

GOODHUE COUNTY SUMMARY FINANCIAL STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2008

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 the Auditor/Treasurer's Office at (651) 385-3032.

A FULL AND COMPLETE COPY OF THE COUNTY FINANCIAL STATEMENT IS ALSO AVAILABLE UPON REQUEST BY CALLING THE AUDITOR/TREASURER'S OFFICE AT (651) 385-3032, OR BY WRITING TO THE GOODHUE COUNTY AUDITOR/TREASURER'S OFFICE 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/departments/auditortreasurer/FinancialReports.aspx

CURRENT COUNTY OFFICIALS

COUNTY COMMISSIONERS:	651-385-3001 Office
1st District: Ronald Allen	651-388-9435 Home
2nd District: Richard Samuelson	651-258-4295 Home
3rd District: Dan Rehtzigel	507-789-5877 Home
4th District: Jim Bryant	651-388-5558 Home
5th District: Ted Seifert	651-388-3268 Home

ELECTED MANAGERS:

Attorney: Stephen Betcher	651-267-4950
Sheriff: Dean Albers	651-267-2614

APPOINTED MANAGERS:

Administrator: Scott Arneson	651-385-3001
Court Services: Joanne Pohl	651-267-4900
Finance: Carolyn Holmsten	651-385-3032
Human Resources: Melissa Cushing	651-385-3028
Human Services: Greg Schoener	651-385-3232
Information Technology: Randy Johnson	651-385-3224
Land Use Management/Recorder: Lisa Hanni	651-385-3104
Public Health: Karen Main	651-385-6100
Public Works: Greg Isakson	651-385-2812
Veteran's Service Officer: Robert Davis	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, except for its fiduciary activities. These statements should present separate information for the governmental and business-type activities of the county (primary government), as well as for its component units.

Fund financial statements display separate financial information for the county's governmental, proprietary, and fiduciary funds. Information for governmental and enterprise proprietary funds is presented separately for major funds and the aggregate total for non major funds. Internal services and 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, inter-governmental revenues, and other nonexchange revenues. These activities are usually reported in governmental funds and internal service 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.

Permanent Funds are used to report resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs – that is, for the benefit of the government or its citizenry.

County Fiduciary Funds

Agency Funds are used to account for assets held by the county as an agent for individuals, private organizations, other governments, and/or other funds; for example, taxes collected and held by a county for a school district.

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 respon-

sible. The county has the following function classifications:

The **General Government** function includes expenditures for general county activities such as the county commissioners, county administration, county attorney's office, county auditor/treasurer's office, county assessor's office, the judicial (excluding the county jail), the planning and zoning office, and other county general service offices.

Public Safety related to the objective of protection of persons and property and includes expenditures for corrections activities, operations of the sheriff's department, the county jail, civil defense, and emergency services.

Highways and Streets includes expenditures relating to the construction and maintenance of county highways and streets.

Sanitation involves expenditures for the removal and disposal of waste and includes county solid waste collection and disposal, recycling, and household hazardous waste disposal.

Human Services represents activities designed to provide public assistance and institutional care for individuals unable to provide essential needs for themselves. These programs include child support collection, child welfare, chemical dependency, medical assistance, and others.

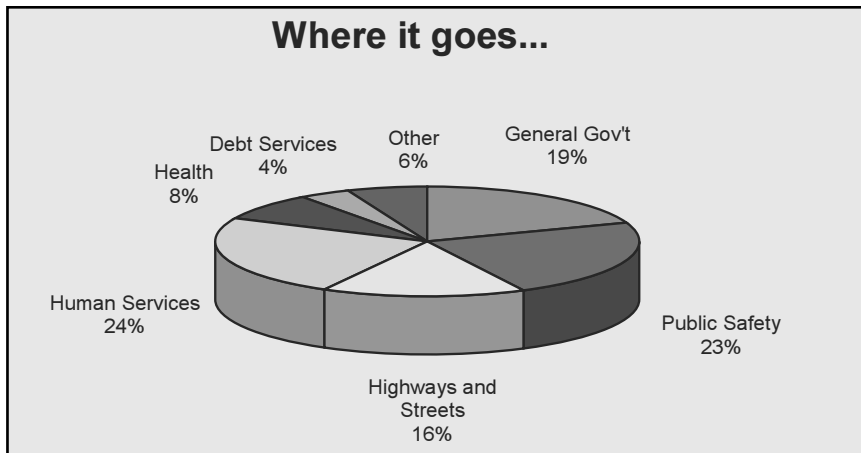
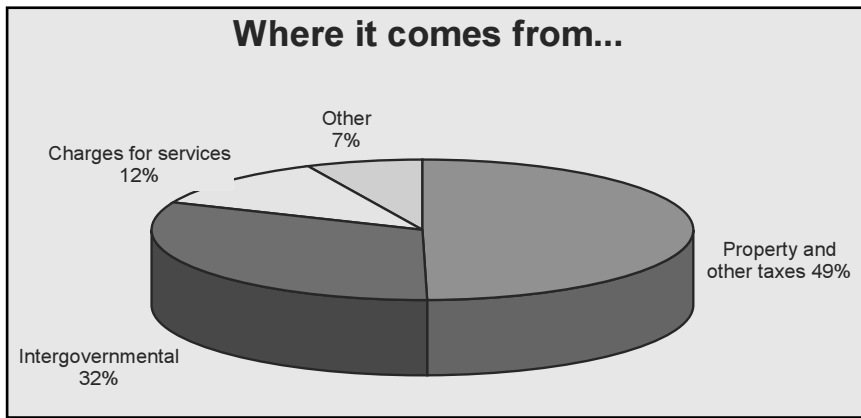
Health involves all activities involved in the conservation and improvement of public health. This function includes expenditures for county health departments, such as home health aid services, other nursing services, maternal and child health, supplemental nutrition programs and programs to protect public and private water systems.

Culture and Recreation involved cultural and recreational activities maintained for the benefit of county residents and visitors. These activities include county libraries, parks and other recreation programs.

Conservation involved activities designed to conserve and develop such natural resources as water, soil, and forests and includes such programs as soil and water conservation, county extension, water planning, and other.

Economic Development activities are directed toward economically developing the area encompassed by the county and providing assistance to and opportunity for economically disadvantaged persons or businesses.

**Goodhue County's 2008
Governmental Funds' Finances**



**Summary of Goodhue County's Statement of Activities
For the Year Ended December 31, 2008**

Functions/Programs	Expenses	Program Revenues	Net
Primary Government			
Governmental activities:			
General government	\$ 8,865,569	\$ 1,668,944	\$ (7,196,625)
Public safety	11,644,703	3,250,430	(8,394,273)
Highways and streets	10,182,732	4,800,792	(5,381,940)
Sanitation	966,513	419,742	(546,771)
Human Services	11,065,315	6,225,974	(4,839,341)
Health	4,026,789	2,925,828	(1,100,961)
Culture and recreation	646,002	-	(646,002)
Conservation of natural resources	847,435	231,810	(615,625)
Economic development	354,128	306,172	(47,956)
Interest	438,797	-	(438,797)
Total governmental activities	\$ 49,037,983	\$ 19,829,692	\$ (29,208,291)
Total Primary Government	\$ 49,037,983	\$ 19,829,692	\$ (29,208,291)
General Revenues and other			
Taxes			\$ 24,129,861
Other general revenues			4,183,733
Net change in net assets - Primary Government			\$ (894,697)
Component units:			
Belle Creek Watershed	\$ 8,929	\$ -	\$ (8,929)
General Revenues and other			
Taxes			\$ 9,097
Grants and contributions not restricted to specific programs			381
Other general revenues			8,386
Net change in net assets - Belle Creek Watershed			\$ 8,935

**Goodhue County
A Summary of Fiduciary Funds' Net Assets
and Changes in Net Assets
As of and for the Year Ended December 31, 2008**

	Agency Funds
Assets	
Cash and cash equivalents	\$ 1,726,362
Accounts receivable	10,572
Due from other governments	39,759
Total Assets	\$ 1,776,693
Liabilities	
Due to component unit	\$ 208
Due to other governments	1,776,485
Total Liabilities	\$ 1,776,693

**Summary of Goodhue County's Statement of Net Assets
December 31, 2008**

	Primary Government Governmental Activities	Discretely Presented Component Units
Assets		
Cash and pooled investments	\$ 32,011,575	\$ 235,966
Petty cash and change funds	4,000	-
Departmental cash	-	-
Cash with escrow agent	492,160	-
Taxes receivable	950,757	-
Accounts receivable - net	173,421	-
Accrued interest receivable	334,576	622
Loans receivable	107,256	-
Due from other governments	2,039,607	-
Due from primary governments	-	208
Prepaid items	277,077	-
Inventories	395,274	-
Restricted assets		
Cash and pooled investments permanent	215,763	-
Investment in joint venture	855,887	-
Deferred charges	148,818	-
Capital assets		
Non-depreciable	9,526,950	378,550
Depreciable - net of accumulated depreciation	113,068,103	-
Total Assets	\$ 160,601,224	\$ 615,346
Liabilities		
Accounts payable	\$ 773,761	\$ -
Salaries payable	924,499	-
Contracts payable	145,992	-
Due to other governments	460,364	754
Due to component unit	208	-
Accrued interest payable	142,266	-
Unearned revenue	370,470	-
Customer deposits	4,427	-
Long-term liabilities		
Due within one year	3,101,081	-
Due in more than one year	12,005,224	-
Total Liabilities	\$ 17,928,292	\$ 754
Net Assets:		
Invested in capital assets, net of related debt	\$ 112,395,904	\$ 378,550
Restricted for		
General government	705,313	-
Public safety	573,190	-
Highways and streets	460,491	-
Human services	1,229	-
Health	108,629	-
Conservation of natural resources	2,853	-
Economic development	50,000	-
Debt service	492,160	-
Landfill postclosure	215,763	-
Gravel pit postclosure	57,950	-
Investments pledged as collateral	-	-
Unrestricted	27,609,450	236,042
Total Net Assets	\$ 142,672,932	\$ 614,592

Goodhue County
A Summary Balance Sheet of Governmental Funds
December 31, 2008

	Major Funds					Total Governmental Funds
	General Fund	Public Works Fund	Human Service Fund	Debt Service Fund	Nonmajor Funds	
Assets:						
Cash and investments	\$ 20,294,880	\$ 3,618,270	\$ 2,717,953	\$ 4,293,620	\$ 1,583,012	\$ 32,507,735
Receivables						
Taxes	546,581	147,281	123,670	89,181	44,044	950,757
Accounts	360,921	6,326	22,698	-	118,052	507,997
Loans	107,256	-	-	-	-	107,256
Due from other funds	6,168	12,284	4,954	-	42,475	65,881
Due from other governments	685,906	475,680	692,807	-	185,214	2,039,607
Prepaid items	171,477	23,637	44,505	-	37,458	277,077
Inventories	-	395,274	-	-	-	395,274
Restricted Assets						
Cash and pooled investments	-	-	-	-	215,763	215,763
Total assets	<u>\$ 22,173,189</u>	<u>\$ 4,678,752</u>	<u>\$ 3,606,587</u>	<u>\$ 4,382,801</u>	<u>\$ 2,226,018</u>	<u>\$ 37,067,347</u>
Liabilities:						
Payables						
Accounts	\$ 250,146	\$ 105,449	\$ 380,649	\$ 59	\$ 37,458	\$ 773,761
Salaries	550,170	77,674	157,357	-	139,298	924,499
Contracts	455	139,522	-	-	6,015	145,992
Due to other funds	30,901	-	32,313	-	2,667	65,881
Due to other governments	113,963	15,627	307,581	-	23,401	460,572
Deferred revenue - unavailable	875,670	567,845	137,275	68,712	118,788	1,768,290
Deferred revenue - unearned	122,334	-	238,136	-	10,000	370,470
Customer deposits	4,427	-	-	-	-	4,427
Total Liabilities	<u>\$ 1,948,066</u>	<u>\$ 906,117</u>	<u>\$ 1,253,311</u>	<u>\$ 68,771</u>	<u>\$ 337,627</u>	<u>\$ 4,513,892</u>
Fund balances:						
Reserved	\$ 1,510,783	\$ 418,911	\$ 45,734	\$ 492,160	\$ 411,850	\$ 2,879,438
Unreserved	18,714,340	3,353,724	2,307,542	3,821,870	1,476,541	29,674,017
Total fund balance	<u>\$ 20,225,123</u>	<u>\$ 3,772,635</u>	<u>\$ 2,353,276</u>	<u>\$ 4,314,030</u>	<u>\$ 1,888,391</u>	<u>\$ 32,553,455</u>
Total liabilities and fund balance	<u>\$ 22,173,189</u>	<u>\$ 4,678,752</u>	<u>\$ 3,606,587</u>	<u>\$ 4,382,801</u>	<u>\$ 2,226,018</u>	<u>\$ 37,067,347</u>

A PROFILE OF GOODHUE COUNTY

Key Indicator	Total 2008	Total 2007	Percent Increase (Decrease)
	Estimated Population	46,018	46,092
Total Tax Capacity	57,807,420	54,603,235	5.54%
% of Property Taxes Collected	98.32%	98.62%	-0.31%
Total General Revenues	28,313,594	28,553,493	-0.85%
Total Program Revenues	19,829,692	21,203,812	-6.93%
Total Expenses:			
Governmental activities	49,037,983	43,552,270	11.19%
Capital Assets:			
Governmental activities	122,595,053	125,012,396	-1.97%
Total Outstanding Net Bonded Debt of Goodhue County:			
General Obligation	10,898,618	12,425,642	-14.01%
Bond Rating on Most Recent General Obligation Bond Issue	A1	A1	N/A
Total Government-wide Net Assets:			
Governmental activities	142,672,932	143,567,629	-0.63%
Total Number of Full-Time Employees	330	328	0.61%
Total Number of Part-Time Employees	83	98	-18.07%

Goodhue County
A Summary of Governmental Funds Revenues and Expenditures
For the Year Ended December 31, 2008

	Major Funds					Total Governmental Funds
	General Fund	Public Works Fund	Human Service Fund	Debt Service Fund	Nonmajor Funds	
Revenues:						
Taxes	\$ 13,467,000	\$ 3,807,231	\$ 3,101,760	\$ 1,892,525	\$ 1,539,093	\$ 23,807,609
Special assessments	-	-	-	13,967	-	13,967
Licenses and permits	22,503	8,000	-	-	358,910	389,413
Intergovernmental	4,059,156	4,967,282	5,136,590	124,724	891,526	15,179,278
Charges for services	2,446,660	23,035	948,126	-	2,169,849	5,587,670
Fines and forfeits	25,710	-	-	-	-	25,710
Gifts and contributions	12,014	-	6,820	-	-	18,834
Investment earnings	972,739	-	-	7,511	3,529	983,779
Miscellaneous	1,188,830	31,748	373,733	-	256,168	1,850,479
Total revenues	<u>\$ 22,194,612</u>	<u>\$ 8,837,296</u>	<u>\$ 9,567,029</u>	<u>\$ 2,038,727</u>	<u>\$ 5,219,075</u>	<u>\$ 47,856,739</u>
Expenditures:						
Current						
General government	\$ 8,851,678	\$ -	\$ -	\$ -	\$ 544,243	\$ 9,395,921
Public safety	11,229,507	-	-	-	-	11,229,507
Highways and streets	-	7,572,592	-	-	-	7,572,592
Sanitation	54,045	-	-	-	716,426	770,471
Human services	-	-	11,514,547	-	-	11,514,547
Health	-	-	-	-	3,942,091	3,942,091
Culture and recreation	565,069	66,930	-	-	-	631,999
Conservation of natural resources	843,537	-	-	-	-	843,537
Economic development	305,822	-	-	-	48,306	354,128
Debt service						
Principal retirement	23,500	-	-	1,527,024	-	1,550,524
Interest and fiscal charges	2,964	-	-	376,338	-	379,302
Intergovernmental						
Highways and streets	-	295,808	-	-	-	295,808
Total expenditures	<u>\$ 21,876,122</u>	<u>\$ 7,935,330</u>	<u>\$ 11,514,547</u>	<u>\$ 1,903,362</u>	<u>\$ 5,251,066</u>	<u>\$ 48,480,427</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ 318,490</u>	<u>\$ 901,966</u>	<u>\$ (1,947,518)</u>	<u>\$ 135,365</u>	<u>\$ (31,991)</u>	<u>\$ (623,688)</u>
Other financing sources (uses):						
Transfers in	\$ 666,515	\$ 484,469	\$ 21,986	\$ -	\$ 76,296	\$ 1,249,266
Transfers out	(582,751)	-	-	-	(666,515)	(1,249,266)
Capital lease/installment purchase	33,291	-	-	-	-	33,291
Proceeds from sale of capital assets	20,769	-	-	-	-	20,769
Compensation for loss of general capital assets	4,988	-	-	-	-	4,988
Total other financing sources (uses)	<u>\$ 142,812</u>	<u>\$ 484,469</u>	<u>\$ 21,986</u>	<u>\$ -</u>	<u>\$ (590,219)</u>	<u>\$ 59,048</u>
Net Change in Fund Balances	<u>\$ 461,302</u>	<u>\$ 1,386,435</u>	<u>\$ (1,925,532)</u>	<u>\$ 135,365</u>	<u>\$ (622,210)</u>	<u>\$ (564,640)</u>
Fund Balances - January 1	\$ 19,763,821	\$ 2,356,783	\$ 4,278,808	\$ 4,178,665	\$ 2,510,601	\$ 33,088,678
Increase (decrease) in reserved for inventories	-	29,417	-	-	-	29,417
Fund Balances - December 31	<u>\$ 20,225,123</u>	<u>\$ 3,772,635</u>	<u>\$ 2,353,276</u>	<u>\$ 4,314,030</u>	<u>\$ 1,888,391</u>	<u>\$ 32,553,455</u>

