\$ 50,672</u>	<u>\$ 2,298</u>	<u>\$ 3,488,332</u>
\$ -	\$ -	\$ -	\$ -	\$ 1,214,992
-	-	-	-	66,802

**SCOTT COUNTY
SHAKOPEE, MINNESOTA**

**BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2019**

	General	Watershed Management Organization
Fund Balances (continued)		
Restricted		
Solid waste	2,442,577	-
Recorder's equipment	310,251	-
E-911	633,005	-
Local recycling development	801,182	-
Aquatic invasive species	254,032	-
Restricted for MRTS Capital Funding	-	-
Administering the carrying of weapons	283,827	-
Sheriff - foreclosure sales surplus	15,878	-
Law enforcement	365,467	-
Gravel pit closure	260,433	-
Veteran's services	6,025	-
Debt service	-	-
Transportation tax construction projects	-	-
Ditch maintenance and repairs	-	-
Law library	-	-
Capital Expenditures	-	-
Regional railroad authority	-	-
Transportation initiative	-	-
Restricted for child protection	199,024	-
Restricted for adult protection	18,945	-
Committed		
Committed for treatment court	518,217	-
Assigned		
Wheelage tax construction projects	-	-
County parks	800,734	-
Water quality	60,326	-
Library operations	299,044	-
Meth task force	318,265	-
Sheriff	217,563	-
Juvenile alternative facility wood program	6,700	-
Extension services	4,598	-
Elections	78,020	-
Juvenile restitution	100,873	-
Septic loan program	15,150	-
Contracted purchase	509,054	-
New options & mobile crisis response	482,000	-
Parks acquisition	-	-
Road & bridge construction	-	-
Capital improvement	-	-
Water Management Organization (WMO)	-	329,046
Public safety	-	-
Unassigned	35,748,033	-
Total Fund Balances	\$ 46,031,017	\$ 329,046
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 52,063,764	\$ 977,856

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

Exhibit 3
(Continued)

<u>Road and Bridge Construction</u>	<u>Capital Improvement</u>	<u>Debt Service</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
-	-	-	-	2,442,577
-	-	-	-	310,251
-	-	-	-	633,005
-	-	-	-	801,182
-	-	-	-	254,032
-	104,370	-	-	104,370
-	-	-	-	283,827
-	-	-	-	15,878
-	-	-	-	365,467
-	-	-	-	260,433
-	-	-	-	6,025
-	-	1,559,088	-	1,559,088
14,217,790	-	-	-	14,217,790
-	-	-	66,030	66,030
-	-	-	403,967	403,967
-	55,276,146	-	-	55,276,146
-	-	-	97,632	97,632
-	-	-	367,074	367,074
-	-	-	-	199,024
-	-	-	-	18,945
-	-	-	-	518,217
334,063	-	-	-	334,063
-	-	-	-	800,734
-	-	-	-	60,326
-	-	-	-	299,044
-	-	-	-	318,265
-	-	-	-	217,563
-	-	-	-	6,700
-	-	-	-	4,598
-	-	-	-	78,020
-	-	-	-	100,873
-	-	-	-	15,150
-	-	-	-	509,054
-	-	-	-	482,000
-	120,000	-	-	120,000
20,726,165	-	-	-	20,726,165
-	2,570,058	-	-	2,570,058
-	-	-	-	329,046
-	-	-	465,725	465,725
-	-	-	(10,534)	35,737,499
<u>\$ 35,278,018</u>	<u>\$ 58,070,574</u>	<u>\$ 1,559,088</u>	<u>\$ 1,389,894</u>	<u>\$ 142,657,637</u>
<u>\$ 40,292,166</u>	<u>\$ 63,325,385</u>	<u>\$ 1,620,260</u>	<u>\$ 1,402,022</u>	<u>\$ 159,681,453</u>

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, 2019**

Fund balances - total governmental funds (Exhibit 3)		\$ 142,657,637
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.		453,943,214
Net Other Post Employment (OPEB) assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		1,841,104
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.		3,488,332
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:		6,127,531
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		7,807,044
Deferred inflows related to pensions and other post employment benefits		(17,003,010)
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	\$ (120,138,185)	
Loans payable	(1,333,119)	
Compensated absences	(5,772,052)	
Accrued interest payable	(600,648)	
Net pension liability	<u>(39,552,622)</u>	<u>(167,396,626)</u>
Net Position of Governmental Activities (Exhibit 1)		<u>\$ 431,465,226</u>

**SCOTT COUNTY
SHAKOPEE, MINNESOTA**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019**

	General	Watershed Management Organization
Revenues		
Taxes	\$ 54,986,068	\$ 1,198,357
Special assessments	720,062	-
Licenses and permits	2,165,178	-
Intergovernmental	36,781,196	382,973
Charges for services	10,644,451	16,728
Fines and forfeits	678,083	-
Gifts and contributions	118,356	-
Investment earnings	1,208,415	10,681
Miscellaneous	1,612,846	-
	\$ 108,914,655	\$ 1,608,739
Expenditures		
Current		
General government	\$ 30,699,523	\$ -
Public safety	23,119,339	-
Highways and streets	10,854,388	-
Sanitation	1,204,946	-
Transit	3,186,077	-
Human services	27,938,280	-
Health	2,221,170	-
Culture and recreation	5,367,315	-
Conservation of natural resources	588,651	1,660,060
Economic development	1,050,201	-
Intergovernmental		
Highways and streets	251,719	-
Capital outlay		
	-	-
Debt service		
Principal	179,250	98,468
Interest	-	984
Bond issuance costs	-	-
Administrative (fiscal) charges	-	-
	\$ 106,660,859	\$ 1,759,512
Excess of Revenues Over (Under)		
Expenditures	\$ 2,253,796	\$ (150,773)

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>
\$ 16,784,960	\$ 2,195,501	\$ 6,496,629	\$ -	\$ 81,661,515
-	-	-	6,283	726,345
-	-	-	-	2,165,178
36,591,863	346,328	-	499,986	74,602,346
541,351	37,180	-	430,614	11,670,324
-	-	-	-	678,083
-	-	-	250	118,606
907,834	1,703,871	27,726	31,106	3,889,633
2,594	21,737	-	708	1,637,885
<u>\$ 54,828,602</u>	<u>\$ 4,304,617</u>	<u>\$ 6,524,355</u>	<u>\$ 968,947</u>	<u>\$ 177,149,915</u>
\$ -	\$ -	\$ -	\$ 132,866	\$ 30,832,389
-	-	-	583,285	23,702,624
-	-	-	111,626	10,966,014
-	-	-	-	1,204,946
-	-	-	-	3,186,077
-	-	-	-	27,938,280
-	-	-	-	2,221,170
-	-	-	-	5,367,315
-	-	-	29,097	2,277,808
-	-	-	650	1,050,851
-	-	-	-	251,719
47,955,723	18,929,185	-	-	66,884,908
-	-	4,254,405	-	4,532,123
-	-	3,419,301	-	3,420,285
-	1,110,239	-	-	1,110,239
-	-	20,424	-	20,424
<u>\$ 47,955,723</u>	<u>\$ 20,039,424</u>	<u>\$ 7,694,130</u>	<u>\$ 857,524</u>	<u>\$ 184,967,172</u>
<u>\$ 6,872,879</u>	<u>\$ (15,734,807)</u>	<u>\$ (1,169,775)</u>	<u>\$ 111,423</u>	<u>\$ (7,817,257)</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, 2019**

	<u>General</u>	<u>Watershed Management Organization</u>
Other Financing Sources (Uses)		
Transfers in	\$ 844,923	\$ -
Transfers out	(1,503,663)	-
Issuance of G.O. Bonds	-	
Issuance of refunding bonds	-	
Refunding of long-term debt	-	
Premium on refunding bonds issued	-	
Issuance of septic loans	216,106	-
Sale of capital assets	-	-
	<hr/>	<hr/>
Total Other Financing Sources (Uses)	\$ (442,634)	\$ -
	<hr/>	<hr/>
Net Change in Fund Balance	\$ 1,811,162	\$ (150,773)
	<hr/>	<hr/>
Fund Balance - January 1	44,219,855	479,819
	<hr/>	<hr/>
Fund Balance - December 31	\$ 46,031,017	\$ 329,046
	<hr/> <hr/>	<hr/> <hr/>

Exhibit 5
(Continued)

<u>Road and Bridge Construction</u>	<u>Capital Improvement</u>	<u>Debt Service</u>	<u>Other Governmental Funds</u>	<u>Total</u>
\$ -	\$ 2,076,807	\$ -	\$ -	\$ 2,921,730
(883,634)	(273,885)	-	(260,548)	(2,921,730)
-	69,555,000	-	-	69,555,000
-	-	7,875,000	-	7,875,000
-	-	(8,105,000)	-	(8,105,000)
-	1,110,239	2,241,044	-	3,351,283
-	-	-	-	216,106
-	63,043	-	-	63,043
<u>\$ (883,634)</u>	<u>\$ 72,531,204</u>	<u>\$ 2,011,044</u>	<u>\$ (260,548)</u>	<u>\$ 72,955,432</u>
\$ 5,989,245	\$ 56,796,397	\$ 841,269	\$ (149,125)	\$ 65,138,175
<u>29,288,773</u>	<u>1,274,177</u>	<u>717,819</u>	<u>1,539,019</u>	<u>77,519,462</u>
<u><u>\$ 35,278,018</u></u>	<u><u>\$ 58,070,574</u></u>	<u><u>\$ 1,559,088</u></u>	<u><u>\$ 1,389,894</u></u>	<u><u>\$ 142,657,637</u></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, 2019**

Net change in fund balances - total governmental funds (Exhibit 5) \$ 65,138,175

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	\$ 3,488,332	
Deferred inflows of resources - unavailable revenue - January 1	<u>(3,197,705)</u>	290,627

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	\$ 36,165,127	
Net book value of assets sold	(1,139,843)	
Current year depreciation	<u>(11,092,858)</u>	23,932,426

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		
Issuance of new bond proceeds	\$ (80,781,283)	
Septic loans issued	<u>(216,106)</u>	(80,997,389)

Principal repayments		
General obligation bonds	\$ 12,290,000	
Loans payable	<u>317,948</u>	12,607,948

Current year amortization of discounts and premiums		398,608
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**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, 2019**

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	\$	(159,617)	
Change in compensated absences		(116,367)	
Change in net other post employment benefits liability or asset		3,598,720	
Change in deferred other post employment benefits inflows		(599,417)	
Change in deferred other post employment benefit outflows		(1,311,980)	
Change in net pension liability		198,062	
Change in deferred pension outflows		(7,153,356)	
Change in deferred pension inflows		6,023,007	479,052

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			592,035
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Change in Net Position of Governmental Activities (Exhibit 2)			\$ 22,441,482
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SCOTT COUNTY
SHAKOPEE, MINNESOTA

Exhibit 7

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2019

	<u>Governmental Activities Internal Service Funds</u>
<u>Assets</u>	
Current Assets:	
Cash and pooled investments	\$ 7,037,623
Taxes receivable	
Prior	5,564
Accrued interest receivable	<u>14,108</u>
Total Assets	\$ 7,057,295
<u>Liabilities</u>	
Current Liabilities:	
Claims payable	<u>929,764</u>
<u>Net Position</u>	
Net position unrestricted	<u><u>\$ 6,127,531</u></u>

**SCOTT COUNTY
SHAKOPEE, MINNESOTA**

Exhibit 8

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019**

	Governmental Activities Internal Service Funds
Operating Revenues	
Charges for services	\$ 13,261,827
Miscellaneous	486,041
	13,747,868
Total Operating Revenues	\$ 13,747,868
Operating Expenses	
Professional services	13,955,005
	(13,955,005)
Operating Income (Loss)	\$ (207,137)
Nonoperating Revenues (Expenses)	
Property taxes	\$ 699,838
Investment earnings	99,334
	799,172
Total Nonoperating revenues (expenses)	\$ 799,172
Change in Net Position	\$ 592,035
Net Position - January 1	5,535,496
Net Position - December 31	\$ 6,127,531

**SCOTT COUNTY
SHAKOPEE, MINNESOTA**

Exhibit 9

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019
Increase (Decrease) in Cash and Cash Equivalents**

		Governmental Activities Internal Service Funds
		<u> </u>
Cash Flows from Operating Activities		
Receipts from customers and users	\$	3,529,660
Receipts from internal services provided		9,732,167
Receipts from insurance provider		486,041
Payments to suppliers		<u>(13,767,615)</u>
Net cash provided by (used in) operating activities	\$	<u>(19,747)</u>
Cash Flows from Noncapital Financing Activities		
Property taxes	\$	<u>700,000</u>
Cash Flows from Investing Activities		
Investment earnings received	\$	<u>109,942</u>
Net Increase (Decrease) in Cash and Cash Equivalents	\$	790,195
Cash and Cash Equivalents at January 1		<u>6,247,428</u>
Cash and Cash Equivalents at December 31	\$	<u><u>7,037,623</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities		
Operating income (loss)	\$	(207,137)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities		
Increase (decrease) in claims payable		<u>187,390</u>
Net Cash Provided by (Used in) Operating Activities	\$	<u><u>(19,747)</u></u>

**SCOTT COUNTY
SHAKOPEE, MINNESOTA**

Exhibit 10

**STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2019**

	<u>Investment Trust</u>	<u>Other Postemployment Benefits Trust Fund</u>	<u>Agency Funds</u>
<u>Assets</u>			
Cash and pooled investments	\$ 54,749	\$ -	\$ 2,474,606
Accounts Receivable	-	-	742
OPEB irrevocable trust investments	-	21,923,956	-
Accrued interest receivable	114	-	492
Due from other governments	-	-	73,776
	<hr/>	<hr/>	<hr/>
Total Assets	\$ 54,863	\$ 21,923,956	\$ 2,549,616
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<u>Liabilities</u>			
Accounts payable	\$ -	\$ -	\$ 12,897
Due to other governments	-	-	2,536,719
	<hr/>	<hr/>	<hr/>
Total Liabilities	\$ -	\$ -	\$ 2,549,616
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<u>Net Position</u>			
Net position, held in trust for pool participants	\$ 54,863	\$ -	
Net position, restricted for OPEB	-	21,923,956	
	<hr/>	<hr/>	
Total Net Position	\$ 54,863	\$ 21,923,956	
	<hr/> <hr/>	<hr/> <hr/>	

**SCOTT COUNTY
SHAKOPEE, MINNESOTA**

Exhibit 11

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>Investment Trust</u>	<u>Other Postemployment Benefits Trust Fund</u>
<u>Additions</u>		
Employer Contributions	\$ -	\$ 1,913,590
Investment earnings	766	3,351,614
Total Additions	\$ 766	\$ 5,265,204
<u>Deductions</u>		
Investment expense	\$ -	\$ 1,637
Retiree health premiums	-	1,363,590
Total Deductions	\$ -	\$ 1,365,227
Change in net position	\$ 766	\$ 3,899,977
Net Position - January 1	54,097	18,023,979
Net Position - December 31	\$ 54,863	\$ 21,923,956

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, 2019**

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, 2019. 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, 2019**

<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.B. The County also participates in jointly-governed organizations which are described in Note 8.C.

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 on fees

**SCOTT COUNTY
SHAKOPEE, MINNESOTA**

**NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2019**

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, 2019**

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, 2019**

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, 2019**

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, 2019. 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 2019 were \$749,111.

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, 2019**

- (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.

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

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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.

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:

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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.

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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.

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

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(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 two types of deferred inflows. 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.

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.

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

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.

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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, 2019, 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.

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.

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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.

2. Stewardship, Compliance and Accountability

Deficit Fund Equity

The Ditch Fund had a deficit unassigned fund balance of \$10,534 as of December 31, 2019. This deficit was caused by the timing of ditch maintenance expenses. A special assessment will be made to correct this problem.

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Excess of Expenditures

The Debt Service Fund expenditures of \$7,694,130 exceeded the final budget of \$6,496,629 by \$1,197,501 due to the issuance of 2019A General Obligation Refund and Capital Improvement Bonds. The county issued \$77,430,000 General Obligation Refund and Capital Improvement Plan Series 2019A and the interest payment due in 2019 was not included in the budget.

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, 2019, as follows:

<u>Business</u>	<u>Percentage of Taxes Abated during The Fiscal Year</u>	<u>Amount of Taxes Abated During the Fiscal Year</u>
Rosemount, Inc.	57	\$ 64,401
Datacard Corporation	39	32,070
Shutterfly, Inc.	76	59,236

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)

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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, 2019, as shown below:

Tax Abatement Program	Taxes Abated
Tax Increment Financing:	
City of:	
Jordan	\$ 159,433
Prior Lake	643,790
Savage	305,061
Shakopee	323,909

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	\$ 150,584,711
Petty cash and change funds	8,285
Statement of fiduciary net position	
OPEB irrevocable trust investment	21,923,956
Cash and pooled investments	
Investment trusts fund	54,749
Agency funds	2,474,606
Total Cash and Investments	\$ 175,046,307
Deposits	\$ 3,059,571
Petty cash and change funds	8,285
Investments	171,978,451
Total Deposits, Cash on Hand, and Investments	\$ 175,046,307

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As of December 31, 2019, 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	\$ 3,947,402	*AA+	3.05
Negotiable certificates of deposit	22,925,558	N/A	2.93
Mutual funds	73,117,567	*AAA	0.00
Municipal bonds	14,693	*AA-	
Municipal bonds	11,072	*A+	
Municipal bonds	162,284	*BBB-	
Total municipal bonds	188,049		7.12
Commercial paper	49,875,919	*A-1	0.13
Money in external investment pool	21,923,956	N/A	0.00
Total fair value	\$171,978,451		
Portfolio weighted average maturity			1.14

*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.

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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, and the external investment pool (Minnesota State Board of Investment). These investments are 13.3%, 29.0%, and 12.7%, 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, 2019, all of Scott County's deposits were insured or collateralized in accordance with Minnesota statutes.

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, 2019, 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.

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At December 31, 2019, Scott County had the following recurring fair value measurements.

	Fair Value Measurements Using			
	December 31, 2019	Level 1	Level 2	Level 3
Investments by fair value				
Debt Securities				
US Agencies	\$ 3,947,402	\$ -	\$ 3,947,402	\$ -
Municipal/Public Bonds	188,049	-	188,049	-
Negotiable Certificates of Deposit	22,925,558	-	22,925,558	-
Commercial Paper	49,875,919	49,875,919	-	-
Money Market Mutual Funds	73,117,567	73,117,567	-	-
Total Debt Securities	\$ 150,054,495	\$ 122,993,486	\$ 27,061,009	\$ -

The County also holds funds with the State Board of Investments, an external investment pool. At year-end the funds held were \$21,923,956 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, 2019, are:

	Total Receivable	Amounts Not Scheduled for Collection in the Subsequent Year
Taxes	\$ 516,887	\$ -
Accounts receivable	962,099	-
Accrued interest receivable	311,657	-
Loans receivable	1,050,961	982,961
Due from other governments	12,022,354	-
Total receivables for governmental activities	\$ 14,863,958	\$ 982,961

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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.

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	\$ 511,323	\$ -
Account receivables that do not provide current financial resources	125,094	-
Grant receivables that do not provide current financial resources	2,736,005	-
Interest receivable that does not provide current financial resources	115,910	-
Grant drawdowns prior to meeting all Eligibility requirements	-	178,978
Total	<u>\$ 3,488,332</u>	<u>\$ 178,978</u>

Detail of loans receivable

The loans receivable balance includes \$703,637 to City of Jordan for library and \$347,324 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, 2019, was as follows:

Governmental Activities

	Beginning Balance	Increase	Decreases	Ending Balance
Capital assets, not being depreciated				
Land	\$ 99,921,525	\$ 1,629,943	\$ -	\$ 101,551,468
Construction in progress	21,418,562	33,181,530	4,299,598	50,300,494
Total capital assets, not being depreciated	<u>\$ 121,340,087</u>	<u>\$ 34,811,473</u>	<u>\$ 4,299,598</u>	<u>\$ 151,851,962</u>

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	Beginning Balance	Increase	Decreases	Ending Balance
Continued:				
Capital assets being depreciated				
Land improvements	\$ 3,570,979	\$ 39,213	\$ -	\$ 3,610,192
Buildings	78,473,160	-	243,723	78,229,437
Machinery, furniture, equipment, and vehicles	27,179,921	1,623,884	2,390,911	26,412,894
Infrastructure	325,323,532	3,990,155	-	329,313,687
Total capital assets being depreciated	\$ 434,547,592	\$ 5,653,252	\$ 2,634,634	\$ 437,566,210
Less: accumulated depreciation				
Land improvements	\$ 653,151	\$ 178,590	\$ -	\$ 831,741
Buildings	34,673,198	1,760,409	92,919	36,340,688
Machinery, furniture, equipment, and vehicles	17,496,292	2,436,488	1,401,872	18,530,908
Infrastructure	73,054,250	6,717,371	-	79,771,621
Total accumulated depreciation	\$ 125,876,891	\$ 11,092,858	\$ 1,494,791	\$ 135,474,958
Total capital assets, being depreciated, net	\$ 308,670,701	\$ (5,439,606)	\$ 1,139,843	\$ 302,091,252
Governmental Activities Capital Assets, Net	\$ 430,010,788	\$ 29,371,867	\$ 5,439,441	\$ 453,943,214

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

Governmental Activities	
General government	\$ 1,485,772
Public safety	2,079,255
Highways and streets, including depreciation of infrastructure assets	7,295,983
Culture and recreation	228,685
Human services	3,163
	\$ 11,092,858
Total Depreciation Expense - Governmental Activities	\$ 11,092,858

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B. Interfund Receivables, Payables, and Transfers

Interfund Transfers

Interfund transfers for the year ended December 31, 2019, consisted of the following:

Transfers to General Fund from the Road and Bridge Construction Fund	\$ 571,038	Provide funds for additional transit services and additional seal coating projects across the county.
Transfers to Capital Improvement Fund from the General Fund	1,503,663	Provide funds for capital outlay for systems updates for taxation, land records, and computer assisted mass appraisal, and park acquisition, fiber ring network, LEC water heater, fire pump controller replacement, and investment earnings for capital.
Transfers to General Fund from the Capital Improvement Fund	273,885	Provide funds for E-permitting, hosting and upgrade to Caseworks, and park acquisition.
Transfers to Capital Improvement Fund from the Regional Training Facility Fund	260,548	Provide funds for HVAC repairs and maintenance.
Transfers to Capital Improvement Fund from the Road and Bridge Construction Fund	312,596	Provide funds for replacement of Trapeze system, roof replacement on MRTS, and highway survey equipment.
Total Interfund Transfers	<u>\$ 2,921,730</u>	

C. Liabilities

1. Construction Commitments

The government has active construction projects as of December 31, 2019. The projects include the following:

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	Spent-to-Date	Remaining Commitment
Governmental Activities		
General government	\$ 12,085,946	\$ 22,042,170
Conservation of natural resources	71,577	127,348
Culture and recreation	456,915	1,271,872
Roads and bridges	65,756,863	29,931,015
Total	\$ 78,371,301	\$ 53,372,405

2. Leases

Operating Leases

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

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 \$1,652,626 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, 2019
2012A G.O. Refund Law Enforcement Bonds	2033	\$820,000 - \$1,745,000	3.00-4.50	\$ 24,570,000	\$ 19,140,000
2014A G.O. Capital Improvement Bonds	2034	\$125,000 - \$225,000	2.00-3.50	3,355,000	2,680,000

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Types of Indebtedness	Final Maturity	Installment Amounts	Interest Rates (%)	Original Issue Amount	Outstanding Balance December 31, 2019
2014B G.O. Refund CIP Bonds	2027	\$1,410,000- \$2,020,000	4.00-5.00	17,170,000	14,290,000
2019A G.O. Refund and CIP Bonds	2044	\$1,360,000 - \$5,910,000	3.125- 5.000	<u>77,430,000</u>	<u>77,430,000</u>
Total general obligation bonds				<u>\$ 122,525,000</u>	\$ 113,540,000
Plus: unamortized premium / discount					<u>6,598,185</u>
Total General Obligation Bonds, net					<u>\$ 120,138,185</u>
Loans payable:					
2006 Citimortgage, Inc.	2022	\$40,555 - \$81,110	4.29	\$ 896,080	\$ 187,089
Septic Loan	2031	\$2,547 - \$31,213	0.00	<u>1,652,626</u>	<u>1,146,030</u>
Total Loans Payable				<u>\$ 2,548,706</u>	<u>\$ 1,333,119</u>

Debt Service Requirements

Debt service requirements at December 31, 2019, were as follows:

Year Ending December 31	General Obligation Bonds		Loans Payable	
	Principal	Interest	Principal	Interest
2020	\$ 2,735,000	\$ 4,156,181	\$ 195,003	\$ 6,613
2021	2,945,000	4,030,431	210,417	3,443
2022	4,300,000	3,904,631	176,252	491
2023	4,490,000	3,714,156	139,704	-
2024	4,685,000	3,515,181	142,279	-
2025-2029	22,395,000	14,395,931	457,447	-
2030-2034	20,245,000	10,221,331	12,017	-
2035-2039	23,930,000	6,533,506	-	-
2040-2044	27,815,000	2,654,244	-	-
Total	<u>\$ 113,540,000</u>	<u>\$ 53,125,592</u>	<u>\$ 1,333,119</u>	<u>\$ 10,547</u>

Amounts recorded as loans payable do not reflect funds received from the Minnesota Department of Agriculture between October 10, 2019 and December 31 of \$25,375, as the most current repayment schedule was provided in September, 2019

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6. Changes in Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2019, was as follows:

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
Bonds Payable					
General obligation bonds	\$ 48,400,000	\$ 77,430,000	\$ 12,290,000	\$ 113,540,000	\$ 2,735,000
Unamortized Premiums/ Discounts	3,645,510	3,351,283	398,608	6,598,185	-
Loans payable	1,434,961	216,106	317,948	1,333,119	195,003
Compensated absences	5,655,685	5,324,599	5,208,232	5,772,052	3,803,459
Long-Term Liabilities	<u>\$ 59,136,156</u>	<u>\$ 86,321,988</u>	<u>\$ 18,214,788</u>	<u>\$ 127,243,356</u>	<u>\$ 6,733,462</u>

In 2019, the County issued \$7,875,000 General Obligation Refunding Bonds Series 2019A to refund the 2009A General Obligation Capital Improvement Bonds. The \$7,875,000 General Obligation Refunding Bonds Series 2019A is a part of the overall \$77,430,000 General Obligation Capital Improvement Plan and Refunding Bonds Series 2019A. The Refunding Bonds bear an average coupon of 5.00 percent. As a result of the refunding issue, the County achieved an economic gain (the present value of the difference between old and new debt service) of \$623,930.

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

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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 ten percent for each year of service until fully vested after ten years. Benefits for members first hired after June 30, 2014, vest on a prorated basis from 50 percent after ten years and increasing five 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 facility and its inmates are covered by the Correctional Plan (accounted for in the Correctional

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Fund). For members hired after June 30, 2010, benefits vest on a prorated basis starting with 50 percent after five years and increasing ten percent for each year of service until fully vested after ten 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.

Beginning January 1, 2019, General Employees Plan benefit recipients will receive a post-retirement increase equal to 50 percent of the cost of living adjustment announced by the Social Security Administration, with a minimum increase of at least 1.00 percent and maximum of 1.50 percent. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase will receive the full increase. For recipients receiving the annuity or benefit for at least one month but less than a full year as of the June 30 before the effective date of the increase will receive a reduced prorated increase. For members retiring on January 1, 2024, or later, the increase will be delayed until normal retirement age (age 65 if hired prior to July 1, 1989, or age 66 for individuals hired on or after July 1, 1989). Members retiring under the Rule of 90 are exempt from the delay to normal retirement.

Beginning January 1, 2019, Police and Fire Plan benefit recipients will receive a 1.00 percent post-retirement increase. Recipients that have been receiving the annuity or benefit for at least 36 months as of the June 30 before the effective date of the increase will receive the full increase. For recipients receiving the annuity or benefit for at least 25 months but less than 36 months as of the June 30 before the effective date of the increase will receive a reduced prorated increase.

Beginning January 1, 2019, Correctional Plan benefit recipients will receive a post-retirement increase equal to 100 percent of the cost of living adjustment announced by the Social Security Administration, with a minimum increase of at least 1.00 percent and maximum of 2.50 percent. If the Correctional Plan's funding status declines to 85 percent or below for two consecutive years or 80 percent for one year, the maximum will be lowered from 2.50 percent to 1.50 percent. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase will receive the full increase. For recipients

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receiving the annuity or benefit for at least one month but less than a full year as of the June 30 before the effective date of the increase will receive a reduced prorated increase.

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 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 ten 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.

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 2019. Police and Fire Plan members were

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required to contribute 11.30 percent of their annual covered salary in 2019. Correctional Plan members were required to contribute 5.83 percent of their annual covered salary in 2019.

In 2019, 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	16.95
Correctional Plan	8.75

The Police and Fire Plan member and employer contribution rates increased 0.50 percent and 0.75 percent, respectively, from 2018.

The County's contributions for the year ended December 31, 2019, to the pension plans were:

General Employees Plan	\$ 3,430,413
Police and Fire Plan	711,063
Correctional Plan	409,090

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

4. Pension Costs

General Employees Plan

At December 31, 2019, the County reported a liability of \$35,140,900 for its proportionate share of the General Employees Plan's net pension liability. The net pension liability was measured as of June 30, 2019, 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, 2018, through June 30, 2019, relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2019, the County's proportion was 0.6356 percent. It was 0.6392 percent measured as of June 30, 2018. The County recognized pension expense of \$4,379,850 for its proportionate share of the General Employees Plan's pension expense.

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The County also recognized \$81,802 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 annually.

The County's proportionate share of the net pension liability	\$ 35,140,900
State of Minnesota's proportionate share of the net pension liability associated with the County	1,092,286
Total	\$ 36,233,186

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:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 991,216	\$ -
Changes in actuarial assumptions	-	2,819,082
Difference between projected and actual investment earnings	-	3,750,930
Changes in proportion	799,771	816,905
Contributions paid to PERA subsequent to measurement date	1,718,776	-
Total	\$ 3,509,763	\$ 7,386,917

The \$1,718,776 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, 2020. 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	\$ (1,609,994)
2020	(3,284,970)
2021	(757,595)
2022	56,629

Police and Fire Plan

At December 31, 2019, the County reported a liability of \$4,116,811 for its proportionate share of the Police and Fire Plan’s net pension liability. The net pension liability was measured as of June 30, 2019, 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, 2018, through June 30, 2019, relative to the total employer contributions received from all of PERA’s participating employers. At June 30, 2019, the County’s proportion was 0.3867 percent. It was 0.3670 percent measured as of June 30, 2018. The County recognized pension expense of \$581,313 for its proportionate share of the Police and Fire Plan’s pension expense.

The County also recognized \$52,204 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, or until the State Patrol Plan is 90 percent funded, whichever occurs later. In addition, the state will pay direct state aid of \$4.5 million on October 1, 2018, and October 1, 2019, and \$9 million by October 1 of each subsequent year until full funding is reached or July 1, 2048, whichever is earlier.

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:

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	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 168,644	\$ 585,567
Changes in actuarial assumptions	3,180,420	4,412,724
Difference between projected and actual investment earnings	-	823,389
Changes in proportion	362,777	40,728
Contributions paid to PERA subsequent to measurement date	363,271	-
 Total	 \$ 4,075,112	 \$ 5,862,408

The \$363,271 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, 2020. 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
2020	\$ (223,904)
2021	(513,790)
2022	(1,472,082)
2023	27,696
2024	31,513

Correctional Plan

At December 31, 2019, the County reported a liability of \$294,911 for its proportionate share of the Correctional Plan's net pension liability. The net pension liability was measured as of June 30, 2019, 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, 2018, through June 30, 2019, relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2019, the County's proportion was 2.1301 percent. It was 2.1014 percent measured as of June 30, 2018. The County recognized pension expense of \$554,719 for its proportionate share of the Correctional Plan's pension expense.

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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	\$ 10,685	\$ 48,556
Changes in actuarial assumptions	-	2,594,843
Difference between projected and actual investment earnings	-	376,584
Changes in proportion	3,540	134,285
Contributions paid to PERA subsequent to measurement date	207,944	-
Total	\$ 222,169	\$ 3,154,268

The \$207,944 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, 2020. 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
2020	\$ (1,647,041)
2021	(1,405,966)
2022	(89,895)
2023	2,859

Total Pension Expense

The total pension expense for all plans recognized by the County for the year ended December 31, 2019, was \$5,515,882.

5. Actuarial Assumptions

The total pension liability in the June 30, 2019, actuarial valuation was determined using the individual entry age normal actuarial cost method and the following additional actuarial assumptions:

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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, 2019, valuations 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. The mortality assumptions for the Correctional Pan is based on the Police and Fire Plan experience study. Inflation and investment assumptions for all plans were reviewed in the experience study report for the General Employees Plan dated June 27, 2019.

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	35.50%	5.10%
International equity	17.50	5.30
Fixed income	20.00	0.75
Private markets	25.00	5.90
Cash equivalents	2.00	0.00

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6. Discount Rate

The discount rate used to measure the total pension liability was 7.50 percent in 2019, which remained consistent with 2018. 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 positions of the General Employees Plan, the Police and Fire Plan, and the 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 2019:

General Employees Plan

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

Police and Fire Plan

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

Correctional Plan

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

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 one percentage point lower or one percentage point higher than the current discount rate:

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	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	%	\$ 57,769,748	6.50	%	\$ 8,998,586	6.50	%	\$ 3,143,154
Current	7.50		35,140,900	7.50		4,116,811	7.50		294,911
1% Increase	8.50		16,456,288	8.50		80	8.50		(1,984,146)

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 five percent of salary, which is matched by the employer. Employee and employer contributions are combined and used to purchase shares in one or more of the seven accounts of the Minnesota Supplemental Investment Fund. For administering the plan, PERA receives two 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, 2019, were:

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	Employee	Employer
Contribution amount	\$ 13,897	\$ 13,897
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. PERA serves as the trust administrator for the irrevocable trust account.

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.

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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, actuarial valuation, the following employees were covered by the benefit terms:

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

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 2019, Scott County contributed \$1,913,590 to the plan.

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E. Total OPEB Liability (Asset)

The County's net OPEB asset of \$1,841,104 was measured as of December 31, 2019 and was determined by an actuarial valuation as of December 31, 2018.

The components of the net OPEB asset of Scott County at December 31, 2019, were as follows:

Total OPEB liability	\$ 20,082,852
Plan fiduciary net position	<u>21,923,956</u>
Net OPEB liability (asset)	<u>\$ (1,841,104)</u>
Plan fiduciary net position as a percentage of the total OPEB liability	109.2%
Covered payroll	\$ 49,700,000
Net OPEB liability (asset) as a percentage of covered payroll	-3.7%

Investments

The OPEB investments are held in an irrevocable trust and invested 53 percent in a Non-Retirement Bond Fund and 47 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.

Rate of Return

For the year ended December 31, 2019, the annual money-weighted rate of return on investments, net of investment expense, was 18.32 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-

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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 (Asset)

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (Asset) (a - b)
Balance at January 1, 2019	\$ 19,781,595	\$ 18,023,979	\$ 1,757,616
Changes for the year			
Service cost	216,151	-	216,151
Interest	1,448,696	-	1,448,696
Benefit payments	(1,363,590)	(1,363,590)	-
Contributions - employer	-	1,913,590	(1,913,590)
Net investment income	-	3,351,614	(3,351,614)
Administrative expense	-	(1,637)	1,637
Net change	301,257	3,899,977	(3,598,720)
Balance at December 31, 2019	\$ 20,082,852	\$ 21,923,956	\$ (1,841,104)

Net OPEB Liability (Asset) Sensitivity

The following presents the net OPEB liability (asset) of the County, calculated using the discount rate previously disclosed, as well as what the County's net OPEB liability (asset) 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:

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability (Asset)
1% Decrease	\$ 22,155,235	\$ 21,923,956	\$ 231,279
Current Discount Rate	20,082,852	21,923,956	(1,841,104)
1% Increase	18,318,854	21,923,956	(3,605,102)

The following presents the net OPEB liability (asset) of the County, calculated using the health care cost trend previously disclosed, as well as what the County's net OPEB liability (asset) 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:

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	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability (Asset)
1% Decrease	\$ 17,891,947	\$ 21,923,956	\$ (4,032,009)
Current	20,082,852	21,923,956	(1,841,104)
1% Increase	22,668,161	21,923,956	744,205

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

For the year ended December 31, 2019, the County recognized OPEB expense of \$1,687,323. 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	\$ -	\$ 599,417

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
2020	\$ (67,855)
2021	(67,855)
2022	(67,855)
2023	(395,852)

F. Actuarial Methods and Assumptions

The total net OPEB liability in the fiscal year-end December 31, 2019, 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)	8.0 percent, decreasing 0.5 percent per year to an ultimate rate of 5.0 percent
Health care cost trend (Post-65)	5.75 percent, decreasing 0.25 percent per year to an ultimate rate of 5.0 percent

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

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:

	Mortality Table
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.

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 current 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

There were no changes in actuarial assumptions occurred for 2019.

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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.

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 2019 and 2020. 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 (\$14,699,073 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

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and social factors. Changes in the balances of claims liabilities during the past two years are as follows:

	Year Ended December 31	
	2019	2018
Unpaid claims, beginning of fiscal year	\$ 742,374	\$ 517,428
Incurred claims (including IBNRs)	10,983,428	10,947,059
Claims payments	(10,796,038)	(10,722,113)
Unpaid Claims, End of Fiscal Year	\$ 929,764	\$ 742,374

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, 2019 was \$1,570,532. 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. 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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B. 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 District

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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 transportation services to residents in Carver and Scott Counties by partnering to use

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

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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.

Highway 169 Corridor Coalition

Pursuant to Minn. State. 471.59, the County entered into a Joint Powers Agreement establishing the U.S. Highway 169 Corridor Coalition. The mission of the Coalition is, “Working together to enhance safety, reduce congestion, and maximize economic development along the U.S. Highway 169 inter-regional corridor.”

The purpose of the Joint Powers is to cooperatively and jointly provide an organized effort to address the issues and concerns generated by the growth within the U.S. Highway 169 Corridor, to facilitate traffic safety and mobility, to increase economic development, and improve quality of life. The Joint Powers Board will exercise leadership in the development of policies, programs, and projects that will promote the mission; enlist the assistance and cooperation of the private sector in achieving the mission; and enlist the assistance and cooperation of the federal, state, and regional agencies in achieving the mission.

Voting members are the government units, including counties, cities, towns, and regional development coalitions along the U.S. Highway corridor. Current members are: the cities of Belle Plaine, Bloomington, Jordan, Le Sueur, Mankato, Prior Lake, Savage, Shakopee, and St. Peter; the counties of Blue Earth, Le Sueur, Nicollet, and Scott; and the townships of Louisville, Spring Lake, and Sand Creek.

The Coalition elects a chair, vice chair, secretary, and treasurer from its voting membership; who serve one-year terms.

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Each voting member agrees to contribute annual dues to a general fund of the Coalition, which is used for general administration purposes, including, but not limited to, contracts for services and goods, salaries, supplies, carrying out the purposes of this Agreement, insurance, and bonds. The dues are determined via funding formula approved by the Board. Scott County is the fiscal agent.

C. 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 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 2019 was 402,545. 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.

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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.

Government-wide Statements

Government-wide Financial Statements – The statement of net position and statement of activities display information about the CDA. 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.

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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 CDA 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.

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.

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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 uncollectible at December 31, 2019 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 recorded 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. Capital assets used in operations are depreciated using the straight-line method over their estimated useful lives.

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

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other postemployment benefit results from actuarial calculations and current year OPEB contributions made subsequent to the measurement date.

Compensated Absences

The CDA's policy allows employees to accumulate paid time off (PTO) up to a maximum of 75 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, 2018. The General fund is typically used to liquidate governmental other postemployment benefit payments.

Long-term Obligations

Long-term debt and other long-term obligations are reported as liabilities in the statement of net position. The recognition of bond premiums and discounts are delayed and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of any applicable bond premium or discount. Bond issuance costs are reported as an expense in the period incurred.

Unearned Revenue

The CDA reports unearned revenue on its statement of net position. Unearned revenue arises when resources are received by the CDA before it has legal claim to them, as when grant monies are received prior to the incurrence of qualifying expense. In subsequent periods, when revenue recognition criteria are met, or when the CDA has a legal claim to the resources, the liability for unearned revenue is removed from the statement of net position and revenue is recognized.

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Deferred Inflows of Resources

In addition to liabilities, the statement of financial position will sometimes report a separate section of 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 CDA only has one item that qualifies for reporting in this category. The item deferred other postemployment benefits results from actuarial calculations.

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, 2019, the Agency's carrying amount of deposits was \$7,457,418 and the bank balance was \$7,596,713. All of this bank balance was covered by federal depository insurance and collateral held by the CDA's agent in the CDA's name.

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Investments

At December 31, 2019, 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	\$ 4,974,123	\$ -	\$ 4,974,123	\$ -
Investments measured at amortized cost						
Pooled Broker Money Market	N/A	less than 6 months	13,330,876			
Total investments			<u>\$ 18,304,999</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.

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.

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

A reconciliation of cash and temporary investments is as follows:

Carrying amount of deposits	\$	7,457,418
Investments		18,304,999
Cash on hand		1,750
Total	\$	25,764,167

Cash and investments		
Cash-unrestricted	\$	6,506,264
Cash-other restricted		562,094
Cash-tenant security deposits		390,810
Restricted investments		18,304,999
Total	\$	25,764,167

Notes Receivable

The balance of notes receivable as of December 31, 2019 is \$1,900,000. 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, \$600,000 is for two 0 percent deferred loans for construction of a 57 unit and a 54 unit affordable housing projects with a maturity dates of December 31, 2048, \$350,000 is for a 2.21 percent deferred loan for construction of a 60-unit affordable housing project with a maturity date of December 31, 2062 and \$100,000 is for a 1.94 percent deferred loan for a mortgage for a 72 unit affordable housing project with a maturity date of December 2, 2034.

Capital Assets

Capital asset activity for the year ended December 31, 2019, 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
Construction in progress	-	3,425,967	-	3,425,967
Total non-depreciable assets	6,575,936	3,425,967	-	10,001,903

**SCOTT COUNTY
SHAKOPEE, MINNESOTA**

**NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2019**

	Beginning Balance	Increases	Decreases	Ending Balance
Continued:				
Depreciable assets				
Buildings and improvements	82,253,747	105,917	-	82,359,664
Equipment	1,262,821	279,811	-	1,542,632
Total depreciable assets	83,516,568	385,728	-	83,902,296
Accumulated depreciation				
Buildings and improvements	(27,383,224)	(2,279,714)	-	(29,662,938)
Equipment	(556,079)	(92,899)	-	(648,978)
Total accumulated depreciation	(27,939,303)	(2,372,613)	-	(30,311,916)
Depreciable assets, net	55,577,265	(1,986,885)	-	53,590,380
Capital assets, net	\$ 62,153,201	\$ 1,439,082	\$ -	\$ 63,592,283

2. Liabilities

Long-Term Liabilities

Revenue Bonds

The CDA has the following revenue bonds outstanding at December 31, 2019, 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	\$ 4,010,000
Series – 2012B	5,885,000	2.00 – 3.63	2/1/2034	4,500,000
Series – 2012C	7,110,000	3.00 – 4.00	2/1/2047	5,320,000
Series – 2013A	2,330,000	2.00 – 4.00	2/1/2027	1,485,000
Series – 2013B	1,135,000	2.00 – 4.00	2/1/2027	745,000
Series – 2013C	2,880,000	2.00 – 4.25	2/1/2033	2,270,000
Series – 2013E	1,220,000	2.00 – 3.00	2/1/2023	810,000
Series – 2015	7,930,000	2.00 – 3.60	2/1/2048	7,780,000
Series – 2017A	5,900,000	2.00 – 3.75	2/1/2042	5,740,000
Series – 2017B	1,385,000	2.00 – 3.25	2/1/2029	1,275,000
Series – 2019A	11,590,000	2.25 – 5.00	2/1/2054	11,590,000
Series – 2019B	5,430,000	3.00 – 5.00	2/1/2045	5,430,000
Total Bonds				\$ 50,955,000

**SCOTT COUNTY
SHAKOPEE, MINNESOTA**

**NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2019**

Debt Service Requirements

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

Year Ending December 31	Principal	Interest	Total
2020	\$ 1,570,000	\$ 1,484,665	\$ 3,054,665
2021	1,765,000	1,601,555	3,366,555
2022	1,855,000	1,548,955	3,403,955
2023	1,940,000	1,492,770	3,432,770
2024	1,790,000	1,436,265	3,226,265
2025 – 2029	9,380,000	6,236,963	15,616,963
2030 – 2034	9,585,000	4,525,206	14,110,206
2035 – 2039	7,285,000	3,072,862	10,357,862
2040 – 2044	6,910,000	1,936,422	8,846,422
2045 - 2049	5,180,000	921,484	6,101,484
2050 – 2054	3,695,000	283,875	3,978,875
Totals	<u>\$ 50,955,000</u>	<u>\$ 24,541,022</u>	<u>\$ 75,496,022</u>

Loans

The CDA had the following loans payable outstanding as of December 31, 2019:

Description	Authorized and Issued	Interest Rates (%)	Final Maturity	Balance at Year End
USDA Rural Development Loan	\$ 351,478	3.50	11/1/2060	\$ 349,881
USDA Rural Development Loan	306,184	3.00	12/1/2062	304,786
Market Village SAC & WAC Note	384,749	0.00	12/31/2025	177,575
MHFA Deferred Loan	257,982	0.00	6/10/2033	257,982
MHFA (POHP) Deferred Loan	400,000	0.00	10/28/2020	400,000
MHFA Deferred Loan	275,000	0.00	4/20/2045	275,000
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	99,953
Multifamily Preservation and Revitalization Loan	204,681	3.13	2/1/2063	191,745
Total Loans				<u>\$ 2,589,585</u>

**SCOTT COUNTY
SHAKOPEE, MINNESOTA**

**NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2019**

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
2020	\$ 410,427	\$ 16,608	\$ 427,035
2021	40,378	16,252	56,630
2022	40,748	15,883	56,631
2023	41,129	15,501	56,630
2024	41,524	15,107	56,631
2025 – 2029	125,250	69,115	194,365
2030 – 2034	868,835	56,984	925,819
2035 – 2039	92,578	42,596	135,174
2040 – 2044	109,645	25,528	135,173
2045 – 2049	404,898	6,945	411,843
2050 – 2054	153,938	18	153,956
2055 – 2059	182,485	-	182,485
2060 – 2063	77,750	-	77,750
Totals	<u>\$ 2,589,585</u>	<u>\$ 280,537</u>	<u>\$ 2,870,122</u>

Changes in Long-term Liabilities

	Beginning Balance	Additions	Deductions	Ending Balance	Due within one year
Revenue bonds	\$ 41,480,000	\$ 17,020,000	\$ (7,545,000)	\$ 50,955,000	\$ 1,570,000
Unamortized Bond Premium	57,793	755,802	(3,780)	809,815	-
Loans payable	2,578,994	657,662	(647,071)	2,589,585	410,427
Noncurrent liabilities –					
Other	45,687	42,467	(24,506)	63,648	-
Compensated absences	134,218	176,680	(154,352)	156,546	135,648
Long-term liabilities	<u>\$ 44,296,692</u>	<u>\$ 18,652,611</u>	<u>\$ (8,374,709)</u>	<u>\$ 54,574,594</u>	<u>\$ 2,116,075</u>

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 80 percent of the net revenues from the properties. Principal and interest paid for the

**SCOTT COUNTY
SHAKOPEE, MINNESOTA**

**NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2019**

current year and total customer net revenues were \$9,033,962 and \$7,230,447, respectively.

Refunding Bonds

On December 12, 2019, the CDA issued \$5,430,000 of Governmental Development Refunding Bonds, Series 2019B. The bonds bear an average coupon rate of 4.79 percent and will refund the outstanding principal of the General Obligation Taxable Build America Bonds, Series 2010A and General Obligation Recovery Zone Bonds, Series 2010B. As a result of the refunding issue, the CDA will save \$662,344 in debt service payments and achieve an economic gain (the present value of the difference of the old and the new debt service) of \$472,190.

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 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, 2019, the following employees were covered by the benefit terms:

Inactive Plan Members or Beneficiaries Currently Receiving Benefit Payments	3
Inactive Plan Members Entitles to but not yet Receiving Benefit Payments	-
Active Plan Members	<u>22</u>
Total Plan Members	<u>25</u>

**SCOTT COUNTY
SHAKOPEE, MINNESOTA**

**NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2019**

B. Funding Policy

Contribution requirements also are set by the Board annually. For fiscal year 2019, the CDA contributed \$20,329 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 2019, total member contributions were \$23,584.

C. Actuarial Methods and Assumptions

The CDA's total OPEB liability of \$693,913 was measured as of December 31, 2019, 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	8.00% in 2019 grading to 5% over 6 years

D. Changes in the Total OPEB Liability

	<u>Total OPEB Liability (a)</u>
Balances at December 31, 2018	\$ 737,108
Changes for the Year:	
Service cost	24,588
Interest	25,797
Changes in assumptions or other inputs	(69,996)
Benefit payments	(23,584)
Net Changes	<u>(43,195)</u>
Balances at December 31, 2019	<u>\$ 693,913</u>

**SCOTT COUNTY
SHAKOPEE, MINNESOTA**

**NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2019**

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 %)
\$ 806,086	\$ 693,913	\$ 603,932

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 (7.00 percent decreasing to 4.75 percent) or 1-percentage-point higher (9.00 percent increasing to 6.75 percent) than the current discount rate:

1 Percent Decrease (7.0% Decreasing to 4.75%)	Healthcare Cost Trend Rates (8.00% Decreasing to 5.75%)	1 Percent Increase (9.00% Decreasing to 6.75%)
\$ 589,480	\$ 693,913	\$ 827,643

F. OPEB Expense and Deferred Outflows of Resources

For the year ended December 31, 2019, the CDA recognized OPEB expense of \$379. At December 31, 2019, 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	\$ 23,585	\$ 57,269
Contributions to OPEB Subsequent to the Measurement Date	43,913	-
Total	\$ 67,498	\$ 57,269

Deferred outflows of resources totaling \$43,913 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

**SCOTT COUNTY
SHAKOPEE, MINNESOTA**

**NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2019**

December 31, 2020. Other amounts reported as deferred outflows related to OPEB will be recognized in OPEB expense as follows:

Year Ended December 31:		
2020	\$	(5,988)
2021		(5,988)
2022		(5,988)
2023		(5,988)
2024		(9,732)

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, 2019, was \$1,467,035.

The CDA contributed \$116,307 and employees contributed \$93,536 in the Plan for the year ended December 31, 2019.

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REQUIRED SUPPLEMENTARY INFORMATION

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**SCOTT COUNTY
SHAKOPEE, MINNESOTA**

Schedule 1

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 56,218,277	\$ 55,680,861	\$ 54,986,068	\$ (694,793)
Special assessments	-	537,420	720,062	182,642
Licenses and permits	1,666,800	1,666,800	2,165,178	498,378
Intergovernmental	32,996,585	33,104,387	36,781,196	3,676,809
Charges for services	11,444,154	11,448,402	10,644,451	(803,951)
Fines and forfeits	798,726	798,726	678,083	(120,643)
Gifts and contributions	26,800	26,800	118,356	91,556
Investment earnings	381,000	381,000	1,208,415	827,415
Miscellaneous	2,191,836	2,187,588	1,612,846	(574,742)
Total Revenues	\$ 105,724,178	\$ 105,831,984	\$ 108,914,655	\$ 3,082,671
Expenditures				
Current				
General government				
Commissioners	\$ 800,703	\$ 800,703	\$ 719,505	\$ 81,198
Courts	675,849	675,849	796,629	(120,780)
County administration	894,261	892,567	861,460	31,107
Finance	4,550,370	4,550,372	3,671,045	879,327
Land records	755,355	755,355	740,593	14,762
Customer service	916,457	916,457	889,825	26,632
Information technology	7,061,515	7,373,072	6,545,736	827,336
Employee relations	1,557,547	1,557,547	1,464,264	93,283
Attorney	5,691,143	5,691,143	5,798,189	(107,046)
Building inspections	726,322	726,322	704,630	21,692
Environmental health	1,204,434	1,204,434	906,531	297,903
Zoning	408,029	408,029	477,843	(69,814)
Taxation	2,469,154	2,469,154	2,544,448	(75,294)
Elections	493,373	500,073	533,512	(33,439)
County surveyor	623,118	623,118	624,751	(1,633)
Facilities management	3,275,292	3,275,292	3,055,560	219,732
Veterans service officer	375,245	375,245	365,002	10,243
Total general government	\$ 32,478,167	\$ 32,794,732	\$ 30,699,523	\$ 2,095,209

**SCOTT COUNTY
SHAKOPEE, MINNESOTA**

***Schedule 1
(Continued)***

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<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	\$ 7,375,256	\$ 7,345,256	\$ 7,334,357	\$ 10,899
County jail	7,590,631	7,590,631	7,852,179	(261,548)
Emergency services	369,839	369,839	416,494	(46,655)
Medical examiner	323,629	323,629	325,960	(2,331)
Law enforcement	2,832,379	2,849,379	3,072,371	(222,992)
Community corrections	4,427,925	4,427,925	4,117,978	309,947
Total public safety	\$ 22,919,659	\$ 22,906,659	\$ 23,119,339	\$ (212,680)
Highways and streets				
Administration	\$ 653,511	\$ 653,511	\$ 728,474	\$ (74,963)
Engineering	2,711,871	2,711,871	2,576,268	135,603
Maintenance	5,798,436	5,906,238	7,075,958	(1,169,720)
Equipment and maintenance shops	607,330	607,330	473,688	133,642
Total highways and streets	\$ 9,771,148	\$ 9,878,950	\$ 10,854,388	\$ (975,438)
Sanitation				
SCORE	\$ 1,044,800	\$ 1,044,800	\$ 1,204,946	\$ (160,146)
Transit				
Transit	\$ 3,133,396	\$ 3,133,396	\$ 3,186,077	\$ (52,681)
Human services				
Income maintenance	\$ 3,910,760	\$ 3,910,760	\$ 3,926,082	\$ (15,322)
Administration	2,709,450	2,709,450	2,700,909	8,541
Social services	21,419,420	21,419,420	21,311,289	108,131
Total human services	\$ 28,039,630	\$ 28,039,630	\$ 27,938,280	\$ 101,350
Health				
Family health	\$ 2,217,029	\$ 2,217,029	\$ 2,221,170	\$ (4,141)
Culture and recreation				
Historical society	\$ 140,000	\$ 140,000	\$ 140,000	\$ -
Parks	1,692,372	1,692,372	1,668,031	24,341
County library	3,410,634	3,410,634	3,559,284	(148,650)
Total culture and recreation	\$ 5,243,006	\$ 5,243,006	\$ 5,367,315	\$ (124,309)

**SCOTT COUNTY
SHAKOPEE, MINNESOTA**

***Schedule 1
(Continued)***

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<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	\$ 331,852	\$ 331,852	\$ 287,966	\$ 43,886
Agricultural society/county fair	107,000	107,000	107,000	-
Natural resources	299,708	299,708	193,685	106,023
Total conservation of natural resources	\$ 738,560	\$ 738,560	\$ 588,651	\$ 149,909
Economic development				
Employment and training	\$ 1,208,015	\$ 1,208,015	\$ 1,050,201	\$ 157,814
Intergovernmental				
Highways and streets	\$ 220,000	\$ 220,000	\$ 251,719	\$ (31,719)
Debt Service				
Principal	\$ -	\$ -	\$ 179,250	\$ (179,250)
Total Expenditures	\$ 107,013,410	\$ 107,424,777	\$ 106,660,859	\$ 763,918
Excess of Revenues Over (Under)				
Expenditures	\$ (1,289,232)	\$ (1,592,793)	\$ 2,253,796	\$ 3,846,589
Other Financing Sources (Uses)				
Transfers in	\$ 507,678	\$ 507,678	\$ 844,923	\$ 337,245
Transfers out	(289,700)	(302,700)	(1,503,663)	(1,200,963)
Issuance of septic loans	-	-	216,106	216,106
Total Other Financing Sources (Uses)	\$ 217,978	\$ 204,978	\$ (442,634)	\$ (647,612)
Net Change in Fund Balance	\$ (1,071,254)	\$ (1,387,815)	\$ 1,811,162	\$ 3,198,977
Fund Balance - January 1	44,219,855	44,219,855	44,219,855	-
Fund Balance - December 31	\$ 43,148,601	\$ 42,832,040	\$ 46,031,017	\$ 3,198,977

**SCOTT COUNTY
SHAKOPEE, MINNESOTA**

Schedule 2

**BUDGETARY COMPARISON SCHEDULE
WATERSHED MANAGEMENT ORGANIZATION SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 1,206,270	\$ 1,206,270	\$ 1,198,357	\$ (7,913)
Intergovernmental	720,594	732,144	382,973	(349,171)
Charges for services	31,475	31,475	16,728	(14,747)
Investment earnings	10,000	10,000	10,681	681
Total Revenues	<u>\$ 1,968,339</u>	<u>\$ 1,979,889</u>	<u>\$ 1,608,739</u>	<u>\$ (371,150)</u>
Expenditures				
Current				
Conservation of natural resources				
Water management	\$ 2,041,323	\$ 2,162,123	\$ 1,660,060	\$ 502,063
Debt Service				
Principal	\$ 90,000	\$ 90,000	\$ 98,468	\$ (8,468)
Interest	-	-	984	(984)
Total Debt Service	<u>\$ 90,000</u>	<u>\$ 90,000</u>	<u>\$ 99,452</u>	<u>\$ (9,452)</u>
Total Expenditures	<u>\$ 2,131,323</u>	<u>\$ 2,252,123</u>	<u>\$ 1,759,512</u>	<u>\$ 492,611</u>
Excess of Revenues Over (Under)				
Expenditures	<u>\$ (162,984)</u>	<u>\$ (272,234)</u>	<u>\$ (150,773)</u>	<u>\$ 121,461</u>
Other Financing Sources (Uses)				
Transfers in	\$ 12,000	\$ 12,000	\$ -	\$ (12,000)
Net Change in Fund Balance	<u>\$ (150,984)</u>	<u>\$ (260,234)</u>	<u>\$ (150,773)</u>	<u>\$ 109,461</u>
Fund Balance - January 1	<u>479,819</u>	<u>479,819</u>	<u>479,819</u>	<u>-</u>
Fund Balance - December 31	<u>\$ 328,835</u>	<u>\$ 219,585</u>	<u>\$ 329,046</u>	<u>\$ 109,461</u>

**SCOTT COUNTY
SHAKOPEE, MINNESOTA**

Schedule 3

**SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
OTHER POSTEMPLOYMENT BENEFITS
LAST 2 YEARS**

	2019	2018
Total OPEB Liability		
Service cost	\$ 216,151	\$ 208,842
Interest	1,448,696	1,424,880
Benefit payments	(1,363,590)	(1,283,400)
Net change in total OPEB liability	\$ 301,257	\$ 350,322
Total OPEB Liability - Beginning	19,781,595	19,431,273
Total OPEB Liability - Ending (a)	\$ 20,082,852	\$ 19,781,595
Plan Fiduciary Net Position		
Contributions - employer	\$ 1,913,590	\$ 19,601,322
Net investment income	3,351,614	(292,437)
Administrative expense	(1,637)	(1,506)
Benefit payments	(1,363,590)	(1,283,400)
Net change in plan fiduciary net position	\$ 3,899,977	\$ 18,023,979
Total Plan Fiduciary Net Position - Beginning	18,023,979	-
Total Plan Fiduciary Net Position - Ending (b)	\$ 21,923,956	\$ 18,023,979
Total Net OPEB Liability (Asset) - Ending (a) - (b)	\$ (1,841,104)	\$ 1,757,616
Plan fiduciary net position as a percentage of the total OPEB liability	109.17%	91.11%
Covered payroll	\$ 49,700,000	\$ 48,100,000
Total Net OPEB liability (asset) as a percentage of covered payroll	-3.70%	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, 2019**

	2019	2018
Actuarially determined contribution	\$ 382,636	\$ 18,051,741
Contributions in relation to the actuarially determined contribution	1,913,590	19,601,322
Contribution deficiency (excess)	\$ 1,530,954	\$ 1,549,581
Covered payroll	\$ 49,700,000	\$ 48,100,000
Contributions as a percentage of covered payroll	3.85%	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, 2019**

	<u>2019</u>	<u>2018</u>
Annual money-weighted rate of return, net of investment expenses	18.32%	-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, 2019**

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 (c)	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll (a/c)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2019	0.6356 %	\$ 35,140,900	\$ 1,092,286	\$ 36,233,186	\$ 44,975,835	78.13 %	80.23 %
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, 2019**

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)
2019	\$ 3,430,413	\$ 3,430,413	\$ -	\$ 45,728,835	7.50 %
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, 2019**

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
2019	0.3867 %	\$ 4,116,811	\$ 4,078,323	100.94 %	89.26 %
2018	0.3670	3,944,872	3,867,459	102.00	88.40
2017	0.3690	4,981,939	3,786,265	131.58	85.43
2016	0.3600	14,447,426	3,465,437	416.90	63.88
2015	0.3660	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, 2019**

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)
2019	\$ 711,063	\$ 711,063	-	\$ 4,195,014	16.95 %
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, 2019**

<u>Measurement Date</u>	<u>Employer's Proportion of the Net Pension Liability (Asset)</u>	<u>Employer's Proportionate Share of the Net Pension Liability (Asset) (a)</u>	<u>Covered Payroll (b)</u>	<u>Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll (a/b)</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
2019	2.1301 %	\$ 294,911	\$ 4,541,695	6.49 %	98.17 %
2018	2.1014	345,617	4,291,868	8.05	97.67
2017	2.1700	6,184,521	4,334,457	142.68	67.89
2016	2.2100	8,073,439	4,169,865	193.61	58.16
2015	2.2500	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, 2019**

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)
2019	\$ 409,090	\$ 409,090	\$ -	\$ 4,673,586	8.75 %
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, 2019

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 2019.

B. **Excess of expenditures over appropriations**

For the year ended December 31, 2019, General Fund expenditures exceeded appropriations in the Courts, Attorney, Zoning, Taxation, Elections, County Surveyor, County Jail, Emergency Services, Medical Examiner, Law Enforcement, Highway and Streets Administration, Highway and Streets Maintenance, SCORE, Transit, Income Maintenance, Family Health, County Library, Intergovernmental, and Debt Service of the General Fund. The amounts expenditures exceeded appropriation were \$120,780, \$107,046, \$69,814, \$75,294, \$33,439, \$1,633, \$261,548, \$46,655, \$2,331, \$222,992, \$74,963 \$1,169,720, \$160,146, \$52,681, \$15,322, \$4,141, \$148,650, \$31,719, \$179,250, respectively.

The Watershed Management Organization Special Revenue Fund Debt Service expenditures exceeded appropriations by \$9,452.

II. **Other Post Employment Benefits**

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 Statement of Net Position, 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, 2019

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

Actuarially determined contribution rates are calculated as of January 1, 2018 valuation date, measured at December 31, 2019.

Changes in Actuarial Assumptions

2019

There were no actuarial assumption changes.

2018

The following changes in actuarial assumptions occurred:

- 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 Retirement Plan

2019

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

2018

- 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 2.5 percent per year thereafter, to 1.25 percent per year.

SCOTT COUNTY
SHAKOPEE, MINNESOTA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2019

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

General Employees Retirement Plan

2018 (continued)

- The augmentation adjustment in early retirement factors is eliminated over a five-year period starting July 1, 2019, resulting in actuarial equivalence after June 30, 2024.
- Interest credited on member contributions decreased from 4.00 percent to 3.00 percent, beginning July 1, 2018.
-
- Deferred augmentation was changed to 0.00 percent, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Contribution stabilizer provisions were repealed.
- Post-retirement benefit increases were changed from 1.00 percent per year with a provision to increase to 2.50 percent upon attainment of 90 percent funding to 50 percent of the Social Security cost of living adjustment, not less than 1.00 percent and not more than 1.50 percent, beginning January 1, 2019.
- For retirements on or after January 1, 2024, the first benefit increase is delayed until the retiree reaches normal retirement age; does not apply to the Rule of 90 retirees, disability benefit recipients, or survivors.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

2017

- The Combined Service Annuity (CSA) loads were changed from 0.80 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 0.00 percent for active member liability, 15 percent for vested deferred member liability, and 3.00 percent for non-vested deferred member liability.

SCOTT COUNTY
SHAKOPEE, MINNESOTA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2019

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

General Employees Retirement Plan

2017 (continued)

- The assumed post-retirement benefit increase rate was changed from 1.00 percent per year for all years to 1.00 percent per year through 2044 and 2.50 percent per year thereafter.
- Minneapolis Employees Retirement Fund plan provisions change the employer supplemental contribution to \$21 million in calendar years 2017 and 2018 and returns to \$31 million through calendar year 2031. The state's required contribution is \$16 million in PERA's fiscal years 2018 and 2019 and returns to \$6 million 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 2.50 percent.

Public Employees Police and Fire Plan

2019

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

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.

SCOTT COUNTY
SHAKOPEE, MINNESOTA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2019

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

Public Employees Police and Fire Plan

2018 (continued)

- 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.
- Member contributions were changed effective January 1, 2019 and January 1, 2020 from 10.8 percent to 11.30 and 11.80 percent of pay, respectively. Employer contributions were changed effective January 1, 2019 and January 1, 2020 from 16.2 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 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 2.00 percent for non-vested members.
- The base mortality table for healthy annuitants was changed from the RP-2000 fully generational table to the RP-2014 fully generational table (with a base year of 2006), with male rates adjusted by a factor of 0.96. The mortality improvement scale was changed from Scale AA to Scale MP-2016. The base mortality table for disabled annuitants was changed from the RP-2000 disabled mortality table to the mortality table assumed for healthy retirees.

SCOTT COUNTY
SHAKOPEE, MINNESOTA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2019

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

Public Employees Police and Fire Plan

2017 (continued)

- The assumed termination rates were decreased to 3.00 percent for the first three years of service. Rates beyond the select period of three years were adjusted, resulting in more expected terminations overall.
- 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 1.00 percent for all years to 1.00 percent per year through 2064 and 2.50 percent thereafter.
- The single discount rate was changed from 5.60 percent per annum to 7.50 percent per annum.

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, 2019

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

Public Employees Local Government Correctional Service Retirement Plan

2019

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

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 2.00 percent per year.
- The augmentation adjustment in early retirement factors is eliminated over a five-year period starting July 1, 2019, resulting in actuarial equivalence after June 30, 2024.
- Interest credited on member contributions decreased from 4.00 percent to 3.00 percent, beginning July 1, 2018.
- Deferred augmentation was changed to 0.00 percent, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Post-retirement benefit increases were changed from 2.50 percent per year with a provision to reduce to 1.00 percent if the funding status declines to a certain level, to 100 percent of the Social Security cost of living adjustment, not less than 1.00 percent and not more than 2.50 percent, beginning January 1, 2019. If the funding status declines to 85 percent for two consecutive years, or 80 percent for one year, the maximum increase will be lowered to 1.50 percent.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

SCOTT COUNTY
SHAKOPEE, MINNESOTA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2019

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

Public Employees Local Government Correctional Service Retirement Plan
(continued)

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, 2019**

	Ditch	Regional Railroad Authority	Law Library	Transportation Initiative	Regional Training Facility	Total
<u>Assets</u>						
Cash and pooled investments	\$ 55,402	\$ 97,504	\$ 389,567	\$ 367,820	\$ 458,107	\$ 1,368,400
Petty cash and change funds	-	-	60	-	50	110
Accounts receivable	-	-	42	-	6,140	6,182
Accrued interest receivable	136	204	785	759	2,662	4,546
Due from other governments	-	-	16,431	-	6,353	22,784
Total Assets	<u>\$ 55,538</u>	<u>\$ 97,708</u>	<u>\$ 406,885</u>	<u>\$ 368,579</u>	<u>\$ 473,312</u>	<u>\$ 1,402,022</u>
 Liabilities, Deferred Inflows of Resources and Fund Balances						
Liabilities						
Accounts payable	\$ -	\$ -	\$ 2,573	\$ 1,220	\$ 5,994	\$ 9,787
Due to other governments	-	-	43	-	-	43
Total Liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,616</u>	<u>\$ 1,220</u>	<u>\$ 5,994</u>	<u>\$ 9,830</u>
Deferred Inflows of Resources						
Unavailable revenue	<u>\$ 42</u>	<u>\$ 76</u>	<u>\$ 302</u>	<u>\$ 285</u>	<u>\$ 1,593</u>	<u>\$ 2,298</u>
Fund Balances						
Restricted						
Ditch maintenance and repairs	\$ 66,030	\$ -	\$ -	\$ -	\$ -	\$ 66,030
Law library	-	-	403,967	-	-	403,967
Regional railroad authority	-	97,632	-	-	-	97,632
Transportation initiative	-	-	-	367,074	-	367,074
Assigned						
Public safety	-	-	-	-	465,725	465,725
Unassigned	(10,534)	-	-	-	-	(10,534)
Total Fund Balances	<u>\$ 55,496</u>	<u>\$ 97,632</u>	<u>\$ 403,967</u>	<u>\$ 367,074</u>	<u>\$ 465,725</u>	<u>\$ 1,389,894</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 55,538</u>	<u>\$ 97,708</u>	<u>\$ 406,885</u>	<u>\$ 368,579</u>	<u>\$ 473,312</u>	<u>\$ 1,402,022</u>

**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, 2019**

	<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	\$ 6,283	\$ -	\$ -	\$ -	\$ -	\$ 6,283
Intergovernmental	-	-	-	-	499,986	499,986
Charges for services	-	-	197,015	135,078	98,521	430,614
Gifts and contributions	-	-	250	-	-	250
Investment earnings	1,156	1,446	5,445	6,670	16,389	31,106
Miscellaneous	-	-	708	-	-	708
Total Revenues	\$ 7,439	\$ 1,446	\$ 203,418	\$ 141,748	\$ 614,896	\$ 968,947
Expenditures						
Current						
General government	\$ -	\$ -	\$ 132,866	\$ -	\$ -	\$ 132,866
Public safety	-	-	-	-	583,285	583,285
Highways and streets	-	-	-	111,626	-	111,626
Conservation of natural resources	29,097	-	-	-	-	29,097
Economic development	-	650	-	-	-	650
Total Expenditures	\$ 29,097	\$ 650	\$ 132,866	\$ 111,626	\$ 583,285	\$ 857,524
Excess of Revenues Over (Under)						
Expenditures	\$ (21,658)	\$ 796	\$ 70,552	\$ 30,122	\$ 31,611	\$ 111,423
Other Financing Sources (Uses)						
Transfers out	-	-	-	-	(260,548)	(260,548)
Net Change in Fund Balance	\$ (21,658)	\$ 796	\$ 70,552	\$ 30,122	\$ (228,937)	\$ (149,125)
Fund Balance - January 1	77,154	96,836	333,415	336,952	694,662	1,539,019
Fund Balance - December 31	\$ 55,496	\$ 97,632	\$ 403,967	\$ 367,074	\$ 465,725	\$ 1,389,894

**SCOTT COUNTY
SHAKOPEE, MINNESOTA**

Schedule 12

**BUDGETARY COMPARISON SCHEDULE
ROAD AND BRIDGE CONSTRUCTION FUND
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 4,490,427	\$ 4,490,427	\$ 16,784,960	\$ 12,294,533
Intergovernmental	6,427,259	6,427,259	36,591,863	30,164,604
Charges for services	15,234,276	15,234,276	541,351	(14,692,925)
Investment earnings	-	-	907,834	907,834
Miscellaneous	-	-	2,594	2,594
Total Revenues	<u>\$ 26,151,962</u>	<u>\$ 26,151,962</u>	<u>\$ 54,828,602</u>	<u>\$ 28,676,640</u>
Expenditures				
Capital outlay				
Highways and streets	\$ 32,615,032	\$ 34,760,994	\$ 47,955,723	\$ (13,194,729)
Excess of Revenues Over (Under)				
Expenditures	<u>\$ (6,463,070)</u>	<u>\$ (8,609,032)</u>	<u>\$ 6,872,879</u>	<u>\$ 15,481,911</u>
Other Financing Sources (Uses)				
Transfers out	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (883,634)</u>	<u>\$ (883,634)</u>
Net Change in Fund Balance	<u>\$ (6,463,070)</u>	<u>\$ (8,609,032)</u>	<u>\$ 5,989,245</u>	<u>\$ 14,598,277</u>
Fund Balance - January 1	<u>29,288,773</u>	<u>29,288,773</u>	<u>29,288,773</u>	<u>-</u>
Fund Balance - December 31	<u>\$ 22,825,703</u>	<u>\$ 20,679,741</u>	<u>\$ 35,278,018</u>	<u>\$ 14,598,277</u>

**SCOTT COUNTY
SHAKOPEE, MINNESOTA**

Schedule 13

**BUDGETARY COMPARISON SCHEDULE
CAPITAL IMPROVEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 2,195,501	\$ 2,195,501	\$ 2,195,501	\$ -
Intergovernmental	594,530	594,530	346,328	(248,202)
Charges for services	214,380	214,380	37,180	(177,200)
Investment earnings	-	-	1,703,871	1,703,871
Miscellaneous	-	-	21,737	21,737
Total Revenues	\$ 3,004,411	\$ 3,004,411	\$ 4,304,617	\$ 1,300,206
Expenditures				
Capital outlay				
General government	\$ 25,099,854	\$ 25,113,796	\$ 17,022,900	\$ 8,090,896
Public safety	-	-	284,882	(284,882)
Culture and recreation	-	-	1,621,403	(1,621,403)
Total Capital Outlay	\$ 25,099,854	\$ 25,113,796	\$ 18,929,185	\$ 6,184,611
Debt Service				
Bond Issuance Costs	\$ -	\$ -	\$ 1,110,239	\$ (1,110,239)
Total Expenditures	\$ 25,099,854	\$ 25,113,796	\$ 20,039,424	\$ 5,074,372
Excess of Revenues Over (Under) Expenditures	\$ (22,095,443)	\$ (22,109,385)	\$ (15,734,807)	\$ 6,374,578
Other Financing Sources (Uses)				
Transfers in	\$ 355,000	\$ 2,749,687	\$ 2,076,807	\$ (672,880)
Transfers out	(3,086,534)	(3,086,534)	(273,885)	2,812,649
Issuance of G.O. Bonds	18,653,909	18,462,029	69,555,000	51,092,971
Premium on bonds issued	-	-	1,110,239	1,110,239
Sale of capital assets	-	-	63,043	63,043
Total Other Financing Sources (Uses)	\$ 15,922,375	\$ 18,125,182	\$ 72,531,204	\$ 54,406,022
Net Change in Fund Balance	\$ (6,173,068)	\$ (3,984,203)	\$ 56,796,397	\$ 60,780,600
Fund Balance - January 1	1,274,177	1,274,177	1,274,177	-
Fund Balance - December 31	\$ (4,898,891)	\$ (2,710,026)	\$ 58,070,574	\$ 60,780,600

**SCOTT COUNTY
SHAKOPEE, MINNESOTA**

Schedule 14

**BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 6,496,629	\$ 6,496,629	\$ 6,496,629	\$ -
Investment earnings	-	-	27,726	27,726
Total Revenues	\$ 6,496,629	\$ 6,496,629	\$ 6,524,355	\$ 27,726
Expenditures				
Debt service				
Principal	\$ 4,254,405	\$ 4,254,405	\$ 4,254,405	\$ -
Interest	2,217,224	2,217,224	3,419,301	(1,202,077)
Administrative - fiscal charges	25,000	25,000	20,424	4,576
Total Expenditures	\$ 6,496,629	\$ 6,496,629	\$ 7,694,130	\$ (1,197,501)
Excess of Revenues Over (Under) Expenditures	\$ -	\$ -	\$ (1,169,775)	\$ (1,169,775)
Other Financing Sources (Uses)				
Issuance of refunding bonds	\$ -	\$ -	\$ 7,875,000	\$ 7,875,000
Refunding of long-term debt	-	-	(8,105,000)	(8,105,000)
Premium on bonds/notes issued	-	-	2,241,044	2,241,044
Total Other Financing Sources (Uses)	\$ -	\$ -	\$ 2,011,044	\$ 2,011,044
Net Change in Fund Balance	\$ -	\$ -	\$ 841,269	\$ 841,269
Fund Balance - January 1	717,819	717,819	717,819	-
Fund Balance - December 31	\$ 717,819	\$ 717,819	\$ 1,559,088	\$ 841,269

**SCOTT COUNTY
SHAKOPEE, MINNESOTA**

Schedule 15

**BUDGETARY COMPARISON SCHEDULE
LAW LIBRARY SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<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	189,709	189,709	197,015	7,306
Gifts and contributions	-	-	250	250
Investment earnings	2,000	2,000	5,445	3,445
Miscellaneous	-	-	708	708
Total Revenues	\$ 192,459	\$ 192,459	\$ 203,418	\$ 10,959
Expenditures				
Current				
General government				
Law library	192,459	192,459	132,866	59,593
Net Change in Fund Balance	\$ -	\$ -	\$ 70,552	\$ 70,552
Fund Balance - January 1	333,415	333,415	333,415	-
Fund Balance - December 31	\$ 333,415	\$ 333,415	\$ 403,967	\$ 70,552

**SCOTT COUNTY
SHAKOPEE, MINNESOTA**

Statement B-1

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019**

	Balance January 1	Additions	Deductions	Balance December 31
<u>HIGHWAY 169 COALITION</u>				
<u>Assets</u>				
Cash and pooled investments	\$ 162,041	\$ 35,066	\$ 37,187	\$ 159,920
<u>Liabilities</u>				
Accounts payable	\$ -	\$ 7,055	\$ -	\$ 7,055
Due to other governments	162,041	28,087	37,263	152,865
Total Liabilities	\$ 162,041	\$ 35,142	\$ 37,263	\$ 159,920
<u>TRI-CITY TACTICAL TEAM</u>				
<u>Assets</u>				
Cash and pooled investments	\$ 8,240	\$ 50,757	\$ 48,769	\$ 10,228
<u>Liabilities</u>				
Accounts payable	\$ 5,916	\$ 757	\$ 5,916	\$ 757
Due to other governments	2,324	51,818	44,671	9,471
Total Liabilities	\$ 8,240	\$ 52,575	\$ 50,587	\$ 10,228

**SCOTT COUNTY
SHAKOPEE, MINNESOTA**

**Statement B-1
(Continued)**

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019**

	Balance January 1	Additions	Deductions	Balance December 31
<u>SCOTT FAMILY NET</u>				
<u>Assets</u>				
Cash and pooled investments	\$ 184,237	\$ 441,734	\$ 388,666	\$ 237,305
Accrued interest receivable	699	492	699	492
Due from other governments	108,385	73,776	108,385	73,776
Total Assets	\$ 293,321	\$ 516,002	\$ 497,750	\$ 311,573
<u>Liabilities</u>				
Due to other governments	\$ 293,321	\$ 516,002	\$ 497,750	\$ 311,573
<u>METRO CHILD CARE LICENSE</u>				
<u>Assets</u>				
Cash and pooled investments	\$ 1,826	\$ 2,430	\$ 2,966	\$ 1,290
<u>Liabilities</u>				
Due to other governments	\$ 1,826	\$ 2,430	\$ 2,966	\$ 1,290
<u>MINNESOTA PUBLIC BROADBAND ALLIANCE</u>				
<u>Assets</u>				
Cash and pooled investments	\$ 9,269	\$ 20,000	\$ 18,792	\$ 10,477
<u>Liabilities</u>				
Accounts payable	\$ -	\$ 1,500	\$ -	\$ 1,500
Due to other governments	9,269	18,500	18,792	8,977
Total Liabilities	\$ 9,269	\$ 20,000	\$ 18,792	\$ 10,477

**SCOTT COUNTY
SHAKOPEE, MINNESOTA**

Statement B-1
(Continued)

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019**

	Balance January 1	Additions	Deductions	Balance December 31
<u>COLLECTIONS FOR OTHER AGENCIES</u>				
<u>Assets</u>				
Cash and pooled investments	\$ 2,970,285	\$ 309,382,681	\$ 310,297,580	\$ 2,055,386
Accounts Receivable	932	3	193	742
	\$ 2,971,217	\$ 309,382,684	\$ 310,297,773	\$ 2,056,128
Total Assets	\$ 2,971,217	\$ 309,382,684	\$ 310,297,773	\$ 2,056,128
<u>Liabilities</u>				
Accounts payable	\$ 7,928	\$ 3,585	\$ 7,928	\$ 3,585
Due to other governments	2,963,289	323,670,388	324,581,134	2,052,543
	\$ 2,971,217	\$ 323,673,973	\$ 324,589,062	\$ 2,056,128
Total Liabilities	\$ 2,971,217	\$ 323,673,973	\$ 324,589,062	\$ 2,056,128
<u>TOTAL ALL AGENCY FUNDS</u>				
<u>Assets</u>				
Cash and pooled investments	\$ 3,335,898	\$ 309,932,668	\$ 310,793,960	\$ 2,474,606
Accounts receivable	932	3	193	742
Accrued interest receivable	699	492	699	492
Due from other governments	108,385	73,776	108,385	73,776
	\$ 3,445,914	\$ 310,006,939	\$ 310,903,237	\$ 2,549,616
Total Assets	\$ 3,445,914	\$ 310,006,939	\$ 310,903,237	\$ 2,549,616
<u>Liabilities</u>				
Accounts payable	\$ 13,844	\$ 12,897	\$ 13,844	\$ 12,897
Due to other governments	3,432,070	324,287,225	325,182,576	2,536,719
	\$ 3,445,914	\$ 324,300,122	\$ 325,196,420	\$ 2,549,616
Total Liabilities	\$ 3,445,914	\$ 324,300,122	\$ 325,196,420	\$ 2,549,616

**SCOTT COUNTY
SHAKOPEE, MINNESOTA**

Schedule 16

**SCHEDULE OF INTERGOVERNMENTAL REVENUE
FOR THE YEAR ENDED DECEMBER 31, 2019**

	Total Primary Government
Appropriations and Shared Revenue	
State	
Highway users tax	\$ 14,876,528
County program aid	5,429,731
PERA rate reimbursement	110,620
PERA Pension Contribution	134,006
Disparity reduction aid	10,263
Police aid	406,836
Aquatic invasive species prevention	70,156
Performance aid	20,456
E-911	235,681
Sales tax rebate	422,258
SCORE	413,438
Market value credit	153,223
	\$ 22,283,196
Reimbursement for Services	
State	
Minnesota Department of Human Services	\$ 5,371,838
Minnesota Department of Transportation	2,184,398
	\$ 7,556,236
Payments	
Local	
City contribution	\$ 1,054,515
MELSA	162,775
Metropolitan Council	1,948,023
	\$ 3,165,313
Grants	
State	
Minnesota Department of Corrections	\$ 1,366,750
Education	3,469
Employment and Economic Development	247,599
Health	561,086
Human Services	5,461,216
Natural Resources	99,971
Peace Officers Board	51,697
Environmental Assistance	185,140
Pollution Control	88,103

**SCOTT COUNTY
SHAKOPEE, MINNESOTA**

***Schedule 16
(Continued)***

**SCHEDULE OF INTERGOVERNMENTAL REVENUE
FOR THE YEAR ENDED DECEMBER 31, 2019**

	Total Primary Government
Grants	
State	
Minnesota Department of (continued)	
Public Safety	82,993
Transportation	2,833,866
Veterans Affairs	15,000
Water and Soil Resources	305,727
	\$ 11,302,617
Total State	
Federal	
Department of	
Agriculture	\$ 711,195
Justice	91,042
Labor	306,584
Transportation	20,636,968
Environmental Protection Agency	101,066
Education	648
Health and Human Services	7,974,575
Homeland Security	306,236
Institute of	
Museum and Library Services	650
	\$ 30,128,964
Total Federal	
Total State and Federal Grants	
	\$ 41,431,581
Build America Bonds Interest Subsidy	\$ 76,564
Payments in lieu of taxes	89,456
	\$ 74,602,346
Total Intergovernmental Revenue	

**SCOTT COUNTY
SHAKOPEE, MINNESOTA**

Schedule 17

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2019**

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	\$ 8,582
National School Lunch Program	10.555	1000006831	14,631
Passed Through Minnesota Department of Human Services			
SNAP Cluster			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	192MN101S2514	687,982
Total U.S. Department of Agriculture			\$ 711,195
U.S. Department of Justice			
Direct			
Drug Court Discretionary Grant Program	16.585	-	\$ 66,126
State Criminal Alien Assistance Program	16.606	-	24,916
Total U.S. Department of Justice			\$ 91,042
U.S. Department of Labor			
Passed Through Minnesota Department of Employment and Economic Development			
Senior Community Service Employment Program	17.235	Not provided	\$ 38,363
Passed Through Dakota-Scott Service Delivery Area #14			
Workforce Investment Act (WIOA) Cluster			
WIA Adult Program	17.258	Not provided	65,440
WIA Youth Activities	17.259	Not provided	72,387
WIA Dislocated Worker Formula Grants	17.278	Not provided	130,394
Total U.S. Department of Labor			\$ 306,584
U.S. Department of Transportation			
Passed Through Minnesota Department of Transportation			
Highway Planning and Construction Cluster			
Highway Planning and Construction	20.205	1030070	\$ 17,638,716
Highway Planning and Construction (Total Highway Planning and Construction 20.205 \$20,305,682)	20.205	1033264	2,666,966
Transit Services Programs Cluster			
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	Not provided	307,628
Passed Through City of Shakopee, Minnesota			
Highway Safety Cluster			
State and Community Highway Safety	20.600	19-04-04	6,922
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	19-03-05	14,656
Highway Safety Cluster			
National Priority Safety Programs	20.616	19-02-05	2,080
Total U.S. Department of Transportation			\$ 20,636,968
U.S. Institute of Museum and Library Services			
Passed Through Minnesota Department of Education			
Grants to States	45.310	Not provided	\$ 650
U.S. Environmental Protection Agency			
Passed Through Minnesota Pollution Control Agency			
Nonpoint Source Implementation Grants	66.460	69592	\$ 171,332
U.S. Department of Education			
Passed Through Minnesota Department of Health			
Special Education - Grants for Infants and Families	84.181	12-7000-000097	\$ 648

**SCOTT COUNTY
SHAKOPEE, MINNESOTA**

Schedule 17
(Continued)

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2019**

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 Dakota-Scott Service Delivery Area #14 Maternal, Infant, and Early Childhood Home Visiting Grant	93.870	Not provided	\$ 126,437
Passed Through Minnesota Department of Health Public Health Emergency Preparedness	93.069	U90TP000529	96,996
Early Hearing Detection and Intervention	93.251	Not provided	2,775
Immunization Cooperative Agreements	93.268	5NH231P000707	1,950
Early Hearing Detection and Intervention Information System (EDHI-IS) Surveillance Program	93.314	Not Provided	300
State Physical Activity and Nutrition (SPAN)	93.439	Not Provided	1,500
PPHF Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance financed in part by Prevention and Public Health Funds	93.539	Not provided	6,200
TANF Cluster Temporary Assistance for Needy Families (Total Temporary Assistance for Needy Families 93.558 \$483,991)	93.558	1901MNTANF	83,011
Maternal and Child Health Services Block Grant to the States	93.994	Not provided	59,881
Passed Through Minnesota Department of Human Services Promoting Safe and Stable Families TANF Cluster Temporary Assistance for Needy Families (Total Temporary Assistance for Needy Families 93.558 \$483,991)	93.556	G-1801MNFPS	184,531
Child Support Enforcement	93.563	1901MNCSES	524,567
Child Support Enforcement (Total Child Support Enforcement 93.563 \$1,845,291)	93.563	1901MNCES	1,320,724
Community-Based Child Abuse Prevention Grants CCDF Cluster Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.590	G-1801MNBCAP	26,469
Stephanie Tubbs Jones Child Welfare Services Program	93.596	G1901MNCDF	142,296
Foster Care Title IV-E	93.645	G-1801MNCWSS	18,515
Social Services Block Grant	93.658	1901MNFOS	549,107
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.667	G-1901MNSOSR	439,586
Medicaid Cluster Medical Assistance Program	93.674	G-1901MNCILP	7,024
Block Grants for Community Mental Health Services	93.778	1905MN5ADM	3,817,808
Block Grants for Prevention and Treatment of Substance Abuse	93.958	SM010027-18	14,423
	93.959	2B08TI010027-18	3,300
Total U.S. Department of Health and Human Services			\$ 7,828,380
U.S. Department of Homeland Security			
Passed Through Minnesota Department of Natural Resources Boating Safety Financial Assistance	97.012	R29G40CGFFY18	\$ 22,887
Passed Through Minnesota Department of Public Safety Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	Not provided	353,806
Homeland Security Grant Program	97.067	SCOTT00-010	72,672
Total U.S. Department of Homeland Security			\$ 449,365
Total Federal Awards			\$ 30,196,164
Totals by Cluster			
Totals expenditures for Child Nutrition Cluster			\$ 23,213
Totals expenditures for SNAP Cluster			687,982
Totals expenditures for WIOA Cluster			268,221
Totals expenditures for Highway Planning and Construction Cluster			20,305,682
Totals expenditures for Transit Services Programs Cluster			307,628
Totals expenditures for Highway Safety Cluster			9,002
Totals expenditures for TANF Cluster			483,991
Totals expenditures for CCDF Cluster			142,296
Totals expenditures for Medicaid Cluster			3,817,808

Scott County did not pass any federal awards to subrecipients in 2019.

**SCOTT COUNTY
SHAKOPEE, MINNESOTA**

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2019

1. Summary of Significant Accounting Policies

A. 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 \$ 4,643,637 in federal awards during the year ended December 31, 2019, 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.

B. 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, 2019. 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.

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.

2. De Minimis Cost Rate

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, 2019**

3. Reconciliation to Schedule of Intergovernmental Revenue

Federal grant revenue per Schedule of Intergovernmental Revenue	\$ 30,128,964
Grants received more than 60 days after year-end unavailable in 2019	
Temporary Assistance for Needy Families	5,914
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	143,129
Nonpoint Source Implementation Grants	70,266
Promoting Safe and Stable Families	441
Foster Care Title IV-E	27,574
Early Hearing Detection and Intervention	475
Stephanie Tubbs Jones Child Welfare Services Program	1,323
John H. Chafee Foster Care Program for Successful Transition to Adulthood	2,743
Unavailable in 2018, recognized as revenue in 2019	
Temporary Assistance for Needy Families	(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)
	<hr/>
Expenditures Per Schedule of Expenditures of Federal Awards	\$ <u>30,196,164</u>

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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)**

	2010	2011	2012	2013
Governmental activities				
Net investment in capital assets	\$ 243,792,338	\$ 269,165,069	\$ 256,619,645	\$ 297,182,966
Restricted	10,028,182	6,973,535	33,575,609	7,139,661
Unrestricted	<u>35,315,122</u>	<u>42,819,333</u>	<u>50,694,730</u>	<u>54,568,412</u>
Total Net Position	<u>\$ 289,135,642</u>	<u>\$ 318,957,937</u>	<u>\$ 340,889,984</u>	<u>\$ 358,891,039</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					
2014	2015	2016	2017	2018	2019
\$ 306,794,026	\$ 309,266,183	\$ 349,716,847	\$ 353,255,239	\$ 377,965,278	\$ 386,210,817
29,435,765	28,745,570	28,876,416	14,388,608	8,266,529	24,390,488
41,020,006	25,863,442	9,028,239	32,193,747	22,791,937	20,863,921
<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>	<u>\$ 431,465,226</u>

**SCOTT COUNTY
SHAKOPEE, MINNESOTA**

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

	2010	2011	2012
Expenses			
Governmental activities:			
General government	\$ 25,569,214	\$ 26,020,342	\$ 25,675,079
Public safety	16,185,608	16,294,233	16,937,581
Highways and streets	16,084,909	16,900,570	17,459,381
Sanitation	-	-	-
Transit	3,473,775	3,594,642	3,442,515
Human services	20,005,842	20,060,750	19,891,285
Health	1,789,338	1,693,024	1,390,006
Culture and recreation	4,050,508	3,920,374	3,915,280
Conservation of natural resources	1,924,732	2,514,175	1,989,395
Economic development	1,398,746	1,333,970	987,356
Interest	4,026,691	3,565,887	4,053,538
Total primary government expenses	<u>\$ 94,509,363</u>	<u>\$ 95,897,967</u>	<u>\$ 95,741,416</u>
Program Revenues			
Governmental activities:			
Charges for Services			
General government	\$ 5,354,212	\$ 5,203,569	\$ 6,958,585
Public safety	1,680,664	1,674,703	1,857,644
Highways and streets	798,715	796,752	725,435
Sanitation	-	-	-
Transit	1,415,864	1,543,471	1,351,766
Human services	2,120,274	2,230,123	2,056,806
Health	154,390	110,810	102,084
Culture and recreation	218,196	207,091	196,645
Conservation of natural resources	75,722	278,801	290,463
Economic development	-	-	4,130
Operating grants and contributions	24,999,777	24,671,062	26,217,820
Capital grants and contributions	15,620,321	22,226,552	13,388,169
Total primary government program revenues	<u>\$ 52,438,135</u>	<u>\$ 58,942,934</u>	<u>\$ 53,149,547</u>
Net (Expense)/Revenue			
Governmental activities			
Total primary government program revenues	<u>\$ (42,071,228)</u>	<u>\$ (36,955,033)</u>	<u>\$ (42,591,869)</u>

Schedule 19

Year Ended						
2013	2014	2015	2016	2017	2018	2019
\$ 25,229,256	\$ 30,143,892	\$ 32,109,825	\$ 30,298,725	\$ 32,474,886	\$ 31,614,251	\$ 38,499,641
17,268,253	17,743,767	18,948,832	25,910,680	26,497,355	23,349,244	25,483,922
26,439,022	29,186,953	15,398,128	22,056,070	27,256,091	44,643,123	41,842,403
-	607,561	367,426	1,603,079	1,371,142	1,094,938	1,204,946
3,332,636	3,505,356	3,115,863	2,601,358	2,761,710	3,459,910	3,174,505
19,510,732	20,503,295	23,017,902	23,712,167	23,866,045	26,177,633	27,309,473
1,316,532	1,472,934	1,703,752	3,426,764	3,712,501	2,056,077	2,200,983
4,050,068	5,251,659	6,939,073	5,222,454	4,663,308	3,589,510	7,228,148
2,151,983	3,230,343	3,673,025	3,571,073	2,698,916	2,801,249	2,272,840
981,813	841,163	957,393	1,315,879	1,171,284	1,239,107	1,051,925
3,895,230	3,124,296	3,224,828	3,045,973	2,273,169	1,917,072	4,341,132
<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>	<u>\$ 154,609,918</u>
\$ 6,401,581	\$ 6,890,000	\$ 7,426,176	\$ 7,578,766	\$ 7,914,967	\$ 7,616,034	\$ 8,592,703
1,779,580	1,859,285	1,728,686	2,062,163	2,220,190	2,276,383	2,254,384
651,448	772,082	598,774	1,332,138	742,072	1,592,604	1,294,732
-	-	513,959	50,888	67,598	167,881	163,972
1,088,239	1,313,284	908,723	709,931	587,374	808,114	484,027
2,370,983	2,429,197	2,889,415	2,136,492	2,137,530	2,476,419	2,920,275
67,375	55,705	102,920	422,151	440,955	108,478	84,230
196,028	682,658	1,134,804	481,355	401,251	368,142	309,607
156,396	211,219	855,208	247,862	311,797	220,674	142,478
20	-	865	-	-	-	-
25,184,387	30,615,377	38,876,351	46,869,060	42,256,502	55,184,985	48,610,144
17,758,672	21,439,843	6,495,839	6,049,778	2,015,050	7,229,557	20,292,139
<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>\$ 85,148,691</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>	<u>\$ (69,461,227)</u>

**SCOTT COUNTY
SHAKOPEE, MINNESOTA**

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

	2010	2011	2012
General Revenues and Other			
Changes in Net Position			
Governmental activities:			
Property taxes	\$ 54,786,848	\$ 54,926,442	\$ 57,765,265
Gravel taxes	100,073	111,633	106,910
Wheelage taxes	536,934	550,580	596,998
Transportation sales tax	-	-	-
Mortgage registry and deed taxes	524,190	772,834	623,017
Payments in lieu of tax	173,057	165,167	157,582
Unrestricted grants and contributions	9,656,150	8,645,828	4,445,791
Investment earnings	1,030,065	565,872	607,833
Miscellaneous	1,085,128	783,972	-
Gain on sale of capital assets	-	-	220,520
Special item	1,978,388	255,000	-
Total primary government	<u>\$ 69,870,833</u>	<u>\$ 66,777,328</u>	<u>\$ 64,523,916</u>
Change in Net Position			
Governmental activities			
Total primary government	<u>\$ 27,799,605</u>	<u>\$ 29,822,295</u>	<u>\$ 21,932,047</u>

Data Source: Annual Financial Statements

Schedule 19
(Continued)

Year Ended						
2013	2014	2015	2016	2017	2018	2019
\$ 57,332,363	\$ 57,894,286	\$ 58,874,657	\$ 61,554,040	\$ 64,348,387	\$ 66,683,380	\$ 68,952,056
92,391	177,084	169,208	169,075	139,760	172,951	145,972
656,970	1,159,298	1,234,422	1,237,205	1,251,421	1,330,783	1,364,240
-	-	1,161,867	8,668,775	8,715,658	9,497,779	10,930,293
657,881	691,590	216,441	342,695	481,118	528,791	278,850
65,026	70,669	75,612	74,575	82,391	88,752	89,456
8,120,359	6,589,766	5,850,006	5,670,325	5,722,964	6,341,316	6,257,572
(403,119)	1,118,634	924,250	853,255	1,125,514	1,742,300	3,876,238
-	-	-	-	-	20,150	8,032
-	-	-	-	-	-	-
-	-	-	-	-	-	-
\$ 66,521,871	\$ 67,701,327	\$ 68,506,463	\$ 78,569,945	\$ 81,867,213	\$ 86,406,202	\$ 91,902,709
\$ 18,001,055	\$ 18,358,758	\$ 20,582,136	\$ 23,746,307	\$ 12,216,092	\$ 22,513,359	\$ 22,441,482

**SCOTT COUNTY
SHAKOPEE, MINNESOTA**

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

	2010	2011	2012	2013
General Fund				
Reserved	\$ 4,172,275	\$ -	\$ -	\$ -
Unreserved	12,289,285	-	-	-
NonSpendable	-	767,306	977,679	549,737
Restricted	-	4,390,740	5,184,792	4,999,266
Committed	-	-	-	-
Assigned	-	1,777,610	1,563,761	1,398,285
Unassigned	-	24,249,502	25,785,362	26,620,439
Total General Fund	<u>\$ 16,461,560</u>	<u>\$ 31,185,158</u>	<u>\$ 33,511,594</u>	<u>\$ 33,567,727</u>
All Other Governmental Funds				
Reserved	\$ 13,509,774	\$ -	\$ -	\$ -
Unreserved, reported in:				
Special revenue funds	12,208,274	-	-	-
Capital projects funds	2,729,909	-	-	-
Debt service funds	279,782	-	-	-
Nonspendable	-	-	-	-
Restricted	-	1,215,876	27,775,511	1,517,844
Assigned	-	11,887,388	16,597,214	16,953,811
Unassigned	-	-	(27,897)	-
Total all other governmental funds	<u>\$ 28,727,739</u>	<u>\$ 13,103,264</u>	<u>\$ 44,344,828</u>	<u>\$ 18,471,655</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

2014	2015	2016	2017	2018	2019
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
745,193	897,091	914,688	1,181,092	926,548	1,281,794
5,003,119	5,360,350	5,402,534	5,312,434	5,394,093	5,590,646
-	-	900,000	805,431	688,135	518,217
1,348,718	1,416,692	1,433,599	2,609,976	2,603,553	2,892,327
28,092,963	30,521,914	32,079,694	32,036,171	34,607,526	35,748,033
<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>	<u>\$ 46,031,017</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	1,737,633	-	-	-	-
21,539,875	20,836,282	20,266,509	1,542,047	1,647,178	72,092,097
18,858,868	21,862,631	28,722,100	32,900,454	31,658,621	24,545,057
-	(3,746)	(7,727)	(18,238)	(6,192)	(10,534)
<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>	<u>\$ 96,626,620</u>

**SCOTT COUNTY
SHAKOPEE, MINNESOTA**

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

	2010	2011	2012	2013
Revenues				
Taxes	\$ 56,097,116	\$ 56,689,599	\$ 59,119,757	\$ 58,935,847
Special assessments	-	112,083	106,206	7,869
Licenses and permits	956,867	1,006,168	1,247,330	1,327,380
Intergovernmental	50,016,195	55,019,543	42,646,956	49,692,152
Charges for services	10,117,300	9,890,944	10,255,226	10,153,873
Fines and forfeits	102,042	116,248	91,813	74,029
Gifts and contributions	64,559	74,738	74,170	89,574
Investment earnings	889,273	485,225	517,836	(566,974)
Other revenue	2,586,860	2,170,592	2,061,681	2,170,941
Total revenues	\$ 120,830,212	\$ 125,565,140	\$ 116,120,975	\$ 121,884,691
Expenditures				
Current				
General government	\$ 24,125,719	\$ 24,552,060	\$ 24,293,743	\$ 24,699,581
Public safety	15,014,465	14,512,018	14,603,955	15,189,495
Highways and streets	7,860,921	7,786,847	8,186,677	9,155,097
Sanitation				
Transit	3,419,790	3,563,000	3,419,536	3,411,286
Human services	19,929,032	20,098,380	20,058,459	20,192,948
Health	1,747,268	1,714,613	1,385,883	1,361,953
Culture and recreation	3,959,358	3,855,843	3,868,405	4,104,066
Conservation of natural resources	1,911,120	2,504,661	1,980,255	2,163,304
Economic development	1,382,638	1,336,037	1,000,573	996,344
Intergovernmental				
Highways and streets	-	-	-	-
Capital outlay	34,797,249	38,784,427	22,396,425	32,433,019
Debt service				
Principal	9,582,207	4,504,273	4,631,429	5,618,679
Interest	3,937,212	3,539,948	3,390,477	3,891,309
Bond issuance costs	-	-	163,531	-
Fiscal charges	7,849	4,965	4,700	12,470
Advance refunding escrow	-	-	-	-
Total expenditures	\$ 127,674,828	\$ 126,757,072	\$ 109,384,048	\$ 123,229,551
Excess of revenues over (under) expenditures	\$ (6,844,616)	\$ (1,191,932)	\$ 6,736,927	\$ (1,344,860)

Schedule 21

Fiscal Year					
2014	2015	2016	2017	2018	2019
\$ 60,217,509	\$ 62,376,322	\$ 72,104,674	\$ 74,979,754	\$ 78,188,009	\$ 81,661,515
9,236	190,003	68,905	128,821	294,376	726,345
1,394,179	1,403,171	1,625,128	1,761,519	1,711,046	2,165,178
57,973,797	55,057,614	57,660,072	45,534,631	74,879,172	74,602,346
10,258,724	11,223,353	10,157,400	10,658,760	11,079,642	11,670,324
298,302	826,231	807,683	723,512	703,143	678,083
79,950	80,156	334,786	180,150	142,367	118,606
1,060,043	994,891	852,578	1,028,049	1,739,417	3,889,633
2,425,917	2,310,045	2,143,719	2,307,575	1,940,114	1,637,885
<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>	<u>\$ 177,149,915</u>
\$ 26,315,714	\$ 28,537,000	\$ 25,084,314	\$ 27,825,675	\$ 29,519,648	\$ 30,832,389
16,093,598	16,896,046	20,943,751	21,748,136	22,743,701	23,702,624
9,806,360	9,688,426	10,441,458	9,934,918	12,045,787	10,966,014
388,692	367,426	1,603,079	1,371,142	1,094,938	1,204,946
3,531,791	3,214,598	2,627,760	2,788,435	3,511,801	3,186,077
21,350,609	23,342,814	23,266,739	24,360,275	26,789,228	27,938,280
1,508,546	1,710,630	3,414,214	3,702,223	2,146,142	2,221,170
4,325,258	4,479,431	4,727,835	4,975,169	5,184,509	5,367,315
3,236,997	3,666,724	3,553,439	2,741,980	2,748,907	2,277,808
860,627	953,692	1,305,737	1,186,546	1,212,628	1,050,851
218,869	187,442	216,132	215,945	253,426	251,719
38,693,151	27,431,371	33,864,310	24,530,355	56,000,439	66,884,908
4,656,028	3,908,479	6,012,268	22,647,715	4,409,935	4,532,123
2,873,641	3,635,513	3,455,345	3,176,306	2,281,182	3,420,285
289,321	-	-	-	-	1,110,239
9,070	8,225	10,025	3,225	9,690	20,424
-	-	-	-	-	-
<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>\$ 184,967,172</u>
\$ (440,615)	\$ 6,433,969	\$ 5,228,539	\$ (13,905,274)	\$ 725,325	\$ (7,817,257)

**SCOTT COUNTY
SHAKOPEE, MINNESOTA**

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

	2010	2011	2012	2013
Other Financing Sources (Uses)				
Transfers in	\$ 6,811,165	\$ 4,002,750	\$ 4,549,090	\$ 3,220,795
Transfers out	(6,811,165)	(4,002,750)	(4,549,090)	(3,220,795)
Issuance of G.O. Bonds	-	-	-	-
Issuance of refunding bonds	-	-	24,570,000	-
Refunding of long-term debt	-	-	-	(24,570,000)
Premium on refunding bonds issued	-	-	1,980,553	-
Issuance of septic loans	-	-	-	-
Clean water partnership loans issued	-	-	-	-
Sale of capital assets	50,286	36,055	-	97,820
Loans issued	202,719	-	-	-
Total other financing sources (uses)	<u>\$ 253,005</u>	<u>\$ 36,055</u>	<u>\$ 26,550,553</u>	<u>\$ (24,472,180)</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>\$ 1,978,388</u>	<u>\$ 255,000</u>	<u>\$ 280,520</u>	<u>\$ -</u>
Net change in fund balance	<u>\$ (4,613,223)</u>	<u>\$ (900,877)</u>	<u>\$ 33,568,000</u>	<u>\$ (25,817,040)</u>
Debt service as a percentage of noncapital expenditures	13.88%	8.60%	8.73%	9.17%

Data Source: Annual Financial Statements

Schedule 21
(Continued)

Fiscal Year											
		2014	2015	2016	2017	2018			2019		
\$	2,730,620	\$	1,439,327	\$	4,400,915	\$	2,441,627	\$	3,710,483	\$	2,921,730
	(2,730,620)		(1,439,327)		(3,067,890)		(2,441,627)		(3,710,483)		(2,921,730)
	3,355,000		-		-		-		-		69,555,000
	17,170,000		-		-		-		-		7,875,000
	-		-		-		-		-		(8,105,000)
	3,104,168		-		-		-		-		3,351,283
	234,555		258,910		202,714		439,470		299,913		216,106
	-		217,832		164,204		-		-		-
	126,246		129,400		154,068		123,774		124,857		63,043
	-		-		-		-		-		-
\$	<u>23,989,969</u>	\$	<u>606,142</u>	\$	<u>1,854,011</u>	\$	<u>563,244</u>	\$	<u>424,770</u>	\$	<u>72,955,432</u>
\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
	-		-		-		-		-		-
	-		-		-		-		-		-
\$	<u>-</u>	\$	<u>-</u>	\$	<u>-</u>	\$	<u>-</u>	\$	<u>-</u>	\$	<u>-</u>
\$	<u><u>23,549,354</u></u>	\$	<u><u>7,040,111</u></u>	\$	<u><u>7,082,550</u></u>	\$	<u><u>(13,342,030)</u></u>	\$	<u><u>1,150,095</u></u>	\$	<u><u>65,138,175</u></u>
	6.58%		7.12%		8.27%		18.35%		4.90%		5.34%

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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		
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
2018/2019	199,414,676	18,436,942,000	4,495,106	226,222,400	203,909,782	18,663,164,400	1.09%	35.473

* 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	2010	2011	2012	2013
County	33.237	35.541	38.802	40.674
Scott County WMO	1.259	1.305	1.336	1.411
Scott Vermillion WMO	0.518	0.551	0.502	0.544
Total direct rate	35.014	37.397	40.640	42.629
Cities				
Belle Plaine	61.338	67.320	83.936	92.904
Elko New Market	39.580	43.912	45.259	54.336
Jordan	60.840	60.660	71.938	71.604
New Prague	58.692	64.080	70.083	74.535
Prior Lake	29.442	30.710	29.740	31.887
Savage	47.335	48.278	51.123	55.508
Shakopee	33.710	34.731	36.655	41.996
Townships				
Belle Plaine	10.161	9.577	11.709	12.774
Belle Plaine Fire	2.673	2.525	2.682	2.743
Jordan Fire	2.837	2.417	3.471	3.028
New Prague Fire	2.873	2.674	4.135	3.574
Blakeley	13.492	13.077	17.695	16.590
Cedar Lake	6.298	6.351	6.661	6.666
New Prague Fire	2.925	3.306	3.574	3.711
New Market Fire	2.859	2.988	3.033	3.069
Credit River	10.977	16.586	12.847	13.648
Helena	7.723	8.541	8.337	9.097
Jordan Fire	4.174	4.668	3.880	3.776
New Prague Fire	3.147	3.649	3.896	3.880
Jackson	10.546	10.209	13.212	12.207
Louisville	4.635	4.724	4.810	4.896
New Market	9.787	12.213	15.979	14.232

Schedule 23

<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
39.720	36.638	36.175	35.896	35.114	33.841
1.388	1.316	1.302	1.292	1.275	1.193
0.620	0.525	0.454	0.464	0.460	0.439
<u>41.728</u>	<u>38.479</u>	<u>37.931</u>	<u>37.652</u>	<u>36.849</u>	<u>35.473</u>
92.246	89.461	89.328	84.684	84.601	78.622
53.547	46.652	48.577	47.817	46.032	46.070
76.247	63.968	68.426	71.240	71.622	72.768
70.348	64.644	62.255	62.246	61.249	57.568
30.736	31.988	31.953	32.685	33.040	33.020
55.278	51.743	49.905	47.841	47.117	44.474
41.437	37.862	37.902	38.522	37.212	34.943
13.641	11.672	11.512	11.041	11.128	10.711
2.504	2.417	2.364	2.556	3.116	3.498
5.105	2.357	2.281	2.229	2.378	1.712
3.444	2.634	2.579	2.763	3.892	3.676
16.851	16.777	17.571	16.888	17.870	16.570
6.828	6.188	6.271	6.272	6.258	6.159
3.690	3.324	3.059	3.037	2.834	2.594
3.600	3.310	2.110	2.149	1.978	2.113
14.212	13.520	13.712	14.017	14.864	13.809
10.443	9.637	9.428	10.603	9.948	9.349
1.535	1.468	1.472	2.760	3.239	3.051
3.587	3.271	3.174	3.027	2.904	2.556
12.719	11.162	10.843	12.129	12.681	10.636
4.507	4.641	4.959	5.004	4.918	4.590
15.482	15.039	14.424	27.583	19.456	17.849

**SCOTT COUNTY
SHAKOPEE, MINNESOTA**

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

Governments	2010	2011	2012	2013
Sand Creek	15.699	17.362	18.660	18.864
St. Lawrence	17.048	18.539	19.342	18.326
Belle Plaine Fire	4.118	4.252	4.466	4.147
Jordan Fire	4.473	5.017	5.892	6.170
Spring Lake Twp	11.613	16.250	16.579	18.199
Schools				
Burnsville	20.668	21.855	21.878	26.168
Lakeville	27.714	32.138	32.059	33.535
Bloomington	19.306	21.896	22.464	26.758
LeSueur/Henderson	27.099	21.773	22.818	22.038
Belle Plaine	38.125	38.310	40.597	41.653
Jordan	24.370	21.509	29.672	24.912
Prior Lake	32.701	34.042	34.388	35.520
Shakopee	29.351	31.182	35.512	39.715
New Prague	31.305	30.137	32.475	34.444
Henderson	20.839			
Special Districts				
Shakopee EDA	-	-	-	-
Jordan EDA	1.181	1.154	1.375	1.367
County HRA-CDA	1.612	1.701	1.729	1.724
Met Council	0.795	0.828	0.959	1.017
Mosquito Control	0.454	0.482	0.538	0.557
Met Transit	1.381	1.440	1.647	1.744
Lower MN Watershed	0.490	0.240	0.455	0.659
Prior Lake/Spring Lake Water	2.004	2.069	2.084	2.101
Cedar Lake Improvement	0.330	0.389	0.408	3.556
Region 9 Develop Authority	0.207	0.198	0.207	0.209
Cedar Lake Sewer & Water	1.988	3.895	4.113	4.046
Prior Lake EDA	-	-	-	-

N/A - Not Available

Data Source: Taxation Department

Schedule 23
(Continued)

2014	2015	2016	2017	2018	2019
18.717	18.059	17.476	17.761	17.837	16.583
19.264	17.980	16.661	15.812	15.578	17.335
4.211	4.262	4.008	3.751	3.974	3.538
6.638	6.253	5.731	5.492	5.208	4.951
17.871	15.659	14.926	15.251	15.081	13.162
25.661	24.554	31.065	27.529	25.759	26.202
33.048	31.459	35.293	32.914	32.992	32.535
28.183	25.739	24.239	20.637	20.764	20.133
23.206	21.807	21.112	19.169	20.183	19.399
39.070	37.412	35.557	35.478	36.362	32.274
26.184	33.609	38.369	33.805	34.432	30.610
36.129	32.639	32.223	30.664	33.006	31.138
36.963	35.578	53.478	49.282	52.141	52.934
33.724	31.031	38.450	37.153	38.474	35.040
-	-	-	-	0.759	0.626
1.443	1.389	1.456	1.428	1.462	1.469
1.685	1.571	1.642	1.639	1.617	1.589
1.034	0.959	0.921	0.850	0.853	0.679
0.533	0.488	0.472	0.449	0.451	0.432
1.624	1.524	1.485	1.407	1.410	1.565
0.693	0.627	0.610	0.634	0.642	1.575
2.058	2.435	3.157	3.401	4.356	4.006
3.485	3.232	3.025	2.768	2.473	2.101
0.176	0.151	0.151	0.166	0.168	0.165
4.098	4.708	4.154	4.032	3.399	3.156
0.551	0.551	-	-	-	-

**SCOTT COUNTY
SHAKOPEE, MINNESOTA**

Schedule 24

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

2019			2009		
NAME	TAX CAPACITY VALUE	% OF TOTAL COUNTY TAX CAPACITY	NAME	TAX CAPACITY VALUE	% OF TOTAL COUNTY TAX CAPACITY
Northern States Power	\$ 2,291,057	1.12%	Northern States Power	\$ 926,073	0.55%
Centerpoint Energy Resource	1,298,997	0.64%	Centerpoint Energy Resource	541,107	0.32%
RELP Shakopee LLC	1,261,750	0.62%	Ryan Companies US Inc	515,144	0.31%
MN Pipeline	831,658	0.41%	Shakopee Mdewakanton Sioux	498,496	0.30%
Duke Realty Limited Partnership	775,135	0.38%	Inland Shak Valley Marketplace	422,786	0.25%
Rahr Malting Company	691,448	0.34%	Certaineed Products Corp	419,420	0.25%
Union Pacific RR Company	626,065	0.31%	Rahr Malting Company	415,377	0.25%
Great River Energy	577,388	0.28%	Minnesota Valley Electric	412,241	0.24%
Rosemount Inc	550,724	0.27%	Tollefson Development	402,793	0.24%
St. Francis Regional Medical Ctr	543,282	0.27%	Seagate Technology LLC	399,250	0.24%
Total	<u>\$ 9,447,504</u>	<u>4.63%</u>	Total	<u>\$ 4,952,687</u>	<u>2.95%</u>

Data Source: Taxation Department

**SCOTT COUNTY
SHAKOPEE, MINNESOTA**

Schedule 25

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

Fiscal Year	Total Tax Levy	Current Year Tax Collection	Current Year Detail		Delinquent Collections Abatements	Total Current Year Collections	% of Current Levy	Outstanding Delinquent Taxes	Total Delinquent Taxes as a % of Current Levy
			Percent (%) of Levy	Delinquent					
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%
2019	68,256,620	67,694,409	99.18%	562,211	213,418	67,907,827	99.49%	348,793	0.51%

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**

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Loans Payable</u>	<u>Total Debt</u>	<u>Personal Income</u>	<u>Total Debt Per Capita Total</u>	<u>Percentage of Personal Income Total</u>
2010	82,062,316	2,679,707	84,742,023	5,663,651,000	652.22	1.50%
2011	77,538,602	2,630,434	80,169,036	6,111,664,000	604.79	1.31%
2012	99,444,078	2,579,005	102,023,083	6,377,052,000	754.88	1.60%
2013	69,149,689	2,525,326	71,675,015	6,467,655,000	522.29	1.11%
2014	88,079,708	2,703,853	90,783,561	6,813,376,000	649.98	1.33%
2015	83,843,021	3,104,569	86,947,590	7,459,766,000	613.78	1.17%
2016	79,451,334	1,416,155	80,867,489	7,661,736,000	562.83	1.06%
2017	56,463,592	1,472,910	57,936,502	8,276,061,000	397.30	0.70%
2018	52,045,510	1,434,961	53,480,471	8,796,715,000	362.87	0.61%
2019	120,138,185	1,333,119	121,471,304	N/A	815.17	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		Net LT Debt	Debt Per Capita		LT Debt to Assessed Valuation/Tax Capacity	
			General Obligation Bonds	Less Amount Available for Debt Service		Total	Net	Total (%)	Net (%)
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%
2019	149,013	203,909,782	120,138,185	1,559,088	118,579,097	806.23	795.76	58.92%	58.15%

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, 2020**

Taxing Unit (a)	Debt (b)	Debt Applicable to Valuation in County	
		Percent (%)	Amount
Underlying			
Scott County	\$ 118,736,304	100.00%	\$ 118,736,304
Overlapping (c)			
Cities			
Belle Plaine	\$ 14,980,000	100.00%	\$ 14,980,000
Elko New Market	12,734,000	100.00%	12,734,000
Jordan	9,125,000	100.00%	9,125,000
New Prague	40,879,999	58.56%	23,939,327
Prior Lake	33,020,000	100.00%	33,020,000
Savage	47,945,000	100.00%	47,945,000
Shakopee	34,660,000	100.00%	34,660,000
School Districts			
191 (Burnsville-Eagan-Savage)	138,355,000	25.34%	35,065,383
194 (Lakeville)	107,580,000	18.28%	19,665,516
271 (Bloomington)	138,020,000	0.07%	101,859
2397 (LeSueur/Henderson)	8,365,000	1.16%	97,210
716 (Belle Plaine)	21,605,000	75.87%	16,391,044
717 (Jordan)	54,800,000	100.00%	54,800,000
719 (Prior Lake)	190,764,049	100.00%	190,764,049
720 (Shakopee)	155,315,000	100.00%	155,315,000
721 (New Prague)	88,780,000	64.00%	56,819,200
Townships			
Credit River	2,790,000	100.00%	2,790,000
Helena	200,000	0.00%	0
New Market	1,800,000	0.00%	0
Sand Creek	280,000	100.00%	280,000
Spring Lake	1,394,000	100.00%	1,394,000
Special Taxing Districts			
Metropolitan Council (includes Met Transit)	1,555,384,035	4.78%	74,347,357
Scott County CDA	51,420,000	100.00%	51,420,000
Cedar Lake Sewer & Water	1,108,397	100.00%	1,108,397
Prior Lake Spring Lake Watershed	350,000	100.00%	350,000
Subtotal, overlapping debt			<u>\$ 837,112,342</u>
Total underlying and overlapping debt			<u><u>\$ 955,848,646</u></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, 2020.

(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.

Data Source: Taxation Department

**SCOTT COUNTY
SHAKOPEE, MINNESOTA**

**LEGAL DEBT MARGIN
LAST TEN FISCAL YEARS**

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Estimated Market Value (see schedule 22)	\$ 15,014,301,000	\$ 14,201,600,600	\$ 13,986,614,300	\$ 13,274,718,800
Legal debt margin				
Debt limit (3% of assessed value)	450,429,030	426,048,018	419,598,429	398,241,564
Debt applicable to limit:				
General Obligation bonds	81,260,000	76,805,000	96,795,000	66,660,000
Facility Lease bonds	-	-	-	-
Less: amount available for debt service	<u>(279,782)</u>	<u>(331,923)</u>	<u>(26,860,703)</u>	<u>(634,029)</u>
Total debt applicable to limit	<u>80,980,218</u>	<u>76,473,077</u>	<u>69,934,297</u>	<u>66,025,971</u>
Legal debt margin	<u>\$ 369,448,812</u>	<u>\$ 349,574,941</u>	<u>\$ 349,664,132</u>	<u>\$ 332,215,593</u>
Total debt applicable to the limit as a percentage of debt limit	17.98%	17.95%	16.67%	16.58%

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>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
\$ 13,606,908,300	\$ 14,849,174,900	\$ 15,704,212,500	\$ 16,337,842,200	\$ 17,331,681,400	\$ 18,663,164,400
408,207,249	445,475,247	471,126,375	490,135,266	519,950,442	559,894,932
82,585,000	78,735,000	74,730,000	52,465,000	48,400,000	113,540,000
-	-	-	-	-	-
<u>(20,713,794)</u>	<u>(20,151,982)</u>	<u>(19,470,431)</u>	<u>(680,524)</u>	<u>(717,819)</u>	<u>(1,559,088)</u>
<u>61,871,206</u>	<u>58,583,018</u>	<u>55,259,569</u>	<u>51,784,476</u>	<u>47,682,181</u>	<u>111,980,912</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>	<u>\$ 447,914,020</u>
15.16%	13.15%	11.73%	10.57%	9.17%	20.00%

**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 (%)
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	8,796,715,000	59,687	37	27,355	2.5%
2019	149,013	N/A	N/A	N/A	27,393	2.8%

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 TEN YEARS AGO**

2019			2009		
Employer	Employees	Percentage of Total County Employment	Employer	Employees	Percentage of Total County Employment
Shakopee Mdewakanton Sioux	4,200	7.29%	Shakopee Mdewakanton Sioux	4,177	9.57%
Amazon	2,500	4.34%	Valleyfair	1,675	3.84%
Seagate Technology LLC	1,800	3.12%	Seagate Technology LLC	1,200	2.75%
Valleyfair	1,600	2.78%	I.S.D. No. 719 (Prior Lake - Savage)	1,000	2.29%
I.S.D. No. 719 (Prior Lake - Savage)	1,200	2.08%	I.S.D. No. 720 (Shakopee)	980	2.25%
I.S.D. No. 720 (Shakopee)	1,157	2.01%	St. Francis Regional Medical Center	800	1.83%
Canterbury Park	1,200	2.08%	Scott County	750	1.72%
St. Francis Regional Medical Center	1,042	1.81%	Canterbury Park	743	1.70%
Imagine Print Solutions	900	1.56%	Women's Correctional Facility	611	1.40%
Entrust Datacard	809	1.40%	I.S.D. No. 721 (New Prague)	600	1.38%
Total	16,408	28.47%	Total	12,536	28.73%

Data Source: 2019 information from Baker Tilly 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									
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
General Government	213	213	207	208	210	224	224	233	239	239
Public Safety	142	139	140	138	138	143	144	146	148	155
Highways and Streets	62	60	60	62	65	66	65	58	58	56
Transit	26	26	25	26	35	12	8	8	8	7
Human Services	195	193	193	197	206	221	226	233	219	218
Health	18	12	14	14	14	15	16	16	18	18
Culture and Recreation	30	29	29	29	29	29	29	29	30	30
Conservation of Natural Resources	4	4	4	4	5	5	5	5	4	4
Economic Development	8	8	6	5	5	5	5	5	5	4
Total	698	684	678	683	707	720	722	733	729	731

Data Source: Employee Relations Department

**SCOTT COUNTY
SHAKOPEE, MINNESOTA**

**OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST NINE 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

Schedule 33

Fiscal Year						
2013	2014	2015	2016	2017	2018	2019
9	9	9	10	10	10	10
81,057	67,593	67,699	65,308	113,166	113,602	119,022
1,718	1,631	1,545	1,050	784	436	230
20,182	21,275	22,310	21,801	22,055	21,103	21,371
27,118	26,496	26,623	26,647	28,219	44,627	47,894
11,287	11,080	14,277	11,312	14,104	16,974	17,308
621	504	411	518	563	715	688
25%	17%	26%	26%	33%	20%	24%
18%	0%	25%	7%	15%	6%	0%
49%	52%	59%	64%	44%	73%	60%
86%	79%	78%	85%	83%	97%	100%
5,102	4,656	5,502	5,679	5,568	5,502	5,553
33,842	25,158	30,048	30,736	27,500	30,048	28,906
3,255	3,469	3,719	3,760	3,795	3,713	3,911
1,022	972	1,078	1,156	1,065	915	909
663	783	771	751	601	633	691
3,494	3,704	4,323	4,636	4,998	3,623	3,847
30,890	31,545	32,728	35,101	27,329	26,736	26,547
178,416	230,881	204,296	212,545	153,583	151,594	176,928
9,925	9,844	9,975	20,568	23,862	23,639	21,902
64,006	63,783	67,985	99,888	149,471	147,971	126,315
701	652	770	756	648	590	612
182	189	187	214	179	190	153
4	3	5	1	3	5	4
87	72	77	81	91	75	72
598	579	604	548	504	543	482
2,854	2,404	1,522	1,292	1,867	1,354	1,103
1,592	1,596	1,594	1,432	1,221	1,279	1,298

**SCOTT COUNTY
SHAKOPEE, MINNESOTA**

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

	2011	2012
Function/Program		
Drug arrests	127	108
Inmates booked:	4,173	4,081
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%

Schedule 33
(Continued)

Fiscal Year						
2013	2014	2015	2016	2017	2018	2019
129	130	58	91	179	196	1,418
4,023	4,381	4,828	5,074	5,800	5,581	5,186
3,046	3,271	3,490	3,664	4,062	3,894	3,579
977	1,110	1,224	1,325	1,674	1,595	1,476
3,937	4,269	4,714	4,989	5,662	5,489	5,055
86	1,112	114	85	138	92	131
122	138	132	132	147	130	135
15.9	N/A	N/A	5.8	23.6	11.2	12.8
N/A	N/A	N/A	202	197	191	185
906,393	889,828	718,359	753,588	820,450	945,255	636,662
51,353	52,303	46,125	28,789	30,178	30,928	31,987
193,832	190,023	192,957	161,088	159,292	165,309	151,900
0.21	0.21	0.27	0.21	0.19	0.17	0.24
3.77	3.63	4.18	5.60	5.29	5.34	4.75
17.30	18.03	15.06	14.08	14.87	12.39	14.96
70.9%	64.6%	66.7%	63.6%	65.2%	65.8%	50.2%
84.6%	85.7%	86.6%	95.7%	95.9%	94.8%	95.2%
14.1%	14.0%	15.0%	17.5%	17.2%	20.0%	15.7%
74.1%	88.0%	96.0%	100.0%	48.1%	65.9%	54.1%
42.7%	51.5%	68.3%	64.4%	57.6%	55.5%	66.4%
97	88	105	137	167	178	165
11,084	11,039	12,212	12,575	13,762	13,992	13,613
5,930	5,802	5,457	5,007	4,402	3,869	3,301
2,697	2,701	2,796	4,026	4,223	4,519	4,645
65.4%	80.6%	65.9%	66.7%	74.5%	67.2%	62.5%
3,267	3,175	3,064	2,993	3,000	2,880	2,819
\$ 12,745,363	\$ 13,025,548	\$ 13,160,378	\$ 12,627,050	\$ 12,525,126	\$ 12,398,086	\$ 12,085,346
77%	78%	79%	80%	80%	80%	81%
110%	107%	108%	105%	109%	104%	106%

(Unaudited)

**SCOTT COUNTY
SHAKOPEE, MINNESOTA**

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

	2011	2012
Function/Program		
Percent of open child support cases with an order established (FFY)	87%	87%
<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>		
<u>Parks</u>		
Visits	644,500	597,400
<u>Library</u>		
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>		
<u>Employment and Training</u>		
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 2011 is not available.

N/A: Not available

Schedule 33
(Continued)

Fiscal Year						
2013	2014	2015	2016	2017	2018	2019
88%	90%	91%	91%	91%	91%	90%
2	3	3	1	4	5	7
2	3	N/A	1	4	5	6
2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019
95.8%	96.0%	95.5%	95.3%	93.9%	94.4%	93.3%
95.9%	96.3%	95.9%	95.6%	93.0%	94.1%	93.4%
95.8%	94.3%	95.4%	94.9%	93.5%	91.2%	92.9%
96.8%	96.3%	96.4%	96.2%	94.8%	95.2%	94.4%
95.3%	93.8%	95.1%	94.1%	92.7%	92.8%	92.6%
68%	70%	68%	72%	72%	54%	56%
651,800	664,900	600,800	604,100	810,000	777,355	N/A
108,820	115,543	100,973	100,275	101,781	104,067	87,836
505,995	509,971	500,507	494,852	495,347	462,887	451,232
842,430	864,421	868,115	890,710	919,654	906,700	949,208
236,594	268,977	265,359	263,232	226,689	226,052	222,045
16,424	16,587	16,654	16,617	16,619	16,787	16,505
26,840	28,830	33,291	36,180	33,797	33,092	33,256
5,925	9,102	16,923	22,381	29,008	33,516	39,789
52,221	72,089	82,249	95,910	103,704	110,869	131,381
66.1%	67.8%	51.3%	58.6%	57.3%	53.2%	45.8%
80.7%	79.1%	82.9%	79.3%	75.4%	78.0%	76.0%

**SCOTT COUNTY
SHAKOPEE, MINNESOTA**

Schedule 34

**CAPITAL ASSET AND INFRASTRUCTURE STATISTICS BY FUNCTION/PROGRAM
LAST NINE 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>	<u>2019</u>
Function/Program									
General Government									
Government Center	1	1	1	1	1	1	1	1	1
Public Safety									
Justice Center	1	1	1	1	1	1	1	1	1
Patrol Units	34	34	33	33	24	24	24	24	24
Emergency Management Vehicles	1	1	2	2	0	0	0	0	0
Highways & Streets									
Mileage									
County State Aid Highway (CSAH)	250	250	250	250	250	250	250	253	243
County Road	107	107	107	107	107	107	107	95	89
Scott County Bridges (total)	64	66	73	73	73	73	76	71	71
Traffic Signals	59	69	69	69	69	69	69	55	116
Culverts	N/A	901	901	901	901	901	1,617	421	474
Transit									
Number of buses	36	24	24	24	24	24	23	23	23
Culture & Recreation									
Libraries	8	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	1,799
Regional Parks and Trails	4	4	4	4	4	4	4	4	4
Playground Structures	2	2	2	2	2	1	1	1	1
Fairgrounds	1	1	1	1	1	1	1	1	1

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

Note: Information prior to 2011 is not available.

N/A: Not available