

GOODHUE COUNTY SUMMARY FINANCIAL STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2020

The purpose of this Report is to provide a summary of financial information concerning Goodhue County for interested citizens. Questions about this report should be directed to Finance & Taxpayer Services at (651) 385-3040.

A FULL AND COMPLETE COPY OF THE COUNTY'S COMPREHENSIVE ANNUAL FINANCIAL REPORT IS ALSO AVAILABLE UPON REQUEST BY CALLING FINANCE & TAXPAYER SERVICES AT (651) 385-3040, OR BY WRITING TO GOODHUE COUNTY FINANCE & TAXPAYER SERVICES AT 509 WEST 5TH STREET, RED WING, MN 55066. YOU WILL ALSO FIND A FULL COPY ON OUR WEBSITE AT: www.co.goodhue.mn.us/894/Financial-Statements

CURRENT COUNTY OFFICIALS

COUNTY COMMISSIONERS: 651-385-3001 Office

| | |
|---|-------------------|
| 1st District: Linda Flanders | 651-212-6084 Home |
| 2 nd District: Brad Anderson | 651-380-7809 Cell |
| 3 rd District: Todd Greseth | 507-319-9550 Cell |
| 4 th District: Jason Majerus | 651-923-5185 Home |
| 5 th District: Paul Drotos | 651-388-1042 Home |

ELECTED MANAGERS:

| | |
|---------------------------|---------------------|
| Attorney: Stephen O'Keefe | 651-267-4950 Office |
| Sheriff: Marty Kelly | 651-267-2702 Office |

APPOINTED MANAGERS:

| | |
|--|--------------|
| Administrator: Scott Arneson | 651-385-3001 |
| Court Services: Mark Jaeger | 651-267-4900 |
| Facilities: Tim Redepenning | 651-385-3207 |
| Finance: Brian Anderson | 651-385-3043 |
| Human Resources: Melissa Cushing | 651-385-3028 |
| Health & Human Services: Nina Arneson | 651-385-6115 |
| Information Technology: John Smith | 651-385-3224 |
| Land Use Management/Recorder: Lisa Hanni | 651-385-3104 |
| Public Works: Greg Isakson | 651-385-2812 |
| Veteran's Service Officer: Nathan Pelz | 651-385-3256 |

A User's Guide to County Financial Statements

The following definitions will help citizens understand the terminology that is used in the county's financial statement.

Basic Financial Statements

Goodhue County's basic financial statements consist of three parts: government-wide financial statements, fund financial statements, and notes to the financial statements. The management's discussion and analysis and certain budgetary comparison schedules are required to accompany the basic financial statements, and therefore, are included as required supplementary information.

Government-wide financial statements display information about the county's financial reporting entity as a whole, including its component units. Information is included for all funds except for fiduciary-type activities.

Fund financial statements display separate financial information for the county's governmental, proprietary, and fiduciary funds. Information for governmental funds is presented separately for major funds and in aggregate total for non-major funds. Fiduciary fund information is presented in aggregate by fund type.

Notes to the financial statements provide additional information and disclosure for information in the financial statements.

Governmental activities are generally activities of the county financed through taxes, intergovernmental revenues, and other non-exchange revenues. These activities are usually reported in governmental funds.

Financial reporting entity consists of the primary government (county), organizations for which the county is financially accountable and other organizations for which the nature and significance of their relationship with the county are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The nucleus of a county's financial reporting entity is the primary government, the county.

Primary Government is a term used in connection with defining the financial reporting entity. The primary government is the focus of the financial reporting entity. For the county, the primary government represents the financial activities, funds, or accounts directly under the control of the county board.

Component Unit describes a legally separate organization for which the county board is financially accountable. In addition, component units can be other organizations for which the nature and significance of their relationship with the county are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

County Governmental Fund Types

The **General Fund** is the general operating fund of the county. It is used to account for all financial resources except those that are required to be accounted for in another fund.

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted for specified purposes.

Debt Service Funds are used to account for the accumulation of resources for, and the payment of principal, interest, and related costs of general long-term debt.

County Fiduciary Funds

Fiduciary Funds are used to account for assets held by the county as an agent for individuals, private organizations, or other governments. These assets cannot be used to support the county’s own activities.

Character Classification of County Expenditures

The county’s governmental expenditures are classified by character, or the period’s expenditures are presumed to benefit. The county has the following character classifications:

Current operating expenditures are presumed to benefit the current fiscal period.

Debt service is presumed to benefit prior fiscal periods as well as current and future periods and includes amount expended for the payment of principal, interest and other costs associated with debt.

Intergovernmental represents resources transferred by the county to other governments.

Classification of County Functions

Functions are a group of related activities aimed at accomplishing a major service or regulatory program for which the county is responsible. The county has the following function classifications:

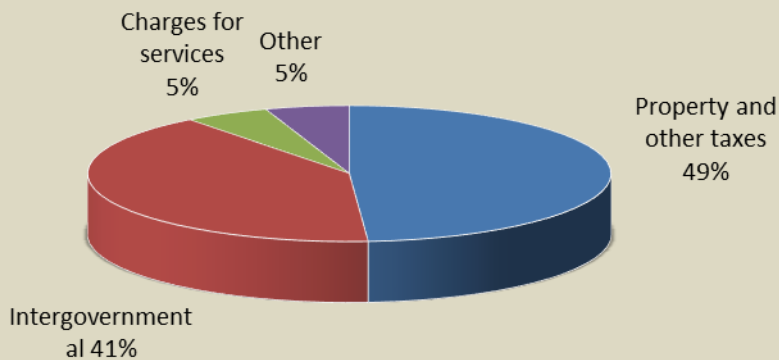
| Function | Purpose | Departments |
|------------------------|---|--|
| General Government | Support of general county operations and government not included under other functions | Board of Commissioners Administration Finance & Taxpayer Services Planning & Zoning Veterans' Service Office Other general services |
| Public Safety | Protection of persons and property | Sheriff Detention Center Emergency Management Court Services E-911 System |
| Highways and Streets | Construction and maintenance of county highways and streets | Construction Maintenance Administration |
| Sanitation | Removal and disposal of waste | Solid Waste Management Recycling Center Landfill |
| Human Services | Provide public assistance and institutional care for individuals unable to provide essential needs for themselves | Income Maintenance Social Services |
| Health | Conservation and improvement of public health | Healthy Communities/Behaviors Quality Assurance-Health Services Disaster Preparedness Infectious Diseases Administration |
| Culture and Recreation | Maintenance of cultural and recreational opportunities for residents and visitors | Byllesby Dam Parks Historical Society Regional Library Other Recreation |
| Conservation | Development and conservation of natural resources (water, soil, forests) | County Extension Soil & Water Conservation |
| Economic Development | Provide resources to grow economic development in the county, including opportunities for disadvantaged persons or businesses | Community Development Regional Railroad Authority |

A PROFILE OF GOODHUE COUNTY

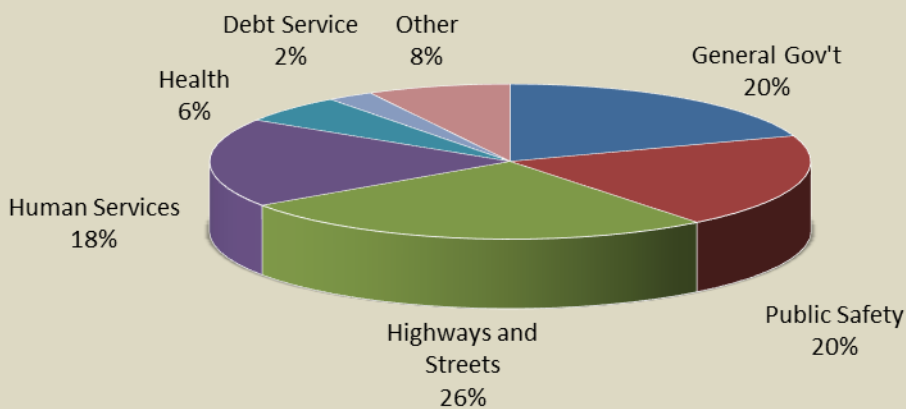
| Key Indicator | Total 2020 | Total 2019 | Percent Increase (Decrease) |
|---|-------------------|-------------------|------------------------------------|
| Estimated Population | 46,449 | 46,340 | 0.24% |
| Total Tax Capacity | 80,463,523 | 78,671,591 | 2.28% |
| % of Property Taxes Collected | 99.64% | 99.64% | 0.00% |
| Total General Revenues | 45,363,746 | 44,912,722 | 1.00% |
| Total Program Revenues | 35,209,063 | 26,367,295 | 33.53% |
| Total Expenses: | | | |
| Governmental activities | 72,647,496 | 66,043,492 | 10.00% |
| Capital Assets: | | | |
| Governmental activities | 138,881,012 | 142,203,410 | -2.34% |
| Total Outstanding Net Bonded Debt of Goodhue County: | | | |
| General Obligation | 16,500,000 | 17,845,000 | -7.54% |
| Bond Rating on Most Recent General Obligation Bond Issue | | | |
| | Aa2 | Aa2 | |
| Total Government-wide Net Position: | | | |
| Governmental activities | 163,848,506 | 155,923,193 | 5.08% |
| Total Number of Full-Time Employees | 327 | 331 | -1.21% |
| Total Number of Part-Time Employees | 25 | 31 | -19.35% |

Goodhue County's 2020 Governmental Funds' Finances

Where it comes from...



Where it goes...



**Goodhue County Statement of Net Position
December 31, 2020**

| | Primary Government | |
|--|------------------------------------|-------------|
| <u>Assets</u> | Governmental Activities | |
| Cash and pooled investments | \$ | 57,678,116 |
| Petty cash and change funds | | 2,350 |
| Taxes receivable | | |
| Delinquent | | 401,021 |
| Special assessments | | 600,045 |
| Accounts receivable | | 444,602 |
| Accrued interest receivable | | 253,524 |
| Loans receivable | | 748,941 |
| Due from other governments | | 6,419,050 |
| Inventories | | 720,111 |
| Prepaid items | | 302,233 |
| Restricted assets | | |
| Cash and pooled investments | | 220,700 |
| Investment in joint venture | | 4,972,343 |
| Capital assets | | |
| Non-depreciable | | 9,695,348 |
| Depreciable - net of accumulated depreciation | | 129,185,664 |
| Total Assets | \$ | 211,644,048 |
| <u>Deferred Outflows of Resources</u> | | |
| Deferred pension outflows | \$ | 3,632,215 |
| Deferred OPEB outflows | | 146,436 |
| Total Deferred Outflows of Resources | \$ | 3,778,651 |
| <u>Liabilities</u> | | |
| Accounts payable | \$ | 1,088,853 |
| Salaries payable | | 1,569,878 |
| Contracts payable | | 301,918 |
| Due to other governments | | 343,468 |
| Accrued interest payable | | 188,603 |
| Customer deposits | | 32,662 |
| Long-term liabilities | | |
| Due within one year | | 3,294,892 |
| Due in more than one year | | 19,803,638 |
| Net Pension Liability | | 18,885,352 |
| OPEB Liability | | 1,343,267 |
| Total Liabilities | \$ | 46,852,531 |
| <u>Deferred Inflows of Resources</u> | | |
| Taxes received for future periods | \$ | 11,599 |
| Deferred pension inflows | | 4,628,371 |
| Deferred OPEB inflows | | 81,692 |
| Total Deferred Inflows of Resources | \$ | 4,721,662 |
| <u>Net Position</u> | | |
| Net investment in capital assets | \$ | 122,153,873 |
| Restricted for | | |
| General government | | 1,225,362 |
| Public safety | | 406,329 |
| Highways and streets | | 2,815,665 |
| Human services | | 518,845 |
| Conservation of natural resources | | 318,149 |
| Economic development | | 533,200 |
| Debt Service | | 3,281,790 |
| Landfill postclosure | | 220,700 |
| Gravel pit postclosure | | 280,395 |
| Minnesota COVID-19 Relief Funds | | 916,696 |
| Unrestricted | | 31,177,502 |
| Total Net Assets | \$ | 163,848,506 |

**Goodhue County Summary of Activities
For the Year Ended December 31, 2020**

| <u>Functions/Programs</u> | <u>Expenses</u> | <u>Program Revenues</u> | <u>Net</u> |
|--|----------------------|-------------------------|------------------------|
| Primary Government | | | |
| <u>Governmental activities:</u> | | | |
| General government | \$ 13,349,002 | \$ 4,837,341 | \$ (8,511,661) |
| Public safety | 13,795,958 | 3,887,978 | (9,907,980) |
| Highways and streets | 22,372,826 | 9,283,826 | (13,089,000) |
| Sanitation | 963,781 | 369,016 | (594,765) |
| Human Services | 12,851,232 | 8,751,767 | (4,099,465) |
| Health | 4,122,909 | 3,807,201 | (315,708) |
| Culture and recreation | 1,206,060 | 426,441 | (779,619) |
| Conservation of natural resources | 811,272 | 256,859 | (554,413) |
| Economic development | 2,739,358 | 3,588,634 | 849,276 |
| Interest | 435,098 | - | (435,098) |
| Total governmental activities | \$ 72,647,496 | \$ 35,209,063 | \$ (37,438,433) |
| Total Primary Government | \$ 72,647,496 | \$ 35,209,063 | \$ (37,438,433) |
| General Revenues and other | | | |
| Taxes | | | \$ 41,176,740 |
| Other general revenues | | | 4,187,006 |
| Net change in net position - Primary Government | | | \$ 7,925,313 |

| Goodhue County Statement of Fiduciary Net Position December 31, 2020 | | | |
|---|--|----------------------------|--|
| | Social Welfare Private-Purpose Trust Fund | Custodial Funds | |
| <u>Assets</u> | | | |
| Cash and pooled investments | \$ 213,898 | \$ 1,279,730 | |
| Accounts receivable | - | 793,435 | |
| Due from other governments | - | 3,430 | |
| Total Assets | \$ 213,898 | \$ 2,076,595 | |
| <u>Liabilities</u> | | | |
| Due to individuals | \$ - | \$ 578 | |
| Due to other governments | - | 1,141,366 | |
| Total Liabilities | \$ - | \$ 1,141,944 | |
| <u>Net Position</u> | | | |
| Restricted for individuals, organizations and other governments | \$ 213,898 | \$ 934,651 | |
| Total Net Position | \$ 213,898 | \$ 934,651 | |

Goodhue County - Governmental Funds

**Balance Sheet
December 31, 2020**

| | General Fund | Road and Bridge Fund | Health & Human Service Fund | Economic Development Fund | Debt Service Fund | Nonmajor Waste Mgmt Fund | Total Governmental Funds |
|--|----------------------|----------------------------|-----------------------------------|---------------------------------|-------------------------|--------------------------------|--------------------------------|
| Assets: | | | | | | | |
| Cash and pooled investments | \$ 26,819,331 | \$ 15,039,442 | \$ 11,309,366 | \$ 550,016 | \$ 3,368,663 | \$ 593,648 | \$ 57,680,466 |
| Taxes - Delinquent | 238,015 | 50,787 | 84,657 | 287 | 22,224 | 5,051 | 401,021 |
| Special assessments - Delinquent | 519,897 | - | - | - | - | - | 519,897 |
| Special assessments - Current | - | - | - | - | 80,148 | - | 80,148 |
| Accounts receivable | 29,027 | 26,026 | 377,764 | - | - | 11,785 | 444,602 |
| Accrued interest receivable | 253,524 | - | - | - | - | - | 253,524 |
| Due from other funds | 1,597 | 3,124 | - | - | - | - | 4,721 |
| Due from other governments | 1,355,889 | 3,524,729 | 1,520,045 | - | - | 18,387 | 6,419,050 |
| Prepaid items | 258,520 | 645 | 41,218 | - | 1,850 | - | 302,233 |
| Inventories | - | 720,111 | - | - | - | - | 720,111 |
| Loans Receivable | - | - | - | 748,941 | - | - | 748,941 |
| Restricted Assets | | | | | | | |
| Cash and pooled investments | - | - | - | - | - | 220,700 | 220,700 |
| Total assets | \$ 29,475,800 | \$ 19,364,864 | \$ 13,333,050 | \$ 1,299,244 | \$ 3,472,885 | \$ 849,571 | \$ 67,795,414 |
| Liabilities: | | | | | | | |
| Payables | | | | | | | |
| Accounts | \$ 460,899 | \$ 156,287 | \$ 451,010 | \$ 121 | \$ - | \$ 20,537 | \$ 1,088,854 |
| Salaries | 926,674 | 127,251 | 493,512 | - | - | 22,441 | 1,569,878 |
| Contracts | - | 301,918 | - | - | - | - | 301,918 |
| Due to other funds | 1,243 | - | 1,597 | - | - | 1,881 | 4,721 |
| Due to other governments | 159,055 | 1,153 | 180,696 | - | - | 2,564 | 343,468 |
| Customer deposits | 32,662 | - | - | - | - | - | 32,662 |
| Total Liabilities | \$ 1,580,533 | \$ 586,609 | \$ 1,126,815 | \$ 121 | \$ - | \$ 47,423 | \$ 3,341,501 |
| Deferred Inflows of Resources: | | | | | | | |
| Unavailable revenue | \$ 727,160 | \$ 2,882,268 | \$ 244,199 | \$ 528,120 | \$ 94,876 | \$ 4,209 | \$ 4,480,832 |
| Taxes received for future periods | 6,885 | 1,469 | 2,449 | 8 | 642 | 146 | 11,599 |
| Total deferred inflows of resources | \$ 734,045 | \$ 2,883,737 | \$ 246,648 | \$ 528,128 | \$ 95,518 | \$ 4,355 | \$ 4,492,431 |
| Fund balances: | | | | | | | |
| Nonspendable | \$ 258,520 | \$ 720,756 | \$ 41,218 | \$ - | \$ 1,850 | \$ - | \$ 1,022,344 |
| Restricted | 2,627,034 | - | 518,845 | 533,200 | 3,375,517 | 220,700 | 7,275,296 |
| Committed | - | - | - | - | - | - | - |
| Assigned | 6,060,000 | 15,173,762 | 11,399,524 | 237,795 | - | 577,093 | 33,448,174 |
| Unassigned | 18,215,668 | - | - | - | - | - | 18,215,668 |
| Total fund balance | \$ 27,161,222 | \$ 15,894,518 | \$ 11,959,587 | \$ 770,995 | \$ 3,377,367 | \$ 797,793 | \$ 59,961,482 |
| Total liabilities, Deferred Inflows of Resources and fund balance | \$ 29,475,800 | \$ 19,364,864 | \$ 13,333,050 | \$ 1,299,244 | \$ 3,472,885 | \$ 849,571 | \$ 67,795,414 |

Goodhue County - Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balance
For the Year Ended December 31, 2020

| | General Fund | Road and Bridge Fund | Health & Human Service Fund | Economic Development Fund | Debt Service Fund | Nonmajor Waste Mgmt Fund | Total Governmental Funds |
|---|----------------------|----------------------|-----------------------------|---------------------------|---------------------|--------------------------|--------------------------|
| Revenues: | | | | | | | |
| Taxes | \$ 21,875,533 | \$ 8,725,797 | \$ 7,751,185 | \$ 26,261 | \$ 2,034,231 | \$ 462,551 | \$ 40,875,558 |
| Special assessments | 287,546 | - | - | - | 5,517 | - | 293,063 |
| Licenses and permits | 649,914 | 12,680 | - | - | - | 5,307 | 667,901 |
| Intergovernmental | 12,384,993 | 12,232,283 | 9,229,697 | 380 | 66,529 | 146,355 | 34,060,237 |
| Charges for services | 2,193,473 | 84,066 | 2,019,416 | 1,000 | - | 100,089 | 4,398,044 |
| Fines and forfeits | 9,810 | - | - | - | - | - | 9,810 |
| Gifts and contributions | 27,422 | 820 | 37,672 | - | - | - | 65,914 |
| Investment earnings | 1,106,494 | - | 710 | - | - | 331 | 1,107,535 |
| Miscellaneous | 1,273,468 | 41,518 | 652,688 | 93,958 | - | 129,618 | 2,191,250 |
| Total revenues | \$ 39,808,653 | \$ 21,097,164 | \$ 19,691,368 | \$ 121,599 | \$ 2,106,277 | \$ 844,251 | \$ 83,669,312 |
| Expenditures: | | | | | | | |
| Current | | | | | | | |
| General government | \$ 12,756,278 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 12,756,278 |
| Public safety | 13,667,072 | - | - | - | - | - | 13,667,072 |
| Highways and streets | - | 17,725,424 | - | - | - | - | 17,725,424 |
| Sanitation | - | - | - | - | - | 821,243 | 821,243 |
| Human services | 644,333 | - | 12,956,591 | - | - | - | 13,600,924 |
| Health | 14,838 | - | 4,263,315 | - | - | - | 4,278,153 |
| Culture and recreation | 1,163,225 | 39,128 | - | - | - | - | 1,202,353 |
| Conservation of natural resources | 798,492 | - | - | - | - | - | 798,492 |
| Economic development | 2,582,243 | - | - | 157,115 | - | - | 2,739,358 |
| Capital outlay | | | | | | | |
| General government | 1,125,383 | - | - | - | - | - | 1,125,383 |
| General government-COVID 19 | 515,900 | - | - | - | - | - | 515,900 |
| Public safety | 787,941 | - | - | - | - | - | 787,941 |
| Highways and streets | 819,757 | - | - | - | - | - | 819,757 |
| Sanitation | 98,273 | - | - | - | - | - | 98,273 |
| Debt service | | | | | | | |
| Principal retirement | - | - | - | - | 1,345,000 | - | 1,345,000 |
| Interest | - | - | - | - | 464,629 | - | 464,629 |
| Administrative (fiscal) charges | - | - | - | - | 9,613 | - | 9,613 |
| Intergovernmental | | | | | | | |
| Highways and streets | - | 560,839 | - | - | - | - | 560,839 |
| Total expenditures | \$ 34,973,735 | \$ 18,325,391 | \$ 17,219,906 | \$ 157,115 | \$ 1,819,242 | \$ 821,243 | \$ 73,316,632 |
| Excess of Revenues | | | | | | | |
| Over (Under) Expenditures | \$ 4,834,918 | \$ 2,771,773 | \$ 2,471,462 | \$ (35,516) | \$ 287,035 | \$ 23,008 | \$ 10,352,680 |
| Other financing sources (uses): | | | | | | | |
| Transfers in | \$ 206,309 | \$ 547 | \$ 256,743 | \$ - | \$ - | \$ 819 | \$ 464,418 |
| Transfers out | (258,109) | (198,809) | (7,500) | - | - | - | (464,418) |
| Proceeds from sale of capital assets | 76,782 | - | - | - | - | - | 76,782 |
| Total other financing sources (uses) | \$ 24,982 | \$ (198,262) | \$ 249,243 | \$ - | \$ - | \$ 819 | \$ 76,782 |
| Net Change in Fund Balances | \$ 4,859,900 | \$ 2,573,511 | \$ 2,720,705 | \$ (35,516) | \$ 287,035 | \$ 23,827 | \$ 10,429,462 |
| Fund Balances - January 1 | 22,301,322 | 13,021,198 | 9,238,882 | 806,511 | 3,090,332 | 773,966 | 49,232,211 |
| Increase (decrease) in inventories | - | 299,809 | - | - | - | - | 299,809 |
| Fund Balances - December 31 | \$ 27,161,222 | \$ 15,894,518 | \$ 11,959,587 | \$ 770,995 | \$ 3,377,367 | \$ 797,793 | \$ 59,961,482 |

