



GOODHUE COUNTY
RED WING, MINNESOTA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

YEAR ENDED DECEMBER 31, 2020





ANNUAL COMPREHENSIVE FINANCIAL REPORT OF GOODHUE COUNTY, MINNESOTA

YEAR ENDED DECEMBER 31, 2020
ISSUED JUNE 11, 2021

**PREPARED BY:
FINANCE AND TAXPAYER SERVICES DEPARTMENT
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RED WING, MINNESOTA
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INTRODUCTORY SECTION



June 11, 2021

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

Subject: 2020 Annual Comprehensive Annual Financial Report

This Annual Comprehensive Financial Report (ACFR) of Goodhue County is hereby submitted for the fiscal year ended December 31, 2020. 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 2020. 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.

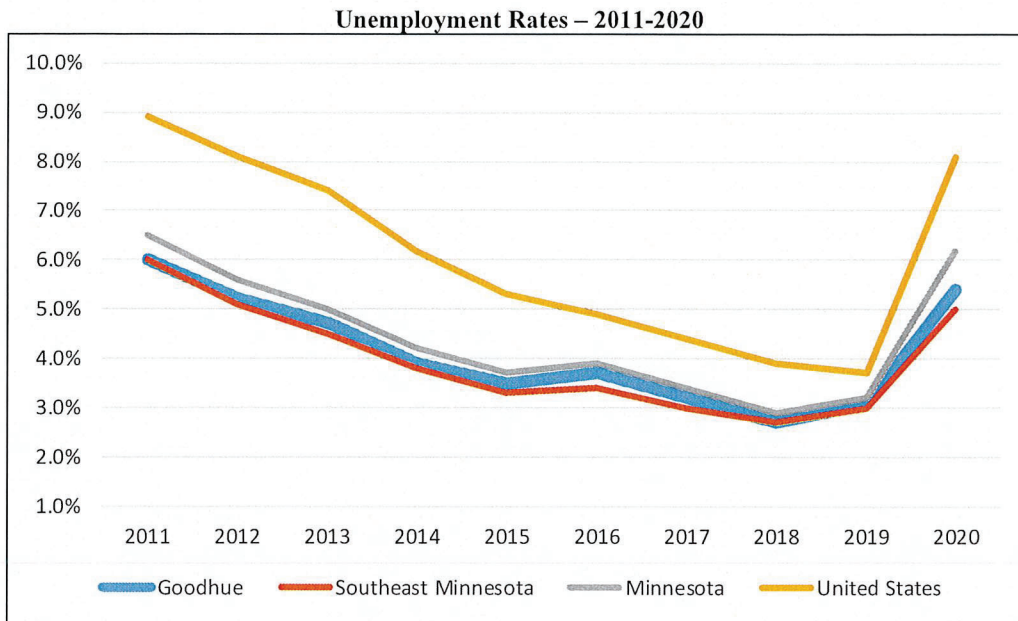
Goodhue County provides a full range of services, including public safety (sheriff's department and county detention center), court and probation services, tax assessment and collection, infrastructure (roads and bridges) maintenance and construction, public records management, land use and zoning and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

Budgetary Controls

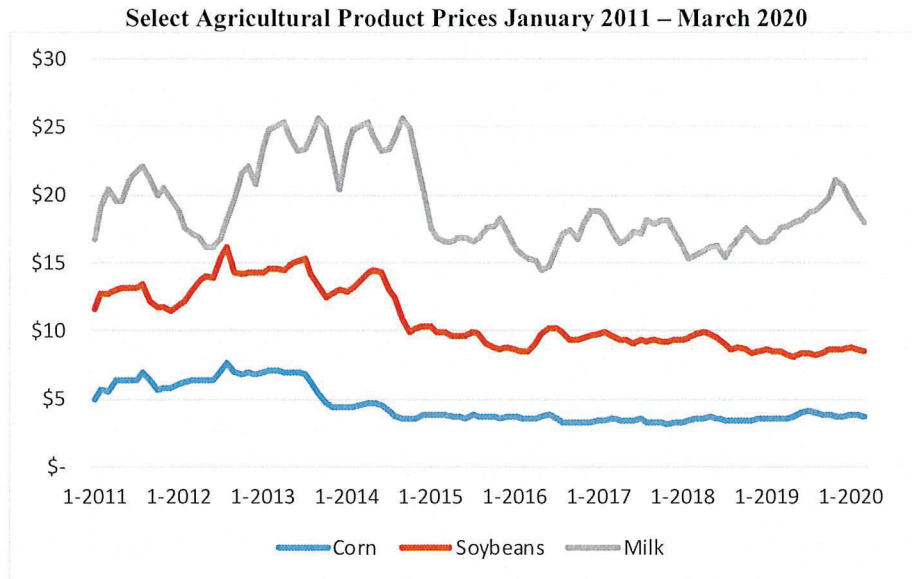
The annual budget serves as the foundation for the County's financial planning and control. The level of budgetary control is at the department level. The County Administrator, along with the Finance Director and individual Department Heads, develop a detailed annual budget on a bi-annual basis. Each 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 Olmsted Counties. Even though unemployment rose significantly in 2020 due to the COVID-19 pandemic, levels in Goodhue County and the southeast region remain well below nation-wide levels and has been trending down towards prior years' levels during the first part of 2021.



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 increased slightly for the tax payable year 2021 (1.2%), total value is 46% higher than in 2011, and has increased 6.0% since 2017.



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 approved a new local sales tax to fund county-wide transportation projects. As of January 1, 2019, this new tax of .5% is applicable to all retail sales and uses in the County. The revenues can be used only for specific transportation projects which were presented in a public hearing prior to Board approval of the new tax.

Major Initiatives and Accomplishments (Continued)

There was not a significant negative impact on these receipts during the COVID-19 pandemic, with receipts of \$3.5 million in 2020, as compared to 2019 receipts of \$3.4 million. The County does not anticipate any future decreases. This tax will remain in place until revenues raised are sufficient to cover all approved projects, or December 31, 2027, whichever occurs first.

Local/Regional Partnerships – The County continues to partner with various local and regional governments, agencies and other organizations on housing issues in the County, in particular Southeastern Minnesota Multi-County Housing & Redevelopment Authority (SEMMCHRA). SEMMCHRA’s mission is to enhance and strengthen communities through advocacy, collaboration and promotion of self-reliance, housing and community development. One member of Goodhue County’s Board sits on the SEMMCHRA board. Since 2017, the Goodhue County Board has approved annual \$100,000 levies to set up a Goodhue County Trust Fund. These funds, along with similar funds provided by other government agencies, will be used to address some of the needs addressed in the recently completed housing study, particularly work-force affordable housing and other multi-family housing developments. The County also specified part of its levy to address the increasing demand for emergency housing vouchers.

COVID-19 Pandemic

On March 11, 2020, the World Health Organization declared COVID-19 a global pandemic. While many businesses and other organizations were shut down, the County was considered an essential operation and remained open. The County continued to provide all of its services to our citizens under modified circumstances in order to keep both the employees and public safe. The County made significant investments in personal protective measures and made significant modifications to delivery of services, with an emphasis on virtual and electronic options.

Through receipt and distribution of over \$6 million of state and federal relief funds, the County was able to provide additional services to the community. Working with local partners including SEMMCHRA and CEDA, as well as local school districts and other community leaders, the County was able to assist in distributing these funds to those organizations and individuals most in need of assistance within the County

The County's Health and Human Services department (HHS) was instrumental in coordinating and providing the public health response to the County and its citizens during the pandemic. HHS quickly mobilized their incident command structure in response to the pandemic, involving over 40 staff and many volunteers, student nurses and contractors, to provide frequent and ongoing public information communications, contact tracing, partner coordination and vaccination services.

Overall, the County has not seen any significant negative effects on revenues as a result of the pandemic. Major revenue sources such as property taxes, state road maintenance dollars and local option sales taxes have remained at consistent levels from the prior year. The County is not aware of any pending adjustments to regular state fund from the state.

While the cost of personal protective equipment, cleaning supplies and modifications to workspaces and operations were covered by federal relief funds, the pandemic has affected County expenses in other ways. The County saw a significant decrease in the number of inmates and related staff and supply expenses in the Adult Detention Center (ADC) due to the pandemic, along with the decision to no longer house state Department of Correction inmates. Public works is experiencing increased costs due to inflation of raw materials prices and delays in project completion due to materials, equipment and labor shortages.

Awards/acknowledgements

The Government Finance Officers Association (GFOA) awarded a *Certificate of Achievement for Excellence in Financial Reporting* to Goodhue County for its ACFR for the fiscal year ended December 31, 2019. This was the first year of submission, and subsequent receipt of, this prestigious award. In order to be awarded the *Certificate*, the County had to publish an easily readable and efficiently organized ACFR that satisfied GFOA requirements, accounting principles general accepted in the United States of America (GAAP) and applicable legal requirements.

A *Certificate of Achievement* is valid for a period of one year only. We believe this current report continues to meet the *Certificate* program requirements. Accordingly, we are submitting it to GFOA for consideration.

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,

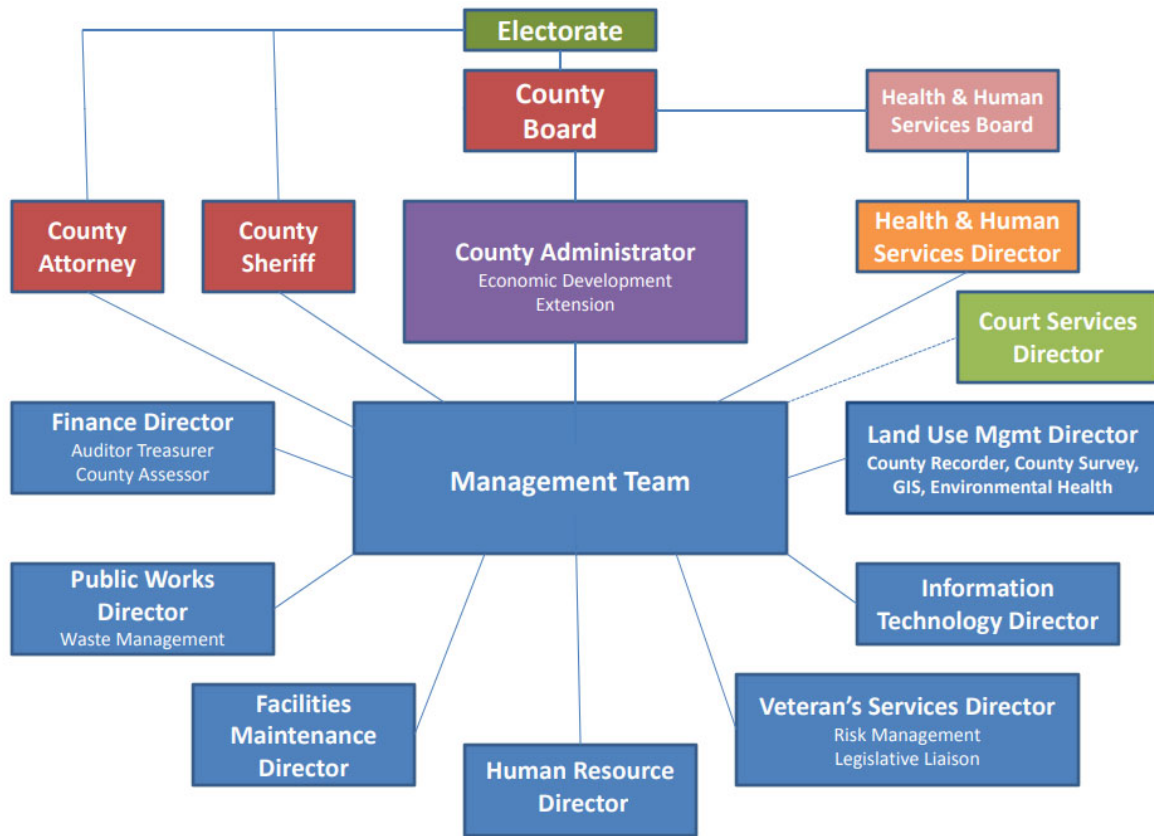


Scott O. Arneson
County Administrator



Brian J. Anderson
Auditor/Treasurer

2020 Goodhue County Organizational Chart





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Goodhue County
Minnesota**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

December 31, 2019

Christopher P. Morrill

Executive Director/CEO

**GOODHUE COUNTY
RED WING, MINNESOTA
ELECTED AND APPOINTED OFFICIALS
2020**

			<u>Term Expires</u>
Elected Officers			
Commissioners			
Chair	Paul Drotos	District 5	January 2021
Vice Chair	Barney Nesseth	District 3	January 2021
Board Member	Linda Flanders	District 1	January 2021
Board Member	Brad Anderson	District 2	January 2023
Board Member	Jason Majerus	District 4	January 2023
Attorney	Stephen F. O'Keefe		January 2023
County Sheriff	Marty Kelly		January 2023
Appointed Officials			
Administrator	Scott Arneson		Indefinite
Court Services	Mark Jaeger		Indefinite
Facilities Maintenance	Tim Redepenning		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	Nathan Pelz		July 2023



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, 2020, 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, 2020, 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.

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, budgetary comparison information, 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 schedules, 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.

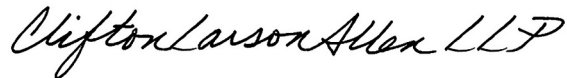
The supplementary information and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing 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 standards generally accepted in the United States of America. In our opinion, the supplementary information is 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 June 11, 2021, 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
June 11, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

**GOODHUE COUNTY
RED WING, MINNESOTA
MANAGEMENTS DISCUSSION AND ANALYSIS
DECEMBER 31, 2020**

Goodhue County offers readers this narrative overview and analysis of the financial activities for the County for the fiscal year ended December 31, 2020. 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 \$163,848,506 on a government-wide basis as of December 31, 2020. Of this amount, \$31,177,502 may be used to meet the County's ongoing obligations to its citizens and creditors.
- The County's total net position increased by \$7,925,313, or 5.1% over the previous year.
- As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$59,961,482, an increase of \$10,729,271 (including the change in inventory), or 21.8% as compared to the prior year. Of this total, \$18,215,668 (30.4%) is unassigned and is available for use at the County's discretion. The remaining \$41,745,814 is restricted in some manner as shown in the fund balance section of the balance sheet and as described in Note 3.E.
- Increases were reported in all funds except the Economic Development Authority fund. The largest increases were in the General Fund (\$4,859,900, 21.8%), Road and Bridge fund (\$2,873,320, 22.1%) and Health and Human Services fund (\$2,720,705, 29.4%). The increase in the Road and Bridge fund was due in large part to the local option sales tax of .5% that began in 2019 for funding of transportation projects. The increase in the Health and Human Services fund was due primarily to increased grant funding for outside services along with sound fiscal management of related expenditures.
- At the end of 2020, the unassigned fund balance of the general fund was \$18,215,668, or 62.5% of budgeted general fund expenditures and transfers out for the subsequent fiscal year.

**GOODHUE COUNTY
RED WING, MINNESOTA
MANAGEMENTS DISCUSSION AND ANALYSIS
DECEMBER 31, 2020**

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 four components: 1) government-wide financial statements, 2) individual fund financial statements, 3) fiduciary fund financial statements, and 4) 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 three basic financial statements:

	Government-Wide Statements	Governmental Funds	Fiduciary Funds
Scope	All county funds (in total), except fiduciary	All county funds (shown by fund), except fiduciary	Activities for which the County is an agent for others' resources
Financial Statements	Statement of Net Position Statement of Activities	Balance Sheet Statements of Revenues, Expenditures and Changes in Fund Balances	Statement of Fiduciary Net Position Statement of Changes in Fiduciary Net Position
Accounting Basis	Full Accrual	Modified Accrual	Full Accrual
Measurement Focus	Economic Resources	Current financial resources	Economic 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	All Assets, Liabilities, Inflows and Outflows
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	All revenues earned, all expenses incurred

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, 2020**

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 and 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, 2020**

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 two types of fiduciary funds: one private-purpose trust fund and several custodial funds. The private-purpose trust fund is used to account for collection and distribution of social security funds with the County acting as a representative payee for individuals. Separate custodial funds are used to account for property tax revenues for other jurisdictions, charges and fee revenues for other state and local governments, funds deposited by or on behalf of detention center inmates to be used for payment for discretionary services or mandated fees, processing of financial judgments in civil court cases and recoveries of medical assistance overpayments.

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 33 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 custodial fund combining statements, budgetary comparisons for the Debt Service and Waste Management funds and schedules related to intergovernmental revenues and federal grant funds and expenditures. The *Statistical Section* presents summary financial and other information, including taxpayer, 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, 2020, the asset and deferred outflows of the County exceeded its liabilities and deferred inflows by \$163,848,506. 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, 2020**

**Table 1
Net Position**

	Governmental Activities		
	2020	2019	\$ Change
Assets			
Current and other assets	\$ 72,763,036	\$ 65,252,955	\$ 7,510,081
Capital assets (net)	138,881,012	142,203,410	(3,322,398)
Total Assets	\$ 211,644,048	\$ 207,456,365	\$ 4,187,683
Deferred Outflows of resources	\$ 3,778,651	\$ 4,869,456	\$ (1,090,805)
Liabilities			
Long-term liabilities outstanding	\$ 43,327,149	\$ 42,326,723	\$ 1,000,426
Other liabilities	3,525,382	4,076,492	(551,110)
Total Liabilities	\$ 46,852,531	\$ 46,403,215	\$ 449,316
Deferred inflows of resources	\$ 4,721,662	\$ 9,999,413	\$ (5,277,751)
Net Position			
Net investment in capital assets	\$ 122,153,873	\$ 124,111,284	\$ (1,957,411)
Restricted	10,517,131	11,603,157	(1,086,026)
Unrestricted	31,177,502	20,208,752	10,968,750
Total Net Position	\$ 163,848,506	\$ 155,923,193	\$ 7,925,313

The largest portion of Goodhue County's net position, \$122,153,873, or 74.6%, 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 \$10,517,131, or 6.4% of the County's net position represents resources subject to external restrictions on how they may be used. The remaining balance of \$31,177,502, or 19.0%, 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 \$7,925,313 over 2019. Investment in capital assets decreased by \$2.0 million (1.6%) due primarily to depreciation expense on all capital items. Restricted net position decreased by \$1.1 million, or 9.4% due primarily to timing of recording of state funds for construction and completion of related construction projects. Unrestricted net position increased by \$11.0 million (54.3%). \$6.9 million of this increase was due to the new local option sales tax; property tax revenues also increased by \$1.0 million due to average valuation increases of 5.3% offset by a decrease in the total tax rate of 2.6%.

**GOODHUE COUNTY
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DECEMBER 31, 2020**

Statement of Activities

Governmental activities increased the County's net position by \$7,925,313 in the current fiscal year. The following table is a condensed version of the statement of activities, showing changes in net position.

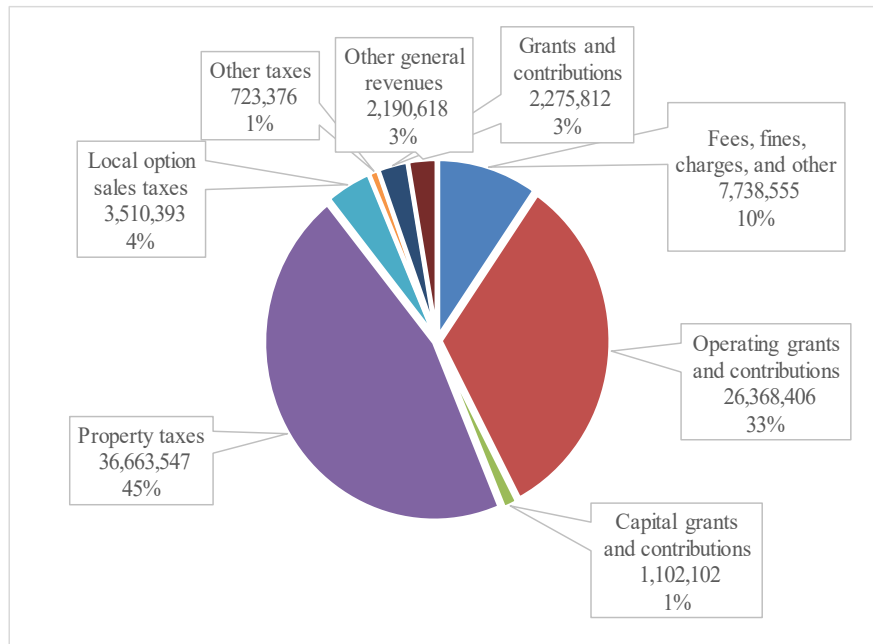
**Table 2
Changes in Net Position**

	Governmental Activities			
	2020	2019	\$ Change	% Change
Revenues				
Program Revenues				
Fees, fines, charges, and other	\$ 7,738,555	\$ 7,127,390	\$ 611,165	8.6%
Operating grants and contributions	26,368,406	18,165,389	8,203,017	45.2%
Capital grants and contributions	1,102,102	1,074,516	27,586	2.6%
General Revenues				
Property taxes	36,663,547	35,721,001	942,546	2.6%
Local option sales taxes	3,510,393	3,376,562	133,831	4.0%
Other taxes	723,376	714,517	8,859	1.2%
Grants and contributions	2,275,812	2,290,802	(14,990)	-0.7%
Other general revenues	2,190,618	2,809,840	(619,222)	-22.0%
Total Revenues	<u>\$ 80,572,809</u>	<u>\$ 71,280,017</u>	<u>\$ 9,292,792</u>	13.0%
Program Expenses				
General government	\$ 13,349,002	\$ 14,035,828	\$ (686,826)	-4.9%
Public safety	13,795,958	15,605,175	(1,809,217)	-11.6%
Highways and streets	22,372,826	15,466,141	6,906,685	44.7%
Sanitation	963,781	901,715	62,066	6.9%
Human services	12,851,232	13,367,608	(516,376)	-3.9%
Health	4,122,909	3,950,154	172,755	4.4%
Culture and recreation	1,206,060	1,501,690	(295,630)	-19.7%
Conservation of natural resources	811,272	676,100	135,172	20.0%
Economic development	2,739,358	62,997	2,676,361	4248.4%
Interest	435,098	476,084	(40,986)	-8.6%
Total Program Expenses	<u>\$ 72,647,496</u>	<u>\$ 66,043,492</u>	<u>\$ 6,604,004</u>	10.0%
Increase (Decrease) in Net Position	\$ 7,925,313	\$ 5,236,525	\$ 2,688,788	51.3%
Net Position- January 1	155,923,193	150,214,074	5,709,119	3.8%
Restatement	<u>-</u>	<u>472,594</u>	<u>(472,594)</u>	-100.0%
Net Position- January 1 - Restated	<u>155,923,193</u>	<u>150,686,668</u>	<u>5,236,525</u>	3.5%
Net Position - December 31	<u>\$ 163,848,506</u>	<u>\$ 155,923,193</u>	<u>\$ 7,925,313</u>	5.1%

**GOODHUE COUNTY
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Overall, County governmental revenues increased \$9.29 million, or 13.0%. Program revenues increased \$8.8 million, or 33.4% due primarily to \$6.7 million of state and federal COVID-19 Coronavirus Relief funds. General revenues, which consist mainly of property tax and other tax revenues, remained consistent from the prior year, increasing by \$476 thousand, or 1.1%. Slight increases in local option sales tax receipts and proceeds from sales of capital assets were offset by a \$.7 million decrease in investment earnings due to unfavorable pandemic-related market conditions. Property tax revenues increased \$1.0 million, or 1.1%, due to property valuation increases offset by a tax rate decrease by 2.6%.

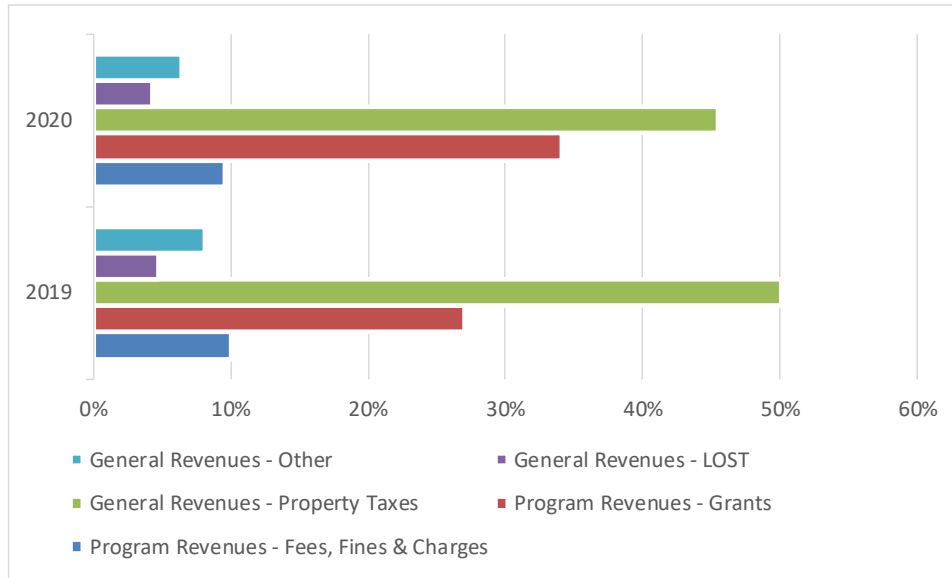
**Governmental Activities
Revenues by Source**



Per Table 2, the cost of all governmental activities in 2020 was \$72,647,496, an increase of \$6,604,004, or 10.0%, when compared to 2019. 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
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**Governmental Activities
Revenues by Source
Summary Fiscal Year Comparison**



Those who directly benefited from the programs and services paid \$7,738,555, or 10.6% of the cost. Direct users are charged for things such as building permit fees, recording fees, law library use fees and inmate boarding fees. The County also receives funds for shared use of its law enforcement facility and information technology and land use staff. Another \$27,470,508, or 37.8% 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 normally received are State Road and Bridge Construction, State Police Aid, Probation Officer Salary Reimbursements, WIC, and other Health and Human Services program grants. During 2020, the County received \$6.7 million of COVID-19 relief funds; \$ 5.8 million from the federal Coronavirus Relief (CARES) Act and \$.9 million from the State of Minnesota Nonprofit and Business Relief Act. The remaining costs of governmental activities were financed with general revenues of \$45,363,746, \$36,663,547 of which was property tax revenues, and \$3,510,393 was for local option sales taxes. For the year ended December 31, 2020, program-specific revenues increased 33.5% due primarily to COVID-19 relief funding and general revenues increased only 1.1% as compared to 2019.

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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		
	2020	2019	\$ Change
Public safety	\$ 13,795,958	\$ 15,605,175	\$ (1,809,217)
Highway and streets	22,372,826	15,466,141	6,906,685
General government	13,349,002	14,035,828	(686,826)
Human services	12,851,232	13,367,608	(516,376)
Health	4,122,909	3,950,154	172,755
All others	6,155,569	3,618,586	2,536,983
Totals	\$ 72,647,496	\$ 66,043,492	\$ 6,604,004
	Net Cost of Services		
	2020	2019	\$ Change
Public safety	\$ 9,907,980	\$ 12,440,883	\$ (2,532,903)
Highway and streets	13,089,000	7,371,108	5,717,892
General government	8,511,661	11,416,914	(2,905,253)
Human services	4,099,465	5,531,405	(1,431,940)
Health	315,708	584,432	(268,724)
All others	1,514,619	2,331,455	(816,836)
Totals	\$ 37,438,433	\$ 39,676,197	\$ (2,237,764)

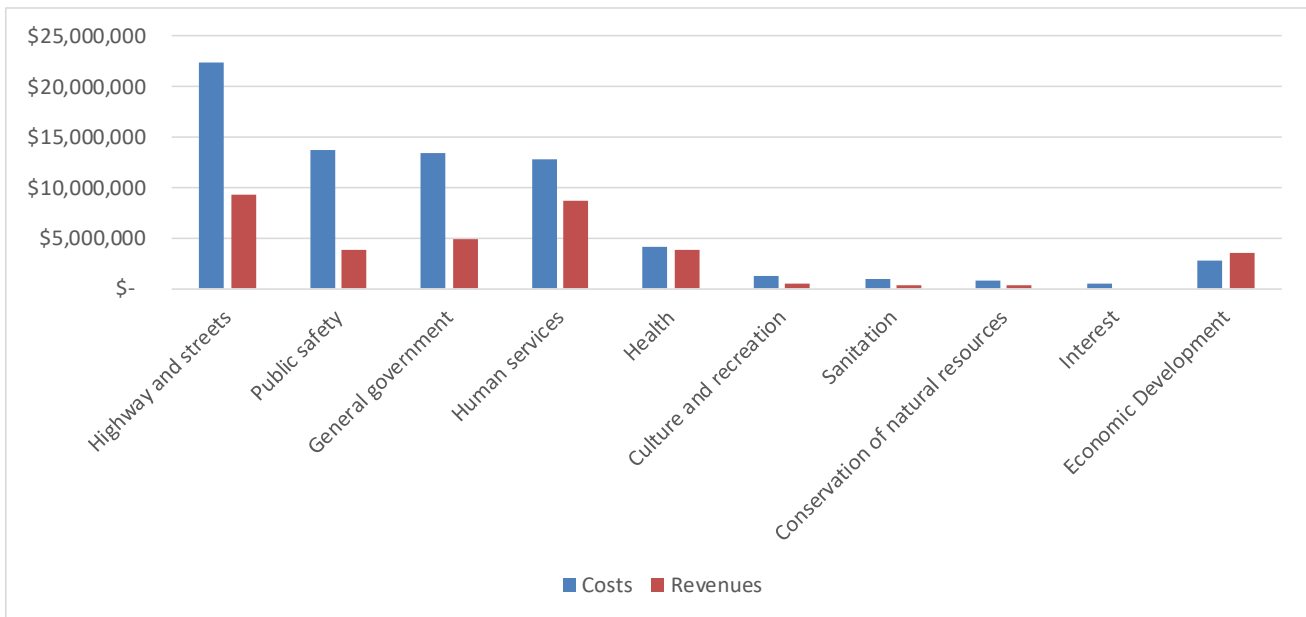
Total program expenses increased \$6.6 million, or 10.0%. This increase is due mainly to \$6.6 million in distributions of COVID-19 relief funding, timing of road and bridge construction projects and regular salary and benefit increases.

The net cost of services decreased \$2.2 million, or 5.6%, compared to the previous year. Net costs decreased in all program areas except for highways and streets. The most significant decreases were in public safety (\$2.5 million, 20.4%) and general government (\$2.9 million, or 25.4%). The decrease in public safety was due primarily to changes in operations at the adult detention center that led to permanently lower inmate population and the decrease in general government was primarily related to a \$1.9 million SCHA capital contribution that was made in 2019. The increase in highways and streets of \$5.7 million, or 77.6% is primarily due to the timing of construction project expenses and receipt of related funding.

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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.

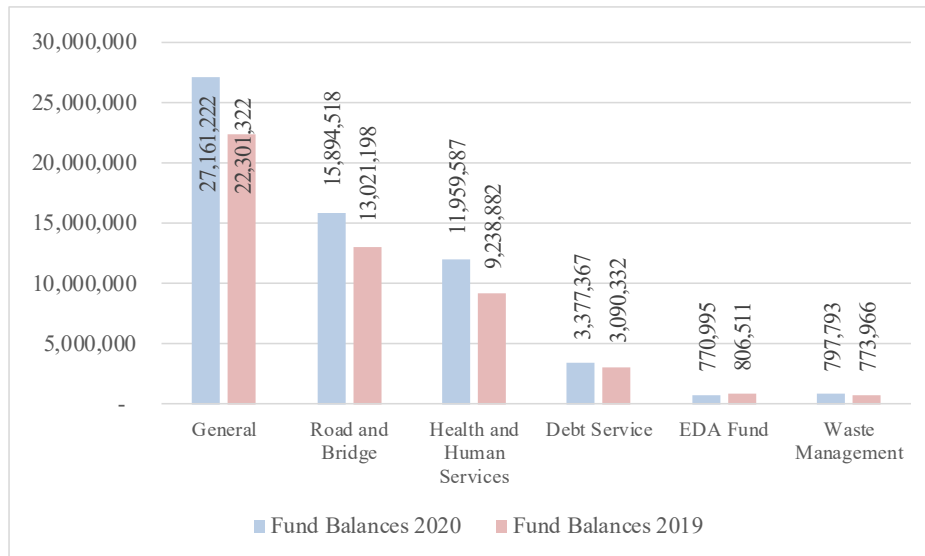
Governmental funds

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).

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On December 31, 2020, the County’s governmental funds reported combined ending fund balances of \$59,961,482, an increase of \$10,729,271 (after adjusting for inventory) from the previous year. This change is due primarily to increases in the general, road and bridge and health and human services funds. \$18,215,668, or 30.4%, is unassigned fund balance in the general fund and can be used as determined appropriate by the County. The remaining amount of fund balance is restricted, committed or assigned in some manner due to internal or external constraints on use of the resources (\$40,723,470, 67.9%) and can only be used for specific purposes, or is not spendable due to the nature of the underlying assets (\$1,022,344, 1.7%).

**Governmental Funds
Fund Balances**



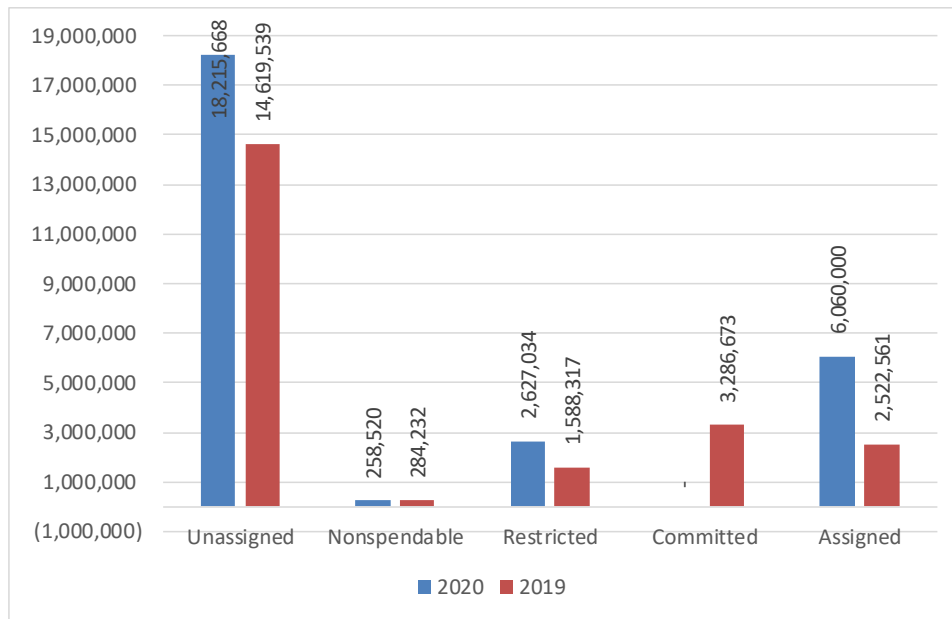
The General Fund is the primary operating fund of the County government. The majority of the County’s general operations and traditional services are reported here. The total fund balance in the general fund increased by \$4,859,900, or 21.8%. This increase is due to the receipt of COVID-19 relief funds, decreases in expenditures in general government and public safety due pandemic operations and sound financial controls over the remaining County’s planned operations.

Expenditures increased \$2.9 million, or 9.0% from the prior year. Economic development expenditures increased \$2.6 million and health services increased \$.6 million due to distribution and spending of COVID-19 federal relief funds. General government expenditures decreased \$.5 million, due primarily to spending and distribution of COVID-19 funds, distribution of St. Paul Port Authority special assessments and consultant fees for the LIDAR land survey project; offset by the \$1.9 million SCHA capital contribution made in 2019. Capital outlay expenditures increased \$1.0 million, \$515,900 of which was for items purchased with COVID-19 relief funds.

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Revenues increased over the prior year by \$7,120,134, or 21.8%. Intergovernmental revenues increased by \$8,035,742 due primarily to \$6.7 million of state and federal COVID-19 relief funds and \$1.0 million in Cannon Valley Trail bridge replacement pass-through funds. Other significant changes include an increase in special assessments revenues of \$284,046 related to amounts collected on behalf of the St. Paul Port Authority, decrease of \$690,104 in investment revenue related to unfavorable market conditions during the COVID-19 pandemic and decrease in miscellaneous revenues of \$280,151 in miscellaneous revenues due primarily to reductions in inmate population in the Adult Detention Center due to both pandemic and permanent operating changes.

**General Fund
Fund Balances**



Of the total \$27,161,222 fund balance in the general fund, \$18,215,668, or 67.1% is unassigned and can be used to fund general County operations. \$2,627,034, or 9.7% is restricted by outside governmental or other agency authority and \$6,060,000, or 22.3% 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 increased \$3,596,129, or 24.6%. The majority of this change relates changes in operations related to the COVID-19 pandemic, along with a decrease of expenditures in public safety of \$.8 million primarily due to a lower detention center inmate population and culture and recreation expenditures \$.3 million lower than 2019 due to timing of Cannon Valley Trail grant pass-through payments. Any balances that would have normally been recorded as committed were recorded as assigned balances at December 31, 2020. Restricted fund balance increased \$1.0 million due to receipt of state business COVID-19 relief funds that were not spent before year-end.

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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 \$15,894,518 as of the end of 2020 represents an increase of \$2,873,320 (after adjusting for inventory), or 22.1% from 2019. The increase is due to \$3.5 million of proceeds from the new local option sales tax, offset by higher net expenses for road maintenance projects than in 2019 due to the timing of receipt and spending of construction funds.

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 \$11,959,587 as of the end of 2020 is \$2,720,705, or 29.4% higher than the end of 2019. This increase is due to higher than expected state and federal grant revenues for provision of increased levels of child, mental and other health services.

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 original 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 \$770,995 at the end of 2020 represents a slight decrease of \$35,516, or 4.4% from 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 \$3,377,367 at the end of 2020 represents an increase of \$287,035, or 9.3% over the 2019 ending balance. Of this balance, \$2,680,060 will be used to fund principal and interest payments due in February of 2021; the remaining \$697,307 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, 2020 was \$797,793, an increase of \$23,827, or 3.1% over 2019. The increase is due to landfill fee revenue slightly higher than expected, offset by personnel costs slightly higher than expected. Of this amount, \$220,700 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. Any County activity related to these funds has been recorded in the County's governmental funds. Goodhue County has six fiduciary funds. The Social Welfare Fund is a private-purpose trust fund; the other five are custodial funds: (1) Taxes and Penalties Fund, (2) State Licenses, Fees and Other Taxes Fund, (3) Medical Assistance Recoveries Fund, (4) Civil Process Fund, and (5) Inmate Canteen and Services Fund. Separate (summary) fiduciary financial statements can be found starting on page 31 and combining statements can be found in the Supplementary Information section, starting on page 119.

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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 \$447,582. Adjustments of \$430,883 were carryover of prior year capital projects and \$16,699 were for operating carryover, including \$12,500 for an operating grant in the Veterans' service office.

For the year ended December 31, 2020, actual general fund expenditures were \$2,922,631, or 9.1% greater than budget. This difference was due to spending of federal COVID-19 relief funds that was not budgeted, offset by expenditures under budget in various departments. Of the total of \$4,382,189 in spending and distribution of federal COVID-19 relief funds, \$2,577,743 was in Economic Development, \$641,833 was in Human Services and \$515,900 was for Capital Outlay. Public Safety expenditures were \$1,160,155 under budget, primarily due to decreased staffing and related inmate expenditures related to a decrease in the Adult Detention Center inmate population; this decrease was due largely in part to the decision to not house inmates on behalf of the State Department of Corrections.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The County's investment in capital assets (net of accumulated depreciation) as of December 31, 2020, amounts to \$138,881,012. This investment includes land, roads and bridges, buildings, vehicles and other equipment. See Table 4 below and Note 3.A.3 on pages 54-55 for additional information on capital assets.

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

	Governmental Activities		
	2020	2019	\$ Change
Land	\$ 9,628,768	\$ 9,426,296	\$ 202,472
Construction in progress	66,580	17,122	49,458
Buildings and land improvements	25,995,079	26,537,769	(542,690)
Machinery, vehicles, furniture, and equipment	11,404,863	10,541,013	863,850
Infrastructure	91,785,722	95,681,210	(3,895,488)
Totals	<u>\$ 138,881,012</u>	<u>\$ 142,203,410</u>	<u>\$ (3,322,398)</u>

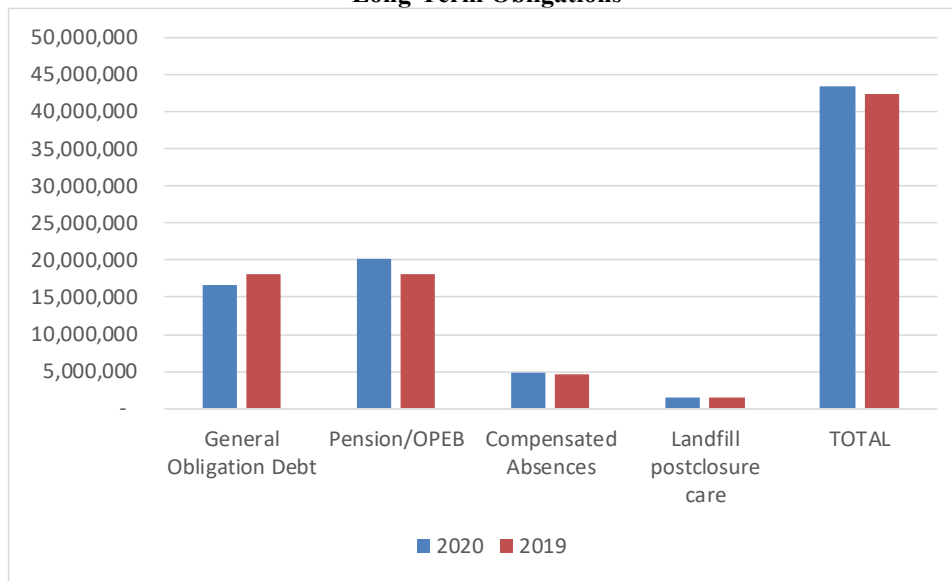
**GOODHUE COUNTY
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Total capital assets decreased \$3,322,398, or 2.3% from 2019. This decrease is due to the normal depreciation expense for all categories of \$6,812,150 offset by increases of \$.7 million in buildings as a result of completion of a new roof at the Justice Center and elevators at the Law Enforcement and Justice Centers, and \$2.53 million in equipment due to large purchases for public safety vehicles and communications infrastructure and highways and streets maintenance vehicles.

Debt and Other Long-Term Obligations

At December 31, 2020, the County’s total long-term obligations were \$43,327,149, a \$1,000,426 (2.4%) increase over the balance at December 31, 2019. This increase was due primarily an increase the net pension liability offset by regularly scheduled principal payment on general obligation debt; no new debt was issued in 2020. See Table 5 below and Note 3.C.2 for details.

**Table 5
Long-Term Obligations**



ECONOMIC FACTORS AND NEXT YEAR’S BUDGETS AND RATES

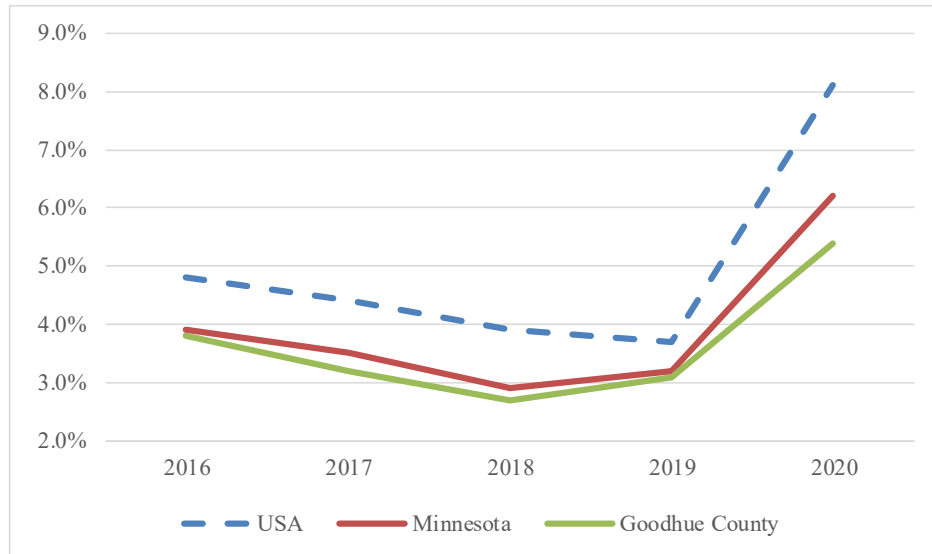
Unemployment

The 12-month averages for unemployment in 2020 for the U.S., Minnesota and Goodhue County were 8.1%, 6.2%, and 5.4%, respectively. This compares to 3.7%, 3.2%, and 3.1% for 2019. After trending downward for several years, rates increased significantly for all categories in 2020 due to the COVID-19 pandemic. We believe that employment rates will recover as the effects of the pandemic wane, and that the County will continue to remain below the national average. We are not aware of any significant pending workforce reductions in the area.

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Table 6

Unemployment Rates - 5-Year Trend



Property Values & Taxes

The taxable market value of all property in the County increased 5.3% from 2020 to 2021. Values increased in all categories, with the largest increase (11.1%) in residential homesteaded property; agricultural values increased 1.1%. 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 2021, the final estimated market value of these properties made up 11.6% of the County’s total estimated market value for all properties, as compared to 11.7% for 2020. The tax rates decreased slightly, from 46.502% for 2020, to 45.430% for 2021.

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. Collections for the first two years of this tax were significantly greater than the initial estimated and budgeted amount - \$6.8 million collected as compared to \$4.9 million budgeted.

Personnel Costs

These expenses represent 48% of the County’s 2021 budget. Personnel costs in the 2021 budget increased \$.6 million, or 1.7% from 2020 due to insurance coverage changes (single compared to family coverage) and staffing changes, along with a healthcare renewal rate increase of 4.5% and a cost-of-living wage increase of 2.5%. 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.

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State Financial Position

The County's elected and appointed officials considered many factors when setting the tax and fee rates for the 2021 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. As of the date of this report, there is no indication that any material changes have been made. State budget projections for the upcoming fiscal year have been significantly revised from an expected deficit to an estimated \$1.6 billion surplus as the result of federal funding and management of state spending.

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.

COVID-19

The COVID-19 pandemic and the related national and local emergencies declared in March 2020 continues to have lingering negative effects on local economic conditions, available investment rates and unemployment rates. While the county has not experienced any significant decrease in local sales tax revenues and there has been some improvement in the performance of the local economy and unemployment rates, the overall lasting impact of the pandemic on long-term property values, state gas tax revenues, local sales tax revenues, unemployment rates and investment interest rates is unknown. The County is actively monitoring activities and reviewing the 2021 budget plan.

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.

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

**GOODHUE COUNTY
RED WING, MINNESOTA
STATEMENT OF NET POSITION
GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2020**

Assets

Cash and pooled investments	\$	57,678,116
Petty cash and change funds		2,350
Taxes receivable		
Delinquent		401,021
Special assessments		600,045
Accounts receivable		444,602
Accrued interest receivable		253,524
Loans receivable		748,941
Due from other governments		6,419,050
Inventories		720,111
Prepaid items		302,233
Restricted assets		
Cash and pooled investments		220,700
Investment in joint venture		4,972,343
Capital assets		
Non-depreciable		9,695,348
Depreciable - net of accumulated depreciation		129,185,664
		<u>211,644,048</u>
Total Assets	\$	<u>211,644,048</u>

Deferred Outflows of Resources

Deferred pension outflows	\$	3,632,215
Deferred OPEB outflows		146,436
		<u>3,778,651</u>
Total Deferred Outflows of Resources	\$	<u>3,778,651</u>

Liabilities

Accounts payable	\$	1,088,853
Salaries payable		1,569,878
Contracts payable		301,918
Due to other governments		343,468
Accrued interest payable		188,603
Customer deposits		32,662
Long-term liabilities		
Due within one year		3,294,892
Due in more than one year		19,803,638
Net pension liability		18,885,352
OPEB liability		1,343,267
		<u>46,852,531</u>
Total Liabilities	\$	<u>46,852,531</u>

**GOODHUE COUNTY
RED WING, MINNESOTA
STATEMENT OF NET POSITION (CONTINUED)
GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2020**

Deferred Inflows of Resources

Taxes received for future periods	\$	11,599
Deferred pension inflows		4,628,371
Deferred OPEB inflows		81,692
		81,692
Total Deferred Inflows of Resources	\$	4,721,662

Net Position

Net investment in capital assets	\$	122,153,873
Restricted for		
General government		1,225,362
Public safety		406,329
Highways and streets		2,815,665
Human services		518,845
Conservation of natural resources		318,149
Economic development		533,200
Debt service		3,281,790
Landfill postclosure		220,700
Gravel pit postclosure		280,395
Minnesota COVID-19 Relief Funds		916,696
Unrestricted		31,177,502
		31,177,502
Total Net Position	\$	163,848,506

**GOODHUE COUNTY
RED WING, MINNESOTA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020**

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<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	\$ 13,349,002	\$ 3,233,959	\$ 1,603,382	\$ -	\$ (8,511,661)
Public safety	13,795,958	1,304,151	2,583,827	-	(9,907,980)
Highways and streets	22,372,826	152,775	8,350,560	780,491	(13,089,000)
Sanitation	963,781	229,793	139,223	-	(594,765)
Human services	12,851,232	1,591,461	7,160,306	-	(4,099,465)
Health	4,122,909	1,017,140	2,790,061	-	(315,708)
Culture and recreation	1,206,060	-	104,830	321,611	(779,619)
Conservation of natural resources	811,272	115,408	141,451	-	(554,413)
Economic development	2,739,358	93,868	3,494,766	-	849,276
Interest	435,098	-	-	-	(435,098)
Total Governmental Activities	<u>\$ 72,647,496</u>	<u>\$ 7,738,555</u>	<u>\$ 26,368,406</u>	<u>\$ 1,102,102</u>	<u>\$ (37,438,433)</u>
General Revenues					
Property taxes				\$ 36,663,547	
Local option sales taxes				3,510,393	
Gravel taxes				94,917	
Mortgage registry and deed tax				81,306	
Solar production tax				39,369	
Wheelage tax				507,784	
Payments in lieu of tax				279,424	
Grants and contributions not restricted to specific programs				2,275,812	
Unrestricted investment earnings				1,106,192	
Miscellaneous				550,435	
Gain on sale of capital assets				254,567	
Total general revenues				<u>\$ 45,363,746</u>	
Change in net position				\$ 7,925,313	
Net Position - Beginning				<u>155,923,193</u>	
Net Position - Ending				<u>\$ 163,848,506</u>	

FUND FINANCIAL STATEMENTS

GOVERNMENTAL FUNDS

**GOODHUE COUNTY
RED WING, MINNESOTA
BALANCE SHEET – GOVERNMENTAL FUNDS
DECEMBER 31, 2020**

	General	Road and Bridge
Assets		
Cash and pooled investments	\$ 26,817,656	\$ 15,039,392
Petty cash and change funds	1,675	50
Taxes receivable - Delinquent	238,015	50,787
Special assessments - Delinquent	519,897	-
Special assessments - Current	-	-
Accounts receivable	29,027	26,026
Accrued interest receivable	253,524	-
Due from other funds	1,597	3,124
Due from other governments	1,355,889	3,524,729
Prepaid items	258,520	645
Inventories	-	720,111
Loans receivable	-	-
Restricted assets	-	-
Cash and pooled investments	-	-
	\$ 29,475,800	\$ 19,364,864
Liabilities, Deferred Inflows of Resources, and Fund Balances		
Liabilities		
Accounts payable	\$ 460,899	\$ 156,287
Salaries payable	926,674	127,251
Contracts payable	-	301,918
Due to other funds	1,243	-
Due to other governments	159,055	1,153
Customer deposits	32,662	-
	\$ 1,580,533	\$ 586,609
Deferred Inflows of Resources		
Unavailable revenue	\$ 727,160	\$ 2,882,268
Taxes received for future periods	6,885	1,469
	\$ 734,045	\$ 2,883,737
Fund Balances		
Nonspendable	\$ 258,520	\$ 720,756
Restricted	2,627,034	-
Assigned	6,060,000	15,173,762
Unassigned	18,215,668	-
	\$ 27,161,222	\$ 15,894,518
	\$ 29,475,800	\$ 19,364,864

**GOODHUE COUNTY
RED WING, MINNESOTA
BALANCE SHEET – GOVERNMENTAL FUNDS (CONTINUED)
DECEMBER 31, 2020**

<u>Health and Human Services</u>	<u>Economic Development Authority</u>	<u>Debt Service</u>	<u>Nonmajor Fund Waste Management</u>	<u>Total</u>
\$ 11,308,816	\$ 550,016	\$ 3,368,663	\$ 593,573	\$ 57,678,116
550	-	-	75	2,350
84,657	287	22,224	5,051	401,021
-	-	-	-	519,897
-	-	80,148	-	80,148
377,764	-	-	11,785	444,602
-	-	-	-	253,524
-	-	-	-	4,721
1,520,045	-	-	18,387	6,419,050
41,218	-	1,850	-	302,233
-	-	-	-	720,111
-	748,941	-	-	748,941
-	-	-	220,700	220,700
<u>\$ 13,333,050</u>	<u>\$ 1,299,244</u>	<u>\$ 3,472,885</u>	<u>\$ 849,571</u>	<u>\$ 67,795,414</u>
\$ 451,010	\$ 121	\$ -	\$ 20,537	\$ 1,088,854
493,512	-	-	22,441	1,569,878
-	-	-	-	301,918
1,597	-	-	1,881	4,721
180,696	-	-	2,564	343,468
-	-	-	-	32,662
<u>\$ 1,126,815</u>	<u>\$ 121</u>	<u>\$ -</u>	<u>\$ 47,423</u>	<u>\$ 3,341,501</u>
\$ 244,199	\$ 528,120	\$ 94,876	\$ 4,209	\$ 4,480,832
2,449	8	642	146	11,599
<u>\$ 246,648</u>	<u>\$ 528,128</u>	<u>\$ 95,518</u>	<u>\$ 4,355</u>	<u>\$ 4,492,431</u>
\$ 41,218	\$ -	\$ 1,850	\$ -	\$ 1,022,344
518,845	533,200	3,375,517	220,700	7,275,296
11,399,524	237,795	-	577,093	33,448,174
-	-	-	-	18,215,668
<u>\$ 11,959,587</u>	<u>\$ 770,995</u>	<u>\$ 3,377,367</u>	<u>\$ 797,793</u>	<u>\$ 59,961,482</u>
<u>\$ 13,333,050</u>	<u>\$ 1,299,244</u>	<u>\$ 3,472,885</u>	<u>\$ 849,571</u>	<u>\$ 67,795,414</u>

**GOODHUE COUNTY
RED WING, MINNESOTA
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION – GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2020**

Fund balances - total governmental funds **\$ 59,961,482**

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. 138,881,012

Investment in joint venture is not available to pay for current period expenditures and, therefore, is not reported in the governmental funds. 4,972,343

Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the governmental funds. 4,480,833

Deferred outflows of resources resulting from pension obligations are not available resources and, therefore, are not reported in the governmental funds. 3,632,215

Deferred outflows of resources resulting from OPEB obligations are not available resources and, therefore, are not reported in the governmental funds. 146,436

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	\$	(16,500,000)	
Bond issuance discounts		12,043	
Bond issuance premiums		(223,879)	
Net pension liability		(18,885,352)	
Net OPEB liability		(1,343,267)	
Compensated absences		(4,812,230)	
Accrued interest payable		(188,603)	
Landfill postclosure care liability		<u>(1,574,464)</u>	(43,515,752)

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. (4,628,371)

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. (81,692)

Net Position of Governmental Activities **\$ 163,848,506**

**GOODHUE COUNTY
RED WING, MINNESOTA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>General</u>	<u>Road and Bridge</u>
Revenues		
Taxes	\$ 21,875,533	\$ 8,725,797
Special assessments	287,546	-
Licenses and permits	649,914	12,680
Intergovernmental	12,384,993	12,232,283
Charges for services	2,193,473	84,066
Fines and forfeits	9,810	-
Gifts and contributions	27,422	820
Investment earnings	1,106,494	-
Miscellaneous	1,273,468	41,518
Total Revenues	\$ 39,808,653	\$ 21,097,164
Expenditures		
Current		
General government	\$ 12,756,278	\$ -
Public safety	13,667,072	-
Highways and streets	-	17,725,424
Sanitation	-	-
Human services	644,333	-
Health	14,838	-
Culture and recreation	1,163,225	39,128
Conservation of natural resources	798,492	-
Economic development	2,582,243	-
Capital outlay		
General government	1,125,383	-
General government-COVID-19	515,900	-
Public safety	787,941	-
Highways and streets	819,757	-
Sanitation	98,273	-
Debt service		
Principal	-	-
Interest	-	-
Administrative (fiscal) charges	-	-
Intergovernmental		
Highways and streets	-	560,839
Total Expenditures	\$ 34,973,735	\$ 18,325,391
Excess of Revenues Over (Under) Expenditures	\$ 4,834,918	\$ 2,771,773
Other Financing Sources (Uses)		
Transfers in	\$ 206,309	\$ 547
Transfers out	(258,109)	(198,809)
Proceeds from sale of capital assets	76,782	-
Total Other Financing Sources (Uses)	\$ 24,982	\$ (198,262)
Changes in Fund Balance	\$ 4,859,900	\$ 2,573,511
Fund Balance - January 1	22,301,322	13,021,198
Increase (decrease) in inventories	-	299,809
Fund Balance - December 31	\$ 27,161,222	\$ 15,894,518

**GOODHUE COUNTY
RED WING, MINNESOTA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
(CONTINUED)
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020**

<u>Health and Human Services</u>	<u>Economic Development Authority</u>	<u>Debt Service</u>	<u>Nonmajor Fund Waste Management</u>	<u>Total</u>
\$ 7,751,185	\$ 26,261	\$ 2,034,231	\$ 462,551	\$ 40,875,558
-	-	5,517	-	293,063
-	-	-	5,307	667,901
9,229,697	380	66,529	146,355	34,060,237
2,019,416	1,000	-	100,089	4,398,044
-	-	-	-	9,810
37,672	-	-	-	65,914
710	-	-	331	1,107,535
652,688	93,958	-	129,618	2,191,250
\$ 19,691,368	\$ 121,599	\$ 2,106,277	\$ 844,251	\$ 83,669,312
\$ -	\$ -	\$ -	\$ -	\$ 12,756,278
-	-	-	-	13,667,072
-	-	-	-	17,725,424
-	-	-	821,243	821,243
12,956,591	-	-	-	13,600,924
4,263,315	-	-	-	4,278,153
-	-	-	-	1,202,353
-	-	-	-	798,492
-	157,115	-	-	2,739,358
-	-	-	-	1,125,383
-	-	-	-	515,900
-	-	-	-	787,941
-	-	-	-	819,757
-	-	-	-	98,273
-	-	1,345,000	-	1,345,000
-	-	464,629	-	464,629
-	-	9,613	-	9,613
-	-	-	-	560,839
\$ 17,219,906	\$ 157,115	\$ 1,819,242	\$ 821,243	\$ 73,316,632
\$ 2,471,462	\$ (35,516)	\$ 287,035	\$ 23,008	\$ 10,352,680
\$ 256,743	\$ -	\$ -	\$ 819	\$ 464,418
(7,500)	-	-	-	(464,418)
-	-	-	-	76,782
\$ 249,243	\$ -	\$ -	\$ 819	\$ 76,782
\$ 2,720,705	\$ (35,516)	\$ 287,035	\$ 23,827	\$ 10,429,462
9,238,882	806,511	3,090,332	773,966	49,232,211
-	-	-	-	299,809
\$ 11,959,587	\$ 770,995	\$ 3,377,367	\$ 797,793	\$ 59,961,482

**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, 2020**

Net change in fund balances - total governmental funds **\$ 10,429,462**

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	\$ 4,480,833	
Unavailable revenue - January 1	(7,833,173)	(3,352,340)

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	\$ 3,547,777	
Net book value of assets sold	(58,026)	
Current year depreciation	(6,812,150)	(3,322,399)

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. 707,036

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		1,345,000
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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	(2,106,447)	
Change in total OPEB liability	(58,025)	
Change in accrued interest payable	9,983	
Change in landfill postclosure care liability	(52,752)	
Change in compensated absences	(157,363)	
Change in deferred outflows of resources	(1,090,805)	
Change in deferred inflows of resources	5,244,993	
Change in inventories	299,809	2,118,554

Change in Net Position of Governmental Activities **\$ 7,925,313**

FIDUCIARY FUNDS

**GOODHUE COUNTY
RED WING, MINNESOTA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2020**

	Social Welfare Private-Purpose Trust Fund	Custodial Funds
Assets		
Cash and pooled investments	\$ 213,898	\$ 1,279,730
Accounts receivable	-	793,435
Due from other governments	-	3,430
Total Assets	\$ 213,898	\$ 2,076,595
Liabilities		
Due to individuals	\$ -	\$ 578
Due to other governments	-	1,141,366
Total Liabilities	\$ -	\$ 1,141,944
Net Position		
Restricted for individuals, organizations and other governments	\$ 213,898	\$ 934,651
Total Net Position	\$ 213,898	\$ 934,651

**GOODHUE COUNTY
RED WING, MINNESOTA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Social Welfare Private-Purpose Trust Fund	Custodial Funds
Additions		
Contributions-Individual	\$ -	\$ 342,582
Contributions on behalf of others	1,300,171	-
Property tax collections for other governments	-	74,746,244
Contributions from governments	-	2,401,725
License fees collected for state government	-	193,801
Civil process collections	-	831,734
Other contributions	-	214,003
	\$ 1,300,171	\$ 78,730,089
 Deductions		
Payments on behalf of clients	\$ 1,270,148	\$ -
Payments to individuals	-	102,459
Payments of property tax to other governments	-	74,868,244
Other payments to other governments	-	2,714,828
Payments to other entities	-	1,009,654
	\$ 1,270,148	\$ 78,695,185
 Net Increase (Decrease) in Fiduciary Net Position	 \$ 30,023	 \$ 34,904
 Net Position - Beginning	 183,875	 899,747
 Net position - Ending	 \$ 213,898	 \$ 934,651

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

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, 2020. 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 first 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 6.C. The County also participates in jointly governed organizations described in Note 6.D.

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

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, 2020**

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 into 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 are funds the county holds related to other governments or individuals. These funds include a private purpose trust fund and five custodial funds. The activity of the fiduciary funds is reported on the statement of fiduciary net position and the statement of changes in fiduciary net position.

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

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, 2020, 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 2020 were \$1,107,535.

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

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, 2020**

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. The cost of prepaid items is recorded as expenditures/expenses when consumed, rather than when purchased.

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

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, 2020**

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, 2020**

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 future period(s) and will not be recognized as an outflow of resources (expenditure/expense) until then. The County has deferred pension and 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, 2020**

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, 2020**

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, 2020**

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 used first, followed by assigned, then unassigned amounts when expenditures are incurred for purposes allowable in any of the unrestricted fund balance classifications.

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 unassigned fund balance of 35% of the next year's operating budget in the general fund, along with other specific contingency reserves 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, 2020**

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 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 when earned.

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

2. Stewardship, Compliance and Accountability

The following funds had expenditures in excess of budget at the fund level for the year ended December 31, 2020:

	<u>Budget</u>	<u>Expenditures</u>	<u>Excess</u>
General Fund	\$ 32,051,104	\$ 34,973,735	\$ (2,922,631)
Special Revenue Funds			
Economic Development Authority	27,133	157,115	(129,982)

The excess was funded with greater than anticipated revenues and existing fund balances.

3. 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	\$ 57,678,116	
Petty cash and change funds	2,350	
Restricted cash	220,700	
Total Governmental Funds	<u>57,901,166</u>	
Fiduciary funds		
Cash and pooled investments		
Private-Purpose Trust Funds	213,898	
Custodial Funds	1,279,730	
Total Fiduciary Funds	<u>1,493,628</u>	
Total Cash and Investments	<u>\$ 59,394,794</u>	
Deposits		\$ 21,189,293
Petty cash and change funds		2,350
Investments		<u>38,203,151</u>
Total		<u>\$ 59,394,794</u>

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

3. Detailed Notes on All Funds (Continued)

A. Assets (Continued)

1. Deposits and Investments (Continued)

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.

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, 2020, 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, 2020**

3. 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, 2020, Goodhue County's investments were exposed to custodial credit risk of \$15,638,511 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, 2020**

3. 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, 2020, 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	\$ 22,534,230
RBC - Prime Investment money market mutual funds	N/A	N/A	2,306
Wells Fargo Brokerage - money market mutual funds	N/A	N/A	<u>5,805</u>
Total mutual funds			\$ 22,542,341
Bonds			
Small Business Administration Wells fargo Brokerage	N/A	N/A	14,349
Series EE U.S. Savings Bonds	N/A	N/A	7,950
Negotiable certificates of deposit **	N/A	N/A	<u>15,638,511</u>
Total Investments			<u><u>\$ 38,203,151</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, 2020**

3. 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
Bonds				
Small Business Administration	\$ 14,349	\$ -	\$ -	\$ 14,349
Series EE U.S. Savings Bonds	7,950	-	-	7,950
Total bonds	<u>\$ 22,299</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,299</u>
Negotiable certificates of deposit	<u>\$ 15,638,511</u>	<u>\$ 11,149,593</u>	<u>\$ 2,314,337</u>	<u>\$ 2,174,581</u>
Total investments subject to interest rate risk	\$ 15,660,810	<u>\$ 11,149,593</u>	<u>\$ 2,314,337</u>	<u>\$ 2,196,880</u>
Investments not subject to interest rate risk	<u>\$ 22,542,341</u>			
Total Investments	<u>\$ 38,203,151</u>			

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

3. 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, 2020**

3. Detailed Notes on All Funds (Continued)

A. Assets (Continued)

1. Deposits and Investments (Continued)

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	\$ -	\$ 10,002,511	\$ -	\$ 10,002,511
U.S. Government Securities	-	22,299	-	22,299
Total Investments at Fair Value	<u>\$ -</u>	<u>\$ 10,024,810</u>	<u>\$ -</u>	<u>\$ 10,024,810</u>
Investments Measured at Net Asset Value (NAV)				
Wells Fargo Mutual Fund				5,805
Morgan Stanley Mutual Fund				2,306
MAGIC Fund				22,534,230
Investments Measured at Net Asset Value (NAV)				<u>22,542,341</u>
Investments at Amortized Cost				
Negotiable Certificates of Deposit (<1 Year)				5,636,000
Total Investments				<u>\$ 38,203,151</u>
Deposits				21,189,293
Petty Cash				2,350
Total Deposits and Investments				<u>\$ 59,394,794</u>

All Level 2 securities are valued using fair value based on the securities relationship to benchmark quoted prices for similar instruments. 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, 2020**

3. Detailed Notes on All Funds (Continued)

A. Assets (Continued)

2. Receivables

Receivables as of December 31, 2020, are as follows:

	Total Receivables	Amounts Not Scheduled for Collection During the Subsequent Year
	<u> </u>	<u> </u>
Governmental Activities		
Taxes	\$ 401,021	\$ -
Special Assessments	600,045	-
Accounts	444,602	-
Interest	253,524	-
Loans	748,941	709,658
Due from other governments	<u>6,419,050</u>	<u>-</u>
 Total Governmental Activities	 <u>\$ 8,867,183</u>	 <u>\$ 709,658</u>

All loans receivable 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 \$709,658 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, 2020**

3. Detailed Notes on All Funds (Continued)

A. Assets (Continued)

3. Capital Assets

Capital asset activity for the year ended December 31, 2020, was as follows:

	Beginning Balance	Increase	Decrease	Ending Balance
Capital assets not depreciated				
Land	\$ 9,426,296	\$ 202,472	\$ -	\$ 9,628,768
Construction in progress	17,122	427,113	377,655	66,580
Total capital assets not depreciated	<u>\$ 9,443,418</u>	<u>\$ 629,585</u>	<u>\$ 377,655</u>	<u>\$ 9,695,348</u>
Capital assets depreciated				
Land improvements	\$ 484,200	\$ -	\$ 4,219	\$ 479,981
Buildings	47,021,658	765,025	-	47,786,683
Machinery, furniture, and equipment	22,507,954	2,530,823	1,118,596	23,920,181
Infrastructure	185,124,611	-	-	185,124,611
Total capital assets depreciated	<u>\$ 255,138,423</u>	<u>\$ 3,295,848</u>	<u>\$ 1,122,815</u>	<u>\$ 257,311,456</u>
Less: accumulated depreciation				
Land improvements	\$ 153,792	\$ 21,042	\$ -	\$ 174,834
Buildings	20,814,297	1,282,454	-	22,096,751
Machinery, furniture, and equipment	11,966,941	1,613,166	1,064,789	12,515,318
Infrastructure	89,443,401	3,895,488	-	93,338,889
Total accumulated depreciation	<u>\$ 122,378,431</u>	<u>\$ 6,812,150</u>	<u>\$ 1,064,789</u>	<u>\$ 128,125,792</u>
Total capital assets depreciated, net	<u>132,759,992</u>	<u>(3,516,302)</u>	<u>58,026</u>	<u>129,185,664</u>
Capital Assets, Net	<u>\$ 142,203,410</u>	<u>\$ (2,886,717)</u>	<u>\$ 435,681</u>	<u>\$ 138,881,012</u>

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

3. 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	\$ 703,634
Public Safety	1,320,940
Highways and streets, including depreciation of infrastructure assets	4,506,661
Health and human services	175,502
Sanitation	85,824
Conservation	15,882
Culture and recreation	3,707
Total Depreciation Expense - Governmental Activities	\$ 6,812,150

B. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of December 31, 2020, is as follows:

1. Due To/From Other Funds

Receivable Fund	Payable Fund	Amount
General	Health and Human Services	\$ 1,597
Road and Bridge	General	1,243
Road and Bridge	Waste Management	1,881
Total Due to/From Other Funds		\$ 4,721

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, 2020**

3. Detailed Notes on All Funds (Continued)

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

2. Interfund Transfers

Interfund transfers for the year ended December 31, 2020, consisted of the following:

Transfers to General Fund from Health and Human Services Fund	\$ 7,500	Public health nuisances
Transfers to General Fund from Road and Bridge Fund	198,809	Capital fund supplement
Transfers to Road and Bridge Fund from General Fund	100	REP training drills
	447	CARES Act expenditures
Transfers to Health and Human services Fund from General Fund	3,767	Capital expenditures
	8,594	Software license/maintenance
	143,334	Termination payments
	101,048	CARES Act expenditures
Transfers to Nonmajor Fund from General Fund	363	REP training drills
	456	CARES Act expenditures
Total Interfund Transfers	<u>\$ 464,418</u>	

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

3. Detailed Notes on All Funds (Continued)

C. Long-Term Liabilities

1. Bonds and Notes Payable

Type of Indebtedness	Final Maturity	Installment Amounts	Interest Rates (%)	Original Issue Amount	Outstanding Balance December 31, 2020
2012A CIP Highway Project Bonds	2023	\$405,000 - \$1,720,000	0.5% - 1.85%	\$ 5,065,000	\$ 1,290,000
2014A G.O. CIP Highway Project Bonds	2025	\$695,000 - \$965,000	2.0% - 2.5%	7,760,000	3,925,000
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>9,990,000</u>
Total General Obligation Bonds and Notes				<u>\$ 24,840,000</u>	<u>\$ 16,500,000</u>

Debt service requirements at December 31, 2020, were as follows:

Year Ending December 31	General Obligation CIP Bonds	
	Principal	Interest
2021	\$ 1,370,000	\$ 439,060
2022	1,395,000	411,193
2023	1,425,000	380,983
2024	1,455,000	346,228
2025	1,495,000	307,015
2026-2030	<u>9,360,000</u>	<u>686,142</u>
Total	<u>\$ 16,500,000</u>	<u>\$ 2,570,621</u>

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

3. 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.

2. Changes in Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2020, 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	\$ 17,845,000	\$ -	\$ 1,345,000	\$ 16,500,000	\$ 1,370,000
Issuance premiums	256,047	-	32,168	223,879	-
Issuance discounts	(15,050)	-	(3,007)	(12,043)	-
Total bonds and notes payable	<u>\$ 18,085,997</u>	<u>\$ -</u>	<u>\$ 1,374,161</u>	<u>\$ 16,711,836</u>	<u>\$ 1,370,000</u>
Closure and postclosure care	1,521,712	52,752	-	1,574,464	-
Compensated absences	<u>4,654,867</u>	<u>2,838,036</u>	<u>2,680,673</u>	<u>4,812,230</u>	<u>1,924,892</u>
Governmental Activity					
Long-Term Liabilities	<u>\$ 24,262,576</u>	<u>\$ 2,890,788</u>	<u>\$ 4,054,834</u>	<u>\$ 23,098,530</u>	<u>\$ 3,294,892</u>

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

3. 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 \$1,574,464 landfill closure and postclosure care liability at December 31, 2020, is based on what it would cost to perform all closure and postclosure care in 2020. Actual costs may be higher due to inflation, changes in technology, or changes in regulations. Not included in the above liability are \$881,289 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, 2020, investments of \$220,700 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 \$2,750,000 to ensure financing is available, if needed. This letter of credit was effective June 13, 2020 and expires June 12, 2021. The County did not draw on this letter of credit during 2020, and there are no outstanding balances as of December 31, 2020.

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

3. Detailed Notes on All Funds (Continued)

D. Deferred Inflows of Resources

As of December 31, 2020, the various components of unavailable revenue were as follows:

	Unavailable Revenue	Deferred Revenue for Future Period	Total
Charges for services	\$ 44,937	\$ -	\$ 44,937
Deferred inflow due to prepaid taxes	-	11,599	11,599
Delinquent property taxes	265,761	-	265,761
Local option sales taxes	32,946	-	32,946
Intergovernmental	2,954,968	-	2,954,968
Licenses and permits	1,069	-	1,069
Loans receivable	527,930	-	527,930
Other	53,176	-	53,176
Special assessments	80,058	519,987	600,045
 Total Governmental Funds	 \$ 3,960,845	 \$ 531,586	 \$ 4,492,431

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

3. Detailed Notes on All Funds (Continued)

E. Fund Balance

Nonspendable, Restricted, Committed, and Assigned Fund Balances

Fund balances of the governmental funds were designated as follows at December 31, 2020.

<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	\$ 258,520	\$ 645	\$ 41,218	\$ -	\$ 1,850	\$ -
Inventories	-	720,111	-	-	-	-
Total Nonspendable Fund Balance	<u>\$ 258,520</u>	<u>\$ 720,756</u>	<u>\$ 41,218</u>	<u>\$ -</u>	<u>\$ 1,850</u>	<u>\$ -</u>
<u>Restricted</u>						
Unclaimed funds	\$ 595	\$ -	\$ -	\$ -	\$ -	\$ -
Gravel pit postclosure	280,395	-	-	-	-	-
Law library	197,760	-	-	-	-	-
Attorney's forfeiture activities	28,408	-	-	-	-	-
Attorney's victim assistance	5,421	-	-	-	-	-
Recorder's technology equipment	112,946	-	-	-	-	-
Recorder's compliance fund	180,079	-	-	-	-	-
Veteran's operational grant	7,845	-	-	-	-	-
Veteran's transportation	7,796	-	-	-	-	-
Buffer initiative	164,615	-	-	-	-	-
Aquatic invasive species prevention	253,675	-	-	-	-	-
Sheriff's counteract	19,101	-	-	-	-	-
Sheriff's K-9 donations	17,152	-	-	-	-	-
Gun permit activities	50,473	-	-	-	-	-
Sheriff's contingency	239	-	-	-	-	-
E-911	249,359	-	-	-	-	-
Correction service fee	17,656	-	-	-	-	-
Local correctional fees	52,349	-	-	-	-	-
County ditch #1	64,474	-	-	-	-	-
Minnesota COVID-19 Relief Funds	916,696	-	-	-	-	-
Family Service Collaborative	-	-	518,845	-	-	-
Landfill closure/postclosure	-	-	-	-	-	220,701
Debt (QECB lump sum due 2/1/2027)	-	-	-	-	3,375,517	-
EDA loan program (2010MIF)	-	-	-	533,200	-	-
Total Restricted Fund Balance	<u>\$ 2,627,034</u>	<u>\$ -</u>	<u>\$ 518,845</u>	<u>\$ 533,200</u>	<u>\$ 3,375,517</u>	<u>\$ 220,701</u>

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

3. Detailed Notes on All Funds (Continued)

E. Fund Balance (Continued)

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

Assigned	General	Road and Bridge	Health and Human Services	Economic Development Authority	Debt Service	Waste Management Fund
Subsequent year's appropriated budget	\$ 447,582	\$ -	\$ -	\$ -	\$ -	\$ -
Highways & streets	-	13,089,674	-	-	-	-
Health & human services	-	-	10,656,828	-	-	-
Sanitation (waste management)	-	-	-	-	-	542,018
Motor pool	103,632	-	-	-	-	-
Inmate improvement	77,261	-	-	-	-	-
Employee training & development	6,400	-	-	-	-	-
County program aid contingency	1,518,111	-	-	-	-	-
Building contingencies	1,077,784	-	-	-	-	-
Sheriff-radio tower equipment	45,000	-	-	-	-	-
Land Use/Environmental Ordinance	75,070	-	-	-	-	-
Petty Cash and Change Funds	1,675	50	550	-	-	75
Employee Wellness Committee	7,872	-	-	-	-	-
Byllesby Dam	34,447	-	-	-	-	-
Compensated Absences	317,422	-	-	-	-	-
27th Payroll	596,741	-	-	-	-	-
Tax Court Settlements	226,500	-	-	-	-	-
Natural, Tech, Human-Caused Hazards	1,000,000	-	-	-	-	-
Tax Fofeited Property Funding	4,085	-	-	-	-	-
Capital Projects	520,418	-	-	-	-	-
Township turnback	-	9,525	-	-	-	-
Right-of-way (2016)	-	1,250,000	-	-	-	-
Byllesby Park & Trail	-	642,104	-	-	-	-
TH52 development and construction	-	182,409	-	-	-	-
Out-of-home placement deficits	-	-	142,146	-	-	-
Potential state/federal funding cuts	-	-	250,000	-	-	-
State hospital expenditures	-	-	200,000	-	-	-
Foster care budget deficits	-	-	150,000	-	-	-
Economic Development	-	-	-	237,795	-	-
Landfile transfer station	-	-	-	-	-	35,000
Total Assigned Fund Balance	\$ 6,060,000	\$ 15,173,762	\$ 11,399,524	\$ 237,795	\$ -	\$ 577,093

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

4. Pension Plans

A. Defined Benefit Plans

1. Plan Descriptions

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 covers certain full time and part-time employees of the County. General Employees Plan members belong to the Coordinated Plan. Coordinated Plan members are covered by Social Security.

The Police and Fire Plan, originally established for police officers and firefighters not covered by a local relief association, now covers all police officers and firefighters hired since 1980. Effective July 1, 1999, the Police and Fire Plan also covers police officers and firefighters belonging to local relief associations that elected to merge with and transfer assets and administration to PERA.

The Correctional Plan was established for correctional officers serving in county and regional corrections facilities. Eligible participants must be responsible for the security, custody, and control of the facilities and their inmates.

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

4. Pension Plans (Continued)

A. Defined Benefit Plans (Continued)

2. Benefits Provided

PERA provides retirement, disability, and death benefits. Benefit provisions are established by state statute and can only be modified by the state legislature. 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.

General Employees Retirement Plan Benefits

General Employees Plan 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 PERA's Coordinated Plan members. Members hired prior to July 1, 1989, receive the higher of Method 1 or Method 2 formulas. Only Method 2 is used for members hired after June 30, 1989. Under Method 1, the accrual rate for Coordinated members is 1.2% for each of the first 10 years of service and 1.7% for each additional year. Under Method 2, the accrual rate for Coordinated members is 1.7% for all years of service. For 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.

Benefit increases are provided to benefit recipients each January. The postretirement increase is equal to 50% of the cost-of-living adjustment (COLA) announced by the SSA, with a minimum increase of at least 1% and a maximum of 1.5%. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase will receive the full increase. Recipients receiving the annuity or benefit for at least one month but less than a full year as of the June 30 before the effective date of the increase will receive a reduced prorated increase. For members retiring on January 1, 2024, or later, the increase will be delayed until normal retirement age (age 65 if hired prior to July 1, 1989, or age 66 for individuals hired on or after July 1, 1989). Members retiring under Rule of 90 are exempt from the delay to normal retirement.

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

4. Pension Plans (Continued)

A. Defined Benefit Plans (Continued)

2. Benefits Provided (Continued)

Police and Fire Plan Benefits

Benefits for Police and Fire Plan members first hired after June 30, 2010, but before July 1, 2014, vest on a prorated basis from 50% after five years up to 100% after 10 years of credited service. Benefits for Police and Fire Plan members first hired after June 30, 2014, vest on a prorated basis from 50% after 10 years up to 100% after 20 years of credited service. The annuity accrual rate is 3% of average salary for each year of service. For Police and Fire Plan members who were first hired prior to July 1, 1989, a full annuity is available when age plus years of service equal at least 90.

Benefit increases are provided to benefit recipients each January. The postretirement increase will be fixed at 1%. Recipients that have been receiving the annuity or benefit for at least 36 months as of the June 30 before the effective date of the increase will receive the full increase. Recipients receiving the annuity or benefit for at least 25 months but less than 36 months as of the June 30 before the effective date of the increase will receive a reduced prorated increase.

Correctional Plan Benefits

Benefits for Correctional Plan members first hired after June 30, 2010, vest on a prorated basis from 50% after five years up to 100% after 10 years of credited service. The annuity accrual rate is 1.9% of average salary for each year of service in that plan. For Correctional Plan members who were first hired prior to July 1, 1989, a full annuity is available when age plus years of service equal at least 90.

Benefit increases are provided to benefit recipients each January. The postretirement increase will be equal to 100% of the COLA announced by SSA, with a minimum increase of at least 1% and a maximum of 2.5%. If the plan's funding status declines to 85% or below for two consecutive years or 80% for one year, the maximum will be lowered from 2.5% to 1.5%. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase will receive the full increase. Recipients receiving the annuity or benefit for at least one month but less than a full year as of the June 30 before the effective date of the increase will receive a reduced prorated increase.

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

4. Pension Plans (Continued)

A. Defined Benefit Plans (Continued)

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 Fund Coordinated Plan members were required to contribute 6.50% of their annual covered salary in 2020. Public Employees Police and Fire Fund contribution rates increased from 11.3% of their annual covered salary to 11.8% and employer rates increased from 16.95% to 17.70% on January 1, 2020. Public Employees Correctional Fund members were required to contribute 5.83% of their annual covered salary in 2020.

In 2020, the County was required to contribute the following percentages of annual covered salary:

General Employees Fund	
Coordinated Plan members	7.50 %
Public Employees Police and Fire Fund	17.70
Public Employees Correctional Fund	8.75

Effective January 1, 2020, the Police and Fire member rate increased from 11.3% to 11.8% and the employer rate increased from 16.95% to 17.70%.

The County's contributions for the year ended December 31, 2020, to the pension plans were:

	<u>2020</u>
General Employees Fund	\$ 1,297,037
Public Employees Police and Fire Fund	595,577
Public Employees Correctional Fund	232,546

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

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

4. Pension Plans (Continued)

A. Defined Benefit Plans (Continued)

4. Pension Costs

General Employees Fund Pension Costs

At December 31, 2020, the County reported a liability of \$14,538,983, for its proportionate share of the General Employees Fund's net pension liability. The County's net pension liability reflected a reduction due to the State of Minnesota's contribution of \$16 million. The State of Minnesota is considered a nonemployer contributing entity and the state's contribution meets the definition of a special funding situation. The State of Minnesota's proportionate share of the net pension liability associated with the County totaled \$448,370. The net pension liability was measured as of June 30, 2020, 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 proportionate share 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, 1899, through June 30, 2020, relative to the total employer contributions received from all of PERA's participating employers. The County's proportion was .2425% at the end of the measurement period and .2384% for the beginning of the period.

County's proportionate share of the net pension liability	\$ 14,538,983
State of Minnesota's proportionate share of the net pension liability associated with the County	<u>448,370</u>
Total	<u><u>\$ 14,987,353</u></u>

There were no provision changes during the measurement period.

For the year ended December 31, 2020, the County recognized pension expense of \$412,127 for its proportionate share of the General Employees Plan's pension expense. In addition, the County recognized an additional \$39,022 as pension expense (and grant revenue) for its proportionate share of the state of Minnesota's pension expense for the annual \$16 million contribution.

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

4. Pension Plans (Continued)

A. Defined Benefit Plans (Continued)

4. Pension Costs (Continued)

General Employees Retirement Plan (Continued)

At December 31, 2020 the County reported its proportionate share of the General Employees 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	\$ 132,560	\$ 55,008
Changes in Actuarial Assumptions	-	539,018
Net Difference Between Projected and Actual Investment Earnings	251,171	-
Changes in Proportion	236,342	43,473
Contributions Paid to PERA Subsequent to the Measurement Date	665,848	-
Total	<u>\$ 1,285,921</u>	<u>\$ 637,499</u>

\$665,848 reported as deferred outflows of resources related to pensions resulting from county contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2021. 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, 2020**

4. Pension Plans (Continued)

A. Defined Benefit Plans (Continued)

4. Pension Costs (Continued)

General Employees Retirement Plan (Continued)

Year Ending December 31,	Pension Expense Amount
2021	\$ (782,344)
2022	71,933
2023	341,720
2024	351,265

Police and Fire Fund Pension Costs

At December 31, 2020, the County reported a liability of \$4,014,954 for its proportionate share of the Police and Fire Fund's net pension liability. The net pension liability was measured as of June 30, 2020, 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 proportionate 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, 1899, through June 30, 2020, relative to the total employer contributions received from all of PERA's participating employers. The County's proportionate share was .3046% at the end of the measurement period and .3215% for the beginning for the period.

The state of Minnesota contributed \$13.5 million to the Police and Fire Fund in the plan fiscal year ended June 30, 2020. The contribution consisted of \$4.5 million in direct state aid that does meet the definition of a special funding situation and \$9.0 million in supplemental state aid that does not meet the definition of a special funding situation. The \$4.5 million direct state was paid on October 1, 2019. Thereafter, by October 1 of each year, the state will pay \$9 million to the Police and Fire Fund until full funding is reached or July 1, 2048, whichever is earlier. The \$9 million in supplemental state aid will continue until the fund is 90% funded, or until the State Patrol Plan (administered by the Minnesota State Retirement System) is 90% funded, whichever occurs later.

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

4. Pension Plans (Continued)

A. Defined Benefit Plans (Continued)

4. Pension Costs (Continued)

Public Employees Police and Fire Plan (Continued)

The state of Minnesota is included as a non-employer contributing entity in the Police and Fire Retirement Plan Schedule of Employer Allocations and Schedule of Pension Amounts by Employer, Current Reporting Period Only (pension allocation schedules) for the \$4.5 million in direct state aid. Police and Fire Plan employers need to recognize their proportionate share of the state of Minnesota's pension expense (and grant revenue) under GASB 68 special funding situation accounting and financial reporting requirements. For the year ended December 31, 2020, the County recognized pension expense of \$430,947 for its proportionate share of the Police and Fire Plan's pension expense. The County recognized \$29,102 as grant revenue for its proportionate share of the state of Minnesota's pension expense for the contribution of \$4.5 million to the Police and Fire Fund.

The state of Minnesota is not included as a non-employer contributing entity in the Police and Fire Pension Plan pension allocation schedules for the \$9 million in supplemental state aid. The County recognized \$94,592 for the year ended December 31, 2020 as revenue and an offsetting reduction of net pension liability for its proportionate share of the state of Minnesota's on-behalf contributions to the Police and Fire Fund.

County's proportionate share of the net pension liability	\$ 4,014,954
State of Minnesota's proportionate share of the net pension liability associated with the County	94,592
Total	\$ 4,109,546

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

4. Pension Plans (Continued)

A. Defined Benefit Plans (Continued)

4. Pension Costs (Continued)

Public Employees Police and Fire Plan (Continued)

At December 31, 2020, the County reported its proportionate share of the 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	\$ 177,403	\$ 190,667
Changes in Actuarial Assumptions	1,345,495	2,503,984
Net Difference Between Projected and Actual Investment Earnings	121,953	-
Changes in Proportion	202,579	387,862
Contributions Paid to PERA Subsequent to the Measurement Date	319,862	-
Total	<u>\$ 2,167,292</u>	<u>\$ 3,082,513</u>

\$319,862 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, 2021. 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
2021	\$ (315,026)
2022	(1,182,767)
2023	178,879
2024	129,312
2025	(45,481)

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

4. Pension Plans (Continued)

A. Defined Benefit Plans (Continued)

4. Pension Costs (Continued)

Correctional Plan Pension Costs

At December 31, 2020, the County reported a liability of \$331,415 for its proportionate share of the Correctional Plan's net pension liability. The net pension liability was measured as of June 30, 2020, 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, 1899, through June 30, 2020, relative to the total employer contributions received from all of PERA's participating employers. The County's proportion was 1.221% at the end of the measurement period and 1.268% for the beginning of the period. For the year ended December 31, 2020, the County recognized pension expense of \$(710,637) for its proportionate share of the Public Employees Correctional Plan's pension expense.

At December 31, 2020, the County reported its proportionate share of the 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	\$ 3,107	\$ 121,959
Changes in Actuarial Assumptions	-	671,160
Net Difference Between Projected and Actual Investment Earnings	63,056	-
Changes in Proportion	-	115,240
Contributions Paid to PERA Subsequent to the Measurement Date	112,839	-
Total	<u>\$ 179,002</u>	<u>\$ 908,359</u>

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

4. Pension Plans (Continued)

A. Defined Benefit Plans (Continued)

4. Pension Costs (Continued)

Public Employees Correctional Plan (Continued)

\$112,839 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, 2021. 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
2021	\$ (825,142)
2022	(76,964)
2023	124
2024	59,786

Summary for all Plans

The aggregate amount of net pension liability, deferred outflows of resources, deferred inflows of resources and pension expense for the County's defined benefit pension plans are summarized below. Pension liabilities are typically liquidated by the individual activity with which the employee's costs are associated. The table below includes the County's portion of each plan.

Description	General Employees Plan	Police and Fire Plan	Correctional Plan	Total
Net Pension Liability	\$ 14,538,983	\$ 4,014,954	\$ 331,415	\$ 18,885,352
Deferred Outflows of Resources Related to Pensions	1,285,921	2,167,292	179,002	\$ 3,632,215
Deferred Inflows of Resources Related to Pensions	637,499	3,082,513	908,359	\$ 4,628,371
Pension Expense	451,149	460,049	(710,637)	\$ 200,561

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

4. Pension Plans (Continued)

A. Defined Benefit Plans (Continued)

5. Actuarial Assumptions

The total pension liability in the June 30, 2020, actuarial valuation was determined using the individual entry age normal actuarial cost method and the following additional actuarial assumptions:

Inflation	2.50% per Year (2.25% - General Employee Plan)
Active member payroll growth	3.25% per Year (3.00% - General Employee Plan)
Investment Rate of Return	7.50%

Salary increases were based on a service-related table. Mortality rates for active members, retirees, survivors, and disabilitants were based on Pub-2010 General Employee Mortality table for the General Employees Plan and RP 2014 tables for the Police and Fire and the Correctional Plans for males or females, as appropriate, with slight adjustments to fit PERA's experience. Cost of living benefit increases after retirement for retirees are assumed to be 1.25% per year for the General Employees Plan and 2.0% per year for the Correctional Plan. For the Police and Fire Plan, cost of living benefit increases for retirees are 1.0% per year as set by state statute.

Actuarial assumptions used in the June 30, 2020 valuation were based on the results of actuarial experience studies. The most recent four-year experience study for the General Employees Plan was completed in 2019. The assumption changes were adopted by the Board and became effective with the July 1, 2020 actuarial valuation. The four-year experience study used for the Police and Fire Plan was completed in 2016. The five-year experience study used for the Correctional Plan, prepared by a former actuary, was completed in 2012. The mortality assumption for the Correctional Plan is based on the Police and Fire Plan experience study completed in 2016. Inflation and investment return assumptions for the Police and Fire Plan and the Correctional Plan are based on the General Employees Retirement Plan experience study completed in 2019. The most recent four-year experience studies for the Police and Fire Plan and the Correctional Plan were completed in 2020. The recommended assumptions for those plans were adopted by the Board and will be effective with the July 1, 2021 actuarial valuations if approved by the Legislature.

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

4. Pension Plans (Continued)

A. Defined Benefit Plans (Continued)

5. Actuarial Assumptions (Continued)

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	35.5 %	5.10 %
International Stocks	17.5	5.30
Bonds (Fixed Income)	20.0	0.75
Alternative Assets (Private Markets)	25.0	5.90
Cash	2.0	0.00
Totals	100.0 %	

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

4. Pension Plans (Continued)

A. Defined Benefit Plans (Continued)

6. Discount Rate

The discount rate used to measure the total pension liability in 2020 was 7.50%, consistent with the rate used in 2019. 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 2020:

General Employees Plan

- The price inflation assumption was decreased from 2.50% to 2.25%.
- The payroll growth assumption was decreased from 3.25% to 3.00%.
- Assumed salary increase rates were changed as recommended in the June 30, 2019 experience study. The net effect is assumed rates that average 0.25% less than previous rates.
- Assumed rates of retirement were changed as recommended in the June 30, 2019 experience study. The changes result in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements.
- Assumed rates of termination were changed as recommended in the June 30, 2019 experience study. The new rates are based on service and are generally lower than the previous rates for years 2-5 and slightly higher thereafter.
- Assumed rates of disability were changed as recommended in the June 30, 2019 experience study. The change results in fewer predicted disability retirements for males and females.
- The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 General Mortality table, with adjustments. The base mortality table for disabled annuitants was changed from the RP-2014 disabled annuitant mortality table to the Pub-2010 General/Teacher disabled annuitant mortality table, with adjustments.

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

4. Pension Plans (Continued)

A. Defined Benefit Plans (Continued)

7. Changes in Actuarial Assumptions (Continued)

- The mortality improvement scale was changed from Scale MP-2018 to Scale MP-2019.
- The assumed spouse age difference was changed from two years older for females to one year older.
- The assumed number of married male new retirees electing the 100% Joint & Survivor option changed from 15% to 30%. The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.

Police and Fire Plan

- The mortality projection scale was changed from MP-2018 to MP-2019.

Correctional Plan

- The mortality projection scale was changed from MP-2018 to MP-2019.

8. Changes in Plan Provisions

General Employees Plan

- Augmentation for current privatized members was reduced from 2.0% for the period July 1, 2020 through December 31, 2020 and 0.0% thereafter. Augmentation was eliminated for privatizations occurring after June 30, 2020.

Police and Fire Plan

- There were no changes since the prior valuation.

Correctional Plan

- There were no changes since the prior valuation.

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

4. Pension Plans (Continued)

A. Defined Benefit Plans (Continued)

9. 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%	\$ 23,300,947	6.50%	\$ 8,002,381	6.50%	\$ 2,059,708
Current	7.50%	14,538,983	7.50%	4,014,954	7.50%	331,415
1% Increase	8.50%	7,311,067	8.50%	716,057	8.50%	(1,052,346)

10. 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.

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

4. Pension Plans (Continued)

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. Minn. Stat. § 353D.03 specifies plan provisions, including the employee and employer contribution rates for those qualified personnel who elect to participate. 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, 2020, were:

Contribution Amount		Percentage of Covered Payroll		Required
Employee	Employer	Employee	Employer	Rate
\$ 4,857	\$ 4,857	5%	5%	5%

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

5. 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, 2020 is as follows:

Active participants	353
Retirees receiving payments	10
Spouses receiving payments	2
Totals	<u><u>365</u></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, 2020**

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

C. Actuarial Methods and Assumptions

The County's total OPEB liability of \$1,343,267 reported as of December 31, 2020 was measured as of January 1, 2020, 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	2.90% (20-year municipal bond rate)
Salary growth assumption	Based on service-graded table
Inflation (post retirement COLA)	2.50%
Healthcare cost trend rates	6.50% (decreasing to 5.00% over 6 years) then to 4.00% over the next 48 years
Mortality assumptions	Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Safety) with MP-2019 Generational Improvement Scale

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, 2020 based on a measurement date of January 1, 2020:

Balance as of January 1, 2020	\$ 1,285,242
Changes for the year:	
Service cost	116,332
Interest cost	51,548
Assumption changes	44,080
Experience changes	(63,001)
Benefit payments	(90,934)
Net changes in total OPEB liability	<u>58,025</u>
Balance as of December 31, 2020	<u><u>\$ 1,343,267</u></u>

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

5. 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:

Proportionate Share of the OPEB Liability		
	Discount Rate	Total OPEB Liability
1% Decrease	1.90%	\$ 1,439,659
Current	2.90%	1,343,267
1% Increase	3.90%	1,252,173

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:

Proportionate Share of the OPEB Liability	
	Total OPEB Liability
1% Decrease (5.5% decreasing to 4.0%)	\$ 1,204,677
Current (6.5% decreasing to 5.0%)	1,343,267
1% Increase (7.5% decreasing to 6.0%)	1,506,924

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

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

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

For the year ended December 31, 2020, the County recognized OPEB expense of \$50,984. The County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in Actuarial Assumptions	\$ 37,782	\$ 27,692
Changes in Experience	-	54,000
Contributions Subsequent to the Measurement Date	108,654	-
Total	<u>\$ 146,436</u>	<u>\$ 81,692</u>

\$108,654 reported as deferred outflow of resources resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ended December 31, 2021. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ending December 31,</u>	<u>Pension Expense Amount</u>
2021	\$ (8,242)
2022	(8,242)
2023	(8,242)
2024	(8,242)
2025	(8,239)
Thereafter	(2,703)

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

6. 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 2020. 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, 2020**

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

B. Contingent Liabilities (Continued)

During 2019, counties were notified by the Minnesota Department of Human Services (DHS) that DHS made errors in the calculation of Substance Use Disorder (SUD) for Institutes of Mental Disease (IMD) claims from January 2014 to June 2019. Based on these errors, DHS was originally requesting counties repay \$8.8 million back to DHS. During 2020, this amount was revised to \$8.6 million. Goodhue County's share of the \$8.6 million is \$96,239. Minnesota Counties have raised concerns over how the amount was calculated, the accuracy of the calculation and whether DHS has the legal/statutory authority to require the Counties to repay the amounts. The Association of Minnesota Counties (AMC) has recommended that counties not repay any amounts until these concerns have been addressed in hopes that this matter is resolved by other means. Therefore, this \$96,239 has not been recorded as a liability by the County as of December 31, 2020.

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. During 2019, the County did not make any payments to the Collaborative.

Control of the Collaborative is vested in a four-member governing board appointed by the member parties, with the Goodhue County Health and Human Services Department acting as the fiscal agent. 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.

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

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

C. Joint Ventures (Continued)

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 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.

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, 2020 was \$4,972,343. 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.

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

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

C. Joint Ventures (Continued)

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 \$16,000 to the Emergency Communications Board, \$6,000 for membership dues and \$10,000 of regional project funds.

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. The County made payments of \$32,192 to the Authority during 2020.

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, 2020**

6. 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 \$7,649 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 \$117,493 to the Cooperative.

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

6. 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. During the year, the County paid \$0 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.

Nuclear Emergency Response Preparedness-Incident Response

This agreement, between the County and Northern States Power specifies roles and responsibilities for providing emergency services in the case of an adverse event at the Prairie Island Nuclear Power Plant. The Red Wing police department is the normal primary contact and coordinator of external incident response; the County Sheriff would assume these lead responsibilities in the event of a general emergency declaration. The services to be provided include general law enforcement and leading of tactical response operations. Additional roles and responsibilities of other County personnel are also specified. No financial contributions are required by members under this agreement.

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

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

D. Jointly-Governed Organizations (Continued)

Nuclear Emergency Response Preparedness-Work Decontamination

These agreements between the State of Minnesota Homeland Security Management (HSEM), Goodhue County Emergency Management, and Cannon Falls and Red Wing fire departments were signed to detail roles and responsibilities of each party in the event of a disaster at the Prairie Island Nuclear Energy plant. Under these agreements, the County is responsible for working with HSEM to establish a budget for a grant supporting Cannon Falls' worker decontamination facilities. The County also participates in training exercises and is jointly responsible with each city for maintenance of a decontamination facility and is eligible for grant reimbursement of any expenditures incurred for this purpose. During 2020, the County paid \$7,435 to Cannon Falls and \$0 to Red Wing; no payments were received \$0 under either agreement.

Correctional Facility Emergency Response

This agreement is between the State of Minnesota, acting through its Commissioner of Corrections, and Goodhue County, on behalf of its Sheriff's Office. Under this agreement, either party may request assistance from the other party in the case of an emergency at the requesting party's local correctional facility. The current agreement was signed in 2019 and is effective through June 30, 2023. Parties are not required to make any financial contributions under this agreement unless services are required after an initial 24-hour period and a cost amendment to the agreement is signed, or if the party providing the services requests reimbursement of any supply costs. Assistance was not required by either party, nor did the County make any payments under this agreement in 2020.

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

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

D. Jointly-Governed Organizations (Continued)

Cannon River Watershed

The Cannon River Watershed was formed by Dakota, Goodhue, LeSeur, Rice, Steele and Waseca Counties and their respective Soil and Water Conservation Districts (SWCDs), the Belle Creek Watershed District and the North Cannon River Watershed Management Organization. The purpose of this joint powers board is to develop policies, programs and projects toward a comprehensive watershed management plan, as required by Minnesota statute 103B.801. The governing board consists of 14 members, with one representative from each member entity, each serving a two-year term. Each member is required to contribute annual dues based on a tiered system, determined by the land area of each member in the Cannon River Watershed planning area. Goodhue County is a Tier 1 Member, with annual dues of \$5,000. Goodhue County signed the agreement on April 16, 2019; the final member signed on December 12, 2019. The first meeting was held on January 15, 2020. Goodhue County paid \$5,000 for its 2020 membership dues on February 14, 2020.

Southeastern Minnesota Libraries Cooperative (SELCO)

The Southeastern Minnesota Libraries Cooperative provides library services within the County. During the year, the County contributed \$516,429 to SELCO, noting this amount will increase to \$525,880 in 2021.

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. The current agreement is for the period July 1, 2019 through June 30, 2021. During 2020, the County paid \$187,492 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.

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

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

D. Jointly-Governed Organizations (Continued)

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 2020.

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 2020.

Great River Rail Commission (Regional Railroad)

The Great River Rail Commission (formerly known as the Minnesota High Speed Rail Commission) (the Commission) joint powers agreement, originally enacted in 2009 and most recently amended in 2019, 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 seven financial parties, including area rail road authorities and planning committees and 11 non-financial parties, including municipalities located along the corridor. Each Financial Party receives three votes and each non-Financial party receives one vote on all Commission board matters. Financial parties are required to contribute to the Commission. Goodhue County is a financial party to this agreement and contributed \$4,173 in membership fees in 2020.

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

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

D. Jointly-Governed Organizations (Continued)

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 2020 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 was renewed effective May 2019 and expires in 2024. The County is eligible for reimbursement of certain expenses incurred while conducting investigations under this agreement. The County did not receive any reimbursements, nor did the County make any payments during 2020.

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. The maximum annual reimbursement is \$5,000. Goodhue County did not receive any funds nor did the County make any payments under the agreement in 2020.

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

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

D. Jointly-Governed Organizations (Continued)
State Building Code Administration

Each year, the County enters into separate agreements with the cities of Bellechester, Cannon Falls, Dennison, Goodhue, Kenyon and Wannamingo for the County and its Land Use Department to perform all state building code administration duties on behalf of each city. Under these agreements, each city approves all permit applications through their local process. The County then reviews each permit for compliance with state building codes. Each city collects all applicable permit fees, as set by the County fee schedule and remits said fees to the County on a quarterly basis. The County retains a portion of certain fees as payment for services and remits all other fees as required to the state. During 2020, the County received \$127,196 in total fees under these agreements. The County did not make any payment to the entity in 2020. Each of these agreements self-renews for additional one-year periods unless terminated by the city with no less than a 90-day notice.

E. Conduit Debt Obligations

On June 7, 2016, the County issued a Health Care Facilities Revenue Note for \$9,800,000 (the Note) to finance the acquisition, construction and equipping of Benedictine Health System's St. Bridgid's facility and to refund any outstanding facility notes. The Note is a special, limited obligation of the County. Pursuant to a Loan Agreement between the County and Benedictine Health System, the Note is payable solely from pledged revenues of Benedictine Health. The County has not made any additional commitments for the repayment of the Note beyond the revenues pledged by Benedictine for repayment and maintenance of the tax-exempt status of the conduit debt obligation. At December 31, 2020, the Note has an aggregate outstanding principal amount of \$9,073,684, none of which was recognized as a liability by the County. On March 24, 2021, the County approved Duluth Economic Development Authority's refunding of these obligations.

F. Debt Obligation Contingency

On June 23, 2015, the Southeast Minnesota Multi-County Housing and Redevelopment Authority (SEMMCHRA) issued \$2,765,000 in Housing Development Revenue Refunding Bonds – Series 2016B. The bonds were issued to refund SEMMCHRA's \$3,575,000 Housing Development Revenue Bonds – Series 2007B. The principal and interest on the bonds are payable from SEMMCHRA's operating revenues and tax increments resulting from increases in valuation of real property in Tax Increment Financing Districts 1-3. In the event these sources are deficient, SEMMCHRA has pledged to levy its special benefit tax. Should any of these SEMMCHRA sources fail to provide sufficient revenue for the payment of the principal and interest on the bonds, the full faith and credit of Goodhue County is irrevocably pledged for payment of the debt. As of December 31, 2019, the bonds have an outstanding principal amount of \$2,105,000, none of which was recognized as a liability by the County.

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

7. New Accounting Pronouncements

The following Accounting standards have been adopted in the current year:

- GASB 89 – *Accounting for Interest Costs Incurred before the End of a Construction Period*. This standard adjusted the criteria for reporting construction-period interest as a current period expense versus a capitalized expense. Goodhue County has been recording all construction-related interest as an expense, thus this standard had no financial statement impact to the County.

The following standards have been issued, but have not yet been adopted:

- GASB 87 – *Leases*: This statement updates accounting and reporting criteria for all leases. Under this statement, lessees are required to report lease liabilities and intangible assets and recognize amortization expense and interest expense for all applicable leases of all types. Lessors must report lease receivables and deferred inflows of resources and recognize lease revenues and interest income.
- GASB 92 – *Omnibus 2020*: This statement addresses various accounting and reporting issues that were identified during implementation of prior standards.
- GASB 93 – *Replacement of Interbank Offered Rates*: This statement provides guidance on accounting and reporting for certain financial instruments due to the replacement of LIBOR.
- GASB 94 – *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*: This statement provides accounting and reporting guidance for various types of partnerships between a government and another agency.
- GASB 96 – *Subscription-Based Information Technology Arrangements*: This statement provides accounting and reporting guidance for certain technology (software) arrangements. The standards in this pronouncement are based on the guidance in GASB 87 – *Leases*.
- GASB 97 – *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an Amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*: This statement provides clarification of guidance for determining financial accountability of the government for an activity and whether that activity should be included as a component unit in the government’s financial reporting entity and clarification of guidance for accounting and financial reporting for *Internal Revenue Code Section 457* deferred compensation plans..

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

8. Subsequent Events

On March 11, 2021, Goodhue County was allocated \$8,987,358 in additional aid from the American Rescue Recovery Plan Act of 2021.

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REQUIRED SUPPLEMENTARY INFORMATION

**GOODHUE COUNTY
RED WING, MINNESOTA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 21,771,995	\$ 21,771,995	\$ 21,875,533	\$ 103,538
Special assessments	-	-	287,546	287,546
Licenses and permits	466,968	466,968	649,914	182,946
Intergovernmental	4,368,343	4,368,343	5,685,390	1,317,047
Intergovernmental-CARES	-	-	6,699,603	6,699,603
Charges for services	2,357,657	2,357,657	2,193,473	(164,184)
Fines and forfeits	14,300	14,300	9,810	(4,490)
Gifts and contributions	18,000	18,000	27,422	9,422
Investment earnings	700,200	700,200	1,106,494	406,294
Miscellaneous	1,470,696	1,470,696	1,273,468	(197,228)
Total Revenues	\$ 31,168,159	\$ 31,168,159	\$ 39,808,653	\$ 8,640,494
Expenditures				
Current				
General government				
Commissioners	\$ 250,947	\$ 250,947	\$ 235,536	\$ 15,411
Courts	174,500	174,500	186,642	(12,142)
County administration	438,981	438,981	440,736	(1,755)
County auditor-treasurer	863,186	863,186	838,956	24,230
County assessor	1,056,116	1,056,116	989,237	66,879
Elections	152,957	152,957	337,454	(184,497)
Information technology	1,121,480	1,121,480	971,022	150,458
Human resources	671,236	671,236	623,899	47,337
Attorney	2,045,518	2,045,518	1,985,380	60,138
Law library	54,700	54,700	29,667	25,033
Recorder	613,080	613,080	550,082	62,998
Surveyor	456,426	456,426	615,257	(158,831)
GIS	336,793	336,793	324,776	12,017
Building permits	583,774	583,774	740,383	(156,609)
Planning and zoning	394,614	394,614	305,198	89,416
Environmental health	219,639	219,639	206,978	12,661
Buildings and plant	1,294,234	1,294,234	1,300,251	(6,017)
Veterans service officer	238,305	250,805	213,356	37,449
Other general government	1,327,124	1,327,124	1,297,829	29,295
CARES	-	-	563,639	(563,639)
Total general government	\$ 12,293,610	\$ 12,306,110	\$ 12,756,278	\$ (450,168)

**GOODHUE COUNTY
RED WING, MINNESOTA
BUDGETARY COMPARISON SCHEDULE (CONTINUED)
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Expenditures (Continued)				
Current (Continued)				
Public safety				
Sheriff	\$ 6,086,256	\$ 6,086,256	\$ 5,942,251	\$ 144,005
Sheriff - seasonal	292,959	292,959	258,634	34,325
Emergency management	324,920	324,920	238,264	86,656
Coroner	142,556	142,556	142,555	1
E-911 system	1,169,005	1,169,005	1,259,216	(90,211)
Adult detention center	5,429,942	5,434,141	4,451,016	983,125
Sentence to Serve	237,702	237,702	187,492	50,210
Court Services	1,139,688	1,139,688	1,119,735	19,953
CARES	-	-	67,909	(67,909)
Total public safety	\$ 14,823,028	\$ 14,827,227	\$ 13,667,072	\$ 1,160,155
Human Services				
Hope Coalition	\$ 2,500	\$ 2,500	\$ 2,500	\$ -
CARES	-	-	641,833	(641,833)
Total Human Services	\$ 2,500	\$ 2,500	\$ 644,333	\$ (641,833)
Health				
CARES	\$ -	\$ -	\$ 14,838	\$ (14,838)
Culture and recreation				
Historical society	\$ 122,000	\$ 122,000	\$ 122,000	\$ -
Regional library	516,429	516,429	516,429	-
Byllesby Dam	5,500	5,500	10,824	(5,324)
Other culture and recreation	183,387	183,387	513,972	(330,585)
Total culture and recreation	\$ 827,316	\$ 827,316	\$ 1,163,225	\$ (335,909)
Conservation of natural resources				
County extension	\$ 169,440	\$ 169,440	\$ 167,225	\$ 2,215
Soil and water conservation	589,000	589,000	631,267	(42,267)
Total conservation of natural resources	\$ 758,440	\$ 758,440	\$ 798,492	\$ (40,052)
Economic development				
Regional Railroad Authority	\$ 4,500	\$ 4,500	\$ 4,173	\$ 327
CARES	-	-	2,578,070	(2,578,070)
Total economic development	\$ 4,500	\$ 4,500	\$ 2,582,243	\$ (2,577,743)

**GOODHUE COUNTY
RED WING, MINNESOTA
BUDGETARY COMPARISON SCHEDULE (CONTINUED)
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Expenditures (Continued)				
Current (Continued)				
Capital outlay				
General government	\$ 943,972	\$ 1,293,679	\$ 1,125,383	\$ 168,296
Public safety	843,988	849,689	787,941	61,748
Highways and streets	1,014,400	1,047,875	819,757	228,118
Sanitation	74,200	116,200	98,273	17,927
CARES	-	-	515,900	(515,900)
Total capital outlay	\$ 2,876,560	\$ 3,307,443	\$ 3,347,254	\$ (39,811)
Debt service				
Principal	\$ 17,568	\$ 17,568	\$ -	\$ 17,568
Total Expenditures	\$ 31,603,522	\$ 32,051,104	\$ 34,973,735	\$ (2,922,631)
Excess of Revenues Over (Under) Expenditures	\$ (435,363)	\$ (882,945)	\$ 4,834,918	\$ 5,717,863
Other Financing Sources (Uses)				
Transfers in	\$ 767,500	\$ 767,500	\$ 206,309	\$ (561,191)
Transfers out	(48,641)	(48,641)	(258,109)	(209,468)
Proceeds from sale of capital assets	-	-	76,782	76,782
Total Other Financing Sources (Uses)	\$ 718,859	\$ 718,859	\$ 24,982	\$ (693,877)
Net Change in Fund Balance	\$ 283,496	\$ (164,086)	\$ 4,859,900	\$ 5,023,986
Fund Balance - January 1	22,301,322	22,301,322	22,301,322	-
Fund Balance - December 31	\$ 22,584,818	\$ 22,137,236	\$ 27,161,222	\$ 5,023,986

**GOODHUE COUNTY
RED WING, MINNESOTA
BUDGETARY COMPARISON SCHEDULE
ROAD AND BRIDGE SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 8,103,162	\$ 8,103,162	\$ 8,725,797	\$ 622,635
Licenses and permits	13,200	13,200	12,680	(520)
Intergovernmental	15,313,778	15,313,778	12,232,283	(3,081,495)
Charges for services	2,700	2,700	84,066	81,366
Gifts and contributions	-	-	820	820
Miscellaneous	31,425	31,425	41,518	10,093
Total Revenues	\$ 23,464,265	\$ 23,464,265	\$ 21,097,164	\$ (2,367,101)
Expenditures				
Current				
Highways and streets				
Administration	\$ 518,005	\$ 518,005	\$ 483,985	\$ 34,020
Maintenance	3,854,375	4,059,375	3,555,045	504,330
Construction	16,209,157	16,209,157	12,956,676	3,252,481
Equipment maintenance and shop	753,088	753,088	729,718	23,370
Total highways and streets	\$ 21,334,625	\$ 21,539,625	\$ 17,725,424	\$ 3,814,201
Culture and recreation				
Parks	198,683	198,683	39,128	159,555
Intergovernmental				
Highways and streets	538,457	538,457	560,839	(22,382)
Total Expenditures	\$ 22,071,765	\$ 22,276,765	\$ 18,325,391	\$ 3,951,374
Excess of Revenues Over (Under) Expenditures	\$ 1,392,500	\$ 1,187,500	\$ 2,771,773	\$ 1,584,273
Other Financing Sources (Uses)				
Transfers in	\$ 7,500	\$ 7,500	\$ 547	\$ (6,953)
Transfers out	(385,000)	(385,000)	(198,809)	186,191
Total Other Financing Sources (Uses)	\$ (377,500)	\$ (377,500)	\$ (198,262)	\$ 179,238
Net Change in Fund Balance	\$ 1,015,000	\$ 810,000	\$ 2,573,511	\$ 1,763,511
Fund Balance - January 1	13,021,198	13,021,198	13,021,198	-
Increase (decrease) in inventories	-	-	299,809	299,809
Fund Balance - December 31	\$ 14,036,198	\$ 13,831,198	\$ 15,894,518	\$ 2,063,320

**GOODHUE COUNTY
RED WING, MINNESOTA
BUDGETARY COMPARISON SCHEDULE
HEALTH AND HUMAN SERVICES SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 7,747,587	\$ 7,747,587	\$ 7,751,185	\$ 3,598
Intergovernmental	7,900,508	7,900,508	9,229,697	1,329,189
Charges for services	1,581,008	1,581,008	2,019,416	438,408
Gifts and contributions	-	-	37,672	37,672
Investment earnings	-	-	710	710
Miscellaneous	601,886	601,886	652,688	50,802
Total Revenues	\$ 17,830,989	\$ 17,830,989	\$ 19,691,368	\$ 1,860,379
Expenditures				
Current				
Human services				
Income maintenance	\$ 4,917,169	\$ 4,917,169	\$ 4,776,984	\$ 140,185
Social services	9,027,403	9,027,403	8,179,607	847,796
Total human services	\$ 13,944,572	\$ 13,944,572	\$ 12,956,591	\$ 987,981
Health				
Quality assurance - health services	\$ 2,129,949	\$ 2,129,949	\$ 2,198,686	\$ (68,737)
Healthy communities/behaviors	1,308,905	1,308,905	1,226,800	82,105
Disaster preparedness	47,682	47,682	234,733	(187,051)
Infectious disease	134,859	134,859	134,696	163
Health services - administration	298,163	298,163	468,400	(170,237)
Total health	\$ 3,919,558	\$ 3,919,558	\$ 4,263,315	\$ (343,757)
Total Expenditures	\$ 17,864,130	\$ 17,864,130	\$ 17,219,906	\$ 644,224
Excess of Revenues Over (Under) Expenditures	\$ (33,141)	\$ (33,141)	\$ 2,471,462	\$ 2,504,603
Other Financing Sources (Uses)				
Transfers in	\$ 40,641	\$ 40,641	\$ 256,743	\$ 216,102
Transfers out	(7,500)	(7,500)	(7,500)	-
Total Other Financing Sources (Uses)	\$ 33,141	\$ 33,141	\$ 249,243	\$ 216,102
Net Change in Fund Balance	\$ -	\$ -	\$ 2,720,705	\$ 2,720,705
Fund Balance - January 1	9,238,882	9,238,882	9,238,882	-
Fund Balance - December 31	\$ 9,238,882	\$ 9,238,882	\$ 11,959,587	\$ 2,720,705

**GOODHUE COUNTY
RED WING, MINNESOTA
BUDGETARY COMPARISON SCHEDULE
ECONOMIC DEVELOPMENT AUTHORITY SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 26,611	\$ 26,611	\$ 26,261	\$ (350)
Intergovernmental	332	332	380	48
Charges for services	-	-	1,000	1,000
Miscellaneous	58,990	58,990	93,958	34,968
Total Revenues	\$ 85,933	\$ 85,933	\$ 121,599	\$ 35,666
Expenditures				
Current				
Economic development				
Community development	27,133	27,133	157,115	(129,982)
Net Change in Fund Balance	\$ 58,800	\$ 58,800	\$ (35,516)	\$ (94,316)
Fund Balance - January 1	806,511	806,511	806,511	-
Fund Balance - December 31	\$ 865,311	\$ 865,311	\$ 770,995	\$ (94,316)

**GOODHUE COUNTY
RED WING, MINNESOTA
SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
PERA GENERAL EMPLOYEES RETIREMENT PLAN
DECEMBER 31, 2020**

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
2020	0.243%	\$ 14,538,983	\$ 448,370	\$ 14,987,353	\$ 17,301,530	84.03%	79.06%
2019	0.238%	13,180,602	409,649	13,590,251	16,824,081	78.34%	80.23%
2018	0.237%	13,153,336	431,493	13,584,829	15,803,906	83.23%	79.53%
2017	0.240%	15,308,674	192,456	15,501,130	15,445,467	99.11%	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	-	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, 2020**

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
2020	\$ 1,297,037	\$ 1,297,037	\$ -	\$ 17,293,827	7.50%
2019	1,265,597	1,265,597	-	16,874,627	7.50%
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, 2020**

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
2020	0.305%	\$ 4,014,954	\$ 94,592	\$ 4,109,546	\$ 3,621,424	110.87%	87.19%
2019	0.322%	3,422,692	-	3,422,692	3,313,501	103.30%	89.26%
2018	0.320%	3,413,002	-	3,413,002	3,374,272	101.15%	88.84%
2017	0.304%	4,104,362	-	4,104,362	3,123,160	131.42%	85.40%
2016	0.329%	13,203,342	-	13,203,342	3,171,299	416.34%	63.90%
2015	0.311%	3,533,689	-	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, 2020**

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
2020	\$ 595,577	\$ 595,577	\$ -	\$ 3,364,842	17.70%
2019	562,148	562,148	-	3,316,507	16.95%
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, 2020**

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
2020	1.221%	\$ 331,415	\$ 2,561,672	12.94%	96.67%
2019	1.268%	175,611	2,615,422	6.71%	98.17%
2018	1.329%	218,647	2,685,726	8.14%	97.60%
2017	1.360%	3,876,014	2,713,657	142.83%	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, 2020**

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
2020	\$ 232,546	\$ 232,546	\$ -	\$ 2,657,669	8.75%
2019	236,735	236,735	-	2,705,543	8.75%
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, RELATED RATIOS AND NOTES
DECEMBER 31, 2020**

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Service cost	\$ 116,332	\$ 91,331	\$ 96,311
Interest cost	51,548	42,923	39,839
Assumption changes	44,080	(38,770)	-
Experience changes	(63,001)	-	-
Benefit payments	<u>(90,934)</u>	<u>(38,918)</u>	<u>(36,543)</u>
Net change in total OPEB liability	58,025	56,566	99,607
Total OPEB liability, beginning	<u>1,285,242</u>	<u>1,228,676</u>	<u>1,129,069</u>
Total OPEB liability, ending	<u><u>\$ 1,343,267</u></u>	<u><u>1,285,242</u></u>	<u><u>\$ 1,228,676</u></u>
Covered employee payroll	\$ 23,354,447	\$ 22,881,233	\$ 22,214,789
Total OPEB liability as a percentage of covered employee payroll	5.75%	5.62%	5.53%
Benefit payments as a percentage of covered employee payroll	0.39%	0.17%	0.16%

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

Note: No assets are accumulated in a trust.

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2020**

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 Fund

2020

Changes in Actuarial Assumptions

- The price inflation assumption was decreased from 2.50% to 2.25%.
- The payroll growth assumption was decreased from 3.25% to 3.00%.
- Assumed salary increase rates were changed as recommended in the June 30, 2019 experience study. The net effect is assumed rates that average 0.25% less than previous rates.
- Assumed rates of retirement were changed as recommended in the June 30, 2019 experience study. The changes result in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements.
- Assumed rates of termination were changed as recommended in the June 30, 2019 experience study. The new rates are based on service and are generally lower than the previous rates for years 2-5 and slightly higher thereafter.
- Assumed rates of disability were changed as recommended in the June 30, 2019 experience study. The change results in fewer predicted disability retirements for males and females.
- The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 General Mortality table, with adjustments. The base mortality table for disabled annuitants was changed from the RP-2014 disabled annuitant mortality table to the Pub-2010 General/Teacher disabled annuitant mortality table, with adjustments.
- The mortality improvement scale was changed from Scale MP-2018 to Scale MP-2019.
- The assumed spouse age difference was changed from two years older for females to one year older.
- The assumed number of married male new retirees electing the 100% Joint & Survivor option changed from 35% to 45%. The assumed number of married female new retirees electing the 100% Joint & Survivor option changed from 15% to 30%. The corresponding number of married new retirees electing the Life annuity option was adjusting accordingly.

Changes in Plan Provisions

- Augmentation for current privatized members was reduced to 2.0% for the period July 1, 2020 through December 31, 2023 and 00% thereafter. Augmentation was eliminated for privatizations occurring after June 30, 2020.

2019

Changes in Actuarial Assumptions

- The mortality projection scale was changed from MP-2017 to MP-2018.

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2020**

A. General Employees Fund (Continued)

Changes in Plan Provisions

- The employer supplemental contribution was changed prospectively, decreasing from \$31.0 million to \$21.0 million per year. The State's special funding contribution was changed prospectively, requiring \$16.0 million due per year through 2031.

2018

Changes in Actuarial Assumptions

- 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.

Changes in Plan Provisions

- The augmentation adjustment in early retirement factors is eliminated over a five-year period starting July 1, 2019, resulting in equivalence after June 30, 2024.
- 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 has already accrued for deferred members will still apply.
- Contribution stabilizer provisions were repealed.
- Postretirement benefit increases were changed from 1.00% per year with a provision to increase to 2.50% upon attainment of 90.00% funding ratio to 50.00% of the Social Security Cost of Living Adjustment, not less than 1.00% and not more than 1.50%, beginning January 1, 2019.
- For retirements on or after January 1, 2024, the first benefit increase is delayed until the retiree reaches normal retirement age; this does not apply to Rule of 90 retirees, disability benefit recipients, or survivors.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2020**

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

A. General Employees Fund (Continued)

2017

Changes in Actuarial Assumptions

- 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.

Changes in Plan Provisions

- The State's contribution for the Minneapolis Employees Retirement Fund equals \$16,000,000 in 2017 and 2018, and \$6,000,000 thereafter.
- The Employer Supplemental Contribution for the Minneapolis Employees Retirement Fund changed from \$21,000,000 to \$31,000,000 in calendar years 2019 to 2031. The state's contribution changed from \$16,000,000 to \$6,000,000 in calendar years 2019 to 2031.

2016

Changes in Actuarial Assumptions

- 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.

Changes in Plan Provisions

- There were no changes since the prior valuation.

2015

Changes in Actuarial Assumptions

- The assumed postretirement benefit increase rate was changed from 1.00% per year through 2030 and 2.50% per year thereafter to 1.00% per year through 2035 and 2.50% per year thereafter.

Changes in Plan Provisions

- On January 1, 2015, the Minneapolis Employees Retirement Fund was merged into the General Employees Fund, which increased the total pension liability by \$1.1 billion and increase the fiduciary plan net position by \$892 million. Upon consolidation, state and employer contributions were revised; the State's contribution of \$6.0 million, which meets the special funding situation definition, was due September 2015.

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2020**

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

B. Police and Fire Fund

2020

Changes in Actuarial Assumptions

- The mortality projection scale was changed from MP-2018 to MP-2019.

Changes in Plan Provisions

- There were no changes since the prior valuation.

2019

Changes in Actuarial Assumptions

- The mortality projection scale was changed from MP-2017 to MP-2018.

Changes in Plan Provisions

- There were no changes since the prior valuation.

2018

Changes in Actuarial Assumptions

- The mortality projection scale was changed from MP-2016 to MP-2017.

Changes in Plan Provisions

- Postretirement increases were changed 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, new annual state aid will equal \$4.5 million in fiscal years 2019 and 2020, and \$9.0 million each year thereafter, until the plan reaches 100% funding, or July 1, 2048, whichever is earlier.
- Member contributions were changed from 10.80% to 11.30% of pay, effective January 1, 2019 and to 11.80% of pay, effective January 1, 2020.
- Employer contributions were changed from 16.20% to 16.95% of pay, effective January 1, 2019 and to 17.70% of pay, effective January 1, 2020.
- 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

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR DECEMBER 31, 2020**

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

B. Police and Fire Fund (Continued)

2017

Changes in Actuarial Assumptions

- 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.

Changes in Plan Provisions

- There were no changes since the prior valuation.

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR DECEMBER 31, 2020**

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

B. Police and Fire Fund (Continued)

2016

Changes in Actuarial Assumptions

- 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.

Changes in Plan Provisions

- There were no changes since the prior valuation.

2015

Changes in Actuarial Assumptions

- The assumed postretirement benefit increase rate was changed from 1.00% per year through 2030 and 2.50% per year thereafter to 1.00% per year through 2037 and 2.50% per year thereafter.

Changes in Plan Provisions

- The postretirement benefit increase to be paid after the attainment of the 90.00% funding threshold was changed from inflation up to 2.50% to a fixed rate of 2.50%.

C. Correctional Fund

2020

Changes in Actuarial Assumptions

- The mortality projection scale was change from MP-2018 to MP-2019.

Changes in Plan Provision

- There were no changes since the prior valuation.

2019

Changes in Actuarial Assumptions

- The mortality projection scale was change from MP-2017 to MP-2018.

Changes in Plan Provision

- There were no changes since the prior valuation.

2018

Changes in Actuarial Assumptions

- 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.

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR DECEMBER 31, 2020**

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

C. Correctional Fund (Continued)

Changes in Plan Provisions

- The augmentation adjustment in early retirement factors is eliminated over a five-year period starting July 1, 2019, resulting in actuarial equivalence after June 30, 2024.
- Interest credited on member contributions decreased from 4.00% to 3.00% on July 1, 2018.
- Deferred augmentation was changed to 0.00%, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Postretirement benefit increases were changed from 2.50% per year with a provision to reduce to 1.00% if the funding status declines to a certain level, to 100% of the Social Security Cost of Living Adjustment, not less than 1.00% and not more than 2.50%, beginning January 1, 2019. If the funding status declines to 85.00% for two consecutive years or 80.00% for one year, the maximum increase will be lowered to 1.50%.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

2017

Changes in Actuarial Assumptions

- 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.

Changes in Plan Provisions

- There were no changes since the prior valuation.

2016

Changes in Actuarial Assumptions

- 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.

Changes in Plan Provisions

- There were no changes since the prior valuation.

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR DECEMBER 31, 2020**

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

C. Correctional Fund (Continued)

2015

Changes in Actuarial Assumptions

- There were no changes since the prior valuation.

Changes in Plan Provisions

- There were no changes since the prior valuation.

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

The following assumption changes were reflected in the OPEB plan valuation performed for the year ended June 30:

2020

- The discount rate was changed from 3.80% to 2.90% as of January 1, 2020. As the plan does not accumulate assets in an applicable trust, this is the 20-year AA-rated municipal bond rate.
- The salary growth assumptions were changed from a flat 3.00% per year to rates varying by years of service and classification.
- The mortality tables were updated from the RP-2014 mortality tables (Blue Collar for Public Safety, White Collar for others) with MP-2017 Generational Improvement Scale to the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Safety) with MP-2019 Generational Improvement Scale.
- The health care trend rate is 6.50% as of January 1, 2020, decreasing to 5.00% over 6 years and then to 4.00% over the next 48 years.

2019

- The discount rate was changed to 3.80% as of January 1, 2019. As the plan does not accumulate assets in an applicable trust, this is the 20-year AA-rated municipal bond rate.

2018

- 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)

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR DECEMBER 31, 2020**

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, 2020.

	<u>Budget</u>	<u>Expenditures</u>	<u>Excess</u>
General Fund	\$ 32,051,104	\$ 34,973,735	\$ (2,922,631)
Special Revenue Funds			
Economic Development Authority	27,133	157,115	(129,982)

The excess expenditures were funded with greater than anticipated revenues and existing fund balances.

SUPPLEMENTARY INFORMATION

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MAJOR FUND

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**GOODHUE COUNTY
RED WING, MINNESOTA
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 2,031,719	\$ 2,031,719	\$ 2,034,231	\$ 2,512
Special assessments	-	-	5,517	5,517
Intergovernmental	65,142	65,142	66,529	1,387
Total Revenues	\$ 2,096,861	\$ 2,096,861	\$ 2,106,277	\$ 9,416
Expenditures				
Debt service				
Principal	\$ 1,444,615	\$ 1,444,615	\$ 1,345,000	\$ 99,615
Interest	464,628	464,628	464,629	(1)
Administrative - fiscal charges	107,618	107,618	9,613	98,005
Total Expenditures	\$ 2,016,861	\$ 2,016,861	\$ 1,819,242	\$ 197,619
Excess of Revenues Over (Under) Expenditures	\$ 80,000	\$ 80,000	\$ 287,035	\$ 207,035
Other Financing Sources (Uses)				
Transfers out	(375,000)	(375,000)	-	375,000
Total Other Financing Sources (Uses)	\$ (375,000)	\$ (375,000)	\$ -	\$ 375,000
Net Change in Fund Balance	\$ (295,000)	\$ (295,000)	\$ 287,035	\$ 582,035
Fund Balance - January 1	3,090,332	3,090,332	3,090,332	-
Fund Balance - December 31	\$ 2,795,332	\$ 2,795,332	\$ 3,377,367	\$ 582,035

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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, 2020**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 462,273	\$ 462,273	\$ 462,551	\$ 278
Licenses and permits	5,000	5,000	5,307	307
Intergovernmental	143,127	143,127	146,355	3,228
Charges for services	49,700	49,700	100,089	50,389
Interest on investments	330	330	331	1
Miscellaneous	118,500	118,500	129,618	11,118
Total Revenues	<u>\$ 778,930</u>	<u>\$ 778,930</u>	<u>\$ 844,251</u>	<u>\$ 65,321</u>
Expenditures				
Current				
Sanitation				
Solid waste	\$ 60,177	\$ 60,177	\$ 70,092	\$ (9,915)
Recycling	412,322	412,322	445,379	(33,057)
Hazardous waste	107,869	107,869	90,693	17,176
Landfill	199,062	199,062	215,079	(16,017)
Landfill Closure	3,000,000	3,000,000	-	3,000,000
Total Expenditures	<u>\$ 3,779,430</u>	<u>\$ 3,779,430</u>	<u>\$ 821,243</u>	<u>\$ 2,958,187</u>
Excess of Revenues Over (Under) Expenditures	\$ (3,000,500)	\$ (3,000,500)	\$ 23,008	\$ 3,023,508
Other Financing Sources (Uses)				
Transfers in	500	500	819	319
Net Change in Fund Balance	\$ (3,000,000)	\$ (3,000,000)	\$ 23,827	\$ 3,023,827
Fund Balance - January 1	<u>773,966</u>	<u>773,966</u>	<u>773,966</u>	<u>-</u>
Fund Balance - December 31	<u><u>\$ (2,226,034)</u></u>	<u><u>\$ (2,226,034)</u></u>	<u><u>\$ 797,793</u></u>	<u><u>\$ 3,023,827</u></u>

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**GOODHUE COUNTY
RED WING, MINNESOTA
FIDUCIARY FUNDS - CUSTODIAL**

Taxes and Penalties Fund – to account for the collection and distribution of current and delinquent property taxes as well as refunds on abatements, court orders and overpayments of real estate and personal property taxes, that are collected on behalf of, and paid to, other governments.

State Licenses, Fees and Other Taxes – to account for collections and disbursements of other governments' portions of fees and surcharges collected by the County for certain permit and document services provided, as well as collection and disbursement of certain miscellaneous taxes that are due to other governments.

Medical Assistance Recoveries Fund – to account for state and federal portions of medical assistance amounts that are reimbursable due to overpayment to recipient or death of recipient.

Civil Process Fund – to account for funds held by the Sheriff's Office during an active court proceeding and disbursed to other parties upon final case dissolution.

Inmate Canteen and Services Fund – to account for funds deposited by or on behalf of Adult Detention Center inmates and use of those funds for vending or other discretionary services during their stay, payment of required fees, or remittance of funds to the inmate or another party upon the inmate's release.

**GOODHUE COUNTY
RED WING, MINNESOTA
COMBINING STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>Custodial Funds</u>					<u>Total Custodial Funds</u>
	<u>Taxes and Penalties</u>	<u>State Licenses, Fees and Other Taxes</u>	<u>Medical Assistance Recoveries</u>	<u>Civil Process</u>	<u>Inmate Canteen and Services</u>	
Assets						
Cash and pooled investments	\$ 823,335	\$ 263,840	\$ 191,611	\$ 100	\$ 844	\$ 1,279,730
Accounts receivable	772,758	20,677	-	-	-	793,435
Due from other governments	47	3,383	-	-	-	3,430
Total Assets	<u>\$ 1,596,140</u>	<u>\$ 287,900</u>	<u>\$ 191,611</u>	<u>\$ 100</u>	<u>\$ 844</u>	<u>\$ 2,076,595</u>
Liabilities						
Due to individuals	\$ 578	\$ -	\$ -	\$ -	\$ -	\$ 578
Due to other governments	822,804	287,900	30,662	-	-	1,141,366
Total Liabilities	<u>\$ 823,382</u>	<u>\$ 287,900</u>	<u>\$ 30,662</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,141,944</u>
Net Position						
Restricted for individuals, organizations and other governments	\$ 772,758	\$ -	\$ 160,949	\$ 100	\$ 844	\$ 934,651
Total Net Position	<u>\$ 772,758</u>	<u>\$ -</u>	<u>\$ 160,949</u>	<u>\$ 100</u>	<u>\$ 844</u>	<u>\$ 934,651</u>

**GOODHUE COUNTY
RED WING, MINNESOTA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>Custodial Funds</u>					<u>Total Custodial Funds</u>
	<u>Taxes and Penalties</u>	<u>State Licenses, Fees and Other Taxes</u>	<u>Medical Assistance Recoveries</u>	<u>Civil Process</u>	<u>Inmate Canteen and Services</u>	
Additions						
Contributions-Individual	\$ -	\$ -	\$ 68,013	\$ -	\$ 274,569	\$ 342,582
Property tax collections for other governments	74,746,244	-	-	-	-	74,746,244
Contributions from governments	-	2,391,549	-	-	10,176	2,401,725
License fees collected for state government	-	193,801	-	-	-	193,801
Civil process collections	-	-	-	831,734	-	831,734
Other contributions	-	-	214,003	-	-	214,003
Total Additions	<u>\$ 74,746,244</u>	<u>\$ 2,585,350</u>	<u>\$ 282,016</u>	<u>\$ 831,734</u>	<u>\$ 284,745</u>	<u>\$ 78,730,089</u>
Deductions						
Payments to individuals	\$ -	\$ -	\$ -	\$ 2,930	\$ 99,529	\$ 102,459
Payments of property tax to other governments	74,868,244	-	-	-	-	74,868,244
Other payments to other governments	-	2,585,350	119,370	-	10,108	2,714,828
Payments to other entities	-	-	1,697	828,804	179,153	1,009,654
Total Deductions	<u>\$ 74,868,244</u>	<u>\$ 2,585,350</u>	<u>\$ 121,067</u>	<u>\$ 831,734</u>	<u>\$ 288,790</u>	<u>\$ 78,695,185</u>
Net Increase (Decrease) in Fiduciary Net Position	\$ (122,000)	\$ -	\$ 160,949	\$ -	\$ (4,045)	\$ 34,904
Net Position - Beginning	894,758	-	-	100	4,889	899,747
Net position - ending	<u>\$ 772,758</u>	<u>\$ -</u>	<u>\$ 160,949</u>	<u>\$ 100</u>	<u>\$ 844</u>	<u>\$ 934,651</u>

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OTHER SCHEDULES

**GOODHUE COUNTY
RED WING, MINNESOTA
SCHEDULE OF INTERGOVERNMENTAL REVENUE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Governmental Funds
Shared Revenue and Appropriations	
State	
Highway users tax	\$ 12,113,521
PERA rate reimbursement	93,628
Disparity reduction aid	29,200
Police aid	374,891
County program aid	1,644,594
Market value credit	451,313
Aquatic invasive species aid	63,526
Out of home placements	6,466
Indian casino aid	92,436
Riparian protection aid	110,684
Enhanced 911	127,808
SCORE	138,892
	\$ 15,246,959
Reimbursement for Services	
State	
Minnesota Department of Human Services	\$ 2,699,765
Payments	
Local	
Election reimbursements	\$ 46,556
Cannon Valley Trail property purchase	17,600
Payments in lieu of taxes	279,424
	\$ 343,580
Grants	
State	
Minnesota Department/Board of	
Corrections	\$ 307,375
Economic Development	916,696
Health	446,729
Human Services	1,526,106
IT Services	10,000
Natural Resources	1,126,773
Pollution Control Agency	112,799
Public Safety	242,992
Transportation	40,000
Veterans Affairs	12,500
Water and Soil Resources	28,652
Secretary of State	41,285
Peace Officer Standards and Training Board	44,223
	\$ 4,856,130

**GOODHUE COUNTY
RED WING, MINNESOTA
SCHEDULE OF INTERGOVERNMENTAL REVENUE (CONTINUED)
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>Governmental Funds</u>
Grants (Continued)	
Federal	
Department of	
Agriculture	\$ 617,774
Interior	132,756
Justice	119,518
Transportation	92,412
Treasury - CARES Relief Act	5,790,107
Health and Human Services	4,085,774
Homeland Security	37,870
	<hr/>
Total Federal	\$ 10,876,211
	<hr/>
Total State and Federal Grants	\$ 15,732,341
	<hr/>
Qualified Energy Conservation Bonds Interest Subsidy	\$ 37,592
	<hr/>
Total Intergovernmental Revenue	\$ 34,060,237
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**GOODHUE COUNTY
RED WING, MINNESOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2020**

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 WIC Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	202MN004W1003	\$ 172,014 \$	-
Passed Through Minnesota Department of Human Services State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (Total expenditures for SNAP cluster \$445,760)	10.561	192MN101S2514	445,760	-
Total U.S. Department of Agriculture			\$ 617,774 \$	-
U.S. Department of the Interior				
Direct				
Payments in Lieu of Taxes	15.226	N/A, Direct	\$ 10,398 \$	-
National Geospatial Program: Building the National Map	15.817	N/A, Direct	122,358	-
			132,756 \$	-
U.S. Department of Justice				
Direct				
Drug Court Discretionary Grant Program	16.585	N/A, Direct	\$ 83,031 \$	-
State Criminal Alien Assistance Program	16.606	N/A, Direct	17,293	-
Bulletproof Vest Partnership Program	16.607	N/A, Direct	6,944	-
Public Safety Partnership and Community Policing Grants	16.710	N/A, Direct	12,250	-
Total U.S. Department of Justice			\$ 119,518 \$	-
U.S. Department of Transportation				
Passed Through Minnesota Department of Transportation Highway Planning and Construction (Total expenditures for Highway Planning and Construction cluster \$27,842)	20.205	957271604	\$ 27,842 \$	-
Passed Through Minnesota Department of Public Safety Highway Safety Cluster				
State and Community Highway Safety	20.600	A-ENFRC20-2020- GOODHUSD-013	16,119	-
National Priority Safety Programs	20.616	A-ENFRC20-2020- GOODHUSD-013	4,084	-
(Total expenditures for Highway Safety Cluster \$20,203)				
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	A-ENFRC20-2020- GOODHUSD-013	3,528	-
E-911 Grant Program	20.615	A-DECN-NGGIS- 2019-SEECB-6	37,483	-
Total U.S. Department of Transportation			\$ 89,056 \$	-
U.S. Department of Education				
Passed Through Minnesota Department of Health Special Education - Grants for Infants and Families	84.181	BO4MC32551	\$ 4,124 \$	-

**GOODHUE COUNTY
RED WING, MINNESOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2020**

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	6 NU90TP921911- 01-04	\$ 15,495	\$ -
Early Hearing Detection and Intervention Early Hearing Detection and Intervention Information System (EHDI-IS) Surveillance Program	93.251	H61MC00035	900	-
State Physical Activity and Nutrition (SPAN)	93.314	NUR3DD000842-06-00	75	-
Temporary Assistance for Needy Families (Total Temporary Assistance for Needy Families and TANF Cluster 93.558 \$359,919)	93.439	NU58DP006500	4,328	-
Maternal and Child Health Services Block Grant to the States	93.558	2001MNTANF	49,278	-
Maternal and Child Health Services Block Grant to the States	93.994	B04MC29349	40,011	-
Passed Through Minnesota Department of Human Services				
Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances (SED)	93.104	H79SM080155	65,675	-
Promoting Safe and Stable Families Temporary Assistance for Needy Families (Total Temporary Assistance for Needy Families 93.558 \$359,919)	93.556	G-1901MNF PSS	6,939	-
Child Support Enforcement	93.558	2001MNTANF	310,641	-
Child Support Enforcement (Total Child Support Enforcement 93.563 \$989,400)	93.563	2001MNCEST	62,224	-
Refugee and Entrant Assistance - State/Replacement Designee	93.563	2001MNCSES	927,176	-
Child Care and Development Block Grant (part of CCDF cluster) (Total expenditures for CCDF cluster \$20,104)	93.566	2001MNCMA	536	-
Community-Based Child Abuse Prevention Grants	93.575	2001MNC CDF	4,623	-
Child Care Mandatory and Matching Funds of the Child Care and Development Fund (part of CCDF cluster) (Total expenditures for CCDF cluster \$20,104)	93.590	1901MNBCAP	21,161	-
Stephanie Tubbs Jones Child Welfare Services Program (Total expenditures for CFDA 93.645 \$18,394)	93.596	2001MNC CDF	15,481	-
COVID-19 Stephanie Tubbs Jones Child Welfare Services Program (Total expenditures for CFDA 93.645 \$18,394)	93.645	2001MNCWSS	7,164	-
Foster Care - Title IV-E	93.645	2001MNCWSS	11,230	-
Social Services Block Grant	93.658	2001MNFOST	574,488	-
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.667	2001MNSOSR	199,777	-
Children's Health Insurance Program	93.674	2001MNCILP	36,560	-
Medical Assistance Program	93.767	2005MN5021	1,040	-
(Total expenditures for Medicaid cluster \$1,631,753)	93.778	2005MN5ADM	1,631,753	-
Total U.S. Department of Health and Human Services			\$ 3,986,555	\$ -

**GOODHUE COUNTY
RED WING, MINNESOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2020**

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 Homeland Security				
Passed Through Minnesota Department of Natural Resources Boating Safety Financial Assistance	97.012	3315FAS150127	\$ 39,114	\$ -
Passed Through Minnesota Department of Public Safety Emergency Management Performance Grants	97.042	GOODHUCO-3134	31,995	-
Total U.S. Department of Homeland Security			\$ 71,109	\$ -
U.S. Department of Treasury				
Passed Through Minnesota Department of Revenue COVID-19 Coronavirus Relief Funds (Total expenditures for CFDA 21.019 \$5,752,448)	21.019	SLT0016	\$ 5,745,248	\$ 3,325,065
Passed Through Minnesota Department of Health COVID-19 Coronavirus Relief Funds (Total expenditures for CFDA 21.019 \$5,752,448)	21.019	SLT0016	7,200	-
Total U.S. Department of Treasury			\$ 5,752,448	\$ 3,325,065
U.S. Election Assistance Commission				
Passed Through Minnesota Office of the Secretary of State COVID-19 Help America Vote Act Election Security	90.404	EAC201908MNCOVID	\$ 37,659	\$ -
Total Federal Awards			\$ 10,810,999	\$ 3,325,065

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2020**

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, 2020. 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) from the Office of Management and Budget (OMB). 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 cost principles contained in Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, for all awards with the exception of CFDA 21.019, which follows criteria determined by the Department of Treasury for allowability of costs. Under these principals, certain types of expenditures are not allowable or are limited as to reimbursement. Freeborn County has elected not to use the 10 percent 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, 2020**

4. Reconciliation to Schedule of Intergovernmental Revenue

Federal grant revenue per Schedule of Intergovernmental Revenue	\$	10,876,211
Grants deferred in 2019 and recognized in 2020		
State and Community Highway Safety (CFDA #20.600)		(777)
Minimum Penalties for Repeat Offenders for Driving While Intoxicated (CFDA #20.608)		(2,146)
National Priority Safety Programs (CFDA #20.616)		(433)
Early Hearing Detection and Intervention (CFDA #93.251)		(600)
Promoting Safe and Stable Families (CFDA #93.556)		(281)
Temporary Assistance for Needy Families (CFDA #93.558)		(45,662)
Child Care Mandatory and Matching Funds of the Child Care and Development Fund (CFDA #93.596)		(1,660)
Stephanie Tubbs Jones Child Welfare Services Program (CFDA #93.645)		(844)
Foster Care - Title IV-E (CFDA #93.658)		(77,570)
John H. Chafee Foster Care Program for Successful Transition to Adulthood (CFDA #93.674)		(3,025)
Maternal and Child Health Care Services Block Grant to the States (CFDA #93.994)		(7,697)
Grants deferred in 2020		
Disturbances (SED) (CFDA #93.104)		6,303
Temporary Assistance for Needy Families (CFDA #93.558)		68,165
Medical Assistance Program (CFDA #93.778)		1,015
		<hr style="border-top: 1px solid black;"/>
Expenditures per Schedule of Expenditures of Federal Awards	\$	<u><u>10,810,999</u></u>

OTHER INFORMATION SECTION

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

	2019		2020		2021	
	Amount	Net Tax Capacity Rate (%)	Amount	Net Tax Capacity Rate (%)	Amount	Net Tax Capacity Rate (%)
Tax Capacity						
Real property	\$ 76,785,087		\$ 78,648,084		\$ 82,967,591	
Personal property	2,280,936		2,233,052		2,347,421	
Tax increment	(298,635)		(325,656)		(295,312)	
Powerline	(95,797)		(91,957)		(92,395)	
Net Tax Capacity	\$ 78,671,591		\$ 80,463,523		\$ 84,927,305	
Taxes Levied for County Purposes						
General	\$ 21,968,874	28.714	\$ 21,784,726	27.904	\$ 22,384,795	27.163
Road and Bridge	4,144,926	5.269	4,695,014	5.835	5,558,122	6.545
Health and Human Services	7,449,751	9.469	7,844,244	9.749	7,844,244	9.236
Economic Development Authority	26,303	0.033	26,943	0.033	37,753	0.044
Debt Service	1,975,499	2.511	2,057,066	2.558	1,512,905	1.781
Waste Management	398,017	0.506	468,040	0.582	561,290	0.661
Total Taxes Levied for County Purposes	\$ 35,963,370	46.502	\$ 36,876,033	46.661	\$ 37,899,109	45.430
Tax Capacity - Light and Power						
Transmission	\$ 68,148		\$ 67,116		\$ 72,142	
Distribution	9,378		9,238		9,922	
Total Tax Capacity - Light and Power	\$ 77,526		\$ 76,354		\$ 82,064	
Light and Power Tax Levies (distributed in accordance with Minn. Stat. § 273.40, as amended)						
Transmission	\$ 77,087		\$ 77,027		\$ 79,658	
Distribution	10,608		10,602		10,956	
Total Light and Power Tax Levies	\$ 87,695	113.117	\$ 87,629	114.767	\$ 90,614	110.419

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

	2019		2020		2021	
	Amount	Net Tax Capacity Rate (%)	Amount	Net Tax Capacity Rate (%)	Amount	Net Tax Capacity Rate (%)
Market Value - Light and Power						
Transmission	\$ 3,444,900		\$ 3,393,300		\$ 3,644,600	
Distribution	468,900		461,900		496,100	
Total Market Value - Light and Power	\$ 3,913,800		\$ 3,855,200		\$ 4,140,700	
Light and Power Tax Market Value Levies						
Transmission	\$ 8,353		\$ 8,132		\$ 8,178	
Distribution	1,137		1,107		1,113	
Total Light and Power Tax Market Value Levies	\$ 9,490	0.24248	\$ 9,239	0.23966	\$ 9,291	0.22440
Market Value - State General Tax						
Transmission	\$ 66,648		\$ 65,616		\$ 70,642	
Distribution	9,378		9,238		9,922	
Total Market Value - State General Tax	\$ 76,026		\$ 74,854		\$ 80,564	
State General Tax Market Value Levies						
Transmission	\$ 28,269		\$ 25,489		\$ 25,416	
Distribution	3,978		3,589		3,570	
Total State General Tax Market Value Levies	\$ 32,247	42.416	\$ 29,078	38.846	\$ 28,986	35.978
Percentage of Tax Collections for All Purposes	99.64%		99.64%		Not Available	

**STATISTICAL SECTION
(UNAUDITED)**

STATISTICAL SECTION INDEX
DECEMBER 31, 2020

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.

**Goodhue County
Net Position by Component**

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

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Governmental Activities										
Invested in Capital Assets, Net of Related Debt	\$ 127,432,667	\$ 130,134,664	\$ 130,077,471	\$ 135,880,303	\$ 129,239,009	\$ 125,919,390	\$ 124,211,406	\$ 126,807,665	\$ 124,111,284	\$ 122,153,873
Restricted	6,972,981	6,741,382	6,091,769	34,059,906	7,782,813	7,848,939	7,771,486	9,603,586	11,603,157	10,517,131 *
Unrestricted	26,286,025	28,789,038	28,380,586	882,302	15,497,056	12,660,256	12,389,716	13,802,823	20,208,752	31,177,502 *
Total Primary Government Net Position	<u>\$ 160,691,673</u>	<u>\$ 165,665,084</u>	<u>\$ 164,549,826</u>	<u>\$ 170,822,511</u>	<u>\$ 152,518,878</u>	<u>\$ 146,428,585</u>	<u>\$ 144,372,608</u>	<u>\$ 150,214,074</u>	<u>\$ 155,923,193</u>	<u>\$ 163,848,506</u>

* Restricted amounts related to Debt Service funds for prior years have been reclassified to conform to the presentation beginning in 2019.

Goodhue County
Changes in Net Position

Last Ten Fiscal Years
(Accrual Basis of Accounting)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Expenses										
Governmental Activities										
General Government	\$ 9,508,528	\$ 9,601,229	\$ 10,166,886	\$ 12,872,848	\$ 12,108,499	\$ 12,925,685	\$ 12,882,488	\$ 11,183,567	\$ 14,035,828	\$ 13,349,002
Public Safety	11,664,141	11,823,758	12,341,409	13,021,732	13,626,610	16,914,804	16,085,482	14,548,058	15,605,175	13,795,958
Highways and Streets	7,989,220	9,778,522	16,202,194	8,605,987	16,042,500	15,988,827	12,431,568	11,410,425	15,466,141	22,372,826
Sanitation	1,086,288	786,078	689,583	763,417	682,309	785,491	682,915	1,339,641	901,715	963,781
Human Services	9,585,301	9,462,127	9,689,420	10,013,359	10,933,174	12,521,486	13,263,433	12,592,187	13,367,608	12,851,232
Health	2,947,593	2,605,568	2,340,880	2,650,021	3,053,450	4,009,596	3,463,802	3,699,283	3,950,154	4,122,909
Culture and Recreation	632,536	591,272	585,585	687,744	758,214	643,907	744,733	806,522	1,501,690	1,206,060
Conservation of Natural Resources	699,951	691,527	685,989	707,371	742,202	718,033	772,220	722,000	676,100	811,272
Economic Development	60,189	108,427	206,740	81,032	58,793	27,672	28,365	37,736	62,997	2,739,358
Interest	306,301	219,033	322,599	200,741	532,095	559,537	499,107	531,756	476,084	435,098
Total Governmental Activities Expenses	<u>\$ 44,480,048</u>	<u>\$ 45,667,541</u>	<u>\$ 53,231,285</u>	<u>\$ 49,604,252</u>	<u>\$ 58,537,846</u>	<u>\$ 65,095,038</u>	<u>\$ 60,854,113</u>	<u>\$ 56,871,175</u>	<u>\$ 66,043,492</u>	<u>\$ 72,647,496</u>
Program Revenues										
Governmental Activities										
Fees, Charges, Fines and Other										
General Government	\$ 1,828,363	\$ 1,557,806	\$ 1,696,629	\$ 1,615,796	\$ 1,809,888	\$ 1,925,997	\$ 2,212,528	\$ 2,222,070	\$ 2,252,714	\$ 3,233,959
Public Safety	979,798	1,332,227	1,129,708	1,640,103	2,244,780	2,305,994	2,433,957	1,842,846	1,858,873	1,304,151
Highways and Streets	51,270	170,268	161,352	40,736	59,493	276,882	109,235	510,872	238,051	152,775
Sanitation	405,876	316,856	252,670	237,027	181,881	232,778	281,796	234,866	155,775	229,793
Human Services	1,207,438	1,365,753	1,350,361	1,108,800	1,046,842	920,149	1,190,806	1,385,015	1,404,682	1,591,461
Health	763,843	705,641	730,665	584,869	728,031	875,477	803,375	965,491	1,086,345	1,017,140
Culture and Recreation				400			-	-	-	-
Conservation of Natural Resources			19,080	102,490	111,148	105,476	108,720	98,314	117,718	115,408
Economic Development	397,790	57,835	165,505	56,061	32,439	111,986	10,783	10,783	13,232	93,868
Total Fees, Charges, Fines and Other	<u>\$ 5,634,378</u>	<u>\$ 5,506,386</u>	<u>\$ 5,505,970</u>	<u>\$ 5,386,282</u>	<u>\$ 6,214,502</u>	<u>\$ 6,754,739</u>	<u>\$ 7,151,200</u>	<u>\$ 7,270,257</u>	<u>\$ 7,127,390</u>	<u>\$ 7,738,555</u>
Operating Grants and Contributions										
General Government	\$ 660,193	\$ 376,136	\$ 224,147	\$ 236,897	\$ 162,316	\$ 248,217	\$ 261,106	\$ 407,103	\$ 366,200	\$ 1,603,382
Public Safety	1,520,453	1,216,749	1,051,432	1,214,876	1,257,779	1,112,610	1,091,408	1,224,731	1,305,419	2,583,827
Highways and Streets	6,109,592	6,923,838	8,574,915	6,742,017	7,339,939	8,939,751	5,960,131	7,665,246	7,451,233	8,350,560
Sanitation	125,123	119,603	6,121	6,669	328	515,745	139,486	132,347	136,396	139,223
Human Services	4,714,379	4,930,786	4,732,170	5,874,129	6,017,606	5,449,858	6,004,090	6,050,927	6,431,521	7,160,306
Health	1,556,404	1,171,114	1,376,401	1,288,934	1,693,652	2,165,759	2,022,662	2,332,595	2,279,377	2,790,061
Culture and Recreation				155,316	224,120	43,766	153,103	96,669	144,191	104,830
Conservation of Natural Resources	210,663	236,476	206,118	175,668	205,723	324,270	152,555	122,129	51,052	141,451
Economic Development			253,285		3,356		-	-	-	3,494,766
Total Operating Grants and Contributions	<u>\$ 14,896,807</u>	<u>\$ 14,974,702</u>	<u>\$ 16,424,589</u>	<u>\$ 15,694,506</u>	<u>\$ 16,904,819</u>	<u>\$ 18,799,976</u>	<u>\$ 15,784,541</u>	<u>\$ 18,031,747</u>	<u>\$ 18,165,389</u>	<u>\$ 26,368,406</u>

**Goodhue County
Changes in Net Position**

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

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Capital Grants and Contributions										
Public Safety	\$ 26,029	\$ -	\$ -	\$ -	\$ -	\$ 256,250	\$ -	\$ -	\$ -	\$ -
Highways and Streets	101,018	571,343	433,418	4,013,215	728,382	296,771	1,309,506	1,350,171	405,749	780,491
Culture and Recreation	-	-	-	-	-	-	-	-	668,767	321,611
Conservation of Natural Resources	-	21,308	-	-	-	-	-	-	-	-
Total Capital Grants and Contributions	<u>\$ 127,047</u>	<u>\$ 592,651</u>	<u>\$ 433,418</u>	<u>\$ 4,013,215</u>	<u>\$ 728,382</u>	<u>\$ 553,021</u>	<u>\$ 1,309,506</u>	<u>\$ 1,350,171</u>	<u>\$ 1,074,516</u>	<u>\$ 1,102,102</u>
Total Governmental Activities Program Revenues	<u>\$ 20,658,232</u>	<u>\$ 21,073,739</u>	<u>\$ 22,363,977</u>	<u>\$ 25,094,003</u>	<u>\$ 23,847,703</u>	<u>\$ 26,107,736</u>	<u>\$ 24,245,247</u>	<u>\$ 26,652,175</u>	<u>\$ 26,367,295</u>	<u>\$ 35,209,063</u>
Total Governmental Activities net (expense)/revenue	<u>\$ (23,821,816)</u>	<u>\$ (24,593,802)</u>	<u>\$ (30,867,308)</u>	<u>\$ (24,510,249)</u>	<u>\$ (34,690,143)</u>	<u>\$ (38,987,302)</u>	<u>\$ (36,608,866)</u>	<u>\$ (30,219,000)</u>	<u>\$ (39,676,197)</u>	<u>\$ (37,438,433)</u>
General Revenues and Other Change in Net Assets										
Property Taxes	\$ 24,978,475	\$ 26,698,457	\$ 26,934,798	\$ 27,361,094	\$ 27,805,768	\$ 28,972,660	\$ 30,814,589	\$ 32,742,941	\$ 35,721,001	\$ 36,663,547
Local Option Sales Taxes	-	-	-	-	-	-	-	-	3,376,562	3,510,393
Other Taxes	329,120	358,592	388,075	851,453	837,933	857,204	915,573	903,798	990,222	1,002,800
Grants and Contributions	2,619,221	1,761,042	1,805,146	2,085,821	2,200,257	2,301,779	2,093,557	2,530,927	2,290,802	2,275,812
Unrestricted Investment Earnings	378,255	214,448	225,946	144,985	177,993	235,490	162,724	373,231	1,796,320	1,106,192
Miscellaneous	515,166	529,607	387,739	277,107	600,805	529,876	559,808	606,187	632,955	550,435
Gain on Sale of Capital Assets	25,016	5,067	10,346	62,474	13,940	-	6,638	32,451	104,860	254,567
Total Governmental Activities	<u>\$ 28,845,253</u>	<u>\$ 29,567,213</u>	<u>\$ 29,752,050</u>	<u>\$ 30,782,934</u>	<u>\$ 31,636,696</u>	<u>\$ 32,897,009</u>	<u>\$ 34,552,889</u>	<u>\$ 37,189,535</u>	<u>\$ 44,912,722</u>	<u>\$ 45,363,746</u>
Change in Net Position, Governmental Activities	<u>\$ 5,023,437</u>	<u>\$ 4,973,411</u>	<u>\$ (1,115,258)</u>	<u>\$ 6,272,685</u>	<u>\$ (3,053,447)</u>	<u>\$ (6,090,293)</u>	<u>\$ (2,055,977)</u>	<u>\$ 6,970,535</u>	<u>\$ 5,236,525</u>	<u>\$ 7,925,313</u>

Goodhue County
Fund Balances of Governmental Funds

Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
General Fund										
Nonspendable	\$ 319,785	\$ 207,231	\$ 288,273	\$ 248,047	\$ 337,477	\$ 349,935	\$ 429,636	\$ 241,676	\$ 284,232	\$ 258,520
Restricted	1,290,029	1,124,397	1,027,992	902,692	5,065,181	979,407	1,264,290	1,432,165	1,588,317	2,627,034
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	3,286,673	-
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	2,522,561	6,060,000
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	14,619,539	18,215,668
Total General Fund	\$17,849,752	\$20,235,566	\$18,992,875	\$17,927,618	\$22,482,586	\$20,032,773	\$20,698,732	\$21,662,100	\$22,301,322	\$27,161,222
All Other Governmental Funds										
Nonspendable, Reported in:										
Road and Bridge Fund	\$ 498,205	\$ 446,647	\$ 379,376	\$ 567,003	\$ 474,952	\$ 466,525	\$ 534,893	\$ 487,508	\$ 423,975	\$ 720,756
Health and Human Services Fund	109,488	10,355	115,858	120,694	129,839	113,053	159,254	33,723	32,547	41,218
Economic Development Authority Fund	399,000	391,318	-	-	-	-	-	-	-	-
Debt Service Fund	-	-	-	-	456	456	-	-	-	1,850
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	-	-	-	-	-	-
Health and Human Services Fund	-	-	-	-	-	-	-	-	501,646	518,845
Economic Development Authority Fund	57,320	98,219	610,992	607,797	604,283	604,283	604,283	546,963	546,963	533,200
Debt Service Fund	4,620,927	4,781,423	3,967,843	2,442,718	2,551,688	2,540,950	2,748,597	2,898,608	3,090,332	3,375,517 *
Waste Management Fund	218,884	219,667	218,395	218,722	219,051	219,380	219,708	220,039	220,369	220,700
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	604,404	-
Health and Human Services Fund	446,679	446,679	259,179	259,179	150,550	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	259,548	-
Debt Service Fund	-	-	-	-	-	-	-	-	-	- *
Waste Management Fund	125,675	69,175	35,075	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	11,992,819	15,173,762
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	8,554,139	11,399,524
Economic Development Authority Fund	-	-	400,556	-	-	-	-	-	-	237,795
Debt Service Fund	-	-	-	-	-	-	-	-	-	-
Waste Management Fund	280,729	234,446	138,280	77,807	-	471,889	557,078	587,447	518,522	577,093
Unassigned, Reported in Waste Management Fun	-	-	-	-	(74,818)	-	-	-	-	-
Total All Other Governmental Funds	\$16,664,098	\$19,755,144	\$15,603,403	\$18,938,989	\$17,843,860	\$18,715,940	\$19,205,638	\$20,560,475	\$26,930,889	\$32,800,260

* Restricted and Committed amounts for Debt Service funds for prior years have been reclassified to conform to the presentation beginning in 2019.

Goodhue County
Changes in Fund Balances of Governmental Funds

Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Revenues										
Taxes	\$25,205,529	\$26,940,462	\$27,176,405	\$28,045,751	\$28,411,586	\$29,826,638	\$31,512,646	\$33,425,562	\$39,793,011	\$40,875,558
Special Assessments	16,021	24,883	6,344	26,588	18,134	19,038	7,180	4,940	16,272	293,063
Licenses and Permits	215,305	269,000	315,224	320,917	414,210	477,089	585,254	520,900	518,659	667,901
Intergovernmental	17,735,869	18,148,681	18,632,931	22,026,741	17,064,862	21,786,115	20,167,145	20,994,662	20,218,245	34,060,237
Charges for Services	3,276,671	3,698,452	3,532,105	3,540,598	4,337,012	4,076,830	4,482,185	4,374,816	4,506,020	4,398,044
Fines and Forfeits	16,499	20,390	16,573	14,643	15,927	12,512	12,177	13,010	11,594	9,810
Gifts and Contributions	41,229	60,553	33,143	43,698	33,251	89,924	113,720	39,478	42,192	65,914
Investment Earnings	374,304	210,509	221,845	144,502	178,686	236,131	162,950	373,773	1,797,613	1,107,535
Miscellaneous	2,412,101	2,195,040	2,161,931	2,016,336	2,150,153	2,168,038	2,388,478	2,491,716	2,356,618	2,191,250
Total Revenues	\$49,293,528	\$51,567,970	\$52,096,501	\$56,179,774	\$52,623,821	\$58,692,315	\$59,431,735	\$62,238,857	\$69,260,224	\$83,669,312
Expenditures										
General Government	\$10,771,631	\$9,242,536	\$10,427,458	\$11,607,915	\$16,729,313	\$13,625,210	\$12,360,210	\$11,708,827	\$13,251,609	\$12,756,278
Public Safety	12,105,373	11,877,029	11,765,643	12,629,168	13,250,058	13,620,842	13,776,416	14,440,466	14,346,461	13,667,072
Highways and Streets	10,070,300	13,742,617	16,755,322	19,197,616	11,234,340	12,615,176	10,547,023	12,597,468	10,297,770	17,725,424
Sanitation	856,450	853,499	706,612	857,695	689,903	735,911	688,106	721,532	775,618	821,243
Human Services	10,059,461	10,239,831	10,662,549	11,100,757	11,028,616	12,445,627	13,858,373	12,746,523	13,206,125	13,600,924
Health	2,971,586	2,631,962	2,421,166	2,723,168	3,061,863	3,322,008	3,279,038	3,661,415	3,872,135	4,278,153
Culture and Recreation	616,930	582,402	854,195	684,037	754,507	640,200	753,926	864,826	1,497,983	1,202,353
Conservation of Natural Resources	695,138	689,545	685,756	706,960	736,978	711,804	770,632	719,155	678,434	798,492
Economic Development	60,189	108,427	206,740	81,032	58,793	27,672	28,365	37,736	62,997	2,739,358
Capital Outlay										
General government	-	-	-	-	-	-	-	-	485,123	1,125,383 (1)
General government - COVID-19	-	-	-	-	-	-	-	-	-	515,900 (1)
Public safety	-	-	-	-	-	-	-	-	527,434	787,941 (1)
Highways and streets	-	-	-	-	-	-	-	-	1,333,392	819,757 (1)
Sanitation	-	-	-	-	-	-	-	-	-	98,273 (1)
Debt Service										
Principal	1,664,958	1,730,882	2,302,600	1,885,288	1,745,411	1,395,535	1,305,661	1,361,492	1,325,000	1,345,000
Interest/Other	251,291	246,583	204,498	225,868	245,706	673,220	536,953	570,064	514,817	474,242
Intergovernmental Highways and Streets	375,874	451,603	407,913	421,804	446,646	462,724	464,177	542,701	538,457	560,839
Total Expenditures	\$50,499,181	\$52,396,916	\$57,400,452	\$62,121,308	\$59,982,134	\$60,275,929	\$58,368,880	\$59,972,205	\$62,713,355	\$73,316,632
Excess of Revenues Over/(Under) Expenditures	\$ (1,205,653)	\$ (828,946)	\$ (5,303,951)	\$ (5,941,534)	\$ (7,358,313)	\$ (1,583,614)	\$ 1,062,855	\$ 2,266,652	\$ 6,546,869	\$ 10,352,680

(1) Prior to 2019, capital outlay expenditures were included in the various functional expense lines.

Goodhue County
Changes in Fund Balances of Governmental Funds

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

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
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	25,015	5,067	10,346	62,474	13,940	19,389	25,914	60,748	57,239	76,782
Total Other Financing Sources/(Uses)	<u>\$ 25,015</u>	<u>\$ 6,328,968</u>	<u>\$ 10,346</u>	<u>\$ 8,018,080</u>	<u>\$10,910,447</u>	<u>\$ 19,389</u>	<u>\$ 25,914</u>	<u>\$ 60,748</u>	<u>\$ 57,239</u>	<u>\$ 76,782</u>
Increase/(Decrease) in Inventories	26,302	(23,162)	(100,827)	193,783	(92,295)	(13,508)	66,888	(9,195)	(67,066)	299,809
Net Change in Fund Balances	<u><u>\$ (1,154,336)</u></u>	<u><u>\$ 5,476,860</u></u>	<u><u>\$ (5,394,432)</u></u>	<u><u>\$ 2,270,329</u></u>	<u><u>\$ 3,459,839</u></u>	<u><u>\$ (1,577,733)</u></u>	<u><u>\$ 1,155,657</u></u>	<u><u>\$ 2,318,205</u></u>	<u><u>\$ 6,537,042</u></u>	<u><u>\$ 10,729,271</u></u>
Debt Service as a Percentage of Noncapital Expenditures	4.86%	4.88%	5.21%	4.90%	4.21%	3.95%	3.51%	3.84%	3.15%	2.68%

**GOODHUE COUNTY
RED WING, MINNESOTA**

**TAX CAPACITY BY CLASSIFICATION, ESTIMATED MARKET VALUE AND TAXABLE MARKET VALUE LAST TEN FISCAL YEARS
LAST TEN FISCAL YEARS**

Payble Year	Tax Capacity								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	Railroad	Utilities	Personal Property	Tax Increment	Power Line				
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	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	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	2,284,411	(286,312)	(99,201)	76,704,934	7,194,510,600	6,891,185,000	1.11%
2019	20,387,648	30,631,347	9,221,748	202,406	16,341,938	2,280,936	(298,635)	(95,797)	78,671,591	7,526,761,500	7,238,983,700	1.09%
2020	19,812,298	31,790,670	9,615,697	218,635	17,210,784	2,233,052	(325,656)	(91,957)	80,463,523	7,623,368,200	7,336,005,900	1.10%

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
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
2019	43.991	2.511	46.502	31.926	23.823	0.936
2020	44.103	2.558	46.661	31.803	23.809	0.958

Tax Year 2020

Number of taxing districts	31	12	5
Minimum levy rate	10.247	11.104	0.646
Maximum levy rate	84.116	48.062	1.273

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**

2020 Tax Capacity Value

<u>Taxpayer</u>	<u>Type of Business</u>	<u>Rank</u>	<u>Estimated Market Value</u>	<u>2020 Tax Capacity Value</u>	<u>Percentage of Total Tax Capacity Value</u>
Northern States Power Company	Utilities	1	\$ 921,613,100	\$ 18,421,084	22.89%
S MN Municipal Power Agency	Utilities	2	17,769,000	354,630	0.44%
Mayo Clinic Health System-RW	Commercial	3	16,247,400	272,369	0.34%
Red Wing Shoe Co Inc	Commercial	4	11,341,700	220,006	0.27%
SOO Line Railroad Company	RR/Commercial	5	10,121,300	201,676	0.25%
Wal-Mart Stores Inc	Commercial	6	9,064,300	180,536	0.22%
Menards Inc	Commercial	7	8,896,500	173,076	0.22%
Dairyland Power Cooperative	Utilities	8	8,632,800	171,906	0.21%
Syngenta Crop Protection	Agricultural	9	9,745,700	164,519	0.20%
Inland American Zumbrota Atlas	Industrial	10	7,986,600	158,982	0.20%
TOTALS			\$ 1,021,418,400	\$ 20,318,784	25.24%

Total Tax Capacity Value

\$ 80,463,523

2011 Tax Capacity Value

<u>Taxpayer</u>	<u>Type of Business</u>	<u>Rank</u>	<u>Estimated Market Value</u>	<u>2011 Tax Capacity Value</u>	<u>Percentage of Total Tax Capacity Value</u>
Northern States Power Company	Utilities	1	\$ 432,707,200	\$ 8,648,927	14.48%
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	192,933	0.32%
Red Wing Shoe Co Inc	Commercial	5	9,008,700	176,683	0.30%
Inland American Zumbrota Atlas	Industrial	6	8,567,700	170,604	0.29%
Target Corporation	Commercial	7	8,032,900	159,908	0.27%
M&E Realty Co	Commercial	8	6,808,800	133,926	0.22%
Convenience Store Investments	Commercial	9	5,333,000	101,279	0.17%
MN Energy Resources Corp	Utilities	10	5,055,100	100,352	0.17%
TOTALS			\$ 508,516,700	\$ 10,139,518	16.98%

Total Tax Capacity Value

\$ 59,729,971

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 Years (1)	Total Collections to Date		Outstanding Delinquent (net of abatements)	
		Amount (1)	Percentage of Levy		Amount (1)	Percentage of Levy	Amount	Percentage of Levy
2011	\$ 24,679,142	\$24,281,840	98.39%	\$ 331,286	\$ 24,613,126	99.73%	\$ 66,016	0.27%
2012	26,377,824	26,078,308	98.86%	248,673	\$ 26,326,981	99.81%	50,843	0.19%
2013	26,632,321	26,376,609	99.04%	222,849	\$ 26,599,458	99.88%	32,863	0.12%
2014	27,082,874	26,838,856	99.10%	227,526	\$ 27,066,382	99.94%	16,492	0.06%
2015	27,516,465	27,249,428	99.03%	231,437	\$ 27,480,865	99.87%	35,600	0.13%
2016	28,460,055	28,221,384	99.16%	206,311	\$ 28,427,695	99.89%	32,360	0.11%
2017	30,490,926	30,295,709	99.36%	145,698	\$ 30,441,407	99.84%	49,519	0.16%
2018	32,525,678	32,291,225	99.28%	172,891	\$ 32,464,116	99.81%	61,562	0.19%
2019	35,485,267	35,207,301	99.22%	217,512	\$ 35,424,813	99.83%	60,454	0.17%
2020	36,401,107	36,162,600	99.34%	-	\$ 36,162,600	99.34%	238,507	0.66%

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 Obilgation Bonds	General Obilgation Revenue Bonds	G.O Special Assessments					
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	0%	46,148	\$ 230
2013	8,188,073	-	163,387	8,351,460	2,054,709,000	1%	46,110	\$ 181
2014	14,285,521	-	138,099	14,423,620	2,175,192,000	0%	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	2,484,856,000	1%	46,403	\$ 419
2019	18,085,997	-	-	18,085,997	2,586,510,000	1%	46,340	\$ 390
2020	16,711,836	-	-	16,711,836	n/a	n/a	n/a	n/a

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

n/a = not available

**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 Obligation 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
2011	\$ 4,548,559	\$1,254,559	\$ 5,803,118	n/a	\$5,803,118	\$ 5,701,572,800	0.10%	46,103	160.59
2012	9,806,600	639,779	10,446,379	n/a	10,446,379	5,681,089,000	0.18%	46,148	125.87
2013	8,188,073	-	8,188,073	n/a	8,188,073	5,862,563,400	0.14%	46,110	226.37
2014	14,285,521	-	14,285,521	\$ 99,615	14,185,906	6,361,821,100	0.22%	46,003	177.58
2015	23,465,035	-	23,465,035	199,230	23,265,805	6,577,103,200	0.35%	46,033	308.37
2016	22,078,481	-	22,078,481	298,845	21,779,636	6,733,599,100	0.32%	46,240	505.42
2017	20,769,319	-	20,769,319	398,460	20,370,859	6,938,736,400	0.29%	46,304	471.01
2018	19,440,158	-	19,440,158	498,075	18,942,083	7,194,510,600	0.26%	46,403	439.94
2019	18,085,997	-	18,085,997	597,692	17,488,305	7,526,761,500	0.23%	46,340	377.39
2020	16,711,836	-	16,711,836	697,308	16,014,528	7,623,368,200	0.21%	n/a	n/a

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

n/a = not available

**GOODHUE COUNTY
RED WING, MINNESOTA**

**DIRECT AND OVERLAPPING DEBT
December 31, 2020**

	Net G.O. Debt Outstanding	Applicable to Goodhue County	
		Percent (1)	Amount
Cities			
City of Bellechester	\$ 182,000	100.00%	\$ 182,000
City of Cannon Falls	12,255,909	100.00%	12,255,909
City of Dennison	260,000	89.77%	233,402
City of Goodhue	3,253,000	100.00%	3,253,000
City of Kenyon	9,275,010	100.00%	9,275,010
City of Lake City	3,851,000	21.85%	841,444
City of Pine Island	11,447,000	73.43%	8,405,532
City of Red Wing	43,266,000	100.00%	43,266,000
City of Wanamingo	4,484,000	100.00%	4,484,000
City of Zumbrota	455,000	100.00%	455,000
Total Cities	<u>88,728,919</u>		<u>82,651,297</u>
Independent School Districts			
No. 195	11,610,000	12.24%	1,421,064
No. 200	78,137,524	0.09%	70,324
No. 252	22,070,000	95.21%	21,012,847
No. 253	28,805,000	95.34%	27,462,687
No. 255	41,890,000	46.26%	19,378,314
No. 256	23,545,000	100.00%	23,545,000
No. 656	13,987,208	0.05%	6,994
No. 659	62,250,000	0.97%	603,825
No. 813	41,513,528	27.72%	11,507,550
No. 2125	9,745,000	1.14%	111,093
No. 2172	20,365,000	90.37%	18,403,851
No. 2805	18,715,000	72.58%	13,583,347
Total Independent School Districts	<u>372,633,260</u>		<u>137,106,896</u>
Special Taxing Districts			
Red Wing HRA	445,000	100.00%	445,000
SEMMCHRA	4,131,723	100.00%	4,131,723
Total Special Taxing Districts	<u>4,576,723</u>		<u>4,576,723</u>
Goodhue County	<u>16,711,836</u>	100.00%	<u>16,711,836</u>
Total	<u>\$ 482,650,738</u>		<u>\$ 241,046,752</u>

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**

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Market Valuation of Taxable Property	\$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	7,526,761,500	7,623,368,200
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	171,047,184	170,432,670	175,876,902	190,854,633	197,313,096	202,007,973	208,162,092	215,835,318	225,802,845	228,701,046
Amount of Debt applicable to Debt Limit										
General Obligation Debt	5,803,118	10,446,379	8,188,073	14,285,521	23,465,035	22,078,481	20,769,319	19,440,158	18,085,997	16,711,836
Less: Amount Available in Debt Service Funds	-	-	-	99,615	199,230	298,845	398,460	498,075	597,692	697,308
Total Debt Applicable to Limit	5,803,118	10,446,379	8,188,073	14,185,906	23,265,805	21,779,636	20,370,859	18,942,083	17,488,305	16,014,528
Legal Debt Margin	\$ 165,244,066	\$ 159,986,291	\$ 167,688,829	\$ 176,668,727	\$ 174,047,291	\$ 180,228,337	\$ 187,791,233	\$ 196,893,235	\$ 208,314,540	\$ 212,686,518
Percent of Legal Debt Incurred	3.39%	6.13%	4.66%	7.49%	11.89%	10.93%	9.98%	9.01%	8.01%	7.31%

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)
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	46,403	2,484,856,000	53,549	2.7%
2019	46,340	2,586,510,000	55,816	3.1%
2020	n/a	n/a	n/a	5.4%

Notes:

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

(2) Source: Minnesota Employment and Economic Development

n/a = not available

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

Industry	2020		2011	
	Annual Average	Percentage of Total County Employment	Annual Average	Percentage of Total County Employment
Natural Resources and mining	378	1.9%	383	1.8%
Construction	865	4.4%	651	3.0%
Manufacturing	4,132	21.1%	3,936	18.4%
Trade, transportation and utilities				
Utilities	717		875	
Wholesale trade	779		614	
Retail trade	2,035		2,325	
Transportation and warehousing	596		575	
	4,127	21.0%	4,389	20.5%
Information	105	0.5%		
Financial activities	485	2.5%	678	3.2%
Professional and business services				
Professional, scientific and technical services	308		349	
Management of companies and enterprises	127		277	
Administrative and waste management services	470		1,085	8.0%
	905	4.6%		
Education and health services	4,194	21.4%	4,486	21.0%
Leisure and hospitality	2,669	13.6%	3,227	15.1%
Other services	545	2.8%	762	3.6%
Public administration				
Executive, Legislative, other general government	938		932	
Justice, Public Order, Safety	220		194	
Environmental Quality	18		12	
Housing and Economic Development	32		29	
	1,208	6.2%	1,167	5.4%
Total Employment	19,613	100.0%	21,390	100.0%

Source: Minnesota Department of Economic Development, Labor Market Information

**GOODHUE COUNTY
RED WING, MINNESOTA**

FULL TIME EQUIVALENT EMPLOYEES BY DEPARTMENT

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Fund										
Commissioners	5	5	5	5	5	5	5	6	5	5
Administration	3	3	3	3	3	3	3	3	3	3
Auditor/Treasurer	6	6	6	6	6	5	5	8	6	6
Assessor	10	10	12	11	9	11	11	15	10	11
Human Resources	3	3	4	4	3	3	4	4	4	4
Information Technology	8	6	6	6	6	6	6	6	5	6
Attorney	13	13	14	14	15	15	15	15	15	15
Recorder	5	6	5	5	4	4	4	4	4	4
Surveyor	3	3	3	3	3	4	4	4	4	4
GIS	2	2	2	2	3	3	2	4	3	3
Facility Maintenance	9	8	8	8	8	8	9	9	9	8
Veterans Service	2	2	2	2	2	2	2	2	2	2
Zoning	10	10	11	11	9	10	11	12	11	11
Sheriff	104	105	106	44	43	43	47	46	46	49
Boat & Water	-	-	-	1	1	2	2	3	2	1
Jail Operations	-	-	-	47	42	44	47	45	48	36
Dispatch	-	-	-	12	12	12	12	12	12	12
Court Services	13	13	13	12	12	12	11	11	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	198	197	202	198	188	194	202	211	202	193
Road and Bridge Fund										
Public Works	28	29	32	-	-	-	-	-	-	-
Public Works Maintenance	-	-	-	18	16	18	18	17	17	18
Public Works Construction	-	-	-	6	5	5	6	6	6	5
Public Works Administration	-	-	-	3	3	3	3	3	3	3
Public Works Equipment Maintenance	-	-	-	2	1	1	1	1	1	1
Health and Human Services Fund										
Income Maintenance	32	37	39	39	39	41	45	42	47	47
Social Services	31	26	25	22	24	24	26	26	28	29
LTCC/Waiver Mngmnt	10	10	7	10	12	15	14	16	15	15
Health Education	7	5	7	9	8	7	7	7	11	10
Office Administration	2	3	3	3	3	3	3	3	3	2
Waste Management Fund										
Waste/Water Management	6	6	5	1	1	1	1	1	1	1
Recycling Center	-	-	-	4	3	4	4	4	3	5
Total Employees	314	313	320	315	303	316	330	337	337	329
Population (1)	46,103	46,148	46,110	46,003	46,033	46,240	46,304	46,403	46,340	n/a
Number of FTE's per 1,000 Population	6.81	6.78	6.94	6.85	6.58	6.83	7.13	7.26	7.27	n/a

Sources: U.S. Census Bureau (1); Goodhue County Finance & Taxpayer Services and Human Resources
n/a = not available

GOODHUE COUNTY
RED WING, MINNESOTA

**OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS**

Function/Program	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General government										
Number of parcels in county	30,495	30,433	30,433	30,471	30,438	30,490	30,571	30,604	30,617	30,652
Number of registered voters (*not an election year)	*	27,706	*	27,914	*	28,323	*	28,761	*	30,731
Number of votes cast (*not an election year)	*	25,923	*	17,354	*	25,929	*	23,340	*	28,759
Voter turnout (%) (*not an election year)		94%		62%		92%		81%		94%
Number of documents recorded	9,422	11,020	10,789	8,268	9,010	9,131	9,129	8,457	9,002	10,836
Public Works										
Road miles maintained	400.14	400.14	400.14	400.14	400.14	400.14	400.14	400.14	400.14	400.14
Maintenance cost per mile	\$ 7,039	\$ 7,729	\$ 8,346	\$ 9,115	\$ 8,498	\$ 10,045	\$ 10,264	\$ 11,410	\$ 12,948	\$ 11,595
Public safety										
Calls for service	15,658	13,977	13,416	13,140	14,069	14,277	13,903	13,127	13,324	12,245
Average Daily Population - Detention	59	77	59	95	124	126	124	103	98	71
Health & Human Services										
Average Monthly WIC Participants	912	792	706	749	765	697	676	619	623	602
Average Monthly Food Support Households	1,274	1,342	1,391	1,273	1,032	1,006	1,117	1,092	1,002	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**

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental activities:										
Municipal Buildings	12	12	12	12	12	12	12	12	12	12
Public Safety										
Patrol Vehicles	41	41	41	39	39	38	44	49	46	49
Public Works										
Road Miles	400.14	400.14	400.14	400.14	400.14	400.14	400.14	400.14	400.14	400.14
Snowplows	10	13	12	13	14	14	14	12	10	9

Source: Goodhue County Finance & Taxpayer Services