

# Comprehensive Annual Financial Report



*Vermillion River Crossing,  
Farmington  
Built in 2012*



*Valley Ridge, Burnsville  
Built in 2012*

For the Year Ended June 30, 2012

Dakota County  
Community Development Agency  
A component unit of  
Dakota County, Minnesota

**DAKOTA COUNTY  
COMMUNITY DEVELOPMENT  
AGENCY**

**A component unit of  
Dakota County, Minnesota**

**Comprehensive Annual Financial Report**

**For the Year Ended  
June 30, 2012**

**Prepared by:  
Finance Department**

**DAKOTA COUNTY COMMUNITY DEVELOPMENT AGENCY**  
**Comprehensive Annual Financial Report**  
**Year Ended June 30, 2012**

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## **INTRODUCTORY SECTION**

November 27, 2012

To the Board of Commissioners of the Dakota County Community  
Development Agency and other interested parties:

We are pleased to present the Comprehensive Annual Financial Report (CAFR) for the Dakota County Community Development Agency (CDA) for the fiscal year ended June 30, 2012. This report is intended to meet the CDA's state and federal reporting requirements.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that has been established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective of this framework is to provide reasonable, rather than absolute assurance that the financial statements are free of material misstatements.

McGladrey LLP, a licensed certified public accounting firm has issued an unqualified "clean" opinion on the Agency's financial statements for the year ended June 30, 2012. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

### **Profile of the Government**

The Dakota County Community Development Agency was established in 1971 pursuant to special Minnesota legislation. The CDA is a special-purpose unit of local government with the express limited purpose of serving the citizens of Dakota County, Minnesota (the County) through the administration of affordable housing and community development programs. Located south of Minneapolis and St. Paul, Dakota County has an area of 593 square miles and includes 13 townships, and 21 full and fractional incorporated municipalities. The 2010 population of the County was 397,650, making it the third most populous county in the State. The County is also one of the seven counties comprising the Twin Cities metropolitan area.

The CDA operates under a seven member Board of Commissioners. Each CDA Commissioner represents a district within the County and is appointed by that district's elected County Commissioner. Once appointed, the Board of Commissioners exercises all oversight responsibilities including but not limited to matters of personnel, management, finance, and budget. Currently the Dakota County Board of Commissioners has appointed themselves as the CDA Board of Commissioners. The Board is also responsible for the hiring of the CDA's Executive Director, whose responsibility it is to carry out policies established by the Board, overseeing the day-to-day operations of the government, and hiring the heads of the various departments.

The CDA is considered to be a discretely presented component unit of Dakota County, Minnesota, as the Dakota County Board of Commissioners appoints the Dakota County Community Development Agency's Board of Commissioners and the County has a potential financial obligation relating to \$70,350,000 of housing development bonds that have been issued by the CDA. These bonds carry a general obligation pledge of the County, enabling the Agency to obtain lower borrowing costs for the purpose of financing the construction of senior housing facilities within the County. These bonds are also secured by the pooled rent receipts of the underlying senior housing developments and by other pledged revenue sources, including the CDA's property tax levy. The County has never incurred a financial obligation on these bond issues and the

rents, and other revenue sources that secure these bonds are considered sufficient to make current and future debt service payments.

The CDA is also the general partner and managing agent in several limited partnerships which are not considered to be component units. These partnerships were formed to construct and operate family housing townhome complexes within Dakota County utilizing the federal low income housing tax credit program. These partnerships are considered to be joint ventures. Details regarding the Agency's share in these joint ventures can be found in the accompanying notes to the financial statements. Separate financial statements for these joint ventures can be obtained by contacting the Finance Director of the Dakota County Community Development Agency, 1228 Town Centre Drive, Eagan, Minnesota 55123.

### **Factors affecting financial condition**

Federal Funding. Federal funding provided \$21,822,977 or approximately 41 percent of all Agency revenue during the fiscal year that ended June 30, 2012. This was a decrease of \$4,366,671 from the \$26,189,648 or approximately 42 percent of all CDA revenue reported in the prior fiscal year. The majority of this funding was for the administration of several on-going affordable housing and community development programs funded by the U.S. Department of Housing and Urban Development (HUD). The year over year decrease in funding was largely expected and was principally related to the winding down of several non-recurring economic stimulus programs.

The largest of the on-going programs are Public Housing, Housing Choice Vouchers, Community Development Block Grant (CDBG) and Home Investment Partnerships (HOME). These programs have a significant effect on the Agency's financial condition. The funding for these programs can be significantly affected by Congressional legislation and the federal budget. Over the past several years, this funding has been relatively flat however, the CDA did experience funding cuts in its calendar year 2011 and 2012 funding and further cuts are possible in 2013. With growth in other areas of the Agency, particularly in the locally-financed senior housing program, there has been and will continue to be a downward trend in federal funding for these programs as a percentage of total revenues.

During the fiscal year, the CDA received \$789,429 of non-recurring federal funding related to economic stimulus programs funded by the Housing and Economic Recovery Act of 2008 (HERA) and the American Recovery and Reinvestment Act of 2009 (ARRA). This represents a decrease of \$5,389,648 from the prior fiscal year. These acts provided funding for the Department of Energy funded Low-Income Weatherization program, the HUD funded CDBG, Neighborhood Stabilization Program (NSP), Tax Credit Assistance Program (TCAP), HUD Public Housing Capital Grant Program and the Department of Treasury funded Section 1602 program.

Senior Housing. The Agency's first senior housing development was a 40-unit apartment building completed in 1990 in the City of Lakeville, Minnesota known as Winsor Plaza. As of June 30, 2012, the Agency had constructed a total of twenty-five senior apartment buildings including two mixed-use buildings (residential and commercial combined) in eleven different cities throughout Dakota County providing 1,463 units of locally-financed senior housing.

Since the construction of the first senior building, these housing developments, which are accounted for in the Agency's Common Bond Fund, have grown to represent almost 46 percent of total Agency assets, and 30 percent of total net assets. This growth has allowed the Agency to become less dependent on the federal government for funding.

The continued construction and operation of locally-financed senior housing developments should provide continuing growth opportunities for the Agency and will have an increasingly larger impact on our financial condition in the future. With over 1,530 applicants for senior housing on our waiting lists, an average wait time of six to eighteen months, and an aging population within the County, there is, and should continue to be, considerable demand for senior housing within the County.

## **Long-term financial planning / major initiatives**

Senior Housing. A housing needs study was conducted in 2005 which projected considerable future demand for senior housing in Dakota County. In July 2006, the Board of Commissioners gave conceptual approval for a third phase of senior housing. The first two phases consisted of ten buildings each. The third phase would add up to ten more senior housing developments in the County.

So far, the CDA has constructed 1,463 units in twenty-five senior buildings. The twenty-fifth building was a 66 unit development in the City of Farmington that was completed in May of 2012. The twenty-sixth building is a 140 unit development in the City of Burnsville known as Valley Ridge. This development is comprised of 80 units of independent living apartments and 60 units of assisted living and memory care units that are being operated by a not-for-profit partner. This building was completed and commenced occupancy in September of 2012. The CDA has no current plan to begin building another senior development during the next year. With completion of the Valley Ridge project, the CDA has developed 1,543 units of independent senior housing.

In July 2010, the Agency issued \$46,160,000 of housing development bonds to refinance previous bond issues and to finance the construction of the next three senior housing developments. The first development was a 60- unit building in the City of South St. Paul, MN that commenced construction in the fall of 2010 that was completed in August 2011. The second development is a 66 unit building located in the City of Farmington that commenced construction in the early summer of 2011 and was completed in the May 2012. The final development consists of 60 units of assisted living and 80 units of independent living that is being constructed in the City of Burnsville with the assisted living units being leased to a 501(c)(3) organization. This building is expected to be completed in September of 2012.

Joint Ventures. At June 30, 2012, the CDA was managing 623 units of family housing at twenty different townhome projects that were developed in partnership with private investors utilizing the federal low-income housing tax credit program. The twentieth project, a 26-unit townhome development which is a second phase of an earlier townhome development known as Twin Ponds Townhomes located in the City of Farmington, Minnesota was completed in June of 2012. The twenty-first project, a 47-unit townhome development located in the City of Eagan, Minnesota, commenced construction in July 2012 with occupancy expected in the summer of 2013. A twenty-second project, a 24 unit townhome development in the City of Inver Grove Heights is expected to begin construction in 2013. This project will be combined with a 28-unit townhome development in the City of Eagan, Minnesota which will also begin construction in 2013.

For the private investors to obtain the benefits of the low income housing tax credits, the townhome projects must maintain compliance with low income occupancy requirements for a minimum of 15 years. After this time, the projects are generally eligible to be sold. The Agency has the right of first refusal to purchase these properties for the amount of the outstanding indebtedness and all Federal, state and local taxes attributable to the sale. The Agency is working towards acquiring the first four joint ventures, the Burnsville Family Housing Limited Partnership, the Apple Valley Family Housing Limited Partnership, the Inver Grove Heights Family Housing Limited Partnership and the Eagan Family Housing Limited Partnership. These acquisitions are expected to occur in the fiscal year ending June 30, 2013.

## **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 the Dakota County Community Development Agency for its comprehensive annual financial report for the fiscal year ended June 30, 2011. This was the tenth consecutive year that the Agency has received this prestigious award. In order to be awarded a Certificate of Achievement, a government had to publish an easily readable and efficiently organized CAFR that satisfied 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 CAFR 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 preparation of this report would not have been possible without the efficient and dedicated service of the entire staff of the Finance department. We wish to express our appreciation to all members of the department for their assistance and contribution to the preparation of this report. Credit also must be given to the Board of Commissioners for their unfailing support for maintaining the highest standards of professionalism in the management of the Agency's finances.

Respectfully submitted,

Mark S. Ulfers  
Executive Director

Kenneth F. Bauer, CPA, CPFO  
Finance Director

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Dakota County  
Community Development Agency  
Minnesota

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2011

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



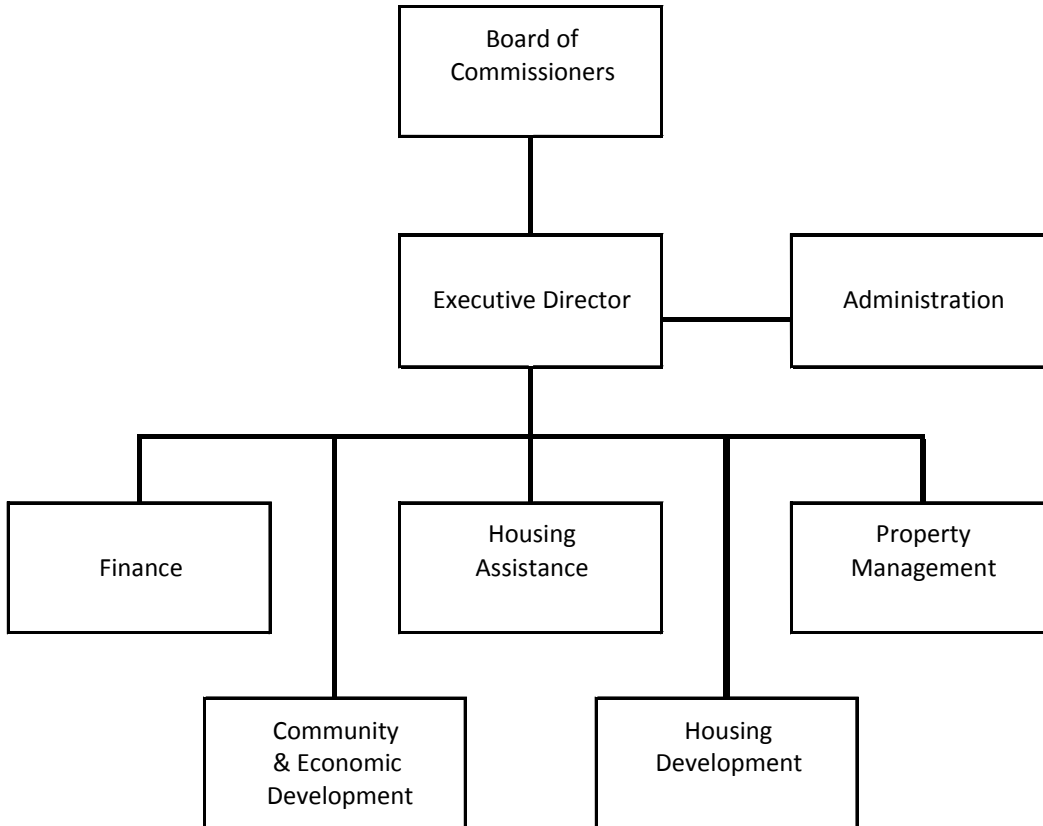
*Linda C. Dandson*

President

*Jeffrey R. Enos*

Executive Director

**DAKOTA COUNTY COMMUNITY DEVELOPMENT AGENCY**  
**Organizational Chart**  
**June 30, 2012**



**DAKOTA COUNTY COMMUNITY DEVELOPMENT AGENCY**  
**List of Appointed Officials**  
**June 30, 2012**

**BOARD OF COMMISSIONERS**

<u>Name</u>	<u>District</u>	<u>Term Expires</u>
Joe Harris	District 1	January 8, 2013
Kathleen Gaylord	District 2	January 8, 2013
Thomas A. Egan	District 3	January 8, 2013
Nancy Schouweiler	District 4	January 7, 2014
Liz Workman	District 5	January 7, 2014
Paul Krause	District 6	January 7, 2014
Will Branning	District 7	January 8, 2013

## **FINANCIAL SECTION**



## Independent Auditor's Report

To the Board of Commissioners  
Dakota County Community Development Agency

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Dakota County Community Development Agency (the Agency), a component unit of Dakota County, Minnesota, as of and for the year ended June 30, 2012, which collectively comprise the Agency's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Agency's management. Our responsibility is to express opinions on these financial statements based on our audit.

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 of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial positions of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Dakota County Community Development Agency, a component unit of Dakota County, Minnesota, as of June 30, 2012, and the respective changes in financial position and the cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 27, 2012, on our consideration of the Agency's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and budgetary comparison information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Agency's basic financial statements. The combining and individual nonmajor fund financial statements as listed in the table of contents are presented for the purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The combining and individual nonmajor fund financial statements have 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 combining and individual nonmajor fund financial statements as listed in the table of contents are fairly stated in all material respects in relation to the basic financial statements as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Agency's basic financial statements. The introductory and statistical sections are presented for the purposes of additional analysis and are not a required part of the basic financial statements. Such information has 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 it.

*McGladrey LLP*

Minneapolis, Minnesota  
November 27, 2012

**DAKOTA COUNTY COMMUNITY DEVELOPMENT AGENCY**  
**Management's Discussion and Analysis**  
**Year Ended June 30, 2012**

As management of the Dakota County Community Development Agency, (CDA) a component unit of Dakota County, Minnesota, we offer readers of the CDA's financial statements this narrative overview and analysis of the financial activities of the government for the fiscal year ended June 30, 2012. We encourage readers to consider the information presented here in conjunction with our letter of transmittal, which can be found on pages 3-6 of this report and the CDA's financial statements, which follow.

**Financial Highlights**

- The assets of the CDA exceeded its liabilities at the close of the most recent fiscal year by \$221,016,294 (net assets). These net assets are comprised of the following:
  - \$82,152,316 (invested in capital assets, net of related debt) represents the Agency's investments in land, structures, and equipment, less any capital related debt and is not available for future spending.
  - \$54,930,480 (restricted net assets) is restricted as to use by grant agreements, contracts, and laws and regulations, and can only be used for specific purposes.
  - \$83,933,498 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- The CDA's total net assets increased by \$14,251,618. This increase is due, in part, to the receipt of one-time revenues and the practice of using revenues generated by governmental activities such as grants, taxes and tax increment to invest in long-term assets which increases net assets rather than making fiscal period expenses. In the recent fiscal year, the CDA invested these governmental revenues in long-term assets such as notes receivable which increased \$3,402,149, and \$1,760,400 towards senior housing capital assets. In addition, tax levy revenues were transferred to business-type activities and used to reduce long-term debt by \$2,695,000.
- As of the close of the current fiscal year, the Agency's governmental funds reported a combined ending fund balance of \$55,520,136, an increase of \$5,057,219 from the prior year. Of this fund balance, \$3,537,062 was in nonspendable form, \$12,852,667 was restricted by grant agreements, contracts and laws and regulations, \$11,040,035 was assigned for specific purposes and the remaining \$28,090,372 was considered unassigned.
- At the end of the current fiscal year, the assigned and unassigned fund balance of the General Fund was \$39,079,733.
- Bond retirements for the fiscal year totaled \$2,695,000.

**Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the CDA's basic financial statements. The CDA's basic financial statements are comprised of 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 the CDA's finances, in a manner that is similar to a private-sector business.



The statement of net assets presents information on all of the CDA's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the government is improving or deteriorating.

The statement of activities presents information showing how the CDA's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the 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., earned but unused flex leave).

Both of the government-wide financial statements distinguish functions of the CDA that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their cost through user fees and charges (business-type activities). As a limited-purpose governmental unit, the CDA's only governmental activity is Community Development. The business-type activities of the Agency include Common Bond operations, Housing Assistance, Public Housing and Youth Housing.

The government-wide financial statements can be found on pages 27-28 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. The CDA, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the CDA 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 statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented in 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.

The CDA 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, CDBG Fund, Senior Levy Fund, Tax Increment Fund, and the HOPE Fund, all of which are considered to be major funds.

Data within the other five governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The basic governmental fund financial statements can be found on pages 29-32 of this report.

Proprietary funds. The CDA maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The CDA uses enterprise funds to account for its Common Bond operations, Housing Assistance programs,

Public Housing and Youth Housing operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the CDA's various functions. The CDA uses an internal service fund to account for the operation of its administrative building and management information systems. Because both of these services predominately benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Common Bond operations, Housing Assistance programs, Public Housing and Youth Housing operations, all of which are considered to be major funds of the CDA, and the internal service fund.

The basic proprietary fund financial statements can be found on pages 33-37 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 accompanying government-wide financial statements because the resources of those funds are not available to support the CDA's own programs and activities. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statement can be found on page 38 of this report.

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

The notes to the financial statements can be found on pages 39-56 of this report.

**Other information.** The CDA adopts an annual budget for all governmental funds except the CDBG, HOME, MHFA, Weatherization, NSP and Homeownership Counseling special revenue funds which adopt grant or project-length budgets. As required by generally accepted accounting principles, this report presents budgetary comparison schedules for all major governmental funds that adopt an annual budget.

This required supplementary information and the notes thereon can be found on pages 58-62 of this report.

The combining statements referred to earlier in connection with the nonmajor governmental funds are presented immediately following the required supplementary information on budgetary comparisons. These combining and other individual fund statements can be found on pages 64-66 of this report.

### **Government-wide Financial Analysis**

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. For the CDA, assets exceeded liabilities by \$221,016,294 at the close of the most recent fiscal year which represents an increase in net assets of \$14,251,618 from the prior year. This increase indicates that the CDA's financial position improved during the current fiscal year.

The largest category of CDA net assets (37 percent) reflects its significant investment in capital assets (e.g., land, land improvements, buildings, furniture and equipment, and construction in progress) less any related debt used to acquire those assets that is still outstanding. The CDA primarily utilizes these capital assets to provide affordable housing opportunities to eligible citizens; consequently, these assets are not considered available to fund future spending.

Although the CDA's investment in these capital assets is reported net of debt, it should be noted that the resources needed to repay this debt will need to be provided from other resources, since the capital assets themselves are not expected to be used to liquidate these liabilities. The capital related debt of the CDA consists primarily of the housing development bonds (Common Bond Fund) and notes payable (Public Housing Fund). The resources to repay this debt are expected to come from the pooled rent receipts of the

underlying senior housing developments and by other pledged revenue sources, including tax increment revenues, the Agency's property tax levy and intergovernmental grant revenue.

**Dakota County Community Development Agency's  
Net Assets  
June 30**

	Governmental activities		Business-type activities		Total	
	2012	2011	2012	2011	2012	2011
Current and other assets	\$ 130,023,957	\$ 122,868,476	\$ 36,810,175	\$ 51,560,832	\$ 166,834,132	\$ 174,429,308
Capital assets	11,052,900	11,911,588	139,692,763	118,356,807	150,745,663	130,268,395
Total assets	141,076,857	134,780,064	176,502,938	169,917,639	317,579,795	304,697,703
Long-term liabilities outstanding	1,504,627	1,493,452	76,780,234	80,062,197	78,284,861	81,555,649
Other liabilities	9,693,553	10,350,990	8,585,087	6,026,388	18,278,640	16,377,378
Total liabilities	11,198,180	11,844,442	85,365,321	86,088,585	96,563,501	97,933,027
Net assets:						
Invested in capital assets, net of related debt	11,050,900	11,911,588	71,101,416	66,400,614	82,152,316	78,312,202
Restricted	44,561,233	42,441,626	10,369,247	10,123,936	54,930,480	52,565,562
Unrestricted	74,266,544	68,582,408	9,666,954	7,304,504	83,933,498	75,886,912
Total net assets	\$ 129,878,677	\$ 122,935,622	\$ 91,137,617	\$ 83,829,054	\$ 221,016,294	\$ 206,764,676

An additional category of CDA net assets (25 percent) represents resources that are subject to external restrictions on how they may be utilized. In the case of the Agency, these restrictions are primarily related to grant programs funded by the U.S. Department of Housing and Urban Development (HUD), the HOPE program which was established by Dakota County, Minnesota and is being administered by the Dakota County Community Development Agency, state laws and regulations which restrict the use of tax levy and tax increment revenues and bond indentures.

The remaining category of CDA net assets (38 percent) represents accumulated unrestricted resources that may be used to meet the government's ongoing obligations to its citizens and creditors. As of June 30, 2012, the unrestricted component of Agency net assets totaled \$83,933,498.

At the end of the current fiscal year, the CDA was able to report positive balances in all three categories of net assets. This was true for both the government as a whole, as well as for its governmental activities and business-type activities. The same situation also held true for the prior fiscal year.

As noted previously, the Agency's total net assets increased by \$14,251,618 during the current fiscal year. This increase is comprised of the following changes within the three categories of CDA net assets:

- Net assets invested in capital assets (net of related debt) increased by \$3,840,114. Of this amount, \$860,688 represents a decrease related to governmental activities and \$4,700,802 represents an increase related to business-type activities.
- Restricted net assets increased by \$2,364,918. Of this amount, \$2,119,607 represents an increase related to governmental activities and \$245,311 represents an increase related to business-type activities.

- Unrestricted net assets increased by \$8,046,586. Of this amount, \$5,684,136 is related to governmental activities while \$2,362,450 is related to business-type activities.

**Governmental activities.** Governmental activities increased the Agency's net assets by \$6,943,055, thereby accounting for 49 percent of the total growth in the net assets of the Agency. Key elements of this increase are as follows:

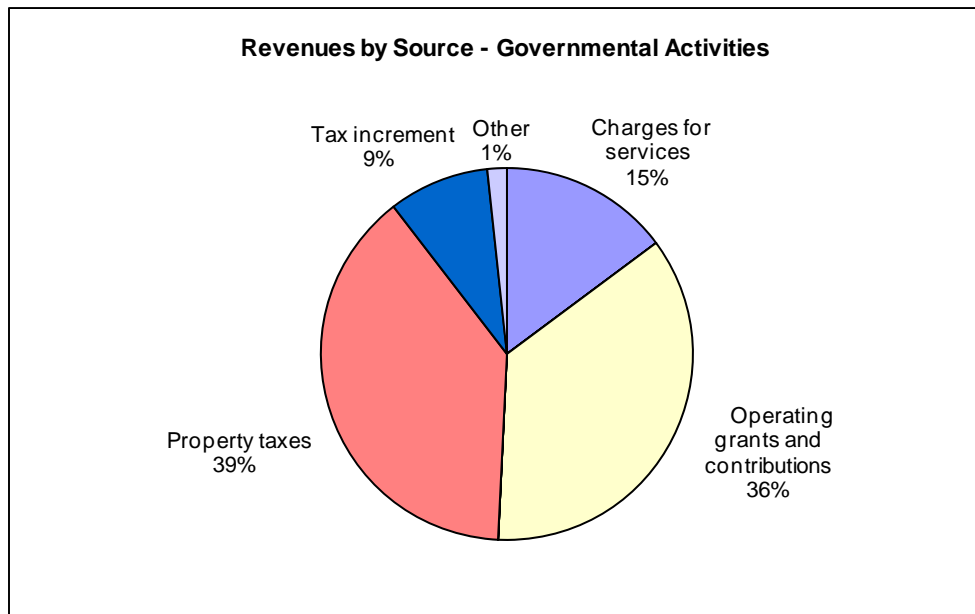
- The Agency used the revenues generated from its governmental activities to increase note receivables by \$3,402,149 which represents 49 percent of the total increase in the net assets of governmental activities.
- The remaining change in governmental activities net assets is primarily related to strong operating results and the \$2,733,314 transfer of excess rental revenues from the Common Bond fund.

**Dakota County Community Development Agency's  
Changes in Net Assets  
Years Ended June 30**

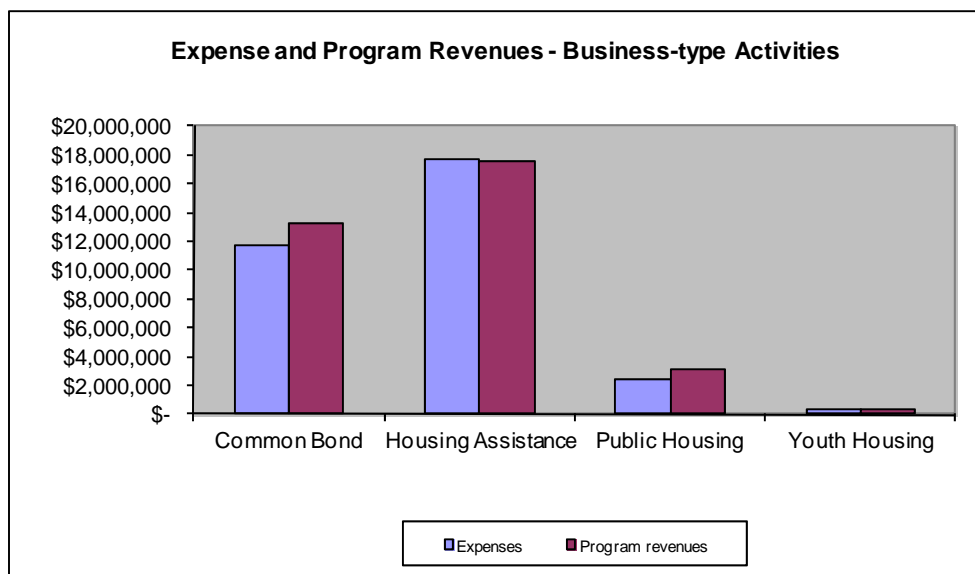
	Governmental activities		Business-type activities		Total	
	2012	2011	2012	2011	2012	2011
Revenues:						
Program revenues:						
Charges for services	\$ 2,772,828	\$ 2,734,469	\$ 13,845,992	\$ 13,721,569	\$ 16,618,820	\$ 16,456,038
Operating grants and contributions	6,724,632	17,448,107	19,667,294	17,001,556	26,391,926	34,449,663
Capital grants and contributions	-	-	877,276	713,884	877,276	713,884
General revenues:						
Property taxes	7,261,674	7,566,507	-	-	7,261,674	7,566,507
Tax increment	1,635,537	3,207,383	-	-	1,635,537	3,207,383
Other	316,807	343,651	-	-	316,807	343,651
Total revenues	18,711,478	31,300,117	34,390,562	31,437,009	53,102,040	62,737,126
Expenses:						
Community development	6,566,454	11,175,493	-	-	6,566,454	11,175,493
Common Bond	-	-	11,804,910	11,864,386	11,804,910	11,864,386
Housing Assistance	-	-	17,723,693	17,322,605	17,723,693	17,322,605
Public Housing	-	-	2,383,103	2,329,157	2,383,103	2,329,157
Youth Housing	-	-	372,262	408,991	372,262	408,991
Total expenses	6,566,454	11,175,493	32,283,968	31,925,139	38,850,422	43,100,632
Increase (decrease) in net assets before transfers	12,145,024	20,124,624	2,106,594	(488,130)	14,251,618	19,636,494
Transfers	(5,201,969)	(8,517,970)	5,201,969	8,517,970	-	-
Increase in net assets	6,943,055	11,606,654	7,308,563	8,029,840	14,251,618	19,636,494
Net assets - beginning	122,935,622	111,328,968	83,829,054	75,799,214	206,764,676	187,128,182
Net assets - ending	\$ 129,878,677	\$ 122,935,622	\$ 91,137,617	\$ 83,829,054	\$ 221,016,294	\$ 206,764,676

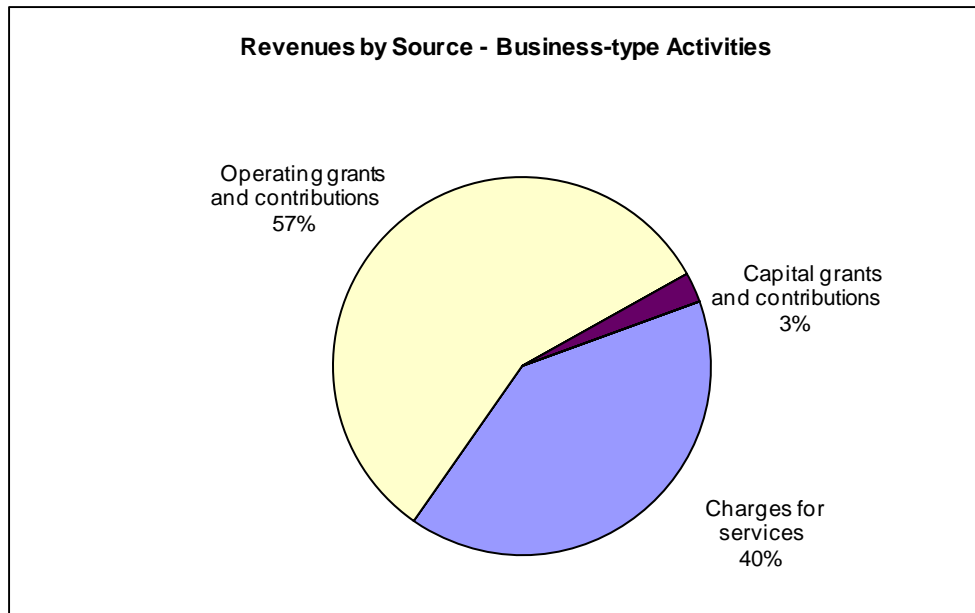
For the most part, it is difficult to correlate the revenues and expenses reported in governmental activities on a year to year basis, as charges for services and operating grants and contributions can be irregular or non-recurring revenue sources. The CDA also pools revenues to acquire capital assets or to provide financing for business-type activities rather than to fund operating expenses within the governmental activities.

Accordingly, revenues that are received in one fiscal year are often carried forward and then utilized in subsequent fiscal years depending on the development activities being undertaken or planned in the business-type activities.



**Business-type activities.** The increase in the net assets of business-type activities accounted for \$7,308,563 or 51 percent of the total growth in the government’s net assets. Net transfers from governmental activities totaled \$5,201,969 which represents most of the increase in net assets for business-type activities. These transfers were principally related to the use of tax levy and tax increment revenues for the payment of debt service and development costs associated with locally-financed senior housing projects accounted for in the Common Bond Fund.





### Financial Analysis of the Government's Funds

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

Governmental funds. The focus of the CDA's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the CDA's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the year.

Governmental fund balance is reported in five separate categories: nonspendable, restricted, committed, assigned and unassigned. Nonspendable fund balance includes amounts that cannot be spent for legal or practical reasons. Examples include prepaid items and long-term receivables. Restricted fund balance includes amounts restricted to specific purposes by external parties such as amounts restricted by grantors. Committed fund balance includes amounts that may be set aside by the CDA's Board of Commissioners for a specific purpose prior to the end of the fiscal year. Assigned fund balance includes amounts that have been set aside for a specific purpose. Unassigned fund balance includes all remaining amounts.

As of June 30, 2012, the Agency's governmental funds reported combined ending fund balances of \$55,520,136 an increase of \$5,057,219 in comparison with the prior year. Included in ending fund balances is \$3,537,062 of nonspendable fund balances comprised of prepaid items, noncurrent advances to other funds and long-term notes receivable. Another \$12,852,667 is restricted by grant agreements, contracts and laws and regulations. Of the remaining fund balances, \$11,040,035 is assigned for specific purposes and \$28,090,372 is unassigned.

The CDA's General Fund is used to account for all financial resources except those that are required to be accounted for in another fund. As of June 30, 2012, the General Fund had a fund balance of \$42,616,795 which represents almost 77 percent of all governmental fund balances. Of this amount, \$3,537,062 relates to prepaid items and loans receivable and is nonspendable while \$10,989,361 is assigned for the financing of the CDA's joint ventures and \$28,090,372 is unassigned.

During the fiscal year ended June 30, 2012, the fund balance of the General Fund increased by \$4,545,679. This increase is comprised of revenues in excess of expenditures of \$1,741,865 and \$2,803,814 of net transfers in of which \$2,733,314 relates to the transfer of surplus cash flows from the Common Bond fund.

The CDBG Fund accounts for the receipt and expenditure of restricted grant proceeds under the U.S. Department of Housing and Urban Development (HUD) Community Development Block Grant program. This is an expenditure driven grant; therefore revenues are only recognized when qualifying grant expenditures are made. As current financial resources are not accumulated, this fund does not maintain a fund balance.

The Senior Levy Fund accounts for the receipt and expenditure of the CDA's special tax levy. The fund had a fund balance at year end of \$2,574,805, all of which is considered restricted. The Senior Levy Fund had an increase in fund balance of \$308,022 during the fiscal year ended June 30, 2012.

The year end fund balance of the Tax Increment Fund was \$7,938,247. The entire fund balance is considered restricted. The tax increment revenues received by the fund are often pooled to fund future tax increment projects. During the fiscal year ended June 30, 2012, the Tax Increment Fund had a decrease in fund balance of \$16,948.

The HOPE Fund accounts for the receipt and expenditure of funds in the Housing Opportunities Enhancement Program (HOPE). The HOPE Fund had an ending fund balance of \$2,325,754 which represents an increase of \$193,680. This fund balance is restricted to finance additional HOPE program expenditures.

Proprietary funds. The Agency's proprietary fund financial statements provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net assets of the Common Bond Fund at the end of the year amounted to \$5,453,122 and net assets increased during the fiscal year by \$6,389,978. Of this increase, \$1,907,458 relates to operations and the remainder to nonoperating revenues, expenses, and transfers between the funds.

The unrestricted net assets of the Housing Assistance Fund were \$1,165,371 at the end of the fiscal year and total net assets increased by \$18,917 during the fiscal year. Of this increase, \$223,151 relates to operations and the remainder to nonoperating revenues, expenses, and transfers between the funds.

The unrestricted net assets of the Public Housing Fund at the end of the year was \$3,009,808 and net assets increased during the year by \$984,241. This increase was primarily related to the receipt of capital grant funding from the U.S. Department of Housing and Urban Development.

The unrestricted net assets of the Youth Housing Fund were \$38,653 at the end of the fiscal year and total net assets decreased during the year by \$79,573 resulting in a deficit balance of \$238,416. The capital assets of the fund were financed with notes payables with terms that deferred principal repayment to future years. These notes may be forgiven at maturity. As the depreciation on the capital assets is greater than the results from operations, the fund is expected to report a deficit in total net assets until such time as the notes may be forgiven.

Other factors concerning the finances of these funds have already been addressed in the discussion of the Agency's business-type activities.

### **General Fund Budgetary Highlights**

There were no significant difference between the original budget and the final amended budget for the year ended June 30, 2012.

The final amended budget for the fiscal year anticipated a net increase in fund balance of \$516,825. The actual net change in fund balance was an increase of \$4,545,679 for a positive variance of \$4,028,854. This variance is primarily attributable to the following factors:

- Expenditures were under budget by \$4,246,062 primarily due to the following:
  - Loans were budgeted at \$2,298,312 but only \$800,000 was expended during the fiscal year for a budget variance of \$1,498,312. Of this amount, \$1,098,312 was attributable to one-time joint venture loans which did not occur prior to the end of the fiscal year. These loans will not occur and were not rebudgeted in the subsequent fiscal year. Another \$400,000 was attributable to one-time not homeowner loans. This amount was not spent and was not rebudgeted in the subsequent fiscal year.
  - Redevelopment grants were budgeted at \$2,223,642 but only \$366,449 was expended during the fiscal year for a budget variance of \$1,857,193. These funds were rebudgeted in the subsequent fiscal year.
  - The remaining budget variance is primarily attributable to various administrative and housing finance and development expenditures being less than anticipated.

### Capital Debt and Debt Administration

**Capital assets.** The Agency's investment in capital assets for its governmental and business-type activities as of June 30, 2012, amounts to \$150,743,663 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings, furniture and equipment, and construction projects in progress. The total increase in the Agency's investment in capital assets for the current fiscal year was \$20,475,268 or approximately 16 percent.

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

- Two senior housing developments were completed during the year with \$7,920,953 being incurred in the current year. In addition, costs totaling \$16,276,175 were incurred in the current year on senior housing construction in the City of Burnsville, Minnesota. This development was completed in September 2012.
- Capital contributions of \$877,276 related to the Capital Fund Program in the Public Housing Fund.
- Depreciation on capital assets totaled \$4,128,998 during the current year.

### Capital Assets (net of depreciation) June 30

	Governmental activities		Business-type activities		Total	
	2012	2011	2012	2011	2012	2011
Land and land improvements	\$ 6,791,864	\$ 7,426,063	\$ 20,984,263	\$ 17,148,232	\$ 27,776,127	\$ 24,574,295
Buildings	3,745,898	3,780,522	102,683,055	92,079,631	106,428,953	95,860,153
Furniture and equipment	513,138	705,003	1,440,840	1,247,225	1,953,978	1,952,228
Construction in progress	-	-	14,584,605	7,881,719	14,584,605	7,881,719
<b>Total</b>	<b>\$ 11,050,900</b>	<b>\$ 11,911,588</b>	<b>\$ 139,692,763</b>	<b>\$ 118,356,807</b>	<b>\$ 150,743,663</b>	<b>\$ 130,268,395</b>

The amount of outstanding construction commitments at June 30, 2012 was \$3,768,401. Additional information on the Agency's capital assets can be found in Note 3 on pages 49-50 of this report.



**Long-term debt.** At the end of the fiscal year, the CDA had debt outstanding of \$76,706,269. All the bonds payable are comprised of debt obligations that are backed by the full faith and credit of Dakota County, Minnesota. At June 30, 2012, the County had a Aaa bond rating from Moody's Investor Services and AAA from Standard & Poor's. These bonds are also secured by the pooled gross rent receipts and other operating revenues of the underlying senior housing developments and by pledged tax levy and tax increment revenues.

**Outstanding Debt (notes and bonds payable)  
June 30**

	Governmental activities		Business-type activities		Total	
	2012	2011	2012	2011	2012	2011
Notes payable	1,008,400	1,008,400	5,347,869	5,987,767	6,356,269	6,996,167
Bonds payable	-	-	70,350,000	73,045,000	70,350,000	73,045,000
Total	\$ 1,008,400	\$ 1,008,400	\$ 75,697,869	\$ 79,032,767	\$ 76,706,269	\$ 80,041,167

Additional information regarding the Agency's long-term debt can be found in Note 3 on pages 52-54 of this report.

**Economic Factors and Next Year's Budgets**

Federal appropriation levels will continue to have a major impact on the Authority's economic position. The Agency received \$21,822,977 in federal funding for the fiscal year ended June 30, 2012. The CDA did experience some funding cuts in both calendar year 2011 and 2012 Federal funding and further cuts in 2013 are possible. If actual funding cuts exceed those anticipated in the budget, it may be necessary to further reduce costs and/or services.

**Requests for Information**

This financial report is designed to provide a general overview of the CDA'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 information should be addressed to the Finance Director of the Dakota County Community Development Agency, 1228 Town Centre Drive, Eagan, Minnesota 55123.

## **BASIC FINANCIAL STATEMENTS**

**DAKOTA COUNTY COMMUNITY DEVELOPMENT AGENCY**  
**Statement of Net Assets**  
**June 30, 2012**

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 28,388,033	\$ 10,182,083	\$ 38,570,116
Investments	24,468,323	-	24,468,323
Accounts receivable	241,950	1,080,474	1,322,424
Interest receivable	1,199,861	609	1,200,470
Taxes receivable	4,397,222	-	4,397,222
Internal balances	93,414	(93,414)	-
Due from other governments	4,822,005	998,853	5,820,858
Prepaid items	24,043	609	24,652
Investment in joint ventures	10,359,781	-	10,359,781
Notes receivable	56,031,325	-	56,031,325
Unamortized bond/note issuance costs	-	693,926	693,926
Restricted assets:			
Restricted cash, cash equivalents, and investments	-	23,947,035	23,947,035
Capital assets not being depreciated:			
Land	6,741,430	19,409,429	26,150,859
Construction in progress	-	14,584,605	14,584,605
Capital assets (net of accumulated depreciation):			
Land improvements	50,434	1,574,834	1,625,268
Buildings	3,745,898	102,683,055	106,428,953
Furniture and equipment	513,138	1,440,840	1,953,978
Total assets	<u>\$ 141,076,857</u>	<u>\$ 176,502,938</u>	<u>\$ 317,579,795</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 260,030	\$ 6,255,635	\$ 6,515,665
Accrued interest payable	-	1,683,997	1,683,997
Due to other governments	6,867	305,898	312,765
Deferred revenue	9,426,656	339,557	9,766,213
Noncurrent liabilities:			
Due within one year	232,767	3,122,690	3,355,457
Due in more than one year	1,271,860	73,657,544	74,929,404
Total liabilities	<u>11,198,180</u>	<u>85,365,321</u>	<u>96,563,501</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	11,050,900	71,101,416	82,152,316
Restricted for:			
Capital projects	-	8,577,169	8,577,169
Federal grants	16,039,273	1,792,078	17,831,351
HOPE program	16,975,097	-	16,975,097
Senior Levy	2,574,805	-	2,574,805
Tax increment	8,972,058	-	8,972,058
Unrestricted	74,266,544	9,666,954	83,933,498
Total net assets	<u>129,878,677</u>	<u>91,137,617</u>	<u>221,016,294</u>
Total liabilities and net assets	<u>\$ 141,076,857</u>	<u>\$ 176,502,938</u>	<u>\$ 317,579,795</u>

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

**DAKOTA COUNTY COMMUNITY DEVELOPMENT AGENCY**  
**Statement of Activities**  
**Year Ended June 30, 2012**

	Program Revenues				Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
<b>Functions/Programs</b>							
Governmental activities:							
Community Development	\$ 6,566,454	\$ 2,772,828	\$ 6,724,632	\$ -	\$ 2,931,006	\$ -	\$ 2,931,006
Business-type activities:							
Common bond	11,804,910	10,604,586	2,704,985	-	-	1,504,661	1,504,661
Housing assistance	17,723,693	1,445,373	16,169,154	-	-	(109,166)	(109,166)
Public Housing	2,383,103	1,660,824	640,675	877,276	-	795,672	795,672
Youth Housing	372,262	135,209	152,480	-	-	(84,573)	(84,573)
Total business activities	<u>32,283,968</u>	<u>13,845,992</u>	<u>19,667,294</u>	<u>877,276</u>	<u>-</u>	<u>2,106,594</u>	<u>2,106,594</u>
Total primary government	<u>\$ 38,850,422</u>	<u>\$ 16,618,820</u>	<u>\$ 26,391,926</u>	<u>\$ 877,276</u>	<u>2,931,006</u>	<u>2,106,594</u>	<u>5,037,600</u>
General revenues:							
Property taxes					7,261,674	-	7,261,674
Tax increment revenue					1,635,537	-	1,635,537
Unrestricted investment earnings					316,807	-	316,807
Transfers					(5,201,969)	5,201,969	-
Total general revenues and transfers					<u>4,012,049</u>	<u>5,201,969</u>	<u>9,214,018</u>
Changes in net assets					6,943,055	7,308,563	14,251,618
Net assets - beginning					<u>122,935,622</u>	<u>83,829,054</u>	<u>206,764,676</u>
Net assets - ending					<u>\$ 129,878,677</u>	<u>\$ 91,137,617</u>	<u>\$ 221,016,294</u>

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

**DAKOTA COUNTY COMMUNITY DEVELOPMENT AGENCY**

**Balance Sheet  
Governmental Funds  
June 30, 2012**

	Special Revenue Funds					Other Governmental Funds	Total Governmental Funds
	General	CDBG	Senior Levy	Tax Increment	HOPE		
<b>ASSETS</b>							
Cash and cash equivalents	\$ 14,701,850	\$ 72,961	\$ 2,576,759	\$ 8,610,526	\$ 2,329,575	\$ 96,362	\$ 28,388,033
Investments	24,468,323	-	-	-	-	-	24,468,323
Accounts receivable	167,761	2,297	-	-	-	27,487	197,545
Interest receivable	544,121	92,110	-	62,013	358,223	143,394	1,199,861
Taxes receivable	-	-	2,850,091	848,791	698,340	-	4,397,222
Due from other funds	264,052	-	-	-	-	121,591	385,643
Due from other governments	-	41,711	2,989,868	855,125	731,962	203,339	4,822,005
Prepaid items	18,657	-	-	-	-	5,386	24,043
Advances to other funds	650,000	-	-	-	-	-	650,000
Notes receivable	27,238,764	9,865,086	-	971,798	14,291,120	3,664,557	56,031,325
Total assets	<u>\$ 68,053,528</u>	<u>\$ 10,074,165</u>	<u>\$ 8,416,718</u>	<u>\$ 11,348,253</u>	<u>\$ 18,409,220</u>	<u>\$ 4,262,116</u>	<u>\$ 120,564,000</u>
<b>LIABILITIES</b>							
Accounts payable	\$ 151,261	\$ 39,910	\$ 330	\$ 21,654	\$ 3,632	\$ 20,505	\$ 237,292
Due to other funds	137,624	3,201	1,624	625	189	164,999	308,262
Due to other governments	-	124	-	-	-	6,743	6,867
Advances from other funds	-	-	-	650,000	-	-	650,000
Deferred revenue	25,147,848	10,030,930	5,839,959	2,737,727	16,079,645	4,005,334	63,841,443
Total liabilities	<u>25,436,733</u>	<u>10,074,165</u>	<u>5,841,913</u>	<u>3,410,006</u>	<u>16,083,466</u>	<u>4,197,581</u>	<u>65,043,864</u>
<b>FUND BALANCES</b>							
Nonspendable	3,537,062	-	-	-	-	-	3,537,062
Restricted	-	-	2,574,805	7,938,247	2,325,754	13,861	12,852,667
Assigned	10,989,361	-	-	-	-	50,674	11,040,035
Unassigned	28,090,372	-	-	-	-	-	28,090,372
Total fund balances	<u>42,616,795</u>	<u>-</u>	<u>2,574,805</u>	<u>7,938,247</u>	<u>2,325,754</u>	<u>64,535</u>	<u>55,520,136</u>
Total liabilities and fund balances	<u>\$ 68,053,528</u>	<u>\$ 10,074,165</u>	<u>\$ 8,416,718</u>	<u>\$ 11,348,253</u>	<u>\$ 18,409,220</u>	<u>\$ 4,262,116</u>	<u>\$ 120,564,000</u>

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

**DAKOTA COUNTY COMMUNITY DEVELOPMENT AGENCY**  
**Reconciliation of Total Governmental Funds Fund Balance to**  
**Net Assets of Governmental Activities**  
**June 30, 2012**

Total Governmental Fund Balances	\$ 55,520,136
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	11,050,900
Investments in joint ventures are not financial resources and, therefore are not reported in the funds.	10,359,781
Long-term liabilities, including notes payable and compensated absences, are not due and payable in the current period and therefore are not reported in the funds.	(1,429,134)
An internal service fund is used by management to charge costs relating to the administrative office building and management information systems to the individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net assets.	(37,793)
Certain revenues relating to notes receivable are recognized in governmental activities when earned. These revenues are recognized when measurable and available within the governmental funds.	54,414,787
	<u>\$ 129,878,677</u>

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

**DAKOTA COUNTY COMMUNITY DEVELOPMENT AGENCY**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**Year Ended June 30, 2012**

	Special Revenue Funds					Other Governmental Funds	Total Governmental Funds
	General	CDBG	Senior Levy	Tax Increment	HOPE		
<b>REVENUES</b>							
Taxes	\$ -	\$ -	\$ 5,797,101	\$ 1,635,537	\$ 1,464,573	\$ -	\$ 8,897,211
Intergovernmental	394,832	1,806,602	270,527	43,479	68,319	2,298,432	4,882,191
Charges for services	2,739,716	-	-	-	-	33,112	2,772,828
Investment earnings (losses)	281,541	-	3,309	30,785	1,126	46	316,807
Other	2,181,061	383,179	-	498,812	32,446	188,050	3,283,548
Total revenues	5,597,150	2,189,781	6,070,937	2,208,613	1,566,464	2,519,640	20,152,585
<b>EXPENDITURES</b>							
Current:							
Administrative	1,554,996	253,409	34,832	112,677	33,455	510,276	2,499,645
Utilities	719	-	-	-	-	1,380	2,099
Ordinary maintenance and operation	15,267	-	-	-	-	7,206	22,473
Loans	800,000	915,144	-	87,154	1,339,329	153,837	3,295,464
Land acquisition & development	(2,192)	-	-	1,117,944	-	833,553	1,949,305
General	1,484,422	444,652	-	380,100	-	986,602	3,295,776
Capital outlay	2,073	-	-	-	-	-	2,073
Intergovernmental	-	576,576	-	-	-	-	576,576
Total expenditures	3,855,285	2,189,781	34,832	1,697,875	1,372,784	2,492,854	11,643,411
Excess (deficiency) of revenues over (under) expenditures	1,741,865	-	6,036,105	510,738	193,680	26,786	8,509,174
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers in	2,803,814	-	-	-	-	-	2,803,814
Transfers out	-	-	(5,728,083)	(527,686)	-	-	(6,255,769)
Total other financing sources (uses)	2,803,814	-	(5,728,083)	(527,686)	-	-	(3,451,955)
Net change in fund balances	4,545,679	-	308,022	(16,948)	193,680	26,786	5,057,219
Fund balances - beginning	38,071,116	-	2,266,783	7,955,195	2,132,074	37,749	50,462,917
Fund balances - ending	\$ 42,616,795	\$ -	\$ 2,574,805	\$ 7,938,247	\$ 2,325,754	\$ 64,535	\$ 55,520,136

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

**DAKOTA COUNTY COMMUNITY DEVELOPMENT AGENCY**  
**Reconciliation of the Statement of Revenues,**  
**Expenditures, and Changes in Fund Balances of Governmental Funds**  
**To the Statement of Activities**  
**Year Ended June 30, 2012**

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

Net change in fund balances - total governmental funds	\$	5,057,219
Governmental funds report capital outlays 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. This is the amount by which capital outlays exceeded depreciation in the current period.		1,425,098
The Agency has equity interests in several joint ventures. The allocated gain or (loss) from these investments is not a current financial resource and therefore is not reported in the governmental funds.		(79,173)
The effect of miscellaneous transactions involving capital assets is to decrease net assets (capital assets contributed to business-type activities and capital contributions to joint ventures).		(1,929,943)
Certain revenue related to loans receivable was recognized in the fund statements but was earned and accrued in a prior period for the statement of activities.		(983,921)
Certain loans made from current financial resources are reported as expenditures in the governmental funds. However, in the statement of activities, these loans are not reported as expenses. This is the amount of loan expenditures in the current period.		3,402,149
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.		(3,935)
An internal service fund is used by management to charge costs relating to the administrative building and management information systems to individual funds. The net revenue (expense) of the internal service fund is reported within governmental activities.		55,561
Change in net assets of governmental activities	\$	<u><u>6,943,055</u></u>

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



**DAKOTA COUNTY COMMUNITY DEVELOPMENT AGENCY**  
**Statement of Net Assets**  
**Proprietary Funds**  
**June 30, 2012**

	<u>Business-type Activities - Enterprise Funds</u>					<u>Governmental Activities - Internal Service Fund</u>
	<u>Common Bond</u>	<u>Housing Assistance</u>	<u>Public Housing</u>	<u>Youth Housing</u>	<u>Total</u>	
<b>ASSETS</b>						
Current assets:						
Cash and cash equivalents	\$ 6,522,056	\$ 1,125,809	\$ 2,502,494	\$ 31,724	\$ 10,182,083	\$ -
Restricted cash and cash equivalents	-	1,829,345	971,236	-	2,800,581	-
Restricted investments	21,146,454	-	-	-	21,146,454	-
Accounts receivable	771,073	201,757	94,206	13,438	1,080,474	-
Interest receivable	609	-	-	-	609	-
Due from other funds	-	1,334	-	-	1,334	16,033
Due from other governments	337,730	225,537	14,271	421,315	998,853	-
Prepaid items	-	609	-	-	609	-
Total current assets	<u>28,777,922</u>	<u>3,384,391</u>	<u>3,582,207</u>	<u>466,477</u>	<u>36,210,997</u>	<u>16,033</u>
Noncurrent assets:						
Unamortized bond/note issuance costs	686,076	-	7,850	-	693,926	-
Capital assets:						
Land and land improvements	18,276,018	-	4,068,171	645,399	22,989,588	-
Buildings	111,012,540	-	25,294,390	3,439,140	139,746,070	-
Furniture and equipment	4,765,175	154,278	253,827	206,401	5,379,681	1,220,970
Construction in progress	13,947,545	-	637,060	-	14,584,605	-
Less accumulated depreciation	<u>(29,687,918)</u>	<u>(127,902)</u>	<u>(12,934,151)</u>	<u>(257,210)</u>	<u>(43,007,181)</u>	<u>(833,864)</u>
Total capital assets (net of accumulated depreciation)	<u>118,313,360</u>	<u>26,376</u>	<u>17,319,297</u>	<u>4,033,730</u>	<u>139,692,763</u>	<u>387,106</u>
Total noncurrent assets	<u>118,999,436</u>	<u>26,376</u>	<u>17,327,147</u>	<u>4,033,730</u>	<u>140,386,689</u>	<u>387,106</u>
Total assets	<u>\$ 147,777,358</u>	<u>\$ 3,410,767</u>	<u>\$ 20,909,354</u>	<u>\$ 4,500,207</u>	<u>\$ 176,597,686</u>	<u>\$ 403,139</u>

(continued)

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

**DAKOTA COUNTY COMMUNITY DEVELOPMENT AGENCY**  
**Statement of Net Assets**  
**Proprietary Funds**  
**June 30, 2012**

	<b>Business-type Activities - Enterprise Funds</b>					<b>Governmental Activities - Internal Service Fund</b>
	<b>Common Bond</b>	<b>Housing Assistance</b>	<b>Public Housing</b>	<b>Youth Housing</b>	<b>Total</b>	
<b>LIABILITIES</b>						
Current liabilities:						
Accounts payable	\$ 5,879,340	\$ 77,123	\$ 283,364	\$ 15,808	\$ 6,255,635	\$ 22,738
Compensated absences	84,052	51,393	20,262	1,905	157,612	21,548
Due to other funds	55,587	27,052	10,345	1,764	94,748	-
Due to other governments	235,198	-	68,495	2,205	305,898	-
Deferred revenue	79,749	254,578	5,059	171	339,557	-
Accrued interest payable	1,669,197	-	-	14,800	1,683,997	-
Notes payable - current portion	-	-	190,078	-	190,078	-
Bonds payable - current portion	2,775,000	-	-	-	2,775,000	-
Total current liabilities	<u>10,778,123</u>	<u>410,146</u>	<u>577,603</u>	<u>36,653</u>	<u>11,802,525</u>	<u>44,286</u>
Noncurrent liabilities:						
Compensated absences	71,133	16,796	10,398	941	99,268	9,540
Notes payable	-	-	456,762	4,701,029	5,157,791	-
Bonds payable (net of unamortized discounts and deferred amount on refunding)	68,400,485	-	-	-	68,400,485	-
Total noncurrent liabilities	<u>68,471,618</u>	<u>16,796</u>	<u>467,160</u>	<u>4,701,970</u>	<u>73,657,544</u>	<u>9,540</u>
Total liabilities	<u>79,249,741</u>	<u>426,942</u>	<u>1,044,763</u>	<u>4,738,623</u>	<u>85,460,069</u>	<u>53,826</u>
<b>NET ASSETS</b>						
Invested in capital assets, net of related debt	54,497,326	26,376	16,854,783	(277,069)	71,101,416	387,106
Restricted for capital projects	8,577,169	-	-	-	8,577,169	-
Restricted by HUD	-	1,792,078	-	-	1,792,078	-
Unrestricted	5,453,122	1,165,371	3,009,808	38,653	9,666,954	(37,793)
Total net assets	<u>68,527,617</u>	<u>2,983,825</u>	<u>19,864,591</u>	<u>(238,416)</u>	<u>91,137,617</u>	<u>349,313</u>
Total liabilities and net assets	<u>\$ 147,777,358</u>	<u>\$ 3,410,767</u>	<u>\$ 20,909,354</u>	<u>\$ 4,500,207</u>	<u>\$ 176,597,686</u>	<u>\$ 403,139</u>

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

**DAKOTA COUNTY COMMUNITY DEVELOPMENT AGENCY**  
**Statement of Revenues, Expenses, and Changes in Fund Net Assets**  
**Proprietary Funds**  
**Year Ended June 30, 2012**

	<b>Business-type Activities - Enterprise Funds</b>					<b>Governmental Activities - Internal Service Funds</b>
	<b>Common Bond</b>	<b>Housing Assistance</b>	<b>Public Housing</b>	<b>Youth Housing</b>	<b>Total</b>	
Operating revenues:						
Charges for services:						
Tenant revenue	\$ 10,604,586	\$ -	\$ 1,660,824	\$ 135,209	\$ 12,400,619	\$ -
Administrative fees	-	1,778,929	-	-	1,778,929	-
Other	620,527	159,818	536,417	-	1,316,762	644,996
Total revenues	<u>11,225,113</u>	<u>1,938,747</u>	<u>2,197,241</u>	<u>135,209</u>	<u>15,496,310</u>	<u>644,996</u>
Operating expenses:						
Administrative	1,470,479	1,691,408	414,392	146,236	3,722,515	393,143
Utilities	900,764	-	168,630	33,242	1,102,636	67,498
Ordinary maintenance and operation	2,432,185	-	747,141	50,505	3,229,831	103,513
General expenses	771,043	-	231,459	14,218	1,016,720	1,985
Nonroutine maintenance	784,730	-	88,102	8,077	880,909	8,269
Depreciation	2,958,454	24,188	695,870	115,184	3,793,696	163,831
Total operating expenses	<u>9,317,655</u>	<u>1,715,596</u>	<u>2,345,594</u>	<u>367,462</u>	<u>13,746,307</u>	<u>738,239</u>
Operating income (loss)	1,907,458	223,151	(148,353)	(232,253)	1,750,003	(93,243)
Nonoperating revenues (expenses):						
Intergovernmental	1,795,242	15,674,541	71,292	150,000	17,691,075	-
Investment earnings	140,624	1,104	1,859	2,480	146,067	-
Other income	50,000	135	-	-	50,135	-
Interest expense	(2,487,255)	-	(37,509)	(4,800)	(2,529,564)	-
Gain (loss) on disposal of capital assets	98,592	-	31,107	-	129,699	-
Housing assistance payments	-	(16,008,097)	-	-	(16,008,097)	-
Total nonoperating revenues (expenses)	<u>(402,797)</u>	<u>(332,317)</u>	<u>66,749</u>	<u>147,680</u>	<u>(520,685)</u>	<u>-</u>
Income (loss) before contributions and transfers	1,504,661	(109,166)	(81,604)	(84,573)	1,229,318	(93,243)
Capital contributions	1,561,445	-	1,065,845	-	2,627,290	-
Transfers in	6,057,186	128,083	-	-	6,185,269	-
Transfers out	(2,733,314)	-	-	-	(2,733,314)	-
Changes in net assets	6,389,978	18,917	984,241	(84,573)	7,308,563	(93,243)
Total net assets - beginning	62,137,639	2,964,908	18,880,350	(153,843)	83,829,054	442,556
Total net assets - ending	<u>\$ 68,527,617</u>	<u>\$ 2,983,825</u>	<u>\$ 19,864,591</u>	<u>\$ (238,416)</u>	<u>\$ 91,137,617</u>	<u>\$ 349,313</u>

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

**DAKOTA COUNTY COMMUNITY DEVELOPMENT AGENCY**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**Year Ended June 30, 2012**

	<b>Business-type Activities - Enterprise Funds</b>					<b>Governmental Activities - Internal Service Funds</b>
	<b>Common Bond</b>	<b>Housing Assistance</b>	<b>Public Housing</b>	<b>Youth Housing</b>	<b>Total</b>	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Receipts from tenants	\$ 10,584,045	\$ -	\$ 1,664,671	\$ 136,841	\$ 12,385,557	\$ -
Receipts from administrative fees	-	1,778,929	-	-	1,778,929	-
Other operating receipts	620,527	159,818	536,417	-	1,316,762	644,996
Payments to employees	(1,643,934)	(951,096)	(432,305)	(36,580)	(3,063,915)	(248,608)
Other payments for operations	(4,652,866)	(727,471)	(1,147,450)	(414,534)	(6,942,321)	(381,360)
Net cash provided (used) by operating activities	4,907,772	260,180	621,333	(314,273)	5,475,012	15,028
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>						
Intergovernmental	-	15,506,339	71,292	150,000	15,727,631	-
Housing assistance payments	-	(16,002,130)	-	-	(16,002,130)	-
Contribution to reserves	-	141,403	-	-	141,403	-
Transfers in	-	128,083	-	-	128,083	-
Transfers out	(2,733,314)	-	-	-	(2,733,314)	-
Net cash provided (used) by noncapital financing activities	(2,733,314)	(226,305)	71,292	150,000	(2,738,327)	-
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>						
Issuance costs paid	-	-	-	-	-	-
Proceeds from capital debt	-	-	-	160,094	160,094	-
Proceeds from sale of capital assets	-	-	34,348	-	34,348	-
Acquisition and construction of capital assets	(22,575,309)	(6,413)	(920,696)	-	(23,502,418)	(15,028)
Receipt of capital grants	-	-	884,234	-	884,234	-
Capital contributions	2,018,631	-	188,569	-	2,207,200	-
Transfers in	5,600,000	-	-	-	5,600,000	-
Intergovernmental	1,845,242	-	-	-	1,845,242	-
Principal paid on capital debt	(2,652,653)	-	(799,993)	-	(3,452,646)	-
Interest paid on capital debt	(2,469,044)	-	(33,164)	-	(2,502,208)	-
Net cash provided (used) by capital and relatoc financing activities	(18,233,133)	(6,413)	(646,702)	160,094	(18,726,154)	(15,028)

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

**CASH FLOWS FROM INVESTING ACTIVITIES**

Purchase of investments	-	-	-	(98,295)	(98,295)	-
Sale of investments	17,548,698	-	1,099,945	-	18,648,643	-
Interest received	143,003	1,104	4,672	2,480	151,259	-
Net cash provided (used) by investing activities	17,691,701	1,104	1,104,617	(95,815)	18,701,607	-
Net increase (decrease) in cash and cash equivalents:	1,633,026	28,566	1,150,540	(99,994)	2,712,138	-
Cash and cash equivalents, beginning of year	4,889,030	1,097,243	1,526,429	131,718	7,644,420	-
Cash and cash equivalents, end of year	<u>\$ 6,522,056</u>	<u>\$ 1,125,809</u>	<u>\$ 2,676,969</u>	<u>\$ 31,724</u>	<u>\$ 10,356,558</u>	<u>\$ -</u>

**Shown in the financial statements as:**

Cash and cash equivalents	\$ 6,522,056	\$ 1,125,809	\$ 2,502,494	\$ 31,724	\$ 10,182,083	\$ -
Restricted cash and cash equivalents (the \$971,236 reported in the Statement of Net Assets included \$174,475 in cash and \$796,761 in cash equivalents)	-	-	174,475	-	174,475	-
Total	<u>\$ 6,522,056</u>	<u>\$ 1,125,809</u>	<u>\$ 2,676,969</u>	<u>\$ 31,724</u>	<u>\$ 10,356,558</u>	<u>\$ -</u>

**Reconciliation of operating income (loss) to net cash provided (used) by operating activities:**

Operating income (loss)	\$ 1,907,458	\$ 223,151	\$ (148,353)	\$ (232,253)	1,750,003	\$ (93,243)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation expense	2,958,454	24,188	695,870	115,184	3,793,696	163,831
Change in accounts receivable	3,306	2,699	11,571	2,032	19,608	-
Change in due from other funds	22,486	1,276	(2,952)	(200,760)	(179,950)	(68,425)
Change in prepaid expenses	250	(609)	-	-	(359)	-
Change in accounts payable	10,884	9,252	71,169	745	92,050	9,618
Change in compensated absences	7,958	223	1,429	979	10,589	3,247
Change in due to other governments	20,823	-	323	200	21,346	-
Change in deferred revenue	(23,847)	-	(7,724)	(400)	(31,971)	-
Total adjustments	3,000,314	37,029	769,686	(82,020)	3,725,009	108,271
Net cash provided (used) by operating activities	<u>\$ 4,907,772</u>	<u>\$ 260,180</u>	<u>\$ 621,333</u>	<u>\$ (314,273)</u>	<u>\$ 5,475,012</u>	<u>\$ 15,028</u>

**Noncash capital and related financing activities:**

Accounts receivable related to capital grants	\$ -	\$ -	\$ 14,271	\$ -	\$ 14,271	\$ -
Accounts receivable related to construction activities:	\$ 666,013	\$ -	\$ -	\$ -	\$ 666,013	\$ -
Accounts payable related to construction activities:	\$ 4,712,871	\$ -	\$ -	\$ -	\$ 4,712,871	\$ -

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

**DAKOTA COUNTY COMMUNITY DEVELOPMENT AGENCY**  
**Statement of Fiduciary Assets and Liabilities**  
**Agency Fund**  
**June 30, 2012**

	<b>HOME Consortium Agency Fund</b>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 114,761
Due from other governments	61,989
Total assets	<u>\$ 176,750</u>
<b>LIABILITIES</b>	
Accounts payable	\$ 61,989
Due to other governments	114,761
Total liabilities	<u>\$ 176,750</u>

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

**DAKOTA COUNTY COMMUNITY DEVELOPMENT AGENCY**  
**Notes to the Financial Statements**  
**June 30, 2012**

**Note 1. Summary of significant accounting policies**

**A. Reporting entity**

The Dakota County Community Development Agency (the Agency) was established in 1971 pursuant to special Minnesota legislation. The Agency operates as a local governmental unit for the purpose of providing housing, economic and redevelopment services within Dakota County, Minnesota. The powers of the Agency are vested in its seven-member Board of Commissioners, the members of which are appointed by the Dakota County Board of Commissioners (the County). Once appointed, the Board of Commissioners exercises all oversight responsibilities including but not limited to matters of personnel, management, finance, and budget.

Agency bond issues are backed by the full faith and credit of the County. This general obligation pledge has allowed the Agency to obtain lower borrowing costs for the purpose of financing the construction of senior housing facilities within Dakota County. GASB Codification Section 2100 states that a primary government that appoints a voting majority of an organization's officials and is obligated in some manner for the debt of that organization is financially accountable for that organization. Based on this criterion, the Agency is considered a discretely presented component unit of the County and is included in their basic financial statements. There are no agencies or entities that meet the criteria of GASB Codification Section 2100 that should be presented in the Agency's financial statements.

**B. Government-wide and fund financial statements**

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all the nonfiduciary activities of the Agency. 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 and charges for support.

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

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

**C. Measurement focus, basis of accounting, and financial statement presentation**

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be “available” when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Agency considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

The Agency reports the following major governmental funds:

General Fund - The General Fund accounts for all financial resources of the government except those required to be accounted for in another fund.

CDBG Fund – This special revenue fund accounts for the receipt and disbursement of funds related to the U.S. Department of Housing and Urban Development (HUD) funded Community Development Block Grant program.

Senior Levy Fund – This special revenue fund accounts for the receipt and disbursement of the Agency’s tax levy.

Tax Increment Fund – This special revenue fund accounts for the receipt and disbursement of tax increment revenues in several tax increment financing districts within the County.

HOPE Fund – This special revenue fund accounts for resources accumulated and payments made in the Housing Opportunities Enhancement Program.

The Agency reports the following major enterprise funds:

Common Bond Fund – This enterprise fund accounts for the resources accumulated and payments made for the acquisition, construction, improvement, and operation of 1,463 units of bond-financed senior housing within the County.

Housing Assistance Fund – This enterprise fund accounts for the administration of 2,306 units of rental assistance through the HUD-funded Housing Choice Voucher and Family Unification Program and several smaller federal and state funded programs.

Public Housing Fund – This enterprise fund accounts for the operation of 323 units of rental housing within Dakota County through the HUD funded Low-Rent Housing Program. These units are owned and operated by the Agency but are subject to HUD’s program rules and regulations. HUD provides subsidies for the operation, maintenance, and improvement of these units.

Youth Housing Fund – This enterprise fund accounts for the operation of a 25-unit housing development with supportive services for young adults that have either been homeless or are in danger of becoming homeless.

Additionally, the Agency reports the following fund types:



Internal Service Fund - The internal service fund is used to account for the operations of the Agency's administrative office building, document imaging and computer network, which is provided to all departments, on a cost-reimbursement basis.

Fiduciary Fund - The HOME Consortium Agency Fund is used to account for assets that are held in an agency capacity for other governmental units participating in the HOME program. This agency fund is custodial in nature and does not present results of operations or have a measurement focus.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The Agency has elected not to follow subsequent private-sector guidance.

Eliminations have been made to minimize the double accounting of internal activities in the government-wide financial statements. Interfund services provided and used are not eliminated in the process of consolidation.

Amounts reported as program revenues include 1) charges to customers or applicants for goods and services, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary fund's principal ongoing operations. The principal operating revenues of the Agency's enterprise funds and internal service funds are charges to customers for services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

#### **D. Assets, liabilities, and net assets**

##### **1. Deposits and investments**

The Agency'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 that are not specifically restricted as to use.

The Agency's investment policy requires compliance with State statutes which allow investment in obligations guaranteed by the U.S. Treasury or its agencies, mutual funds, general obligations of state and local governments, bankers acceptances, commercial paper, repurchase agreements, guaranteed investment contracts, and the Minnesota Municipal Money Market Fund (4M Fund).

The Minnesota Municipal Money Market Fund (4M Fund) is an external investment pool sponsored by the League of Minnesota Cities. The pool is restricted to invest in instruments authorized by Minnesota State Statutes.

All investments except the Minnesota Municipal Money Market Fund (4M Fund) are reported at fair value based on quoted market prices. The Minnesota Municipal Money Market Fund (4M Fund) is reported at

the Agency's share of the net assets of the pool which is reported at fair value based upon the quoted market prices of the pool's holdings.

## **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/due from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

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

The Agency's property tax levy is certified in December of each year to finance the budgeted expenditures of the subsequent fiscal year beginning on July 1st. The levy becomes a lien on January 1 on property values assessed as of the prior year. The tax levy is divided into two billings: the first half is due May 15th and the second half is due on October 15th. No allowance for uncollectible taxes has been provided because such amounts are not expected to be material. Taxes which remain unpaid by property owners at December 31 are considered delinquent. The County bills the property taxes and remits these funds to the Agency in July and December of each year. Because taxes are levied for subsequent periods, amounts are reported as taxes receivable, due from other governments and deferred revenue in both the government-wide and the fund financial statements as of June 30, 2012.

## **3. Prepaid items**

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. In the governmental fund financial statements, these prepaid items are recorded on the consumption basis.

## **4. Restricted assets**

Certain proceeds of the Agency's enterprise fund bond issues, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants. Restricted cash and investments also include escrow amounts held for participants in the Family Self-Sufficiency program.

For the purpose of the statement of cash flows, the business type activities - enterprise funds treat restricted cash equivalents the same as investments.

## **5. Capital assets**

Capital assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Agency as assets with an initial, individual cost of more than \$2,000 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 assets are recorded at estimated fair value at the date of donation.

Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. Net interest capitalized during the year ended June 30, 2012 was \$1,074,322.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Land improvements	15 Years
Buildings and improvements	10-40 Years
Furniture and equipment	3-10 Years

## **6. Compensated absences**

The Agency's policy is to permit employees to accumulate earned but unused flex leave benefits. Under the Agency's personnel policy, employees are granted flex leave in varying amounts based on length of service. Unused flex leave and compensatory time are paid to employees upon termination. Flex leave accruals vary from 20 to 38 days per year. All compensatory time is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

## **7. Long-term obligations**

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs for bonds and notes payable are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types report the face amount of debt issued as other financing sources and payment of debt as expenditures.

## **8. Net assets/fund balances**

In the government-wide and business-type fund financial statements, net assets is presented using the following three classifications:

Invested in capital assets, net of related debt is the balance of capital assets less accumulated depreciation, net of outstanding debt.

Restricted net assets are subject to external limitations (statutory, bond covenant, or granting agency) on their use. The amount of restricted net assets is calculated by reducing the carrying value of restricted assets by their related liabilities.

Unrestricted net assets represent the amounts remaining after the previous components have been determined.

In the governmental fund financial statements, fund balance is presented using the following classifications:

Nonspendable fund balance is amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted fund balance is amounts that are restricted to specific purposes when constraints placed on the use of resources are either by (a) externally imposed by creditors, grantors, contributors or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance is amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Board of Commissioners. Once adopted, the commitment remains in place until a formal action of the Board of Commissioners removes or revises the limitation.

Assigned fund balance is amounts that are constrained by the Agency's intent to be used for specific purposes, but are neither restricted nor committed. The Board of Commissioners has delegated the authority to assign fund balance to the Executive Director.

Unassigned fund balance includes residual positive fund balance within the General Fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

Pursuant to the Agency's Comprehensive Fund Balance Policy, restricted fund balance is to be spent first when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. Similarly, when an expenditure is incurred for purposes for which amounts in any of the unrestricted classifications of fund balance could be used, committed amounts are reduced first followed by assigned amounts and then unassigned amounts.

**Note 2. Reconciliation of government-wide and fund financial statements**

**A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets**

The governmental fund balance sheet is followed by the reconciliation between fund balance – total governmental funds and net assets – governmental activities as reported in the government-wide statement of net assets. One element of that reconciliation explains that “Long-term liabilities, including notes payable and compensated absences, are not due and payable in the current period and therefore are not reported in the funds.” The details of this \$1,429,137 difference are as follows:

Compensated absences	\$ 496,227
Less related to joint ventures	(44,403)
Less related to internal service funds	<u>(31,090)</u>
	420,734
Notes payable	<u>1,008,400</u>
	<u>\$ 1,429,134</u>

**B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balance and the government-wide statement of activities**

The governmental fund statement of revenues, expenditures and changes in fund balances is followed by the reconciliation between net changes in fund balances – total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays 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. This is the amount by which capital outlays exceeded depreciation in the current period.” The details of this \$1,425,098 difference are as follows:

Capital outlays	\$ 1,760,400
Less depreciation expense	<u>(335,302)</u>
	<u>\$ 1,425,098</u>

### Note 3. Detailed notes on all funds

#### A. Deposits and investments

As of June 30, 2012, the Agency had the following investments:

Investment Type	Reported Amount/ Fair Value	Investment Maturities (in Years)		
		Less Than 1	1-5	More than 5
U.S. Government Agencies	\$ 20,267,135	\$ -	\$ 20,267,135	\$ -
Mortgage Backed Securities	2,208,935	-	-	2,208,935
Money market mutual funds	20,738,761	20,738,761	-	-
Local government investment pool	39,687,898	39,687,898	-	-
	<u>\$ 82,902,729</u>	<u>\$ 60,426,659</u>	<u>\$ 20,267,135</u>	<u>\$ 2,208,935</u>

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

*Credit risk.* Generally, credit risk is the risk that an insurer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The Agency's investment policy places no restrictions on credit risk other than requiring compliance with State Law. State Law does not limit investments in securities of U.S. Government Agencies including mortgage backed securities by credit quality. All investments in securities of local government complied with State Law requiring general obligations backed by taxing powers to be rated "A" or better and revenue obligations backed by taxing powers to be rated "AA" or better. The local government investment pool and money market mutual funds are unrated. Investments held by the local government investment pool conform to state restrictions while the investments in money market mutual funds comply with state requirements for being rated in one of the highest two categories by a NRSRO. Commercial paper investments comply with State Law requiring it to be rated in the highest quality category by two nationally recognized rating agencies and having maturities of 270 days or less.

*Concentration of credit risk.* The Agency places no limit on the amount that may be invested in any one issuer.

*Custodial credit risk – deposits.* In the case of deposits, this is the risk that in the event of a bank failure, the Agency's deposits may not be returned to it. The Agency follows State law which requires all deposits with financial institutions to be collateralized in an amount equal to 110 percent of deposits in excess of FDIC insurance. At June 30, 2012, the entire amount of the Agency's bank balances was covered by federal-depository insurance.

*Custodial credit risk – investments.* For an investment, this is the risk that, in the event of the failure of the counterparty, the Agency will not be able to recover the value of its investments or collateral securities that

are in the possession of an outside party. At June 30, 2012, all investments are held by counterparties, are insured or registered, and are not exposed to custodial risk.

## B. Notes receivable

The Agency has issued various notes to individuals, businesses, not-for-profits, governmental units and joint ventures. These notes are generally secured by liens on real and personal property and allowances for uncollectible loans are generally not recorded as such amounts are not expected to be material. Notes receivable at June 30, 2012 consist of the following:

Loan Description	Loan Balance	By Fund:					Other Govt'l Funds
		General	CDBG	Tax Increment	HOPE		
Homebuyer loans	\$ 4,040,326	\$ 1,466,766	\$ 62,854	\$ -	\$ 1,279,424	\$ 1,231,282	
Homeowner rehab loans:							
Deferred	11,139,715	552,971	9,628,613	-	415,456	542,675	
Installment	173,619	-	173,619	-	-	-	
	11,313,334	552,971	9,802,232	-	415,456	542,675	
Joint venture loans:							
Bridge	2,142,400	2,142,400	-	-	-	-	
First mortgage	6,213,190	6,213,190	-	-	-	-	
Other	10,228,281	5,922,526	-	358,155	2,800,000	1,147,600	
Revolving	726,005	726,005	-	-	-	-	
	19,309,876	15,004,121	-	358,155	2,800,000	1,147,600	
Multifamily loans:							
Deferred	11,065,241	192,430	-	333,571	9,796,240	743,000	
Installment	9,874,876	9,874,876	-	-	-	-	
	20,940,117	10,067,306	-	333,571	9,796,240	743,000	
Supportive housing	427,672	147,600	-	280,072	-	-	
	\$ 56,031,325	\$ 27,238,764	\$ 9,865,086	\$ 971,798	\$ 14,291,120	\$ 3,664,557	

*Homebuyer loans.* Homebuyer loans assist qualified homebuyers in purchasing residential properties. The loan proceeds may be used for required down payment, closing costs or to buy down the first mortgage principal. Loans are repaid, without interest, when the home is sold, refinanced, or reach the end of the 30 year first mortgage term.

*Homeowner rehabilitation loans.* Homeowner rehabilitation loans are made to assist qualified homeowners in making eligible repairs to their homes. Deferred loans are 0 to 3 percent interest loans with principal and interest payable upon the sale or transfer of the property. Installment loans are 3 percent interest loans with principal and interest payable monthly with terms up to 15 years with the outstanding principal due in full upon the sale or transfer of the property.

*Joint Ventures.* The Agency has provided various forms of financing to several limited partnership projects that are considered joint ventures. These loans have varying terms which are summarized as follows:

- \$2,142,400 in a bridge loan at 6.75% interest with principal and interest due when the second Limited Partner capital contribution is received.
- \$6,213,190 in first mortgage loans at interest rates ranging from 6 to 7 percent interest with principal and interest payable monthly.
- \$10,228,282 in loans at interest rates ranging from 0 to 8 percent interest with interest paid annually or interest and principal deferred until maturity.
- \$726,005 of unsecured revolving loans to finance the development and construction of new family townhome projects. The interest rates on these loans range from 0 to 7 percent with payment of principal and interest generally deferred until the joint venture is able to secure permanent financing for the project.

The maturities on joint venture loans range between 20 to 30 years except for bridge and revolving loans with no penalty for prepayment. Loans are secured by liens on the underlying property and all loans other than first mortgage loans are subordinated to other loans that exist on these partnership projects.

*Multifamily loans.* Multifamily loans provide financing for the acquisition, development and rehabilitation of affordable multifamily housing. Deferred loans are 0 to 4.91 percent interest loans with principal and interest payable upon the sale, transfer, refinancing or change in use of the property or the maturity date of the loan whichever comes first. Loan maturities range from 15 to 50 years depending on the source of funds. Installment loans consist of two 6.50 percent interest loans with principal and interest payable monthly with final maturities of 2013 and 2026 with the outstanding principal due in full upon the sale, transfer or refinancing of the property.

*Supportive Housing.* The Agency has provided two loans to support the construction of supportive housing units in Apple Valley, Minnesota. These mortgage loans are secured by the underlying real estate and have the following terms:

- \$280,072 at 6.5 percent with semi-annual payments of interest and principal through February, 2022
- \$147,600 at 1 percent interest with the payment of principal and interest deferred for 30 years from date of occupancy or 50 years if recertified for continued use

### **C. Joint ventures**

The Agency is the general partner and managing agent in several limited partnerships that were formed to construct and operate family housing townhome complexes within Dakota County and financed using low-income housing tax credits which place certain restrictions on rental rates and require tenants to qualify for occupancy based on income levels. Contributions and distributions, if any, are recorded as direct adjustments to the investment in joint ventures on the statement of net assets. Any income or loss from the operation of these limited partnerships is also recorded as a direct adjustment to the investment in joint ventures based on the Agency's ownership percentage, which ranges from .01% to 1%. Separate financial statements for each of these limited partnerships can be obtained by contacting the Finance Director of the Dakota County Community Development Agency, 1228 Town Centre Drive, Eagan, Minnesota 55123.

Additional information on each of these limited partnerships is provided as follows:

	Year		Beginning		Allocation of	Ending
	Built	Units	Balance	Additions	Gain/(Loss)	Balance
Burnsville FHLP	1992	22	\$ 348,969	\$ -	\$ (33,312)	\$ 315,657
Apple Valley FHLP	1994	39	1,048,047	-	(44,742)	1,003,305
Inver Grove Heights FHLP	1995	24	368,406	-	(3)	368,403
Eagan FHLP	1996	42	502,092	-	(434)	501,658
Hastings FHLP	1997	31	239,275	-	(459)	238,816
Lakeville FHLP	1998	30	247,882	-	(68)	247,814
Chasewood FHLP	1999	27	428,852	-	(39)	428,813
Lakeville FHLP 2	2001	29	266,130	-	(6)	266,124
Mendota Heights FHLP	2001	24	404,161	-	(9)	404,152
Hastings Marketplace FHLP	2002	28	429,465	-	(8)	429,457
Burnsville HOC FHLP	2003	34	221,245	-	(6)	221,239
Eagan Cedar FHLP	2004	34	489,138	-	(5)	489,133
Lakeville Downtown FHLP	2005	40	470,923	-	(7)	470,916
Lafayette FHLP	2006	30	934,839	-	(10)	934,829
Hastings West Village FHLP	2007	21	346,226	-	(7)	346,219
Rosemount FHLP	2008	32	753,656	-	(10)	753,646
Twin Ponds FHLP	2009	25	563,197	-	(9)	563,188
Meadowlark FHLP	2010	40	320,693	-	(18)	320,675
Apple Valley East FHLP	2011	45	1,384,516	-	(21)	1,384,495
Twin Ponds II FHLP	2012	26	-	355,842	-	355,842
Inver Hills FHLP	*		315,400	-	-	315,400
		<u>623</u>	<u>\$ 10,083,112</u>	<u>\$ 355,842</u>	<u>\$ (79,173)</u>	<u>\$ 10,359,781</u>

\* Future development

As General Partner, the Agency has an obligation to provide funds for any development and operating deficits. As of June 30, 2012, these obligations were as follows:

Twin Ponds FHLP	\$ 500,000
Meadowlark FHLP	654,853
Apple Valley East FHLP	708,000
Twin Ponds Phase II FHLP	823,465
	<u>\$ 2,686,318</u>

Generally, these obligations lapse three years after the lease up of the property. A guaranty of housing tax credits and development fees is also provided.



#### D. Capital assets

Capital asset activity for the year ended June 30, 2012 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 7,366,022	\$ 1,661,194	\$ 2,285,786	\$ 6,741,430
Total capital assets, not being depreciated	7,366,022	1,661,194	2,285,786	6,741,430
Capital assets, being depreciated:				
Land improvements	144,098	-	-	144,098
Buildings	4,669,274	82,107	-	4,751,381
Furniture and equipment	2,282,689	17,099	-	2,299,788
Total capital assets, being depreciated	7,096,061	99,206	-	7,195,267
Less accumulated depreciation for:				
Land improvements	(84,057)	(9,607)	-	(93,664)
Buildings	(888,752)	(116,731)	-	(1,005,483)
Furniture and equipment	(1,577,686)	(208,964)	-	(1,786,650)
Total accumulated depreciation	(2,550,495)	(335,302)	-	(2,885,797)
Total capital assets, being depreciated, net	4,545,566	(236,096)	-	4,309,470
Governmental activities capital assets, net	<u>\$ 11,911,588</u>	<u>\$ 1,425,098</u>	<u>\$ 2,285,786</u>	<u>\$ 11,050,900</u>
	Beginning Balance	Increases	Decreases	Ending Balance
<b>Business-type activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 15,855,012	\$ 3,557,658	\$ 3,241	\$ 19,409,429
Construction in progress	7,881,719	21,369,272	14,666,386	14,584,605
Total capital assets, not being depreciated	23,736,731	24,926,930	14,669,627	33,994,034
Capital assets, being depreciated:				
Land improvements	3,156,977	465,882	42,700	3,580,159
Buildings	125,400,757	14,470,278	124,965	139,746,070
Furniture and equipment	4,900,078	505,784	26,181	5,379,681
Total capital assets, being depreciated	133,457,812	15,441,944	193,846	148,705,910
Less accumulated depreciation for:				
Land improvements	(1,863,757)	(184,268)	(42,700)	(2,005,325)
Buildings	(33,321,126)	(3,795,733)	(53,844)	(37,063,015)
Furniture and equipment	(3,652,853)	(312,169)	(26,181)	(3,938,841)
Total accumulated depreciation	(38,837,736)	(4,292,170)	(122,725)	(43,007,181)
Total capital assets, being depreciated, net	94,620,076	11,149,774	71,121	105,698,729
Business-type activities capital assets, net	<u>\$ 118,356,807</u>	<u>\$ 36,076,704</u>	<u>\$ 14,740,748</u>	<u>\$ 139,692,763</u>

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

Governmental activities:	
Community development	\$ 335,302
Total depreciation expense - governmental activities	<u>\$ 335,302</u>
Business-type activities:	
Common bond	\$ 2,958,454
Housing assistance	24,188
Public Housing	695,870
Youth Housing	115,184
Total depreciation expense - business-type activities	<u>\$ 3,793,696</u>

### Construction commitments

The Agency has active construction projects as of June 30, 2012. The projects include three senior housing developments. At year end the Agency's commitments with contractors are as follows:

	<u>Spent-to-Date</u>	<u>Remaining Commitment</u>
Project:		
Senior housing development	\$ 22,332,476	\$ 3,768,401

The cost and accumulated depreciation of capital assets relating to operating leases and reported as business-type activities is \$204,014 and \$160,942 respectively for a carrying value of \$43,072.

### E. Deferred revenue

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

At the end of the current fiscal year, the various components of deferred revenue and unearned revenue reported in the governmental funds were as follows:

	<u>Unavailable</u>	<u>Unearned</u>
Interest receivable	\$ 1,119,786	\$ -
Taxes receivable	8,974,176	-
Notes receivable	53,165,049	-
Fees not available	19,363	-
Indirect cost plan carryover	97,348	-
Grants and program income received prior to meeting all eligibility requirements	-	465,721
	<u>\$ 63,375,722</u>	<u>\$ 465,721</u>

### F. Interfund receivables, payables, and transfers

The composition of interfund balances as of June 30, 2012, is as follows:

**Due to/from other funds:**

Receivable Fund	Payable Fund	Amount
General	CDBG	\$ 3,201
	Senior Levy	290
	Tax Increment	625
	HOPE	189
	Common Bond	55,587
	Housing Assistance	27,052
	Public Housing	10,345
	Youth Housing	1,764
	Nonmajor governmental	164,999
	Nonmajor governmental	General Fund
Housing Assistance	Senior Levy	1,334
Internal Service Fund	General Fund	16,033
		<u>\$ 403,010</u>

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

At June 30, 2012, the General Fund had also advanced \$650,000 to the Tax Increment Fund to finance operating deficits in recently created tax increment financing districts. The advance will be repaid from future tax increment revenues.

**Interfund transfers:**

	Transfer In:		
	General	Common Bond	Housing Assistance
<u>Transfer out:</u>			
Senior Levy	\$ -	\$ 5,600,000	\$ 128,083
Tax Increment	70,500	457,186	-
Common Bond	2,733,314	-	-
	<u>\$ 2,803,814</u>	<u>\$ 6,057,186</u>	<u>\$ 128,083</u>

In the year ended June 30, 2012, the Agency made the following transfers:

- The Senior Levy Fund transferred \$5,600,000 to the Common Bond Fund related to tax levy revenues that are pledged towards debt service payments on Common Bond Fund development bonds and \$128,083 to the Housing Assistance Fund to subsidize rental assistance programs.
- The Tax Increment Fund transferred \$70,500 to the General Fund and \$457,186 to the Common Bond Fund related to the financing of a senior housing developments.
- The Common Bond Fund transferred \$2,733,314 to the General Fund, representing excess cash flow from operations.

## G. Long-term debt

### Changes in long-term liabilities

	Begin ning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental activities:</b>					
Compensated absences	\$ 485,052	\$ 306,392	\$ (295,217)	\$ 496,227	\$ 232,767
Notes payable	1,008,400	-	-	1,008,400	-
	<u>\$ 1,493,452</u>	<u>\$ 306,392</u>	<u>\$ (295,217)</u>	<u>\$ 1,504,627</u>	<u>\$ 232,767</u>
<b>Business-type activities:</b>					
Compensated absences	\$ 246,291	\$ 200,263	\$ (189,674)	\$ 256,880	\$ 157,612
Notes payable	5,987,768	160,094	(799,993)	5,347,869	190,078
Bonds payable	73,045,000	-	(2,695,000)	70,350,000	2,775,000
Less deferred amounts:					
For issuance premiums	1,761,159	-	(142,955)	1,618,204	-
On refunding	(978,021)	-	185,302	(792,719)	-
Total bonds payable	<u>73,828,138</u>	<u>-</u>	<u>(2,652,653)</u>	<u>71,175,485</u>	<u>2,775,000</u>
	<u>\$ 80,062,197</u>	<u>\$ 360,357</u>	<u>\$ (3,642,320)</u>	<u>\$ 76,780,234</u>	<u>\$ 3,122,690</u>

Internal service funds predominately serve the governmental funds. Accordingly, long-term liabilities for them are included as part of governmental activities. At year end \$31,088 of internal service funds compensated absences are included in the above amounts. In governmental funds, compensated absences are generally liquidated by the General Fund.

### Notes payable

Notes payable in governmental activities include non-interest bearing loans from the Federal Home Loan Bank and the Minnesota Housing Finance Agency. The principal on these loans is deferred until maturity with these maturities ranging from June 18, 2023 to June 1, 2028. The proceeds of these loans were used to finance capital contributions and loans to joint ventures.

Notes payable in business-type activities include a 3.92% Fannie Mae loan with a maturity date in 2016. The proceeds of this loan was used to finance capital improvements at Public Housing properties. The principal and interest payments for the Fannie Mae loan are made from the Capital Fund Program grants. Notes payable also include two deferred loan from the Minnesota Housing Finance Agency (MHFA) and a deferred loan from the HOPE fund for the construction of a youth housing development. The principal on the deferred loan is payable or forgiven at maturity with \$3,523,380 maturing on June 1, 2029 and \$1,177,649 maturing on June 1, 2039.

The annual principal and interest maturities for notes payable in business-type activities for fiscal years subsequent to June 30, 2012 are as follows:

	Principal	Interest	Total
2013	\$ 190,078	\$ 21,965	\$ 212,043
2014	197,664	14,379	212,043
2015	205,554	6,489	212,043
2016	53,544	353	53,897
thereafter	4,701,029	-	4,701,029
	<u>\$ 5,347,869</u>	<u>\$ 43,186</u>	<u>\$ 5,391,055</u>

### Housing development bonds

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

Description of Note	Issue Date	Maturity Date	Interest Rate	Original Amount	Outstanding June 30
2005 Housing Development Bonds	04/01/05	01/01/23	3.50 - 5.00%	\$ 15,040,000	\$ 7,600,000
2007 Housing Development Bonds	09/01/07	01/01/35	4.25 - 5.13%	21,335,000	20,425,000
2010 Housing Development Bonds	07/21/10	01/01/40	2.00 - 6.00%	46,160,000	42,325,000
Subtotal					70,350,000
Less current maturities					(2,775,000)
Total					<u>\$ 67,575,000</u>

Annual debt service requirements to maturity for housing development bonds are as follows:

	Principal	Interest	Total
2013	\$ 2,775,000	\$ 3,338,394	\$ 6,113,394
2014	2,715,000	3,254,594	5,969,594
2015	2,860,000	3,168,669	6,028,669
2016	2,850,000	3,075,282	5,925,282
2017	2,895,000	2,974,219	5,869,219
2018-2022	14,575,000	13,026,658	27,601,658
2023-2027	11,750,000	9,863,407	21,613,407
2028-2032	14,540,000	6,807,562	21,347,562
2033-2037	12,115,000	2,780,473	14,895,473
2038-2040	3,275,000	409,500	3,684,500
	<u>\$ 70,350,000</u>	<u>\$ 48,698,758</u>	<u>\$ 119,048,758</u>

## H. Fund balances

The detail of fund balances reported in the governmental funds is as follows:

Fund Balances	General	Senior Levy	Tax Increment	HOPE	Other Gov't'l Funds	Total
<b>Nonspendable:</b>						
Prepays	\$ 18,657	\$ -	\$ -	\$ -	\$ -	\$ 18,657
Loans	3,518,405	-	-	-	-	3,518,405
	<u>3,537,062</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,537,062</u>
<b>Restricted:</b>						
Housing and redevelopment	-	2,574,805	-	-	-	2,574,805
Tax increment financing	-	-	7,938,247	-	-	7,938,247
HOPE program	-	-	-	2,325,754	-	2,325,754
Weatherization	-	-	-	-	13,861	13,861
	<u>-</u>	<u>2,574,805</u>	<u>7,938,247</u>	<u>2,325,754</u>	<u>13,861</u>	<u>12,852,667</u>
<b>Assigned to:</b>						
Joint Venture financing	10,989,361	-	-	-	-	10,989,361
Housing rehabilitation	-	-	-	-	33,926	33,926
Weatherization	-	-	-	-	16,748	16,748
	<u>10,989,361</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>50,674</u>	<u>11,040,035</u>
<b>Unassigned:</b>						
	<u>28,090,372</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>28,090,372</u>
	<u>\$ 42,616,795</u>	<u>\$ 2,574,805</u>	<u>\$ 7,938,247</u>	<u>\$ 2,325,754</u>	<u>\$ 64,535</u>	<u>\$ 55,520,136</u>

## I. Restricted assets

The balances of the restricted asset accounts in the enterprise funds are as follows:

	Common Bond	Housing Assistance	Public Housing	Total
Debt proceeds held by trustees	\$ 16,055,575	\$ -	\$ -	\$ 16,055,575
Reserves required by debt agreements	5,090,879	-	971,236	6,062,115
HAP reserve	-	1,829,345	-	1,829,345
	<u>\$ 21,146,454</u>	<u>\$ 1,829,345</u>	<u>\$ 971,236</u>	<u>\$ 23,947,035</u>

## Note 4. Other information

### A. Risk management

The Agency is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors or omissions; general liability; workers' compensation and unemployment claims for which the government carries commercial insurance. The Agency has not reduced insurance coverage in the past year and settled claims have not exceeded commercial insurance coverage in any of the three preceding years.

## **B. Contingent liabilities**

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

## **C. Conduit debt**

The Agency has issued certain limited-obligation revenue bonds, including: 1) mortgage revenue bonds issued to provide funding for first time homebuyer loans; 2) multifamily housing revenue bonds issued to provide funds to finance specific multifamily rental housing projects; 3) industrial development revenue bonds issued to assist manufacturing companies in financing new facilities, structural improvements and expansions, and new equipment; 4) essential function bonds to finance facilities used by the general public; and 5) 501(c)3 bonds issued to finance specific rental housing projects developed by nonprofit organizations. This debt is secured by the property financed and is payable solely from payments received on the underlying loans. The Agency is not obligated in any manner for repayment of this debt and accordingly, it is not reported as liabilities in the accompanying financial statements. The aggregate amount of all outstanding conduit debt obligations at June 30, 2012 was \$320,757,589.

## **D. Employee retirement plans**

The Agency provides a defined contribution pension plan to all full-time, non-limited term and exempt employees through participation in the Housing Agency Retirement Trust Plan, a nonprofit trust serving housing and redevelopment agencies that is governed by a board of trustees and utilizing a private sector third party administrator. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. All part-time, non-exempt and limited term employees participate in social security.

Employees are required to contribute 10% of their annual base salary, and the Agency contributes 12.25%. Plan participants become vested at 20 percent per year after the first year of participation. Plan provisions and contribution requirements are established and may be amended by the Agency's Board of Commissioners. Employer and employee contributions to the plan during the year were \$495,048 and \$404,120, respectively.

## **E. Accounting standards not yet adopted**

The Governmental Accounting Standards Board has issued the following Statements for which Agency management has not yet determined their effect on the Agency's financial statements:

GASB Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*, will be effective for the Agency beginning with its year ending June 30, 2013. This statement improves financial reporting for establishing recognition, measurement and disclosure requirements for service concession arrangements (SCAs) for both transferors and governmental operators, requiring governments to account for and report SCAs in the same manner, which improves the comparability of financial statements.

GASB Statement No. 61, *The Financial Reporting Entity: Omnibus – an amendment of GASB Statements No. 14 and No. 34*, will be effective for the Agency beginning with its year ending June 30, 2013. This statement improves financial reporting for a governmental financial reporting entity. The statement modifies certain requirements for inclusion of component units in the financial reporting entity and amends the criteria for reporting component units.

GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resource, and Net Position*, will be effective for the Agency beginning with its year ending June 30, 2013. This statement provides guidance for deferred outflows of resources and deferred inflows of resources.

GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, will be effective for the Agency beginning with its year ending June 30, 2014 financial statements. This statement establishes accounting and financial reporting standards that reclassify, as deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.

GASB Statement No. 66, *Technical Corrections - 2012 – an amendment of GASB Statement No. 10 and No. 62*, will be effective for the Agency beginning with its year ending June 30, 2014 financial statements. The objective of this statement is to improve accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, and No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA pronouncements*.

GASB Statement No. 67, *Financial Reporting for Pension Plans – an amendment of GASB Statement No. 25*, will be effective for the Agency beginning with its year ending June 30, 2014 financial statements. The objective of this statement is to improve financial reporting by state and local government pension plans. The statement will improve financial reporting primarily thorough enhanced note disclosures and schedules of required supplementary information that will be presented by the pension plans that are within its scope.

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, will be effective for the Agency beginning with its year ending June 30, 2015 financial statements. The objective of this statement is to improve financial reporting by state and local government pension plans. The statement will improve the decision-usefulness of information in employer and governmental nonemployer contributing entity financial reports and will enhance its value for assessing accountability and interperiod equity by requiring recognition of the entire net pension liability and a more comprehensive measure of pension expense.



## **REQUIRED SUPPLEMENTARY INFORMATION**

**DAKOTA COUNTY COMMUNITY DEVELOPMENT AGENCY**

**Schedule of Revenues, Expenditures and Changes in**

**Fund Balances - Budget and Actual**

**General Fund**

**Year Ended June 30, 2012**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Intergovernmental	\$ 1,283,110	\$ 1,283,110	394,832	\$ (888,278)
Charges for services	2,590,035	2,590,035	2,739,716	149,681
Investment earnings	400,200	400,200	281,541	(118,659)
Other	<u>1,657,677</u>	<u>1,774,327</u>	<u>2,181,061</u>	<u>406,734</u>
Total revenues	5,931,022	6,047,672	5,597,150	(450,522)
<b>EXPENDITURES</b>				
Current:				
Administrative	1,971,492	1,971,492	1,554,996	416,496
Ordinary maintenance and operation	14,191	14,191	15,986	(1,795)
Loans	2,298,312	2,298,312	800,000	1,498,312
Land acquisition & development	84,650	201,300	(2,192)	203,492
General	3,613,576	3,613,576	1,484,422	2,129,154
Capital outlay	<u>2,476</u>	<u>2,476</u>	<u>2,073</u>	<u>403</u>
Total expenditures	<u>7,984,697</u>	<u>8,101,347</u>	<u>3,855,285</u>	<u>4,246,062</u>
Excess (deficiency) of revenues over expenditures	(2,053,675)	(2,053,675)	1,741,865	3,795,540
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	2,520,000	2,570,500	2,803,814	233,314
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>2,520,000</u>	<u>2,570,500</u>	<u>2,803,814</u>	<u>233,314</u>
Net change in fund balances	466,325	516,825	4,545,679	4,028,854
Fund balances - beginning	<u>38,071,116</u>	<u>38,071,116</u>	<u>38,071,116</u>	-
Fund balances - ending	<u>\$ 38,537,441</u>	<u>\$ 38,587,941</u>	<u>\$ 42,616,795</u>	<u>\$ 4,028,854</u>

See notes to required supplementary information.

**DAKOTA COUNTY COMMUNITY DEVELOPMENT AGENCY**

**Schedule of Revenues, Expenditures and Changes in**

**Fund Balances - Budget and Actual**

**Senior Levy Fund**

**Year Ended June 30, 2012**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 5,651,965	\$ 5,651,965	\$ 5,797,101	\$ 145,136
Intergovernmental	223,986	223,986	270,527	46,541
Investment earnings	2,500	2,500	3,309	809
Total revenues	5,878,451	5,878,451	6,070,937	192,486
<b>EXPENDITURES</b>				
Current:				
Administrative	69,444	69,444	34,832	34,612
Land acquisition & development	-	-	-	-
Total expenditures	69,444	69,444	34,832	34,612
Excess of revenues over expenditures	5,809,007	5,809,007	6,036,105	227,098
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Transfers out	(5,782,418)	(5,782,418)	(5,728,083)	54,335
Total other financing sources (uses)	(5,782,418)	(5,782,418)	(5,728,083)	54,335
Net change in fund balances	26,589	26,589	308,022	281,433
Fund balances - beginning	2,266,783	2,266,783	2,266,783	-
Fund balances - ending	\$ 2,293,372	\$ 2,293,372	\$ 2,574,805	\$ 281,433

See notes to required supplementary information.

**DAKOTA COUNTY COMMUNITY DEVELOPMENT AGENCY**

**Schedule of Revenues, Expenditures and Changes in**

**Fund Balances - Budget and Actual**

**Tax Increment Fund**

**Year Ended June 30, 2012**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 1,629,744	\$ 1,629,744	\$ 1,635,537	\$ 5,793
Intergovernmental	40,915	40,915	43,479	2,564
Investment earnings	8,950	8,950	30,785	21,835
Other	138,594	595,780	498,812	(96,968)
Total revenues	1,818,203	2,275,389	2,208,613	(66,776)
<b>EXPENDITURES</b>				
Current:				
Administrative	161,457	161,457	112,677	48,780
Loans	94,000	94,000	87,154	6,846
Land acquisition & development	1,809,651	2,133,909	1,117,997	1,015,912
General	437,000	437,000	380,047	56,953
Total expenditures	2,502,108	2,826,366	1,697,875	1,128,491
Excess (deficiency) of revenues over expenditures	(683,905)	(550,977)	510,738	1,061,715
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Transfers out	(40,000)	(547,739)	(527,686)	20,053
Total other financing sources (uses)	(40,000)	(547,739)	(527,686)	20,053
Net change in fund balances	(723,905)	(1,098,716)	(16,948)	1,081,768
Fund balances - beginning	7,955,195	7,955,195	7,955,195	-
Fund balances - ending	\$ 7,231,290	\$ 6,856,479	\$ 7,938,247	\$ 1,081,768

See notes to required supplementary information.

**DAKOTA COUNTY COMMUNITY DEVELOPMENT AGENCY**

**Schedule of Revenues, Expenditures and Changes in**

**Fund Balances - Budget and Actual**

**HOPE Fund**

**Year Ended June 30, 2012**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes	\$ 1,471,231	\$ 1,471,231	\$ 1,464,573	\$ (6,658)
Intergovernmental	58,305	58,305	68,319	10,014
Investment earnings	2,000	2,000	1,126	(874)
Other	-	-	32,446	32,446
Total revenues	<u>1,531,536</u>	<u>1,531,536</u>	<u>1,566,464</u>	<u>34,928</u>
<b>EXPENDITURES</b>				
Current:				
Administrative	76,080	76,080	33,455	42,625
Loans	<u>2,260,423</u>	<u>2,260,423</u>	<u>1,339,329</u>	<u>921,094</u>
Total expenditures	<u>2,336,503</u>	<u>2,336,503</u>	<u>1,372,784</u>	<u>963,719</u>
Excess (deficiency) of revenues over expenditures	(804,967)	(804,967)	193,680	998,647
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	(804,967)	(804,967)	193,680	998,647
Fund balances - beginning	<u>2,132,074</u>	<u>2,132,074</u>	<u>2,132,074</u>	<u>-</u>
Fund balances - ending	<u>\$ 1,327,107</u>	<u>\$ 1,327,107</u>	<u>\$ 2,325,754</u>	<u>\$ 998,647</u>

See notes to required supplementary information.

**DAKOTA COUNTY COMMUNITY DEVELOPMENT AGENCY**  
**Notes to Required Supplementary Information**  
**June 30, 2012**

**Budgetary Basis of Accounting**

A budget comparison schedule is presented for the General Fund and for each special revenue fund that has a legally adopted annual budget. Generally accepted accounting principles serve as the basis of budgeting for these funds.

**DAKOTA COUNTY COMMUNITY DEVELOPMENT AGENCY**  
**Combining and Individual Fund Financial Statements**  
**Year Ended June 30, 2012**

**Special Revenue Funds**

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

HOME Fund – This fund is used to account for the administration of the HOME program funded by the U.S. Department of Housing and Urban Development.

MHFA Fund – This fund is used to account for the administration of state funded programs providing rehabilitation assistance to homeowners.

Weatherization Fund – This fund is used to account for the administration of federal, state, and locally-financed weatherization programs.

NSP Fund – This fund is used to account for the administration of the Neighborhood Stabilization Program funded by the U.S. Department of Housing and Urban Development.

Homeownership Counseling Fund – This fund is used to account for the administration of federal, state, and locally-financed foreclosure counseling programs.

**Agency Funds**

Agency funds are custodial in nature and are used to account for assets that are held for others in an Agency capacity.

HOME Consortium Agency Fund – This fund is used to account for assets held in an Agency capacity relating to the federally-funded HOME consortium.

**DAKOTA COUNTY COMMUNITY DEVELOPMENT AGENCY**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2012**

	Special Revenue					Total Nonmajor Governmental Funds
	HOME	MHFA	Weather- ization	NSP	Homeownership Counseling	
<b>ASSETS</b>						
Cash and cash equivalents	\$ 35,250	\$ 61,112	\$ -	\$ -	\$ -	\$ 96,362
Accounts receivable	-	-	27,462	25	-	27,487
Interest receivable	143,394	-	-	-	-	143,394
Due from other funds	-	-	-	-	121,591	121,591
Due from other governments	-	-	103,571	92,750	7,018	203,339
Prepaid items	-	-	-	-	5,386	5,386
Notes receivable	3,087,612	-	-	576,945	-	3,664,557
Total assets	<u>\$ 3,266,256</u>	<u>\$ 61,112</u>	<u>\$ 131,033</u>	<u>\$ 669,720</u>	<u>\$ 133,995</u>	<u>\$ 4,262,116</u>
<b>LIABILITIES</b>						
Accounts payable	\$ 2,255	\$ 121	\$ 8,845	\$ 6,688	\$ 2,596	\$ 20,505
Due to other funds	2,268	65	105,440	57,226	-	164,999
Deferred revenue	3,254,990	27,000	-	591,945	131,399	4,005,334
Total liabilities	<u>3,266,256</u>	<u>27,186</u>	<u>114,285</u>	<u>655,859</u>	<u>133,995</u>	<u>4,197,581</u>
<b>FUND BALANCES</b>						
Restricted	-	-	-	13,861	-	13,861
Assigned	-	33,926	16,748	-	-	50,674
Total fund balances	<u>-</u>	<u>33,926</u>	<u>16,748</u>	<u>13,861</u>	<u>-</u>	<u>64,535</u>
Total liabilities and fund balances	<u>\$ 3,266,256</u>	<u>\$ 61,112</u>	<u>\$ 131,033</u>	<u>\$ 669,720</u>	<u>\$ 133,995</u>	<u>\$ 4,262,116</u>



**DAKOTA COUNTY COMMUNITY DEVELOPMENT AGENCY**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**June 30, 2012**

	Special Revenue					Total Nonmajor Governmental Funds
	HOME	MHFA	Weather- ization	NSP	Homeownership Counseling	
<b>REVENUES</b>						
Intergovernmental	\$ 914,860	\$ 130,685	\$ 695,594	\$ 370,166	\$ 187,127	\$ 2,298,432
Charges for services	-	-	-	23,176	9,936	33,112
Investment earnings	-	46	-	-	-	46
Other	110,922	-	77,128	-	-	188,050
Total revenues	<u>1,025,782</u>	<u>130,731</u>	<u>772,722</u>	<u>393,342</u>	<u>197,063</u>	<u>2,519,640</u>
<b>EXPENDITURES</b>						
Current:						
Administrative	156,010	13,350	125,084	31,947	183,885	510,276
Utilities	-	-	-	1,380	-	1,380
Ordinary maintenance and operation	-	-	-	7,206	-	7,206
Loans	40,350	113,487	-	-	-	153,837
Land acquisition & development	730,646	-	-	102,907	-	833,553
General	98,776	-	635,219	239,429	13,178	986,602
Total expenditures	<u>1,025,782</u>	<u>126,837</u>	<u>760,303</u>	<u>382,869</u>	<u>197,063</u>	<u>2,492,854</u>
Excess (deficiency) of revenues over expenditures	-	3,894	12,419	10,473	-	26,786
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	3,894	12,419	10,473	-	26,786
Fund balances - beginning	-	30,032	4,329	3,388	-	37,749
Fund balances - ending	<u>\$ -</u>	<u>\$ 33,926</u>	<u>\$ 16,748</u>	<u>\$ 13,861</u>	<u>\$ -</u>	<u>\$ 64,535</u>

**DAKOTA COUNTY COMMUNITY DEVELOPMENT AGENCY**  
**Statement of Changes in Assets and Liabilities**  
**HOME Consortium Agency Fund**  
**Year Ended June 30, 2012**

	<u>Balance June 30, 2011</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2012</u>
<b>Assets</b>				
Cash and cash equivalents	\$ 20,134	\$ 1,091,388	\$ 996,761	\$ 114,761
Due from other governments	-	852,084	790,095	61,989
	<u>\$ 20,134</u>	<u>\$ 1,943,472</u>	<u>\$ 1,786,856</u>	<u>\$ 176,750</u>
<b>Liabilities</b>				
Accounts payable	\$ -	\$ 852,084	\$ 790,095	\$ 61,989
Due to other governments	20,134	237,968	143,341	114,761
	<u>\$ 20,134</u>	<u>\$ 1,090,052</u>	<u>\$ 933,436</u>	<u>\$ 176,750</u>

## STATISTICAL SECTION

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

<b><u>Contents</u></b>	<b><u>Page</u></b>
<b>Financial Trends</b>	69
These schedules contain trend information to help the reader understand how the Agency's financial performance and well-being have changed over time.	
<b>Revenue Capacity</b>	75
These schedules contain information to help the reader assess the Agency's most significant local revenue sources, property tax and rental revenues.	
<b>Debt Capacity</b>	80
These schedules present information to help the reader assess the affordability of the Agency's current levels of outstanding debt and the Agency's ability to issue additional debt in the future.	
<b>Demographic and Economic Information</b>	82
These schedules offer demographic and economic indicators to help the reader understand the environment within which the Agency's financial activities take place and to help make comparisons over time.	
<b>Operating Information</b>	84
These schedules contain information about the Agency's operations and resources to help the reader understand how the Agency's financial information relates to the services the Agency provides and the activities it performs.	

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The Agency implemented Statement 34 in 2002; schedules presenting government-wide information include information beginning in that year.

**DAKOTA COUNTY COMMUNITY DEVELOPMENT AGENCY**

**Net Assets by Component**

**Last Ten Fiscal Years**

*(accrual basis of accounting)*

	Fiscal Year Ending									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Governmental activities</b>										
Invested in capital assets, net of related debt	\$ 6,965,953	\$ 6,881,371	\$ 5,896,890	\$ 7,717,921	\$ 8,286,510	\$ 10,463,076	\$ 11,227,325	\$ 12,936,201	\$ 11,911,588	\$ 11,050,900
Restricted	14,041,204	16,965,666	20,110,158	21,945,311	26,749,776	27,434,223	28,525,526	36,831,519	42,441,626	44,561,233
Unrestricted	28,843,236	34,968,045	37,341,826	43,509,946	47,860,076	52,528,395	58,813,075	61,561,248	68,582,408	74,266,544
<b>Total governmental activities net assets</b>	<b>\$ 49,850,393</b>	<b>\$ 58,815,082</b>	<b>\$ 63,348,874</b>	<b>\$ 73,173,178</b>	<b>\$ 82,896,362</b>	<b>\$ 90,425,694</b>	<b>\$ 98,565,926</b>	<b>\$ 111,328,968</b>	<b>\$ 122,935,622</b>	<b>\$ 129,878,677</b>
<b>Business-type activities</b>										
Invested in capital assets, net of related debt	\$ 43,015,854	\$ 43,180,986	\$ 48,626,507	\$ 48,791,023	\$ 50,144,080	\$ 52,196,981	\$ 56,194,988	\$ 57,900,299	\$ 66,400,614	\$ 71,101,416
Restricted	4,952,533	5,586,573	5,000,689	7,489,268	8,214,694	13,492,971	12,646,593	12,239,887	10,123,936	10,369,247
Unrestricted	1,530,701	2,156,793	1,274,901	2,338,508	2,892,820	2,607,831	3,807,536	5,659,028	7,304,504	9,666,954
<b>Total business-type activities net assets</b>	<b>\$ 49,499,088</b>	<b>\$ 50,924,352</b>	<b>\$ 54,902,097</b>	<b>\$ 58,618,799</b>	<b>\$ 61,251,594</b>	<b>\$ 68,297,783</b>	<b>\$ 72,649,117</b>	<b>\$ 75,799,214</b>	<b>\$ 83,829,054</b>	<b>\$ 91,137,617</b>
<b>Total</b>										
Invested in capital assets, net of related debt	\$ 49,981,807	\$ 50,062,357	\$ 54,523,397	\$ 56,508,944	\$ 58,430,590	\$ 62,660,057	\$ 67,422,313	\$ 70,836,500	\$ 78,312,202	\$ 82,152,316
Restricted	18,993,737	22,552,239	25,110,847	29,434,579	34,964,470	40,927,194	41,172,119	49,071,406	52,565,562	54,930,480
Unrestricted	30,373,937	37,124,838	38,616,727	45,848,454	50,752,896	55,136,226	62,620,611	67,220,276	75,886,912	83,933,498
<b>Total net assets</b>	<b>\$ 99,349,481</b>	<b>\$ 109,739,434</b>	<b>\$ 118,250,971</b>	<b>\$ 131,791,977</b>	<b>\$ 144,147,956</b>	<b>\$ 158,723,477</b>	<b>\$ 171,215,043</b>	<b>\$ 187,128,182</b>	<b>\$ 206,764,676</b>	<b>\$ 221,016,294</b>

**DAKOTA COUNTY COMMUNITY DEVELOPMENT AGENCY**  
**Changes in Net Assets**  
**Last Ten Fiscal Years**  
*(accrual basis of accounting)*

	Fiscal Year Ending									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Expenses</b>										
Governmental activities:										
Community Development	\$ 5,655,765	\$ 4,870,786	\$ 5,138,912	\$ 5,279,779	\$ 6,274,059	\$ 6,783,062	\$ 9,363,670	\$ 12,121,562	\$ 11,175,493	\$ 6,566,454
Business-type activities:										
Common bond senior housing	5,809,426	7,066,894	8,995,565	8,478,073	8,795,473	9,370,801	9,924,711	11,039,269	11,864,386	11,804,910
Housing assistance	15,712,783	16,954,890	16,553,085	16,374,408	16,274,784	15,919,743	16,392,970	16,551,529	17,322,605	17,723,693
Public Housing	2,353,625	2,364,683	2,286,385	2,625,614	2,665,444	2,544,714	2,418,547	2,484,973	2,329,157	2,383,103
Youth Housing	-	-	-	-	-	-	-	78,808	408,991	372,262
Total business-type activities expenses	23,875,834	26,386,467	27,835,035	27,478,095	27,735,701	27,835,258	28,736,228	30,154,579	31,925,139	32,283,968
Total expenses	\$ 29,531,599	\$ 31,257,253	\$ 32,973,947	\$ 32,757,874	\$ 34,009,760	\$ 34,618,320	\$ 38,099,898	\$ 42,276,141	\$ 43,100,632	\$ 38,850,422

(continued)

**DAKOTA COUNTY COMMUNITY DEVELOPMENT AGENCY**  
**Changes in Net Assets**  
**Last Ten Fiscal Years**  
*(accrual basis of accounting)*

	Fiscal Year Ending									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Program Revenues</b>										
Governmental activities:										
Charges for services	\$ 1,580,492	\$ 1,096,634	\$ 1,460,025	\$ 1,848,324	\$ 1,493,072	\$ 2,340,062	\$ 2,479,389	\$ 3,079,153	\$ 2,734,469	\$ 2,772,828
Operating grants and contributions	9,179,316	7,142,219	5,832,662	6,548,036	5,676,725	5,537,895	7,537,660	13,597,345	17,448,107	6,724,632
Total governmental activities program revenues	10,759,808	8,238,853	7,292,687	8,396,360	7,169,797	7,877,957	10,017,049	16,676,498	20,182,576	9,497,460
Business-type activities:										
Charges for services										
Common bond senior housing	5,563,426	6,322,949	6,988,851	7,274,544	7,605,319	8,237,431	8,770,662	9,354,689	10,012,012	10,604,586
Housing assistance	1,465,123	1,620,283	1,484,518	2,471,339	1,850,261	1,655,353	1,578,930	1,933,021	1,898,165	1,445,373
Public Housing	1,361,778	1,323,706	1,319,936	1,369,484	1,459,774	1,566,885	1,576,447	1,669,781	1,678,748	1,660,824
Youth Housing	-	-	-	-	-	-	-	27,967	132,644	135,209
Operating grants and contributions										
Common bond senior housing	402,487	416,041	603,226	776,712	863,668	1,156,273	495,263	240,485	804,438	2,704,985
Housing assistance	14,372,427	15,410,919	15,071,345	14,850,844	14,730,454	14,739,868	14,156,390	14,837,214	15,650,439	16,169,154
Public Housing	191,076	63,268	148,703	195,656	354,650	498,225	701,640	676,205	392,905	640,675
Youth Housing	-	-	-	-	-	-	15,271	4,300	153,774	152,480
Capital grants and contributions										
Public Housing	687,585	714,785	867,873	561,401	807,317	369,319	708,897	1,041,631	1,142,458	877,276
Total business-type activities program revenues	24,043,902	25,871,951	26,484,452	27,499,980	27,671,443	28,223,354	28,003,500	29,785,293	31,865,583	34,390,562
Total program revenues	\$ 34,803,710	\$ 34,110,804	\$ 33,777,139	\$ 35,896,340	\$ 34,841,240	\$ 36,101,311	\$ 38,020,549	\$ 46,461,791	\$ 52,048,159	\$ 43,888,022
Net (expense)/revenue										
Governmental activities	\$ 5,104,043	\$ 3,368,067	\$ 2,153,775	\$ 3,116,581	\$ 895,738	\$ 1,094,895	\$ 653,379	\$ 4,554,936	\$ 9,007,083	\$ 2,931,006
Business-type activities	168,068	(514,516)	(1,350,583)	21,885	(64,258)	388,096	(732,728)	(369,286)	(59,556)	2,106,594
Total net (expense)/revenue	\$ 5,272,111	\$ 2,853,551	\$ 803,192	\$ 3,138,466	\$ 831,480	\$ 1,482,991	\$ (79,349)	\$ 4,185,650	\$ 8,947,527	\$ 5,037,600

(continued)

**DAKOTA COUNTY COMMUNITY DEVELOPMENT AGENCY**

**Changes in Net Assets**

**Last Ten Fiscal Years**

*(accrual basis of accounting)*

	Fiscal Year Ending									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>General Revenues and Other</b>										
<b>Changes in Net Assets</b>										
Governmental activities:										
Property taxes	\$ 3,339,917	\$ 4,694,249	\$ 5,278,362	\$ 6,097,282	\$ 6,742,029	\$ 7,512,146	\$ 7,848,758	\$ 7,829,702	\$ 7,566,507	\$ 7,261,674
Tax increment revenue	1,903,356	2,047,034	2,154,606	2,792,582	3,034,382	3,288,340	3,384,616	3,303,413	3,207,383	1,635,537
Unrestricted investment earnings	411,190	180,027	407,008	1,262,710	2,186,086	1,952,466	1,004,807	493,547	343,651	316,807
Miscellaneous	-	-	-	-	-	-	-	-	-	-
Gain (loss) on sale/impairment of capital assets	186,167	462,004	174,841	4,050	-	-	-	-	-	-
Transfers	(3,456,180)	(1,786,692)	(5,634,800)	(3,448,901)	(3,135,051)	(6,318,515)	(4,751,328)	(3,418,556)	(8,517,970)	(5,201,969)
<b>Total governmental activities</b>	<b>2,384,450</b>	<b>5,596,622</b>	<b>2,380,017</b>	<b>6,707,723</b>	<b>8,827,446</b>	<b>6,434,437</b>	<b>7,486,853</b>	<b>8,208,106</b>	<b>2,599,571</b>	<b>4,012,049</b>
Business-type activities:										
Transfers	3,456,180	1,786,692	5,634,800	3,448,901	3,135,051	6,318,515	4,751,328	3,418,556	8,517,970	5,201,969
<b>Total business-type activities</b>	<b>3,456,180</b>	<b>1,786,692</b>	<b>5,634,800</b>	<b>3,448,901</b>	<b>3,135,051</b>	<b>6,318,515</b>	<b>4,751,328</b>	<b>3,418,556</b>	<b>8,517,970</b>	<b>5,201,969</b>
<b>Total general revenues and other changes in net assets</b>	<b>\$ 5,840,630</b>	<b>\$ 7,383,314</b>	<b>\$ 8,014,817</b>	<b>\$ 10,156,624</b>	<b>\$ 11,962,497</b>	<b>\$ 12,752,952</b>	<b>\$ 12,238,181</b>	<b>\$ 11,626,662</b>	<b>\$ 11,117,541</b>	<b>\$ 9,214,018</b>
<b>Change in Net Assets</b>										
Governmental activities	\$ 7,488,493	\$ 8,964,689	\$ 4,533,792	\$ 9,824,304	\$ 9,723,184	\$ 7,529,332	\$ 8,140,232	\$ 12,763,042	\$ 11,606,654	\$ 6,943,055
Business-type activities	3,624,248	1,272,176	4,284,217	3,470,786	3,070,793	6,706,611	4,018,600	3,049,270	8,458,414	7,308,563
<b>Total change in net assets</b>	<b>\$ 11,112,741</b>	<b>\$ 10,236,865</b>	<b>\$ 8,818,009</b>	<b>\$ 13,295,090</b>	<b>\$ 12,793,977</b>	<b>\$ 14,235,943</b>	<b>\$ 12,158,832</b>	<b>\$ 15,812,312</b>	<b>\$ 20,065,068</b>	<b>\$ 14,251,618</b>

**DAKOTA COUNTY COMMUNITY DEVELOPMENT AGENCY**

**Fund Balances of Governmental Funds**

**Last Two Fiscal Years**

*(modified accrual basis of accounting)*

	2011	2012
General fund		
Nonspendable	\$ 4,503,628	\$ 3,537,062
Restricted	-	-
Committed	-	-
Assigned	6,355,235	10,989,361
Unassigned	27,212,253	28,090,372
Total general fund	<u>\$ 38,071,116</u>	<u>\$ 42,616,795</u>
All other governmental funds		
Nonspendable	\$ -	\$ -
Restricted	12,357,440	12,852,667
Committed	-	-
Assigned	34,361	50,674
Unassigned	-	-
Total all other governmental funds	<u>\$ 12,391,801</u>	<u>\$ 12,903,341</u>

**Note:** This schedule usually covers the last ten fiscal years; however, since this is the information available as of the implementation of GASB 54, governments are not required to report prior years.



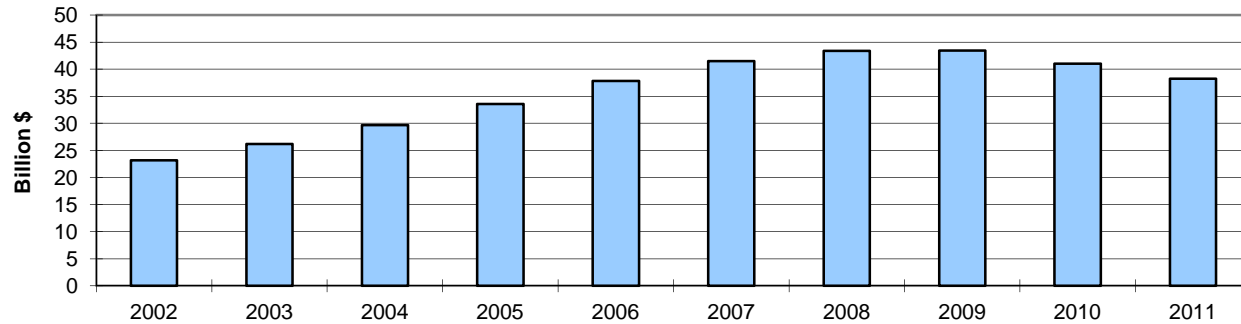
**DAKOTA COUNTY COMMUNITY DEVELOPMENT AGENCY**  
**Changes in Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
*(modified accrual basis of accounting)*

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Revenues</b>										
Taxes	\$ 6,098,625	\$ 6,741,283	\$ 7,432,968	\$ 8,889,864	\$ 9,776,411	\$ 10,800,486	\$ 11,233,375	\$ 11,133,115	\$ 10,773,890	\$ 8,897,211
Intergovernmental	6,435,545	4,511,480	3,402,461	3,903,043	3,928,187	4,559,965	6,448,341	11,241,476	9,150,245	4,882,191
Charges for services	1,486,441	1,171,322	1,460,025	1,848,324	1,493,072	2,337,568	2,479,390	3,079,153	2,734,469	2,772,828
Investment earnings	408,573	213,669	684,999	1,510,521	2,186,086	1,955,986	1,004,807	493,547	343,651	316,807
Other	5,217,644	4,550,652	3,195,939	3,629,031	2,431,440	1,601,669	2,154,794	2,983,944	8,825,453	3,283,548
<b>Total revenues</b>	<b>19,646,828</b>	<b>17,188,406</b>	<b>16,176,392</b>	<b>19,780,783</b>	<b>19,815,196</b>	<b>21,255,674</b>	<b>23,320,707</b>	<b>28,931,235</b>	<b>31,827,708</b>	<b>20,152,585</b>
<b>Expenditures</b>										
Administrative	1,741,036	1,818,182	2,043,430	2,034,367	2,146,035	2,286,666	2,543,705	3,131,396	3,127,225	2,499,645
Utilities	-	-	-	-	-	-	-	-	1,556	2,099
Ordinary maintenance and operation	8,102	10,663	10,738	12,100	13,275	12,377	16,827	18,704	19,424	22,473
Loans	4,727,887	6,635,448	3,920,163	3,432,138	3,751,161	4,918,560	2,807,436	16,823,154	3,209,193	3,295,464
Land acquisition	541,042	944,449	49,262	2,795,605	1,457,103	4,181,656	3,049,655	4,694,315	1,555,562	1,949,305
General	3,840,271	2,383,144	1,855,260	906,866	2,629,298	1,585,929	5,765,500	7,417,479	8,497,320	3,295,776
Capital outlay	1,819,858	19,285	99,446	85,346	73,940	15,387	1,073	103,805	43,415	2,073
Intergovernmental	1,091,491	673,249	918,616	740,566	961,567	391,198	558,372	578,218	432,882	576,576
<b>Total expenditures</b>	<b>13,769,687</b>	<b>12,484,420</b>	<b>8,896,915</b>	<b>10,006,988</b>	<b>11,032,379</b>	<b>13,391,773</b>	<b>14,742,568</b>	<b>32,767,071</b>	<b>16,886,577</b>	<b>11,643,411</b>
Excess of revenues over (under) expenditures	5,877,141	4,703,986	7,279,477	9,773,795	8,782,817	7,863,901	8,578,139	(3,835,836)	14,941,131	8,509,174
<b>Other financing sources (uses)</b>										
Transfers in	4,950,619	2,093,745	2,368,434	1,925,759	2,069,823	2,134,612	2,627,471	2,671,129	2,550,000	2,803,814
Transfers out	(4,956,358)	(3,880,437)	(8,054,847)	(5,374,660)	(5,204,874)	(8,451,818)	(6,368,706)	(4,864,193)	(9,561,909)	(6,255,769)
Loss on sale of investments	-	-	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>(5,739)</b>	<b>(1,786,692)</b>	<b>(5,686,413)</b>	<b>(3,448,901)</b>	<b>(3,135,051)</b>	<b>(6,317,206)</b>	<b>(3,741,235)</b>	<b>(2,193,064)</b>	<b>(7,011,909)</b>	<b>(3,451,955)</b>
<b>Net change in fund balances</b>	<b>\$ 5,871,402</b>	<b>\$ 2,917,294</b>	<b>\$ 1,593,064</b>	<b>\$ 6,324,894</b>	<b>\$ 5,647,766</b>	<b>\$ 1,546,695</b>	<b>\$ 4,836,904</b>	<b>(6,028,900)</b>	<b>\$ 7,929,222</b>	<b>\$ 5,057,219</b>

**DAKOTA COUNTY COMMUNITY DEVELOPMENT AGENCY**  
**Assessed and Estimated Actual Value of Taxable Property**  
**Last Ten Calendar Years**

Year Assessed	Real Property		Personal Property		Total		Total Direct Tax Rate**	% of Total Assessed to Total Estimated Market Value
	Assessed * Value	Estimated Market Value	Assessed Value	Estimated Market Value	Assessed Value	Estimated Market Value		
2002	\$ 303,246,273	\$ 25,936,773,800	\$ 5,228,097	\$ 267,987,400	\$ 308,474,370	\$ 26,204,761,200	0.01440%	1.2%
2003	338,159,517	29,375,690,500	5,544,992	284,642,600	343,704,509	29,660,333,100	0.01813%	1.2%
2004	379,955,145	33,272,415,600	5,859,007	300,730,500	385,814,152	33,573,146,100	0.01813%	1.1%
2005	427,133,158	37,531,168,000	5,875,141	302,403,100	433,008,299	37,833,571,100	0.01813%	1.1%
2006	471,234,957	41,167,642,300	6,196,860	319,020,400	477,431,817	41,486,662,700	0.01813%	1.2%
2007	495,383,991	43,049,023,300	6,286,380	324,904,600	501,670,371	43,373,927,900	0.01813%	1.2%
2008	499,594,005	43,061,778,400	6,868,328	355,081,700	506,462,333	43,416,860,100	0.01813%	1.2%
2009	475,008,140	40,648,278,700	6,916,149	358,042,600	481,924,289	41,006,321,300	0.01813%	1.2%
2010	442,537,353	37,854,672,500	7,877,537	405,057,500	450,414,890	38,259,730,000	0.01813%	1.2%
2011	411,472,047	34,893,431,896	8,111,805	417,754,800	419,583,852	35,311,186,696	0.01850%	1.2%

**Estimated Market Value-Real and Personal Property**



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

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

\*\* This is the Direct Tax Rate for the Dakota County Community Development Agency

Data Source: Dakota County Minnesota 2011 CAFR

**DAKOTA COUNTY COMMUNITY DEVELOPMENT AGENCY**

**Direct and Overlapping Governments**

**Tax Capacity Rate**

**Last Ten Calendar Years**

<b>Governments</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
<b>COUNTY</b>										
Dakota County	0.33102	0.32463	0.30300	0.28267	0.26318	0.25127	0.25184	0.25821	0.27269	0.29149
<b>CITIES</b>										
Apple Valley	0.45942	0.41578	0.39610	0.36753	0.35690	0.34891	0.35537	0.37086	0.39867	0.42388
Burnsville	0.43296	0.41074	0.38928	0.38004	0.35414	0.34564	0.35005	0.36121	0.38566	0.42598
Coates	0.28405	0.25287	0.23476	0.19117	0.17908	0.16971	0.15252	0.13587	0.16605	0.14343
Eagan	0.31715	0.29912	0.28702	0.28186	0.26704	0.25232	0.25892	0.26886	0.30408	0.33675
Farmington	0.48892	0.46894	0.41174	0.43767	0.42770	0.41883	0.43821	0.44186	0.49274	0.55733
Hampton	0.24767	0.25138	0.24248	0.22029	0.20224	0.24064	0.22742	0.24038	0.32859	0.34774
Hastings	0.58661	0.50077	0.50110	0.50515	0.50010	0.49235	0.49475	0.49732	0.52677	0.55195
Inver Grove Heights	0.44637	0.40890	0.39904	0.37347	0.35546	0.36514	0.37403	0.37878	0.41757	0.43169
Lakeville	0.34545	0.32944	0.30050	0.31326	0.31610	0.31583	0.34195	0.33973	0.36624	0.38250
Lilydale	0.21838	0.24679	0.28927	0.29238	0.36721	0.41386	0.41239	0.44291	0.47297	0.31115
Mendota	0.58069	0.57538	0.52357	0.49717	0.38234	0.42969	0.37178	0.35265	0.38429	0.45860
Mendota Heights	0.30180	0.28287	0.27030	0.26898	0.28027	0.27633	0.24142	0.26165	0.28061	0.29758
Miesville	0.24843	0.29835	0.26124	0.26831	0.24494	0.21512	0.23654	0.23116	0.24904	0.27223
New Trier	0.22208	0.22851	0.22851	0.26535	0.28778	0.24418	0.32119	0.36932	0.44344	0.47895
Northfield	0.41524	0.39833	0.38841	0.37004	0.34227	0.35691	0.36648	0.38536	0.40370	0.43889
Randolph	0.19517	0.17541	0.16142	0.09358	0.11127	0.11643	0.12512	0.15832	0.17773	0.25048
Rosemount	0.59546	0.57123	0.52368	0.46041	0.43755	0.42521	0.42440	0.42323	0.43358	0.44661
South St. Paul	0.44889	0.41264	0.39452	0.36913	0.34999	0.34143	0.36142	0.38532	0.41428	0.48374
Sunfish Lake	0.21436	0.20896	0.20377	0.18259	0.16817	0.18090	0.17847	0.18967	0.18625	0.20671
Vermillion	0.42449	0.54447	0.51224	0.44767	0.40697	0.32507	0.32429	0.37706	0.38845	0.40864
West St. Paul	0.44516	0.38716	0.41679	0.42289	0.42671	0.42082	0.43706	0.44608	0.50873	0.56078
<b>TOWNSHIPS</b>										
Castle Rock	0.23315	0.21069	0.17038	0.15468	0.12776	0.11738	0.11215	0.11484	0.12109	0.13187
Douglas	0.29011	0.26932	0.23536	0.22325	0.18861	0.20097	0.18389	0.18500	0.17439	0.15358
Empire	0.38108	0.38114	0.30439	0.29553	0.24473	0.28244	0.25452	0.26113	0.27764	0.27953
Eureka	0.20492	0.18955	0.18350	0.18655	0.16951	0.18163	0.17001	0.16854	0.17262	0.16951
Greenvale	0.13889	0.13036	0.13396	0.13007	0.13739	0.13014	0.13433	0.14124	0.11828	0.12597
Hampton	0.11031	0.12380	0.10701	0.09895	0.09222	0.10796	0.13156	0.13187	0.12496	0.17815
Marshan	0.24612	0.24535	0.19263	0.18137	0.17730	0.18121	0.17902	0.17435	0.13143	0.13837
Nininger	0.16377	0.15026	0.13109	0.11492	0.10185	0.08972	0.11577	0.12550	0.13430	0.14261
Randolph	0.09788	0.09240	0.08128	0.07425	0.06682	0.05783	0.04988	0.05437	0.05304	0.05576
Ravenna	0.18329	0.18596	0.16694	0.16812	0.14355	0.14268	0.10474	0.13014	0.13610	0.13756
Sciota	0.12748	0.13770	0.12145	0.10836	0.14939	0.19194	0.17116	0.16661	0.15830	0.17164
Vermillion	0.21329	0.18299	0.16449	0.14339	0.12468	0.11052	0.17820	0.17147	0.16629	0.17605
Waterford	0.20588	0.11195	0.10587	0.09692	0.08685	0.08155	0.07109	0.09209	0.09456	0.11311
<b>SCHOOL DISTRICTS</b>										
6	0.38406	0.38735	0.29199	0.26194	0.25900	0.23765	0.27640	0.26907	0.26807	0.30681
191	0.24120	0.21226	0.18955	0.17729	0.18315	0.18185	0.19374	0.19842	0.20668	0.21854
192	0.34095	0.39614	0.35599	0.36540	0.43708	0.44190	0.45831	0.49238	0.53452	0.52157
194	0.25984	0.30962	0.26901	0.25411	0.25670	0.25252	0.26272	0.27062	0.27714	0.32138
195	0.34185	0.36679	0.29347	0.22065	0.22632	0.22492	0.19031	0.20022	0.18547	0.20126
196	0.28883	0.27638	0.26074	0.26251	0.27554	0.23607	0.21136	0.21109	0.25391	0.26959
197	0.15272	0.14401	0.12917	0.21878	0.21428	0.19838	0.18914	0.18051	0.18850	0.19692
199	0.16824	0.14565	0.10032	0.07793	0.17796	0.16607	0.19764	0.19303	0.21795	0.24679
200	0.29430	0.22906	0.22050	0.22126	0.18683	0.18157	0.16676	0.16735	0.20206	0.22140
252	0.14471	0.25253	0.23727	0.16143	0.16555	0.13827	0.20580	0.17642	0.18868	0.20850
659	0.36023	0.32944	0.33521	0.32590	0.32272	0.31463	0.29579	0.28549	0.30528	0.34380
<b>SPECIAL DISTRICTS</b>										
Watershed M	0.00515	0.00390	0.00390	0.00358	0.00296	0.00290	0.00448	0.00911	0.00531	0.00266
Watershed V	--	0.00338	0.00203	0.00309	0.00640	0.00608	0.00603	0.00588	0.00566	0.00555
Transit District	0.01471	0.01659	0.01610	0.01464	0.01476	0.01253	0.01247	0.01223	0.01166	0.01215
Transit District Lakeville	--	--	--	--	--	--	--	0.00608	--	--
Mosquito Control	0.00478	0.00529	0.00527	0.00545	0.00483	0.00483	0.00490	0.00474	0.00481	0.00493
Metro Council	0.01408	0.01370	0.01124	0.01010	0.00834	0.00847	0.00817	0.00792	0.00826	0.00829
Dakota County CDA	0.01598	0.01604	0.01617	0.01637	0.01615	0.01635	0.01622	0.01594	0.01692	0.01718
Burnsville EDA	--	0.01222	0.01150	0.00155	0.00397	0.00615	0.00565	0.00566	0.00607	0.00722
Hastings HRA	0.01107	0.01177	0.01174	0.01207	0.01216	0.01183	0.01169	0.01141	0.01510	0.01487
Northfield EDA	--	--	--	--	0.01616	0.01646	0.01560	0.01539	0.01651	0.01761
Northfield HRA	--	0.01199	0.01397	0.01295	0.01226	0.01307	0.01268	0.01251	0.01431	0.01528
South St. Paul HRA	0.01906	0.01047	0.01066	0.01015	0.01294	0.01268	0.01267	0.01686	0.01463	0.01518
Light Transit Rail	0.00066	0.00063	0.00047	0.00251	0.00208	0.00198	0.00217	0.00245	0.00256	0.00389

The Tax Capacity Rate is determined by dividing a taxing district's property tax levy amount by the taxing district's total tax capacity  
 Data Source: Dakota County Minnesota 2011 CAFR

**DAKOTA COUNTY COMMUNITY DEVELOPMENT AGENCY**  
**Principal Taxpayers**  
**December 31, 2011 and December 31, 2002**

<u>Name</u>	<u>Type of Business</u>	<u>2011 Tax Capacity Value</u>	<u>% of Total County Tax Capacity</u>
Northern States Power Co.	Electric Utility	\$ 9,707,804	2.5%
Flint Hills	Refinery	3,359,613	0.9%
Burnsville Center Spe LP	Burnsville Center	2,079,250	0.5%
Dakota Electric Assn.	Electric Utility	1,910,588	0.5%
West Publishing Co.	Book Publishing	1,466,271	0.4%
Northern Natural Gas Co.	Natural Gas Utility	1,335,750	0.3%
Minnegasco Inc.	Natural Gas Utility	1,237,058	0.3%
BCBSM Inc.	Health Care	896,293	0.2%
AMB Property LP	Property Management	814,770	0.2%
Duke Realty LTD Prtnshp	Eagan Commerce Center	703,838	0.2%
		<u>\$ 23,511,235</u>	<u>6.0%</u>

<u>Name</u>	<u>Type of Business</u>	<u>2002 Tax Capacity Value</u>	<u>% of Total County Tax Capacity</u>
Northern States Power Co.	Electric Utility	\$ 4,878,534	1.4%
Burnsville Minnesota LLC	Burnsville Center	1,739,250	0.5%
Dakota Electric Assn.	Electric Utility	1,634,033	0.5%
West Publishing Co.	Book Publishing	1,483,267	0.4%
Great Northern Oil Co.	Refinery	1,085,898	0.3%
Duke Realty LTD Prtnshp	Eagan Commerce Center	700,500	0.2%
Haight, Stephen E. & Roberta	Property Management	623,321	0.2%
AMB Property	Property Management	738,584	0.2%
Minnegasco Inc.	Natural Gas Utility	745,422	0.2%
Koch Refinery Co.	Refinery	715,144	0.2%
		<u>\$ 14,343,953</u>	<u>4.1%</u>

Data Source: Dakota County Minnesota 2011 CAFR

**DAKOTA COUNTY COMMUNITY DEVELOPMENT AGENCY**  
**Property Tax Levies and Collections**  
**Last Ten Fiscal Years**

Fiscal Year	Total Tax Levy	Current Collections		Delinquent Collections	Total Collections	% of Current Levy	Outstanding Delinquent Taxes	Total Delinquent Taxes as a % of Current Levy
		Amount	% of Levy					
2002	\$ 2,996,601	\$ 2,980,819	99.47%	\$ 16,010	\$ 2,996,829	100.00%	\$ 21,418	0.71%
2003	4,212,171	4,163,113	98.84%	33,156	4,196,269	99.62%	24,783	0.59%
2004	4,750,068	4,653,079	97.96%	41,169	4,694,248	98.82%	28,224	0.59%
2005	5,374,814	5,236,157	97.42%	42,205	5,278,362	98.21%	34,063	0.63%
2006	6,077,193	6,046,925	99.50%	50,356	6,097,281	100.00%	39,715	0.65%
2007	6,750,446	6,677,242	98.92%	64,788	6,742,030	99.88%	58,462	0.87%
2008	7,520,695	7,421,140	98.68%	91,006	7,512,146	99.89%	79,612	1.06%
2009	7,870,218	7,746,965	98.43%	101,793	7,848,758	99.73%	109,233	1.39%
2010	7,863,693	7,741,102	98.44%	88,600	7,829,702	99.57%	117,347	1.49%
2011	7,863,693	7,754,810	98.62%	138,881	7,893,691	100.00%	180,108	2.29%
2012	7,586,169	7,488,677	98.71%	106,301	7,594,978	100.00%	118,485	1.56%

**DAKOTA COUNTY COMMUNITY DEVELOPMENT AGENCY**  
**Rental Revenues**  
**Last Ten Fiscal Years**

Fiscal Year	Common Bond Fund			Public Housing Fund			Youth Housing Fund		
	Total Tenant Revenue	Average Units per Mo	Average Revenue per Unit Month	Total Tenant Revenue	Average Units per Mo	Average Revenue per Unit Month	Total Tenant Revenue	Average Units per Mo	Average Revenue per Unit Month
2002	\$ 5,003,476	763	\$ 546	\$ 1,319,982	324	\$ 340	\$ -	-	\$ -
2003	5,563,426	822	564	1,361,778	324	350	-	-	-
2004	6,322,949	912	578	1,323,706	324	340	-	-	-
2005	6,988,851	1,016	573	1,319,936	324	339	-	-	-
2006	7,274,544	1,063	570	1,369,484	324	352	-	-	-
2007	7,605,319	1,079	587	1,459,774	324	375	-	-	-
2008	8,237,431	1,130	607	1,566,885	324	403	-	-	-
2009	8,770,662	1,176	622	1,576,447	322	408	-	-	-
2010	9,354,689	1,248	625	1,669,781	322	432	27,967	23	411
2011	10,012,012	1,327	629	1,678,748	323	433	132,644	25	442
2012	10,604,586	1,387	637	1,660,824	323	428	135,209	25	451

Note: Rent is determined based on resident income. The Common Bond Fund provides senior housing, the Public Housing Fund provides housing to seniors, families, and individuals with disabilities, and the Youth Housing Fund provides supportive housing for young adults. The Youth Housing Fund began operations in April, 2010.

**DAKOTA COUNTY COMMUNITY DEVELOPMENT AGENCY**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**

Fiscal Year	Business-Type Activities			Total Debt	Debt Ratio
	Housing Development Bonds	Capital Fund Loan	Deferred Loans		
2003	\$ 44,449,857	\$ -	\$ -	\$ 44,449,857	58%
2004	42,414,321	-	-	42,414,321	52%
2005	44,953,718	-	-	44,953,718	57%
2006	43,152,532	1,704,751	395,000	45,252,283	52%
2007	39,961,752	1,593,468	395,000	41,950,220	40%
2008	58,158,401	1,441,172	500,000	60,099,573	58%
2009	55,863,652	1,282,797	1,981,189	59,127,638	46%
2010	53,111,570	1,118,101	4,748,253	58,977,924	44%
2011	73,828,138	946,833	5,040,935	79,815,906	58%
2012	71,175,485	646,840	4,701,029	76,523,354	46%

**Note:** The debt of the business-type activities is specifically related to construction and renovation projects. The personal income of the county residents would not be a meaningful ratio relating to this debt. The ratio shown is to the assets of the funds to which the debt applies.

**DAKOTA COUNTY COMMUNITY DEVELOPMENT AGENCY**  
**Pledged-Revenue Coverage**  
**Housing Development Bonds**  
**Last Ten Fiscal Years**

Fiscal Year	Gross Revenues	Direct Operating Expenses	Transfers and Contributions	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
					Principal	Interest	Total	
2003	\$ 5,701,058	\$ 3,228,863	\$ 3,409,000	\$ 5,881,195	\$ 2,015,000	\$ 2,357,894	\$ 4,372,894	1.34
2004	6,418,212	3,722,177	3,409,000	6,105,035	2,025,000	2,174,061	4,199,061	1.45
2005	7,119,604	5,057,443	3,409,000	5,471,161	2,150,000	2,082,607	4,232,607	1.29
2006	7,484,189	4,753,864	3,900,000	6,630,325	1,730,000	1,870,166	3,600,166	1.84
2007	7,792,103	4,934,707	4,800,000	7,657,396	3,120,000	2,009,918	5,129,918	1.49
2008	8,429,523	5,212,115	4,800,000	8,017,408	3,275,000	1,880,324	5,155,324	1.56
2009	8,984,220	5,730,659	4,567,000	7,820,561	2,225,000	3,082,856	5,307,856	1.47
2010	9,565,236	6,370,154	4,554,818	7,749,900	2,685,000	2,696,954	5,381,954	1.44
2011	10,337,016	6,477,953	5,650,000	9,509,063	2,515,000	2,923,866	5,438,866	1.75
2012	11,225,113	6,434,435	5,600,000	10,390,678	2,695,000	3,419,994	6,114,994	1.70

**Note:** Details about the housing development bonds can be found in the notes to the financial statements (Note 3 H). Revenues pledged for debt service include all rents and other operating revenues of the housing developments financed by the bonds plus additional amounts pledged from the Agency's tax levy and tax increment revenues which are included in the transfers and contributions column.



**DAKOTA COUNTY COMMUNITY DEVELOPMENT AGENCY**  
**Demographic Statistics**  
**Last Ten Calendar Years**

<u>Year</u>	<u>Population (1)</u>	<u>Personal Income</u>	<u>Per Capita Income (2)</u>	<u>Median Age (2)</u>	<u>School Enrollment K thru 12 (3)</u>	<u>Annual Average Unemployment Rate (4)</u>
2002	368,275	\$ 13,843,891,000	\$ 37,591	N/A	72,493	4.0%
2003	372,100	14,458,266,000	38,856	N/A	73,760	4.3%
2004	377,009	15,286,872,000	40,548	34.7	74,281	4.0%
2005	381,608	15,915,188,000	41,706	35.2	74,033	3.7%
2006	385,827	16,627,273,000	43,095	35.7	74,382	3.6%
2007	389,418	17,541,174,000	45,045	34.6	73,342	4.1%
2008	393,528	18,242,899,000	46,357	36.0	73,324	4.9%
2009	396,500	17,594,416,000	44,374	34.6	73,033	7.3%
2010	399,155	17,970,760,000	45,022	36.8	73,792	6.7%
2011	400,480	N/A	N/A	36.5	73,193	6.1%

Data Source: Dakota County Minnesota 2011 CAFR

(1) US Dept Of Commerce, Bureau of Economic Analysis

(2) US Dept Of Commerce, Bureau of Economic Analysis

(3) State Department of Education

(4) State Department of Employment and Economic Development

**DAKOTA COUNTY COMMUNITY DEVELOPMENT AGENCY**  
**Principal Employers**  
**Dakota County, Minnesota**

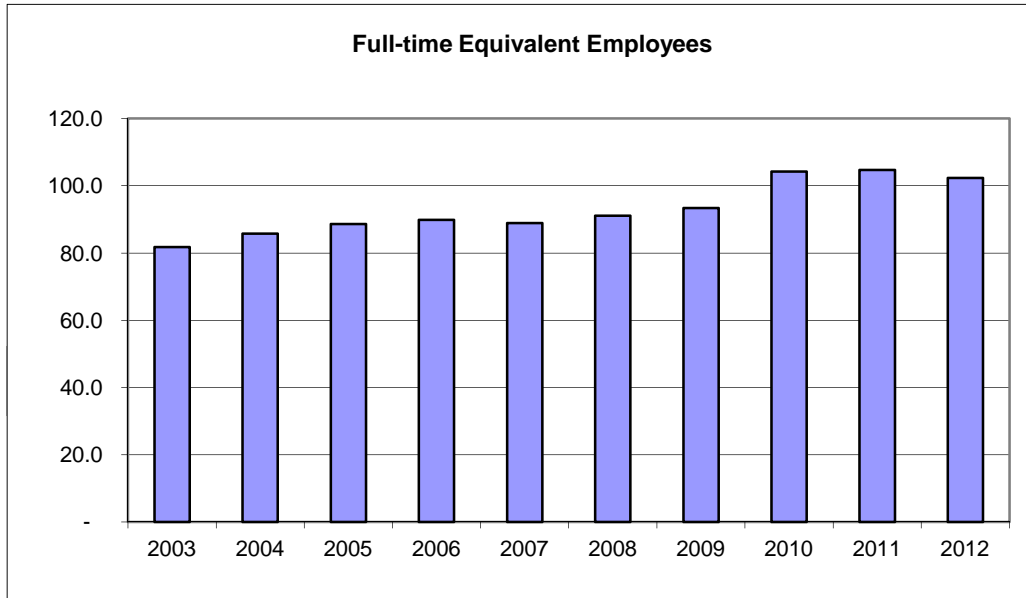
<u>Employer</u>	<u>2011 Employees</u>	<u>Percentage of Total County Employment</u>
Reuters Thomson West	7,500	3.24%
Independent School District 196	4,160	1.80%
Blue Cross-Blue Shield	3,500	1.51%
Red-D-Arc Welderentals	2,000	0.74%
Dakota County	1,706	0.69%
UTC (Goodrich)	1,600	0.68%
US Postal Service	1,570	0.65%
Independent School District 191	1,500	0.61%
Fairview Ridges Hospital	1,400	0.68%
State Farm Operations Ctr	1,300	0.74%
Concentration of employment among principal employers		<u>11.34%</u>
Total County Employment	231,267	

<u>Employer</u>	<u>2002 Employees</u>	<u>Percentage of Total County Employment</u>
West Group	5,500	2.47%
Independent School District 196	4,000	1.80%
Burnsville Center	3,100	1.39%
Northwest Airlines	2,400	1.08%
Blue Cross-Blue Shield	2,200	0.99%
Dakota County	2,027	0.91%
Unisys Corporation	1,750	0.79%
Independent School District 191	1,747	0.78%
Lockhead Martin	1,450	0.65%
US Postal Service	1,435	0.64%
Concentration of employment among principal employers		<u>11.51%</u>
Total County Employment	222,653	

Data Source: Dakota County Minnesota 2011 CAFR, Minnesota Department of Employment and Economic Development

**DAKOTA COUNTY COMMUNITY DEVELOPMENT AGENCY**  
**Full-Time Equivalent Employees**  
**Last Ten Years**

Department	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Administration	7.4	7.4	7.0	7.0	7.0	8.5	9.7	10.8	10.7	10.0
Community & Economic Development	7.0	7.0	7.0	7.0	7.0	8.0	8.7	13.9	12.2	7.8
Finance	8.0	8.0	8.0	9.0	9.0	9.0	7.0	7.8	8.0	9.0
Housing Assistance	16.1	16.6	16.0	15.0	16.9	14.7	16.4	17.1	17.1	17.1
Housing Development	6.0	6.0	7.0	7.0	6.9	7.0	7.0	8.4	7.5	8.3
Property Management	37.3	40.8	43.6	44.9	42.1	43.9	44.6	46.2	49.2	50.1
<b>Total</b>	<b>81.8</b>	<b>85.8</b>	<b>88.6</b>	<b>89.9</b>	<b>88.9</b>	<b>91.1</b>	<b>93.4</b>	<b>104.2</b>	<b>104.7</b>	<b>102.3</b>



Data Source: Dakota County CDA Budgets

Note: Full-time equivalents are calculated by dividing the total labor hours by 2,080.

**DAKOTA COUNTY COMMUNITY DEVELOPMENT AGENCY**  
**Capital Asset Statistics**  
**Last Ten Fiscal Years**

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Common Bond</b>										
Senior Buildings	15	15	18	19	19	20	21	22	23	25
Units Available	837	1,016	1,016	1,079	1,079	1,135	1,190	1,277	1,337	1,463
<b>Public Housing</b>										
Senior Building	1	1	1	1	1	1	1	1	1	1
Scattered site units	244	244	244	244	244	244	242	242	243	243
Units Available	324	324	324	324	324	324	322	322	323	323
<b>Youth Housing</b>										
Lincoln Place	-	-	-	-	-	-	-	1	1	1
Units Available	-	-	-	-	-	-	-	25	25	25
<b>Governmental</b>										
NSP Fund 4-plex	-	-	-	-	-	-	-	-	1	1
Units Available	-	-	-	-	-	-	-	-	4	4
Office Building	1	1	1	1	1	1	1	1	1	1
Employees (FTE's)	82	86	89	90	89	91	93	104	105	102

**DAKOTA COUNTY COMMUNITY DEVELOPMENT AGENCY**  
**Housing Units Managed**  
**Last Ten Fiscal Years**

By Fund	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Common Bond	837	1,016	1,016	1,079	1,079	1,135	1,190	1,277	1,337	1,463
Public Housing	324	324	324	324	324	324	322	322	323	323
Youth Housing	-	-	-	-	-	-	-	25	25	25
Joint Ventures	296	330	404	404	434	455	487	512	552	597
NSP 4-plex	-	-	-	-	-	-	-	-	4	4

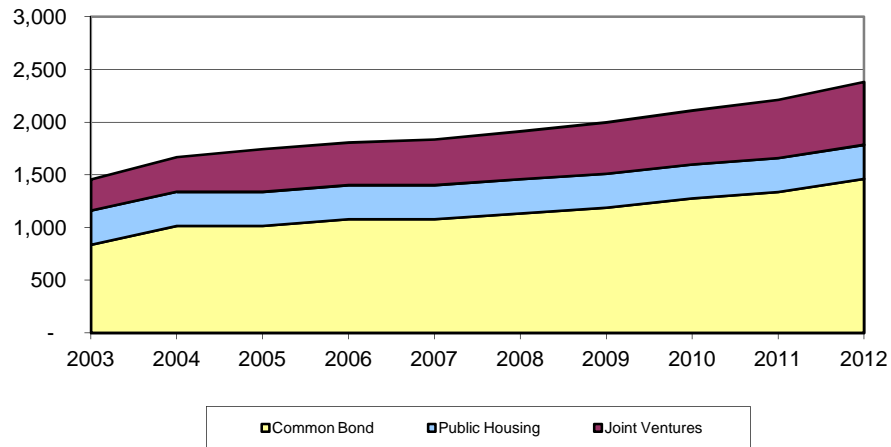
Total Units Managed                    1,457    1,670    1,744    1,807    1,837    1,914    1,999    2,136    2,241    2,412

**By Location**

Apple Valley	227	227	227	227	227	227	227	227	291	336
Burnsville	209	243	243	243	243	243	243	243	243	243
Eagan	202	262	296	296	296	296	349	374	374	374
Farmington	6	6	6	6	6	6	6	31	31	98
Hastings	119	119	119	182	182	203	203	203	203	203
Inver Grove Heights	146	146	146	146	176	176	176	176	176	176
Lakeville	197	197	237	237	237	237	237	324	365	364
Mendota Heights	90	150	150	150	150	150	150	150	150	150
Rosemount	75	75	75	75	75	75	107	107	107	107
South St. Paul	54	54	54	54	54	110	110	110	110	170
West St. Paul	132	191	191	191	191	191	191	191	191	191

Total Units Managed                    1,457    1,670    1,744    1,807    1,837    1,914    1,999    2,136    2,241    2,412

**Housing Units Managed**

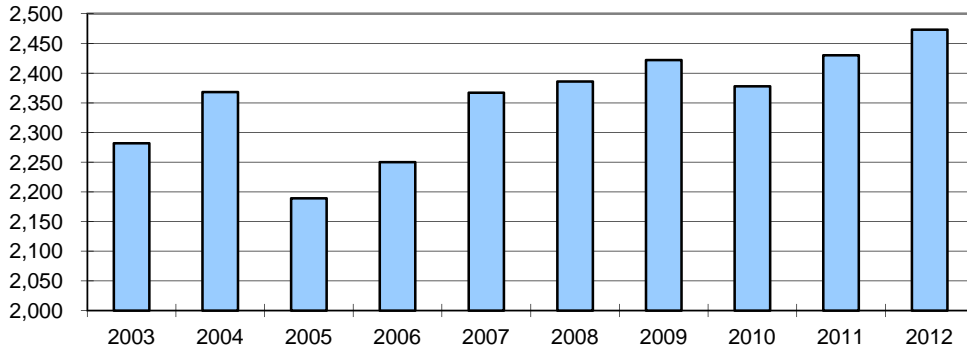


Note: The number of units shown is the number of units available at the end of the fiscal year.

**DAKOTA COUNTY COMMUNITY DEVELOPMENT AGENCY**  
**Housing Units Assisted**  
**Last Ten Fiscal Years**

Program	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Vouchers	2,216	2,327	2,134	2,185	2,292	2,306	2,326	2,283	2,361	2,395
RAFS	11	4	1	-	-	-	-	-	-	-
Bridges	24	17	30	38	44	49	60	58	35	41
Shelter Plus Care	25	10	17	16	17	20	22	22	23	26
Max 200/SHOP	6	10	7	11	14	11	14	15	11	11
<b>Average Units Assisted</b>										
Per Month	2,282	2,368	2,189	2,250	2,367	2,386	2,422	2,378	2,430	2,473
<b>Net Port Activity Included</b>										
in Vouchers										
Port-Ins	133	252	147	128	175	238	261	301	308	331
Port-Outs	(88)	(135)	(191)	(125)	(81)	(93)	(146)	(167)	(152)	(156)
	45	117	(44)	3	94	145	115	134	156	175

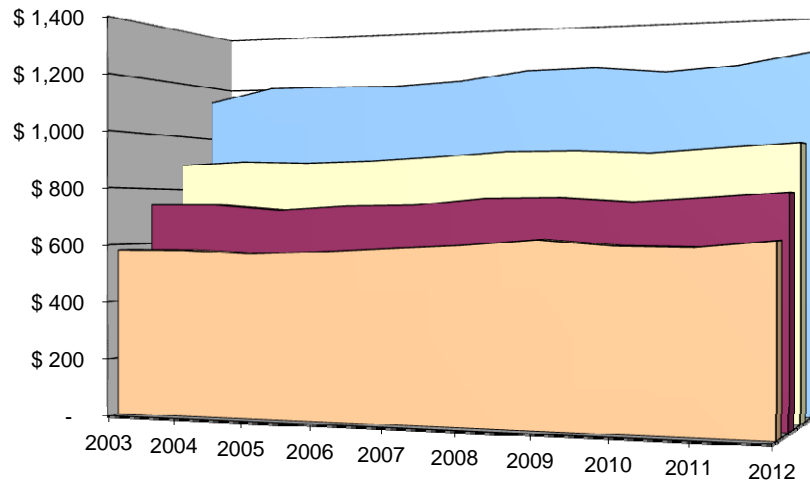
**Average Units Assisted Per Month**



**DAKOTA COUNTY COMMUNITY DEVELOPMENT AGENCY**  
**Average Rents in Dakota County**  
**Last Ten Years**

Unit Size	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Efficiency	\$ 580	\$ 581	\$ 570	\$ 579	\$ 592	\$ 604	\$ 623	\$ 605	\$ 602	\$ 624
One Bedroom	741	740	721	735	738	760	762	747	761	777
Two Bedroom	892	902	895	900	912	928	928	917	932	946
Three Bedroom	1,142	1,192	1,191	1,188	1,200	1,231	1,235	1,213	1,229	1,268

**Average Rents by Unit Size**

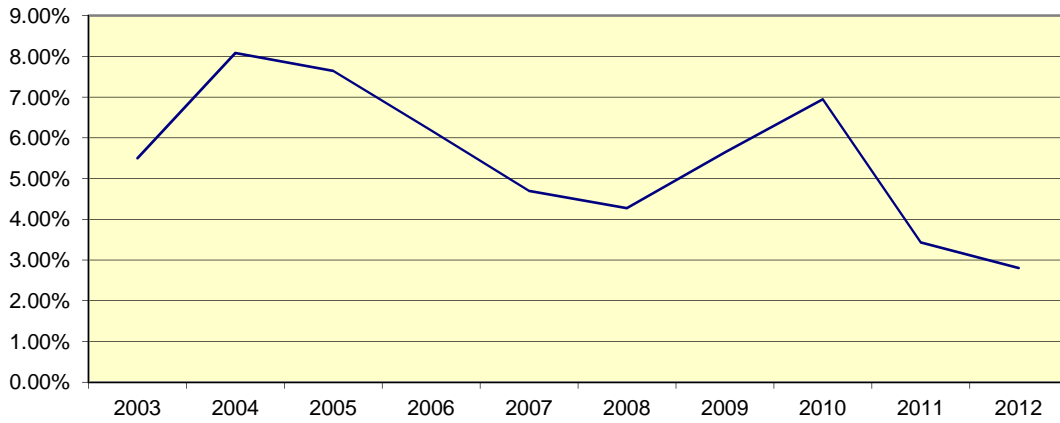


Data Source: Dakota County CDA Rental Market Surveys 2003 through 2012

**DAKOTA COUNTY COMMUNITY DEVELOPMENT AGENCY**  
**Vacancy Rates in Dakota County**  
**Last Ten Years**

Unit Size	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Efficiency	5.99%	9.94%	9.19%	6.15%	3.73%	3.35%	5.95%	6.60%	5.23%	1.35%
One Bedroom	5.47%	8.77%	6.48%	4.91%	4.31%	3.97%	5.86%	7.52%	3.64%	2.74%
Two Bedroom	5.55%	7.81%	8.58%	7.17%	5.14%	4.60%	5.57%	6.88%	3.31%	2.72%
Three Bedroom	5.79%	5.79%	6.65%	5.83%	4.06%	3.91%	4.84%	4.62%	2.67%	4.24%
Overall vacancy rate	5.50%	8.08%	7.64%	6.18%	4.70%	4.27%	5.64%	6.94%	3.43%	2.80%

**Overall Vacancy Rate**



Data Source: Dakota County CDA Rental Market Surveys 2003 through 2012



**DAKOTA COUNTY COMMUNITY DEVELOPMENT AGENCY**  
**Conduit Debt Outstanding**  
**Last Ten Calendar Years**

Year	Multi-Family		Total	Single Family	Other	Total
	Apartment Complexes	Assisted Living				
2002	127,702,528	32,813,829	\$ 160,516,357	243,560,059	29,715,000	\$ 433,791,416
2003	169,213,113	32,574,329	201,787,442	200,066,658	18,825,000	420,679,100
2004	166,610,015	32,309,329	198,919,344	159,084,915	17,400,000	375,404,259
2005	147,428,121	32,026,829	179,454,950	149,079,306	16,535,000	345,069,256
2006	144,589,920	32,083,851	176,673,771	156,128,808	23,020,000	355,822,579
2007	137,390,849	40,360,000	177,750,849	173,406,133	25,755,000	376,911,982
2008	136,452,072	73,436,000	209,888,072	164,865,515	21,735,000	396,488,587
2009	136,191,885	71,680,272	207,872,157	140,229,056	21,195,000	369,296,213
2010	135,414,972	72,893,980	208,308,952	115,249,880	17,450,000	341,008,832
2011	135,109,588	82,441,932	217,551,520	122,061,997	16,810,000	356,423,517

**Conduit Debt Outstanding**

