

GOODHUE COUNTY
RED WING, MINNESOTA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

YEAR ENDED DECEMBER 31, 2018





COMPREHENSIVE ANNUAL FINANCIAL REPORT OF GOODHUE COUNTY, MINNESOTA

**PREPARED BY: FINANCE AND TAXPAYER SERVICES
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**YEAR ENDED DECEMBER 31, 2018
ISSUED SEPTEMBER, 16, 2019**

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INTRODUCTORY SECTION

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September 17, 2019

To: The Citizens of Goodhue County
The Goodhue County Board of Commissioners

Subject: 2018 Comprehensive Annual Financial Report

This Comprehensive Annual Financial Report (CAFR) of Goodhue County is hereby submitted for the fiscal year ended December 31, 2018. This report has been prepared in accordance with accounting principles generally accepted in the United States of America. The purpose of this report is to provide the citizens of Goodhue County and other interested parties with useful and reliable information about the County's financial position and operations.

Responsibility for the accuracy of the data and the completeness and fairness of the report presentation, including all disclosures, rests with the County. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various County funds.

This report consists of management's representations concerning the County's finances. Consequently, management assumes full responsibility for the completeness and reliability of all information presented in this report. To provide a reasonable basis for making these representations, the county has established a comprehensive internal control structure that is designed to protect the County's assets from loss, theft or misuse and to compile sufficient reliable information for the preparation of the County's financial statements in accordance with Generally Accepted Accounting Principles (GAAP). Because the cost of internal controls should not exceed their benefits, internal controls are designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement. Evaluation of these costs and benefits requires estimates and judgement of management. We believe that the County's internal accounting controls adequately safeguard assets and provide reasonable assurance that this financial report is complete and reliable in all material respects.

Minnesota state statutes require an annual independent audit by an independent firm of licensed public accountants or the Office of the State Auditor, performed in accordance with United States Generally Accepted Auditing Standards (GAAS). CliftonLarsonAllen, LLP (CLA) conducted the County's audit for 2018. The goal of this independent audit was to provide reasonable assurance that the financial statements are free from material misstatement. Based upon the audit, CLA concluded there was a reasonable basis for issuing an unmodified ("clean") opinion for the County's financial statements.

GAAP requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. Goodhue County's MD&A can be found immediately following the report of the independent auditors.

Profile of Goodhue County

Goodhue County was created in 1853 from portions of Wabasha County. Located just outside the Twin Cities metropolitan area, the County has an area of 780 square miles and includes 21 townships and 10 full and fractional municipalities. The largest municipality and county seat of Red Wing is located on the Mississippi River.

The County operates under an elected five-member County Board of Commissioners, with each member representing a specific district in the County. Board members are elected on a non-partisan basis and serve 4-year staggered terms. The County Sheriff and County Attorney are also elected officials serving in administrative capacities.

The Board's responsibilities include passing ordinances, adopting the budget and appointing the County Administrator. The County Administrator is responsible for carrying out the policies and ordinances of the Board, appointing heads of various departments and overseeing the day-to-day operations of the government.

The legally separate Economic Development Authority (EDA) is included in the County's financial statements as a blended component unit. The EDA was created in 1995 to carry out the economic and industrial development and redevelopment within the county and to act on behalf of the County's interest in continued job development. EDA's board consists of the County Board of Commissioners and two members from other county-based economic development organizations.

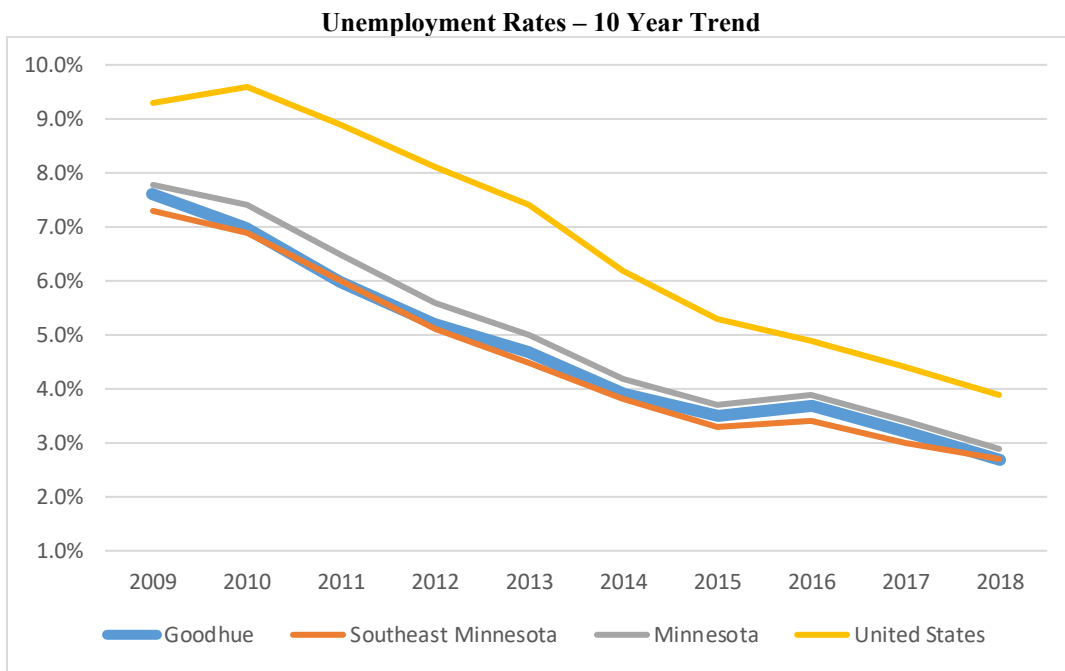
Goodhue County provides a full range of services, including public safety (sheriff's department and county detention center), court and probation services, tax assessment and collection, infrastructure (roads and bridges) maintenance and construction, public records management, land use and zoning and health and human services.

Budgetary Controls

The annual budget serves as the foundation for the County's financial planning and control. The level of budgetary control is at the department level. The County Administrator, along with the Finance Director and individual Department Heads, develop a detailed annual budget on a bi-annual basis. Each year, at least one budget workshop is held, with the County Board and all department heads and select other staff attending. The preliminary levy is set by the Board in September. A public hearing is held at the first Board meeting in December and the final levy is adopted at the second December meeting. Any changes to the adopted budget, including the carryforward of previously appropriated funds to the next year, require approval by the County Board.

Local Economy/Outlook

Goodhue County is located within one hour of the three largest cities in Minnesota: Minneapolis, St. Paul, and Rochester. County residents work primarily within the southeastern Minnesota region, either in the County or neighboring Dakota and Olmstead Counties. The projected job growth rate in Dakota County is 4.9% for the next 10 years and Olmstead County is home to the Mayo Clinic which is the focus of a major Destination Medical Center economic and development initiative. Unemployment in Goodhue County and the southeast region continues to trend down and is at slightly lower levels than state-wide and nation-wide.



The cost of living in Goodhue County, for an average family, is 7.4% lower than Minnesota state-wide, 3.2% lower than nearby Olmstead County and 16.3% lower than Dakota County. The County's population is stable, growing 1% from 2009 to 2017.

While the County seat of Red Wing maintains a viable commercial district and is a tourist destination, particularly during the summer months, Goodhue County also contains significant rural and agricultural interests. The taxable market value of agricultural land in the County is over 50% higher than in 2009, and appears to be on a current upward trend, rising 1.5% and 6.8%, respectively for the tax payable years 2018 and 2019, following several years of small decreases. Prices for soybeans are at the lowest level since 2010, prices for corn and milk, while at significantly lower values than the high period of 2013-2015, have been trending upward for the past two years.

Long-term financial planning

Financial Policies - The County has formally adopted various financial policies to ensure sound financial management of government assets and continuity of operations. These policies provide direction for the County Board and staff in areas such as purchasing, capital planning, management of fixed assets, fund balance and debt management. The most important of these policies, as adopted by the Board on June 4, 2019, is the Fund Balance policy.

The newly revised fund balance policy sets a minimum level of unassigned fund balance in the general operating fund of 35% of the following year's operating expense budget. The purpose of this balance is to provide working capital for the first part of the next fiscal year, as well as to provide funds to avoid service disruptions during times of temporary revenue shortfalls. This policy also sets thresholds for other fund balances for certain known future events as well as a contingency fund balance (10% of the next year's operating expense budget) for significant unplanned emergency situations.

Capital Planning – In addition to an infrastructure construction and maintenance plan, the County has developed a long-term (20 year) capital plan for replacement of its other capital, technology and public safety assets. This plan is reviewed in detail with department heads, updated annually during the budget development process and approved by the County Board. The goal of this plan is to ensure sound management of the County's assets and economize the impact of replacements on the County's budget by projecting for level replacement amounts in each year's budget.

Major Initiatives and Accomplishments

Local Option Sales Tax (LOST) – To help address aging infrastructure and annual construction and maintenance funding shortfalls, on July 24, 2018, the Board adopted a new local sales tax to fund county-wide transportation projects. This new tax of .5% will be applicable to all retail sales and uses in the County and is expected to generate more than \$2 million each year. The revenues can be used only to fund specific transportation projects which were presented in a public hearing prior to Board approval of the new tax. This tax will remain in place until revenues raised are sufficient to cover all approved projects, or December 31, 2027, whichever occurs first.

Treatment Court – In early 2019, the County established an Adult Treatment Court program. Treatment courts present treatment-based alternatives to prison for substance addictions and have proven public safety benefits through reduced recidivism and financial benefits through reduced overall incarceration time. The intensive program involves extensive interaction between the participants and judges, counsel, treatment specialists, law enforcement and the treatment court coordinator, and makes use of frequent drug testing and treatment services and incentives to encourage successful completion of the program. Start-up and operating costs for the first four years of the program are being funded by a \$499,469 federal grant and a small amount of local tax dollars. Goodhue County's Adult Treatment Court is the 62nd operational program in the state of Minnesota.

Local/Regional Partnerships – The County continues to partner with various local and regional governments, agencies and other organizations on housing issues in the County:

- Southeastern Minnesota Multi-County Housing & Redevelopment Authority (SEMMCHRA): SEMMCHRA’s mission is to provide affordable, decent, safe and sanitary housing to elderly, disabled and family residents earning less than 115% of the state’s median income. One member of Goodhue County’s Board sits on the SEMMCHRA board. In both 2017 and 2018, the Goodhue County Board approved a \$100,000 levy to set up a Goodhue County Trust Fund. These funds, along with similar funds provided by other government agencies, will be used for emergency housing vouchers, first-time homebuyers assistance and multi-family housing developments.
- Housing Study: The County is participating in a county-wide housing study with 10 cities in the County. This study, which began in 2019, is being coordinated by Community and Economic Development Associates (CEDA), a private, non-profit corporation that provides local governments with a variety of services, including economic development coordination, grant writing support and community development planning assistance. The purpose of the study is to analyze the current inventory of housing and define areas of expected future demand. This information will be used to work more effectively with developers and to help obtain additional funding sources, including state and other grants. Goodhue County is providing one-half of the study’s \$30,000 total cost.

National Accreditation of Health and Human Services – On July 11, 2019, the County’s Health and Human Services achieved national accreditation through the Public Health Accreditation Board (PHAB). The national accreditation program, jointly supported by the Centers for Disease Control and Prevention and the Robert Wood Johnson Foundation, sets standards against which government health departments can continuously improve, with the aim of advancing and ultimately transforming the quality and performance of the nation’s public health departments. Goodhue County is one of fewer than 300 (out of nearly 3,000) governmental public health departments that have been accredited since the program’s launch in 2011.

Awards/acknowledgements

The timely preparation of this report could not have been accomplished without the professional and dedicated hard work of the entire Finance and Taxpayer Services department. We would also like to thank the County Board of Commissioners for their support its interest and support in planning and conducting the financial activities of Goodhue County in a responsible manner; the County’s strong financial position is a direct result of that involvement.

Respectfully submitted,



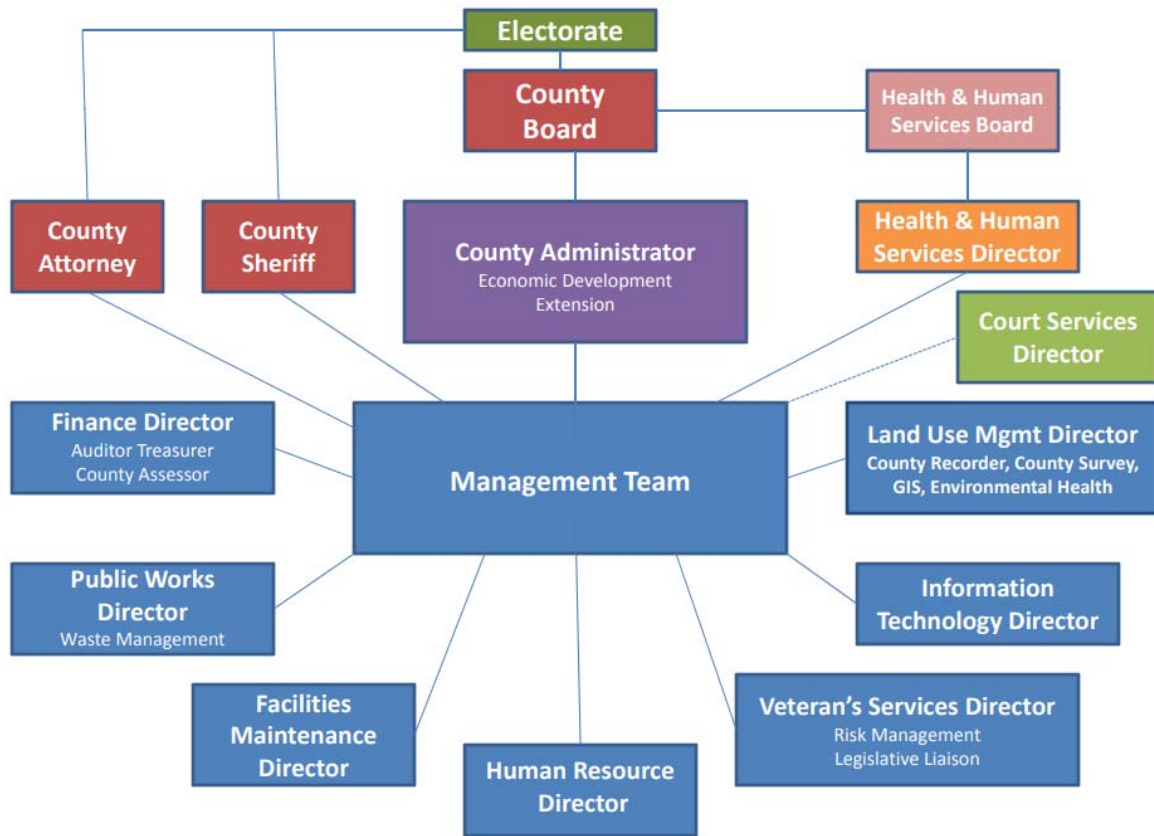
Scott O. Arneson
County Administrator



Brian J. Anderson
Auditor/Treasurer

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2018 Goodhue County Organizational Chart



**GOODHUE COUNTY
RED WING, MINNESOTA
ELECTED AND APPOINTED OFFICIALS
2018**

			Term Expires
Elected Officers			
Commissioners			
Chair	Brad Anderson	District 2	January 2023
Vice Chair	Paul Drotos	District 5	January 2021
Board Member	Jason Majerus	District 4	January 2023
Board Member	Barney Nesseth	District 3	January 2021
Board Member	Scott Safe *	District 1	January 2021
Attorney	Steven N. Betcher		January 2019
County Sheriff	Kris Johnson		January 2019
 Appointed Officials			
Administrator	Scott Arneson		Indefinite
Court Services	Joanne Pohl		Indefinite
Facilities Maintenance	Rick Seyffer		Indefinite
Finance Director	Brian Anderson		Indefinite
Human Resources	Melissa Cushing		Indefinite
Health and Human Services	Nina Arneson		Indefinite
Information Technology	John Smith		Indefinite
Land Use Management/Recorder	Lisa Hanni		Indefinite
Public Works	Greg Isakson		Indefinite
Veterans Service Officer	Lyman M. Robinson, Jr.		March 2022

* Scott Safe was appointed December 1, 2018 as an interim replacement for Ron Allen.



INDEPENDENT AUDITORS' REPORT

Board of County Commissioners
Goodhue County
Red Wing, Minnesota

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Goodhue County (the County), Minnesota, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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 statement 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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the County's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Goodhue County, as of December 31, 2018, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis of Matter Regarding Change in Accounting Principle

During the year ended December 31, 2018, the County adopted the provisions of Governmental Accounting Standards Board Statement (GASB) No. 75, Accounting and Financial Reporting for Postemployment Benefits Other than Pensions. As a result of the implementation of this standard, the County reported a restatement for a change in accounting principle (see Note 7). Our auditors' opinion was not modified with respect to the restatement.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of the County's proportionate share of the net pension liability, the schedule of County contributions, the budgetary comparison information, the schedule of changes in the county's total OPEB liability, related ratios and notes, and the notes to the required supplementary 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Goodhue County's basic financial statements. The supplementary information consisting of the combining financial statements, budgetary comparison schedule – debt service fund and waste management fund, and the schedule of intergovernmental revenues, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is also presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary information and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing

Other Matters (Continued)

Supplementary Information (Continued)

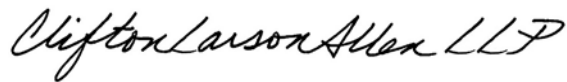
standards generally accepted in the United States of America. In our opinion, the supplementary information and schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Goodhue County's basic financial statements. The Introductory Section, Tax Capacity, Tax Rates, Levies, and Percentage of Collections, and Statistical Section are presented for 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 24, 2019, on our consideration of the County'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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.



CliftonLarsonAllen LLP

Brainerd, Minnesota
September 24, 2019

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MANAGEMENT'S DISCUSSION AND ANALYSIS

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**GOODHUE COUNTY
RED WING, MINNESOTA
MANAGEMENTS DISCUSSION AND ANALYSIS
DECEMBER 31, 2018**

Goodhue County offers readers this narrative overview and analysis of the financial activities for the County for the fiscal year ended December 31, 2018. This narrative focuses on current year financial activities and changes in financial position as well as significant known financial and economic issues affecting the County. We encourage readers to consider the information presented here in conjunction with the letter of transmittal and the notes to the financial statements.

HIGHLIGHTS

- The County's assets and deferred outflows of resources exceeded its liabilities and deferred inflows by \$150,214,074 on a government-wide basis as of December 31, 2018. Of this amount, \$16,017,495 may be used to meet the County's ongoing obligations to its citizens and creditors.
- The County's total net position increased by \$6,970,535, or 4.9% over the previous year (as restated).
- As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$42,222,575, an increase of \$2,318,205, or 5.8% as compared to the prior year. Of this total, \$12,286,966 (29.1%) is unassigned and is available for use at the County's discretion. The remaining \$29,935,609 is restricted in some manner as shown in the fund balance section of the balance sheet and as described in Note 2.D.
- Increases were reported in all funds except Road and Bridge special revenue. The largest increases were in the general fund (\$963,368, 4.7%) and health and human services (\$1,344,487, 23.0%), due to the results of planned operations and sound fiscal management of resources.
- At the end of 2018, the unassigned fund balance of the general fund was \$12,286,966, or 42.2% of budgeted general fund expenditures and transfers out for the subsequent fiscal year.

**GOODHUE COUNTY
RED WING, MINNESOTA
MANAGEMENTS DISCUSSION AND ANALYSIS
DECEMBER 31, 2018**

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to Goodhue County’s basic financial statements, which are comprised of three components: 1) government-wide financial statements, 2) individual fund financial statements, and 3) notes to the financial statements. Readers should review this section in conjunction with the letter of transmittal at the beginning of this report and the basic financial statements and notes immediately following.

The following table summarizes the major features of, and differences between, the County’s two basic financial statements:

	Government-Wide	Individual Fund
Scope	All county funds (in total)	All county funds (shown by fund)
Financial Statements	Statement of Net Position	Balance Sheet
	Statement of Activities	Statements of Revenues, Expenditures and Changes in Fund
Accounting Basis	Full Accrual	Modified Accrual
Measurement Focus	Economic Resources	Current financial resources
Assets, Liabilities, Deferred Inflows/Outflows	All Assets, Liabilities, Inflows and Outflows	Only items due or to be used in the coming year or soon thereafter
Resource Flows	All revenues earned, all expenses incurred	Revenues earned and expenditures incurred only for which cash was received/paid during the year or shortly after the end of the year

Government-Wide Financial Statements

The government-wide financial statements are designed to provide the reader with a broad overview of the County’s financial activities and position in a manner similar to a private-sector business. The Statement of Net Position includes all assets and deferred outflows, less liabilities and deferred inflows, with the difference reported as net position. This statement combines the short-term resources and obligations shown in the individual fund statements with capital assets, other long-term assets and long-term obligations. Over time, the increases and decreases in net position as shown on the statement of net position, when assessed along with other nonfinancial factors such as changes in tax base and condition of infrastructure, can be a useful indicator of whether the County’s financial situation is getting better or worse.

**GOODHUE COUNTY
RED WING, MINNESOTA
MANAGEMENTS DISCUSSION AND ANALYSIS
DECEMBER 31, 2018**

The Statement of Activities presents information showing how the County's net position changed during the most recent fiscal year. This statement focuses on the costs of various government activities, and shows program revenues (revenues generated as a direct result of each program, such as user fees or grants) separately from general revenues that are not tied to any specific program, such as property taxes. This presentation helps the reader assess the net cost of each government activity and shows the extent to which the government relies on property tax revenues to support its operations.

All changes in net position are reported as soon as the underlying event giving rise to the change occurs. Revenues are recorded when earned and expenses are recorded when incurred, regardless of the timing of the related cash flows. This means that some revenues and expenses are reported in this statement in the current year that will result in cash flows in future years. Examples include uncollected taxes, accounts payable and earned but unused vacation (compensated absences).

Fund Financial Statements

A fund is a group of related accounts that is used to maintain control over the resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of Goodhue County's funds can be divided into two categories: governmental funds and fiduciary funds.

Governmental Funds

The County maintains five major (General, Road & Bridge, Health and Human Services, Economic Development Authority and Debt Service) and one non-major (Waste Management) individual governmental funds. Governmental funds are used to account for most of the County's basic services; these are 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 and on balances of those resources that are available for spending at the end of the fiscal year. This information is helpful in evaluating the amount of resources available in the near future to finance the County's ongoing services and programs.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may be better able to understand the long-term impact of the government's near-term financing decisions. To facilitate this comparison, reconciliations are provided for both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances.

**GOODHUE COUNTY
RED WING, MINNESOTA
MANAGEMENTS DISCUSSION AND ANALYSIS
DECEMBER 31, 2018**

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are **not** reported in the government-wide financial statements because the resources of these funds are not available to support the County's own programs. The County maintains one type of fiduciary fund – agency funds. Agency funds are used to account for resources that are held for others in a custodial capacity, with the County having no administrative involvement in determining use and distribution of the funds. Separate agency funds are used to report grant funds passed through the Goodhue County Family Service Collaborative, to account for collection and distribution of property tax revenues, as well as for other charges and fees revenues to other governments and to account for the holding and distribution of funds on the behalf of detention center inmates and for individuals in the Social Welfare Fund.

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 can be found starting on page 32 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report includes other supplemental information. *Required Supplementary Information* includes information on the County's net pension and other post-employment benefits (OPEB) liabilities, as well as budgetary comparison statements for all funds except Debt Service and Waste Management. *Other Supplementary Information* consists of agency fund combining statements, budgetary comparisons for the Debt Service and Waste Management funds and schedules related to federal grant funds and expenditures. The *Statistical Section* presents summary financial and other information, including tax payer, rate and collection information, outstanding debt history and operating (non-financial) data to help the reader further understand the financial information presented in the basic statements and notes.

Government-Wide Financial Analysis

As noted earlier, net position changes over time may serve as one useful indicator of the County's financial health. As of December 31, 2018, the asset and deferred outflows of the County exceeded its liabilities and deferred inflows by \$150,214,074. The following table provides a condensed comparative version of the government-wide statement of net position.

**GOODHUE COUNTY
RED WING, MINNESOTA
MANAGEMENTS DISCUSSION AND ANALYSIS
DECEMBER 31, 2018**

**Table 1
Net Position**

	Governmental Activities		
	2018	2017	\$ Change
Assets			
Current and other assets	\$ 55,369,843	\$ 51,398,103	\$ 3,971,740
Capital assets (net)	146,545,088	145,405,046	1,140,042
Total Assets	\$ 201,914,931	\$ 196,803,149	\$ 5,111,782
Deferred Outflows of resources	\$ 8,796,954	\$ 12,385,998	\$ (3,589,044)
Liabilities			
Long-term debt outstanding	\$ 43,659,236	\$ 49,553,450	\$ (5,894,214)
Other liabilities	3,045,653	2,824,845	220,808
Total Liabilities	\$ 46,704,889	\$ 52,378,295	\$ (5,673,406)
Deferred Inflows of Resources	\$ 13,792,922	\$ 12,438,244	\$ 1,354,678
Net Position			
Invested in capital assets, net of debt	\$ 126,807,665	\$ 124,211,406	\$ 2,596,259
Restricted	7,388,914	5,598,582	1,790,332
Unrestricted	16,017,495	14,562,620	1,454,875
Total Net Position	\$ 150,214,074	\$ 144,372,608	\$ 5,841,466

The largest portion of Goodhue County's net position, \$126,807,665, or 84.4%, reflects its investment in capital assets (land, buildings, equipment, vehicles, road/bridge infrastructure) less any related debt still outstanding that was used to acquire those items. Goodhue County uses these assets to provide services to its citizens; consequently, these assets are not available for future spending.

An additional \$7,388,914, or 4.9% of the County's net position represents resources subject to external restrictions on how they may be used. The remaining balance of \$16,017,495, or 10.7%, is unrestricted and may be used to meet the County's ongoing obligations to its citizens and creditors as determined by County management and Board of Commissioners.

Overall net position increased \$6,970,535 over 2017 (as restated). Investment in capital assets increased by \$2.6 million (2.1%) due primarily to the completion of a concrete paving replacement/upgrade project on County Road 1, offset by depreciation expense on all capital items. Restricted net position increased by \$1.8 million (32.0%) due to timing of recording of state funds for construction and completion of related construction projects. Unrestricted net position increased by \$2.6 million (19.2%) due to restatement of prior year ending balances related to implementation of GASB 75 – *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

**GOODHUE COUNTY
RED WING, MINNESOTA
MANAGEMENTS DISCUSSION AND ANALYSIS
DECEMBER 31, 2018**

Statement of Activities

Governmental activities increased the County's net position by \$6,970,535 in the current fiscal year. The following table is a condensed version of the statement of activities, showing changes in net position.

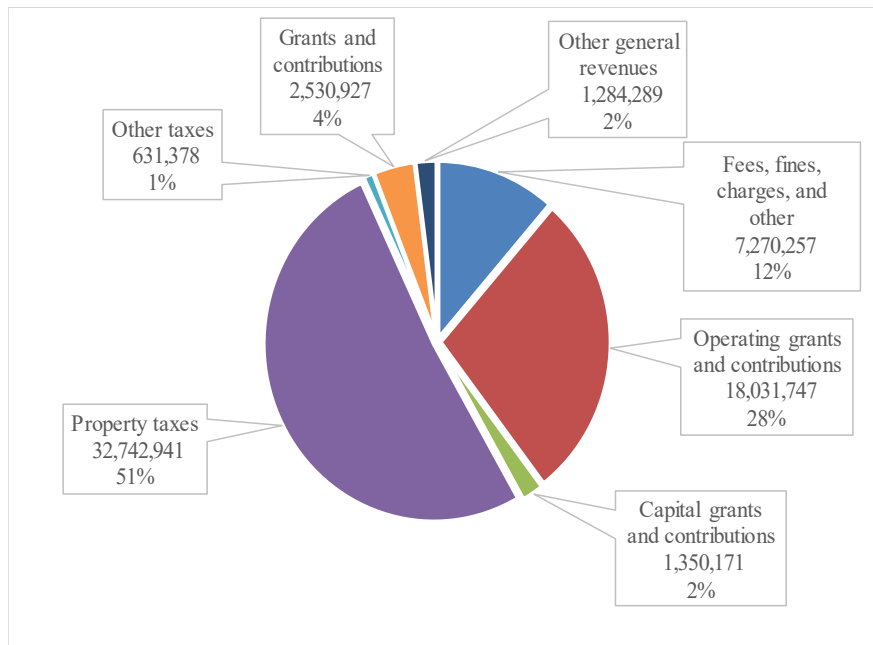
**Table 2
Changes in Net Position**

	Governmental Activities			
	2018	2017	\$ Change	% Change
Revenues				
Program Revenues				
Fees, fines, charges, and other	\$ 7,270,257	\$ 7,151,200	\$ 119,057	1.7%
Operating grants and contributions	18,031,747	15,784,541	2,247,206	14.2%
Capital grants and contributions	1,350,171	1,309,506	40,665	3.1%
General Revenues				
Property taxes	32,742,941	30,814,589	1,928,352	6.3%
Other taxes	631,378	645,032	(13,654)	-2.1%
Grants and contributions	2,530,927	2,093,557	437,370	20.9%
Other general revenues	1,284,289	999,711	284,578	28.5%
Total Revenues	<u>\$ 63,841,710</u>	<u>\$ 58,798,136</u>	<u>\$ 5,043,574</u>	8.6%
Program Expenses				
General government	\$ 11,183,567	\$ 12,882,488	\$ (1,698,921)	-13.2%
Public safety	14,548,058	16,085,482	(1,537,424)	-9.6%
Highways and streets	11,410,425	12,431,568	(1,021,143)	-8.2%
Sanitation	1,339,641	682,915	656,726	96.2%
Human services	12,592,187	13,263,433	(671,246)	-5.1%
Health	3,699,283	3,463,802	235,481	6.8%
Culture and recreation	806,522	744,733	61,789	8.3%
Conservation of natural resources	722,000	772,220	(50,220)	-6.5%
Economic development	37,736	28,365	9,371	33.0%
Interest	531,756	499,107	32,649	6.5%
Total Program Expenses	<u>\$ 56,871,175</u>	<u>\$ 60,854,113</u>	<u>\$ (3,982,938)</u>	-6.5%
Increase (Decrease) in Net Position	\$ 6,970,535	\$ (2,055,977)	\$ 9,026,512	439.0%
Net Position- January 1	144,372,608	146,428,585	(2,055,977)	-1.4%
Restatement - GASB 75	<u>(1,129,069)</u>	<u>-</u>	<u>(1,129,069)</u>	-100.0%
Net Position- January 1 - Restated	<u>143,243,539</u>	<u>146,428,585</u>	<u>(3,185,046)</u>	-2.2%
Net Position - December 31	<u>\$ 150,214,074</u>	<u>\$ 144,372,608</u>	<u>\$ 5,841,466</u>	4.0%

**GOODHUE COUNTY
RED WING, MINNESOTA
MANAGEMENTS DISCUSSION AND ANALYSIS
DECEMBER 31, 2018**

Overall, County governmental revenues increased \$5.04 million, or 8.6%. Program revenues increased \$2.41 million (9.9%) primarily due to timing of receiving funding for road and bridge construction projects. General revenues, which consist mainly of property tax revenues, increased \$2.64 million (7.6%). Property tax revenues increased \$1.9 million, or 6.3% due to property valuation increases and tax rate increases averaging 1.3%.

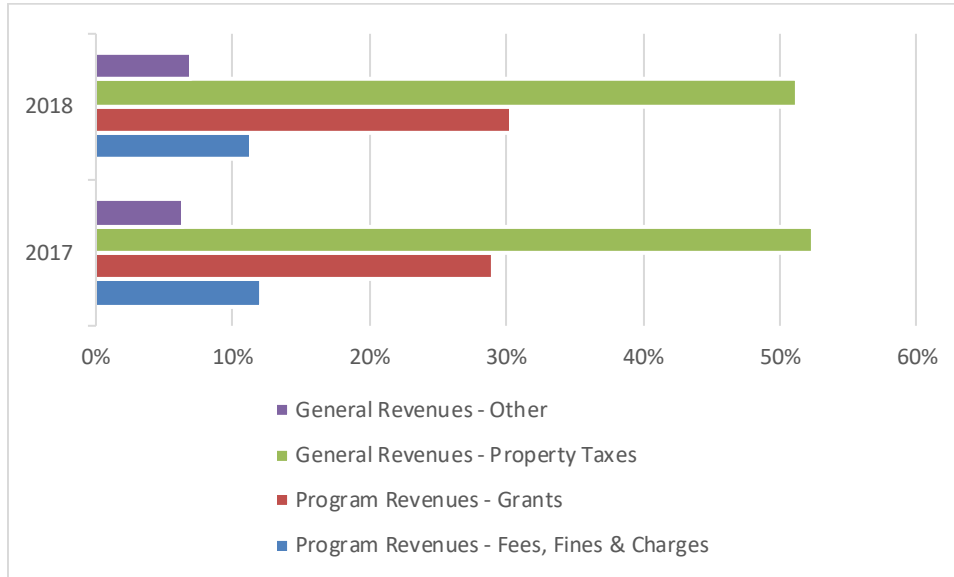
**Governmental Activities
Revenues by Source**



Per Table 2, the cost of all governmental activities in 2018 was \$56,871,175, a decrease of \$3,982,938, or 6.5%, when compared to 2017. However, also as shown in the Table 2 and the following chart, not all of these expenses are paid with County property taxes.

**GOODHUE COUNTY
RED WING, MINNESOTA
MANAGEMENTS DISCUSSION AND ANALYSIS
DECEMBER 31, 2018**

**Governmental Activities
Revenues by Source
Summary Fiscal Year Comparison**



Those who directly benefited from the programs and services paid \$7,270,257, or 12.8% of the cost. For example, direct users are charged things such as building permit fees, recording fees and inmate boarding fees. Another \$19,381,918, or 34.1% was covered by other governments and organizations that subsidized either a specific program or general operations with operating or capital grants and contributions. Some examples of grants received are State Construction, State Police Aid, Probation Officer Salary Reimbursements, WIC, and other Health and Human Services program grants. The remaining costs of governmental activities were financed with general revenues of \$37,189,535, \$32,742,941 of which was property tax revenues. For the year ended December 31, 2018, both program-specific and general grants increased at a greater rate than both program fees and general property tax revenues and thus covered a greater portion of the cost of governmental activities as compared to 2017.

**GOODHUE COUNTY
RED WING, MINNESOTA
MANAGEMENTS DISCUSSION AND ANALYSIS
DECEMBER 31, 2018**

Table 3 presents the cost of each of the County’s five largest program areas, as well as each program area’s net cost (total cost less program-specific revenues). The net cost represents the amount funded by taxpayers and other general revenue sources, including general grants and contributions, investment earnings and other miscellaneous revenues.

**Table 3
Governmental Activities
Costs of Services**

	Total Cost of Services		
	2018	2017	\$ Change
Public safety	\$ 14,548,058	\$ 16,085,482	\$ (1,537,424)
Highway and streets	11,410,425	12,431,568	(1,021,143)
General government	11,183,567	12,882,488	(1,698,921)
Human services	12,592,187	13,263,433	(671,246)
Health	3,699,283	3,463,802	235,481
All others	3,437,655	2,727,340	710,315
Totals	\$ 56,871,175	\$ 60,854,113	\$ (3,982,938)
	Net Cost of Services		
	2018	2017	\$ Change
Public safety	\$ 11,480,481	\$ 12,560,117	\$ (1,079,636)
Highway and streets	1,884,136	5,052,696	(3,168,560)
General government	8,554,394	10,408,854	(1,854,460)
Human services	5,156,245	6,068,537	(912,292)
Health	401,197	637,765	(236,568)
All others	2,742,547	1,880,897	861,650
Totals	\$ 30,219,000	\$ 36,608,866	\$ (6,389,866)

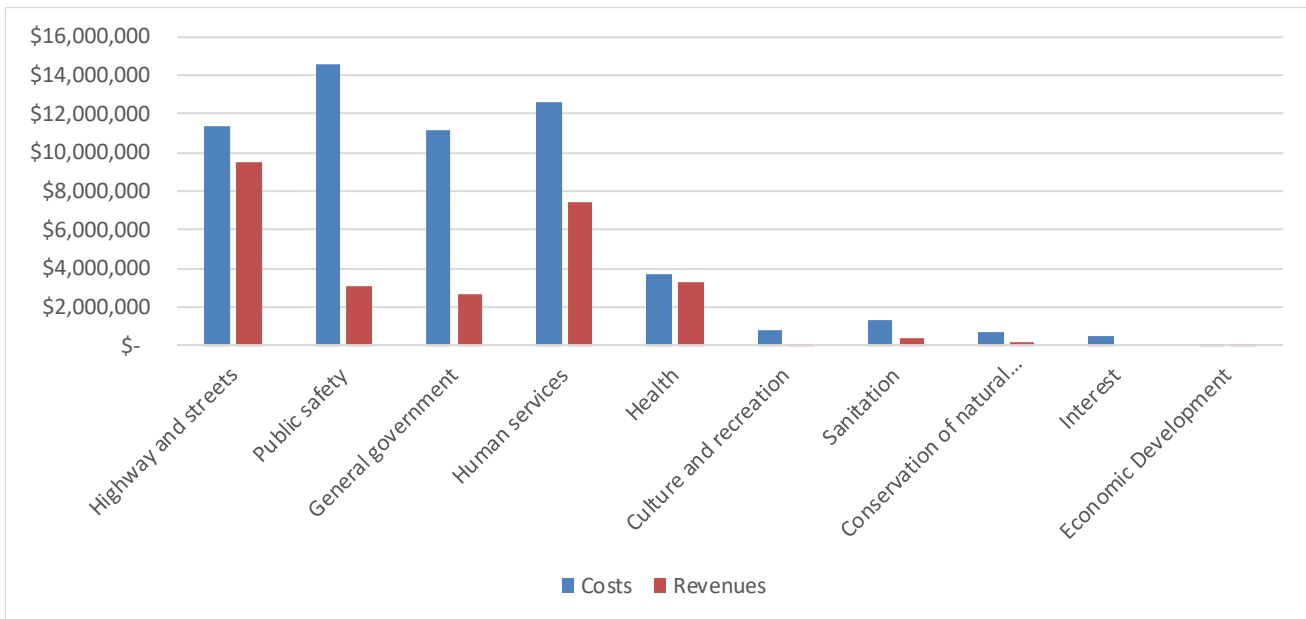
Total program expenses decreased \$3.98 million, or 6.6%. This decrease is due mainly to changes in the valuation of the County’s share of the pension liability and the timing of capital construction projects.

The net cost of services decreased \$6.4 million, or 17.5%, compared to the previous year. Net costs decreased in all program areas except for Waste Management. The most significant decrease was in Highways in streets - \$3.2 million, or 62.7%. This decrease was due primarily to the timing of construction project expenses and receipt of related funding. The net cost of general government also decreased \$1.8 million, or 17.8% due primarily to a decrease in capital purchases and changes in net pension and total other post-employment benefit liabilities. The \$1.1 million, or 8.6% decrease in public safety net costs was due primarily to a change in the valuation of the net pension and total other post-employment benefit liabilities. The \$857,204 increase in Waste Management net costs was due primarily to the increase in the liability for landfill post-closure care.

**GOODHUE COUNTY
RED WING, MINNESOTA
MANAGEMENTS DISCUSSION AND ANALYSIS
DECEMBER 31, 2018**

The following chart compares, for each program activity, the costs incurred and the program revenues received. The difference between the cost column and the program revenue column represents the net cost for each program, as displayed for the County’s largest programs in Table 3, and is the portion of a program’s costs that are paid for with property tax and other general revenues.

Governmental Activities Costs and Program Revenues



Fund Level Financial Analysis

As noted earlier, Goodhue County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Some funds are required to be established by state law and by bond covenants. As recommended by Minnesota County Financial Accounting & Reporting Standards (COFARS), the County strives to maintain the minimum number of funds to meet our legal and operating requirements. For purposes of analysis, certain amounts in the 2017 financial statements have been reclassified for comparative purposes to conform to the presentation in the 2018 statements.

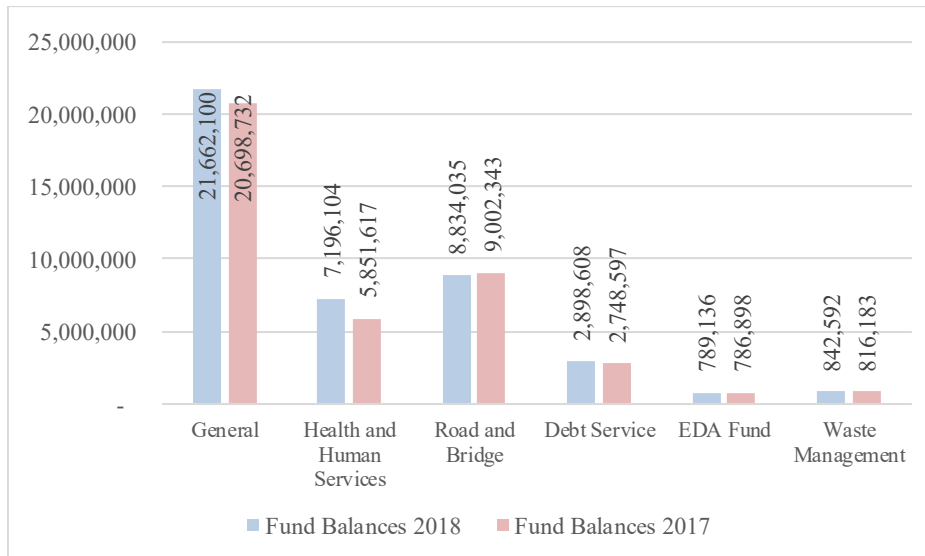
Governmental funds

The focus of the County’s governmental funds is to provide information on the near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the County’s financing requirements. In particular, unassigned fund balance may serve as a useful measure of the County’s net resources available for spending at the end of the fiscal year. Unlike the government-wide statements, the government fund statements take into account timing of cash flows when reporting revenues. See pages 27 and 30 for reconciliations of government funds to governmental activities (government-wide).

**GOODHUE COUNTY
RED WING, MINNESOTA
MANAGEMENTS DISCUSSION AND ANALYSIS
DECEMBER 31, 2018**

On December 31, 2018, the County’s governmental funds reported combined ending fund balances of \$42,222,575, an increase of \$2,318,205 from the previous year. This change is due primarily to increase in the general and health and human services funds, offset by decreases in the road and bridge and economic development authority funds. \$12,286,966, or 29.1%, is unassigned fund balance in the general fund and can be used as determined appropriate by the County. The remaining amount is restricted in some manner due to internal or external constraints on use of the resources (\$29,172,671, 69.1%) and can only be used for specific purposes, or is not spendable due to the nature of the underlying assets (\$762,938, 1.8%).

**Governmental Funds
Fund Balances**



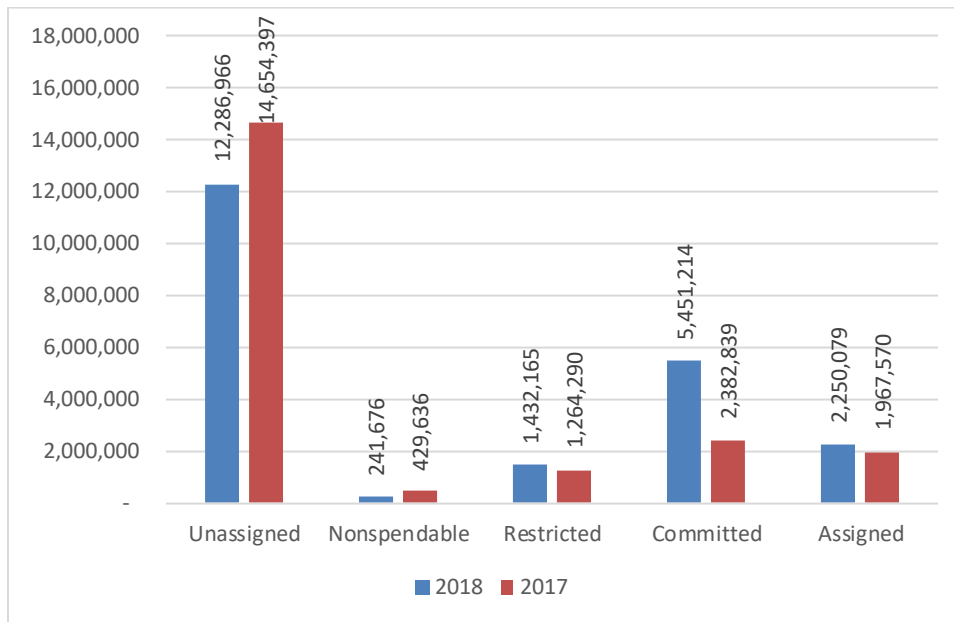
The General Fund is the primary operating fund of the County government. The majority of the County’s general operations and traditional services are reported here. The total fund balance in the general fund increased by \$963,368, or 4.6%. This increase is due to sound financial controls over the County’s planned operations.

Expenditures remained consistent with the prior year, increasing by \$92,313, or .3%. An increase in public safety expenditures of \$664,050 (4.8%) was offset by a decrease of \$646,937 (5.2%) in general government expenditures. The increase in public safety expenditures was due primarily to the purchase of new patrol vehicles and salary increases due to staffing changes. The decrease in general government expenditures was related to the timing of several large capital and maintenance projects.

**GOODHUE COUNTY
RED WING, MINNESOTA
MANAGEMENTS DISCUSSION AND ANALYSIS
DECEMBER 31, 2018**

Revenues increased slightly over the prior year by \$241,989 or .8%. Charges for services decreased by \$645,987 (21.6%) due to a decrease in revenue related to a decrease in the number of state inmates housed at Goodhue County detention facilities. This decrease in charges for services was offset by increases in all other revenue categories, with the largest increase in intergovernmental revenue of \$476,660 (15.9%), related primarily to an increase in state county program aid and receipt of a state grant for the purchase of new election equipment.

**General Fund
Fund Balances**



Of the total \$21,662,100 fund balance in the general fund, \$12,286,966, or 56.7% is unassigned and can be used to fund general County operations. \$1,432,165, or 6.6% is restricted by outside governmental or other agency authority and \$7,701,293, or 35.6% is restricted by County management or the County Board of Commissioners. The majority of the internal restrictions for this fund balance relate to contingency funds for emergencies and funds held for known future but infrequent obligations.

Unassigned fund balance decreased \$2,367,431, of 16.2%. The majority of this decrease relates to an internal fund balance commitment of \$1.94 million for a capital call from the South Country Health Alliance. The remainder of the increase in the committed fund balance category was related to \$983,034 for unspent capital project funds.

The Road and Bridge Special Revenue Fund accounts for construction, improvements and maintenance of the County’s infrastructure (roads, bridges, etc.) The fund balance of \$8,834,035 as of the end of 2018 represents a decrease of \$168,308, or 1.9% from 2017. This decrease is due primarily to the timing of spending for planned road and bridge projects.

**GOODHUE COUNTY
RED WING, MINNESOTA
MANAGEMENTS DISCUSSION AND ANALYSIS
DECEMBER 31, 2018**

The Health and Human Services Special Revenue Fund is used to account for expenditures for public assistance, social services and other public health programs that are supported by resources of the federal and state governments, along with local taxpayer dollars. The fund balance of \$7,196,104 as of the end of 2018 is \$1,344,487, or 23.0% higher than the end of 2017. This increase is due to higher than anticipated costs in 2017 for adult in-patient programs and fewer clients in the children's residential treatment program in 2018.

The Economic Development Authority Special Revenue Fund is used to account for various economic activities, primarily loans to provide assistance with expenditures related to a 2010 flood event. All loan proceeds were distributed as of June 2013. Repayments from this specific loan program are deposited into a revolving loan program within this fund to be used for other economic development purposes. The fund balance of \$789,136 at the end of 2018 represents a slight increase of \$2,238, or .3% over the prior year.

The Debt Service Fund accounts for resources designated for repayment of principal and interest on bonds. The majority of these funds are derived from property tax revenues. The fund balance of \$2,898,608 at the end of 2018 represents an increase of \$150,011, or 5.5% over the 2017 ending balance. Of this balance, \$2,400,531 will be used to fund principal and interest payments due in February of 2019; the remaining \$498,077 represents resources held in a sinking fund for the 2012B QECB bonds, for which total principal payment of \$1,295,000 is due in 2027.

The Waste Management Fund is used to account for recycling and waste disposal activities, including management of the County's closed landfill. The fund balance as of December 31, 2018 was \$842,592, an increase of \$26,409, or 3.2% over 2017. Of this amount, \$220,039 is restricted for use for landfill operations.

Fiduciary funds are used to account for resources held for the benefit of parties outside the County. These resources are not available to support the County's own programs, thus they are not included in the government-wide or government fund financial statements. Goodhue County has five fiduciary funds, otherwise classified as agency funds: (1) Family Collaborative Fund, (2) Taxes and Penalties Fund, (3) Other Agency Fund (accounts for various revenues), (4) Social Welfare Fund, and (5) Inmate Fund. A separate (summary) basic fiduciary fund financial statement can be found on page 31 and combining statements can be found in the Supplementary Information section, on page 106.

General Fund Budgetary Highlights

The County budget is prepared annually on a modified accrual basis and is adopted by Board resolution in December of each preceding year. The difference between the original and final amended expenditure budgets was \$120,426. All additional amounts were carryover of prior year capital project appropriations, with the largest amounts for an IT server room upgrade (\$55,254), phone system room cooling and fire protection (\$18,810) and UPS backup batteries for three buildings (\$19,771).

**GOODHUE COUNTY
RED WING, MINNESOTA
MANAGEMENTS DISCUSSION AND ANALYSIS
DECEMBER 31, 2018**

For the year ended December 31, 2018, actual general fund expenditures were \$656,257, or 2.3% less than budget. General government expenditures were \$232,360 less than budget related to personnel savings due to turnover and temporary vacancies and public safety expenditures were \$454,827 less than budget due to personnel savings due to turnover and lower costs for detainee meals related to a decrease in state inmate population. Revenues were slightly under budget by \$137,410, or .5%, primarily in the charges for services category, slightly offset by a small increase in intergovernmental revenues.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The County's investment in capital assets (net of accumulated depreciation) as of December 31, 2018, amounts to \$146,545,088. This investment includes land, roads and bridges, buildings, vehicles and other equipment. See Table 4 below and Note 2.A.3 on pages 53-54 for additional information on capital assets.

**Table 4
Capital Assets at Year-End
(Net of Depreciation)**

	Governmental Activities		
	2018	2017	\$ Change
Land	\$ 9,488,268	\$ 9,361,058	\$ 127,210
Construction in progress	94,572	527,794	(433,222)
Buildings and land improven	26,555,085	27,168,552	(613,467)
Machinery, vehicles, furniture, and equipment	10,747,123	10,947,340	(200,217)
Infrastructure	99,660,040	97,400,302	2,259,738
Totals	<u>\$ 146,545,088</u>	<u>\$ 145,405,046</u>	<u>\$ 1,140,042</u>

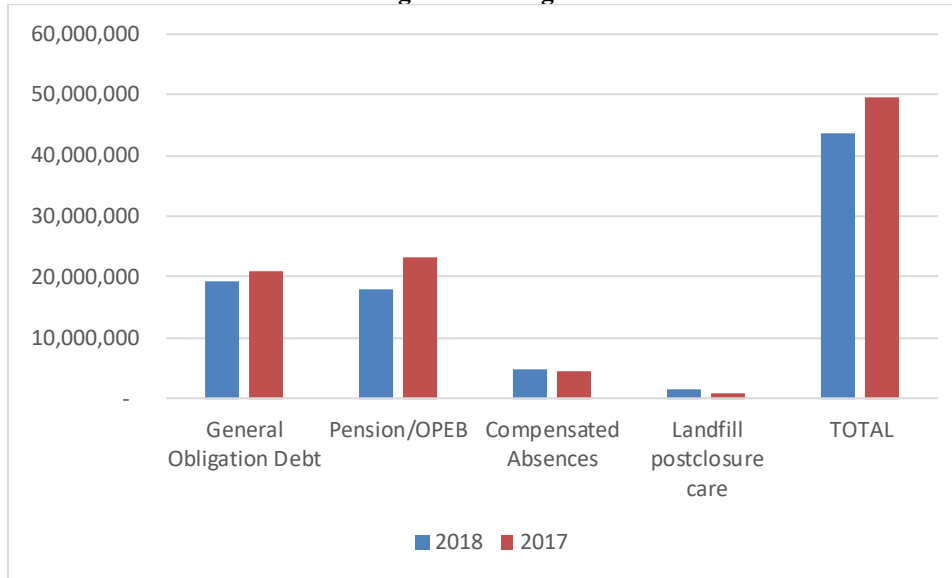
Total capital assets increased \$1,140,042, or .8% from 2017. This increase is due primarily to the completion of a new road infrastructure project (TH 60 to TH 52) of \$6,137,900, offset by depreciation expense for all categories of \$6,524,708.

**GOODHUE COUNTY
RED WING, MINNESOTA
MANAGEMENTS DISCUSSION AND ANALYSIS
DECEMBER 31, 2018**

Debt and Other Long-Term Obligations

At December 31, 2018, the County’ total long-term obligations were \$43,659,236, a \$5,894,214 (11.9%) decrease over the balance at December 31, 2017. See Table 5 for details.

**Table 5
Long-Term Obligations**



The majority of the decrease is related to a \$6,504,065 decrease in the pension plan liability due to valuation changes and favorable investment results. This was partially offset by an increase of \$1,128,676 to record the OPEB liability for implementation of GASB 75. The liability for landfill post-closure care also increased by \$540,973 (58.6%) due to a reevaluation by the Minnesota Pollution Control Agency of the post-closure care estimate that was based on 2008 amounts along with annual inflation estimates. General obligation debt decreased \$1,390,653, or 6.7%. This decrease was due to regularly scheduled principal payments; no new debt was issued in 2018. See Note 2.C.2. for additional details.

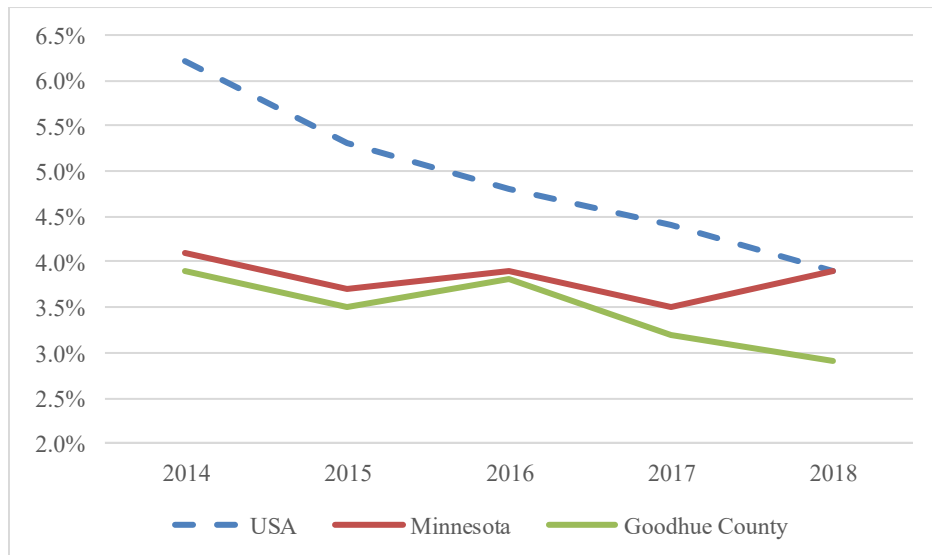
**GOODHUE COUNTY
RED WING, MINNESOTA
MANAGEMENTS DISCUSSION AND ANALYSIS
DECEMBER 31, 2018**

ECONOMIC FACTORS AND NEXT YEAR’S BUDGETS AND RATES

Unemployment

The 12-month averages for unemployment in 2018 for the U.S., Minnesota and Goodhue County were 3.9%, 2.9%, and 2.7%, respectively. This compares to 4.4%, 3.5%, and 3.2% for 2017. All rates continue to trend down, and Minnesota and Goodhue County continue to trend below national rates. We believe the County will continue to remain below the national average and we are not aware of any significant pending workforce reductions in the area.

**Table 6
Unemployment Rates - 5-Year Trend**



Property Values & Taxes

The taxable market value of all property in the County increased 5.1% from 2018 to 2019. Residential property increased 11.1%, while utility properties decreased 17.2%. Estimated market value, which is the primary driver for taxable market value is determined by analysis of recent sales history and future price trends of similar properties. The State Board of Assessors mandates that the overall level of assessment for each property classification be between 90-105% of estimated market value. The assessed value of utility properties is calculated by the state of Minnesota. Xcel Energy properties represent the majority of the utility properties in the County. For 2019, the final estimated market value of these properties made up 11.5% of the County’s total estimated market value for all properties, an 8% decrease from the preliminary valuation of 12.5% of the total. The tax rates also increased, to 43.882% in 2018 to 46.449% in 2019, an increase of 5.85%.

**GOODHUE COUNTY
RED WING, MINNESOTA
MANAGEMENTS DISCUSSION AND ANALYSIS
DECEMBER 31, 2018**

Local Option Sales Tax

On July 24, 2018, the County Board approved a ½ percent local option sales tax, effective January 1, 2019, through December 31, 2027. These revenues will be used for specific County transportation projects beginning in 2021, including a large interchange project on U.S. Highway 52. The 2019 budget includes \$2 million in revenues from this tax.

Personnel Costs

These expenses represent 53% of the County's 2019 budget. Personnel costs in the 2019 budget decreased \$184,000 from 2018 due to insurance coverage changes (single compared to family coverage) and staffing changes, offset by a healthcare renewal rate increase of 8.1% and a cost-of-living wage increase of 3.0%. We expect health care insurance rates to continue to trend upward, and for at least the near future, wage costs to decrease slightly due to staffing retirements.

Treatment Court Grant

On September 25, 2018, Goodhue County was awarded a \$500,000 grant from the Department of Justice to implement a Treatment Court program in the County. The grant period is January 1, 2019 through December 31, 2022. The 2019 budget includes \$125,000 in grant revenue and expenses, as well as \$100,000 in start-up costs funded by local property tax revenues.

State Financial Position

The County's elected and appointed officials considered many factors when setting the tax and fee rates for the 2019 budget. In addition to property tax and service fee revenues, the County relies on several state revenue sources, including state-paid aids, credits and grants. If the state of Minnesota were to significantly change the state payment funding formula, it could have a major impact on the County's following year's budget. County personnel continually monitor state legislation in order to be prepared for any changes that may occur. There is no indication through 2018 that significant changes have been made.

Budgeting Approach

The County prepares its budget using a two-year cycle. After a thorough review by County management and staff, a preliminary budget is presented to the Board in August for discussion and review. As required in the state of Minnesota, the Board approves the draft budget and establishes a preliminary levy in September. In December, after all requested special levies have been approved by the Department of Revenue, the Board finalizes the budget, setting the final levy and approving all amounts within the state-mandated levy limits, if applicable. The County strives to maintain a balanced, yet effective budget, to use resources in the most responsible and efficient manner while most effectively promoting the health, safety and well-being of our residents.

REQUESTS FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of Goodhue County's finances. If you have any questions about this report or need additional information, please contact Finance & Taxpayer Services, Goodhue County Government Center, 509 W. 5th Street, Red Wing, Minnesota 55066, or at (651) 385-3040.

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BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

**GOODHUE COUNTY
RED WING, MINNESOTA
STATEMENT OF NET POSITION
GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2018**

Assets

Cash and pooled investments	\$	41,730,431
Petty cash and change funds		2,350
Taxes receivable		
Delinquent		346,632
Current		5,336
Accounts receivable		341,601
Accrued interest receivable		117,345
Loans receivable		856,041
Due from other governments		6,821,159
Inventories		487,368
Prepaid items		275,570
Restricted assets		
Cash and pooled investments		220,039
Investment in joint venture		4,165,971
Capital assets		
Non-depreciable		9,582,840
Depreciable - net of accumulated depreciation		136,962,248
		<u>201,914,931</u>
Total Assets	\$	<u>201,914,931</u>

Deferred Outflows of Resources

Deferred pension outflows	\$	8,758,036
Deferred OPEB outflows		38,918
		<u>8,796,954</u>
Total Deferred Outflows of Resources	\$	<u>8,796,954</u>

Liabilities

Accounts payable	\$	719,821
Salaries payable		1,052,123
Contracts payable		342,885
Due to other governments		700,915
Accrued interest payable		208,158
Customer deposits		21,751
Long-term liabilities		
Due within one year		3,316,487
Due in more than one year		22,329,088
Net pension liability		16,784,985
OPEB liability		1,228,676
		<u>46,704,889</u>
Total Liabilities	\$	<u>46,704,889</u>

**GOODHUE COUNTY
RED WING, MINNESOTA
STATEMENT OF NET POSITION (CONTINUED)
GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2018**

Deferred Inflows of Resources

Taxes received for future periods	\$	232,720
Deferred pension inflows		13,560,202
		13,560,202
Total Deferred Inflows of Resources	\$	13,792,922

Net Position

Net investment in capital assets	\$	126,807,665
Restricted for		
General government		657,115
Public safety		335,231
Highways and streets		4,692,039
Conservation of natural resources		204,445
Economic development		546,963
Debt service		498,077
Landfill postclosure		220,039
Gravel pit postclosure		235,005
Unrestricted		16,017,495
		16,017,495
Total Net Position	\$	150,214,074

**GOODHUE COUNTY
RED WING, MINNESOTA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2018**

	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>	
	<u>Expenses</u>	<u>Fees, Charges, Fines, and Other</u>	<u>Operating Grants and Contributions</u>		<u>Capital Grants and Contributions</u>
Functions/Programs					
Primary government					
Governmental activities					
General government	\$ 11,183,567	\$ 2,222,070	\$ 407,103	\$ -	\$ (8,554,394)
Public safety	14,548,058	1,842,846	1,224,731	-	(11,480,481)
Highways and streets	11,410,425	510,872	7,665,246	1,350,171	(1,884,136)
Sanitation	1,339,641	234,866	132,347	-	(972,428)
Human services	12,592,187	1,385,015	6,050,927	-	(5,156,245)
Health	3,699,283	965,491	2,332,595	-	(401,197)
Culture and recreation	806,522	-	96,669	-	(709,853)
Conservation of natural resources	722,000	98,314	122,129	-	(501,557)
Economic development	37,736	10,783	-	-	(26,953)
Interest	531,756	-	-	-	(531,756)
Total Governmental Activities	<u>\$ 56,871,175</u>	<u>\$ 7,270,257</u>	<u>\$ 18,031,747</u>	<u>\$ 1,350,171</u>	<u>\$ (30,219,000)</u>
General Revenues					
Property taxes				\$ 32,742,941	
Gravel taxes				77,616	
Mortgage registry and deed tax				46,509	
Solar production tax				11,436	
Wheelage tax				495,817	
Payments in lieu of tax				272,420	
Grants and contributions not restricted to specific programs				2,530,927	
Unrestricted investment earnings				373,231	
Miscellaneous				606,187	
Gain on sale of capital assets				32,451	
Total general revenues				<u>\$ 37,189,535</u>	
Change in net position				<u>\$ 6,970,535</u>	
Net Position - Beginning, prior to restatement				144,372,608	
Restatement - GASB 75				<u>(1,129,069)</u>	
Net Position - Beginning, restated				<u>143,243,539</u>	
Net Position - Ending				<u>\$ 150,214,074</u>	

FUND FINANCIAL STATEMENTS

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GOVERNMENTAL FUNDS

**GOODHUE COUNTY
RED WING, MINNESOTA
BALANCE SHEET – GOVERNMENTAL FUNDS
DECEMBER 31, 2018**

	General	Road and Bridge
Assets		
Cash and pooled investments	\$ 22,010,138	\$ 8,593,175
Petty cash and change funds	1,675	50
Taxes receivable - Delinquent	206,960	43,819
Special assessments - Current	-	-
Accounts receivable	79,897	51,726
Accrued interest receivable	117,345	-
Due from other funds	3,259	2,607
Due from other governments	365,659	5,032,976
Prepaid items	241,676	140
Inventories	-	487,368
Loans receivable	-	-
Restricted assets	-	-
Cash and pooled investments	-	-
	\$ 23,026,609	\$ 14,211,861
Liabilities, Deferred Inflows of Resources, and Fund Balances		
Liabilities		
Accounts payable	\$ 203,906	\$ 25,923
Salaries payable	642,622	79,108
Contracts payable	-	342,885
Due to other funds	1,219	-
Due to other governments	36,619	126,204
Customer deposits	21,751	-
	\$ 906,117	\$ 574,120
Deferred Inflows of Resources		
Unavailable revenue	\$ 315,810	\$ 4,777,025
Taxes received for future periods	142,582	26,681
	\$ 458,392	\$ 4,803,706
Fund Balances		
Nonspendable	\$ 241,676	\$ 487,508
Restricted	1,432,165	-
Committed	5,451,214	440,613
Assigned	2,250,079	7,905,914
Unassigned	12,286,966	-
	\$ 21,662,100	\$ 8,834,035
	\$ 23,026,609	\$ 14,211,861

**GOODHUE COUNTY
RED WING, MINNESOTA
BALANCE SHEET – GOVERNMENTAL FUNDS (CONTINUED)
DECEMBER 31, 2018**

<u>Health and Human Services</u>	<u>Economic Development Authority</u>	<u>Debt Service</u>	<u>Nonmajor Fund Waste Management</u>	<u>Total</u>
\$ 7,123,837	\$ 461,133	\$ 2,906,416	\$ 635,732	\$ 41,730,431
550	-	-	75	2,350
69,556	232	22,014	4,051	346,632
-	-	5,336	-	5,336
199,742	-	-	10,236	341,601
-	-	-	-	117,345
-	-	-	-	5,866
1,407,925	-	-	14,599	6,821,159
33,723	-	-	31	275,570
-	-	-	-	487,368
-	856,041	-	-	856,041
-	-	-	220,039	220,039
<u>\$ 8,835,333</u>	<u>\$ 1,317,406</u>	<u>\$ 2,933,766</u>	<u>\$ 884,763</u>	<u>\$ 51,209,738</u>
\$ 480,798	\$ -	\$ -	\$ 9,196	\$ 719,823
317,494	-	-	12,899	1,052,123
-	-	-	-	342,885
3,259	-	-	1,388	5,866
534,258	-	-	3,834	700,915
-	-	-	-	21,751
<u>\$ 1,335,809</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27,317</u>	<u>\$ 2,843,363</u>
\$ 255,547	\$ 528,103	\$ 22,299	\$ 12,296	\$ 5,911,080
47,873	167	12,859	2,558	232,720
<u>\$ 303,420</u>	<u>\$ 528,270</u>	<u>\$ 35,158</u>	<u>\$ 14,854</u>	<u>\$ 6,143,800</u>
\$ 33,723	\$ -	\$ -	\$ 31	\$ 762,938
-	546,963	498,077	220,039	2,697,244
150,550	242,173	2,400,531	35,075	8,720,156
7,011,831	-	-	587,447	17,755,271
-	-	-	-	12,286,966
<u>\$ 7,196,104</u>	<u>\$ 789,136</u>	<u>\$ 2,898,608</u>	<u>\$ 842,592</u>	<u>\$ 42,222,575</u>
<u>\$ 8,835,333</u>	<u>\$ 1,317,406</u>	<u>\$ 2,933,766</u>	<u>\$ 884,763</u>	<u>\$ 51,209,738</u>

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**GOODHUE COUNTY
RED WING, MINNESOTA
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION – GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2018**

Fund balances - total governmental funds **\$ 42,222,575**

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

Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds. 146,545,088

Investment in joint venture is not available to pay for current period expenditures and, therefore, is not reported in the governmental funds. 4,165,971

Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the governmental funds. 5,911,080

Deferred outflows of resources resulting from pension obligations are not available resources and, therefore, are not reported in the governmental funds. 8,758,036

Deferred outflows of resources resulting from OPEB obligations are not available resources and, therefore, are not reported in the governmental funds. 38,918

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds.

General obligation bonds	\$	(19,170,000)	
Revenue bonds		-	
Bond issuance discounts		18,057	
Bond issuance premiums		(288,215)	
Notes payable		-	
Net pension liability		(16,784,985)	
Net OPEB liability		(1,228,676)	
Compensated absences		(4,741,634)	
Accrued interest payable		(208,158)	
Landfill postclosure care liability		(1,463,781)	(43,867,392)

Deferred inflows of resources resulting from pension obligations are not due and payable in the current period and, therefore, are not reported in the governmental funds. (13,560,202)

Net Position of Governmental Activities **\$ 150,214,074**

**GOODHUE COUNTY
RED WING, MINNESOTA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018**

	<u>General</u>	<u>Road and Bridge</u>
Revenues		
Taxes	\$ 19,476,271	\$ 4,654,949
Special assessments	3,739	-
Licenses and permits	503,391	12,208
Intergovernmental	4,401,362	7,969,244
Charges for services	2,341,709	379,192
Fines and forfeits	13,010	-
Gifts and contributions	36,608	-
Investment earnings	373,443	-
Miscellaneous	1,527,026	46,767
Total Revenues	\$ 28,676,559	\$ 13,062,360
Expenditures		
Current		
General government	\$ 11,708,827	\$ -
Public safety	14,440,466	-
Highways and streets	-	12,597,468
Sanitation	-	-
Human services	-	-
Health	-	-
Culture and recreation	776,647	88,179
Conservation of natural resources	719,155	-
Economic development	4,446	-
Debt service		
Principal	57,398	-
Interest	-	-
Administrative (fiscal) charges	-	-
Intergovernmental		
Highways and streets	-	542,701
Total Expenditures	\$ 27,706,939	\$ 13,228,348
Excess of Revenues Over (Under) Expenditures	\$ 969,620	\$ (165,988)
Other Financing Sources (Uses)		
Transfers in	\$ 7,500	\$ 6,875
Transfers out	(74,500)	-
Proceeds from sale of capital assets	60,748	-
Total Other Financing Sources (Uses)	\$ (6,252)	\$ 6,875
Change in Fund Balance	\$ 963,368	\$ (159,113)
Fund Balance - January 1	20,698,732	9,002,343
Increase (decrease) in inventories	-	(9,195)
Fund Balance - December 31	\$ 21,662,100	\$ 8,834,035

**GOODHUE COUNTY
RED WING, MINNESOTA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
(CONTINUED)
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018**

<u>Health and Human Services</u>	<u>Economic Development Authority</u>	<u>Debt Service</u>	<u>Nonmajor Fund Waste Management</u>	<u>Total</u>
\$ 6,949,592	\$ 21,979	\$ 1,953,475	\$ 369,296	\$ 33,425,562
-	-	1,201	-	4,940
-	-	-	5,301	520,900
8,415,433	375	69,493	138,755	20,994,662
1,587,737	2,000	-	64,178	4,374,816
-	-	-	-	13,010
2,870	-	-	-	39,478
-	-	-	330	373,773
737,044	11,174	-	169,705	2,491,716
\$ 17,692,676	\$ 35,528	\$ 2,024,169	\$ 747,565	\$ 62,238,857
\$ -	\$ -	\$ -	\$ -	\$ 11,708,827
-	-	-	-	14,440,466
-	-	-	-	12,597,468
-	-	-	721,532	721,532
12,746,523	-	-	-	12,746,523
3,661,415	-	-	-	3,661,415
-	-	-	-	864,826
-	-	-	-	719,155
-	33,290	-	-	37,736
-	-	1,304,094	-	1,361,492
-	-	510,563	-	510,563
-	-	59,501	-	59,501
-	-	-	-	542,701
\$ 16,407,938	\$ 33,290	\$ 1,874,158	\$ 721,532	\$ 59,972,205
\$ 1,284,738	\$ 2,238	\$ 150,011	\$ 26,033	\$ 2,266,652
\$ 67,249	\$ -	\$ -	\$ 376	\$ 82,000
(7,500)	-	-	-	(82,000)
-	-	-	-	60,748
\$ 59,749	\$ -	\$ -	\$ 376	\$ 60,748
\$ 1,344,487	\$ 2,238	\$ 150,011	\$ 26,409	\$ 2,327,400
5,851,617	786,898	2,748,597	816,183	39,904,370
-	-	-	-	(9,195)
\$ 7,196,104	\$ 789,136	\$ 2,898,608	\$ 842,592	\$ 42,222,575

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

**GOODHUE COUNTY
RED WING, MINNESOTA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES – GOVERNMENTAL ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2018**

Net change in fund balances - total governmental funds **\$ 2,327,400**

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

In the funds, under the modified accrual basis, receivables not available for expenditure are deferred. In the statement of activities, those revenues are recognized when earned. The adjustment to revenue between the fund statements and the statement of activities is the increase or decrease in revenue deferred as unavailable.

Unavailable revenue - December 31	\$ 5,911,080	
Unavailable revenue - January 1	(4,402,777)	1,508,303

Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. Also, in the statement of activities, only the gain or loss on the disposal of assets is reported; whereas, in the governmental funds, the proceeds from the sale increase financial resources. Therefore, the change in net position differs from the change in fund balance by the net book value of the assets sold.

Expenditures for general capital assets and infrastructure	\$ 7,735,351	
Net book value of assets sold	(70,601)	
Current year depreciation	(6,524,708)	1,140,042

In the statement of net position, an asset is reported for the equity interest in joint venture. The change in net position differs from the change in fund equity by the increases and decreases in the investment in joint venture. 342,504

Issuing long-term debt provides current financial resources to governmental funds, while the repayment of debt consumes current financial resources. Neither transaction, however, has any effect on net position.

Principal repayments		1,361,492
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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.

Amortization of bond premiums and discounts	\$ 29,161	
Change in net pension liability	6,504,065	
Change in net OPEB liability	(99,607)	
Change in accrued interest payable	9,147	
Change in landfill postclosure care liability	(540,971)	
Change in compensated absences	(230,855)	
Change in deferred outflows of resources	(3,589,044)	
Change in deferred inflows of resources	(1,781,907)	
Change in inventories	(9,195)	290,794

Change in Net Position of Governmental Activities **\$ 6,970,535**

FIDUCIARY FUNDS

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**GOODHUE COUNTY
RED WING, MINNESOTA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2018**

	Agency Funds
Assets	
Cash and pooled investments	\$ 1,508,420
Accounts receivable	27,843
Due from other governments	56,013
Total Assets	\$ 1,592,276
Liabilities	
Due to other governments	1,431,651
Due to individuals	\$ 160,625
Total Liabilities	\$ 1,592,276

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018**

1. Summary of Significant Accounting Policies

Goodhue County's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) for the year ended December 31, 2018. The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (statements and interpretations). The more significant accounting policies established in GAAP and used by the County are discussed below.

A. Financial Reporting Entity

Goodhue County was established March 5, 1853, and is an organized county having the powers, duties, and privileges granted counties by Minn. Stat. ch. 373. As required by accounting principles generally accepted in the United States of America, these financial statements present Goodhue County (primary government) and its blended component unit. The County is governed by a five-member Board of Commissioners (the Board) elected from districts within the County. The Board is organized with a chair and vice chair elected at the annual meeting in January of each year.

Blended Component Unit

Blended component units are legally separate organizations that are so intertwined with the County that they are, in substance, the same as the County and, therefore, are reported as if they were part of the County. Goodhue County has one blended component unit – the Economic Development Authority (EDA). The EDA is included in the County's reporting entity, contained in a separate fund, because the County commissioners are the members of the EDA Board, and County management has operational responsibility for the EDA. Separate financial statements are not prepared.

Joint Ventures

The County participates in several joint ventures that are described in Note 5.C. The County also participates in jointly governed organizations described in Note 5.D.

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018**

1. Summary of Significant Accounting Policies (Continued)

B. Basic Financial Statements

1. Government-Wide Statements

The government-wide financial statements (the statement of net position and the statement of activities) display information about the primary government, including its blended component unit. These statements include the financial activities of the overall County government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities.

The government-wide statement of net position is presented on a consolidated basis and is reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations.

The County's net position is reported in three parts: (1) net investment in capital assets, (2) restricted net position, and (3) unrestricted net position. The County first utilizes restricted resources to finance qualifying activities.

The statement of activities demonstrates the degree to which the direct expenses of each function of the County's governmental activities are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or activity. Program revenues include: (1) fees, fines, and charges paid by the recipients of goods, services, or privileges provided by a given function or activity; and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or activity. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

2. Fund Financial Statements

The fund financial statements provide information about the County's funds, including its fiduciary funds and blended component unit. Separate statements for each fund category--governmental and fiduciary--are presented. The emphasis of governmental fund financial statements is on major individual governmental funds, with each displayed as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as nonmajor funds.

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018**

1. Summary of Significant Accounting Policies (Continued)

B. Basic Financial Statements (Continued)

2. Fund Financial Statements (Continued)

The County reports the following major governmental funds:

The General Fund is the County's primary operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund.

The Road and Bridge Special Revenue Fund accounts for restricted revenue sources from the federal, state, and other oversight agencies, as well as committed property tax revenues for the construction and maintenance of roads, bridges, and other projects affecting County roadways.

The Health and Human Services Special Revenue Fund accounts for committed property tax revenues and grants used to support economic assistance and community social services programs.

The Economic Development Authority (EDA) Special Revenue Fund accounts for restricted revenue sources from the federal, state, and other oversight agencies, as well as committed property tax revenues used to account for various economic activities including the loans made to provide assistance with flood-related expenditures after the 2010 flood. Repayments from these loans will go in to a revolving loan program within this Fund.

The Debt Service Fund is used to account for the accumulation of resources for, and the payment of principal, interest, and related costs of general long-term debt that are primarily financed by property tax revenue.

Additionally, the County reports the following fund type:

Fiduciary funds are custodial in nature and do not present results of operations or have a measurement focus. These funds account for assets that the County holds for others in an agent capacity.

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018**

1. Summary of Significant Accounting Policies (Continued)

C. Measurement Focus and Basis of Accounting

The government-wide and fiduciary fund financial statements are reported using the economic resources measurement focus and the full accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

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. Goodhue County considers all revenues to be available if they are collected within 60 days after the end of the current period. Property taxes are recognized as revenues in the year for which they are levied provided they are also available. Shared revenues are generally recognized in the period the appropriation goes into effect and the revenues are available. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met and are available. Property and other taxes, shared revenues, licenses, and interest are all considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, compensated absences, and claims and judgments, which are recognized as expenditures to the extent that they have matured.

Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

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

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Equity

1. Deposits and Investments

The cash balances of substantially all funds are pooled and invested by the County Finance Director for the purpose of increasing earnings through investment activities. Pooled and fund investments are reported at their fair value at December 31, 2018, based on market prices. Pursuant to Minn. Stat. § 385.07, investment earnings on cash and pooled investments are credited to the General Fund. Other funds received investment earnings based on other state statutes, grant agreements, contracts, and bond covenants. Pooled investment earnings for 2018 were \$373,773.

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018**

1. Summary of Significant Accounting Policies (Continued)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Equity
(Continued)

1. Deposits and Investments (Continued)

Goodhue County invests in an external investment pool, the Minnesota Association of Governments Investing for Counties (MAGIC) Fund, created under a joint powers agreement pursuant to Minn. Stat. § 471.59. The investment in the pool is measured at the net asset value per share provided by the pool.

The County may invest in the following types of investments as authorized by Minn. Stat. §§ 118A.04 and 118A.05:

- 1) securities which are direct obligations or are guaranteed or insured issues of the United States, its agencies, its instrumentalities, or organizations created by an act of Congress, except mortgage-backed securities defined as “high risk” by Minn. Stat. § 118A.04, subd. 6;
- 2) mutual funds through shares of registered investment companies provided the mutual fund receives certain ratings depending on its investments;
- 3) general obligations of the state of Minnesota and its municipalities, and in certain state agency and local obligations of Minnesota and other states provided such obligations have certain specified bond ratings by a national bond rating service;
- 4) bankers’ acceptances of United States banks;
- 5) commercial paper issued by United States corporations or their Canadian subsidiaries that is rated in the highest quality category by two nationally recognized rating agencies and matures in 270 days or less; and
- 6) with certain restrictions, in repurchase agreements, securities lending agreements, joint powers investment trusts, and guaranteed investment contracts.

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018**

1. Summary of Significant Accounting Policies (Continued)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Equity
(Continued)

2. Receivables and Payables

Activity between funds representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as either “due to/from other funds” (the current portion of interfund loans) or “advances to/from other funds” (the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds.”

Advances between funds, as reported in the fund financial statements, are offset by a nonspendable balance account in applicable governmental funds to indicate that they are not in spendable form.

There is no allowance for uncollectible accounts receivable, taxes receivable, and special assessments receivable presented due to the amounts being minimal.

Property taxes are levied as of January 1 on property values assessed as of the same date. The tax levy notice is mailed in March with the first half payment due May 15 and the second half payment due October 15. Unpaid taxes at December 31 become liens on the respective property and are classified in the financial statements as delinquent taxes receivable.

3. Inventories and Prepaid Items

All inventories are valued at cost using the first in/first out method. Inventories in governmental funds consist of operating supplies in the Road and Bridges fund and are recorded as expenditures when purchased rather than when consumed.

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.

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018**

1. Summary of Significant Accounting Policies (Continued)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Equity
(Continued)

4. Restricted Assets

Certain funds of the County are classified as restricted assets on the statement of net position because the restriction is either imposed by law through constitutional provisions or enabling legislation or imposed externally by creditors, grantors, contributors, or laws or regulations of other governments. Therefore, their use is limited by applicable laws and regulations.

5. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (roads, bridges, sidewalks, and similar items), are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant, and equipment of the primary government, as well as the component unit, are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Land Improvements	5 - 20
Buildings	25 - 50
Building improvements	20 - 50
Public domain infrastructure	25 - 75
Furniture, equipment and vehicles	3 - 20

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018**

1. Summary of Significant Accounting Policies (Continued)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Equity (Continued)

6. Compensated Absences

The liability for compensated absences reported in the financial statements consists of unpaid, accumulated vacation, compensatory, and sick leave balances. The liability has been calculated using the vesting method, in which leave amounts for both employees who currently are eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination, are included. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements. Compensated absences are accrued when incurred in the government-wide financial statements. The government-wide statement of net position reports both current and noncurrent portions of compensated absences. The current portion is calculated using a trend analysis of disbursements made during the year for vacation, vested sick leave, and compensatory time. The resulting percentage is then used to determine the current portion for vacation, vested sick leave, and compensatory time. The noncurrent portion consists of the remaining amount of vacation, vested sick leave, and compensatory time.

7. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, only during the period in which the bonds are issued. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while the discount on debt issuances is reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018**

1. Summary of Significant Accounting Policies (Continued)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Equity (Continued)

8 Pension Plan

For purposes of measuring the net pension liability, deferred outflows/inflows of resources, and pension expense, information about the fiduciary net position of the Public Employees Retirement Association (PERA) and additions to/deductions from PERA's fiduciary net position have been determined on the same basis as they are reported by PERA, except that PERA's fiscal year-end is June 30. For this purpose, plan contributions are recognized as of employer payroll paid dates and benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Plan investments are reported at fair value. Pension liability is liquidated from member and employer contributions by each fund and income from the investment of fund assets as administered by PERA.

9. Other Post-Employment Benefit (OPEB) Plan

For the purposes of measuring the total OPEB liability, deferred outflows of resources related to OPEB, and OPEB expense, information about the total liability and additions to/deductions from that liability have been determined on the same basis as they are reported to the County.

10. Deferred Outflow/Inflows of Resources

In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expenditure/expense) until then. The County has deferred pension outflows and deferred OPEB outflows, which qualify for reporting in this category. These outflows arise only under the full accrual basis of accounting and consist of pension and OPEB contributions paid subsequent to the measurement date, as well as changes in actuarial assumptions, plan changes in proportionate share and differences between projected and actual investment earnings on plan investments for the pension plan.

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018**

1. Summary of Significant Accounting Policies (Continued)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Equity
(Continued)

10. Deferred Outflow/Inflows of Resources (Continued)

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has three items - unavailable revenue, deferred pension inflows, and taxes received for future periods - which qualify for reporting in this category. Unavailable revenue arises only under the modified accrual basis of accounting and, accordingly is reported only in the governmental funds balance sheet. This amount is deferred and recognized as an inflow of resources in the period the amounts become available. Deferred pension inflows arise only under an accrual basis of accounting and, accordingly, are reported only in the statement of net position. This amount consists of differences between expected and actual pension plan economic experience and also pension plan changes in proportionate share. The third type occurs because the County collected property taxes prior to the year they were levied for and, therefore, the County will report deferred inflows for these items.

11. Classification of Net Position

Net position in government-wide statements are classified in the following categories:

Net investment in capital assets - the amount of net position representing capital assets, net of accumulated depreciation, and reduced by outstanding debt attributed to the acquisition, construction, or improvement of the assets.

Restricted net position - the amount of net position for which external restrictions have been imposed by creditors, grantors, contributors, or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted net position - the amount of net position that does not meet the definition of restricted or net investment in capital assets.

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018**

1. Summary of Significant Accounting Policies (Continued)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Equity
(Continued)

12. Classification of Fund Balances

Fund balance is divided into five classifications based primarily on the extent to which the County is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

Nonspendable - amounts that cannot be spent because they are not in spendable form, or are legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash.

Restricted – amounts for which constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions or enabling legislation.

Committed - amounts that can be used only for the specific purposes imposed by formal action (ordinance or resolution) of the Board. Those committed amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action (ordinance or resolution) it employed to previously commit those amounts.

Assigned - amounts the County intends to use for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount not restricted or committed. In the General Fund, assigned amounts represent intended uses established by the Board, the County Administrator, or the Finance Director who has been delegated that authority by Board resolution.

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

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018**

1. Summary of Significant Accounting Policies (Continued)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Equity
(Continued)

12. Classification of Fund Balances (Continued)

The County applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first, followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

The Board reviews financial activities of the County to ensure compliance with established policies. It is the County's policy to fund current expenditures with current revenues and to strive to maintain a diversified and stable revenue stream to protect the government from problematic fluctuations in any single revenue source and provide stability in providing ongoing services.

To ensure sufficient working capital and safety margin in case of emergencies, Goodhue County has established a comprehensive fund balance policy. The policy states that the County will strive to maintain unreserved, undesignated fund balance of 35% of the next year's operating budget in the general fund and 30%-40% in all other funds.

13. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

E. Revenues

In accordance with GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, revenues for nonexchange transactions are recognized based on the principal characteristics of the revenue. Exchange transactions are recognized as revenue when the exchange occurs. The modified accrual basis of accounting is used by all governmental fund types. Under this basis, revenue is not recognized in the financial statements unless it is available to finance current expenditures.

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018**

1. Summary of Significant Accounting Policies (Continued)

E. Revenues (Continued)

Imposed Nonexchange Transactions

Imposed nonexchange transactions result from assessments by governments on nongovernmental entities and individuals. Property taxes, fines and penalties, and property forfeitures are imposed nonexchange transactions. Revenues from property taxes are recognized in the period for which the taxes were levied to the extent they are collected in the current period or soon enough thereafter to be used to pay liabilities of the current period. Property taxes receivable but not available are reported as deferred inflows and will be recognized as revenue in the fiscal year that they become available. Fines, penalties, and property forfeitures are recognized in the period received.

Intergovernmental

Government-mandated nonexchange transactions occur when a government at one level provides resources to a government at another level and requires that government to use them for a specific purpose. The provider government establishes purpose restrictions and also may establish time requirements. Federal and state grants mandating the County perform particular programs are government-mandated nonexchange transactions. Revenues are recognized when eligibility and time requirements are met, usually when the corresponding expenditure is incurred.

Voluntary nonexchange transactions result from legislative or contractual agreements, such as grants, entitlements, appropriations, and donations. The provider may establish purpose restrictions or eligibility requirements. Revenues are recognized in the year to which they apply according to the statute or contract. Gifts and contributions from individuals are also considered voluntary nonexchange transactions and are generally recognized when received.

Tax credits paid by the state are included in intergovernmental revenues and are recognized as revenue in the fiscal year that they become available. Subject to the availability criterion, state-aid highway allotments for highway maintenance and construction are recognized as revenue in the year of allotment.

Exchange Transactions

Special assessments levied against benefiting properties are recognized under the modified accrual basis when available to finance current expenditures. Other revenues, such as licenses and permits, charges for services, and investment income, are recognized as revenue when earned.

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018**

2. Detailed Notes on All Funds

A. Assets

1. Deposits and Investments

Reconciliation of the County's total deposits, cash on hand, and investments to the basic financial statement follows:

Governmental Funds	
Cash and pooled investments	\$ 41,730,431
Petty cash and change funds	2,350
Restricted cash	220,039
Total Governmental Funds	<u>41,952,820</u>
Fiduciary funds	
Agency funds	
Cash and pooled investments	<u>1,508,420</u>
Total Cash and Investments	<u>\$ 43,461,240</u>
Deposits	\$ 8,840,821
Petty cash and change funds	2,350
Investments	<u>34,618,069</u>
Total	<u>\$ 43,461,240</u>

a. Deposits

The County is authorized by Minn. Stat. §§ 118A.02 and 118A.04 to designate a depository for public funds and to invest in certificates of deposit. All County deposits are required by Minn. Stat. § 118A.03 to be protected by insurance, surety bond, or collateral. The market value of collateral pledged shall be at least 10% more than the amount on deposit at the close of the financial institution's banking day, not covered by insurance or bonds.

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018**

2. Detailed Notes on All Funds (Continued)

A. Assets (Continued)

1. Deposits and Investments (Continued)

a. Deposits (Continued)

Authorized collateral includes treasury bills, notes and bonds; issues of U.S. government agencies, general obligations rated “A” or better and revenue obligations rated “AA” or better; irrevocable standby letters of credit issued by the Federal Home Loan Bank; and certificates of deposit. Minnesota statutes require that securities pledged as collateral be held in safekeeping in a restricted account at the Federal Reserve Bank or in an account at a trust department of a commercial bank or other financial institution that is not owned or controlled by the financial institution furnishing the collateral.

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a financial institution failure, the County’s deposits may not be returned to it. The County’s policy on custodial credit risk mirrors state statute. As of December 31, 2018, Goodhue County’s deposits were not exposed to custodial credit risk.

b. Investments

Interest Rate Risk

Interest rate risk is the risk that changes in the market interest rates will adversely affect the fair value of an investment. The County minimizes its exposure to interest rate risk by investing in both short-term and long-term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018**

2. Detailed Notes on All Funds (Continued)

A. Assets (Continued)

1. Deposits and Investments (Continued)

b. Investments (Continued)

Credit Risk

Generally, credit risk is the risk that an issuer 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. It is the County's policy to invest only in securities that meet the ratings requirements set by state statute.

Custodial Credit Risk

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The County has no policy concerning custodial credit risk. As of December 31, 2018, Goodhue County's investments were exposed to custodial credit risk of \$24,139,800 because the investments are being held by an affiliated bank of the investment broker, but in Goodhue County's name. If these investments were held by an unaffiliated third party, then custodial credit risk related to these investments would not apply. The amount exposed to custodial credit risk relates to negotiable certificates of deposit. The county intentionally purchases individual negotiable certificates of deposits, through a broker, in increments of less than \$250,000 per issuing bank, so that each of the individual investments (negotiable certificates of deposit) is insured by FDIC. Therefore, the amount reported is insured. The County utilizes this investment strategy to minimize the risk of loss.

Concentration of Credit Risk

The concentration of credit risk is the risk of loss that may be caused by the County's investment in a single issuer. The County does not have a policy on the concentration of credit risk.

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018**

2. Detailed Notes on All Funds (Continued)

A. Assets (Continued)

1. Deposits and Investments (Continued)

b. Investments (Continued)

Concentration of Credit Risk (Continued)

The following table presents the County's investment balances at December 31, 2018, and information relating to potential custodial and concentration credit risks:

Investment - Issuer	Credit Risk		Carrying (Fair) Value
	Credit Rating	Rating Agency	
Mutual Funds			
MAGIC - cash management funds	N/A	N/A	\$ 9,376,372
RBC - Prime Investment money market mutual funds	N/A	N/A	47,325
Wells Fargo Brokerage - money market mutual funds	N/A	N/A	<u>14,037</u>
Total mutual funds			\$ 9,437,734
Agency Securities			
Morgan Stanley	Aaa	Moody's	\$ 492,335
Wells Fargo Brokerage	Aaa	Moody's	<u>494,456</u>
Total agency securities			\$ 986,791
Bonds			
Small Business Administration			
Wells fargo Brokerage	N/A	N/A	38,719
EE U.S. Savings Bonds	N/A	N/A	15,025
Negotiable certificates of deposit **	N/A	N/A	<u>24,139,800</u>
Total Investments			<u><u>\$ 34,618,069</u></u>

N/A - Not Applicable

** - There are several issuers and each individual issuer is less than 5%

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018**

2. Detailed Notes on All Funds (Continued)

A. Assets (Continued)

1. Deposits and Investments (Continued)

b. Investments (Continued)

The following table represents the potential interest rate risk related to the County's investments using the segmented time distribution.

Investments	Fair Value	Investment Maturities (in Years)		
		Less Than 2	2 - 3	3 - 5
Agency Securities				
Morgan Stanley	\$ 492,335	\$ -	\$ -	\$ 492,335
Wells Fargo Brokerage	494,456	-	494,456	-
Total agency securities	\$ 986,791	\$ -	\$ 494,456	\$ 492,335
Bonds				
Small Business Administration	\$ 38,719	\$ -	\$ -	\$ 38,719
EE U.S. Savings Bonds	15,025	7,075	525	7,425
Total bonds	\$ 53,744	\$ 7,075	\$ 525	\$ 46,144
Negotiable certificates of deposit	\$ 24,139,800	\$ 11,061,530	\$ 4,791,889	\$ 8,286,381
Total Investments Subject to Interest Rate Risk	\$ 25,180,335	\$ 11,068,605	\$ 5,286,870	\$ 8,824,860
Investments not subject to interest rate risk	\$ 9,437,734			
Total Investments	\$ 34,618,069			

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018**

2. Detailed Notes on All Funds (Continued)

A. Assets (Continued)

1. Deposits and Investments (Continued)

b. Investments (Continued)

Fair Value Measure

The County uses fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures.

The County follows an accounting standard that defines fair value, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the quality of inputs used to measure fair value, and requires expanded disclosures about fair value measurement. In accordance with this standard, the County has categorized its investments, based on the priority of the inputs to the valuation technique, into a three-level hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

Financial assets and liabilities recorded on the combined statements of financial position are categorized based on the inputs to the valuation techniques as follows:

Level 1 – Financial asset and liabilities are valued using inputs that are adjusted quoted prices in active markets accessible at the measurement date of identical financial assets and liabilities.

Level 2 – Financial assets and liabilities are valued based on quoted prices for similar assets, or inputs that are observable, either directly or indirectly for substantially the full term through corroboration with observable market data.

Level 3 – Financial assets and liabilities are valued using pricing inputs that are unobservable for the asset, inputs that reflect the reporting entity's own assumptions about the assumptions market participants and would use in pricing the asset.

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018**

2. Detailed Notes on All Funds (Continued)

A. Assets

1. Deposits and Investments

b. Investments (Continued)

Fair Value Measure (Continued)

Assets measured at fair value on a recurring basis:

<u>Type</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Debt Securities (Fair Value Level)				
Negotiable Certificates of Deposit	\$ -	\$ 19,729,800	\$ -	\$ 19,729,800
U.S. Government Securities	-	53,744	-	53,744
U.S. Government Agencies	-	986,791	-	986,791
Total Investments at Fair Value	<u>\$ -</u>	<u>\$ 20,770,335</u>	<u>\$ -</u>	<u>\$ 20,770,335</u>
Investments Measured at Net Asset Value (NAV)				
Wells Fargo Mutual Fund				14,037
Morgan Stanley Mutual Fund				47,325
MAGIC Fund				9,376,372
Investments Measured at Net Asset Value (NAV)				<u>9,437,734</u>
Investments at Amortized Cost				
Negotiable Certificates of Deposit (<1 Year)				4,410,000
Total Investments				\$ 34,618,069
Deposits				8,840,821
Petty Cash				2,350
Total Deposits and Investments				<u>\$ 43,461,240</u>

All Level 2 securities are valued using fair value based on the securities relationship to benchmark quoted prices. The County invests in Wells Fargo and Morgan Stanley Mutual Funds, which are published at net asset value per share. The County invests in these mutual funds to diversify investments and to increase investment earnings while maintaining a high level of liquidity. There are no redemption limits. The County also invests in the MAGIC Fund external local government investment pool, which is quoted at net asset value. The County invests in this pool for the purpose of the joint investment of the County's money with those of other counties to enhance the investment earnings accruing to each member. Shares of MAGIC Term Series are valued at a net asset value (NAV). Shares are purchased to mature upon pre-determined maturity dates selected by the County at the time of purchase. Should the County need to redeem shares in a MAGIC Term Series prematurely they must provide at least seven days prior notice. The value of premature redemption is equal to the original price for such share, plus dividends thereon at the projected yield less such share's allocation of any losses incurred by the series, less a premature redemption penalty, if any.

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018**

2. Detailed Notes on All Funds (Continued)

A. Assets (Continued)

2. Receivables

Receivables as of December 31, 2018, are as follows:

	Total Receivables	Amounts Not Scheduled for Collection During the Subsequent Year
	<u> </u>	<u> </u>
Governmental Activities		
Taxes	\$ 346,632	\$ -
Special Assessments	5,336	-
Accounts	341,601	-
Interest	117,345	-
Loans	856,041	798,802
Due from other governments	<u>6,821,159</u>	<u>-</u>
Total Governmental Activities	<u>\$ 8,488,114</u>	<u>\$ 798,802</u>

Of the loans receivable, \$856,041 were made with funding through the state of Minnesota to help qualified businesses directly and adversely affected by the 2010 flood. Part of the loans may be written off if the business meets qualifications for a period of time, and part of the loans will be paid back by the businesses. The loans receivable balance includes \$798,802 in MIF flood loans that are not scheduled for collection in the subsequent year.

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018**

2. Detailed Notes on All Funds (Continued)

A. Assets (Continued)

3. Capital Assets

Capital asset activity for the year ended December 31, 2018, was as follows:

	Beginning Balance	Increase	Decrease	Ending Balance
Capital assets not depreciated				
Land	\$ 9,361,058	\$ 127,210	\$ -	\$ 9,488,268
Construction in progress	527,794	18,740	451,962	94,572
Total capital assets not depreciated	<u>\$ 9,888,852</u>	<u>\$ 145,950</u>	<u>\$ 451,962</u>	<u>\$ 9,582,840</u>
Capital assets depreciated				
Land improvements	\$ 252,269	\$ -	\$ -	\$ 252,269
Buildings	45,374,704	614,653	-	45,989,357
Machinery, furniture, and equipment	21,659,369	1,288,810	907,411	22,040,768
Infrastructure	178,986,711	6,137,900	-	185,124,611
Total capital assets depreciated	<u>\$ 246,273,053</u>	<u>\$ 8,041,363</u>	<u>\$ 907,411</u>	<u>\$ 253,407,005</u>
Less: accumulated depreciation				
Land improvements	\$ 129,962	\$ 9,658	\$ -	\$ 139,620
Buildings	18,328,459	1,218,462	-	19,546,921
Machinery, furniture, and equipment	10,712,029	1,418,426	836,810	11,293,645
Infrastructure	81,586,409	3,878,162	-	85,464,571
Total accumulated depreciation	<u>\$ 110,756,859</u>	<u>\$ 6,524,708</u>	<u>\$ 836,810</u>	<u>\$ 116,444,757</u>
Total capital assets depreciated, net	<u>135,516,194</u>	<u>1,516,655</u>	<u>70,601</u>	<u>136,962,248</u>
Capital Assets, Net	<u>\$ 145,405,046</u>	<u>\$ 1,662,605</u>	<u>\$ 522,563</u>	<u>\$ 146,545,088</u>

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018**

2. Detailed Notes on All Funds (Continued)

A. Assets (Continued)

3. Capital Assets (Continued)

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

Governmental Activities	
General Government	\$ 583,878
Public Safety	1,247,068
Highways and streets, including depreciation of infrastructure assets	4,406,593
Health and human services	210,690
Sanitation	72,772
Culture and recreation	3,707
Total Depreciation Expense - Governmental Activities	\$ 6,524,708

B. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of December 31, 2018, is as follows:

1. Due To/From Other Funds

Receivable Fund	Payable Fund	Amount
General	Health and Human Services	\$ 3,259
Road and Bridge	General	1,219
Road and Bridge	Waste Management	1,388
Total Due to/From Other Funds		\$ 5,866

These balances reflect the interfund goods and services provided and not paid at year-end but expected to be paid in the subsequent year.

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018**

2. Detailed Notes on All Funds (Continued)

B. Interfund Receivables, Payables, and Transfers (Continued)

2. Interfund Transfers

Interfund transfers for the year ended December 31, 2018, consisted of the following:

Transfers to General Fund from Health and Human Services Fund	\$ 7,500	Public health nuisances
Transfers to Road and Bridge Fund from General Fund	6,875	OEM training drills
Transfers to Health and Human services Fund from General Fund	34,540	Capital expenditures
	6,705	Software license/maintenance
	12,317	Termination payments
	13,687	OEM training drills
Transfers to Nonmajor Fund from General Fund	<u>376</u>	Capital Expenditures
Total Interfund Transfers	<u><u>\$ 82,000</u></u>	

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018**

2. Detailed Notes on All Funds (Continued)

C. Long-Term Liabilities

1. Bonds and Notes Payable

<u>Type of Indebtedness</u>	<u>Final Maturity</u>	<u>Installment Amounts</u>	<u>Interest Rates (%)</u>	<u>Original Issue Amount</u>	<u>Outstanding Balance December 31, 2018</u>
General obligation bonds					
1997B G.O. Revenue Bonds: Welch Village	2018	\$3,036 - \$4,094	1.58%	\$ 143,750	\$ -
1998, 2001, and 2003 G.O. Revenue Notes	2023	\$1,274 - \$8,784	0%	175,670	-
2012A CIP Highway Project Bonds	2023	\$405,000 - \$1,720,000	0.5% - 1.85%	5,065,000	2,125,000
2014A G.O. CIP Highway Project Bonds	2025	\$695,000 - \$965,000	2.0% - 2.5%	7,760,000	5,390,000
2012B CIP Taxable QECB Bonds	2027	\$1,295,000	3.45%	1,295,000	1,295,000
2015A G.O. CIP Citizen's Remodel & Other Bonds	2030	\$180,000 - \$1,710,000	2.0% - 3.0%	<u>10,720,000</u>	<u>10,360,000</u>
Total General Obligation Bonds and Notes				<u>\$ 25,159,420</u>	<u>\$ 19,170,000</u>

Debt service requirements at December 31, 2018, were as follows:

<u>Year Ending December 31</u>	<u>General Obligation CIP Bonds</u>	
	<u>Principal</u>	<u>Interest</u>
2019	\$ 1,325,000	\$ 488,094
2020	1,345,000	464,628
2021	1,370,000	439,060
2022	1,395,000	411,193
2023	1,425,000	380,982
2024-2028	8,940,000	1,237,534
2029-2030	<u>3,370,000</u>	<u>101,850</u>
Total	<u>\$ 19,170,000</u>	<u>\$ 3,523,341</u>

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018**

2. Detailed Notes on All Funds (Continued)

C. Long-Term Liabilities (Continued)

1. Bonds and Notes Payable (Continued)

Goodhue County's 2012B General Obligation Taxable QECB Capital Improvement Bonds are structured with annual sinking-fund payments of \$99,615. These sinking-fund payments begin February 1, 2015, and span 13 years. The final sinking-fund payment is due February 1, 2027, at which time the debt will be retired.

The general obligation notes issued for the ISTS Well Loan Program, with an original retirement date of October 1, 2023 were retired early during 2018. See Note 5.F. for details.

2. Changes in Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2018, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities					
Long-Term Liabilities					
Bonds and notes payable					
G.O. CIP bonds	\$ 20,470,000	\$ -	\$ 1,300,000	\$ 19,170,000	\$ 1,325,000
G.O. revenue bonds	4,094	-	4,094	-	-
G.O. notes	57,398	-	57,398	-	-
Issuance premiums	320,383	-	32,168	288,215	-
Issuance discounts	(21,064)	-	(3,007)	(18,057)	-
Total bonds and notes payable	<u>\$ 20,830,811</u>	<u>\$ -</u>	<u>\$ 1,390,653</u>	<u>\$ 19,440,158</u>	<u>\$ 1,325,000</u>
Closure and postclosure care	922,808	540,973	-	1,463,781	-
Compensated absences	<u>4,510,781</u>	<u>2,905,088</u>	<u>2,674,233</u>	<u>4,741,636</u>	<u>1,991,487</u>
Governmental Activity					
Long-Term Liabilities	<u>\$ 26,264,400</u>	<u>\$ 3,446,061</u>	<u>\$ 4,064,886</u>	<u>\$ 25,645,575</u>	<u>\$ 3,316,487</u>

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018**

2. Detailed Notes on All Funds (Continued)

C. Long-Term Liabilities (Continued)

2. Changes in Long-Term Liabilities (Continued)

Closure and postclosure care liabilities are liquidated by the Waste Management Special Revenue Fund. Compensated absences liabilities are generally liquidated by the General Fund, Road and Bridge, Health and Human Services, and Waste Management Special Revenue Funds.

3. Landfill Closure and Postclosure Care Costs

State and federal laws and regulations require the County to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. The County officially closed the landfill on December 20, 1996. The \$1,463,781 landfill closure and postclosure care liability at December 31, 2018, is based on what it would cost to perform all closure and postclosure care in 2018. Actual costs may be higher due to inflation, changes in technology, or changes in regulations. Not included in the above liability are \$880,267 of estimated contingency action costs, which may be incurred.

The County is required by state and federal laws and regulations to make annual contributions to a trust for finance closure and postclosure care. The Board is in compliance with these requirements and, at December 31, 2018, investments of \$220,039 are held for these purposes. These are reported as restricted assets on the balance sheet.

Because the amount in trust is considerably smaller than the estimated postclosure care and contingency costs, the state has required Goodhue County to obtain a letter of credit for \$1,990,000 to ensure financing is available, if needed. This letter of credit was effective June 15, 2018 and expires June 15, 2019.

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018**

2. Detailed Notes on All Funds (Continued)

C. Long-Term Liabilities (Continued)

4. Deferred Inflows of Resources

As of December 31, 2018, the various components of unavailable revenue were as follows:

	Unavailable Revenue	Deferred Revenue for Future Period	Total
Charges for services	\$ 4,766	\$ -	\$ 4,766
Deferred Inflow due to Prepaid Taxes	-	232,720	232,720
Delinquent property taxes	262,069	-	262,069
Intergovernmental	5,081,930	-	5,081,930
Licenses and permits	3,342	-	3,342
Loans receivable	527,930	-	527,930
Other	25,707	-	25,707
Special assessments	5,336	-	5,336
	<hr/>	<hr/>	<hr/>
Total Governmental Funds	<u>\$ 5,911,080</u>	<u>\$ 232,720</u>	<u>\$ 6,143,800</u>

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018**

2. Detailed Notes on All Funds (Continued)

D. Fund Balance

Nonspendable, Restricted, Committed, and Assigned Fund Balances

Fund balances of the governmental funds were designated as follows at December 31, 2018.

<u>Nonspendable</u>	<u>General</u>	<u>Road and Bridge</u>	<u>Health and Human Services</u>	<u>Economic Development Authority</u>	<u>Debt Service</u>	<u>Waste Management Fund</u>
Prepaid items	\$ 241,676	\$ 140	\$ 33,723	\$ -	\$ -	\$ 31
Inventories	-	487,368	-	-	-	-
Total Nonspendable Fund Balance	<u>\$ 241,676</u>	<u>\$ 487,508</u>	<u>\$ 33,723</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 31</u>
<u>Restricted</u>						
Unclaimed funds	\$ 944	\$ -	\$ -	\$ -	\$ -	\$ -
Gravel pit postclosure	235,005	-	-	-	-	-
Law library	122,530	-	-	-	-	-
Attorney's forfeiture activities	15,047	-	-	-	-	-
Attorney's victim assistance	7,524	-	-	-	-	-
Recorder's technology equipment	65,653	-	-	-	-	-
Recorder's compliance fund	214,923	-	-	-	-	-
Veteran's operational grant	10,927	-	-	-	-	-
Veteran's transportation	3,659	-	-	-	-	-
Buffer initiative	215,908	-	-	-	-	-
Aquatic invasive species prevention	201,592	-	-	-	-	-
Sheriff's counteract	13,545	-	-	-	-	-
Sheriff's K-9 donations	16,902	-	-	-	-	-
Gun permit activities	31,241	-	-	-	-	-
E-911	199,975	-	-	-	-	-
Correction service fee	13,745	-	-	-	-	-
Local correctional fees	60,192	-	-	-	-	-
County ditch #1	2,853	-	-	-	-	-
Landfill closure/postclosure	-	-	-	-	-	220,039
Debt (QECB lump sum due 2/1/2027)	-	-	-	-	498,077	-
EDA loan program (2010MIF)	-	-	-	546,963	-	-
Total Restricted Fund Balance	<u>\$ 1,432,165</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 546,963</u>	<u>\$ 498,077</u>	<u>\$ 220,039</u>

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018**

2. Detailed Notes on All Funds (Continued)

D. Fund Balance (Continued)

Nonspendable, Restricted, Committed, and Assigned Fund Balances (Continued)

Committed	General	Road and Bridge	Health and Human Services	Economic Development Authority	Debt Service	Waste Management Fund
Petty cash and change funds	\$ 1,675	\$ 50	\$ 550	\$ -	\$ -	\$ 75
Debt service	-	-	-	-	2,400,531	-
Economic development	-	-	-	242,173	-	-
Landfill transfer station	-	-	-	-	-	35,000
Land use/environmental ordinance	150,275	-	-	-	-	-
Compensated absences	665,343	-	-	-	-	-
27th payroll - future years	446,741	-	-	-	-	-
Tax court settlements	226,500	-	-	-	-	-
Natural, technological, human-caused hazards	1,000,000	-	-	-	-	-
Tax-forfeited property funding	4,334	-	-	-	-	-
Byllesby Dam	38,180	-	-	-	-	-
Byllesby Park and Trail	-	258,154	-	-	-	-
Out-of-home placement budget deficits	-	-	150,000	-	-	-
South Country Health Alliance	1,935,132	-	-	-	-	-
Capital projects	983,034	-	-	-	-	-
TH 52 development and construction	-	182,409	-	-	-	-
Total Committed Fund Balance	<u>\$ 5,451,214</u>	<u>\$ 440,613</u>	<u>\$ 150,550</u>	<u>\$ 242,173</u>	<u>\$ 2,400,531</u>	<u>\$ 35,075</u>
<u>Assigned</u>						
Highways & streets	\$ -	\$ 7,146,389	\$ -	\$ -	\$ -	\$ -
Health & human services	-	-	6,411,831	-	-	-
Sanitation (waste management)	-	-	-	-	-	587,447
Motor pool	64,837	-	-	-	-	-
Inmate improvement	61,644	-	-	-	-	-
Employee training & development	12,703	-	-	-	-	-
County program aid contingency	1,518,111	-	-	-	-	-
Building contingencies	577,784	-	-	-	-	-
Sheriff-radio tower equipment	15,000	-	-	-	-	-
Township turnback	-	9,525	-	-	-	-
Right-of-way (2016)	-	750,000	-	-	-	-
Potential state/federal funding cuts	-	-	250,000	-	-	-
State hospital expenditures	-	-	200,000	-	-	-
Foster care budget deficits	-	-	150,000	-	-	-
Total Assigned Fund Balance	<u>\$ 2,250,079</u>	<u>\$ 7,905,914</u>	<u>\$ 7,011,831</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 587,447</u>

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018**

3. Pension Plans

A. Defined Benefit Plans

1. Plan Description

All full-time and certain part-time employees of Goodhue County are covered by defined benefit pension plans administered by the Public Employees Retirement Association of Minnesota (PERA). PERA administers the General Employees Retirement Plan, the Public Employees Police and Fire Plan, and the Local Government Correctional Service Retirement Plan (the Public Employees Correctional Plan), which are cost-sharing, multiple-employer retirement plans. These plans are established and administered in accordance with Minn. Stat. chs. 353 and 356. PERA's defined benefit pension plans are tax-qualified plans under Section 401(a) of the Internal Revenue Code.

The General Employees Retirement Plan (accounted for in the General Employees Fund) has multiple benefit structures with members belonging to the Coordinated Plan or the Basic Plan. Coordinated Plan members are covered by Social Security and Basic Plan members are not. The Basic Plan was closed to new members in 1967. All new members must participate in the Coordinated Plan, for which benefits vest after five years of credited service.

Police officers, firefighters, and peace officers who qualify for membership by statute are covered by the Public Employees Police and Fire Plan (accounted for in the Police and Fire Fund). For members first hired after June 30, 2010, but before July 1, 2014, benefits vest on a graduated schedule starting with 50% after 5 years and increasing 10% for each year of service until fully vested after 10 years. Benefits for members first hired after June 30, 2014, vest on a prorated basis from 50% after 10 years and increasing 5% for each year of service until fully vested after 20 years.

Local government employees of a county-administered facility who are responsible for the direct security, custody, and control of the county correctional facility and its inmates are covered by the Public Employees Correctional Plan (accounted for in the Correctional Fund). For members hired after June 30, 2010, benefits vest on a graduated schedule starting with 50% after 5 years and increasing 10% for each year of service until fully vested after 10 years.

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018**

3. Pension Plans (Continued)

A. Defined Benefit Plans (Continued)

2. Benefits Provided

PERA provides retirement benefits as well as disability benefits to members and benefits to survivors upon death of eligible members. Benefits provisions are established by state statute and can be modified only by the state legislature. Benefit increases are provided to benefit recipients each January. Increases are related to the funding ratio of the plan. General Employee Plan and Police and Fire Plan benefit recipients receive a future annual 1.0% post-retirement benefit increase while the Correctional Plan benefit recipients receive an annual 2.50% post-retirement increase. If the funding ratio reaches 90% for two consecutive years, the benefit increase will be 2.5%. If, after reverting to a 2.5% benefit increase, the funding ratio declines to less than 80% for one year or less than 85% for two consecutive years, the benefit increase will decrease to 1.0%.

The benefit provisions stated in the following paragraph of this section are current provisions and apply to active plan participants. Vested, terminated employees who are entitled to benefits but are not yet receiving them are bound by the provisions in effect at the time they last terminated their public service.

Benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service. Two methods are used to compute benefits for General Employees Retirement Plan Coordinated and Basic Plan members. Members hired prior to July 1, 1989 receive the higher of a step-rate benefit accrual formula (Method 1) or a level accrual formula (Method 2). Under Method 1, the annuity accrual rate for a Basic Plan member is 2.2% of average salary for each of the first ten years of service and 2.7% for each remaining year. The annuity accrual rate for a Coordinated Plan member is 1.2% of average salary for each of the first ten years of service and 1.7% for each remaining year. Under Method 2, the annuity accrual rate is 2.7% of average salary for Basic Plan members and 1.7% for Coordinated Plan members for each year of service. Only Method 2 is used for members hired after June 30, 1989. For Public Employees Police and Fire Plan members, the annuity accrual rate is 3.0% of average salary for each year of service. For Public Employees Correctional Plan members, the annuity accrual rate is 1.9% of average salary for each year of service.

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018**

3. Pension Plans (Continued)

A. Defined Benefit Plans (Continued)

2. Benefits Provided (Continued)

For General Employees Retirement Plan members hired prior to July 1, 1989, a full annuity is available when age plus years of service equal 90, and normal retirement age is 65. For members hired on or after July 1, 1989, normal retirement age is the age for unreduced Social Security benefits capped at 66. For Public Employees Police and Fire Plan and Public Employees Correctional Plan members, normal retirement age is 55, and for members who were hired prior to July 1, 1989, a full annuity is available when age plus years of service equal 90. Disability benefits are available for vested members and are based on years of service and average high-five salary.

3. Contributions

Pension benefits are funded from member and employer contributions and income from the investment of fund assets. Rates for employer and employee contributions are set by Minn. Stat. ch. 353. These statutes are established and amended by the State Legislature. General Employees Retirement Plan Basic Plan members and Coordinated Plan members were required to contribute 9.10% and 6.50%, respectively, of their annual covered salary in 2018. Public Employees Police and Fire Plan members were required to contribute 10.80% of their annual covered salary in 2018. Public Employees Correctional Plan members were required to contribute 5.83% of their annual covered salary in 2018.

In 2018, the County was required to contribute the following percentages of annual covered salary:

General Employees Retirement Plan	
Basic Plan members	11.78 %
Coordinated Plan members	7.50
Public Employees Police and Fire Plan	16.20
Public Employees Correctional Plan	8.75

The employee and employer contribution rates did not change from the previous year.

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018**

3. Pension Plans (Continued)

A. Defined Benefit Plans (Continued)

3. Contributions (Continued)

The County's contributions for the year ended December 31, 2018, to the pension plans were:

	<u>2018</u>
General Employees Retirement Plan	\$ 1,195,423
Public Employees Police and Fire Plan	546,657
Public Employees Correctional Plan	237,567

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

4. Pension Costs

General Employees Retirement Plan

At December 31, 2018, the County reported a liability of \$13,153,336 for its proportionate share of the General Employees Retirement Plan's net pension liability. The County's net pension liability reflected a reduction due to the State of Minnesota's contribution of \$16 million to the fund in 2018. The State of Minnesota is considered a nonemployer contributing entity and the state's contribution meets the definition of a special funding situation. Legislation requires the State of Minnesota to contribute \$16 million to the General Employee Plan for the fiscal years ended June 30, 2018 and 2019 and \$6 million per year thereafter through calendar year 2031. The State of Minnesota's proportionate share of the net pension liability associated with the County totaled \$431,493. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

The County's proportion of the net pension liability was based on the County's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2017, through June 30, 2018, relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2018, the County's proportion was .2371%, which is a decrease of 0.0027 from its proportion measured as of June 30, 2017.

For the year ended December 31, 2018, the County recognized pension expense of \$224,201 for its proportionate share of the General Employees Retirement Plan's pension expense. In addition, the County recognized an additional \$100,623 as pension expense (and grant revenue) for its proportionate share of the state of Minnesota's contribution of \$16 million to the General Employees Fund.

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018**

3. Pension Plans (Continued)

A. Defined Benefit Plans (Continued)

5. Pension Costs (Continued)

General Employees Retirement Plan (Continued)

County's proportionate share of the net pension liability	\$ 13,153,336
State of Minnesota's proportionate share of the net pension liability associated with the County	<u>431,493</u>
Total	<u>\$ 13,584,829</u>

The County reported its proportionate share of the General Employees Retirement Plan's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	\$ 348,148	\$ 383,626
Changes in Actuarial Assumptions	1,256,477	1,477,918
Net Difference Between Projected and Actual Investment Earnings	-	1,344,063
Changes in Proportion	156,345	541,993
Contributions Paid to PERA Subsequent to the Measurement Date	<u>622,857</u>	<u>-</u>
Total	<u>\$ 2,383,827</u>	<u>\$ 3,747,600</u>

\$622,857 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2019. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018**

3. Pension Plans (Continued)

A. Defined Benefit Plans (Continued)

4. Pension Costs (Continued)

General Employees Retirement Plan (Continued)

Year Ending December 31,	Pension Expense Amount
2019	\$ 359,330
2020	(960,672)
2021	(1,110,755)
2022	(274,533)

Public Employees Police and Fire Plan

At December 31, 2018, the County reported a liability of \$3,413,002 for its proportionate share of the Public Employees Police and Fire Plan's net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability was based on the County's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2017, through June 30, 2018, relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2018, the County's proportion was .3202%. It was .3040% measured as of June 30, 2017. The County recognized pension expense of \$133,791 for its proportionate share of the Public Employees Police and Fire Plan's pension expense.

The County also recognized \$28,818 as revenue, which results in a reduction of the net pension liability, for its proportionate share of the state of Minnesota's on-behalf contribution to the Public Employees Police and Fire Plan. Legislation requires the state of Minnesota to contribute \$9 million to the Police and Fire Plan each year, starting in fiscal year 2014, until the plan is 90% funded.

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018**

3. Pension Plans (Continued)

A. Defined Benefit Plans (Continued)

4. Pension Costs (Continued)

Public Employees Police and Fire Plan (Continued)

The County reported its proportionate share of the Public Employees Police and Fire Plan's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	\$ 138,530	\$ 837,296
Changes in Actuarial Assumptions	4,416,089	5,024,386
Net Difference Between Projected and Actual Investment Earnings	-	714,863
Changes in Proportion	365,317	319,511
Contributions Paid to PERA Subsequent to the Measurement Date	280,038	-
Total	<u>\$ 5,199,974</u>	<u>\$ 6,896,056</u>

\$280,038 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2019. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending December 31,	Pension Expense Amount
2019	\$ 93,168
2020	(239,152)
2021	(479,138)
2022	(1,389,316)
2023	38,318

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018**

3. Pension Plans (Continued)

A. Defined Benefit Plans (Continued)

4. Pension Costs (Continued)

Public Employees Correctional Plan

At December 31, 2018, the County reported a liability of \$218,647 for its proportionate share of the Public Employees Correctional Plan's net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability was based on the County's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2017, through June 30, 2018, relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2018, the County's proportion was 1.33%. It was 1.36% measured as of June 30, 2017. The County recognized pension expense of \$(414,575) for its proportionate share of the Public Employees Correctional Plan's pension expense.

The County reported its proportionate share of the Public Employees Correctional Plan's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	\$ 11,418	\$ 23,370
Changes in Actuarial Assumptions	1,031,387	2,528,069
Net Difference Between Projected and Actual Investment Earnings	-	248,098
Changes in Proportion	9,120	117,009
Contributions Paid to PERA Subsequent to the Measurement Date	122,310	-
Total	<u>\$ 1,174,235</u>	<u>\$ 2,916,546</u>

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018**

3. Pension Plans (Continued)

A. Defined Benefit Plans (Continued)

4. Pension Costs (Continued)

Public Employees Correctional Plan (Continued)

\$122,310 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2019. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending December 31,	Pension Expense Amount
2019	\$ 62,276
2020	(1,022,325)
2021	(858,798)
2022	(45,774)

Total Pension Expense

The total pension expense for all plans recognized by the County for the year ended December 31, 2018 was \$(56,583).

5. Actuarial Assumptions

The total pension liability in the June 30, 2018, actuarial valuation was determined using the individual entry age normal actuarial cost method and the following additional actuarial assumptions:

Inflation	2.50% per Year (2.00% - Corrections Plan)
Salary Increases	3.25% per Year
Investment Rate of Return	7.50%

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018**

3. Pension Plans (Continued)

A. Defined Benefit Plans (Continued)

5. Actuarial Assumptions (Continued)

Salary increases were based on a service-related table. Mortality rates for active members, retirees, survivors, and disabilitants in the General Employees Retirement Plan, Police and Fire Plan and Public Employees Correctional Plan were based on RP-2014 tables for males or females, as appropriate, with slight adjustments. Cost of living benefit increases for retirees are assumed to be 1.25% for the General Employees Retirement Plan, 1.00% as set by the state legislature for the Police and Fire Plan and 2.00% for the Public Employees Correctional Plan.

Actuarial assumptions used in the June 30, 2018, valuation were based on the results of actuarial experience studies. The experience study in the General Employees Retirement Plan was completed in 2015. The experience study for the Public Employees Police and Fire Plan was completed in 2016. The experience study for the Public Employees Correctional Plan was completed in 2012. Economic assumptions were updated in 2017 based on a review of inflation and investment return assumptions.

The long-term expected rate of return on pension plan investments is 7.5%. The State Board of Investment, which manages the investments of PERA, prepares an analysis of the reasonableness of the long-term expected rate of return on a regular basis using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce an expected long-term rate of return by weighting the expected future rates of return by the target asset allocation percentages. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Stocks	36 %	5.10 %
International Stocks	17	5.30
Bonds/Fixed Income	20	0.75
Alternative Assets	25	5.90
Unallocated Cash	2	0.00
Totals	<u>100 %</u>	

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018**

3. Pension Plans (Continued)

A. Defined Benefit Plans (Continued)

6. Discount Rate

The discount rate used to measure the total pension liability in 2018 was 7.50%, consistent with the rate used in 2017. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at rates set in Minnesota Statute. Based on these assumptions, the fiduciary net positions of the General Employees Fund, the Police and Fire Fund, and the Correctional Fund were projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

7. Changes in Actuarial Assumptions

The following changes in actuarial assumptions occurred in 2018:

General Employee Plan

- The mortality projection scale was changed from MP-2015 to MP-2017.
- The assumed health benefit increase was changed from 1.00% per year through 2044 and 2.50% per year thereafter, to 1.25% per year.

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018**

3. Pension Plans (Continued)

A. Defined Benefit Plans (Continued)

7. Changes in Actuarial Assumptions (Continued)

Public Employees Police and Fire Plan

- The mortality projection scale was changed from MP-2016 to MP-2017.
- Post-retirement benefit increases changed to 1.00% for all years, with no trigger.
- An end date of July 1, 2048 was added to the existing \$9.0 million state contribution. Additionally, annual state aid will equal \$4.5 million in fiscal years 2019 and 2020, and \$9 million each year thereafter, until the plan reaches 100% funding, or July 1, 2028, whichever is earlier.
- Member contributions were changed effective January 1, 2019, and January 1, 2020 from 10.80% and 11.80% of pay, respectively. Employer contributions were changed effective January 1, 2019 and January 1, 2020, from 16.20% to 16.95% and 17.70% of pay, respectively. Interest credited on member contributions decreased from 4.00% to 3.00%, beginning July 1, 2018.
- Deferred augmentation was changed to 0.00%, effective January 1, 2019. Augmentation that was already accrued for deferred members will still apply.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

Public Employees Correctional Plan

- The Single Discount Rate was changed from 5.96% per annum to 7.50% per annum.
- The mortality projection scale was changed from MP-2016 to MP-2017.
- The assumed post-retirement benefits increase was changed from 2.50% per year to 2.00% per year.

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018**

3. Pension Plans (Continued)

A. Defined Benefit Plans (Continued)

8. Pension Liability Sensitivity

The following presents the County's proportionate share of the net pension liability calculated using the discount rate disclosed in the preceding paragraph, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate 1.0 percentage point lower or 1.0 percentage point higher than the current discount rate:

	Proportionate Share of the					
	General Employees Retirement Plan		Police and Fire Retirement Plan		Correctional Retirement Plan	
	Discount Rate	Net Pension Liability	Discount Rate	Net Pension Liability	Discount Rate	Net Pension Liability
1% Decrease	6.50%	\$ 21,375,855	6.50%	\$ 7,317,691	6.50%	\$ 1,871,237
Current	7.50%	13,153,336	7.50%	3,413,002	7.50%	218,647
1% Increase	8.50%	6,365,881	8.50%	183,987	8.50%	(1,103,375)

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018**

3. Pension Plans (Continued)

A. Defined Benefit Plans (Continued)

9. Pension Plan Fiduciary Position

Detailed information about the pension plan’s fiduciary net position is available in a separately issued PERA financial report that includes financial statements and required supplementary information. That report may be obtained on the internet at www.mnpera.org; by writing to PERA at 60 Empire Drive, Suite 200, St. Paul, Minnesota 55103-2088; or by calling 651-296-7460 or 1-800-652-9026.

B. Defined Contribution Plan

Four board members of the County are covered by the Public Employees Defined Contribution Plan, a multiple-employer deferred compensation plan administered by PERA. The plan is established and administered in accordance with Minn. Stat. ch. 353D, which may be amended by the state legislature. The plan is a tax qualified plan under Section 401(a) of the Internal Revenue Code, and all contributions by or on behalf of employees are tax deferred until time of withdrawal.

Plan benefits depend solely on amounts contributed to the plan plus investment earnings, less administrative expenses. For those qualified personnel who elect to participate, Minn. Stat. § 353D.03 specifies plan provisions, including the employee and employer contribution rates. An eligible elected official who decides to participate contributes 5.00% of salary, which is matched by the employer. Employee and employer contributions are combined and used to purchase shares in one or more of the seven accounts of the Minnesota Supplemental Investment Fund. For administering the plan, PERA receives 2.00% of employer contributions and 0.25% of the assets in each member account annually.

Total contributions by dollar amount and percentage of covered payroll made by the County during the year ended December 31, 2018, were:

Contribution Amount		Percentage of Covered Payroll		Required
Employee	Employer	Employee	Employer	Rate
\$ 4,878	\$ 4,878	5%	5%	5%

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018**

4. Other Post-Employment Benefits (OPEB)

A. Plan Description

The County provides health insurance benefits to certain retired employees under a single-employer fully-insured defined benefit health care plan, as required by Minnesota Statute 471.61 subdivision 2b. Employees who retire from the County when eligible to receive a retirement benefit from the Public Employees Retirement Association (PERA) of Minnesota (or similar plan) and do not participate in any other health benefits program providing similar coverage described herein, are eligible to participate. Coverage can be continued for employees and their eligible dependents, if the dependents were covered immediately prior to the time of the employee's retirement, until the time the former employee reaches age 65.

With the exception of one employee, the County does not pay any portion of the health insurance premiums for retirees or their dependents, however, the retirees and dependents do receive an implicit benefit of a healthcare premium at the same rate provided to active employees. On February 8, 2000, the County Board approved a resolution whereby any elected county official in office for at least eight years and in office as of January 1, 1998 and at least age 61 at the time of retirement would have their health insurance paid for upon retirement from county service. Coverage would be paid at the same level as in effect at the time of retirement and would be paid until the former official reached age 65. There is one employee currently receiving this benefit; this is the last employee eligible for this benefit under this resolution.

Membership in the plan as of January 1, 2018 is as follows:

Active participants	344
Retirees receiving payments	4
Spouses receiving payments	2
Totals	<u>350</u>

B. Funding Policy

The County's OPEB plan is financed on a pay-as-you-go basis and currently has no assets that have been deposited into an irrevocable trust that meets the criteria of paragraph 4 of GASB 75 for future health benefits. Therefore, the actuarial value of plan assets is \$0. Separate stand-alone financial statements are not issued for the plan.

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018**

4. Other Post-Employment Benefits (OPEB) (Continued)

C. Actuarial Methods and Assumptions

The County's total OPEB liability of \$1,228,676 reported as of December 31, 2018 was measured as of January 1, 2018, using the following actuarial assumptions, applied to all periods in the measurement, unless otherwise specified:

Actuarial cost method	Entry age, level percentage of pay
Discount rate	3.30% (20-year municipal bond rate)
Salary growth assumption	3.00%
Inflation (post retirement COLA)	2.50%
Healthcare cost trend rates	6.50% (decreasing to 5.00% over 6 years)
Mortality assumptions	RP-2014 White Collar Mortality Tables with MP-2017 Generational Improvement Scale (with Blue Collar adjustment for Policy and Fire Personnel)

The actuarial assumptions are currently based on a combination of historical information, projected information and the most recent actuarial experience studies for PERA. All assumptions noted above have been changed since the most recent GASB 45 valuation.

D. Changes in total OPEB Liability

The following table presents the changes in total OPEB liability for the fiscal year ended December 31, 2018 based on a measurement date of January 1, 2018:

Balance as of January 1, 2018	\$ 1,129,069
Changes for the year:	
Service cost	96,311
Interest cost	39,839
Benefit payments	<u>(36,543)</u>
Net changes in total OPEB liability	<u>99,607</u>
Balance as of December 31, 2018	<u><u>\$ 1,228,676</u></u>

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018**

4. Other Post-Employment Benefits (OPEB) (Continued)

D. Changes in total OPEB Liability (Continued)

The following table presents the sensitivity of the total OPEB liability calculation to a one percent increase or decrease in the discount rate previously disclosed used to measure the total OPEB liability:

<u>Proportionate Share of the OPEB Liability</u>		
	<u>Discount</u>	
	Rate	Total OPEB Liability
1% Decrease	2.30%	\$ 1,320,082
Current	3.30%	1,228,676
1% Increase	4.30%	1,142,897

The following table presents the sensitivity of the total OPEB liability calculation to a one percent increase or decrease in the current healthcare cost trend rate used to measure the total OPEB liability:

<u>Proportionate Share of the OPEB Liability</u>	
	<u>Total OPEB</u>
	Liability
1% Decrease (5.50% decreasing to 4.00%)	\$ 1,106,137
Current (6.50% decreasing to 5.00%)	1,228,676
1% Increase (7.50% decreasing to 6.00%)	1,372,304

E. OPEB Expense and Deferred Outflows of Resources / Deferred Inflows of Resources

For the year ended December 31, 2018, the County recognized OPEB expense of \$60,689 and reported deferred outflows of \$38,918 resulting from County contributions subsequent to the measurement date. This deferred outflow amount will be recognized as a reduction of the total OPEB liability in the year ended December 31, 2019.

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018**

5. Summary of Significant Contingencies and Other Items

A. Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors or omissions; injuries to employees; or natural disasters for which the County carries commercial insurance. The County has entered into a joint powers agreement with other Minnesota counties to form the Minnesota Counties Intergovernmental Trust (MCIT). The County is a member of both the MCIT Workers' Compensation and Property and Casualty Divisions. For other risk, the County carries commercial insurance. There were no significant reductions in insurance from the prior year. The amount of settlements did not exceed insurance coverage for the past three fiscal years.

The Workers' Compensation Division of MCIT is self-sustaining based on the contributions charged, so that total contributions plus compounded earnings on these contributions will equal the amount needed to satisfy claims liabilities and other expenses. MCIT participates in the Workers' Compensation Reinsurance Association with coverage at \$500,000 per claim in 2017. Should the MCIT Workers' Compensation Division liabilities exceed assets, MCIT may assess the County in a method and amount to be determined by MCIT.

The Property and Casualty Division of MCIT is self-sustaining, and the County pays an annual premium to cover current and future losses. MCIT carries reinsurance for its property lines to protect against catastrophic losses. Should the MCIT Property and Casualty Division liabilities exceed assets, MCIT may assess the County in a method and amount to be determined by MCIT.

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 the expenditures that may be disallowed by the grantor cannot be determined at this time, although the County expects such amounts, if any, to be immaterial.

The County is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the County Attorney, the resolution of these matters will not have a material adverse effect on the financial condition of the government.

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018**

5. Summary of Significant Contingencies and Other Items (continued)

C. Joint Ventures

Goodhue County, in conjunction with other governmental entities has formed the joint ventures listed below:

Family Services Collaborative

The Goodhue County Family Services Collaborative was established in 1999 under the authority of Minn. Stat. §§ 471.59 and 124D.23. The Collaborative includes Goodhue County, Goodhue County Education District, Cannon Falls School District, and Three Rivers Community Action Council. The purpose of the Collaborative is to provide culturally appropriate programs and services to children and families, prevent children from developing more severe disabilities, and provide for the safety and security of the community and its children.

Control of the Collaborative is vested in a seven-member governing board appointed by the member parties, with the Goodhue County Health and Human Services Department acting as the fiscal. The Collaborative is financed by state and federal grants and contributions from participating members. The Collaborative was audited by the Office of the Minnesota State Auditor for 2010.

South Country Health Alliance

South Country Health Alliance (SCHA) was created by a joint powers agreement between Brown, Dodge, Freeborn, Goodhue, Kanabec, Mower, Sibley, Steele, Wabasha, and Waseca Counties on July 24, 1998, under Minn. Stat. § 471.59. Mower County has since withdrawn. In 2007, Cass, Crow Wing, Morrison, Todd, and Wadena Counties joined in the joint venture. Cass, Crow Wing, and Freeborn Counties voted to withdraw as of December 31, 2010. Morrison, Todd and Wadena counties have voted to withdraw as of December 31, 2019. SCHA continues to serve Freeborn County as a non-member county. The agreement was in accordance with Minn. Stat. § 256B.692, which allows the formation of a Board of Directors to operate, control, and manage all matters concerning the participating counties' health care functions, referred to as county-based purchasing.

The purpose of the SCHA is to improve the social and health outcomes of its clients and all citizens of its member counties by better coordinating social service, public health and medical services, and promoting the achievement of public health goals. The SCHA is authorized to provide prepaid comprehensive health maintenance services to persons enrolled under Medicaid and General Assistance Medical Care in each of the member counties.

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018**

5. Summary of Significant Contingencies and Other Items (continued)

C. Joint Ventures (continued)

South Country Health Alliance (continued)

Each member county has an explicit and measurable right to its share of the total capital surplus of the SCHA. Gains and losses are allocated annually to all members based on the percentage of their utilization.

The County's equity interest in the SCHA at December 31, 2017 was \$4,165,971. The equity interest is reported as an investment in joint venture on the government-wide statement of net position. Changes in equity are included in the government-wide statement of activities as Health and Human Services program expenses or revenues.

Complete financial statements for the SCHA can be obtained from the South Country Health Alliance at 100 West Fremont Street, Owatonna, Minnesota 55060, or from its fiscal agent at 2300 Park Drive, Suite 100, Owatonna, Minnesota 55060.

Southeast Minnesota Regional Emergency Communications Board

The Southeast Minnesota Regional Emergency Communications Board (formerly known as the Radio Board) (SEMRCB) was established April 16, 2008, as provided by Minn. Stat. §§ 403.39 and 471.59. This joint powers board between Dodge, Fillmore, Freeborn, Goodhue, Houston, Mower, Olmsted, Rice, Steele, Wabasha, and Winona Counties and the City of Rochester serves to provide regional administration of enhancement to the Allied Radio Matrix for Emergency Response (ARMER) system owned and operated by the state of Minnesota and enhance and improve interoperable public safety communications.

Control of the SEMRCB is vested in a Joint Powers Board that is composed of one County Commissioner from each of the participating counties and one City Council member from the city.

During the year, Goodhue County paid \$4,000 to the Emergency Communications Board.

Southeastern Minnesota Multi-County Housing and Redevelopment Authority

Goodhue County and other regional counties have formed the Southeastern Minnesota Multi-County Housing and Redevelopment Authority (HRA) for the purposes of providing housing and redevelopment services to Southeastern Minnesota counties. The governing body consists of an eight-member Board of Commissioners. Two Commissioners were appointed by each of the County Boards. The HRA adopts its own budget.

Complete financial statements for the HRA can be obtained at 134 East Second Street, Wabasha, Minnesota 55981.

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018**

5. Summary of Significant Contingencies and Other Items (continued)

C. Joint Ventures (continued)

Southeast Minnesota Violent Crime Enforcement Team

The Southeast Minnesota Violent Crime Enforcement Team was established under the authority of the Joint Powers Act, pursuant to Minn Stat. § 471.59, and includes Dodge, Fillmore, Goodhue, Houston, Mower, Olmsted, Wabasha, and Winona Counties along with the Cities of Austin, Kasson, Red Wing, and Winona. The Enforcement Team's mission is to disrupt and destroy illegal narcotic operations in Southeastern Minnesota and provide drug investigation services for member organizations.

The enforcement team is governed by a governing board with members consisting of the Chief Law Enforcement Officer from each member, or his or her designee, and an attorney appointed by the governing board.

During the year, Goodhue County paid \$7,210 to the Task Force.

Separate financial information can be obtained from the Southeast Minnesota Violent Crime Enforcement Team, 101 – 4th Street S.E., Rochester, Minnesota 55904.

D. Jointly-Governed Organizations

Goodhue County, in conjunction with other governmental entities and various private organizations, has formed the jointly governed organizations listed below:

Minnesota Counties Computer Cooperative (MCCC)

Under Minnesota Joint Powers Law, Minn. Stat. § 471.59, Minnesota counties have created MCCC to facilitate technology services and training, and to provide software and other cost-effective measures to help reduce technology costs for its members. During the year, Goodhue County paid \$107,546 to the Cooperative.

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018**

5. Summary of Significant Contingencies and Other Items (continued)

D. Jointly-Governed Organizations (continued)

Emergency Response Team (Mutual Aid Agreement)

The Multi-Jurisdiction Emergency Response Team (ERT) was established to better respond to critical incidents that involve high levels of threats to public safety and to more effectively coordinate multi-agency responses for highly complex or unusual events. Current members of the team include Goodhue and Wabasha County Sheriff's offices, Red Wing, Plainview and Cannon Falls police departments, Red Wing fire department and Mayo Clinic. Additional members can join upon acceptance of this agreement's governing authority. The purpose of this multi-agency agreement is to establish governing provisions for selecting, training, equipping, activating and commanding the ERT. The ERT is managed by the Goodhue County Sheriff's Office, who has the authority under the agreement to appoint the ERT Commander and Lieutenant Commander. Members are not required to make any financial contributions to the ERT under this agreement.

Region One - Southeast Minnesota Homeland Security Emergency Management Organization

The Region One - Southeast Minnesota Security Emergency Management Organization (SERHSEM) was established to regionally coordinate efforts to better respond to emergencies and natural or other disasters within the SERHSEM region. There are 16 counties participating, with one member from each entity being represented on the Joint Powers Board. During the year, Goodhue County did not make payments to the Organization.

Southeast Minnesota Water Resources Board

The Southeast Minnesota Water Resource Board (SEMNRWB) was formed by Dodge, Fillmore, Goodhue, Houston, Mower, Olmsted, Rice, Steele, Wabasha, and Winona Counties. The purpose of this joint powers board is to receive and expend state and nonprofit grants and other related funds for the purpose of comprehensive water management planning. The governing body consists of 18 members. Two Commissioners were appointed from each of the participating County Boards, except for Mower and Wabasha Counties, who each appointed one member. Olmsted County acts as the fiscal agent. Goodhue County did not contribute to the Board in 2018.

On March 11, 2019, as allowed by the joint powers agreement, SEMNRWB voted to disband, pending ratification by all individual county boards. Goodhue County's board ratified this decision on May 7, 2019.

Complete financial statements for the Water Resources Board can be obtained at P. O. Box 5838, Winona, Minnesota 55987.

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018**

5. Summary of Significant Contingencies and Other Items (Continued)

D. Jointly-Governed Organizations (Continued)

Southeastern Minnesota Libraries Cooperative (SELCO)

The Southeastern Minnesota Libraries Cooperative provides library services within the County. During the year, the County contributed \$491,210 to SELCO, noting this amount will increase to \$502,999 in 2019.

Sentencing to Service

Goodhue County contracts with the state of Minnesota for three full-time Sentence to Service crew leaders. The Goodhue County Sentence to Serve Program utilizes nondangerous offenders from the Goodhue County Adult Detention Center, Minnesota Correctional Facility – Red Wing, Department of Corrections, and County Probation clients and juveniles two days a month. The program is used to perform community service work, special projects, and routine work for entities within the county and, specifically, Goodhue County facilities. During 2018, the County paid \$219,326 for services under this agreement. County tax levy, a contract with the City of Red Wing for one crew leader for 20 hours per week, and a user fee are used to fund the program within Goodhue County.

Court Services - Criminal Justice Data Communications Network

This agreement is between the state of Minnesota, acting through its Department of Public Safety, Bureau of Criminal Apprehension (BCA) and the county of Goodhue on behalf of Court Services (Agency). Under Minn. Stat. 299C.46, the BCA must provide a criminal justice data communications network to benefit authorized agencies in Minnesota. The Agency is authorized by law to utilize the criminal justice data communications network pursuant to the terms set out in this agreement. In addition, BCA either maintains repositories of data or has access to repositories of data that benefit authorized agencies in performing their duties. This five-year agreement expires in May, 2022. The County contributed \$1,080 in 2018.

Port Authority of the City of Saint Paul – Property Assessed Clean Energy Program (MinnPACE)

This agreement was effective November 7, 2017. The Port Authority has been engaged in governmental programs for providing financing throughout the state of Minnesota by making loans evidenced by various financing leases and loan agreements. Minnesota Statutes, Sections 216C.435 and 216C.436 and Chapter 429 and 471.59 (collectively the Act) authorize the County to provide for the financing of the acquisition and construction or installation of energy efficiency and conservation improvements (the Cost Effective Energy Improvements as defined in the Act or Improvements) on “Qualifying Real Properties” as defined in the Act (the Properties or Property) located within the boundaries of the County through the use of special assessments. The County contributed nothing under this agreement in 2018.

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018**

5. Summary of Significant Contingencies and Other Items (Continued)

D. Jointly-Governed Organizations (Continued)

Minnesota High Speed Rail Commission (Regional Railroad)

The Minnesota High Speed Rail Commission (the Commission) joint powers agreement, originally enacted in 2009 and most recently amended in 2017, was established to cooperatively advocate for and analyze feasibility of enhanced railroad transportation options and an integrated transportation system in the Minnesota high speed rail corridor. The high speed rail corridor is defined as a Canadian Pacific Railway corridor along the Mississippi River from LaCrescent, MN to the Union Depot in St. Paul, MN. The Commission consists of six financial parties, including area rail road authorities and planning committees and 11 non-financial parties, including municipalities located along the corridor. Financial parties are required to contribute to the Commission. Goodhue County is a financial party to this agreement and contributed \$4,446 in membership fees in 2018.

Criminal Justice Data Network

The Goodhue County Sheriff Office has an ongoing subscriber agreement with the state of Minnesota in order to access the Criminal Justice Data Network. The CJDN computer network allows the Goodhue County Sheriff's office to access the state and federal computer network database for the exclusive purposes of law enforcement as it relates to vehicle files, person files and article files. The current agreement was signed in July 2018 and is effective for five years, through June, 2023. The annual cost for this data access remains the same for 2018 as it did in previous years - \$4,440 billed in quarterly amounts of \$1,110.

Minnesota Internet Crimes Against Children Task Force (ICAC)

This agreement is between the State of Minnesota, acting through its Commissioner of Public Safety, on behalf of the Bureau of Criminal Apprehension, and Goodhue County, on behalf of its Sheriff's Office. The purpose of the agreement is to implement a three-pronged approach (prevention, education and enforcement) to combat internet crimes against children. Through a grant received from the federal Office of Juvenile Justice and Delinquency Prevention, the State provides funding for training and software to Goodhue County Sheriff's personnel. Goodhue County conducts its own investigations and investigations on behalf of other local law enforcement agencies on behalf of ICAC and in accordance with ICAC task force program standards. This agreement expires May 2019 and can be renewed for an additional five-year period. The County is eligible for reimbursement of certain expenses incurred while conducting investigations under this agreement. The County did not receive any reimbursements during 2018.

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018**

5. Summary of Significant Contingencies and Other Items (Continued)

D. Jointly-Governed Organizations (Continued)

Minnesota Department of Corrections-Prosecutorial Services

The State, pursuant to Minn. Stat. 241.271 is empowered to reimburse counties for expenses of a county attorney resulting from activities involving inmates of the state correctional institution located in Goodhue County. Goodhue County has one correctional facility and thereby requests reimbursement for some of the costs associated with the prosecution of inmates who are involved in criminal activities at the correctional facility. Goodhue County did not receive any funds under the agreement in 2018.

E. Debt Obligation Contingency

On June 7, 2016, the County approved the issuance of revenue obligations (conduit bonds) in the amount of \$9,800,000 to finance the acquisition, construction and equipping of an expansion to Benedictine Health System's St. Bridgid's facility as well as refund any outstanding facility notes if necessary. These County notes are special, limited obligations of the County and are payable solely from the revenues pledged by the Benedictine Health System and do not constitute a debt of the County.

The Southeast Minnesota Multi-County HRA issued \$2,765,000 Housing Development Revenue Refunding Bonds (Goodhue County, Minnesota General Obligation – Goodhue County Apartment Projects), Series 2016B, on June 23, 2016. The purpose of the issuance was to refund the Authority's \$3,575,000 Housing Development Revenue Refunding Bonds (Goodhue County, Minnesota General Obligation – Goodhue County Apartment Projects), Series 2007B. The aggregate outstanding amount of conduit debt on December 31, 2018 is \$12,119,216.

The principal and interest on the bonds are payable primarily from revenues from operations and tax increments resulting from increases in valuation of real property in Tax Increment Financing District 1-3. In the event of a deficiency, the HRA has pledged to levy its special benefit tax. Should these revenues fail to provide sufficient revenue for payment of principal and interest on the debt issue, the full faith and credit of Goodhue County is irrevocably pledged for payment of the bond.

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018**

5. Summary of Significant Contingencies and Other Items (Continued)

F. County-Wide Individual Sewage Treatment Systems (ISTS) and Well Loan Program

In 1998, the County entered into an agreement with the Minnesota Department of Agriculture and a local lending institution to jointly administer a loan program to private property owners to assist in installation, repair and replacement of individual sewage treatment systems. While the County is not liable for repayment of the loans in any manner, it does have certain responsibilities under the agreement, including collection of any loans that are 90 days or more delinquent. During the year, \$6,682 for a remaining individual loan outstanding was written off (paid for by a transfer from the general fund); the party owing this balance had declared bankruptcy in 2011. Due to recent market conditions leading to lack of lending activity under this program, the County elected to close down the program and pay off the remaining \$48,614 program loan balance due to the Minnesota Department of Agriculture early and without penalty.

Loan activity for 2018 and prior years is:

	<u>Prior Years</u>	<u>During 2018</u>
Number of loans made	52	-
Loans outstanding - January 1	\$ -	\$ 6,682
Loans made	453,179	-
Payments made on loans	(443,110)	-
Write-offs	-	(6,682)
Loans outstanding - December 31	<u>\$ 10,069</u>	<u>\$ -</u>

6. Subsequent Events

On June 12, 2019, the County entered into a letter of credit in the amount of \$2,850,000 to meet the County's financial assurance obligations under Minnesota statutes for its landfill. This new letter of credit replaces one in the amount of \$1,990,000 that expired June 12, 2019. Outstanding balances on the new letter are due June 12, 2020 and bear interest at 8.00%.

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018**

7. Restatement for Change in Accounting Principle – GASB 75

During the year ended December 31, 2018, the County adopted the provisions of Governmental Accounting Standards Board (GASB) Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. This pronouncement requires the restatement of the December 31, 2017 net position of the government activities as follows:

Net position, December 31, 2017, as previously reported	\$ 144,372,608
Effect of GASB 75 implementation	<u>(1,129,069)</u>
Net position, December 31, 2017, as restated	<u><u>\$ 143,243,539</u></u>

REQUIRED SUPPLEMENTARY INFORMATION

**GOODHUE COUNTY
RED WING, MINNESOTA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2018**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 19,458,739	\$ 19,458,739	\$ 19,476,271	\$ 17,532
Special assessments	-	-	3,739	3,739
Licenses and permits	446,668	446,668	503,391	56,723
Intergovernmental	4,027,798	4,027,798	4,401,362	373,564
Charges for services	3,084,911	3,084,911	2,341,709	(743,202)
Fines and forfeits	14,000	14,000	13,010	(990)
Gifts and contributions	13,200	13,200	36,608	23,408
Investment earnings	225,325	225,325	373,443	148,118
Miscellaneous	1,543,328	1,543,328	1,527,026	(16,302)
Total Revenues	\$ 28,813,969	\$ 28,813,969	\$ 28,676,559	\$ (137,410)
Expenditures				
Current				
General government				
Commissioners	\$ 250,947	\$ 250,947	\$ 239,161	\$ 11,786
Courts	114,000	114,000	134,704	(20,704)
County administration	433,709	433,709	433,337	372
County auditor-treasurer	804,609	806,699	736,958	69,741
County assessor	1,111,615	1,111,615	978,927	132,688
Elections	141,413	141,413	345,788	(204,375)
Information technology	1,116,901	1,201,324	1,057,969	143,355
Human resources	571,236	571,236	570,184	1,052
Attorney	1,898,466	1,898,466	1,887,141	11,325
Law library	68,650	68,650	49,853	18,797
Recorder	545,571	545,571	574,837	(29,266)
Surveyor	418,229	418,229	400,946	17,283
GIS	311,387	311,387	276,322	35,065
Building permits	560,785	560,785	486,530	74,255
Planning and zoning	377,542	377,542	323,462	54,080
Environmental health	192,657	192,657	192,076	581
Buildings and plant	1,251,511	1,271,282	1,385,957	(114,675)
Veterans service officer	228,240	228,240	234,933	(6,693)
Other general government	1,437,435	1,437,435	1,399,742	37,693
Total general government	\$ 11,834,903	\$ 11,941,187	\$ 11,708,827	\$ 232,360
Public safety				
Sheriff	\$ 6,076,971	\$ 6,091,113	\$ 6,111,515	\$ (20,402)
Sheriff - seasonal	317,196	317,196	377,179	(59,983)
Emergency management	344,610	344,610	295,320	49,290
Coroner	136,240	136,240	136,240	-
E-911 system	1,089,345	1,089,345	1,088,547	798
Adult detention center	5,779,986	5,779,986	5,286,111	493,875
Court services	1,136,803	1,136,803	1,145,554	(8,751)
Total public safety	\$ 14,881,151	\$ 14,895,293	\$ 14,440,466	\$ 454,827

**GOODHUE COUNTY
RED WING, MINNESOTA
BUDGETARY COMPARISON SCHEDULE (CONTINUED)
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2018**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Expenditures (Continued)				
Current (Continued)				
Culture and recreation				
Historical society	\$ 107,000	\$ 107,000	\$ 107,000	\$ -
Regional library	491,210	491,210	491,210	-
Byllesby Dam	1,350	1,350	-	1,350
Other culture and recreation	171,480	171,480	178,437	(6,957)
Total culture and recreation	<u>\$ 771,040</u>	<u>\$ 771,040</u>	<u>\$ 776,647</u>	<u>\$ (5,607)</u>
Conservation of natural resources				
County extension	\$ 174,733	\$ 174,733	\$ 166,564	\$ 8,169
Soil and water conservation	559,000	559,000	552,591	6,409
Total conservation of natural resources	<u>\$ 733,733</u>	<u>\$ 733,733</u>	<u>\$ 719,155</u>	<u>\$ 14,578</u>
Economic development				
Regional Railroad Authority	\$ 4,375	\$ 4,375	\$ 4,446	\$ (71)
Debt service				
Principal	\$ 17,568	\$ 17,568	\$ 57,398	\$ (39,830)
Total Expenditures	<u>\$ 28,242,770</u>	<u>\$ 28,363,196</u>	<u>\$ 27,706,939</u>	<u>\$ 656,257</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ 571,199</u>	<u>\$ 450,773</u>	<u>\$ 969,620</u>	<u>\$ 518,847</u>
Other Financing Sources (Uses)				
Transfers in	\$ -	\$ -	\$ 7,500	\$ 7,500
Transfers out	(48,806)	(48,806)	(74,500)	(25,694)
Proceeds from sale of capital assets	-	-	60,748	60,748
Total Other Financing Sources (Uses)	<u>\$ (48,806)</u>	<u>\$ (48,806)</u>	<u>\$ (6,252)</u>	<u>\$ 42,554</u>
Net Change in Fund Balance	\$ 522,393	\$ 401,967	\$ 963,368	\$ 561,401
Fund Balance - January 1	<u>20,698,732</u>	<u>20,698,732</u>	<u>20,698,732</u>	<u>-</u>
Fund Balance - December 31	<u>\$ 21,221,125</u>	<u>\$ 21,100,699</u>	<u>\$ 21,662,100</u>	<u>\$ 561,401</u>

**GOODHUE COUNTY
RED WING, MINNESOTA
BUDGETARY COMPARISON SCHEDULE
ROAD AND BRIDGE SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2018**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 4,645,526	\$ 4,645,526	\$ 4,654,949	\$ 9,423
Licenses and permits	14,200	14,200	12,208	(1,992)
Intergovernmental	7,915,827	7,915,827	7,969,244	53,417
Charges for services	4,200	4,200	379,192	374,992
Miscellaneous	26,225	26,225	46,767	20,542
Total Revenues	\$ 12,605,978	\$ 12,605,978	\$ 13,062,360	\$ 456,382
Expenditures				
Current				
Highways and streets				
Administration	\$ 489,672	\$ 489,672	\$ 477,143	\$ 12,529
Maintenance	3,594,075	3,634,075	3,588,943	45,132
Construction	7,424,246	7,424,246	7,876,329	(452,083)
Equipment maintenance and shop	611,108	611,108	655,053	(43,945)
Total highways and streets	\$ 12,119,101	\$ 12,159,101	\$ 12,597,468	\$ (438,367)
Culture and recreation				
Parks	248,700	248,700	88,179	160,521
Intergovernmental				
Highways and streets	464,177	464,177	542,701	(78,524)
Total Expenditures	\$ 12,831,978	\$ 12,871,978	\$ 13,228,348	\$ (356,370)
Excess of Revenues Over (Under) Expenditures	\$ (226,000)	\$ (266,000)	\$ (165,988)	\$ 100,012
Other Financing Sources (Uses)				
Transfers in	\$ -	\$ -	\$ 6,875	\$ 6,875
Net Change in Fund Balance	\$ (226,000)	\$ (266,000)	\$ (159,113)	\$ 106,887
Fund Balance - January 1	9,002,343	9,002,343	9,002,343	-
Increase (decrease) in inventories	-	-	(9,195)	(9,195)
Fund Balance - December 31	\$ 8,776,343	\$ 8,736,343	\$ 8,834,035	\$ 97,692

**GOODHUE COUNTY
RED WING, MINNESOTA
BUDGETARY COMPARISON SCHEDULE
HEALTH AND HUMAN SERVICES SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2018**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 6,948,147	\$ 6,948,147	\$ 6,949,592	\$ 1,445
Intergovernmental	7,342,677	7,342,677	8,415,433	1,072,756
Charges for services	1,333,700	1,333,700	1,587,737	254,037
Gifts and contributions	-	-	2,870	2,870
Miscellaneous	497,873	497,873	737,044	239,171
Total Revenues	\$ 16,122,397	\$ 16,122,397	\$ 17,692,676	\$ 1,570,279
Expenditures				
Current				
Human services				
Income maintenance	\$ 4,839,723	\$ 4,867,799	\$ 4,754,158	\$ 113,641
Social services	8,237,618	8,237,618	7,992,365	245,253
Total human services	\$ 13,077,341	\$ 13,105,417	\$ 12,746,523	\$ 358,894
Health				
Quality assurance - health services	\$ 1,695,823	\$ 1,695,823	\$ 2,138,863	\$ (443,040)
Healthy communities/behaviors	970,513	1,010,042	999,339	10,703
Disaster preparedness	39,638	39,638	56,782	(17,144)
Infectious disease	126,388	126,388	101,880	24,508
Health services - administration	328,832	328,832	364,551	(35,719)
Total health	\$ 3,161,194	\$ 3,200,723	\$ 3,661,415	\$ (460,692)
Total Expenditures	\$ 16,238,535	\$ 16,306,140	\$ 16,407,938	\$ (101,798)
Excess of Revenues Over (Under) Expenditures	\$ (116,138)	\$ (183,743)	\$ 1,284,738	\$ 1,468,481
Other Financing Sources (Uses)				
Transfers in	\$ -	\$ -	\$ 67,249	\$ 67,249
Transfers out	(7,500)	(7,500)	(7,500)	-
Total Other Financing Sources (Uses)	\$ (7,500)	\$ (7,500)	\$ 59,749	\$ 67,249
Net Change in Fund Balance	\$ (123,638)	\$ (191,243)	\$ 1,344,487	\$ 1,535,730
Fund Balance - January 1	5,851,617	5,851,617	5,851,617	-
Fund Balance - December 31	\$ 5,727,979	\$ 5,660,374	\$ 7,196,104	\$ 1,535,730

**GOODHUE COUNTY
RED WING, MINNESOTA
BUDGETARY COMPARISON SCHEDULE
ECONOMIC DEVELOPMENT AUTHORITY SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2018**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 21,693	\$ 21,693	\$ 21,979	\$ 286
Intergovernmental	301	301	375	74
Charges for services	-	-	2,000	2,000
Miscellaneous	59,419	59,419	11,174	(48,245)
Total Revenues	\$ 81,413	\$ 81,413	\$ 35,528	\$ (45,885)
Expenditures				
Current				
Economic development				
Community development	22,613	22,613	33,290	(10,677)
Net Change in Fund Balance	\$ 58,800	\$ 58,800	\$ 2,238	\$ (56,562)
Fund Balance - January 1	786,898	786,898	786,898	-
Fund Balance - December 31	\$ 845,698	\$ 845,698	\$ 789,136	\$ (56,562)

**GOODHUE COUNTY
RED WING, MINNESOTA
SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
PERA GENERAL EMPLOYEES RETIREMENT PLAN
DECEMBER 31, 2018**

Measurement Date	Employer's Portion of the Net Pension Liability	Employer's Proportionate Share of the Net Pension Liability	State's Proportionate Share of the Net Pension Liability Associated with Goodhue County	Employer's Proportionate Share of the Net Pension Liability and the State's Related Share of the Net Pension Liability	Covered Payroll	Employer's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2018	0.237%	\$ 13,153,336	\$ 431,493	\$ 13,584,829	\$ 15,938,973	82.52%	79.53%
2017	0.240%	15,308,674	192,456	15,501,130	15,689,120	97.58%	75.90%
2016	0.253%	20,566,707	268,600	20,835,307	15,760,263	130.50%	68.91%
2015	0.242%	12,541,699	N/A	12,541,699	14,279,337	87.83%	78.19%

This schedule is intended to show information for ten years. Additional years will be displayed as they become available. The measurement date for each year is December 31.

**SCHEDULE OF CONTRIBUTIONS
PERA GENERAL EMPLOYEES RETIREMENT PLAN
DECEMBER 31, 2018**

Year Ending	Statutorily Required Contributions	Actual Contributions in Relation to Statutorily Required Contributions	Contribution (Deficiency) Excess	Covered Payroll	Actual Contributions as a Percentage of Covered Payroll
2018	\$ 1,195,423	\$ 1,195,423	\$ -	\$ 15,938,973	7.50%
2017	1,176,684	1,176,684	-	15,689,120	7.50%
2016	1,156,029	1,156,029	-	15,413,720	7.50%
2015	1,095,772	1,095,772	-	14,618,861	7.50%

This schedule is intended to show information for ten years. Additional years will be displayed as they become available. The measurement date for each year is December 31.

**GOODHUE COUNTY
RED WING, MINNESOTA
SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
PERA PUBLIC EMPLOYEES POLICE AND FIRE PLAN
DECEMBER 31, 2018**

Measurement Date	Employer's Portion of the Net Pension Liability	Employer's Proportionate Share of the Net Pension Liability	Covered Payroll	Employer's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2018	0.320%	\$ 3,413,002	\$ 3,374,426	101.14%	88.84%
2017	0.304%	4,104,362	3,236,790	126.80%	85.40%
2016	0.329%	13,203,342	3,171,299	416.34%	63.90%
2015	0.311%	3,533,689	2,853,718	123.83%	86.60%

This schedule is intended to show information for ten years. Additional years will be displayed as they become available. The County's year-end is December 31.

**SCHEDULE OF CONTRIBUTIONS
PERA PUBLIC EMPLOYEES POLICE AND FIRE PLAN
DECEMBER 31, 2018**

Year Ending	Statutorily Required Contributions	Actual Contributions in Relation to Statutorily Required Contributions	Contribution (Deficiency) Excess	Covered Payroll	Actual Contributions as a Percentage of Covered Payroll
2018	\$ 546,657	\$ 546,657	\$ -	\$ 3,374,426	16.20%
2017	524,360	524,360	-	3,236,790	16.20%
2016	494,991	494,991	-	3,055,500	16.20%
2015	482,624	482,624	-	2,979,606	16.20%

This schedule is intended to show information for ten years. Additional years will be displayed as they become available. The County's year-end is December 31.

**GOODHUE COUNTY
RED WING, MINNESOTA
SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
PERA PUBLIC EMPLOYEES CORRECTIONAL PLAN
DECEMBER 31, 2018**

Measurement Date	Employer's Portion of the Net Pension Liability	Employer's Proportionate Share of the Net Pension Liability	Covered Payroll	Employer's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2018	1.330%	\$ 218,647	\$ 2,715,051	8.05%	97.60%
2017	1.360%	3,876,014	2,723,177	142.33%	67.90%
2016	1.480%	5,406,647	2,786,403	194.04%	58.20%
2015	1.410%	217,987	2,542,717	8.57%	96.90%

This schedule is intended to show information for ten years. Additional years will be displayed as they become available. The County's year-end is December 31.

**SCHEDULE OF CONTRIBUTIONS
PERA PUBLIC EMPLOYEES CORRECTIONAL PLAN
DECEMBER 31, 2018**

Year Ending	Statutorily Required Contributions	Actual Contributions in Relation to Statutorily Required Contributions	Contribution (Deficiency) Excess	Covered Payroll	Actual Contributions as a Percentage of Covered Payroll
2018	\$ 237,567	\$ 237,567	\$ -	\$ 2,715,051	8.75%
2017	238,278	238,278	-	2,723,177	8.75%
2016	234,946	234,946	-	2,685,097	8.75%
2015	230,698	230,698	-	2,637,239	8.75%

This schedule is intended to show information for ten years. Additional years will be displayed as they become available. The County's year-end is December 31.

**GOODHUE COUNTY
RED WING, MINNESOTA
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
DECEMBER 31, 2018**

	2018
Service cost	\$ 96,311
Interest cost	39,839
Benefit payments	(36,543)
Net change in total OPEB liability	99,607
Total OPEB liability, beginning	1,129,069
Total OPEB liability, ending	\$ 1,228,676
Covered employee payroll	\$ 22,214,789
Total OPEB liability as a percentage of covered employee payroll	5.53%
Benefit payments as a percentage of covered employee payroll	0.16%

This schedule is intended to show information for 10 years. Additional years will be displayed as data becomes available.

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR DECEMBER 31, 2018**

1. Defined Benefit Pension Plans – Changes in Significant Plan Provisions, Actuarial Methods, and Assumptions

The following changes were reflected in the valuation performed on behalf of the Public Employees Retirement Association for the year ended June 30:

A. General Employees Retirement Plan

2018

- The mortality projection scale was changed from MP-2015 to MP-2017.
- The assumed post-retirement benefit increase was changed from 1.0% per year through 2044 and 2.50% per year thereafter to 1.25% per year.

2017

- The Combined Service Annuity (CSA) loads were changed from 0.8% for active members and 60% for vested and non-vested deferred members. The revised CSA loads are no 0.0% for active member liability, 15.0% for vested deferred member liability and 3.0% for non-vested deferred member liability.
- The assumed post-retirement benefit increase rate was changed from 1.0% per year for all years to 1.90% per year through 2044 and 2.5% per year thereafter.

2016

- The assumed post-retirement benefit increase rate was changed from 1.0% per year through 2035 and 2.5% per year thereafter to 1.0% per year for all future years.
- The assumed investment return was changed from 7.9% to 7.5%. The single discount rate was changed from 7.9% to 7.5%
- Other assumptions were changed pursuant to the experience study dated June 30, 2015. The assumed future salary increases, payroll growth, and inflation were decreased by 0.25% to 3.25% for payroll growth and 2.50% for inflation.

B. Police and Fire Plan

2018

- The mortality projection scale was changed from MP-2015 to MP-2017.
- As set by statute, the assumed post-retirement benefit increase was changed from 1.0% per year through 2064 and 2.5% per year thereafter to 1.0% for all years, with no trigger.
- An end date of July 1, 2048 was added to the existing \$9.0 million state contribution. Additionally, annual state aid will equal \$4.5 million in fiscal years 2019 and 2020, and \$9 million each year thereafter, until the plan reaches 100% funding, or July 1, 2028, whichever is earlier.
- Member contributions were changed effective January 1, 2019 and January 1, 2020, from 10.80% and 11.80% of pay, respectively. Employer contributions were changed effective January 1, 2019 and January 1, 2020, from 16.20% to 16.95% and 17.70% of pay, respectively.

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR DECEMBER 31, 2018**

1. Defined Benefit Pension Plans – Changes in Significant Plan Provisions, Actuarial Methods, and Assumptions (continued)

B. Police and Fire Plan (continued)

2018 (continued)

- Interest credited on member contributions decreased from 4.00% to 3.00%, beginning July 1, 2018.
- Deferred augmentation was changed to 0.00%, effective January 1, 2019. Augmentation that was already accrued for deferred members will still apply.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

2017

- Assumed salary increases were changed as recommended in the June 30, 2016 experience study. The net effect is proposed rates that average 0.34% lower than in the previous rates.
- Assumed rates of retirement were changed, resulting in fewer retirements.
- The Combined Service Annuity (CSA) load was 30% for vested and non-vested deferred members. The CSA has been changed to 33% for vested members and 2% for non-vested members.
- The base mortality table for healthy annuitants was changed from the RP-2000 fully generational table to the RP-2014 fully generational table (with a base year of 2006), with male rates adjusted by a factor of 0.96. The mortality improvement scale was changed from Scale AA to Scale MP-2016. The base mortality table for disable annuitants was changed from the RP-2000 disabled mortality table to the mortality tables assumed for healthy retirees.
- Assumed termination rates were decreased to 3.0% for the first three years of service. Rates beyond the select period of three years were adjusted, resulting in more expected terminations overall.
- Assumed percentage of married female members was decreased from 65% to 60%.
- Assumed age difference of married female members was changed from separate assumptions for male members (wives assumed to be three years younger) and female members (husbands assumed to be four years older) to the assumption that males are two years older than females.
- The assumed percentage of female members electing Joint and Survivor annuities was increased.
- The assumed post-retirement benefit increase rate was changed from 1.00% for all years to 1.00% per year through 2064 and 2.50% thereafter.
- The single discount rate was changed from 5.6% per annum to 7.5% per annum.

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR DECEMBER 31, 2018**

1. Defined Benefit Pension Plans – Changes in Significant Plan Provisions, Actuarial Methods, and Assumptions (continued)

B. Police and Fire Plan (continued)

2016

- The assumed post-retirement benefit increase rate was changed from 1.0% per year through 2037 and 2.5% thereafter to 1.0% per year for all future years.
- The assumed investment return was changed from 7.9% to 7.5%. The single discount rate changed from 7.9% to 5.6%.
- The assumed future salary increases, payroll growth, and inflation were decreased by 0.25% to 3.25% for payroll growth and 2.50% for inflation.

C.

D. Correctional Fund

2018

- The single discount rate was changed from 5.96% per annum to 7.50% per annum.
- The mortality projection scale was change from MP-2016 to MP-2017.
- The assumed post-retirement benefit increase was changed from 2.50% per year to 2.00% per year.

2017

- The base mortality table for healthy annuitants was changed from the RP-2000 fully generational table to the RP-2014 fully generational table (with a base year of 2006), with male rates adjusted by a factor of 0.96. The mortality improvement scale was changed from Scale AA to Scale MP-2016 and is applied to healthy and disabled members. The base mortality table for disabled annuitants was changed from the RP-2000 disabled mortality table to the RP-2014 disabled annuitant mortality table (with future mortality improvement according to MP-2016).
- The Combined Service Annuity (CSA) load was 30% for vested and non-vested, deferred members. The CSA has been changed to 35% for vested members and 1% for non-vested members.
- The single discount rate was changed from 5.31% per annum to 5.96% per annum.

2016

- The assumed investment return was changed from 7.9% to 7.5%. The single discount rate was changed from 7.9% to 5.31%.
- The assumed future salary increases, payroll growth, and inflation were decreased by 0.25% to 3.25% for payroll growth and 2.50% for inflation.

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR DECEMBER 31, 2018**

2. Other Post-Employment Benefit (OPEB) Plan – Changes in Significant Plan Provisions, Actuarial Methods, and Assumptions

Goodhue County implemented GASB Statement No. 75 in 2018. Since the most recent GASB 45 valuation, the following assumption changes have been made:

- The discount rate was changed to 3.30%. As the plan does not accumulate assets in an applicable trust, this is the 20-year AA-rated municipal bond rate.
- The actuarial cost method is Entry age, level percentage of pay.
- The healthcare trend rate is 6.50%, decreasing to 5.00% over six years
- The salary growth assumption is 3.00% per year
- The inflation rate for calculating post-retirement increases is 2.50%.
- Mortality assumptions are based on the RP-2014 White Collar Mortality tables with MP-2017 Generational Improvement Scale (with Blue Collar adjustment for Police and Fire personnel)

3. Budgetary Information

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for the General Fund and major special revenue funds. All annual appropriations lapse at fiscal year-end.

On or before mid-July of each year, all departments and agencies submit requests for appropriations to the County Administrator so that a budget can be prepared. On or before September 30, the proposed budget is presented to the Board for review. The Board holds public hearings, and a final budget must be prepared and adopted no later than December 28.

The final budget is prepared by fund and department. During the calendar year, revisions that alter the budgeted revenues or expenditures of any fund must be approved by the Board. The legal level of budgetary control (the level at which expenditures may not legally exceed appropriations) is the fund level.

4. Excess of Expenditures Over Budget

The following is a summary of the individual funds that had expenditures in excess of final budget for the year ended December 31, 2018.

	<u>Budget</u>	<u>Expenditures</u>	<u>Excess</u>
Special Revenue Funds			
Road and Bridge	\$ 12,871,978	\$ 13,228,348	\$ (356,370)
Health and Human Services	16,306,140	16,407,938	(101,798)
Economic Development Authority	22,613	33,290	(10,677)

SUPPLEMENTARY INFORMATION

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**GOODHUE COUNTY
RED WING, MINNESOTA
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE YEAR ENDED DECEMBER 31, 2018**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 1,951,505	\$ 1,951,505	\$ 1,953,475	\$ 1,970
Special assessments	6,285	6,285	1,201	(5,084)
Intergovernmental	66,910	66,910	69,493	2,583
Total Revenues	<u>\$ 2,024,700</u>	<u>\$ 2,024,700</u>	<u>\$ 2,024,169</u>	<u>\$ (531)</u>
Expenditures				
Debt service				
Principal	\$ 1,403,709	\$ 1,403,709	\$ 1,304,094	\$ 99,615
Interest	510,562	510,562	510,563	(1)
Administrative - fiscal charges	2,950	2,950	59,501	(56,551)
Total Expenditures	<u>\$ 1,917,221</u>	<u>\$ 1,917,221</u>	<u>\$ 1,874,158</u>	<u>\$ 43,063</u>
Net Change in Fund Balance	\$ 107,479	\$ 107,479	\$ 150,011	\$ 42,532
Fund Balance - January 1	<u>2,748,597</u>	<u>2,748,597</u>	<u>2,748,597</u>	<u>-</u>
Fund Balance - December 31	<u><u>\$ 2,856,076</u></u>	<u><u>\$ 2,856,076</u></u>	<u><u>\$ 2,898,608</u></u>	<u><u>\$ 42,532</u></u>

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**GOODHUE COUNTY
RED WING, MINNESOTA
NONMAJOR GOVERNMENTAL FUND
SPECIAL REVENUE FUND**

Waste Management – to account for the financial activities of the waste management facility, the recycling center, and the household hazardous waste facility.

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**GOODHUE COUNTY
RED WING, MINNESOTA
BUDGETARY COMPARISON SCHEDULE
WASTE MANAGEMENT SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2018**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 369,163	\$ 369,163	\$ 369,296	\$ 133
Licenses and permits	5,000	5,000	5,301	301
Intergovernmental	136,329	136,329	138,755	2,426
Charges for services	49,700	49,700	64,178	14,478
Interest on investments	330	330	330	-
Miscellaneous	149,000	149,000	169,705	20,705
Total Revenues	\$ 709,522	\$ 709,522	\$ 747,565	\$ 38,043
Expenditures				
Current				
Sanitation				
Solid waste	\$ 59,642	\$ 59,642	\$ 72,887	\$ (13,245)
Recycling	372,591	372,591	388,495	(15,904)
Hazardous waste	83,309	83,309	84,264	(955)
Landfill	194,480	194,480	175,886	18,594
Total Expenditures	\$ 710,022	\$ 710,022	\$ 721,532	\$ (11,510)
Excess of Revenues Over (Under) Expenditures	\$ (500)	\$ (500)	\$ 26,033	\$ 26,533
Other Financing Sources (Uses)				
Transfers in	-	-	376	376
Net Change in Fund Balance	\$ (500)	\$ (500)	\$ 26,409	\$ 26,909
Fund Balance - January 1	816,183	816,183	816,183	-
Fund Balance - December 31	\$ 815,683	\$ 815,683	\$ 842,592	\$ 26,909

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**GOODHUE COUNTY
RED WING, MINNESOTA
AGENCY FUNDS**

Family Collaborative Fund – to account for grant money passed through to the Goodhue County Family Services Collaborative.

Taxes and Penalties Fund – to account for the collection and distribution of current and delinquent property taxes. This fund also accounts for refunds on abatements, court orders, and overpayments of real estate and personal property taxes.

Inmate Fund – to account for funds deposited by or on behalf of Adult Detention Center inmates and use of those funds during their stay or upon their release.

Other Agency Fund – to account for collections made by the County on behalf of towns, cities, and the state of Minnesota.

Social Welfare Fund – to account for Social Security funds managed by the County on behalf of individual recipients. The County is a Social Security Administration-appointed representative payee.

**GOODHUE COUNTY
RED WING, MINNESOTA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018**

	Balance January 1	Additions	Deductions	Balance December 31
FAMILY COLLABORATIVE FUND				
Assets				
Cash and pooled investments	\$ 361,510	\$ 180,255	\$ 69,171	\$ 472,594
Due from other governments	-	101,023	45,010	56,013
Total Assets	\$ 361,510	\$ 281,278	\$ 114,181	\$ 528,607
Liabilities				
Due to other governments	\$ 361,510	\$ 281,278	\$ 114,181	\$ 528,607
 TAXES AND PENALTIES FUND				
Assets				
Cash and pooled investments	\$ 2,022,012	\$ 101,319,121	\$ 102,607,956	\$ 733,177
Liabilities				
Due to other governments	\$ 2,022,012	\$ 101,319,121	\$ 102,607,956	\$ 733,177
 INMATE FUND				
Assets				
Cash and pooled investments	\$ 29,912	\$ 1,264,422	\$ 1,272,159	\$ 22,175
Liabilities				
Due to individuals	\$ 29,912	\$ 1,264,422	\$ 1,272,159	\$ 22,175

**GOODHUE COUNTY
RED WING, MINNESOTA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES (CONTINUED)
ALL AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018**

	<u>Balance January 1</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance December 31</u>
SOCIAL WELFARE FUND				
Assets				
Cash and pooled investments	<u>\$ 130,906</u>	<u>\$ 966,756</u>	<u>\$ 959,212</u>	<u>\$ 138,450</u>
Liabilities				
Due to individuals	<u>\$ 130,906</u>	<u>\$ 966,756</u>	<u>\$ 959,212</u>	<u>\$ 138,450</u>
OTHER AGENCY FUND				
Assets				
Cash and pooled investments	\$ 166,288	\$ 1,878,249	\$ 1,902,513	\$ 142,024
Accounts receivable	-	65,776	37,933	27,843
Total Assets	<u>\$ 166,288</u>	<u>\$ 1,944,025</u>	<u>\$ 1,940,446</u>	<u>\$ 169,867</u>
Liabilities				
Due to other governments	<u>\$ 166,288</u>	<u>\$ 1,944,025</u>	<u>\$ 1,940,446</u>	<u>\$ 169,867</u>
TOTAL ALL AGENCY FUNDS				
Assets				
Cash and pooled investments	\$ 2,710,628	\$ 105,608,803	\$ 106,811,011	\$ 1,508,420
Accounts receivable	-	65,776	37,933	27,843
Due from other governments	-	101,023	45,010	56,013
Total Assets	<u>\$ 2,710,628</u>	<u>\$ 105,775,602</u>	<u>\$ 106,893,954</u>	<u>\$ 1,592,276</u>
Liabilities				
Due to other governments	\$ 2,549,810	\$ 103,544,424	\$ 104,662,583	\$ 1,431,651
Due to individuals	160,818	2,231,178	2,231,371	160,625
Total Liabilities	<u>\$ 2,710,628</u>	<u>\$ 105,775,602</u>	<u>\$ 106,893,954</u>	<u>\$ 1,592,276</u>

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OTHER SCHEDULES

**GOODHUE COUNTY
RED WING, MINNESOTA
SCHEDULE OF INTERGOVERNMENTAL REVENUE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018**

	Governmental Funds
Shared Revenue and Appropriations	
State	
Highway users tax	\$ 7,897,785
PERA rate reimbursement	127,832
Disparity reduction aid	29,143
Police aid	347,279
County program aid	1,637,506
Market value credit	454,390
Aquatic invasive species aid	63,884
Indian casino aid	112,523
Riparian protection aid	159,445
Enhanced 911	127,808
SCORE	132,017
Total Shared Revenue and Appropriations	\$ 11,089,612
Reimbursement for Services	
State	
Minnesota Department of Human Services	\$ 2,470,558
Payments	
Local	
Election reimbursements	\$ 34,990
Payments in lieu of taxes	272,420
Total Payments	\$ 307,410
Grants	
State	
Minnesota Department/Board of	
Corrections	\$ 292,423
Health	318,537
Human Services	1,614,321
Natural Resources	123,310
Public Safety	292,516
Veterans Affairs	12,500
Water and Soil Resources	122,129
Secretary of State	74,321
Peace Officer Standards and Training Board	44,979
Total State	\$ 2,895,036

**GOODHUE COUNTY
RED WING, MINNESOTA
SCHEDULE OF INTERGOVERNMENTAL REVENUE (CONTINUED)
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018**

	Governmental Funds
Grants (Continued)	
Federal	
Department of	
Agriculture	\$ 606,053
Interior	9,957
Justice	7,577
Transportation	40,966
Health and Human Services	3,498,856
Homeland Security	31,468
	31,468
Total Federal	\$ 4,194,877
Total State and Federal Grants	\$ 7,089,913
Qualified Energy Conservation Bonds Interest Subsidy	\$ 37,169
Total Intergovernmental Revenue	\$ 20,994,662

**GOODHUE COUNTY
RED WING, MINNESOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2018**

Federal Grantor Pass-Through Agency Program or Cluster Title	Federal CFDA Number	Pass-Through Grant Numbers	Expenditures	Passed Through to Subrecipients
U.S. Department of Agriculture				
Passed Through Minnesota Department of Health Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	192MN004W1003	\$ 181,991 \$	-
Passed Through Minnesota Department of Human Services State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (Total expenditures for SNAP cluster \$424,062)	10.561	182MN101S2514	424,062	-
Total U.S. Department of Agriculture			\$ 606,053 \$	-
U.S. Department of the Interior				
Direct Payments in Lieu of Taxes	15.226	N/A, Direct	\$ 9,957 \$	-
U.S. Department of Justice				
Direct Bulletproof Vest Partnership Program	16.607	N/A, Direct	\$ 7,577 \$	-
U.S. Department of Transportation				
Passed Through Minnesota Department of Natural Resources Recreational Trails Program (Total expenditures for Highway Planning and Construction Cluster \$6,557)	20.219	0018-14-3C	\$ 6,557	-
Passed Through Minnesota Department of Public Safety Highway Safety Cluster State and Community Highway Safety	20.600	A-ENFRC18-2018- GOODHUSD-024	23,109 \$	-
National Priority Safety Programs (Total expenditures for Highway Safety Cluster \$31,981)	20.616	A-ENFRC18-2018- GOODHUSD-024	8,872	-
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	A-ENFRC18-2018- GOODHUSD-024	5,282	-
Total U.S. Department of Transportation			\$ 43,820 \$	-

**GOODHUE COUNTY
RED WING, MINNESOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2018**

Federal Grantor Pass-Through Agency Program or Cluster Title	Federal CFDA Number	Pass-Through Grant Numbers	Expenditures	Passed Through to Subrecipients
U.S. Department of Health and Human Services				
Passed Through Minnesota Department of Health				
Public Health Emergency Preparedness	93.069	U90TP000418	\$ 45,232	\$ -
Universal Newborn Hearing Screening	93.251	H61MC00035	3,825	-
Temporary Assistance for Needy Families (Total Temporary Assistance for Needy Families and TANF Cluster 93.558 \$385,468)	93.558	1801MNTANF	25,050	-
Maternal and Child Health Services Block Grant to the States	93.994	B04MC29349	51,314	-
Passed Through Minnesota Department of Human Services				
Promoting Safe and Stable Families	93.556	G-1701MNFPS	12,605	-
Temporary Assistance for Needy Families (Total Temporary Assistance for Needy Families 93.558 \$385,468)	93.558	1801MNTANF	360,418	-
Child Support Enforcement	93.563	1804MNCEST	48,265	-
Child Support Enforcement (Total Child Support Enforcement 93.563 \$985,976)	93.563	1804MNCSES	937,711	-
Child Care and Development Block Grant (Total expenditures for CCDF cluster \$20,952)	93.575	G1801MNCDF	20,952	-
Community-Based Child Abuse Prevention Grants	93.590	G-1702MNFPG	30,393	-
Stephanie Tubbs Jones Child Welfare Services Program	93.645	G-1701MNCWSS	11,865	-
Foster Care - Title IV-E	93.658	G-1801MNFOS	367,086	-
Social Services Block Grant	93.667	G-1801MNSOS	208,054	-
Chafee Foster Care Independence Program	93.674	G-1801MNCILP	10,090	-
Children's Health Insurance Program	93.767	05-1805MN5R21	471	-
Medical Assistance Program (Total expenditures for Medicaid cluster \$1,425,255)	93.778	05-1805MN5ADM	1,425,255	-
Total U.S. Department of Health and Human Services			\$ 3,558,586	\$ -
U.S. Department of Homeland Security				
Passed Through Minnesota Department of Natural Resources				
Boating Safety Financial Assistance	97.012	3315FAS150127	\$ 5,875	\$ -
Emergency Management Performance Grants	97.042	GOODHUCO-026	32,248	-
Total U.S. Department of Homeland Security			\$ 38,123	\$ -
Total Federal Awards			\$ 4,264,116	\$ -

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2018**

1. Reporting Entity

The Schedule of Expenditures of Federal Awards presents the activities of federal award programs expended by Goodhue County. The County's reporting entity is defined in Note 1 to the financial statements.

2. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Goodhue County under programs of the federal government for the year ended December 31, 2018. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of Goodhue County, it is not intended to and does not present the financial position or changes in net position of Goodhue County.

3. Summary of Significant Accounting Policies

Expenditures reported on the schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Goodhue County has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2018**

4. Reconciliation to Schedule of Intergovernmental Revenue

Federal grant revenue per Schedule of Intergovernmental Revenue	\$	4,194,877
Grants deferred in 2018		
State and Community Highway Safety (CFDA #20.600)		377
Minimum Penalties for Repeat Offenders for Driving While Intoxicated (CFDA #20.608)		2,477
Promoting Safe and Stable Families (CFDA #93.556)		2,685
Temporary Assistance for Needy Families (CFDA #93.558)		44,878
Community-Based Child Abuse Prevention Grants (CFDA #93.590)		6,670
Stephanie Tubbs Jones Child Welfare Services Program (CFDA #93.645)		2,550
Chafee Foster Care Independence Program (CFDA #93.674)		2,947
Emergency Management Performance Grants (CFDA #97.042)		6,655
Expenditures per Schedule of Expenditures of Federal Awards	\$	4,264,116

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OTHER INFORMATION SECTION

**GOODHUE COUNTY
RED WING, MINNESOTA
TAX CAPACITY, TAX RATES, LEVIES, AND PERCENTAGE OF COLLECTIONS**

	2017		2018		2019	
	Amount	Net Tax Capacity Rate (%)	Amount	Net Tax Capacity Rate (%)	Amount	Net Tax Capacity Rate (%)
Tax Capacity						
Real property	\$ 71,424,481		\$ 74,806,046		\$ 76,785,087	
Personal property	2,011,198		2,284,411		2,280,936	
Tax increment	(325,969)		(286,312)		(298,635)	
Powerline	(80,583)		(99,201)		(95,797)	
Net Tax Capacity	\$ 73,029,127		\$ 76,704,944		\$ 78,671,591	
Taxes Levied for County Purposes						
General	\$ 19,100,484	27.038	\$ 19,454,339	26.222	\$ 21,968,874	28.714
Road and Bridge	3,925,955	5.376	4,126,069	5.379	4,144,926	5.269
Health and Human Services	5,596,974	7.664	7,044,686	9.184	7,449,751	9.469
Economic Development						
Authority	25,294	0.035	21,994	0.029	26,303	0.033
Debt Service	1,975,365	2.705	1,978,620	2.580	1,975,499	2.511
Waste Management	344,547	0.472	374,292	0.488	398,017	0.506
Total Taxes Levied for County Purposes	\$ 30,968,619	43.290	\$ 33,000,000	43.882	\$ 35,963,370	46.502
Tax Capacity - Light and Power						
Transmission	\$ 61,182		\$ 66,820		\$ 68,148	
Distribution	8,430		9,196		9,378	
Total Tax Capacity - Light and Power	\$ 69,612		\$ 76,016		\$ 77,526	
Light and Power Tax Levies (distributed in accordance with Minn. Stat. § 273.40, as amended)						
Transmission	\$ 97,887		\$ 74,975		\$ 77,087	
Distribution	9,354		10,318		10,608	
Total Light and Power Tax Levies	\$ 107,241	110.959	\$ 85,293	112.204	\$ 87,695	113.117

**GOODHUE COUNTY
RED WING, MINNESOTA
TAX CAPACITY, TAX RATES, LEVIES, AND PERCENTAGE OF COLLECTIONS
(CONTINUED)**

	2017		2018		2019	
	Amount	Net Tax Capacity Rate (%)	Amount	Net Tax Capacity Rate (%)	Amount	Net Tax Capacity Rate (%)
Market Value - Light and Power						
Transmission	\$ 3,096,600		\$ 3,378,500		\$ 3,444,900	
Distribution	421,500		459,800		468,900	
Total Market Value - Light and Power	\$ 3,518,100		\$ 3,838,300		\$ 3,913,800	
Light and Power Tax Market Value Levies						
Transmission	\$ 5,526		\$ 6,263		\$ 8,353	
Distribution	752		852		1,137	
Total Light and Power Tax Market Value Levies	\$ 6,278	0.17845	\$ 7,115	0.18537	\$ 9,490	0.24248
Market Value - State General Tax						
Transmission	\$ 61,182		\$ 66,820		\$ 66,648	
Distribution	8,430		9,196		9,378	
Total Market Value - State General Tax	\$ 69,612		\$ 76,016		\$ 76,026	
State General Tax Market Value Levies						
Transmission	\$ 28,023		\$ 29,311		\$ 28,269	
Distribution	3,861		4,034		3,978	
Total State General Tax Market Value Levies	\$ 31,884	45.802	\$ 33,345	43.865	\$ 32,247	42.416
Percentage of Tax Collections for All Purposes	99.62%		99.60%			

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**STATISTICAL SECTION
(UNAUDITED)**

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STATISTICAL SECTION DECEMBER 31, 2018

This part of Goodhue County'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 County's overall financial health.

Contents:

Financial Trends

These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the County's most significant local revenue source, the property tax.

Debt Capacity

These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the published annual financial reports for the relevant year.

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Goodhue County
Net Position by Component

Last Ten Fiscal Years
(Accrual Basis of Accounting)

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Governmental Activities										
Invested in Capital Assets, Net of Related Debt	\$ 116,725,063	\$ 121,777,217	\$ 127,432,667	\$ 130,134,664	\$ 130,077,471	\$ 135,880,303	\$ 129,239,009	\$ 125,919,390	\$ 124,211,406	\$ 126,807,665
Restricted	2,960,641	3,024,708	2,806,336	2,412,619	2,110,746	31,692,739	5,701,457	5,797,671	5,598,582	7,388,914
Unrestricted	29,158,488	30,866,311	30,452,670	33,117,801	32,361,609	3,249,469	17,578,412	14,711,524	14,562,620	16,017,495
Total Primary Government Net Position	\$ 148,844,192	\$ 155,668,236	\$ 160,691,673	\$ 165,665,084	\$ 164,549,826	\$ 170,822,511	\$ 152,518,878	\$ 146,428,585	\$ 144,372,608	\$ 150,214,074

**Goodhue County
Changes in Net Position**

**Last Ten Fiscal Years
(Accrual Basis of Accounting)**

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Expenses										
Governmental Activities										
General Government	\$ 8,951,654	\$ 9,586,054	\$ 9,508,528	\$ 9,601,229	\$ 10,166,886	\$ 12,872,848	\$ 12,108,499	\$ 12,925,685	\$ 12,882,488	\$ 11,183,567
Public Safety	11,954,970	11,146,247	11,664,141	11,823,758	12,341,409	13,021,732	13,626,610	16,914,804	16,085,482	14,548,058
Highways and Streets	9,448,610	7,380,527	7,989,220	9,778,522	16,202,194	8,605,987	16,042,500	15,988,827	12,431,568	11,410,425
Sanitation	907,992	723,854	1,086,288	786,078	689,583	763,417	682,309	785,491	682,915	1,339,641
Human Services	10,396,287	8,875,645	9,585,301	9,462,127	9,689,420	10,013,359	10,933,174	12,521,486	13,263,433	12,592,187
Health	4,008,035	2,889,026	2,947,593	2,605,568	2,340,880	2,650,021	3,053,450	4,009,596	3,463,802	3,699,283
Culture and Recreation	634,611	777,308	632,536	591,272	583,585	687,744	758,214	643,907	744,733	806,522
Conservation of Natural Resources	618,175	796,319	699,951	691,527	685,989	707,371	742,202	718,033	772,220	722,000
Economic Development	389,188	287,518	60,189	108,427	206,740	81,032	58,793	27,672	28,365	37,736
Interest	400,486	346,079	306,301	219,033	322,599	200,741	532,095	559,537	499,107	531,756
Total Governmental Activities Expenses	\$ 47,710,008	\$ 42,808,577	\$ 44,480,048	\$ 45,667,541	\$ 53,231,285	\$ 49,604,252	\$ 58,537,846	\$ 65,095,038	\$ 60,854,113	\$ 56,871,175

Program Revenues

Governmental Activities										
Fees, Charges, Fines and Other										
General Government	\$ 1,703,439	\$ 1,962,722	\$ 1,828,363	\$ 1,557,806	\$ 1,696,629	\$ 1,615,796	\$ 1,809,888	\$ 1,925,997	\$ 2,212,528	\$ 2,222,070
Public Safety	1,934,244	1,150,842	979,798	1,332,227	1,129,708	1,640,103	2,244,780	2,305,994	2,433,957	1,842,846
Highways and Streets	54,261	159,228	51,270	170,268	161,352	40,736	59,493	276,882	109,235	510,872
Sanitation	206,127	380,080	405,876	316,856	252,670	237,027	181,881	232,778	281,796	234,866
Human Services	1,534,237	1,685,391	1,207,438	1,365,753	1,350,361	1,108,800	1,046,842	920,149	1,190,806	1,385,015
Health	2,376,243	1,361,371	763,843	705,641	730,665	584,869	728,031	875,477	803,375	965,491
Culture and Recreation						400				
Conservation of Natural Resources	1,539	5			19,080	102,490	111,148	105,476	108,720	98,314
Economic Development	1,000		397,790	57,835	165,505	56,061	32,439	111,986	10,783	10,783
Total Fees, Charges, Fines and Other	\$ 7,811,090	\$ 6,699,639	\$ 5,634,378	\$ 5,506,386	\$ 5,505,970	\$ 5,386,282	\$ 6,214,502	\$ 6,754,739	\$ 7,151,200	\$ 7,270,257
Operating Grants and Contributions										
General Government	\$ 181,216	\$ 305,585	\$ 660,193	\$ 376,136	\$ 224,147	\$ 236,897	\$ 162,316	\$ 248,217	\$ 261,106	\$ 407,103
Public Safety	1,563,822	2,164,493	1,520,453	1,216,749	1,051,432	1,214,876	1,257,779	1,112,610	1,091,408	1,224,731
Highways and Streets	5,157,963	5,415,018	6,109,592	6,923,838	8,574,915	6,742,017	7,339,939	8,939,751	5,960,131	7,665,246
Sanitation	126,111	114,346	125,123	119,603	6,121	6,669	328	515,745	139,486	132,347
Human Services	5,003,310	4,983,389	4,714,379	4,930,786	4,732,170	5,874,129	6,017,606	5,449,858	6,004,090	6,050,927
Health	749,393	913,813	1,556,404	1,171,114	1,376,401	1,288,934	1,693,652	2,165,759	2,022,662	2,332,595
Culture and Recreation						153,316	224,120	43,766	153,103	96,669
Conservation of Natural Resources	222,283	253,708	210,663	236,476	206,118	175,668	205,723	324,270	152,555	122,129
Economic Development	356,720	260,673			253,285		3,356			
Total Operating Grants and Contributions	\$ 13,360,818	\$ 14,411,025	\$ 14,896,807	\$ 14,974,702	\$ 16,424,589	\$ 15,694,506	\$ 16,904,819	\$ 18,799,976	\$ 15,784,541	\$ 18,031,747

Goodhue County
Changes in Net Position

Last Ten Fiscal Years
(Accrual Basis of Accounting) (continued)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Capital Grants and Contributions										
General Government	\$ -	\$ 14,275	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public Safety	-	-	26,029	-	-	-	-	256,250	-	-
Highways and Streets	2,525,370	158,347	101,018	571,343	433,418	4,013,215	728,382	296,771	1,309,506	1,350,171
Conservation of Natural Resources	18,582	135,543	-	21,308	-	-	-	-	-	-
Total Capital Grants and Contributions	\$ 2,543,952	\$ 308,165	\$ 127,047	\$ 592,651	\$ 433,418	\$ 4,013,215	\$ 728,382	\$ 553,021	\$ 1,309,506	\$ 1,350,171
Total Governmental Activities Program Revenues	\$ 23,715,860	\$ 21,418,829	\$ 20,658,232	\$ 21,073,739	\$ 22,363,977	\$ 25,094,003	\$ 23,847,703	\$ 26,107,736	\$ 24,245,247	\$ 26,652,175
Total Governmental Activities net (expense)/revenue	\$ (23,994,148)	\$ (21,389,748)	\$ (23,821,816)	\$ (24,593,802)	\$ (30,867,308)	\$ (24,510,249)	\$ (34,690,143)	\$ (38,987,302)	\$ (36,608,866)	\$ (30,219,000)
General Revenues and Other Change in Net Assets										
Property Taxes	\$ 25,221,707	\$ 24,792,341	\$ 24,978,475	\$ 26,698,457	\$ 26,934,798	\$ 27,361,094	\$ 27,805,768	\$ 28,972,660	\$ 30,814,589	\$ 32,742,941
Local Option Sales Taxes	-	-	-	-	-	-	-	-	-	-
Other Taxes	249,733	269,572	329,120	358,592	388,075	851,453	837,933	857,204	915,573	903,798
Grants and Contributions	3,186,011	2,433,012	2,619,221	1,761,042	1,805,146	2,085,821	2,200,257	2,301,779	2,093,557	2,530,927
Unrestricted Investment Earnings	604,629	276,383	378,255	214,448	225,946	144,985	177,993	235,490	162,724	373,231
Miscellaneous	241,164	432,070	515,166	529,607	387,739	277,107	600,805	529,876	559,808	606,187
Gain on Sale of Capital Assets	21,006	10,414	25,016	5,067	10,346	62,474	13,940	-	6,638	32,451
Special Item: Sale of Home Health Care Division	456,000	-	-	-	-	-	-	-	-	-
Total Governmental Activities	\$ 29,980,250	\$ 28,213,792	\$ 28,845,253	\$ 29,567,213	\$ 29,752,050	\$ 30,782,934	\$ 31,636,696	\$ 32,897,009	\$ 34,552,889	\$ 37,189,535
Change in Net Position, Governmental Activities	\$ 5,986,102	\$ 6,824,044	\$ 5,023,437	\$ 4,973,411	\$ (1,115,258)	\$ 6,272,685	\$ (3,053,447)	\$ (6,090,293)	\$ (2,055,977)	\$ 6,970,535

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**Goodhue County
Fund Balances of Governmental Funds**

Last Ten Fiscal Years

(Modified Accrual Basis of Accounting)

General Fund	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Reserved	\$ 1,437,994	\$ 1,580,310	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	18,525,391	18,021,372	-	-	-	-	-	-	-	-
Nonspendable	-	-	319,785	207,231	288,273	248,047	337,477	349,935	429,636	241,676
Restricted	-	-	1,290,029	1,124,397	1,027,992	902,692	5,065,181	979,407	1,264,290	1,432,165
Committed	-	-	6,131,975	6,208,186	4,835,089	3,168,676	3,958,913	4,765,685	2,382,839	5,451,214
Assigned	-	-	2,427,444	2,436,246	2,405,606	2,398,234	1,882,056	1,664,437	1,967,570	2,250,079
Unassigned	-	-	7,680,519	10,259,506	10,435,915	11,209,969	11,238,959	12,273,309	14,654,397	12,286,966
Total General Fund	\$ 19,963,385	\$ 19,601,682	\$ 17,849,752	\$ 20,235,566	\$ 18,992,875	\$ 17,927,618	\$ 22,482,586	\$ 20,032,773	\$ 20,698,732	\$ 21,662,100
All Other Governmental Funds										
Reserved	\$ 1,618,631	\$ 1,349,430	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, Reported in:										
Special Revenue Funds	9,210,027	10,675,057	-	-	-	-	-	-	-	-
Debt Service Funds	3,956,830	4,042,017	-	-	-	-	-	-	-	-
Nonspendable, Reported in:										
Road and Bridge Fund	-	-	498,205	446,647	379,376	567,003	474,952	466,525	534,893	487,508
Health and Human Services Fund	-	-	109,488	10,355	115,858	120,694	129,839	113,053	159,254	33,723
Economic Development Authority Fund	-	-	399,000	391,318	-	-	-	-	-	-
Waste Management Fund	-	-	4,719	15	4,414	4,294	3,973	4,066	4,322	31
Restricted, Reported in:										
Road and Bridge Fund	-	-	-	3,031,402	-	2,313,297	-	-	-	-
Economic Development Authority Fund	-	-	57,320	98,219	610,992	607,797	604,283	604,283	604,283	546,963
Debt Service Fund	-	-	490,500	490,533	-	99,615	199,231	298,846	398,461	498,077
Waste Management Fund	-	-	218,884	219,667	218,395	218,722	219,051	219,380	219,708	220,039
Committed, Reported in:										
Road and Bridge Fund	-	-	1,786,567	1,440,195	1,417,128	405,585	357,189	495,437	493,029	440,613
Health and Human Services Fund	-	-	446,679	446,679	259,179	259,179	150,550	150,550	150,550	150,550
Economic Development Authority Fund	-	-	44,610	45,419	46,908	52,663	49,616	163,892	182,615	242,173
Debt Service Fund	-	-	4,130,427	4,290,890	3,967,843	2,343,103	2,352,457	2,242,104	2,350,136	2,400,531
Waste Management Fund	-	-	125,675	69,175	35,075	35,075	35,075	35,075	35,075	35,075
Assigned, Reported in:										
Road and Bridge Fund	-	-	3,119,635	3,533,198	2,864,891	5,210,647	5,768,048	6,375,892	7,974,421	7,905,914
Health and Human Services Fund	-	-	4,951,660	5,006,986	5,144,508	6,623,508	7,573,958	7,074,492	5,541,813	7,011,831
Debt Service Fund	-	-	-	-	400,556	-	-	-	-	-
Waste Management Fund	-	-	280,729	234,446	138,280	77,807	-	471,889	557,078	587,447
Unassigned, Reported in Waste Management Fund	-	-	-	-	-	-	(74,818)	-	-	-
Total All Other Governmental Funds	\$ 14,785,488	\$ 16,066,504	\$ 16,664,098	\$ 19,755,144	\$ 15,603,403	\$ 18,938,989	\$ 17,843,860	\$ 18,715,940	\$ 19,205,638	\$ 20,560,475

Goodhue County
Changes in Fund Balances of Governmental Funds

	Last Ten Fiscal Years									
	(Modified Accrual Basis of Accounting)									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Revenues										
Taxes	\$25,276,027	\$24,806,114	\$25,205,529	\$26,940,462	\$27,176,405	\$28,045,751	\$28,411,586	\$29,826,638	\$31,512,646	\$33,425,562
Special Assessments	18,582	26,386	16,021	24,883	6,344	26,588	18,134	19,038	7,180	4,940
Licenses and Permits	335,254	184,872	215,305	269,000	315,224	320,917	414,210	477,089	585,254	520,900
Intergovernmental	18,763,939	17,261,870	17,735,869	18,148,681	18,632,931	22,026,741	17,064,862	21,786,115	20,167,145	20,994,662
Charges for Services	5,765,121	4,490,270	3,276,671	3,698,452	3,532,105	3,540,598	4,337,012	4,076,830	4,482,185	4,374,816
Fines and Forfeits	19,476	16,347	16,499	20,390	16,573	14,643	15,927	12,512	12,177	13,010
Gifts and Contributions	27,697	10,823	41,229	60,553	33,143	43,698	33,251	89,924	113,720	39,478
Investment Earnings	605,399	273,420	374,304	210,509	221,845	144,502	178,686	236,131	162,950	373,773
Miscellaneous	2,110,200	2,642,159	2,412,101	2,195,040	2,161,931	2,016,336	2,150,153	2,168,038	2,388,478	2,491,716
Total Revenues	\$52,921,695	\$49,712,261	\$49,293,528	\$51,567,970	\$52,096,501	\$56,179,774	\$52,623,821	\$58,692,315	\$59,431,735	\$62,238,857
Expenditures										
General Government	\$ 9,590,435	\$ 9,400,044	\$10,771,631	\$ 9,242,536	\$10,427,458	\$11,607,915	\$16,729,313	\$13,625,210	\$12,360,210	\$11,708,827
Public Safety	13,146,582	12,105,129	12,105,373	11,877,029	11,765,643	12,629,168	13,250,058	13,620,842	13,776,416	14,440,466
Highways and Streets	9,980,327	10,027,790	10,070,300	13,742,617	16,755,322	19,197,616	11,234,340	12,615,176	10,547,023	12,597,468
Sanitation	711,835	744,837	856,450	853,499	706,612	857,695	689,903	735,911	688,106	721,532
Human Services	10,022,039	9,439,752	10,059,461	10,239,831	10,662,549	11,100,757	11,028,616	12,445,627	13,858,373	12,746,523
Health	3,951,238	2,952,202	2,971,586	2,631,962	2,421,166	2,723,168	3,061,863	3,322,008	3,279,038	3,661,415
Culture and Recreation	619,005	761,702	616,930	582,402	854,195	684,037	754,507	640,200	753,926	864,826
Conservation of Natural Resources	615,957	790,877	695,138	689,545	685,756	706,960	736,978	711,804	770,632	719,155
Economic Development	389,188	287,518	60,189	108,427	206,740	81,032	58,793	27,672	28,365	37,736
Debt Service										
Principal	1,588,640	1,633,753	1,664,958	1,730,882	2,302,600	1,885,288	1,745,411	1,395,535	1,305,661	1,361,492
Interest/Other	342,525	289,459	251,291	246,583	204,498	225,868	245,706	673,220	536,953	570,064
Intergovernmental Highways and Streets	323,003	346,751	375,874	451,603	407,913	421,804	446,646	462,724	464,177	542,701
Total Expenditures	\$51,280,774	\$48,779,814	\$50,499,181	\$52,396,916	\$57,400,452	\$62,121,308	\$59,982,134	\$60,275,929	\$58,368,880	\$59,972,205
Excess of Revenues Over/(Under) Expenditures	\$ 1,640,921	\$ 932,447	\$ (1,205,653)	\$ (828,946)	\$ (5,303,951)	\$ (5,941,534)	\$ (7,358,313)	\$ (1,583,614)	\$ 1,062,855	\$ 2,266,652

Goodhue County
Changes in Fund Balances of Governmental Funds

	Last Ten Fiscal Years									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
	(Modified Accrual Basis of Accounting) (continued)									
Other Financing Sources/(Uses)										
Proceeds from Borrowing	\$ -	\$ -	\$ -	\$ 6,360,000	\$ -	\$ 7,760,000	\$ 10,720,000	\$ -	\$ -	\$ -
Bond Premiums	-	-	-	-	-	195,606	176,507	-	-	-
Bond Discounts	-	-	-	(36,099)	-	-	-	-	-	-
Proceeds from Sale of Capital Assets	10,703	30,552	25,015	5,067	10,346	62,474	13,940	19,389	25,914	60,748
Total Other Financing Sources/(Uses)	\$ 10,703	\$ 30,552	\$ 25,015	\$ 6,328,968	\$ 10,346	\$ 8,018,080	\$ 10,910,447	\$ 19,389	\$ 25,914	\$ 60,748
Special Item - Sale of Home Health Care Division	\$ 456,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Increase/(Decrease) in Inventories	87,794	(43,686)	26,302	(23,162)	(100,827)	193,783	(92,295)	(13,508)	66,888	(9,195)
Net Change in Fund Balances	\$ 2,195,418	\$ 919,313	\$ (1,154,336)	\$ 5,476,860	\$ (5,394,432)	\$ 2,270,329	\$ 3,459,839	\$ (1,577,733)	\$ 1,155,657	\$ 2,318,205

Debt Service as a Percentage of Noncapital Expenditures	4.56%	4.96%	4.86%	4.88%	5.21%	4.90%	4.21%	3.95%	3.51%	3.84%
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**TAX CAPACITY BY CLASSIFICATION, ESTIMATED MARKET VALUE AND TAXABLE MARKET VALUE LAST TEN FISCAL YEARS
LAST TEN FISCAL YEARS**

Payble Year	Tax Capacity			Commercial/ Industrial	Railroad	Utilities	Personal Property	Tax Increment	Power Line	Total Net Tax Capacity	Total Estimated Market Value	Total Taxable Market Value	Total Net Tax Capacity as a Percentage of Taxable Market Value
	Agriculture	Residential	Commercial/ Industrial										
2009	\$13,947,186	\$30,220,043	\$ 8,429,993	\$62,267	\$8,240,848	\$ -	\$687,117	\$(1,778,360)	\$ -	\$ 59,809,094	\$5,860,673,800	\$ 5,718,863,000	1.05%
2010	14,523,065	29,913,580	8,536,993	77,547	7,948,449	-	695,395	(1,145,795)	-	\$ 60,549,234	5,825,657,600	5,761,134,300	1.05%
2011	13,997,011	28,934,807	8,629,270	88,009	8,330,184	-	774,471	(1,023,781)	-	\$ 59,729,971	5,701,572,800	5,651,330,200	1.06%
2012	14,273,354	25,291,851	8,272,429	110,531	8,656,516	-	808,867	(942,736)	-	\$ 56,470,812	5,681,089,000	5,346,648,900	1.06%
2013	15,637,155	24,433,361	8,074,250	123,539	10,501,656	-	905,916	(784,517)	-	\$ 58,891,360	5,862,563,400	5,532,278,000	1.06%
2014	20,120,729	23,782,264	8,024,795	129,549	10,325,063	-	916,571	(469,659)	-	\$ 62,829,312	6,361,821,100	6,042,728,900	1.04%
2015	19,300,318	24,279,653	8,289,669	125,942	13,833,642	-	981,850	(405,072)	-	\$ 66,406,002	6,577,103,200	6,258,792,500	1.06%
2016	18,704,154	25,062,987	8,451,305	138,491	16,205,578	(8,768)	1,109,849	(363,705)	(8,768)	\$ 69,299,891	6,733,599,100	6,420,393,000	1.08%
2017	18,563,911	26,189,150	8,592,202	191,939	17,887,279	(80,583)	2,011,198	(325,969)	(80,583)	\$ 73,029,127	6,938,736,400	6,629,508,100	1.10%
2018	18,896,076	27,605,370	8,859,070	245,164	19,200,356	(99,201)	2,284,411	(286,312)	(99,201)	\$ 76,704,934	7,194,510,600	6,891,185,000	1.11%

Source: Goodhue County Finance & Taxpayer Services

**GOODHUE COUNTY
RED WING, MINNESOTA**

**PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS (PER \$1,000 OF TAX CAPACITY)
LAST TEN YEARS**

Tax Year	Goodhue County			Average rates within each classification		
	General	Bonds	Total	Cities/ Townships	School Districts	Special Districts
2009	41.052	3.357	44.409	26.717	19.354	1.216
2010	40.586	3.320	43.906	26.742	19.825	1.185
2011	41.532	3.371	44.903	28.729	21.379	1.185
2012	44.758	3.607	48.365	31.779	22.647	1.245
2013	43.354	3.436	46.790	32.594	22.244	0.765
2014	41.377	3.134	44.511	31.369	20.607	0.712
2015	40.135	3.011	43.146	31.704	22.241	0.729
2016	39.935	2.851	42.786	32.920	22.688	0.780
2017	40.585	2.705	43.290	32.671	21.992	0.914
2018	41.302	2.580	43.882	32.232	22.071	0.972
Tax Year 2018						
Number of taxing districts				31	12	5
Minimum levy rate				10.645	14.447	0.662
Maximum levy rate				94.746	38.007	1.249

Note: Special Districts include Housing and Redevelopment Authorities, Port Authority and Watersheds

Source: Goodhue County Finance & Taxpayer Services

**GOODHUE COUNTY
RED WING, MINNESOTA**

**TEN LARGEST TAXPAYERS
CURRENT YEAR AND NINE YEARS PRIOR**

2018 Tax Capacity Value

Taxpayer	Type of Business	Rank	Estimated Market Value	2018 Tax Capacity Value	Percentage of Total Tax Capacity Value
Northern States Power Company	Utilities	1	\$ 1,018,019,300	\$ 20,353,264	26.53%
S MN Municipal Power Agency	Utilities	2	19,000,000	379,250	0.49%
Mayo Clinic Health System-RW	Commercial	3	15,598,500	264,591	0.34%
SOO Line Railroad Company	RR/Commercial	4	11,583,300	230,916	0.30%
Red Wing Shoe Co Inc	Commercial	5	9,934,100	193,031	0.25%
Menards Inc	Commercial	6	9,848,300	192,740	0.25%
Wal-Mart Stores Inc	Commercial	7	9,407,700	187,404	0.24%
Dairyland Power Cooperative	Utilities	8	9,312,400	185,498	0.24%
Minnesota Energy Resources Corp	Utilities	9	8,034,800	159,946	0.21%
Inland American Zumbrota Atlas	Industrial	10	7,778,800	154,826	0.20%
TOTALS			\$ 1,118,517,200	\$ 22,301,466	29.07%

Total Tax Capacity Value

\$ 76,704,934

2009 Tax Capacity Value

Taxpayer	Type of Business	Rank	Estimated Market Value	2018 Tax Capacity Value	Percentage of Total Tax Capacity Value
Northern States Power Company	Utilities	1	\$ 429,050,500	\$ 8,576,590	14.34%
Wal-Mart Stores Inc	Commercial	2	12,088,300	241,016	0.40%
Menards Inc	Commercial	3	10,907,300	213,890	0.36%
Mayo Clinic Health System-RW	Commercial	4	10,007,700	192,138	0.32%
Inland American Zumbrota Atlas	Industrial	5	8,567,700	170,604	0.29%
Target Corporation	Commercial	6	8,455,700	168,364	0.28%
Red Wing Shoe Co Inc	Commercial	7	8,255,700	161,623	0.27%
M&E Realty Co	Commercial	8	6,808,900	133,928	0.22%
Land O Lakes Inc	Industrial	9	5,736,800	113,986	0.19%
Cannon Falls Senior LLC	Residential	10	10,313,800	103,138	0.17%
TOTALS			\$ 510,192,400	\$ 10,075,277	16.85%

Total Tax Capacity Value

\$ 59,809,094

Source: Goodhue County Finance & Taxpayer Services

**GOODHUE COUNTY
RED WING, MINNESOTA**

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

Fiscal Year	Tax Levied for the Fiscal Year		Collection within the Fiscal Year of the Levy		Collections in Subsequent		Total Collections to Date		Outstanding Delinquent (net of abatements)	
	Amount	Percentage of Levy	Amount (1)	Percentage of Levy	Amount	Percentage of Levy	Amount (1)	Percentage of Levy	Amount	Percentage of Levy
2009	\$ 24,495,224	97.98%	\$23,999,784	97.98%	\$ 492,665		\$24,492,449	99.99%	\$ 2,775	0.01%
2010	24,497,229	97.94%	23,993,321	97.94%	501,549		\$24,494,870	99.99%	2,359	0.01%
2011	24,679,142	98.39%	24,281,840	98.39%	391,072		\$24,672,912	99.97%	6,230	0.03%
2012	26,377,824	98.86%	26,078,308	98.86%	292,894		\$26,371,202	99.97%	6,622	0.03%
2013	26,632,321	99.04%	26,376,609	99.04%	248,138		\$26,624,747	99.97%	7,573	0.03%
2014	27,082,874	99.10%	26,838,856	99.10%	234,700		\$27,073,556	99.97%	9,318	0.03%
2015	27,516,465	99.03%	27,249,428	99.03%	250,656		\$27,500,084	99.94%	16,381	0.06%
2016	28,460,055	99.16%	28,221,384	99.16%	212,520		\$28,433,904	99.91%	26,151	0.09%
2017	30,490,926	99.36%	30,295,709	99.36%	144,597		\$30,440,306	99.83%	50,620	0.17%
2018	32,525,678	99.28%	32,291,225	99.28%	-		\$32,291,225	99.28%	234,453	0.72%

Note:

(1) Does not include interest and penalties

Source: Goodhue County Finance & Taxpayer Services

**GOODHUE COUNTY
RED WING, MINNESOTA**

**RATIOS OF OUTSTANDING DEBT TO PERSONAL INCOME
AND DEBT PER CAPITA
LAST TEN FISCAL YEARS**

Fiscal Year	Governmental Activities:				Total	Personal Income (1)	Ratio of Debt To Personal Income		Population (1)	Debt Per Capita
	General Obligation Bonds	General Obligation Revenue Bonds	G.O Special Assessments				To Personal Income			
2009	\$ 6,575,034	\$ 2,414,117	\$ 221,482	\$ 9,210,633	\$1,750,561,000	1%		46,035	\$ 200	
2010	5,576,796	1,844,338	214,233	7,635,367	1,829,767,000	0%		46,212	\$ 165	
2011	4,548,559	1,254,559	206,869	6,009,987	1,949,444,000	0%		46,103	\$ 130	
2012	9,806,600	639,779	185,987	10,632,366	2,075,490,000	1%		46,148	\$ 230	
2013	8,188,073	-	163,387	8,351,460	2,054,709,000	0%		46,110	\$ 181	
2014	14,285,521	-	138,099	14,423,620	2,175,192,000	1%		46,003	\$ 314	
2015	23,465,035	-	112,688	23,577,723	2,253,642,000	1%		46,033	\$ 512	
2016	22,078,481	-	87,153	22,165,634	2,222,740,000	1%		46,240	\$ 479	
2017	20,769,319	-	61,492	20,830,811	2,300,472,000	1%		46,304	\$ 450	
2018	19,440,158	-	-	19,440,158	n/a	n/a		n/a	n/a	

Source: US. Bureau of Economic Analysis (1); Goodhue County Finance & Taxpayer Services

**GOODHUE COUNTY
RED WING, MINNESOTA**

**RATIOS OF NET BONDED DEBT TO ESTIMATED MARKET VALUE
AND NET BONDED DEBT PER CAPITA
LAST TEN FISCAL YEARS**

Fiscal Year	General Obligation Bonds		General Revenue Bonds	Total Bonded Debt	Amounts Available in Fund		Net Bonded Debt	Estimated Market Value	Net Bonded Debt to Market Value		Population (1)	Net Bonded Debt per Capita
	Bonds	Bonds			Bonds	Fund			Debt	Market Value		
2009	\$6,575,034	\$2,414,117	\$8,989,151	n/a	\$8,989,151	\$5,860,673,800	0.15%	46,035	195.27			
2010	5,576,796	1,844,338	7,421,134	n/a	7,421,134	5,825,657,600	0.13%	46,212	160.59			
2011	4,548,559	1,254,559	5,803,118	n/a	5,803,118	5,701,572,800	0.10%	46,103	125.87			
2012	9,806,600	639,779	10,446,379	n/a	10,446,379	5,681,089,000	0.18%	46,148	226.37			
2013	8,188,073	-	8,188,073	n/a	8,188,073	5,862,563,400	0.14%	46,110	177.58			
2014	14,285,521	-	14,285,521	99,615	14,185,906	6,361,821,100	0.22%	46,003	308.37			
2015	23,465,035	-	23,465,035	199,230	23,265,805	6,577,103,200	0.35%	46,033	505.42			
2016	22,078,481	-	22,078,481	298,845	21,779,636	6,733,599,100	0.32%	46,240	471.01			
2017	20,769,319	-	20,769,319	398,460	20,370,859	6,938,736,400	0.29%	46,304	439.94			
2018	19,440,158	-	19,440,158	498,075	18,942,083	7,194,510,600	0.26%	n/a	n/a			

Source: US. Bureau of Economic Analysis (1); Goodhue County Finance & Taxpayer Services

**GOODHUE COUNTY
RED WING, MINNESOTA**

**DIRECT AND OVERLAPPING DEBT
December 31, 2018**

	Net G.O. Debt Outstanding	Applicable to Goodhue County	
		Percent (1)	Amount
Cities			
City of Bellechester	\$ 267,000	100.00%	\$ 267,000
City of Cannon Falls	16,383,909	100.00%	16,383,909
City of Dennison	380,000	89.35%	339,530
City of Goodhue	3,785,000	100.00%	3,785,000
City of Kenyon	4,610,215	100.00%	4,610,215
City of Lake City	7,550,000	22.70%	1,713,850
City of Pine Island	11,543,000	72.85%	8,409,076
City of Red Wing	47,557,000	100.00%	47,557,000
City of Wanamingo	5,039,000	100.00%	5,039,000
City of Zumbrota	815,000	100.00%	815,000
Total Cities	97,930,124		88,919,580
Independent School Districts			
No. 195	5,355,000	12.52%	670,446
No. 200	81,067,524	0.09%	72,961
No. 252	23,555,000	95.06%	22,391,383
No. 253	1,675,000	95.32%	1,596,610
No. 255	39,315,000	45.76%	17,990,544
No. 256	26,400,000	100.00%	26,400,000
No. 656	14,315,228	0.05%	7,158
No. 659	28,255,000	0.97%	274,074
No. 813	28,310,000	27.05%	7,657,855
No. 2125	10,410,000	1.11%	115,551
No. 2172	20,865,000	89.72%	18,720,078
No. 2805	9,520,000	73.36%	6,983,872
Total Independent School Districts	289,042,752		102,880,532
Special Taxing Districts			
Bear Valley Watershed	-	100.00%	-
Belle Creek Watershed	-	100.00%	-
Red Wing HRA	2,615,000	100.00%	2,615,000
Red Wing Port Authority	-	100.00%	-
SEMMCHRA	4,905,621	100.00%	4,905,621
Total Special Taxing Districts	7,520,621		7,520,621
Goodhue County	19,170,000	100.00%	19,170,000
Total	\$ 413,663,497		\$ 218,490,733

Note:

(1) Determined by the portion of long-term debt which is secured by taxable real estate within Goodhue County.

Source: Goodhue County Finance & Taxpayer Services

**GOODHUE COUNTY
RED WING, MINNESOTA**

**LEGAL DEBT MARGIN
LAST TEN FISCAL YEARS**

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Market Valuation of Taxable Property	\$5,860,673,800	\$5,825,657,600	5,701,572,800	5,681,089,000	5,862,563,400	6,361,821,100	6,577,103,200	6,733,599,100	6,938,736,400	7,194,510,600
Legal Debt Percentage Allowed (1)	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Debt Limit	175,820,214	174,769,728	171,047,184	170,432,670	175,876,902	190,854,633	197,313,096	202,007,973	208,162,092	215,835,318
Amount of Debt applicable to Debt Limit										
General Obligation Debt	8,989,151	7,421,134	5,803,118	10,446,379	8,188,073	14,285,521	23,465,035	22,078,481	20,769,319	19,440,158
Less: Amount Available in Debt Service Funds	-	-	-	-	-	99,615	199,230	298,845	398,460	498,075
Total Debt Applicable to Limit	8,989,151	7,421,134	5,803,118	10,446,379	8,188,073	14,185,906	23,265,805	21,779,636	20,370,859	18,942,083
Legal Debt Margin	\$ 166,831,063	\$ 167,348,594	\$ 165,244,066	\$ 159,986,291	\$ 167,688,829	\$ 176,668,727	\$ 174,047,291	\$ 180,228,337	\$ 187,791,233	\$ 196,893,235
Percent of Legal Debt Incurred	5.11%	4.25%	3.39%	6.13%	4.66%	7.49%	11.89%	10.93%	9.98%	9.01%

Notes:

(1) Minnesota Statute Section 475.53, Subd. 1 Limit on Net Debt: Except as otherwise provided in sections 475.51 to 475.74, no municipality except a school district or a city of the first class, shall incur or be subject to a net debt in excess of three percent of the estimated market value of taxable property.

Market Value of taxable property Source: Goodhue County Finance & Taxpayer Services

**GOODHUE COUNTY
RED WING, MINNESOTA**

**DEMOGRAPHIC AND ECONOMIC INFORMATION
LAST TEN FISCAL YEARS**

Fiscal Year	Population (1)	Personal Income (1)	Per Capita Income	Unemployment Rate (2)
2009	46,035	\$ 1,750,561,000	\$ 38,027	7.6%
2010	46,212	1,829,767,000	39,595	7.0%
2011	46,103	1,949,444,000	42,285	6.0%
2012	46,148	2,075,490,000	44,975	5.2%
2013	46,110	2,054,709,000	44,561	4.7%
2014	46,003	2,175,192,000	47,284	3.9%
2015	46,033	2,253,642,000	48,957	3.5%
2016	46,240	2,222,740,000	48,070	3.7%
2017	46,304	2,300,472,000	49,682	3.2%
2018	n/a	n/a	n/a	2.7%

Notes:

(1) Source: U.S. Bureau of Economic Analysis

(2) Source: Minnesota Employment and Economic Development

n/a: data not available at time of printing

GOODHUE COUNTY
RED WING, MINNESOTA
MAJOR EMPLOYMENT INDUSTRIES IN GOODHUE COUNTY
CURRENT YEAR AND NINE YEARS AGO

Industry	2018		2009	
	Annual Average	Percentage of Total County Employment	Annual Average	Percentage of Total County Employment
Natural Resources and mining	413	1.9%	360	1.7%
Construction	919	4.3%	671	3.2%
Manufacturing	4,487	20.8%	3,667	17.4%
Trade, transportation and utilities				
Utilities	756		851	
Wholesale trade	719		734	
Retail trade	2,189		2,376	
Transportation and warehousing	676		699	
	4,340	20.1%	4,660	22.2%
Information	138	0.6%		
Financial activities	511	2.4%	638	3.0%
Professional and business services				
Professional, scientific and technical services	342		365	
Management of companies and enterprises	274		240	
Administrative and waste management services	480		808	6.7%
	1,096	5.1%		
Education and health services	4,304	20.0%	4,406	21.0%
Leisure and hospitality	3,405	15.8%	3,268	15.6%
Other services	665	3.1%	689	3.3%
Public administration				
Executive, Legislative, other general government	1,001		986	
Justice, Public Order, Safety	223		218	
Environmental Quality	20		13	
Housing and Economic Development	23		29	
	1,267	5.9%	1,246	5.9%
Total Employment	21,545	100.0%	21,018	100.0%

Source: Minnesota Department of Economic Development, Labor Market Information

**GOODHUE COUNTY
RED WING, MINNESOTA**

FULL TIME EQUIVALENT EMPLOYEES BY DEPARTMENT

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Fund										
Commissioners	5	5	5	5	5	5	5	5	5	6
Administration	3	3	3	3	3	3	3	3	3	3
Auditor/Treasurer	6	5	6	6	6	6	6	5	5	8
Assessor	11	10	10	10	12	11	9	11	11	15
Human Resources	3	3	3	3	4	4	3	3	4	4
Information Technology	6	6	8	6	6	6	6	6	6	6
Attorney	13	14	13	13	14	14	15	15	15	15
Recorder	5	5	5	6	5	5	4	4	4	4
Surveyor	2	2	3	3	3	3	3	4	4	4
GIS	2	2	2	2	2	2	3	3	2	4
Facility Maintenance	9	7	9	8	8	8	8	8	9	9
Veterans Service	2	2	2	2	2	2	2	2	2	2
Zoning	10	10	10	10	11	11	9	10	11	12
Sheriff	111	104	104	105	106	44	43	43	47	46
Boat & Water	-	-	-	-	-	1	1	2	2	3
Jail Operations	-	-	-	-	-	47	42	44	47	45
Dispatch	-	-	-	-	-	12	12	12	12	12
Court Services	12	12	13	13	13	12	12	12	11	11
OEM	1	1	1	1	1	1	1	1	1	1
Extention	1	1	1	1	1	1	1	1	1	1
Total General Fund	202	192	198	197	202	198	188	194	202	211
Road and Bridge Fund										
Public Works	31	28	28	29	32	-	-	-	-	-
Public Works Maintenance	-	-	-	-	-	18	16	18	18	17
Public Works Construction	-	-	-	-	-	6	5	5	6	6
Public Works Administration	-	-	-	-	-	3	3	3	3	3
Public Works Equipment Maintenance	-	-	-	-	-	2	1	1	1	1
Health and Human Services Fund										
Income Maintenance	N/A	31	32	37	39	39	39	41	45	42
Social Services	N/A	29	31	26	25	22	24	24	26	26
LTCC/Waiver Mngmnt	N/A	10	10	10	7	10	12	15	14	16
Health Education	N/A	7	7	5	7	9	8	7	7	7
Office Administration	N/A	3	2	3	3	3	3	3	3	3
Waste Management Fund										
Waste/Water Management	6	6	6	6	5	1	1	1	1	1
Recycling Center	-	-	-	-	-	4	3	4	4	4
Total Employees	239	306	314	313	320	315	303	316	330	337
Population (1)	46,035	46,212	46,103	46,148	46,110	46,003	46,033	46,240	46,304	n/a
Number of FTE's per 1,000 Population	5.19	6.62	6.81	6.78	6.94	6.85	6.58	6.83	7.13	n/a

Sources: U.S. Census Bureau (1); Goodhue County Finance & Taxpayer Services and Human Resources

GOODHUE COUNTY
RED WING, MINNESOTA

OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS

Function/Program	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General government										
Number of parcels in county	30,512	30,532	30,495	30,433	30,433	30,471	30,438	30,490	30,571	30,604
Number of registered voters (*not an election year)	*	27,803	*	27,706	*	27,914	*	28,323	*	28,761
Number of votes cast (*not an election year)	*	19,583	*	25,923	*	17,354	*	25,929	*	23,340
Voter turnout (%) (*not an election year)		70%		94%		62%		92%		81%
Number of documents recorded	11,546	10,483	9,422	11,020	10,789	8,268	9,010	9,131	9,129	8,457
Public Works										
Road miles maintained	398.88	398.88	400.14	400.14	400.14	400.14	400.14	400.14	400.14	400.14
Maintenance cost per mile	\$ 5,862.74	\$ 6,739.18	\$ 7,038.60	\$ 7,729.02	\$ 8,346.48	\$ 9,115.46	\$ 8,498.19	\$ 10,044.82	\$ 10,264.42	\$ 11,410.46
Public safety										
Calls for service	10,460	15,547	15,658	13,977	13,416	13,140	14,069	14,277	13,903	13,127
Average Daily Population - Detention	98	66	59	77	59	95	124	126	124	103
Health & Human Services										
Average Monthly WIC Participants	975	990	912	792	706	749	765	697	676	619
Average Monthly Food Support Households	881	1,076	1,274	1,342	1,391	1,273	1,032	1,006	1,117	1,092

Source: Goodhue County Finance & Taxpayer Services, Public Works, Sheriff's Office and Health & Human Services

GOODHUE COUNTY
RED WING, MINNESOTA

**CAPITAL ASSETS AND INFRASTRUCTURE STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS**

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Governmental activities:										
Municipal Buildings	12	12	12	12	12	12	12	12	12	12
Public Safety										
Patrol Vehicles	33	44	41	41	41	39	39	38	44	49
Public Works										
Road Miles	398.88	398.88	400.14	400.14	400.14	400.14	400.14	400.14	400.14	400.14
Snowplows	10	10	10	13	12	13	14	14	14	12

Source: Goodhue County Finance & Taxpayer Services