

June 24, 2025

SALE DAY REPORT FOR:

## Dakota County, Minnesota

**\$35,640,000 General Obligation Capital Improvement  
Plan Bonds, Series 2025A**



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**BUILDING COMMUNITIES. IT'S WHAT WE DO.**

# Competitive Sale Results

**PURPOSE:** For the purpose of financing the construction of a Lebanon Hills Maintenance Facility and improvements to the Wentworth and Burnhaven Libraries.

**RATING:** Moody's Investor's Service "Aaa"  
S&P Global Ratings "AAA" / Stable

**NUMBER OF BIDS:** 12

**LOW BIDDER:** Raymond James & Associates, Inc., St. Petersburg, Florida

## COMPARISON FROM LOWEST TO HIGHEST BID: (TIC as bid)

**LOW BID:\*** 3.7922%

**HIGH BID:** 3.9498%

Summary of Sale Results	
Principal Amount:*	\$35,640,000
Underwriter's Discount:	\$119,577
Reoffering Premium:	\$2,163,001
True Interest Cost:	3.8022%
Capitalized Interest:	\$918,500
Costs of Issuance:	\$164,567
Yield:	2.65%-4.375%
Total Net P&I	\$51,671,263

**NOTES:** Bond Trust Services Corporation, Minneapolis, Minnesota will serve as Paying Agent on the Bonds. The Bonds maturing February 1, 2036 and thereafter are callable February 1, 2035 or any date thereafter.

\*Subsequent to bid opening, the issue size was decreased to \$35,640,000.

**CLOSING DATE:** July 10, 2025

**BOARD OF COMMISSIONERS ACTION:** Adopt a resolution awarding the sale of \$35,640,000 General Obligation Capital Improvement Plan Bonds, Series 2025A.

## SUPPLEMENTARY ATTACHMENTS

- Bid Tabulation
- Sources and Uses of Funds
- Updated Debt Service Schedules
- Rating Report
- Bond Resolution (Distributed in Board of Commissioners Packets)

## BID TABULATION

**\$37,930,000\* General Obligation Capital Improvement Plan Bonds, Series 2025A**

**Dakota County, Minnesota**

**SALE:** June 23, 2025

**AWARD:** RAYMOND JAMES & ASSOCIATES, INC.

**Rating:** Moody's Investor's Service "Aaa"  
S&P Global Ratings "AAA" / Stable

Tax Exempt - Non-Bank Qualified

NAME OF INSTITUTION	MATURITY (February 1)	COUPON RATE	REOFFERING YIELD	PRICE	TRUE INTEREST RATE
RAYMOND JAMES & ASSOCIATES, INC.				\$40,129,501.31	3.7922%
St. Petersburg, Florida	2027	5.000%	2.650%		
FHN Financial Capital Markets	2028	5.000%	2.650%		
Fidelity Capital Markets	2029	5.000%	2.670%		
Ramirez & Co., Inc.	2030	5.000%	2.750%		
Advisors Asset Management	2031	5.000%	2.850%		
American Veterans Group, PBC SDVOB	2032	5.000%	2.940%		
SumRidge Partners	2033	5.000%	3.030%		
Zeus Financial LLC	2034	5.000%	3.140%		
Morgan Stanley	2035	5.000%	3.320%		
	2036	5.000%	3.460%		
	2037	5.000%	3.560%		
	2038	4.000%	3.800%		
	2039	4.000%	3.900%		
	2040	4.000%	4.010%		
	2041	4.000%	4.120%		
	2042 <sup>1</sup>	4.375%	4.375%		
	2043 <sup>1</sup>	4.375%	4.375%		

\* Subsequent to bid opening the issue size was decreased to \$35,640,000.

Adjusted Price: \$37,683,424.49      Adjusted Net Interest Cost: \$14,906,338.22      Adjusted TIC: 3.8022%

<sup>1</sup> \$5,700,000 Term Bond due 2043 with mandatory redemption in 2042.

NAME OF INSTITUTION	TRUE INTEREST RATE
HILLTOPSECURITIES Dallas, Texas	3.8440%
PIPER SANDLER & CO. Minneapolis, Minnesota	3.8681%
JEFFERIES LLC New York, New York	3.8684%
WELLS FARGO BANK, NATIONAL ASSOCIATION Charlotte, North Carolina	3.8700%
JANNEY MONTGOMERY SCOTT LLC Philadelphia , Pennsylvania	3.8746%
KEYBANC CAPITAL MARKETS INCORPORATED Cleveland, Ohio	3.8789%
HUNTINGTON SECURITIES, INC Chicago, Illinois	3.8804%
UBS FINANCIAL SERVICES INC. New York, New York	3.8876%
BAIRD Milwaukee, Wisconsin	3.9302%
TD SECURITIES (USA) LLC New York, New York	3.9405%
MESIROW FINANCIAL, INC. Chicago, Illinois	3.9498%

# Dakota County, Minnesota

\$35,640,000 General Obligation CIP Bonds, Series 2025A

## Sources & Uses

Dated 07/10/2025 | Delivered 07/10/2025

### Sources Of Funds

Par Amount of Bonds	\$35,640,000.00
Reoffering Premium	2,163,001.00
<b>Total Sources</b>	<b>\$37,803,001.00</b>

### Uses Of Funds

Total Underwriter's Discount (0.336%)	119,576.51
Costs of Issuance	164,567.00
Deposit to Capitalized Interest (CIF) Fund	918,500.21
Deposit to Project Construction Fund	36,600,357.28
<b>Total Uses</b>	<b>\$37,803,001.00</b>

# Dakota County, Minnesota

## \$35,640,000 General Obligation CIP Bonds, Series 2025A

### Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
07/10/2025	-	-	-	-	-
02/01/2026	-	-	918,500.21	918,500.21	918,500.21
08/01/2026	-	-	822,537.50	822,537.50	-
02/01/2027	1,395,000.00	5.000%	822,537.50	2,217,537.50	3,040,075.00
08/01/2027	-	-	787,662.50	787,662.50	-
02/01/2028	1,465,000.00	5.000%	787,662.50	2,252,662.50	3,040,325.00
08/01/2028	-	-	751,037.50	751,037.50	-
02/01/2029	1,535,000.00	5.000%	751,037.50	2,286,037.50	3,037,075.00
08/01/2029	-	-	712,662.50	712,662.50	-
02/01/2030	1,615,000.00	5.000%	712,662.50	2,327,662.50	3,040,325.00
08/01/2030	-	-	672,287.50	672,287.50	-
02/01/2031	1,695,000.00	5.000%	672,287.50	2,367,287.50	3,039,575.00
08/01/2031	-	-	629,912.50	629,912.50	-
02/01/2032	1,780,000.00	5.000%	629,912.50	2,409,912.50	3,039,825.00
08/01/2032	-	-	585,412.50	585,412.50	-
02/01/2033	1,870,000.00	5.000%	585,412.50	2,455,412.50	3,040,825.00
08/01/2033	-	-	538,662.50	538,662.50	-
02/01/2034	1,960,000.00	5.000%	538,662.50	2,498,662.50	3,037,325.00
08/01/2034	-	-	489,662.50	489,662.50	-
02/01/2035	2,060,000.00	5.000%	489,662.50	2,549,662.50	3,039,325.00
08/01/2035	-	-	438,162.50	438,162.50	-
02/01/2036	2,165,000.00	5.000%	438,162.50	2,603,162.50	3,041,325.00
08/01/2036	-	-	384,037.50	384,037.50	-
02/01/2037	2,270,000.00	5.000%	384,037.50	2,654,037.50	3,038,075.00
08/01/2037	-	-	327,287.50	327,287.50	-
02/01/2038	2,385,000.00	4.000%	327,287.50	2,712,287.50	3,039,575.00
08/01/2038	-	-	279,587.50	279,587.50	-
02/01/2039	2,480,000.00	4.000%	279,587.50	2,759,587.50	3,039,175.00
08/01/2039	-	-	229,987.50	229,987.50	-
02/01/2040	2,580,000.00	4.000%	229,987.50	2,809,987.50	3,039,975.00
08/01/2040	-	-	178,387.50	178,387.50	-
02/01/2041	2,685,000.00	4.000%	178,387.50	2,863,387.50	3,041,775.00
08/01/2041	-	-	124,687.50	124,687.50	-
02/01/2042	2,790,000.00	4.375%	124,687.50	2,914,687.50	3,039,375.00
08/01/2042	-	-	63,656.25	63,656.25	-
02/01/2043	2,910,000.00	4.375%	63,656.25	2,973,656.25	3,037,312.50
<b>Total</b>	<b>\$35,640,000.00</b>	<b>-</b>	<b>\$16,949,762.71</b>	<b>\$52,589,762.71</b>	<b>-</b>

### Yield Statistics

Bond Year Dollars	\$379,739.00
Average Life	10.655 Years
Average Coupon	4.4635296%
Net Interest Cost (NIC)	3.9254167%
True Interest Cost (TIC)	3.8022444%
Bond Yield for Arbitrage Purposes	3.7455341%
All Inclusive Cost (AIC)	3.8555360%

### IRS Form 8038

Net Interest Cost	3.7291651%
Weighted Average Maturity	10.489 Years

# Dakota County, Minnesota

\$35,640,000 General Obligation CIP Bonds, Series 2025A

## Tax Levy Schedule

Tax Levy Year	Tax Collect Year	Bond Pay Year	Total P+I	CIF	Net New D/S	P & I @105%	Net Levy
2024	2025	2026	918,500.21	(918,500.21)	-	-	-
2025	2026	2027	3,040,075.00	-	3,040,075.00	3,192,078.75	3,192,078.75
2026	2027	2028	3,040,325.00	-	3,040,325.00	3,192,341.25	3,192,341.25
2027	2028	2029	3,037,075.00	-	3,037,075.00	3,188,928.75	3,188,928.75
2028	2029	2030	3,040,325.00	-	3,040,325.00	3,192,341.25	3,192,341.25
2029	2030	2031	3,039,575.00	-	3,039,575.00	3,191,553.75	3,191,553.75
2030	2031	2032	3,039,825.00	-	3,039,825.00	3,191,816.25	3,191,816.25
2031	2032	2033	3,040,825.00	-	3,040,825.00	3,192,866.25	3,192,866.25
2032	2033	2034	3,037,325.00	-	3,037,325.00	3,189,191.25	3,189,191.25
2033	2034	2035	3,039,325.00	-	3,039,325.00	3,191,291.25	3,191,291.25
2034	2035	2036	3,041,325.00	-	3,041,325.00	3,193,391.25	3,193,391.25
2035	2036	2037	3,038,075.00	-	3,038,075.00	3,189,978.75	3,189,978.75
2036	2037	2038	3,039,575.00	-	3,039,575.00	3,191,553.75	3,191,553.75
2037	2038	2039	3,039,175.00	-	3,039,175.00	3,191,133.75	3,191,133.75
2038	2039	2040	3,039,975.00	-	3,039,975.00	3,191,973.75	3,191,973.75
2039	2040	2041	3,041,775.00	-	3,041,775.00	3,193,863.75	3,193,863.75
2040	2041	2042	3,039,375.00	-	3,039,375.00	3,191,343.75	3,191,343.75
2041	2042	2043	3,037,312.50	-	3,037,312.50	3,189,178.13	3,189,178.13
Total	-	-	\$52,589,762.71	(918,500.21)	\$51,671,262.50	\$54,254,825.63	\$54,254,825.63

## Bond Data

Dated Date	7/10/2025
Call Date	2/01/2035

Research Update:

# Dakota County, MN Series 2025A GO Capital Improvement Plan Bonds Assigned 'AAA' Rating; Outlook Is Stable

June 18, 2025

## Overview

- S&P Global Ratings assigned its 'AAA' rating to [Dakota County](#), Minn.'s \$37.93 million series 2025A general obligation (GO) capital improvement plan bonds.
- At the same time, we affirmed our 'AAA' rating on the [Dakota County Community Development Agency](#)'s (CDA) bonds backed by the county's GO pledge.
- The outlook is stable.
- The rating reflects the application of our "[Methodology For Rating U.S. Governments](#)," Sept. 9, 2024.

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## Rationale

### Security

The county's unlimited ad valorem tax GO pledge secures the bonds. The CDA bonds are additionally secured by a pledge of program revenues of the CDA, but we rate to the county's GO pledge. The series 2025A proceeds will be used to construct a maintenance facility and make improvements to two libraries.

### Credit highlights

The rating reflects the county's large and growing tax base just south of the Twin Cities, along with its low debt, with no additional debt plans, and a robust management profile that has supported healthy reserve levels.

The county's reserves have trended down over the last few years, mainly due to transfers out and spending on capital projects. The fiscal 2021 and 2022 deficits were also inflated due to unrealized losses on investments that the county held until maturity.



Management estimates that the fiscal 2024 general fund result was a slight \$1.6 million deficit, close to break-even at negative 0.5% of budgeted operating revenue, which management attributes to one-time capital spending on vehicles and Information technology. Management expects the fiscal 2025 result will be a large surplus due to a larger-than-usual 9.9% property tax levy increase, reflecting an intention to rebuild reserves to around 50% of operating expenditures in the next five years, and \$15 million-\$17 million in savings from positions the county intentionally held vacant to manage uncertainty around federal and state funding.

The state recently passed a budget that includes an increase of about 3% in the county's program aid, which is about 9% of its operating revenue. Federal revenue, which mainly funds highway projects, housing, and social services, accounts for 13% of operating revenue. Given the county's conservative budgeting, long-term planning, and reserves that remain healthy, we expect the county will be able to successfully navigate possible reductions in federal funding while maintaining financial stability.

Credit fundamentals further supporting the 'AAA' rating include our view of the county's:

- Large tax base, with close proximity to the Twin Cities, a low unemployment rate, and the lowest property tax rate among the metropolitan counties fueling 9% population growth in the last 10 years and ongoing residential development. Management reports about 65% of the county (mainly the southern portion) is undeveloped. Meta is building an \$800 million data center, with a planned opening in 2026, and FedEx is developing a 570,000-square-foot distribution center, both within the county.
- Well-managed finances, with plans to increase reserves to 50% over the next five years.
- Robust management practices, including quarterly budget-to-actual reporting, a detailed five-year capital plan with estimated funding sources and costs identified, a somewhat limited five-year financial forecast geared toward managing levy growth and maintaining structural balance, a 20% unassigned general fund balance policy, and compliance with a debt policy that is more restrictive than the state's limitations, including a debt limit of 0.65% of market value and a debt service limit of 7% of general fund and special revenue expenditures. Management is taking steps to mitigate cyber risk.
- Low debt and liability burden, with current costs that we expect will remain low following this issuance. We expect the debt and liability profile will remain a credit strength given the county's lack of additional debt plans and self-imposed debt restrictions. We expect pension costs will remain manageable.
- For more information on our institutional framework assessment for Minnesota counties, see ["Institutional Framework Assessment: Minnesota Local Governments,"](#) Sept. 10, 2024.

## **Environmental, social, and governance**

We view Dakota County's environmental, social, and governance (ESG) factors as neutral in our credit rating analysis.

## **Rating above the sovereign**

The county's GO debt is eligible to be rated above the sovereign because we believe it can maintain better credit characteristics than the nation in a stress scenario. Under our criteria, titled ["Ratings Above The Sovereign--Corporate And Government Ratings: Methodology And Assumptions,"](#) Nov. 19, 2013, we consider U.S. local governments to have moderate sensitivity to national risk. The county's ad valorem tax pledge secures the bonds and is the county's primary

source of operating revenue, limiting the possibility of negative sovereign intervention in debt repayment or operations.

## Outlook

The stable outlook reflects our view that the county's access to the Twin Cities, along with its low debt and well-managed finances will continue to support the rating.

### Downside scenario

We could take a negative rating action if the county's reserves materially decline due to operational imbalance or other factors without a credible plan for timely replenishment, or if there were a significant unanticipated increase in debt.

### Dakota County, Minnesota--Credit summary

Institutional framework (IF)	1
Individual credit profile (ICP)	1.27
Economy	1.0
Financial performance	2
Reserves and liquidity	1
Management	1.35
Debt and liabilities	1.00

### Dakota County, Minnesota--Key credit metrics

	Most recent	2023	2022	2021
<b>Economy</b>				
Real GCP per capita % of U.S.	93	93	93	93
County PCPI % of U.S.	108	108	109	106
Market value (\$000s)	80,998,505	74,483,209	65,973,261	59,748,144
Market value per capita (\$)	181,129	166,559	149,676	137,536
Top 10 taxpayers % of taxable value	3.0	3.2	3.7	--
County unemployment rate (%)	2.8	2.5	2.2	3.4
Local median household EBI % of U.S.	127	127	125	--
Local per capita EBI % of U.S.	119	119	120	--
Local population	447,187	447,187	440,775	434,418
<b>Financial performance</b>				
Operating fund revenues (\$000s)	--	293,442	247,538	253,337
Operating fund expenditures (\$000s)	--	287,471	266,599	279,072
Net transfers and other adjustments (\$000s)	--	456	755	(6,527)
Operating result (\$000s)	--	6,427	(18,306)	(32,262)
Operating result % of revenues	--	2.2	(7.4)	(12.7)
Operating result three-year average %	--	(6.0)	(5.4)	(4.5)
<b>Reserves and liquidity</b>				
Available reserves % of operating revenues	--	29.8	35.0	41.9
Available reserves (\$000s)	--	87,525	86,677	106,211

## Dakota County, Minnesota--Key credit metrics

	Most recent	2023	2022	2021
<b>Economy</b>				
<b>Debt and liabilities</b>				
Debt service cost % of revenues	--	--	--	--
Net direct debt per capita (\$)	225	158	168	178
Net direct debt (\$000s)	100,637	70,552	73,950	77,475
Direct debt 10-year amortization (%)	50	56	--	--
Pension and OPEB cost % of revenues	--	3.0	3.0	3.0
NPLs per capita (\$)	--	232	415	182
Combined NPLs (\$000s)	--	103,717	182,758	78,872

Financial data may reflect analytical adjustments and are sourced from issuer audit reports or other annual disclosures. Economic data is generally sourced from S&P Global Market Intelligence, the Bureau of Labor Statistics, Claritas, and issuer audits and other disclosures. Local population is sourced from Claritas. Claritas estimates are point in time and not meant to show year-over-year trends. GCP--Gross county product. PCPI--Per capita personal income. EBI--Effective buying income. OPEB--Other postemployment benefits. NPLs--Net pension liabilities.

## Ratings List

## New Issue Ratings

US\$37.93 mil GO cap imp plan bnds ser 2025A due 02/01/2043

Long Term Rating AAA/Stable

## New Rating

## Local Government

Dakota Cnty, MN Unlimited Tax General Obligation AAA/Stable

## Ratings Affirmed

## Local Government

Dakota Cnty, MN Unlimited Tax General Obligation and Dakota Cnty Comnty Dev Agy, MN Affordable Housing AAA/Stable

The ratings appearing below the new issues represent an aggregation of debt issues (ASID) associated with related maturities. The maturities similarly reflect our opinion about the creditworthiness of the U.S. Public Finance obligor's legal pledge for payment of the financial obligation. Nevertheless, these maturities may have different credit ratings than the rating presented next to the ASID depending on whether or not additional legal pledge(s) support the specific maturity's payment obligation, such as credit enhancement, as a result of defeasance, or other factors.

Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at <https://disclosure.spglobal.com/ratings/en/regulatory/ratings-criteria> for further information. A description of each of S&P Global Ratings' rating categories is contained in "S&P Global Ratings Definitions" at <https://disclosure.spglobal.com/ratings/en/regulatory/article/-/view/sourceld/504352>. Complete ratings information is available to RatingsDirect subscribers at [www.capitaliq.com](http://www.capitaliq.com). All ratings referenced herein can be found on S&P Global Ratings' public website at [www.spglobal.com/ratings](http://www.spglobal.com/ratings).

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**CREDIT OPINION**

13 June 2025

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**Dakota County, MN**

## Update to credit analysis

**Summary**

[Dakota \(County of\) MN's](#) (Aaa) credit profile is characterized by its growing local economy with a high full value per capita, strong financial performance and a low leverage profile.

**Credit strengths**

- » Large tax base, favorably located in the Twin Cities metropolitan area
- » Strong reserves and liquidity
- » Modest leverage burden

**Credit challenges**

- » Recent draws in fund balance for capital projects

**Rating outlook**

We do not assign outlooks to local governments with this amount of debt.

**Factors that could lead to an upgrade**

- » Not applicable

**Factors that could lead to a downgrade**

- » Available fund balance ratio declining under 30%
- » Substantial increase the long-term liabilities ratio to levels above 200%

## Key indicators

Exhibit 1

### Dakota (County of) MN

	2020	2021	2022	2023	Aaa Medians
<b>Economy</b>					
Resident income ratio (%)	132.9%	131.5%	131.4%	128.2%	121.1%
Full Value (\$000)	\$56,143,782	\$59,748,144	\$65,973,261	\$74,483,209	\$60,715,203
Population	425,271	435,863	439,179	442,204	413,001
Full value per capita (\$)	\$132,019	\$137,080	\$150,220	\$168,436	\$150,347
Annual Growth in Real GDP	-3.5%	5.8%	2.0%	2.0%	2.2%
<b>Financial Performance</b>					
Revenue (\$000)	\$407,475	\$396,655	\$394,890	\$450,670	\$556,827
Available fund balance (\$000)	\$302,057	\$272,526	\$240,633	\$189,836	\$251,309
Net unrestricted cash (\$000)	\$386,868	\$404,126	\$409,572	\$347,257	\$420,472
Available fund balance ratio (%)	74.1%	68.7%	60.9%	42.1%	47.7%
Liquidity ratio (%)	94.9%	101.9%	103.7%	77.1%	79.5%
<b>Leverage</b>					
Debt (\$000)	\$0	\$0	\$129	\$497	\$425,678
Adjusted net pension liabilities (\$000)	\$575,846	\$505,215	\$366,464	\$300,137	\$492,825
Adjusted net OPEB liabilities (\$000)	\$12,255	\$11,911	\$11,320	\$11,824	\$62,594
Other long-term liabilities (\$000)	\$28,953	\$27,745	\$28,436	\$33,033	\$27,845
Long-term liabilities ratio (%)	151.4%	137.4%	102.9%	76.7%	178.9%
<b>Fixed costs</b>					
Implied debt service (\$000)	\$0	\$0	\$0	\$9	\$27,654
Pension tread water contribution (\$000)	\$10,295	\$11,404	\$10,019	\$16,132	\$10,470
OPEB contributions (\$000)	\$638	\$689	\$803	\$827	\$3,449
Implied cost of other long-term liabilities (\$000)	\$1,861	\$2,073	\$1,946	\$1,986	\$1,961
Fixed-costs ratio (%)	3.1%	3.6%	3.2%	4.2%	7.5%

For definitions of the metrics in the table above please refer to the [US Cities and Counties Methodology](#) or see the Glossary in the Appendix below. Metrics represented as N/A indicate the data were not available at the time of publication. The medians come from our most recently published [US Cities and Counties Median Report](#).

The real GDP annual growth metric cited above is for the Minneapolis-St. Paul-Bloomington, MN-WI Metropolitan Statistical Area.

Sources: US Census Bureau, Dakota (County of) MN's financial statements and Moody's Ratings, US Bureau of Economic Analysis

## Profile

Dakota County is located in southeastern Minnesota, directly south of the Twin Cities metropolitan area and covers an area of approximately 587 square miles. The county provides municipal services to a population of over 440,000.

## Detailed credit considerations

Dakota County will continue to benefit from a wealthy tax base and steady population growth supported by its location near the Twin Cities metropolitan. This advantageous location provides various employment opportunities for residents. The primarily residential tax base has been growing to over \$80 billion and there is continued residential and commercial development. The county maintains very strong financial reserves and closed fiscal 2023 (year-end Dec. 31) with an available fund balance ratio of 42% and a liquidity ratio of 77%. Operations are mostly comprised of governmental activities, but the county also owns the Byllesby Dam which should be fully operational in late 2025 after upgrades and will produce electricity for about 4,000 homes. While the county's own leverage burden is modest, it guarantees debt issued by the Dakota County Community Development Agency (CDA) with its unlimited general obligation tax pledge which is currently around \$62 million. The CDA's liquidity is strong and its pledged revenues have consistently been sufficient to repay debt service.

Preliminary fiscal 2024 results indicate a drop in available fund balance ratio to around 38% as the county reports positive expenditures variances compared to the adopted budget and receipt of intergovernmental revenues to pay for previous investments in capital. Management projects positive operations in fiscal 2025 partly because of a hiring freeze that will help build back reserves to the county's informal target of 40 to 50%. The county's financial performance will likely remain strong because of growing property tax

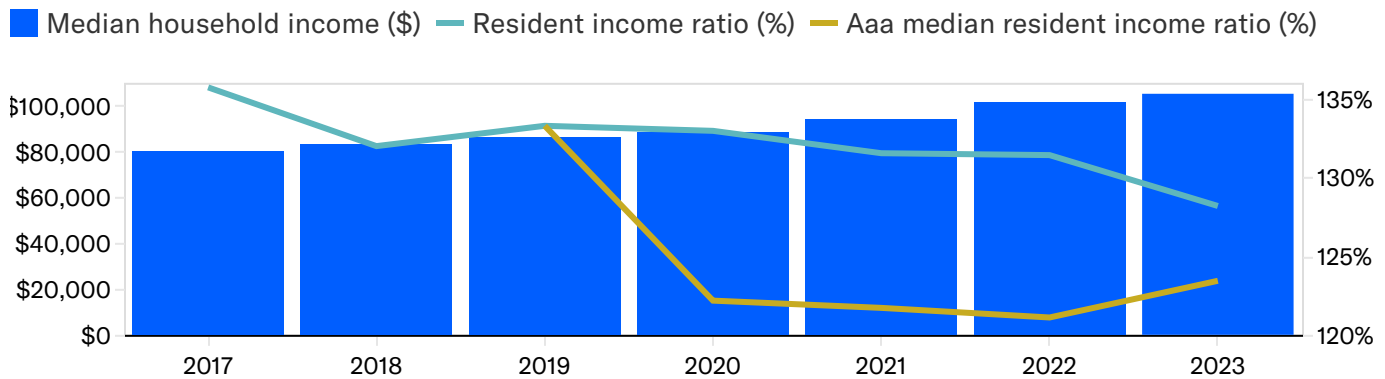
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revenues and new revenues from the Byllesby Dam once it is operational. The county is currently issuing nearly \$38 million for facility construction and improvements and the long-term liabilities ratio will be low at 85%. The county has no future borrowing plans at this time.

## Economy

Exhibit 2

**Resident income has steadily remained above median**

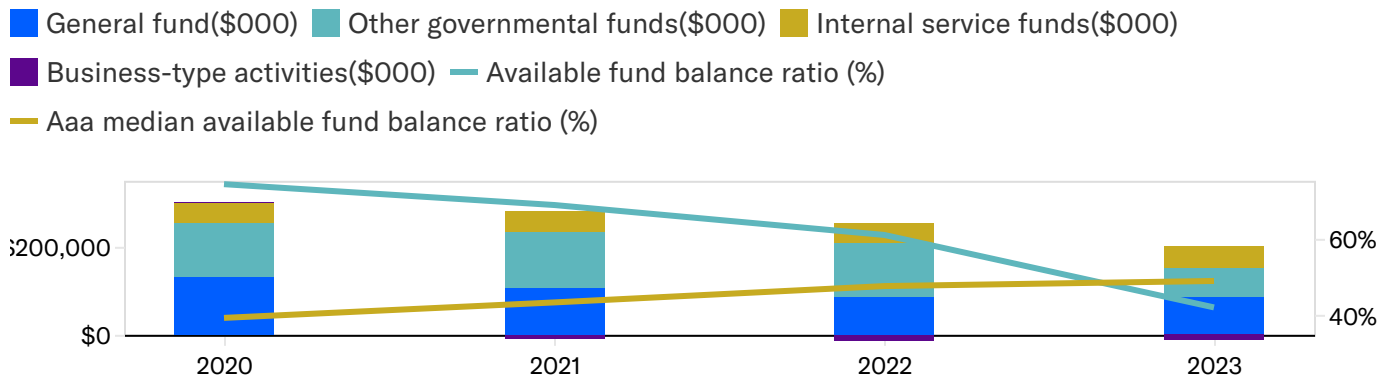


Source: Moody's Ratings

## Financial operations

Exhibit 3

**While strong, available fund balance has dipped below median because of several capital projects**

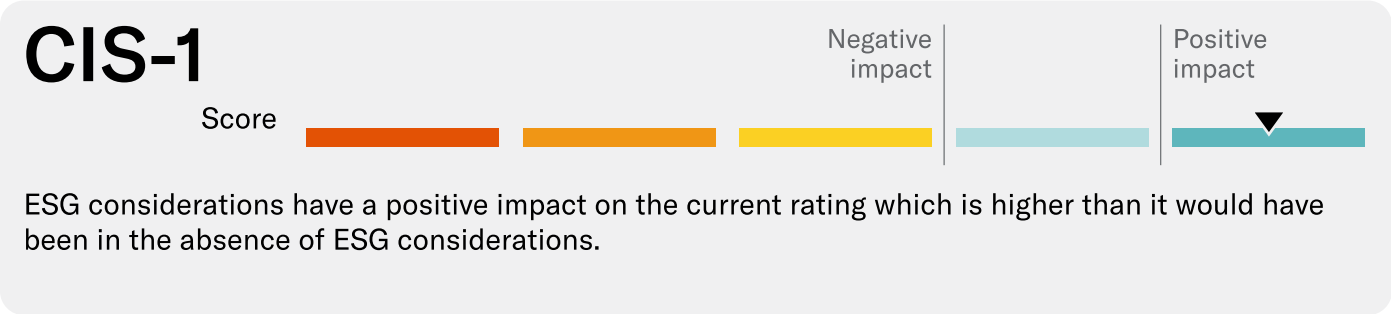


Source: Moody's Ratings

ESG considerations

Dakota (County of) MN's ESG credit impact score is CIS-1

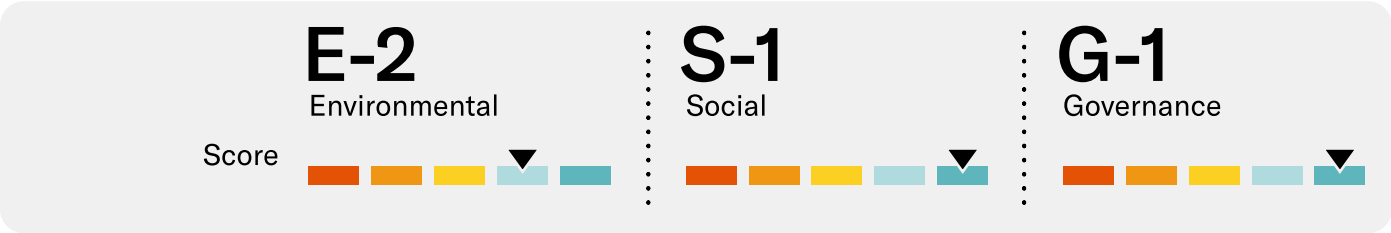
Exhibit 4  
ESG credit impact score



Source: Moody's Ratings

Dakota County's ESG Credit Impact Score is positive (**CIS-1**), reflecting low exposure to environmental risks, positive social factors, and a strong governance profile.

Exhibit 5  
ESG issuer profile scores



Source: Moody's Ratings

Environmental

Dakota County, MN's Environmental Issuer Profile Score (**E-2**) reflects low exposure to several environmental risks, including physical climate risk, carbon transition, natural capital, waste and pollution. The Mississippi River runs along the northern border of the county and has been the source of periodic flooding events though the events have been isolated in a few parts of the large county. The county has some exposure to heat stress, which has the potential to challenge agricultural productivity in the future, though the risks are not expected to have a meaningful impact on the county's credit profile in the near future.

Social

Dakota County, MN's Social Issuer Profile Score (**S-1**) reflects positive social attributes including a growing population and labor market, highly educated residents and positive health and safety metrics.

Governance

Dakota County, MN's Governance Issuer Profile Score (**G-1**) incorporates strengths in the institutional structure, the county's policy credibility and effectiveness and strong management and budgeting practices. Minnesota counties benefit from a strong institutional structure and have unlimited property tax levying authority which provides substantial revenue raising flexibility except during years in which the state has imposed limits. Property tax revenue is stable and is generally the primary source of revenue for Minnesota counties. The county's fund balance policy requires the maintenance of a minimum fund balance of 20%.

ESG Issuer Profile Scores and Credit Impact Scores for the rated entity/transaction are available on Moodys.com. In order to view the latest scores, please click [here](#) to go to the landing page for the entity/transaction on MDC and view the ESG Scores section.



## Rating methodology and scorecard factors

The US Cities and Counties Methodology includes a scorecard, which summarizes the rating factors generally most important to city and county credit profiles. Because the scorecard is a summary, and may not include every consideration in the credit analysis for a specific issuer, a scorecard-indicated outcome may or may not map closely to the actual rating assigned.

Exhibit 6

### Dakota (County of) MN

	Measure	Weight	Score
<b>Economy</b>			
Resident income ratio	128.2%	10.0%	Aaa
Full value per capita	183,170	10.0%	Aaa
Economic growth metric	-0.8%	10.0%	Aa
<b>Financial Performance</b>			
Available fund balance ratio	42.1%	20.0%	Aaa
Liquidity ratio	77.1%	10.0%	Aaa
<b>Institutional Framework</b>			
Institutional Framework	Aa	10.0%	Aa
<b>Leverage</b>			
Long-term liabilities ratio	76.7%	20.0%	Aaa
Fixed-costs ratio	4.2%	10.0%	Aaa
<b>Notching factors</b>			
No notchings applied			
Scorecard-Indicated Outcome			Aa1
<b>Assigned Rating</b>			<b>Aaa</b>

The Economic Growth metric cited above compares the five-year CAGR of real GDP for Minneapolis-St. Paul-Bloomington, MN-WI Metropolitan Statistical Area Metropolitan Statistical Area to the five-year CAGR of real GDP for the US.

Sources: US Census Bureau, Dakota (County of) MN's financial statements and Moody's Ratings

## Appendix

Exhibit 7

### Key Indicators Glossary

	Definition	Typical Source*
<b>Economy</b>		
Resident income ratio	Median Household Income (MHI) for the city or county, adjusted for Regional Price Parity (RPP), as a % of the US MHI	MHI: US Census Bureau - American Community Survey 5-Year Estimates RPP: US Bureau of Economic Analysis
Full value	Estimated market value of taxable property in the city or county	State repositories; audited financial statements; continuing disclosures
Population	Population of the city or county	US Census Bureau - American Community Survey 5-Year Estimates
Full value per capita	Full value / population	
Economic growth metric	Five year CAGR of real GDP for Metropolitan Statistical Area or county minus the five-year CAGR of real GDP for the US	Real GDP: US Bureau of Economic Analysis
<b>Financial performance</b>		
Revenue	Sum of revenue from total governmental funds, operating and non-operating revenue from total business-type activities, and non-operating revenue from internal services funds, excluding transfers and one-time revenue, e.g., bond proceeds or capital contributions	Audited financial statements
Available fund balance	Sum of all fund balances that are classified as unassigned, assigned or committed in the total governmental funds, plus unrestricted current assets minus current liabilities from the city's or county's business-type activities and internal services funds	Audited financial statements
Net unrestricted cash	Sum of unrestricted cash in governmental activities, business type activities and internal services fund, net of short-term debt	Audited financial statements
Available fund balance ratio	Available fund balance (including net current assets from business-type activities and internal services funds) / Revenue	
Liquidity ratio	Net unrestricted cash / Revenue	
<b>Leverage</b>		
Debt	Outstanding long-term bonds and all other forms of long-term debt across the governmental and business-type activities, including debt of another entity for which it has provided a guarantee disclosed in its financial statements	Audited financial statements; official statements
Adjusted net pension liabilities (ANPL)	Total primary government's pension liabilities adjusted by Moody's to standardize the discount rate used to compute the present value of accrued benefits	Audited financial statements; Moody's Ratings
Adjusted net OPEB liabilities (ANOL)	Total primary government's net other post-employment benefit (OPEB) liabilities adjusted by Moody's to standardize the discount rate used to compute the present value of accrued benefits	Audited financial statements; Moody's Ratings
Other long-term liabilities (OLTL)	Miscellaneous long-term liabilities reported under the governmental and business-type activities entries	Audited financial statements
Long-term liabilities ratio	Debt + ANPL + ANOL + OLTL / Revenue	
<b>Fixed costs</b>		
Implied debt service	Annual cost to amortize city or county's long-term debt over 20 years with level payments	Audited financial statements; official statements; Moody's Ratings
Pension tread water contribution	Pension contribution necessary to prevent reported unfunded pension liabilities from growing, year over year, in nominal dollars, if all actuarial assumptions are met	Audited financial statements; Moody's Ratings
OPEB contribution	City or county's actual contribution in a given period	Audited financial statements
Implied cost of OLTL	Annual cost to amortize city or county's other long-term liabilities over 20 years with level payments	Audited financial statements; Moody's Ratings
Fixed-costs ratio	Implied debt service + Pension tread water + OPEB contributions + Implied cost of OLTL / Revenue	

\*Note: If typical data source is not available then alternative sources or proxy data may be considered. For more detailed definitions of the metrics listed above please refer to the [US Cities and Counties Methodology](#).

Source: Moody's Ratings

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