



**GOODHUE COUNTY**  
**RED WING, MINNESOTA**

**ANNUAL COMPREHENSIVE FINANCIAL REPORT**

**YEAR ENDED DECEMBER 31, 2021**



**ANNUAL COMPREHENSIVE FINANCIAL REPORT  
OF GOODHUE COUNTY, MINNESOTA**

**YEAR ENDED DECEMBER 31, 2021  
ISSUED JUNE 9, 2022**

**PREPARED BY:  
FINANCE AND TAXPAYER SERVICES DEPARTMENT  
BRIAN J. ANDERSON, DIRECTOR  
LUCAS R. DAHLING, FINANCE CONTROLLER**

**509 WEST 5TH STREET  
RED WING, MN 55066  
PHONE: (651) 385-3040  
FAX: (651) 267-4878**

**GOODHUE COUNTY  
RED WING, MINNESOTA  
TABLE OF CONTENTS  
YEAR ENDED DECEMBER 31, 2021**

**INTRODUCTORY SECTION**

<b>LETTER OF TRANSMITTAL</b>	<b>i</b>
<b>CURRENT ORGANIZATIONAL CHART</b>	<b>vii</b>
<b>GFOA CERTIFICATE OF ACHIEVEMENT</b>	<b>viii</b>
<b>ELECTED AND APPOINTED OFFICIALS</b>	<b>ix</b>

**FINANCIAL SECTION**

<b>INDEPENDENT AUDITORS' REPORT</b>	<b>1</b>
<b>MANAGEMENT'S DISCUSSION AND ANALYSIS</b>	<b>5</b>

**BASIC FINANCIAL STATEMENTS**

<b>GOVERNMENT-WIDE FINANCIAL STATEMENTS</b>	
<b>STATEMENT OF NET POSITION - GOVERNMENTAL ACTIVITIES</b>	<b>22</b>
<b>STATEMENT OF ACTIVITIES - GOVERNMENTAL ACTIVITIES</b>	<b>24</b>

**FUND FINANCIAL STATEMENTS**

**GOVERNMENTAL FUNDS**

<b>BALANCE SHEET</b>	<b>25</b>
<b>RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION – GOVERNMENTAL ACTIVITIES</b>	<b>27</b>
<b>STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES</b>	<b>28</b>
<b>RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES – GOVERNMENTAL ACTIVITIES</b>	<b>30</b>

**FIDUCIARY FUNDS**

<b>STATEMENT OF FIDUCIARY NET POSITION</b>	<b>31</b>
<b>STATEMENT OF CHANGES IN FIDUCIARY NET POSITION</b>	<b>32</b>

<b>NOTES TO THE FINANCIAL STATEMENTS</b>	<b>33</b>
--	-----------

**REQUIRED SUPPLEMENTARY INFORMATION**

**BUDGETARY COMPARISON SCHEDULES**

<b>GENERAL FUND</b>	<b>97</b>
<b>ROAD AND BRIDGE SPECIAL REVENUE FUND</b>	<b>100</b>

**GOODHUE COUNTY  
RED WING, MINNESOTA  
TABLE OF CONTENTS (CONTINUED)  
YEAR ENDED DECEMBER 31, 2021**

**FINANCIAL SECTION (CONTINUED)**

**REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)  
BUDGETARY COMPARISON SCHEDULES (CONTINUED)**

**HEALTH AND HUMAN SERVICES SPECIAL REVENUE FUND 101**

**ECONOMIC DEVELOPMENT AUTHORITY SPECIAL REVENUE  
FUND 102**

**PERA GENERAL EMPLOYEES RETIREMENT PLAN**

**SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF THE  
NET PENSION LIABILITY 103**

**SCHEDULE OF CONTRIBUTIONS 103**

**PERA PUBLIC EMPLOYEES POLICE AND FIRE FUND**

**SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF THE  
NET PENSION LIABILITY 104**

**SCHEDULE OF CONTRIBUTIONS 104**

**PERA PUBLIC EMPLOYEES CORRECTIONAL FUND**

**SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF THE  
NET PENSION LIABILITY 105**

**SCHEDULE OF CONTRIBUTIONS 105**

**SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY, RELATED  
RATIOS AND NOTES 106**

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION 107**

**SUPPLEMENTARY INFORMATION**

**MAJOR FUND**

**BUDGETARY COMPARISON SCHEDULE – DEBT SERVICE FUND 118**

**NONMAJOR GOVERNMENTAL FUND**

**BUDGETARY COMPARISON SCHEDULE – WASTE MANAGEMENT  
SPECIAL REVENUE FUND 120**

**CUSTODIAL FUNDS**

**CUSTODIAL FUNDS INDEX 121**

**COMBINING STATEMENT OF FIDUCIARY NET POSITION 122**

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION 123**

**GOODHUE COUNTY  
RED WING, MINNESOTA  
TABLE OF CONTENTS (CONTINUED)  
YEAR ENDED DECEMBER 31, 2021**

**FINANCIAL SECTION (CONTINUED)**

**OTHER SCHEDULES**

<b>SCHEDULE OF INTERGOVERNMENTAL REVENUE</b>	<b>124</b>
<b>SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS</b>	<b>126</b>
<b>NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS</b>	<b>128</b>

**OTHER INFORMATION SECTION**

<b>TAX CAPACITY, TAX RATES, LEVIES, AND PERCENTAGE OF COLLECTIONS</b>	<b>129</b>
---	------------

**STATISTICAL SECTION (UNAUDITED)**

<b>STATISTICAL SECTION INDEX</b>	<b>131</b>
<b>NET POSITION BY COMPONENT UNIT</b>	<b>132</b>
<b>CHANGES IN NET POSITION</b>	<b>133</b>
<b>FUND BALANCES OF GOVERNMENTAL FUNDS</b>	<b>135</b>
<b>CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS</b>	<b>136</b>
<b>TAX CAPACITY BY CLASSIFICATION, ESTIMATED MARKET VALUE AND TAXABLE MARKET VALUE</b>	<b>138</b>
<b>PROPERTY TAX RATES – DIRECT AND OVERLAPPING GOVERNMENTS</b>	<b>139</b>
<b>TEN LARGEST TAXPAYERS</b>	<b>140</b>
<b>PROPERTY TAX LEVIES AND COLLECTIONS</b>	<b>141</b>
<b>RATIOS OF OUTSTANDING DEBT TO PERSONAL INCOME AND DEBT PER CAPITA</b>	<b>142</b>
<b>RATIOS OF NET BONDED DEBT TO ESTIMATED MARKET VALUE AND NET BONDED DEBT PER CAPITA</b>	<b>143</b>
<b>DIRECT AND OVERLAPPING DEBT</b>	<b>144</b>
<b>LEGAL DEBT MARGIN</b>	<b>145</b>
<b>DEMOGRAPHIC AND ECONOMIC INFORMATION</b>	<b>146</b>
<b>MAJOR EMPLOYMENT INDUSTRIES IN GOODHUE COUNTY</b>	<b>147</b>
<b>FULL-TIME EQUIVALENT EMPLOYEES BY DEPARTMENT</b>	<b>148</b>
<b>OPERATING INDICATORS BY FUNCTION</b>	<b>149</b>
<b>CAPITAL ASSET AND INFRASTRUCTURE STATISTICS BY FUNCTION</b>	<b>150</b>

## **INTRODUCTORY SECTION**



June 9, 2022

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

Subject: 2021 Annual Comprehensive Annual Financial Report

This Annual Comprehensive Financial Report (ACFR) of Goodhue County is hereby submitted for the fiscal year ended December 31, 2021. 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 2021. 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.

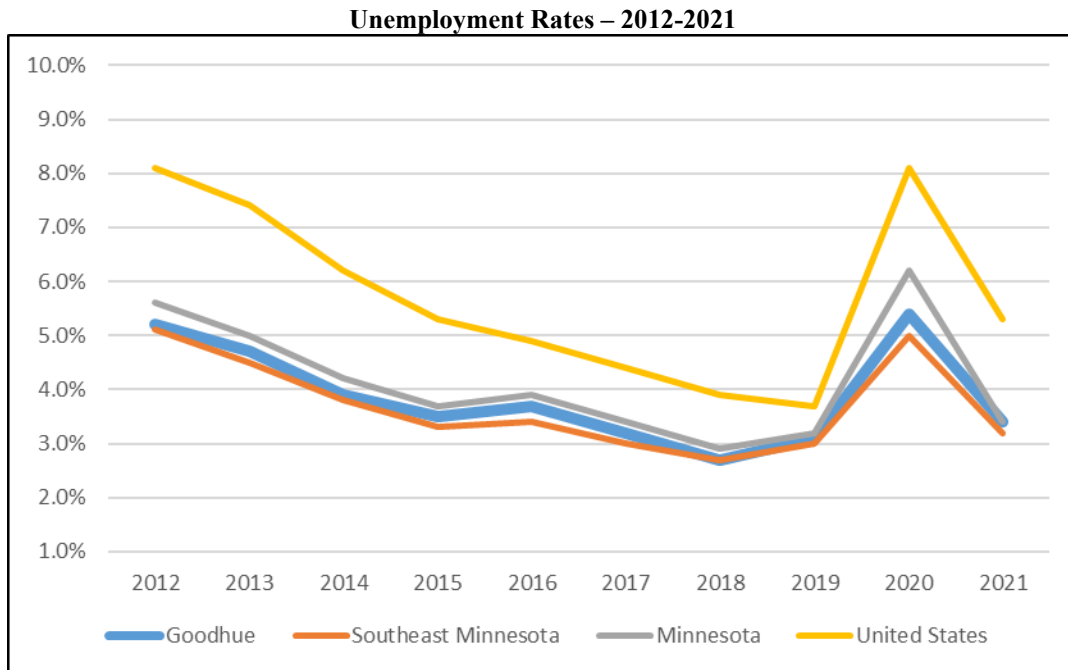
### Budgetary Controls

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

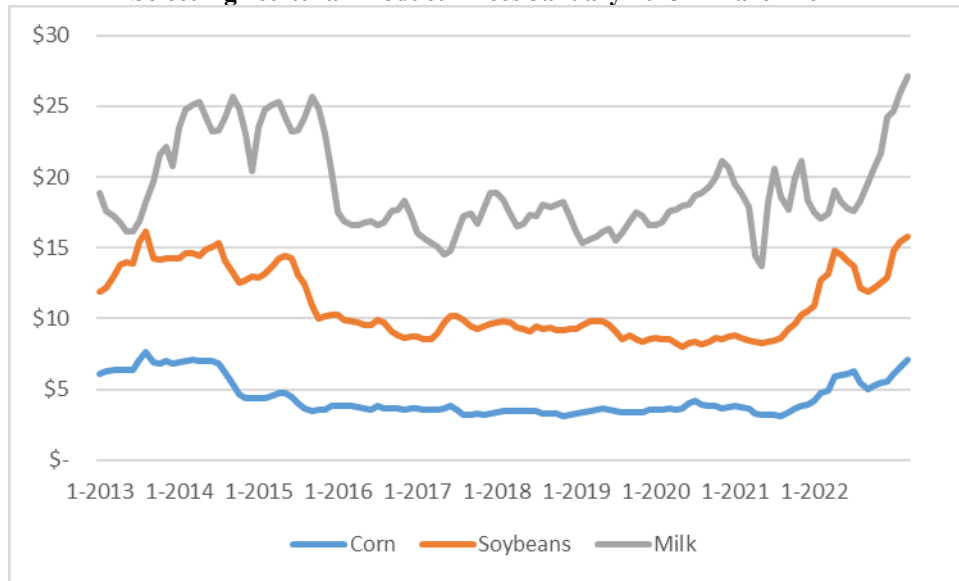
Goodhue County is located within one hour of the three largest cities in Minnesota: Minneapolis, St. Paul, and Rochester. The State of Minnesota currently has a strong economy and as a result has a projected \$9.25 billion surplus. County residents work primarily within the southeastern Minnesota region, either in the County or neighboring Dakota and Olmsted Counties. Unemployment decreased significantly in 2021 as compared to the 2020 spike caused by the COVID-19 pandemic. Levels in Goodhue County as well as the southeast region remain well below nation-wide levels and has continued to trend down during the first part of 2022.



The cost of living in Goodhue County for an average family is 9.7% lower than Minnesota state-wide, 19.6% lower than Dakota County and 3.7% lower than Olmstead County. The County's population remains stable, growing 3.0% from 2010-2020.

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 2022 (1.4%), total value is 44% higher than in 2012, and has increased 6.4% since 2018. As shown in the following graph, prices for corn and soybeans have remained stable while milk prices have been more volatile. Prices for all three commodities have increased significantly over the past year.

Select Agricultural Product Prices January 2013 – March 2022



### 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. The policies were amended in 2019 and are approved on an annual basis. These policies provide direction for the County Board and staff in areas such as purchasing, capital planning, and management of fixed assets, fund balance, debt, and investments. The most important of these policies, as amended by the Board on June 4, 2019, is the Fund Balance policy.

The fund balance policy sets a minimum level of unassigned fund balance in the general operating fund between 35% and 50% 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 five 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. There was not a significant decrease of these receipts during the COVID-19 pandemic and receipts climbed to \$4.1 million in 2021 from \$3.5 million in 2020. The County does not anticipate any future decreases in this revenue. This tax will remain in place until revenues raised are sufficient to cover all approved projects, or December 31, 2027, whichever occurs first. Approving the local sales tax has eliminated the need to incur debt obligations to fund county-wide transportation projects

*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 services to its citizens, doing so 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.

On March 11, 2021, President Biden signed the American Rescue Plan Act of 2021, also known as ARPA, into law. The \$1.9 trillion package is intended to combat the COVID-19 pandemic, including both public health and economic impact. ARPA allocates hundreds of billions of dollars for public health, vaccines, education, housing, and local governments. A key provision of the Act directs federal aid to cities, counties, and other non-county municipalities for broadly defined recovery purposes, amounting to a once-in-a-generation opportunity to future-proof local government. Section 9001 of the ARPA establishes the \$362 billion State and Local Fiscal Recovery Funds, providing payments to State, Local, and Tribal governments navigating the impact of the COVID-19 outbreak. ARPA, through both law and the U.S. Treasury Department’s final rule, sets criteria that expenses must meet to be eligible for fiscal recovery funding.

Goodhue County will receive \$9,001,002 of ARPA funding over two years sent directly from the U.S. Treasury. On May 18<sup>th</sup> 2021, the Goodhue County Board approved a Resolution directing the Finance Director to apply for and accepting these funds from the U.S. Treasury. On June 10<sup>th</sup> 2021, Goodhue County received its first half or \$4,500,501 of the ARPA funds from the U.S. Treasury. We expect to receive the remaining balance of the funds within 12 months of receiving the first half.

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 other regular funding from the state.

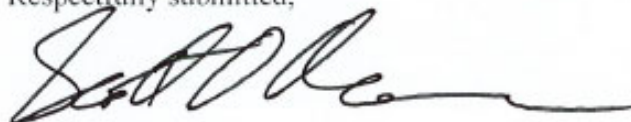
#### Awards/acknowledgements

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, 2020. This was the second 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,

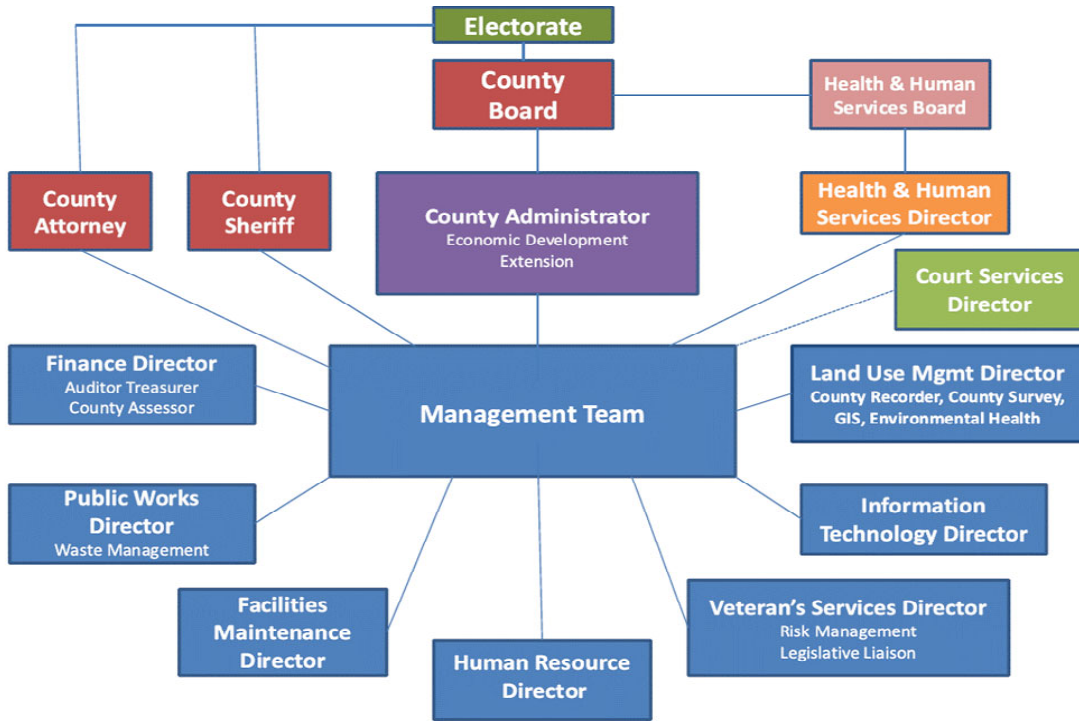


Scott O. Arneson  
County Administrator



Brian J. Anderson  
Auditor/Treasurer

## 2021 Goodhue County Organizational Chart





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Goodhue County  
Minnesota**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

December 31, 2020

*Christopher P. Morill*

Executive Director/CEO

**GOODHUE COUNTY  
RED WING, MINNESOTA  
ELECTED AND APPOINTED OFFICIALS  
2021**

Term Expires

Elected Officers

Commissioners

Chair	Brad Anderson	District 2	January 2023
Vice Chair	Jason Majerus	District 4	January 2023
Board Member	Linda Flanders	District 1	January 2025
Board Member	Paul Drotos	District 5	January 2025
Board Member	Todd Greseth	District 3	January 2025
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	Joel Rustad		November 2025



## INDEPENDENT AUDITORS' REPORT

Board of County Commissioners  
Goodhue County  
Red Wing, Minnesota

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Goodhue County, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise Goodhue County's basic financial statements as listed in the table of contents.

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, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Goodhue County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Goodhue County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.



***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Goodhue County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Goodhue County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedules of the County's proportionate share of the net pension liability, the schedules of County contributions, the budgetary comparison information, the schedule of changes in the county's total OPEB liability, related ratios and notes, and the notes to the required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 GAAS, 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 the Goodhue County's basic financial statements. The supplementary information consisting of the combining financial statements, budgetary comparison schedule – debt service fund and waste management fund, and the schedule of intergovernmental revenues, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is also presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining financial statements, budgetary comparison schedule – debt service fund and waste management fund, and the schedule of intergovernmental revenues, as listed in the table of contents, and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the Introductory Section, Tax Capacity, Tax Rates, Levies, and Percentage of Collections, and Statistical Section but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Board of County Commissioners  
Goodhue County

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 9, 2022, on our consideration of Goodhue County's internal control over financial reporting and on 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 Goodhue 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* in considering Goodhue County's internal control over financial reporting and compliance.

*CliftonLarsonAllen LLP*

**CliftonLarsonAllen LLP**

Brainerd, Minnesota  
June 9, 2022

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**GOODHUE COUNTY  
RED WING, MINNESOTA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2021**

Goodhue County offers readers this narrative overview and analysis of the financial activities for the County for the fiscal year ended December 31, 2021. 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 \$177,991,379 on a government-wide basis as of December 31, 2021. Of this amount, \$38,288,983 may be used to meet the County's ongoing obligations to its citizens and creditors.
- The County's net position increased by \$14,142,873, or 8.6% over the previous year.
- As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$62,898,905, an increase of \$2,937,423 (including the change in inventory), or 4.9% as compared to the prior year. Of this total, \$17,345,716 (27.6%) is unassigned and is available for use at the County's discretion. The remaining \$45,553,189 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 the General fund, Health and Human Services fund, and Waste Management special revenue fund. The largest increases were in the General fund (\$1,374,623, 5.1%) and the Health and Human Services fund (\$2,516,429, 21.0%). The increase in the General fund was due to the fact that the County was unable to complete the purchases of \$1.3 million of budgeted capital plan items during the year as a result of supply chain issues. 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 2021, the unassigned fund balance of the general fund was \$17,633,142, or 55.9% of budgeted general fund expenditures and transfers out for the subsequent fiscal year.

**GOODHUE COUNTY  
RED WING, MINNESOTA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2021**

**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:

	<b>Government-Wide Statements</b>	<b>Governmental Funds</b>	<b>Fiduciary Funds</b>
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 other's resources
Financial Statements	Statement of Net Position Statement of Activities	Balance Sheet Statement 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  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2021**

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 six major (General, Road and Bridge, Health and Human Services, Economic Development Authority, Ditch 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  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2021**

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, 2021, the assets and deferred outflows of the County exceeded its liabilities and deferred inflows by \$177,991,379. The following table provides a condensed comparative version of the government-wide statement of net position.



**GOODHUE COUNTY  
RED WING, MINNESOTA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2021**

**Table 1  
Net Position**

	Governmental Activities		
	2021	2020	\$ Change
<b>Assets</b>			
Current and other assets	\$ 83,896,566	\$ 72,763,036	\$ 11,133,530
Capital assets (net)	143,771,894	138,881,012	4,890,882
<b>Total Assets</b>	<b>\$ 227,668,460</b>	<b>\$ 211,644,048</b>	<b>\$ 16,024,412</b>
Deferred Outflows of Resources	\$ 13,455,569	\$ 3,778,651	\$ 9,676,918
<b>Liabilities</b>			
Long-term debt outstanding	\$ 36,920,868	\$ 43,327,149	\$ (6,406,281)
Other liabilities	8,537,514	3,525,382	5,012,132
<b>Total Liabilities</b>	<b>\$ 45,458,382</b>	<b>\$ 46,852,531</b>	<b>\$ (1,394,149)</b>
Deferred Inflows of Resources	\$ 17,674,268	\$ 4,721,662	\$ 12,952,606
<b>Net Position</b>			
Net investment in capital assets	\$ 128,450,049	\$ 122,153,873	\$ 6,296,176
Restricted	11,252,347	10,517,131	735,216
Unrestricted	38,288,983	31,177,502	7,111,481
<b>Total Net Position</b>	<b>\$ 177,991,379</b>	<b>\$ 163,848,506</b>	<b>\$ 14,142,873</b>

The largest portion of Goodhue County's net position, \$128,450,049, or 72.2%, 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 \$11,252,347, or 6.3% of the County's net position represents resources subject to external restrictions on how they may be used. The remaining balance of \$38,288,983, or 21.5%, 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 \$14,142,873 over 2020. Investment in capital assets increased by \$6.3 million (5.1%) due primarily to \$7.5 million in construction in progress additions offset by depreciation expense on all capital items. Restricted net position increased by \$735.2 thousand, or 7.0% due primarily to timing of recording of state funds for construction and completion of related construction projects. Unrestricted net position increased by \$7.1 million (22.8%). \$566.7 thousand of this increase was due to the local option sales tax; property tax revenues also increased by \$1.1 million due to valuation and tax rate increases of 2.7% and 3.9%, respectively.

**GOODHUE COUNTY  
RED WING, MINNESOTA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2021**

**Statement of Activities**

Governmental activities increased the County's net position by \$14,142,873 in the current fiscal year. The following table is a condensed version of the statement of activities, showing changes in net position.

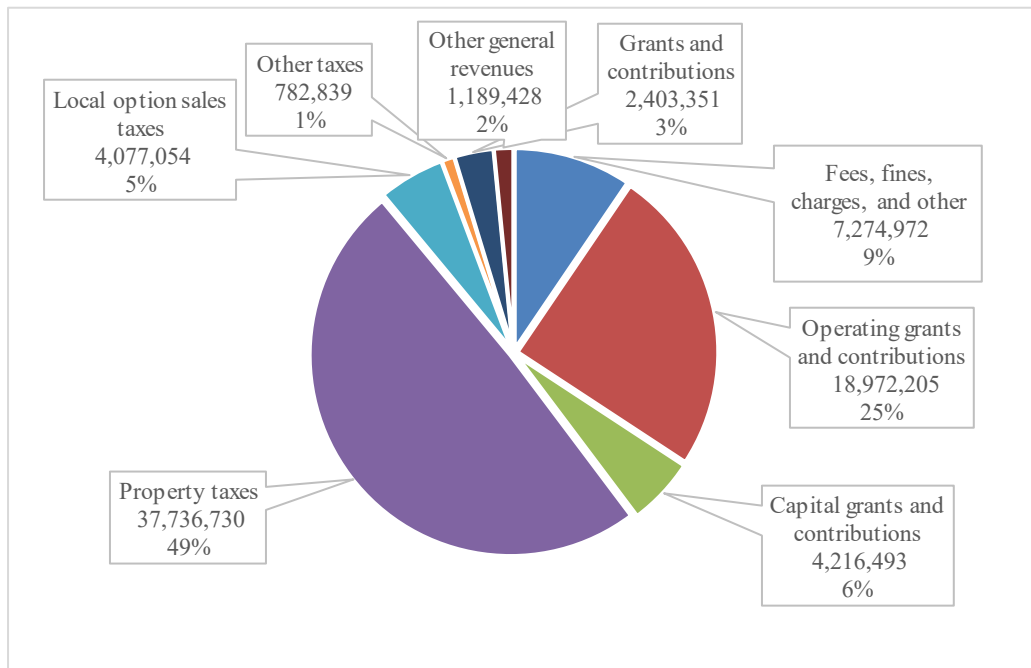
**Table 2  
Changes in Net Position**

	Governmental Activities			
	2021	2020	\$ Change	% Change
Revenues				
Program Revenues				
Fees, fines, charges, and other	\$ 7,274,972	\$ 7,738,555	\$ (463,583)	-6.0%
Operating grants and contributions	18,972,205	26,368,406	(7,396,201)	-28.0%
Capital grants and contributions	4,216,493	1,102,102	3,114,391	282.6%
General Revenues				
Property taxes	37,736,730	36,663,547	1,073,183	2.9%
Local option sales taxes	4,077,054	3,510,393	566,661	16.1%
Other taxes	782,839	723,376	59,463	8.2%
Grants and contributions	2,403,351	2,275,812	127,539	5.6%
Other general revenues	1,189,428	2,190,618	(1,001,190)	-45.7%
Total Revenues	<u>\$ 76,653,072</u>	<u>\$ 80,572,809</u>	<u>\$ (3,919,737)</u>	-4.9%
Program Expenses				
General government	\$ 12,801,851	\$ 13,349,002	\$ (547,151)	-4.1%
Public safety	13,664,216	13,795,958	(131,742)	-1.0%
Highways and streets	14,357,136	22,372,826	(8,015,690)	-35.8%
Sanitation	1,895,620	963,781	931,839	96.7%
Human services	11,706,899	12,851,232	(1,144,333)	-8.9%
Health	4,680,853	4,122,909	557,944	13.5%
Culture and recreation	1,038,833	1,206,060	(167,227)	-13.9%
Conservation of natural resources	989,335	811,272	178,063	21.9%
Economic development	974,027	2,739,358	(1,765,331)	-64.4%
Interest	401,429	435,098	(33,669)	-7.7%
Total Program Expenses	<u>\$ 62,510,199</u>	<u>\$ 72,647,496</u>	<u>\$ (10,137,297)</u>	-14.0%
Increase (Decrease) in Net Position	\$ 14,142,873	\$ 7,925,313	\$ 6,217,560	78.5%
Net Position - January 1	<u>163,848,506</u>	<u>155,923,193</u>	<u>7,925,313</u>	5.1%
Net Position - December 31	<u>\$ 177,991,379</u>	<u>\$ 163,848,506</u>	<u>\$ 14,142,873</u>	8.6%

**GOODHUE COUNTY  
RED WING, MINNESOTA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2021**

Overall, County governmental revenues decreased \$3.9 million, or 4.9%. Program revenues decreased \$4.7 million, or 13.5% due primarily to the reduction of state and federal funds. General revenues, which consist mainly of property tax and other tax revenues, remained consistent from the prior year, increasing \$825 thousand, or 1.8%. Slight increases in property tax revenues of \$1.0 million were offset by a \$666 thousand decrease in investment earnings due to unfavorable market conditions.

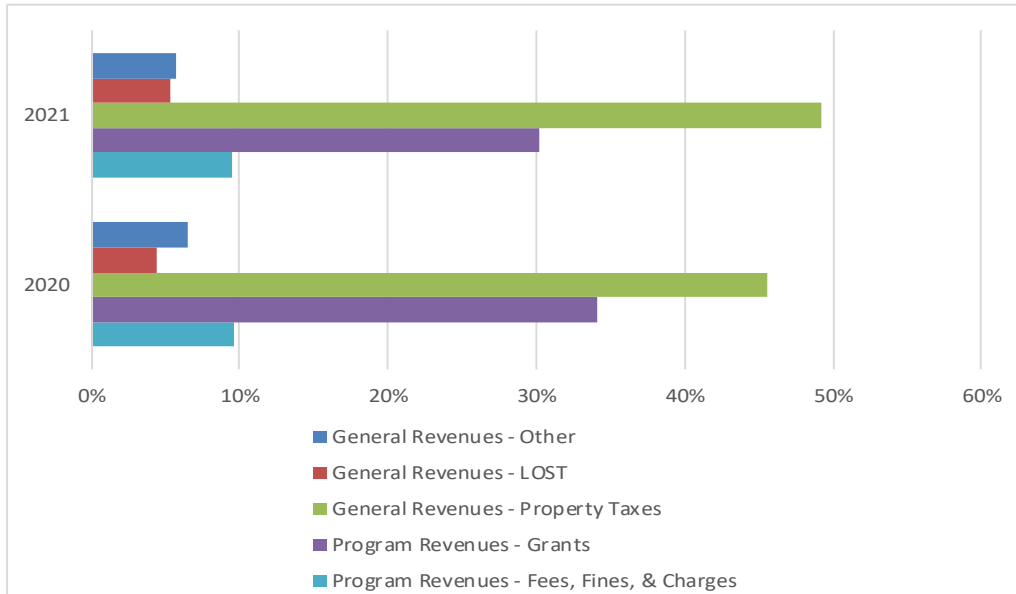
**Governmental Activities  
Revenues by Source**



Per Table 2, the cost of all governmental activities in 2021 was \$62,510,199, a decrease of \$10,137,297, or 14.0%, when compared to 2020. 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  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2021**

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



Those who directly benefited from the programs and services paid \$7,274,972, or 11.6% 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 \$23,188,698, or 37.1% was covered by other governments and organizations that subsidized either a specific program or general operations with operating or capital grants and contributions. Some examples of grants received are State Road and Bridge Construction, State Police Aid, Probation Officer Salary Reimbursements, WIC, and other Health and Human Services program grants. During 2021, The County also received a \$1,416,356 capital grant from the U.S. Department of Transportation which was passed through to the Minnesota Department of Transportation, for bridge rehabilitation. The remaining costs of governmental activities were financed with general revenues of \$46,189,402, \$37,736,730 of which was property tax revenues, and \$4,077,054 was for local option sales taxes. For the year ended December 31, 2021, general revenues increased slightly, while program-specific revenues decreased primarily due to a reduction of federal and state grant funding as compared to 2020.

**GOODHUE COUNTY  
RED WING, MINNESOTA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2021**

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		
	2021	2020	\$ Change
Public safety	\$ 13,664,216	\$ 13,795,958	\$ (131,742)
Highway and streets	14,357,136	22,372,826	(8,015,690)
General government	12,801,851	13,349,002	(547,151)
Human services	11,706,899	12,851,232	(1,144,333)
Health	4,680,853	4,122,909	557,944
All others	5,299,244	6,155,569	(856,325)
<b>Totals</b>	<b>\$ 62,510,199</b>	<b>\$ 72,647,496</b>	<b>\$ (10,137,297)</b>
	Net Cost of Services		
	2021	2020	\$ Change
Public safety	\$ 11,360,575	\$ 9,907,980	\$ 1,452,595
Highway and streets	2,152,622	13,089,000	(10,936,378)
General government	9,781,849	8,511,661	1,270,188
Human services	3,507,127	4,099,564	(592,437)
Health	713,374	315,708	397,666
All others	4,530,982	1,514,619	3,016,363
<b>Totals</b>	<b>\$ 32,046,529</b>	<b>\$ 37,438,532</b>	<b>\$ (5,392,003)</b>

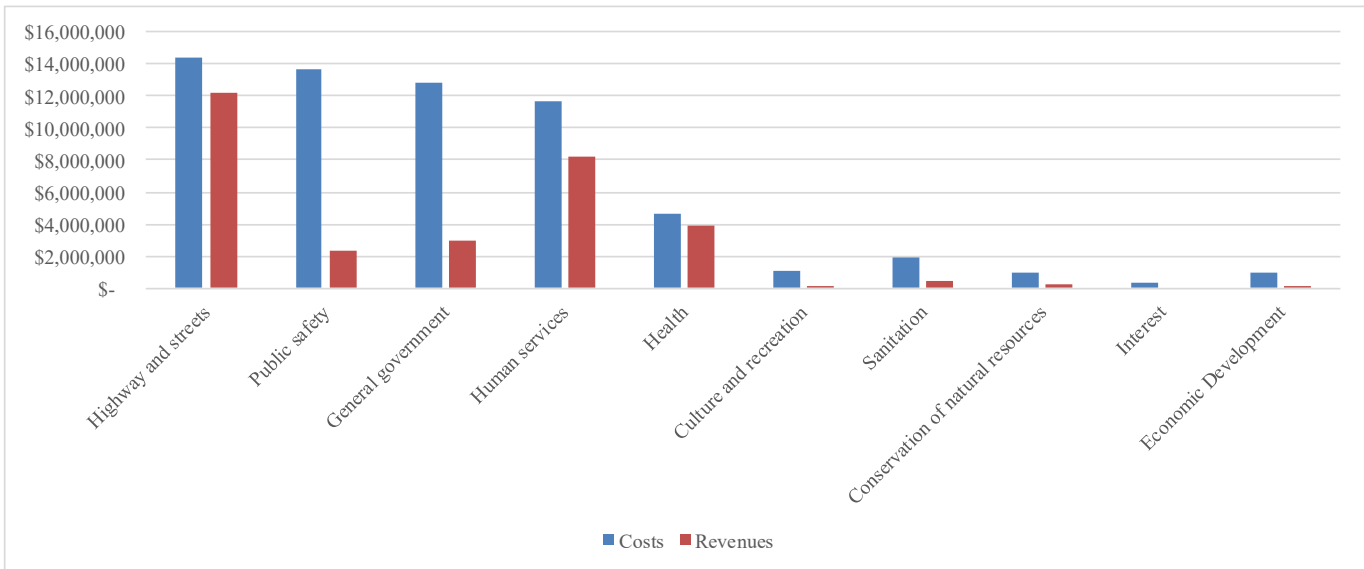
Total program expenses decreased \$10.1 million, or 14.0%. This decrease is due mainly to the County incurring costs of \$6.6M related to distributions of COVID-19 relief funding in 2020, along with timing of road and bridge construction projects and regular salary and benefit increases.

The net cost of services decreased \$5.3 million, or 14.4%, compared to the previous year. Net costs increased in all program areas except for highway and streets, and human services. The most significant increase was in all others (\$3 million, or 199.5%). This increase was due primarily to the timing of the Minnesota Business Development grant expenses and receipt of related funding. The most significant decrease was in highways and streets (\$10.9 million, 83.6%). The decrease was due primarily to the timing of construction project expenses and receipt of related funding.

**GOODHUE COUNTY  
RED WING, MINNESOTA  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2021**

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.

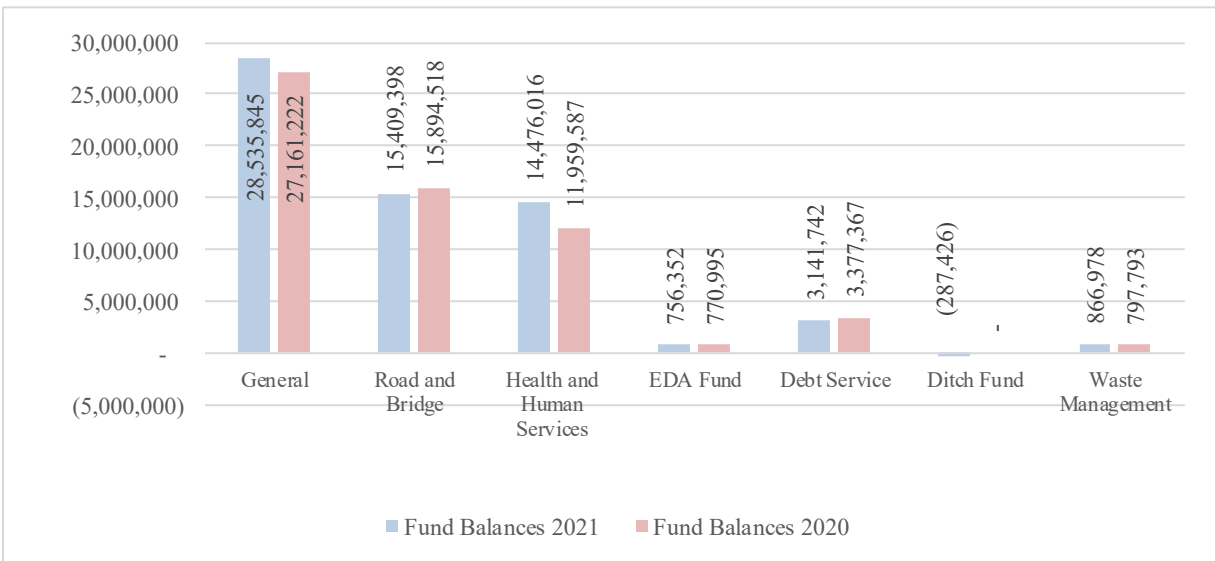
**Governmental funds**

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).

**GOODHUE COUNTY  
RED WING, MINNESOTA  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2021**

On December 31, 2021, the County’s governmental funds reported combined ending fund balances of \$62,898,905, an increase of \$2,937,426 (after adjusting for inventory) from the previous year. This change is due primarily to increases in the general and health and human services funds. \$17,345,716, or 27.6%, 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 (\$44,541,902, or 70.8%) and can only be used for specific purposes, or is not spendable due to the nature of the underlying assets (\$1,011,287, 1.6%).

**Governmental Funds  
Fund Balances**



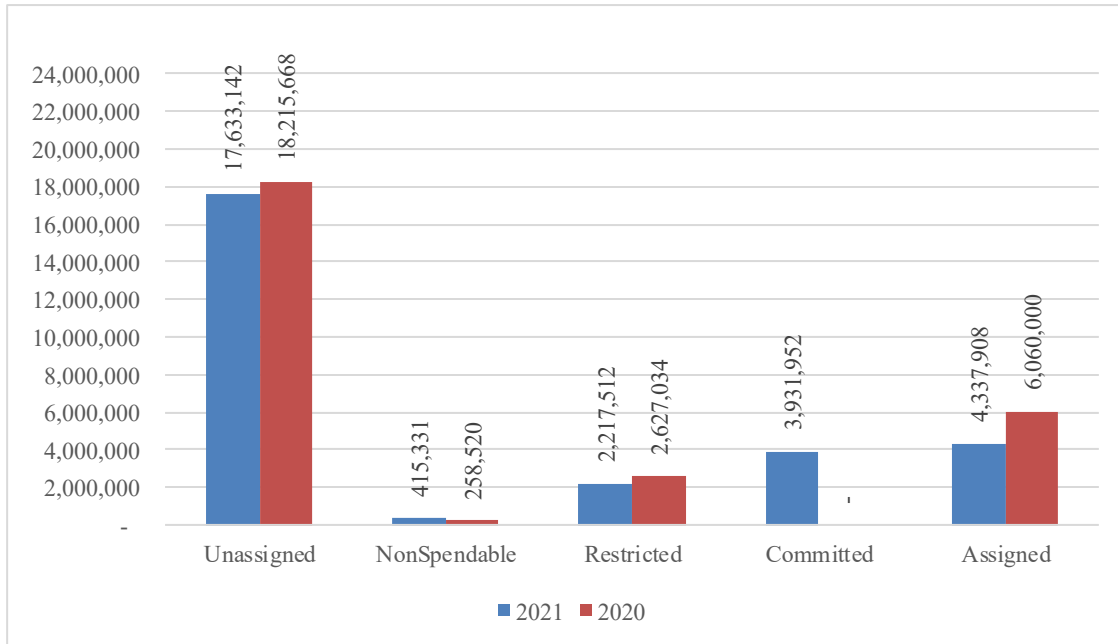
The General Fund is the primary operating fund of the County government. The majority of the County’s general operations and traditional services are reported here. The total fund balance in the general fund increased by \$1,374,623, or 5.1%. This increase is due to sound financial controls over the County’s planned operations.

Expenditures decreased \$4.4 million, or 12.7% from the prior year. Economic development expenditures decreased \$1.6 million due to the distribution and spending of COVID-19 federal relief funds. General governmental capital outlay expenditures decreased \$883.8 thousand primarily due to items purchases related to COVID-19 relief funds.

Revenues decreased over the prior year by \$8,008,097, or 25.2%. Intergovernmental revenues decreased by \$7,704,406 due primarily to the state and federal COVID-19 relief funds the county received in the prior year. Other significant changes include the decrease in investments earnings by \$666,025 due to unfavorable market conditions.

**GOODHUE COUNTY  
RED WING, MINNESOTA  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2021**

**General Fund  
Fund Balances**



Of the total \$28,535,845 fund balance in the general fund, \$17,633,142, or 61.8% is unassigned and can be used to fund general County operations. \$2,217,512, or 7.8% is restricted by outside governmental or other agency authority and \$8,269,860, or 29.0% is assigned by County management or committed by County Board of Commissioners. The majority of the internal restrictions for this fund balance relate to contingency funds for emergencies and funds held for known future but infrequent obligations.

Unassigned fund balance decreased \$582,526, or 3.2%. The majority of this change relates to the changes in operation related to the COVID-19 pandemic and a decrease in grant revenue.

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 \$15,409,398 as of the end of 2021 represents a decrease of \$485,120, or 3.1% from 1899. This is due primarily to the timing of spending for planned road and bridge projects.

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 \$14,476,016 as of the end of 2021 is \$2,516,429, or 21.0% higher than the end of 1899. 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.



**GOODHUE COUNTY  
RED WING, MINNESOTA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2021**

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 \$756,352 at the end of 2021 represents a slight decrease of \$14,643, or 1.9% over the prior year.

The Debt Service Fund accounts for resources designated for repayment of principal and interest on bonds. The majority of these funds are derived from property tax revenues. The fund balance of \$3,141,742 at the end of 2021 represents a decrease of \$235,625, or 7.0% over the 1899 ending balance. Of this balance, \$2,299,590 is available to fund principal and interest payments due in February of 2022; the remaining \$842,152 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 Ditch Fund is used to account for special assessments revenues levied against benefitted properties to finance the cost of constructing and maintaining an agricultural drainage system. The fund balance of (\$287,426) at the end of 2021 represents a decrease of \$287,426, or 100% over 2020.

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, 2021 was \$866,978, an increase of \$69,185, or 8.7% over 1899. The increase is due to an increase in tax revenue of \$91,921, or 19.9%. Of this amount, \$223,307 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 122.

**GOODHUE COUNTY  
RED WING, MINNESOTA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2021**

**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 \$639,517. Adjustments of \$540,101 were carryover of prior year capital projects and \$99,416 were for operating carryover.

For the year ended December 31, 2021, actual general fund expenditures were \$937,456, or 3.0% less than budget. General government expenditures were \$468,155 less than budget related to personnel savings due to turnover and temporary vacancies. Public safety expenditures were \$227,801 less than budget related to personnel savings and sentence to serve not being available, which was partially offset by an increase in the Adult Detention Center as a result of overtime expenditures caused by position vacancies. Economic development expenditures came in \$916,696 over budget due to the created of the Goodhue County Business and Nonprofit Relief Grant Program with funds provided by the State of Minnesota. Capital outlay was \$1,085,262 under budget due to the fact that the County struggled to acquire items budgeted within the Capital Plan as a result of the COVID-19 pandemic.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

The County's investment in capital assets (net of accumulated depreciation) as of December 31, 2021, amounts to \$143,771,894. 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		
	2021	2020	\$ Change
Land	\$ 9,764,528	\$ 9,628,768	\$ 135,760
Construction in progress	7,344,880	66,580	7,278,300
Buildings and land improvements	24,712,478	25,995,079	(1,282,601)
Machinery, vehicles, furniture, and equipment	10,995,736	11,404,863	(409,127)
Infrastructure	90,954,272	91,785,722	(831,450)
Totals	<u>\$ 143,771,894</u>	<u>\$ 138,881,012</u>	<u>\$ 4,890,882</u>

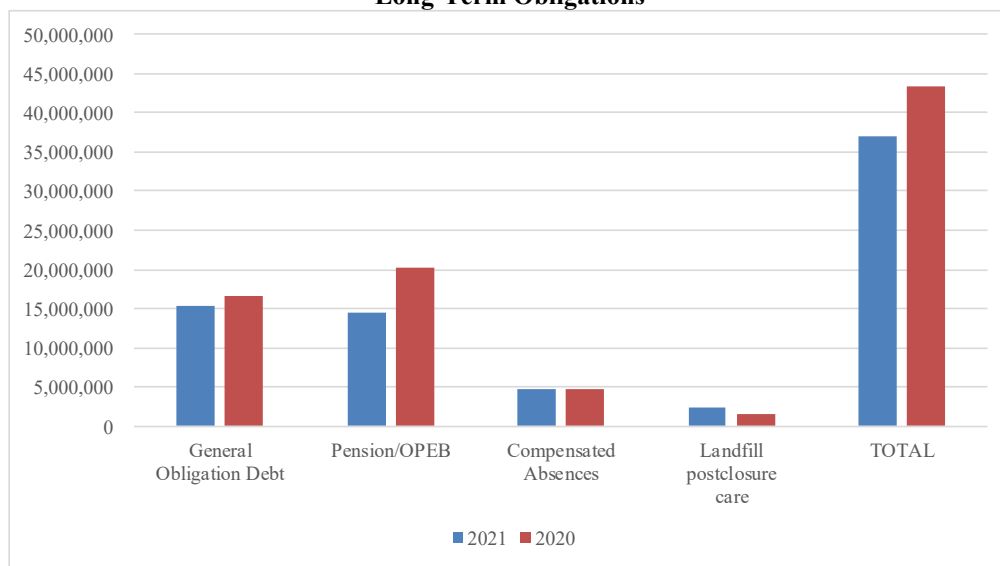
Total capital assets increased \$4,890,882, or 3.5% from 2020. This increase is due to the normal depreciation expense for all categories of \$7,054,242 offset by increases of \$7.5 million in construction in progress as a result of completion of a large road project for highways and streets.

**GOODHUE COUNTY  
RED WING, MINNESOTA  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2021**

**Debt and Other Long-Term Obligations**

At December 31, 2021, the County’s total long-term obligations were \$36,920,868, a \$6,406,281 (14.8%) decrease over the balance at December 31, 1899. This decrease was due primarily to a decrease in the net pension liability combined with the regularly scheduled principal payment on general obligation debt; no new debt was issued in 2021, and there were no changes in credit ratings. See Table 5 below and Note 3.C.2 for details.

**Table 5  
Long-Term Obligations**



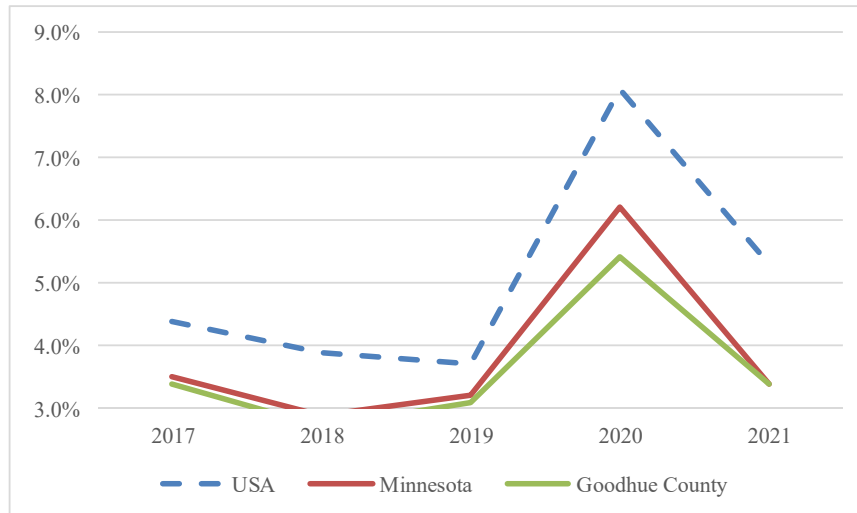
**ECONOMIC FACTORS AND NEXT YEAR’S BUDGETS AND RATES**

Unemployment

The 12-month averages for unemployment in 2021 for the U.S., Minnesota and Goodhue County were 5.3%, 3.4%, and 3.4%, respectively. This compares to 8.1%, 6.2%, and 5.4% for 2020. After the spike in unemployment levels caused by the COVID-19 pandemic, rates decreased significantly to be similar with the pre-pandemic levels in Minnesota and Goodhue County in 2021. We believe the County will continue to remain below the national average. We are not aware of any significant pending workforce reductions in the area.

**GOODHUE COUNTY  
RED WING, MINNESOTA  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2021**

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



**Property Values & Taxes**

The taxable market value of all property in the County increased 2.7% from 2020 to 2021. Values increased in half of the categories, with the largest increase (6.7%) in residential homesteaded property and the largest decrease (3.3%) in public utility property. 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 and 2020, the final estimated market value of these properties made up 11.7% of the County’s total estimated market value for all properties. The tax rates increased slightly, from 45.430% for 2020, to 47.181% 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 three years of this tax were significantly greater than the initial estimated and budgeted amount - \$10.9 million collected as compared to \$7.8 million budgeted.

**Personnel Costs**

These expenses represent 46% of the County’s 2022 budget. Personnel costs in the 2022 budget increased \$0.6 million, or 1.7% from 2021 due to insurance coverage changes (single compared to family coverage) and staffing changes, along with a healthcare renewal rate decrease of 25% as a result of the bidding process, which was offset by a cost-of-living wage increase of 2.75% as well as an increase in budgeted personnel expenses in several departments. We expect health care insurance rates to trend upward, and for at least the near future, wage costs to decrease slightly due to staffing retirements.

**GOODHUE COUNTY  
RED WING, MINNESOTA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2021**

**State Financial Position**

The County's elected and appointed officials considered many factors when setting the tax and fee rates for the 2022 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 are projected to be a \$9.25 billion surplus.

**Budgeting Approach**

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

**REQUESTS FOR INFORMATION**

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

## **BASIC FINANCIAL STATEMENTS**

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

**GOODHUE COUNTY  
RED WING, MINNESOTA  
STATEMENT OF NET POSITION  
GOVERNMENTAL ACTIVITIES  
DECEMBER 31, 2021**

**Assets**

Cash and pooled investments	\$ 66,497,157
Petty cash and change funds	2,350
Taxes receivable - Delinquent	454,130
Special assessments - Current	96,627
Special assessments - Noncurrent	259,836
Accounts receivable	492,284
Accrued interest receivable	146,307
Loans receivable	551,326
Due from other governments	8,087,829
Inventories	538,786
Prepaid items	472,501
Restricted assets	
Cash and pooled investments	223,307
Investment in joint venture	5,887,324
Net pension asset	186,802
Capital assets	
Non-depreciable	17,109,408
Depreciable - net of accumulated depreciation	126,662,486
	<hr/>
<b>Total Assets</b>	<b>\$ 227,668,460</b>

**Deferred Outflows of Resources**

Deferred pension outflows	\$ 13,352,296
Deferred OPEB outflows	103,273
	<hr/>
<b>Total Deferred Outflows of Resources</b>	<b>\$ 13,455,569</b>

**Liabilities**

Accounts payable	\$ 978,217
Salaries payable	1,708,618
Contracts payable	681,249
Due to other governments	305,314
Unearned Revenue	4,647,263
Accrued interest payable	177,280
Customer deposits	39,573
Long-term liabilities	
Due within one year	3,208,651
Due in more than one year	19,334,068
Net pension liability	12,982,549
OPEB liability	1,395,600
	<hr/>
<b>Total Liabilities</b>	<b>\$ 45,458,382</b>



**GOODHUE COUNTY  
RED WING, MINNESOTA  
STATEMENT OF NET POSITION (CONTINUED)  
GOVERNMENTAL ACTIVITIES  
DECEMBER 31, 2021**

**Deferred Inflows of Resources**

Taxes received for future periods	\$	20,922
Deferred pension inflows		17,586,194
Deferred OPEB inflows		67,152
		67,152
<b>Total Deferred Inflows of Resources</b>	<b>\$</b>	<b>17,674,268</b>
		<b>17,674,268</b>

**Net Position**

Net investment in capital assets	\$	128,450,049
Restricted for		
General government		1,524,400
Public safety		460,602
Highways and streets		4,267,748
Human services		494,535
Conservation of natural resources		267,719
Economic development		546,963
Debt service		2,974,917
Landfill postclosure		223,307
Gravel pit postclosure		305,354
Net pension asset		186,802
Unrestricted		38,288,983
		38,288,983
<b>Total Net Position</b>	<b>\$</b>	<b>177,991,379</b>
		<b>177,991,379</b>

**GOODHUE COUNTY  
RED WING, MINNESOTA  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2021**

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Expenses	Fees, Charges, Fines, and Other	Operating Grants and Contributions	
<b>Primary government</b>				
<b>Governmental activities</b>				
General government	\$ 12,801,851	\$ 2,526,345	\$ 493,657	\$ -
Public safety	13,664,216	1,033,721	1,269,920	-
Highways and streets	14,357,136	517,287	7,470,734	4,216,493
Sanitation	1,895,620	282,857	144,066	-
Human services	11,706,899	1,832,672	6,367,100	-
Health	4,680,853	937,370	3,030,109	-
Culture and recreation	1,038,833	-	122,667	-
Conservation of natural resources	989,335	142,399	73,952	-
Economic development	974,027	2,321	-	-
Interest	401,429	-	-	-
<b>Total Governmental Activities</b>	<b>\$ 62,510,199</b>	<b>\$ 7,274,972</b>	<b>\$ 18,972,205</b>	<b>\$ 4,216,493</b>
<b>General Revenues</b>				
Property taxes				\$ 37,736,730
Local option sales taxes				4,077,054
Gravel taxes				98,726
Mortgage registry and deed tax				99,139
Solar production tax				53,986
Wheelage tax				530,988
Payments in lieu of tax				292,101
Grants and contributions not restricted to specific programs				2,403,351
Unrestricted investment earnings				440,153
Miscellaneous				393,081
Gain on sale of capital assets				64,093
<b>Total general revenues</b>				<b>\$ 46,189,402</b>
<b>Change in net position</b>				<b>\$ 14,142,873</b>
<b>Net Position - Beginning</b>				<b>163,848,506</b>
<b>Net Position - Ending</b>				<b>\$ 177,991,379</b>

## **FUND FINANCIAL STATEMENTS**

**GOVERNMENTAL FUNDS**

**GOODHUE COUNTY  
RED WING, MINNESOTA  
BALANCE SHEET – GOVERNMENTAL FUNDS  
DECEMBER 31, 2021**

	<u>General</u>	<u>Road and Bridge</u>	<u>Health and Human Services</u>
<b>Assets</b>			
Cash and pooled investments	\$ 32,881,788	\$ 15,032,673	\$ 13,821,993
Petty cash and change funds	1,675	50	550
Taxes receivable - Delinquent	312,907	48,279	71,394
Special assessments - Current	96,627	-	-
Special assessments - Noncurrent	259,836	-	-
Accounts receivable	48,726	14,925	403,124
Accrued interest receivable	146,307	-	-
Due from other funds	2,259	4,127	-
Due from other governments	275,107	6,201,507	1,605,112
Prepaid items	415,331	3,748	51,572
Inventories	-	538,786	-
Loans receivable	-	-	-
Advance to other funds	700,000	-	-
Restricted assets			
Cash and pooled investments	-	-	-
<b>Total Assets</b>	<b><u>\$ 35,140,563</u></b>	<b><u>\$ 21,844,095</u></b>	<b><u>\$ 15,953,745</u></b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>			
<b>Liabilities</b>			
Accounts payable	\$ 267,470	\$ 144,557	\$ 539,100
Salaries payable	1,001,039	137,896	543,442
Contracts payable	-	681,249	-
Due to other funds	1,340	-	2,259
Due to other governments	210,589	42,318	45,541
Unearned revenue	4,404,069	243,194	-
Customer deposits	39,573	-	-
Advance from other funds	-	-	-
<b>Total Liabilities</b>	<b><u>\$ 5,924,080</u></b>	<b><u>\$ 1,249,214</u></b>	<b><u>\$ 1,130,342</u></b>
<b>Deferred Inflows of Resources</b>			
Unavailable revenue	\$ 668,152	\$ 5,182,460	\$ 343,123
Taxes received for future periods	12,486	3,023	4,264
<b>Total Deferred Inflows of Resources</b>	<b><u>\$ 680,638</u></b>	<b><u>\$ 5,185,483</u></b>	<b><u>\$ 347,387</u></b>
<b>Fund Balances</b>			
Nonspendable	\$ 415,331	\$ 542,534	\$ 51,572
Restricted	2,217,512	-	494,535
Committed	3,931,952	818,316	148,715
Assigned	4,337,908	14,048,548	13,781,194
Unassigned	17,633,142	-	-
<b>Total Fund Balances</b>	<b><u>\$ 28,535,845</u></b>	<b><u>\$ 15,409,398</u></b>	<b><u>\$ 14,476,016</u></b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b><u>\$ 35,140,563</u></b>	<b><u>\$ 21,844,095</u></b>	<b><u>\$ 15,953,745</u></b>

**GOODHUE COUNTY  
RED WING, MINNESOTA  
BALANCE SHEET – GOVERNMENTAL FUNDS (CONTINUED)  
DECEMBER 31, 2021**

<u>Economic Development Authority</u>	<u>Debt Service</u>	<u>Ditch</u>	<u>Nonmajor Fund Waste Management</u>	<u>Total</u>
\$ 537,988	\$ 3,136,573	\$ 421,326	\$ 664,816	\$ 66,497,157
-	-	-	75	2,350
306	16,448	-	4,796	454,130
-	-	-	-	96,627
-	-	-	-	259,836
-	-	-	25,509	492,284
-	-	-	-	146,307
-	-	-	-	6,386
-	-	-	6,103	8,087,829
-	1,850	-	-	472,501
-	-	-	-	538,786
551,326	-	-	-	551,326
-	-	-	-	700,000
-	-	-	223,307	223,307
<b><u>\$ 1,089,620</u></b>	<b><u>\$ 3,154,871</u></b>	<b><u>\$ 421,326</u></b>	<b><u>\$ 924,606</u></b>	<b><u>\$ 78,528,826</u></b>
\$ 400	\$ -	\$ 8,752	\$ 17,938	\$ 978,217
-	-	-	26,241	1,708,618
-	-	-	-	681,249
-	-	-	2,787	6,386
-	-	-	6,866	305,314
-	-	-	-	4,647,263
-	-	-	-	39,573
-	-	700,000	-	700,000
<b><u>\$ 400</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 708,752</u></b>	<b><u>\$ 53,832</u></b>	<b><u>\$ 9,066,620</u></b>
\$ 332,848	\$ 12,305	\$ -	\$ 3,491	\$ 6,542,379
20	824	-	305	20,922
<b><u>\$ 332,868</u></b>	<b><u>\$ 13,129</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 3,796</u></b>	<b><u>\$ 6,563,301</u></b>
\$ -	\$ 1,850	\$ -	\$ -	\$ 1,011,287
546,963	3,139,892	-	223,307	6,622,209
209,389	-	-	35,075	5,143,447
-	-	-	608,596	32,776,246
-	-	(287,426)	-	17,345,716
<b><u>\$ 756,352</u></b>	<b><u>\$ 3,141,742</u></b>	<b><u>\$ (287,426)</u></b>	<b><u>\$ 866,978</u></b>	<b><u>\$ 62,898,905</u></b>
<b><u>\$ 1,089,620</u></b>	<b><u>\$ 3,154,871</u></b>	<b><u>\$ 421,326</u></b>	<b><u>\$ 924,606</u></b>	<b><u>\$ 78,528,826</u></b>

**GOODHUE COUNTY  
RED WING, MINNESOTA  
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION – GOVERNMENTAL ACTIVITIES  
DECEMBER 31, 2021**

**Fund balances - total governmental funds** **\$ 62,898,905**

Amounts reported for governmental activities in the statement of net assets 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. 143,771,894

Investment in joint venture is not available to pay for current period expenditures and, therefore, is not reported in the governmental funds. 5,887,324

Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the governmental funds. 6,542,379

Deferred outflows of resources resulting from pension obligations are not available resources and, therefore, are not reported in the governmental funds. 13,352,296

Deferred outflows of resources resulting from OPEB obligations are not available resources and, therefore, are not reported in the governmental funds. 103,273

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	\$	(15,130,000)	
Bond issuance discounts		9,036	
Bond issuance premiums		(191,711)	
Net pension asset		186,802	
Net pension liability		(12,982,549)	
OPEB liability		(1,395,600)	
Compensated absences		(4,772,763)	
Accrued interest payable		(177,280)	
Landfill postclosure care liability		<u>(2,457,281)</u>	(36,911,346)

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. (17,586,194)

Deferred inflows of resources resulting from OPEB obligations are not due and payable in the current period and, therefore, are not reported in the governmental funds. (67,152)

**Net Position of Governmental Activities** **\$ 177,991,379**

**GOODHUE COUNTY  
RED WING, MINNESOTA  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>General</u>	<u>Road and Bridge</u>	<u>Health and Human Services</u>
<b>Revenues</b>			
Taxes	\$ 22,491,547	\$ 10,173,413	\$ 7,753,352
Special assessments	231,197	-	-
Licenses and permits	665,529	13,487	-
Intergovernmental	4,680,587	9,482,735	9,303,936
Charges for services	1,853,599	468,102	2,170,329
Fines and forfeits	10,142	-	-
Gifts and contributions	31,127	-	8,400
Investment earnings	440,469	-	5,375
Miscellaneous	1,396,359	35,451	720,954
<b>Total Revenues</b>	<b>\$ 31,800,556</b>	<b>\$ 20,173,188</b>	<b>\$ 19,962,346</b>
<b>Expenditures</b>			
<b>Current</b>			
General government	\$ 12,271,107	\$ -	\$ -
Public safety	13,821,272	-	-
Highways and streets	-	19,604,250	-
Sanitation	-	-	-
Human services	5,000	-	13,118,281
Health	-	-	4,439,291
Culture and recreation	871,180	234,100	-
Conservation of natural resources	697,003	-	-
Economic development	919,478	-	-
<b>Capital outlay</b>			
General government	241,631	-	-
General government-COVID-19	256,742	-	-
Public Safety	887,098	-	-
Highways and streets	511,317	-	-
Sanitation	47,150	-	-
<b>Debt service</b>			
Principal	-	-	-
Interest	-	-	-
Administrative (fiscal) charges	-	-	-
<b>Intergovernmental</b>			
Highways and streets	-	515,859	-
<b>Total Expenditures</b>	<b>\$ 30,528,978</b>	<b>\$ 20,354,209</b>	<b>\$ 17,557,572</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>\$ 1,271,578</b>	<b>\$ (181,021)</b>	<b>\$ 2,404,774</b>
<b>Other Financing Sources (Uses)</b>			
Transfers in	\$ 130,829	\$ 555	\$ 119,155
Transfers out	(119,857)	(123,329)	(7,500)
Proceeds from sale of capital assets	92,073	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>\$ 103,045</b>	<b>\$ (122,774)</b>	<b>\$ 111,655</b>
<b>Changes in Fund Balance</b>	<b>\$ 1,374,623</b>	<b>\$ (303,795)</b>	<b>\$ 2,516,429</b>
<b>Fund Balance - January 1</b>	<b>27,161,222</b>	<b>15,894,518</b>	<b>11,959,587</b>
<b>Increase (Decrease) in Inventories</b>	<b>-</b>	<b>(181,325)</b>	<b>-</b>
<b>Fund Balance - December 31</b>	<b>\$ 28,535,845</b>	<b>\$ 15,409,398</b>	<b>\$ 14,476,016</b>



**GOODHUE COUNTY  
RED WING, MINNESOTA  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
(CONTINUED)  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

Economic Development Authority	Debt Service	Ditch	Nonmajor Fund Waste Management	Total
\$ 36,943	\$ 1,497,641	\$ -	\$ 554,472	\$ 42,507,368
-	-	-	-	231,197
-	-	-	8,205	687,221
558	78,647	-	150,481	23,696,944
-	-	-	79,424	4,571,454
-	-	-	-	10,142
-	-	-	-	39,527
-	-	-	2,607	448,451
2,405	-	-	202,170	2,357,339
<b>\$ 39,906</b>	<b>\$ 1,576,288</b>	<b>\$ -</b>	<b>\$ 997,359</b>	<b>\$ 74,549,643</b>
\$ -	\$ -	\$ -	\$ -	\$ 12,271,107
-	-	-	-	13,821,272
-	-	-	-	19,604,250
-	-	-	928,321	928,321
-	-	-	-	13,123,281
-	-	-	-	4,439,291
-	-	-	-	1,105,280
-	-	287,426	-	984,429
54,549	-	-	-	974,027
-	-	-	-	241,631
-	-	-	-	256,742
-	-	-	-	887,098
-	-	-	-	511,317
-	-	-	-	47,150
-	1,370,000	-	-	1,370,000
-	439,061	-	-	439,061
-	2,852	-	-	2,852
-	-	-	-	515,859
<b>\$ 54,549</b>	<b>\$ 1,811,913</b>	<b>\$ 287,426</b>	<b>\$ 928,321</b>	<b>\$ 71,522,968</b>
<b>\$ (14,643)</b>	<b>\$ (235,625)</b>	<b>\$ (287,426)</b>	<b>\$ 69,038</b>	<b>\$ 3,026,675</b>
\$ -	\$ -	\$ -	\$ 147	\$ 250,686
-	-	-	-	(250,686)
-	-	-	-	92,073
<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 147</b>	<b>\$ 92,073</b>
<b>\$ (14,643)</b>	<b>\$ (235,625)</b>	<b>\$ (287,426)</b>	<b>\$ 69,185</b>	<b>\$ 3,118,748</b>
770,995	3,377,367	-	797,793	59,961,482
-	-	-	-	(181,325)
<b>\$ 756,352</b>	<b>\$ 3,141,742</b>	<b>\$ (287,426)</b>	<b>\$ 866,978</b>	<b>\$ 62,898,905</b>

**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, 2021**

**Net change in fund balances - total governmental funds** **\$ 3,118,748**

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	\$ 6,542,379	
Unavailable revenue - January 1	<u>(4,480,832)</u>	2,061,547

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	\$ 12,089,617	
Net book value of assets sold	(144,493)	
Current year depreciation	<u>(7,054,242)</u>	4,890,882

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. 914,981

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		1,370,000
----------------------	--	-----------

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Amortization of bond premiums and discounts	\$ 29,161	
Change in net pension liability	6,089,605	
Change in OPEB liability	(52,333)	
Change in accrued interest payable	11,323	
Change in landfill postclosure care liability	(882,817)	
Change in compensated absences	39,467	
Change in deferred outflows of resources	9,676,918	
Change in deferred inflows of resources	(12,943,284)	
Change in inventories	<u>(181,325)</u>	<u>1,786,715</u>

**Change in Net Position of Governmental Activities** **\$ 14,142,873**

## **FIDUCIARY FUNDS**

**GOODHUE COUNTY  
RED WING, MINNESOTA  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
DECEMBER 31, 2021**

	<b>Social Welfare Private-Purpose Trust Fund</b>	<b>Custodial Funds</b>
<b>Assets</b>		
Cash and pooled investments	\$ 249,345	\$ 1,236,012
Accounts receivable	-	849,910
Due from other governments	-	1,888
	<b>\$ 249,345</b>	<b>\$ 2,087,810</b>
<b>Liabilities</b>		
Due to individuals	\$ -	\$ 762
Due to other governments	-	1,236,520
	<b>\$ -</b>	<b>\$ 1,237,282</b>
<b>Net Position</b>		
Restricted for individuals, organizations and other governments	\$ 249,345	\$ 850,528
	<b>\$ 249,345</b>	<b>\$ 850,528</b>

**GOODHUE COUNTY  
RED WING, MINNESOTA  
STATEMENT OF CHANGE IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<b>Social Welfare Private-Purpose Trust Fund</b>	<b>Custodial Funds</b>
<b>Additions</b>		
Contributions-Individual	\$ -	\$ 373,863
Contributions on behalf of others	1,152,420	-
Property tax collections for other governments	-	74,874,348
Contributions from governments	-	2,891,802
License fee collected for state government	-	216,957
Civil process collections	-	389,654
Other contributions	-	95,533
	<b>\$ 1,152,420</b>	<b>\$ 78,842,157</b>
<b>Deductions</b>		
Payments on behalf of clients	\$ 1,116,973	\$ -
Payments to individuals	-	235,756
Payments of property tax to other governments	-	74,811,343
Other payments to other governments	-	3,483,206
Payments to other entities	-	395,975
	<b>\$ 1,116,973</b>	<b>\$ 78,926,280</b>
Net Increase (Decrease) in Fiduciary Net Position	\$ 35,447	\$ (84,123)
Net Position - Beginning	213,898	934,651
Net Position - Ending	<b>\$ 249,345</b>	<b>\$ 850,528</b>

**GOODHUE COUNTY  
RED WING, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

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, 2021. The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (statements and interpretations). The more significant accounting policies established in GAAP and used by the County are discussed below.

A. Financial Reporting Entity

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

Blended Component Unit

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

Joint Ventures

The County participates in several joint ventures that are described in Note 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, 2021**

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, 2021**

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 Ditch Special Revenue Fund accounts for the cost of constructing and maintaining an agricultural drainage ditch system. Financing is provided by special assessments levied against the benefited properties.

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, 2021**

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, 2021, 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 2021 were \$448,451.

**GOODHUE COUNTY  
RED WING, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

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, 2021**

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. Reported inventories are equally offset by nonspendable fund balance to indicate that they do not constitute “available spendable resources.”

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, 2021**

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, 2021**

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 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, 2021**

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 (asset), 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. 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. Investments are reported at fair value.

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 assets 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, 2021**

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 assets 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 – deferred OPEB inflows, deferred pension inflows, and taxes received for future periods - which qualify for reporting in this category. Deferred OPEB inflows arise only under an accrual basis of accounting and, accordingly, are reported only in the statement of net position. This amount consist of changes in actuarial assumptions and the difference between the expected and actual liability. 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.

The fund level financial statements report deferred inflows for unavailable revenues. 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.

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 though 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, 2021**

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, a 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, a 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, 2021**

1. Summary of Significant Accounting Policies (Continued)

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

12. Classification of Fund Balances (Continued)

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

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

To ensure sufficient working capital and safety margin in case of emergencies, Goodhue County has established a comprehensive fund balance policy. The policy states that at the end of each fiscal year, the County will strive to maintain an unassigned fund balance of 35-50% of the subsequent year's budgeted General Fund operating expenditures, and an assigned fund balance of 30%-40% in all other funds, except the Ditch Fund.

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, 2021**

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 inflow 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, 2021**

2. Stewardship, Compliance and Accountability

A. Expenditures in Excess of Budget

The following funds had expenditures in excess of budget at the fund level for the year ended December 31, 2021:

	<u>Budget</u>	<u>Expenditures</u>	<u>Excess</u>
Economic Development Authority			
Special Revenue Fund	\$ 37,753	\$ 54,549	\$ (16,796)
Waste Management Fund	872,180	928,321	(56,141)

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

B. Deficit Fund Balance

The following fund had a deficit fund balance as of December 31, 2021:

<u>Special Revenue Funds</u>	
County Ditch Fund	\$ (287,426)

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	\$ 66,497,157
Petty cash and change funds	2,350
Restricted cash	223,307
Total Governmental Funds	<u>66,722,814</u>
Fiduciary funds	
Cash and pooled investments	
Private-Purpose Trust Funds	249,345
Custodial Funds	1,236,012
Total Fiduciary Funds	<u>\$ 1,485,357</u>
Total Cash and Investments	<u>\$ 68,208,171</u>
Deposits	\$ 55,983,175
Petty cash and change funds	2,350
Investments	<u>12,222,646</u>
Total	<u>\$ 68,208,171</u>

**GOODHUE COUNTY  
RED WING, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

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, 2021, 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, 2021**

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, 2021, Goodhue County's investments were exposed to custodial credit risk of \$10,425,095 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, 2021**

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, 2021, 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	\$ 4,699
RBC - Prime Investment money market mutual funds	N/A	N/A	28,472
Wells Fargo Brokerage - money market mutual funds	N/A	N/A	252,881
Total mutual funds			\$ 286,052
Agency Securities			
RBC			
Federal Home Loan Bank	AAA	Moody's	\$ 1,493,973
Bonds			
Small Business Administration			
Wells Fargo Brokerage	N/A	N/A	\$ 10,101
Series EE U.S. Savings Bonds	N/A	N/A	7,425
Negotiable certificates of deposit **	N/A	N/A	10,425,095
Total Investments			\$ 12,222,646

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, 2021**

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
Agency Securities				
Federal Home Loan Bank	\$ 1,493,973	\$ -	\$ -	\$ 1,493,973
Total agency securities	\$ 1,493,973	\$ -	\$ -	\$ 1,493,973
Bonds				
Small Business Administration	\$ 10,101	\$ -	\$ 10,101	\$ -
Series EE U.S. Savings Bonds	7,425	6,675	-	750
Total bonds	\$ 17,526	\$ 6,675	\$ 10,101	\$ 750
Negotiable certificates of deposit	\$ 10,425,095	\$ 7,343,700	\$ 1,630,561	\$ 1,450,834
Total investments subject to interest rate risk	\$ 11,936,594	\$ 7,350,375	\$ 1,640,662	\$ 2,945,557
Investments not subject to interest rate risk	\$ 286,052			
Total Investments	\$ 12,222,646			

**GOODHUE COUNTY  
RED WING, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

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, 2021**

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>
<b>Debt Securities (Fair Value Level)</b>				
Negotiable Certificates of Deposit	\$ -	\$ 5,097,895	\$ -	\$ 5,097,895
Federal Home Loan Bank	-	1,493,973	-	1,493,973
U.S. Government Agencies	-	17,526	-	17,526
Total Investments at Fair Value	<u>\$ -</u>	<u>\$ 6,609,394</u>	<u>\$ -</u>	<u>\$ 6,609,394</u>
<b>Investments Measured at Net Asset Value (NAV)</b>				
Wells Fargo Mutual Fund				252,881
RBC Mutual Fund				28,472
MAGIC Fund				4,699
Investments Measured at Net Asset Value (NAV)				<u>286,052</u>
<b>Investments at Amortized Cost</b>				
Negotiable Certificates of Deposit (<1 Year)				<u>5,327,200</u>
Total Investments				\$ 12,222,646
Deposits				55,983,175
Petty Cash				<u>2,350</u>
Total Deposits and Investments				<u>\$ 68,208,171</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 RBC 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, 2021**

3. Detailed Notes on All Funds (Continued)

A. Assets (Continued)

2. Receivables

Receivables as of December 31, 2021, are as follows:

	Total Receivables	Amounts Not Scheduled for Collection During the Subsequent Year
Governmental Activities		
Taxes	\$ 454,130	\$ -
Special Assessments	356,463	259,836
Accounts	492,284	-
Interest	146,307	-
Loans	551,326	-
Due from other governments	8,087,829	-
Total Governmental Activities	\$ 10,088,339	\$ 259,836

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 entire loans receivable balance is scheduled for collection in the subsequent year.

**GOODHUE COUNTY  
RED WING, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

3. Detailed Notes on All Funds (Continued)

A. Assets (Continued)

3. Capital Assets

Capital asset activity for the year ended December 31, 2021, was as follows:

	Beginning Balance	Increase	Decrease	Ending Balance
Capital assets not depreciated				
Land	\$ 9,628,768	\$ 135,760	\$ -	\$ 9,764,528
Construction in progress	66,580	7,496,045	217,745	7,344,880
Total capital assets not depreciated	<u>\$ 9,695,348</u>	<u>\$ 7,631,805</u>	<u>\$ 217,745</u>	<u>\$ 17,109,408</u>
Capital assets depreciated				
Land improvements	\$ 479,981	\$ -	\$ -	\$ 479,981
Buildings	47,786,683	42,043	-	47,828,726
Machinery, furniture, and equipment	23,920,181	1,574,581	1,353,364	24,141,398
Infrastructure	185,124,611	3,058,933	56,929	188,126,615
Total capital assets depreciated	<u>\$ 257,311,456</u>	<u>\$ 4,675,557</u>	<u>\$ 1,410,293</u>	<u>\$ 260,576,720</u>
Less: accumulated depreciation				
Land improvements	\$ 174,834	\$ 21,042	\$ -	\$ 195,876
Buildings	22,096,751	1,303,602	-	23,400,353
Machinery, furniture, and equipment	12,515,318	1,839,215	1,208,871	13,145,662
Infrastructure	93,338,889	3,890,383	56,929	97,172,343
Total accumulated depreciation	<u>\$ 128,125,792</u>	<u>\$ 7,054,242</u>	<u>\$ 1,265,800</u>	<u>\$ 133,914,234</u>
Total capital assets depreciated, net	<u>129,185,664</u>	<u>(2,378,685)</u>	<u>144,493</u>	<u>126,662,486</u>
Capital Assets, Net	<u>\$ 138,881,012</u>	<u>\$ 5,253,120</u>	<u>\$ 362,238</u>	<u>\$ 143,771,894</u>

**GOODHUE COUNTY  
RED WING, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

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	\$	760,443
Public Safety		1,466,870
Highways and streets, including depreciation of infrastructure assets		4,537,649
Health and human services		173,181
Sanitation		87,382
Conservation		23,822
Culture and recreation		4,895
		4,895
Total Depreciation Expense - Governmental Activities	\$	7,054,242

B. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of December 31, 2021, is as follows:

1. Due To/From Other Funds

Receivable Fund	Payable Fund	Amount	
General	Health and Human Services	\$ 2,259	Attorney fees related to child support
Road and Bridge	General	1,340	Fuel expenses
Road and Bridge	Waste Management	2,787	Fuel expenses
		\$ 6,386	

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, 2021**

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, 2021, consisted of the following:

Transfers to General Fund from Health and Human Services Fund	\$ 7,500	Public health nuisances
	123,329	Supplement capital fund
Transfers to Road and Bridge Fund from General Fund	555	REP training drills
Transfers to Health and Human Services Fund from General Fund	5,354	Capital expenditures
	104,345	Termination payments
	838	REP training drills
	8,618	Software license/maintenance
Transfers to Nonmajor Fund from General Fund	<u>147</u>	REP training drills
Total Interfund Transfers	<u>\$ 250,686</u>	

3. Advances to/from Other Funds

Advances made to/from other funds for the year ended December 31, 2021 is for cash flow purposes to the Ditch Fund. The balance is expected to be liquidated with special assessments over the next 15 years.

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Ditch	<u>\$ 700,000</u>
Total Advance to/From Other Funds		<u>\$ 700,000</u>

**GOODHUE COUNTY  
RED WING, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

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, 2021
2012A CIP Highway Project Bonds	2023	\$405,000 - \$1,720,000	0.5% - 1.85%	\$ 5,065,000	\$ 865,000
2014A G.O. CIP Highway Project Bonds	2025	\$695,000 - \$965,000	2.0% - 2.5%	7,760,000	3,170,000
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>9,800,000</u>
Total General Obligation Bonds and Notes				<u>\$ 24,840,000</u>	<u>\$ 15,130,000</u>

Debt service requirements at December 31, 2021, were as follows:

Year Ending December 31	General Obligation CIP Bonds	
	Principal	Interest
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	1,520,000	263,828
2027-2030	<u>7,840,000</u>	<u>422,314</u>
Total	<u>\$ 15,130,000</u>	<u>\$ 2,131,561</u>

**GOODHUE COUNTY  
RED WING, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

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, 2021, 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	\$ 16,500,000	\$ -	\$ 1,370,000	\$ 15,130,000	\$ 1,395,000
Issuance premiums	223,879	-	32,168	191,711	-
Issuance discounts	(12,043)	-	(3,007)	(9,036)	-
Total bonds and notes payable	<u>\$ 16,711,836</u>	<u>\$ -</u>	<u>\$ 1,399,161</u>	<u>\$ 15,312,675</u>	<u>\$ 1,395,000</u>
Closure and postclosure care	1,574,464	882,817	-	2,457,281	-
Compensated absences	<u>4,812,230</u>	<u>2,768,019</u>	<u>2,807,486</u>	<u>4,772,763</u>	<u>1,813,651</u>
Governmental Activity					
Long-Term Liabilities	<u>\$ 23,098,530</u>	<u>\$ 3,650,836</u>	<u>\$ 4,206,647</u>	<u>\$ 22,542,719</u>	<u>\$ 3,208,651</u>

**GOODHUE COUNTY  
RED WING, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

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 \$2,457,281 landfill closure and postclosure care liability at December 31, 2021, is based on what it would cost to perform all closure and postclosure care in 2021. Actual costs may be higher due to inflation, changes in technology, or changes in regulations. The estimated contingency action costs of \$900,983 are included in the liability above.

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, 2021, investments of \$223,307 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, 2021 and expires June 12, 2022. The County did not draw on this letter of credit during 2021, and there are no outstanding balances as of December 31, 2021.



**GOODHUE COUNTY  
RED WING, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

3. Detailed Notes on All Funds (Continued)

D. Deferred Inflows of Resources

As of December 31, 2021, the various components of unavailable revenue were as follows:

	Unavailable Revenue	Deferred for Future Period	Total
Charges for services	\$ 10,506	\$ -	\$ 10,506
Deferred inflow due to prepaid taxes	-	20,922	20,922
Delinquent property taxes	354,889	-	354,889
Local option sales taxes	39,139	-	39,139
Intergovernmental	5,446,331	-	5,446,331
Licenses and permits	763	-	763
Loans receivable	332,636	-	332,636
Other	1,652	-	1,652
Special assessments	96,627	259,836	356,463
	<hr/>	<hr/>	<hr/>
Total Governmental Funds	\$ 6,282,543	\$ 280,758	\$ 6,563,301

**GOODHUE COUNTY  
RED WING, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

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, 2021.

<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	\$ 415,331	\$ 3,748	\$ 51,572	\$ -	\$ 1,850	\$ -
Inventories	-	538,786	-	-	-	-
Total Nonspendable Fund Balance	<u>\$ 415,331</u>	<u>\$ 542,534</u>	<u>\$ 51,572</u>	<u>\$ -</u>	<u>\$ 1,850</u>	<u>\$ -</u>
<u>Restricted</u>						
Unclaimed funds	\$ 590	\$ -	\$ -	\$ -	\$ -	\$ -
Gravel pit postclosure	305,354	-	-	-	-	-
Law library	257,042	-	-	-	-	-
Attorney's forfeiture activities	28,363	-	-	-	-	-
Attorney's victim assistance	6,036	-	-	-	-	-
Drug Treatment Court	271,175	-	-	-	-	-
Recorder's technology equipment	132,322	-	-	-	-	-
Recorder's compliance fund	224,164	-	-	-	-	-
Veteran's operational grant	10,274	-	-	-	-	-
Buffer initiative	253,871	-	-	-	-	-
Aquatic invasive species prevention	267,719	-	-	-	-	-
Sheriff's counteract	22,742	-	-	-	-	-
Sheriff's K-9 donations	18,713	-	-	-	-	-
Gun permit activities	60,625	-	-	-	-	-
Sheriff's contingency	515	-	-	-	-	-
E-911	279,266	-	-	-	-	-
Correction service fee	18,906	-	-	-	-	-
Local correctional fees	59,835	-	-	-	-	-
Family Service Collaborative	-	-	494,535	-	-	-
Landfill closure/postclosure	-	-	-	-	-	223,307
Debt (QECB lump sum due 2/1/2027)	-	-	-	-	3,139,892	-
EDA loan program (2010MIF)	-	-	-	546,963	-	-
Total Restricted Fund Balance	<u>\$ 2,217,512</u>	<u>\$ -</u>	<u>\$ 494,535</u>	<u>\$ 546,963</u>	<u>\$ 3,139,892</u>	<u>\$ 223,307</u>

**GOODHUE COUNTY  
RED WING, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

3. Detailed Notes on All Funds (Continued)

E. Fund Balance (Continued)

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

Committed	General	Road and Bridge	Health and Human Services	Economic Development Authority	Debt Service	Waste Management Fund
Petty cash and change funds	\$ 1,675	\$ 50	\$ 550	\$ -	\$ -	\$ 75
Economic development	-	-	-	209,389	-	-
Landfill transfer station	-	-	-	-	-	35,000
Land use/environmental ordinance	158,496	-	-	-	-	-
Compensated absences	177,643	-	-	-	-	-
27th payroll	671,741	-	-	-	-	-
Tax court settlements	226,500	-	-	-	-	-
Natural, technological, human-caused hazards	1,000,000	-	-	-	-	-
Tax-forfeited property funding	4,085	-	-	-	-	-
Byllesby Dam	18,216	-	-	-	-	-
Byllesby Park and Trail	-	635,857	-	-	-	-
Out-of-home placement budget deficits	-	-	148,165	-	-	-
Capital projects	1,665,714	-	-	-	-	-
TH 52 development and construction	-	182,409	-	-	-	-
Employee Wellness Committee	7,882	-	-	-	-	-
Total Committed Fund Balance	<u>\$ 3,931,952</u>	<u>\$ 818,316</u>	<u>\$ 148,715</u>	<u>\$ 209,389</u>	<u>\$ -</u>	<u>\$ 35,075</u>
<u>Assigned</u>						
Subsequent year's appropriated budget	\$ 1,083,775	\$ -	\$ -	\$ -	\$ -	\$ -
Highways & streets	-	12,789,023	-	-	-	-
Health & human services	-	-	13,781,194	-	-	-
Sanitation (waste management)	-	-	-	-	-	608,596
Ditch	-	-	-	-	-	-
Motor pool	127,385	-	-	-	-	-
Election activities	111,033	-	-	-	-	-
Inmate improvement	106,226	-	-	-	-	-
Sheriff-radio tower equipment	63,594	-	-	-	-	-
County program aid contingency	1,518,111	-	-	-	-	-
Building contingencies	1,327,784	-	-	-	-	-
Township turnback	-	9,525	-	-	-	-
Right-of-way	-	1,250,000	-	-	-	-
Total Assigned Fund Balance	<u>\$ 4,337,908</u>	<u>\$ 14,048,548</u>	<u>\$ 13,781,194</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 608,596</u>

**GOODHUE COUNTY  
RED WING, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

4. Pension Plans

A. Defined Benefit Plans

1. Plan Description

The County participates in the following cost-sharing multiple-employer defined benefit pension plans administered by the Public Employees Retirement Association of Minnesota (PERA). PERA's defined benefit pension plans are established and administered in accordance with Minnesota Statutes, Chapters 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 all full-time and certain 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 and 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 elect 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, 2021**

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 receiving them yet, are bound by the provisions in effect at the time they last terminated their public service.

General Employees 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, 2021**

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 ten 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 ten years up to 100% after twenty 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 is 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 ten 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, 2021**

4. Pension Plans (Continued)

A. Defined Benefit Plans (Continued)

3. Contributions

*Minnesota Statutes* Chapter 353 sets the rates for employer and employee contributions. Contribution rates can only be modified by the state Legislature.

General Employees Fund Contributions

Coordinated Plan members were required to contribute 6.50% of their annual covered salary in fiscal year 2021 and the County was required to contribute 7.50% for Coordinated Plan members. The County's contributions to the General Employees Fund for the year ended December 31, 2021, were \$1,354,161. The County's contributions were equal to the required contributions as set by state statute.

Police and Fire Fund Contributions

Police and Fire Plan members were required to contribute 11.80% of their annual covered salary in fiscal year 2021 and the County was required to contribute 17.70% for Police and Fire Plan members. The County's contributions to the Police and Fire Fund for the year ended December 31, 2021, were \$655,293. The County's contributions were equal to the required contributions as set by state statute.

Correctional Fund Contributions

Correctional Plan members were required to contribute 5.83% of their annual covered salary in fiscal year 2021 and the County was required to contribute 8.75% for Correctional Plan members. The County's contributions to the Correctional Fund for the year ended December 31, 2021, were \$225,729. The County's contributions were equal to the required contributions as set by state statute.

**GOODHUE COUNTY  
RED WING, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

4. Pension Plans (Continued)

A. Defined Benefit Plans (Continued)

4. Pension Costs

General Employees Fund Pension Costs

At December 31, 2021 the County reported a liability of \$10,612,063 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 non-employer 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 \$324,085.

The net pension liability was measured as of June 30, 2021, 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, 2020 through June 30, 2021, relative to the total employer contributions received from all of PERA's participating employers. The County's proportionate share was 0.2485% at the end of the measurement period and 0.2425% for the beginning of the period.

County's proportionate share of the net pension liability	\$ 10,612,063
State of Minnesota's proportionate share of the net pension liability associated with the County	<u>324,085</u>
Total	<u>\$ 10,936,148</u>

There were no provision changes during the measurement period.

For the year ended December 31, 2021, the County recognized pension expense of \$182,176 for its proportionate share of the General Employees Plan's pension expense. In addition, the County recognized an additional \$26,148 as pension expense (and grant revenue) for its proportionate share of the state of Minnesota's contribution of \$16 million to the General Employees Fund.



**GOODHUE COUNTY  
RED WING, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

4. Pension Plans (Continued)

A. Defined Benefit Plans (Continued)

4. Pension Costs (Continued)

General Employees Fund Pension Costs (Continued)

At December 31, 2021, 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	\$ 65,198	\$ 324,759
Changes in Actuarial Assumptions	6,479,506	234,746
Net Collective Difference Between Projected and Actual Investment Earnings	-	9,190,494
Changes in Proportion	424,518	-
Contributions Paid to PERA Subsequent to the Measurement Date	678,401	-
Total	<u>\$ 7,647,623</u>	<u>\$ 9,749,999</u>

The \$678,401 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, 2022. 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
2022	\$ (279,791)
2023	(2,829)
2024	8,570
2025	(2,506,727)

**GOODHUE COUNTY  
RED WING, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

4. Pension Plans (Continued)

A. Defined Benefit Plans (Continued)

4. Pension Costs (Continued)

Police and Fire Fund Pension Costs

At December 31, 2021, the County reported a liability of \$2,370,486 for its proportionate share of the Police and Fire Fund's net pension liability. The net pension liability was measured as of June 30, 2021, 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, 2021, relative to the total employer contributions received from all of PERA's participating employers. The County's proportion share was .3071% at the end of the measurement period and 0.3046% for the beginning of the period.

The state of Minnesota contributed \$18 million to the Police and Fire Fund in the plan fiscal year ended June 30, 2021. The contribution consisted of \$9 million in direct state aid that does meet the definition of a special funding situation and \$9 million in supplemental state aid that does not meet the definition of a special funding situation. The \$9 million direct state was paid on October 1, 2020. 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. Strong asset returns for the fiscal year ended 2021 will accelerate the phasing out of these state contributions, although we do not anticipate them to be phased out during the fiscal year ending 2022.

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 \$9 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 June 30, 2021, the County recognized pension expense of (\$194,183) for its proportionate share of the Police and Fire Plan's pension expense. The County recognized \$19,408 as grant revenue for its proportionate share of the State of Minnesota's pension expense for the contribution of \$9 million to the Police and Fire Fund.

**GOODHUE COUNTY  
RED WING, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

4. Pension Plans (Continued)

A. Defined Benefit Plans (Continued)

4. Pension Costs (Continued)

Police and Fire Fund Pension Costs (Continued)

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 \$27,639 for the year ended December 31, 2021 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	\$ 2,370,486
State of Minnesota's proportionate share of the net pension liability associated with the County	<u>106,568</u>
Total	<u><u>\$ 2,477,054</u></u>

There were no provision changes during the measurement period.

At December 31, 2021, 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	\$ 455,279	\$ -
Changes in Actuarial Assumptions	3,483,993	1,302,436
Net Collective Difference Between Projected and Actual Investment Earnings	-	4,529,399
Changes in Proportion	144,819	266,387
Contributions Paid to PERA Subsequent to the Measurement Date	<u>332,670</u>	<u>-</u>
Total	<u><u>\$ 4,416,761</u></u>	<u><u>\$ 6,098,222</u></u>

**GOODHUE COUNTY  
RED WING, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

4. Pension Plans (Continued)

A. Defined Benefit Plans (Continued)

4. Pension Costs (Continued)

Police and Fire Fund Pension Costs (Continued)

The \$332,670 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, 2022. 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
2022	\$ (1,652,509)
2023	(284,603)
2024	(333,503)
2025	(509,818)
2026	766,302

Correctional Plan Pension Costs

At December 31, 2021, the County reported a liability (asset) of (\$186,802) for its proportionate share of the Public Employees Correctional Plan's net pension liability. The net pension liability was measured as of June 30, 2021, 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, 2021, relative to the total employer contributions received from all of PERA's participating employers. The County's proportion share was 1.137% as the end of the measurement period and was 1.221% for the beginning of the period.

There were no provision changes during the measurement period.

For the year ended December 31, 2021, the County recognized pension expense of (\$571,127) for its proportionate share of the Correctional Plan's pension expense.

**GOODHUE COUNTY  
RED WING, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

4. Pension Plans (Continued)

A. Defined Benefit Plans (Continued)

4. Pension Costs (Continued)

Correctional Plan Pension Costs (Continued)

At December 31, 2021, 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	\$ -	\$ 106,540
Changes in Actuarial Assumptions	1,169,337	17,511
Net Collective Difference Between Projected and Actual Investment Earnings	-	1,499,734
Changes in Proportion	-	114,188
Contributions Paid to PERA Subsequent to the Measurement Date	118,575	-
Total	<u>\$ 1,287,912</u>	<u>\$ 1,737,973</u>

The \$118,575 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, 2022. 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
2022	\$ (121,489)
2023	(48,157)
2024	8,656
2025	(407,646)

**GOODHUE COUNTY  
RED WING, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

4. Pension Plans (Continued)

A. Defined Benefit Plans (Continued)

4. Pension Costs (Continued)

Summary for all Plans

The aggregate amount of net pension liability, net pension asset, 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	\$ 10,612,063	\$ 2,370,486	\$ -	\$ 12,982,549
Net Pension Asset	-	-	186,802	186,802
Deferred Outflows of Resources Related to Pension	7,647,623	4,416,761	1,287,912	13,352,296
Deferred Inflows of Resources Related to Pension	9,749,999	6,098,222	1,737,973	17,586,194
Pension Expense	208,324	(174,775)	(571,127)	(537,578)

5. Long-Term Expected Return on Investment

The State Board of Investment, which manages the investments of PERA, prepares an analysis of the reasonableness on a regular basis of the long-term expected rate of return 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 geometric 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 Equity	33.5 %	5.10 %
International equity	16.5	5.30
Fixed Income	25.0	0.75
Private Markets	25.0	5.90
Total	100.0 %	

**GOODHUE COUNTY  
RED WING, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

4. Pension Plans (Continued)

A. Defined Benefit Plans (Continued)

6. Actuarial Methods and Assumptions

The total pension liability/asset in the June 30, 2021, actuarial valuation was determined using an individual entry-age normal actuarial cost method. The long-term rate of return on pension plan investments used in the determination of the total liability is 6.5%. This assumption is based on a review of inflation and investments return assumptions from a number of national investment consulting firms. The review provided a range of return investment return rates deemed to be reasonable by the actuary. An investment return of 6.5% was deemed to be within that range of reasonableness for financial reporting purposes.

Inflation is assumed to be 2.25% for the General Employees Plan, 2.25% for the Police and Fire Plan, and 2.25% for the Correctional Plan. Benefit increases after retirement are assumed to be 1.25% for the General Employees Plan and 2% for the Correction Plan. The Police and Fire Plan benefit increase is fixed at 1% per year and that increase was used in the valuation.

Salary growth assumptions in the General Employees Plan range in annual increments from 10.25% after one year of service to 3.0% after 29 years of service and 6.0% per year thereafter. In the Police and Fire Plan, salary growth assumptions range from 11.75% after one year of service to 3.0% after 24 years of service. In the Correctional Plan, salary growth assumptions range from 11.0% at age 20 to 3.0% at age 60.

Mortality rates for the General Employees Plan are based on the Pub-2010 General Employee Mortality Table. Mortality rates for the Police and Fire Plan and the Correctional Plans are based on the Pub-2010 Public Safety Employee Mortality tables. The tables are adjusted slightly to fit PERA's experience.

Actuarial assumptions for the General Employees Plan are reviewed every four years. 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 most recent four-year experience studies for the Police and Fire and the Correctional Plan were completed in 2020 were adopted by the Board and became effective with the July 1, 2021 actuarial valuation.

**GOODHUE COUNTY  
RED WING, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

4. Pension Plans (Continued)

A. Defined Benefit Plans (Continued)

6. Actuarial Methods and Assumptions (Continued)

The following changes in actuarial assumptions and plan provisions occurred in 2021:

General Employees Fund

Changes in Actuarial Assumptions:

- The investment return and single discount rates were changed from 7.50% to 6.50%, for financial reporting purposes.
- The mortality improvement scale was changed from Scale MP-2019 to Scale MP-2020.

Changes in Plan Provisions:

- There were no changes in plan provisions since the previous valuation.

Police and Fire Fund

Changes in Actuarial Assumptions:

- The investment return and single discount rates were changed from 7.50% to 6.50%, for financial reporting purposes.
- The inflation assumption was changed from 2.50% to 2.25%.
- The payroll growth assumption was changed from 3.25% to 3.00%.
- The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 Public Safety Mortality table. The mortality improvement scale was changed from MP-2019 to MN-2020.
- The base mortality table for disabled annuitants was changed from the RP-2014 healthy annuitant mortality table (with future mortality improvement according to Scale MP-2019) to the Pub-2010 Public Safety disabled annuitant mortality table (with future mortality improvement according to Scale MP-2020).
- Assumed rates of salary increase were modified as recommended in the July 14, 2020 experience study. The overall impact is a decrease in gross salary increase rates.
- Assumed rates of retirement were changed as recommended in the July 14, 2020 experience study. The changes result in slightly more unreduced retirements and fewer assumed early retirements.



**GOODHUE COUNTY  
RED WING, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

4. Pension Plans (Continued)

A. Defined Benefit Plans (Continued)

6. Actuarial Methods and Assumptions (Continued)

Police and Fire Fund (Continued)

Changes in Actuarial Assumptions (Continued):

- Assumed rates of withdrawal were changed from select and ultimate rates to service-based rates. The changes result in more assumed terminations.
- Assumed rates of disability were increased for ages 25-44 and decreased for ages over 49. Overall, proposed rates result in more projected disabilities.
- Assumed percent married for active female members was changed from 60% to 70%. Minor changes to form of payment assumptions were applied.

Changes in Plan Provisions:

- There were no changes in plan provisions since the previous valuation.

Correctional Fund

Changes in Actuarial Assumptions

- The investment return and single discount rates were changed from 7.50% to 6.50%, for financial reporting purposes.
- The inflation assumption was changed from 2.50% to 2.25%.
- The payroll growth assumption was changed from 3.25% to 3.00%.
- The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 Public Safety Mortality table. The mortality improvement scale was changed from MP-2019 to MN-2020.
- The base mortality table for disabled annuitants was changed from the RP-2014 healthy annuitant mortality table (with future mortality improvement according to Scale MP-2019) to the Pub-2010 Public Safety disabled annuitant mortality table (with future mortality improvement according to Scale MP-2020).
- Assumed rates of salary increase were modified as recommended in the July 10, 2020 experience study. The overall impact is a decrease in gross salary increase rates.
- Assumed rates of retirement were changed as recommended in the July 10, 2020 experience study. The changes result in slightly more unreduced retirements and fewer assumed early retirements.

**GOODHUE COUNTY  
RED WING, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

4. Pension Plans (Continued)

A. Defined Benefit Plans (Continued)

6. Actuarial Methods and Assumptions (Continued)

Correctional Fund (Continued)

Changes in Actuarial Assumptions (Continued):

- Assumed rates of withdrawal were changed as recommended in the July 10, 2020 experience study. The new rates predict more terminations, both in the three-year select period (based on service) and the ultimate rates (based on age).
- Assumed rates of disability lowered.
- Assumed percent married for active members was lowered from 85% to 75%.
- Minor changes to form of payment assumptions were applied.

Changes in Plan Provisions:

- There were no changes in plan provisions since the previous valuation

7. Discount Rate

The discount rate used to measure the total pension liability/asset in 2021 was 6.5%. 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 Statutes. 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/asset.

**GOODHUE COUNTY  
RED WING, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

4. Pension Plans (Continued)

A. Defined Benefit Plans (Continued)

8. Pension Liability Sensitivity

The following presents the County's proportionate share of the net pension liability/asset for all plans it participates in, 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 one percentage point lower or one percentage point higher than the current discount rate:

	Proportionate Share of the					
	General Employees Plan		Police and Fire Plan		Correctional Plan	
	Discount Rate	Net Pension Liability/Asset	Discount Rate	Net Pension Liability/Asset	Discount Rate	Net Pension Liability/Asset
1% Lower	5.5%	\$ 21,643,192	5.5%	\$ 7,525,894	5.5%	\$ 1,944,111
Current	6.5%	10,612,063	6.5%	2,370,486	6.5%	(186,802)
1% Higher	7.5%	1,560,349	7.5%	(1,855,670)	7.5%	1,877,909

9. Pension Plan Fiduciary Net 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](http://www.mnpera.org).

**GOODHUE COUNTY  
RED WING, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

4. Pension Plans (Continued)

B. Defined Contribution Plan

Four board members are covered by the Defined Contribution Plan, a multiple-employer deferred compensation plan administered by PERA. The Defined Contribution 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. Minnesota Statutes, Chapter 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% of salary which is matched by the elected official's employer. Employer and employee 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% of employer contributions and twenty-five hundredths of one percent (0.25%) of the assets in each member's account annually.

Total contributions made by the County during fiscal year 2021 were:

Contribution Amount		Percentage of Covered Payroll		Required
Employee	Employer	Employee	Employer	Rate
\$ 5,340	\$ 5,340	5%	5%	5%

**GOODHUE COUNTY  
RED WING, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

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. 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.

As of January 1, 2020, the latest valuation date, there were 353 active participants, 10 retirees and 2 spouses receiving health benefits from the County's health plan.

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, 2021**

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

C. Actuarial Methods and Assumptions

The County's OPEB liability of \$ 1,395,600 was measured as of January 1, 2021, and the total OPEB liability was determined by an actuarial valuation as of January 1, 2020 (updated procedures were used to roll forward the total OPEB liability to the measurement date), 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 5 years) and then 4.00% over the next 48 years
Mortality assumptions	Pub-2010 Public Retirement Plans Headcounty-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 the total OPEB Liability

The following table presents the changes in total OPEB liability for the fiscal year ended December 31, 2021 based on a measurement date of January 1, 1899:

<b>Balance as of January 1, 2021</b>	\$ 1,343,267
Changes for the year:	
Service cost	120,113
Interest cost	40,874
Benefit payments	<u>(108,654)</u>
Net change in total OPEB liability	<u>52,333</u>
<b>Balance as of December 31, 2021</b>	<u><u>\$ 1,395,600</u></u>

**GOODHUE COUNTY  
RED WING, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

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

D. Changes in the 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:

	Discount Rate	Total OPEB Liability
1% Decrease	1.90%	\$ 1,500,851
Current	2.90%	1,395,600
1% Increase	3.90%	1,296,495

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:

	Total OPEB Liability
1% Decrease (5.00% decreasing to 4.00%)	\$ 1,234,373
Current (6.25% decreasing to 5.00%)	1,395,600
1% Increase (7.50% decreasing to 6.00%)	1,587,386

**GOODHUE COUNTY  
RED WING, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

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

D. Changes in the total OPEB Liability (Continued)

For the year ended December 31, 2021, the County recognized OPEB expense of \$52,333. 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	\$ 31,484	\$ 22,153
Contributions Subsequent to the Measurement Date	71,789	-
Changes in Experience	-	44,999
Total	<u>\$ 103,273</u>	<u>\$ 67,152</u>

\$71,789 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, 2022. 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>OPEB Expense Amount</u>
2022	\$ (8,242)
2023	(8,242)
2024	(8,242)
2025	(8,239)
2026	(2,703)



**GOODHUE COUNTY  
RED WING, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

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 2021. 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, 2021**

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

C. Joint Ventures

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

Family Services Collaborative

The Goodhue County Family Services Collaborative was established in 1999 under the authority of Minn. Stat. §§ 471.59 and 124D.23. The Collaborative includes Goodhue County, Goodhue County Education District, Cannon Falls School District, and Three Rivers Community Action Council. The purpose of the Collaborative is to provide culturally appropriate programs and services to children and families, prevent children from developing more severe disabilities, and provide for the safety and security of the community and its children. During 2021, the County did not make any payments to the Collaborative. There is no accumulation of significant financial resources or fiscal stress for Goodhue County.

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, 2021**

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 have voted to withdraw as of December 31, 2019. SCHA continues to serve Freeborn County as a non-member county. The agreement was in accordance with Minn. Stat. § 256B.692, which allows the formation of a Board of Directors to operate, control, and manage all matters concerning the participating counties' health care functions, referred to as county-based purchasing.

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

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, 2021 was \$5,887,324. 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. There is no accumulation of significant financial resources or fiscal stress for Goodhue County.

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, 2021**

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 \$6,500 to the Emergency Communications Board, \$6,000 for membership dues and \$500 of regional project funds. There is no accumulation of significant financial resources or fiscal stress for Goodhue County.

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 no payments to the Authority during 2021. There is no accumulation of significant financial resources or fiscal stress for Goodhue County.

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, 2021**

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 an attorney appointed by the governing board.

During the year, Goodhue County paid \$7,649 to the Task Force. There is no accumulation of significant financial resources or fiscal stress for Goodhue County.

Separate financial information can be obtained from the Southeast Minnesota Violent Crime Enforcement Team, 101 – 4<sup>th</sup> 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 \$153,797 to the Cooperative.

**GOODHUE COUNTY  
RED WING, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

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 case of an adverse event at the Prairie Island Nuclear Energy 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, 2021**

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 facility. The County also participates in training exercises and is jointly responsible with each city for maintenance of the decontamination facility and is eligible for grant reimbursement of any expenditures incurred for this purpose. During 2021, the County paid \$11,000 to Cannon Falls and \$55,484 to Red Wing; no payments were received 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 2021.

**GOODHUE COUNTY  
RED WING, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

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 Canon 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 2021 membership dues.

Southeastern Minnesota Libraries Cooperative (SELCO)

The Southeastern Minnesota Libraries Cooperative provides library services within the County. During the year, the County contributed \$525,880 to SELCO, noting this amount will increase to \$533,032 in 2022.

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, 2021 through June 30, 2023. During 2021, the County paid \$209,194 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, 2021**

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 2021.

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 2021.

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 \$2,782 in membership fees in 2021.

**GOODHUE COUNTY  
RED WING, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

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 2021 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 2021.

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 2021.

**GOODHUE COUNTY  
RED WING, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

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, Wannamingo, and Nerstrand 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 the 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 2021, the County received \$200,820 in total fees under these agreements. The County did not make any payment to the entity in 2021. Each of these agreements self-renews for additional one-year periods unless terminated by the city with no less than a 90-day notice.

Watershed Alliance for the Greater Zumbro

The Watershed Alliance for the Greater Zumbro was formed by Dodge, Goodhue, Olmsted, Rice, and Wabasha Counties and their respective Soil and Water Conservation Districts (SWCDs), the Steele County SWCD, the Bear Valley Watershed District and the City of Rochester. The purpose of this agreement is to collectively implement, as local government units, the Greater Zumbro River Comprehensive Watershed Management Plan, as required by Minnesota statute 103B.801, while providing assurances that decision-making spanning political boundaries is supported by an in-writing commitment from participants. This Agreement does not include a financial obligation, but rather an ability to share resources. Goodhue County signed the agreement on June 1, 2021; the final member signed on June 28, 2021. The County contributed nothing under this agreement in 2021.

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, 2021, the Note was fully paid, and no liability remained.

**GOODHUE COUNTY  
RED WING, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

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

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, 2021, the bonds have an outstanding principal amount of \$1,930,000, none of which was recognized as a liability by the County.

7. New Accounting Pronouncements

The following Accounting 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 pronouncements are based on the guidance in GASB 87 – *Leases*.

**GOODHUE COUNTY  
RED WING, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

7. New Accounting Pronouncements (Continued)

The following Accounting standards have been issued, but have not yet been adopted (Continued):

- 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 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.

8. Subsequent Events

Goodhue County sold the landfill to the State of Minnesota subsequent to year end and all related liabilities have been assumed by the State of Minnesota as of May 24, 2022.

**REQUIRED SUPPLEMENTARY INFORMATION**

**GOODHUE COUNTY  
RED WING, MINNESOTA  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Taxes	\$ 22,390,731	\$ 22,390,731	\$ 22,491,547	\$ 100,816
Special assessments	-	-	231,197	231,197
Licenses and permits	480,680	480,680	665,529	184,849
Intergovernmental	4,516,387	4,516,387	4,680,587	164,200
Charges for services	1,760,247	1,760,247	1,853,599	93,352
Fines and forfeits	12,800	12,800	10,142	(2,658)
Gifts and contributions	18,000	19,550	31,127	11,577
Investment earnings	612,400	612,400	440,469	(171,931)
Miscellaneous	1,262,854	1,262,854	1,396,359	133,505
<b>Total Revenues</b>	<b>\$ 31,054,099</b>	<b>\$ 31,055,649</b>	<b>\$ 31,800,556</b>	<b>\$ 744,907</b>
<b>Expenditures</b>				
<b>Current</b>				
<b>General government</b>				
Commissioners	\$ 261,247	\$ 261,247	\$ 243,369	\$ 17,878
Courts	190,000	190,000	188,419	1,581
County administration	449,671	449,671	428,950	20,721
County auditor-treasurer	895,384	895,384	826,222	69,162
County assessor	1,058,911	1,058,911	999,938	58,973
Elections	84,200	84,200	27,006	57,194
Information technology	1,168,947	1,168,947	1,007,006	161,941
Human resources	697,156	697,156	674,438	22,718
Attorney	2,236,131	2,256,316	2,132,848	123,468
Law library	70,000	70,000	28,198	41,802
Recorder	715,360	715,360	601,653	113,707
Surveyor	456,307	456,307	443,396	12,911
GIS	351,354	351,354	337,553	13,801
Building permits	702,132	702,132	572,586	129,546
Planning and zoning	378,693	378,693	255,644	123,049
Parks	9,000	9,000	-	9,000
Environmental health	226,343	226,343	222,299	4,044
Buildings and plant	1,355,141	1,355,141	1,363,080	(7,939)
Veterans service officer	248,563	248,563	205,196	43,367
Other general government	1,164,537	1,164,537	1,378,096	(213,559)
Pandemic response	-	-	335,210	(335,210)
<b>Total general government</b>	<b>\$ 12,719,077</b>	<b>\$ 12,739,262</b>	<b>\$ 12,271,107</b>	<b>\$ 468,155</b>

**GOODHUE COUNTY  
RED WING, MINNESOTA  
BUDGETARY COMPARISON SCHEDULE (CONTINUED)  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Expenditures (Continued)</b>				
<b>Current (Continued)</b>				
<b>Public safety</b>				
Sheriff	\$ 6,158,875	\$ 6,253,249	\$ 6,031,181	\$ 222,068
Sheriff - seasonal	300,169	305,211	253,264	51,947
Emergency management	346,109	346,109	307,547	38,562
Coroner	145,342	145,342	145,342	-
Communication infrastructure	168,868	168,868	139,726	29,142
E-911 system	1,244,253	1,244,253	1,243,648	605
Adult detention center	4,176,874	4,176,874	4,330,001	(153,127)
Sentence to Serve	246,021	246,021	209,193	36,828
Court services	<u>1,163,146</u>	<u>1,163,146</u>	<u>1,161,370</u>	<u>1,776</u>
<b>Total public safety</b>	<b><u>\$ 13,949,657</u></b>	<b><u>\$ 14,049,073</u></b>	<b><u>\$ 13,821,272</u></b>	<b><u>\$ 227,801</u></b>
<b>Human Services</b>				
Hope Coalition	<u>\$ 5,000</u>	<u>\$ 5,000</u>	<u>\$ 5,000</u>	<u>\$ -</u>
<b>Culture and recreation</b>				
Historical society	\$ 127,000	\$ 127,000	\$ 127,000	\$ -
Regional library	525,880	525,880	525,880	-
Byllesby Dam	6,775	6,775	6,615	160
Other culture and recreation	<u>186,679</u>	<u>186,679</u>	<u>211,685</u>	<u>(25,006)</u>
<b>Total culture and recreation</b>	<b><u>\$ 846,334</u></b>	<b><u>\$ 846,334</u></b>	<b><u>\$ 871,180</u></b>	<b><u>\$ (24,846)</u></b>
<b>Conservation of natural resources</b>				
County extension	\$ 171,497	\$ 171,497	\$ 161,617	\$ 9,880
Soil and water conservation	<u>604,000</u>	<u>604,000</u>	<u>535,386</u>	<u>68,614</u>
<b>Total conservation of natural resources</b>	<b><u>\$ 775,497</u></b>	<b><u>\$ 775,497</u></b>	<b><u>\$ 697,003</u></b>	<b><u>\$ 78,494</u></b>
<b>Economic development</b>				
Regional Railroad Authority	\$ 4,500	\$ 4,500	\$ 2,782	\$ 1,718
Pandemic response	<u>-</u>	<u>-</u>	<u>916,696</u>	<u>(916,696)</u>
<b>Total economic development</b>	<b><u>\$ 4,500</u></b>	<b><u>\$ 4,500</u></b>	<b><u>\$ 919,478</u></b>	<b><u>\$ (914,978)</u></b>



**GOODHUE COUNTY  
RED WING, MINNESOTA  
BUDGETARY COMPARISON SCHEDULE (CONTINUED)  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Expenditures (Continued)</b>				
<b>Capital Outlay</b>				
General government	\$ 704,483	\$ 1,019,574	\$ 241,631	\$ 777,943
Public safety	868,575	920,400	887,098	33,302
Highways and streets	660,625	801,625	511,317	290,308
Sanitation	275,601	287,601	47,150	240,451
Pandemic response	-	-	256,742	(256,742)
<b>Total capital outlay</b>	<b>\$ 2,509,284</b>	<b>\$ 3,029,200</b>	<b>\$ 1,943,938</b>	<b>\$ 1,085,262</b>
<b>Debt service</b>				
Principal	\$ 17,568	\$ 17,568	-	\$ 17,568
<b>Total Expenditures</b>	<b>\$ 30,826,917</b>	<b>\$ 31,466,434</b>	<b>\$ 30,528,978</b>	<b>\$ 937,456</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>\$ 227,182</b>	<b>\$ (410,785)</b>	<b>\$ 1,271,578</b>	<b>\$ 1,682,363</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in	\$ 122,836	\$ 122,836	\$ 130,829	\$ 7,993
Transfers out	(130,292)	(130,292)	(119,857)	10,435
Proceeds from sale of capital assets	-	-	92,073	92,073
<b>Total Other Financing Sources (Uses)</b>	<b>\$ (7,456)</b>	<b>\$ (7,456)</b>	<b>\$ 103,045</b>	<b>\$ 110,501</b>
<b>Net Change in Fund Balance</b>	<b>\$ 219,726</b>	<b>\$ (418,241)</b>	<b>\$ 1,374,623</b>	<b>\$ 1,792,864</b>
<b>Fund Balance - January 1</b>	<b>27,161,222</b>	<b>27,161,222</b>	<b>27,161,222</b>	<b>-</b>
<b>Fund Balance - December 31</b>	<b>\$ 27,380,948</b>	<b>\$ 26,742,981</b>	<b>\$ 28,535,845</b>	<b>\$ 1,792,864</b>

**GOODHUE COUNTY  
RED WING, MINNESOTA  
BUDGETARY COMPARISON SCHEDULE  
ROAD AND BRIDGE SPECIAL REVENUE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Taxes	\$ 8,957,934	\$ 8,957,934	\$ 10,173,413	\$ 1,215,479
Licenses and permits	13,200	13,200	13,487	287
Intergovernmental	8,510,212	8,510,212	9,482,735	972,523
Charges for services	152,700	152,700	468,102	315,402
Miscellaneous	31,425	31,425	35,451	4,026
<b>Total Revenues</b>	<b>\$ 17,665,471</b>	<b>\$ 17,665,471</b>	<b>\$ 20,173,188</b>	<b>\$ 2,507,717</b>
<b>Expenditures</b>				
<b>Current</b>				
<b>Highways and streets</b>				
Administration	\$ 604,878	\$ 604,878	\$ 552,311	\$ 52,567
Maintenance	4,318,978	4,761,686	3,540,838	1,220,848
Construction	15,347,672	15,347,672	14,790,245	557,427
Equipment maintenance and shop	757,796	757,796	720,856	36,940
<b>Total highways and streets</b>	<b>\$ 21,029,324</b>	<b>\$ 21,472,032</b>	<b>\$ 19,604,250</b>	<b>\$ 1,867,782</b>
<b>Culture and recreation</b>				
Parks	198,690	198,690	234,100	(35,410)
<b>Intergovernmental</b>				
Highways and streets	538,457	538,457	515,859	22,598
<b>Total Expenditures</b>	<b>\$ 21,766,471</b>	<b>\$ 22,209,179</b>	<b>\$ 20,354,209</b>	<b>\$ 1,854,970</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>\$ (4,101,000)</b>	<b>\$ (4,543,708)</b>	<b>\$ (181,021)</b>	<b>\$ 4,362,687</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in	1,000	1,000	555	(445)
Transfers out	-	-	(123,329)	(123,329)
<b>Total Other Financing Sources (Uses)</b>	<b>\$ 1,000</b>	<b>\$ 1,000</b>	<b>\$ (122,774)</b>	<b>\$ (123,774)</b>
<b>Net Change in Fund Balance</b>	<b>\$ (4,100,000)</b>	<b>\$ (4,542,708)</b>	<b>\$ (303,795)</b>	<b>\$ 4,238,913</b>
<b>Fund Balance - January 1</b>	<b>15,894,518</b>	<b>15,894,518</b>	<b>15,894,518</b>	<b>-</b>
<b>Increase (Decrease) in Inventories</b>	<b>-</b>	<b>-</b>	<b>(181,325)</b>	<b>(181,325)</b>
<b>Fund Balance - December 31</b>	<b>\$ 11,794,518</b>	<b>\$ 11,351,810</b>	<b>\$ 15,409,398</b>	<b>\$ 4,057,588</b>

**GOODHUE COUNTY  
RED WING, MINNESOTA  
BUDGETARY COMPARISON SCHEDULE  
HEALTH AND HUMAN SERVICES SPECIAL REVENUE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Taxes	\$ 7,750,833	\$ 7,750,833	\$ 7,753,352	\$ 2,519
Intergovernmental	8,250,586	8,250,586	9,303,936	1,053,350
Charges for services	1,656,288	1,656,288	2,170,329	514,041
Gifts and contributions	-	-	8,400	8,400
Investment earnings	-	-	5,375	5,375
Miscellaneous	622,723	622,723	720,954	98,231
<b>Total Revenues</b>	<b>\$ 18,280,430</b>	<b>\$ 18,280,430</b>	<b>\$ 19,962,346</b>	<b>\$ 1,681,916</b>
<b>Expenditures</b>				
<b>Current</b>				
<b>Human services</b>				
Income maintenance	\$ 5,054,674	\$ 5,054,674	\$ 4,958,059	\$ 96,615
Social services	9,093,187	9,093,187	8,160,222	932,965
<b>Total human services</b>	<b>\$ 14,147,861</b>	<b>\$ 14,147,861</b>	<b>\$ 13,118,281</b>	<b>\$ 1,029,580</b>
<b>Health</b>				
Quality assurance - health services	\$ 2,201,375	\$ 2,201,375	\$ 2,487,022	\$ (285,647)
Healthy communities/behaviors	1,310,344	1,310,344	1,019,653	290,691
Disaster preparedness	51,086	51,086	426,094	(375,008)
Infectious disease	115,700	115,700	52,609	63,091
Health services - administration	460,520	460,520	453,913	6,607
<b>Total health</b>	<b>\$ 4,139,025</b>	<b>\$ 4,139,025</b>	<b>\$ 4,439,291</b>	<b>\$ (300,266)</b>
<b>Total Expenditures</b>	<b>\$ 18,286,886</b>	<b>\$ 18,286,886</b>	<b>\$ 17,557,572</b>	<b>\$ 729,314</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>\$ (6,456)</b>	<b>\$ (6,456)</b>	<b>\$ 2,404,774</b>	<b>\$ 2,411,230</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in	\$ 13,956	\$ 13,956	\$ 119,155	\$ 105,199
Transfers out	(7,500)	(7,500)	(7,500)	-
<b>Total Other Financing Sources (Uses)</b>	<b>\$ 6,456</b>	<b>\$ 6,456</b>	<b>\$ 111,655</b>	<b>\$ 105,199</b>
<b>Net Change in Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,516,429</b>	<b>\$ 2,516,429</b>
<b>Fund Balance - January 1</b>	<b>11,959,587</b>	<b>11,959,587</b>	<b>11,959,587</b>	<b>-</b>
<b>Fund Balance - December 31</b>	<b>\$ 11,959,587</b>	<b>\$ 11,959,587</b>	<b>\$ 14,476,016</b>	<b>\$ 2,516,429</b>

**GOODHUE COUNTY  
RED WING, MINNESOTA  
BUDGETARY COMPARISON SCHEDULE  
ECONOMIC DEVELOPMENT AUTHORITY SPECIAL REVENUE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Taxes	\$ 37,303	\$ 37,303	\$ 36,943	\$ (360)
Intergovernmental	450	450	558	108
Miscellaneous	2,325	2,325	2,405	80
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Total Revenues</b>	<b>\$ 40,078</b>	<b>\$ 40,078</b>	<b>\$ 39,906</b>	<b>\$ (172)</b>
<b>Expenditures</b>				
<b>Current</b>				
<b>Economic development</b>				
Community development	37,753	37,753	54,549	(16,796)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Net Change in Fund Balance</b>	<b>\$ 2,325</b>	<b>\$ 2,325</b>	<b>\$ (14,643)</b>	<b>\$ (16,968)</b>
<b>Fund Balance - January 1</b>	<b>770,995</b>	<b>770,995</b>	<b>770,995</b>	<b>-</b>
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Fund Balance - December 31</b>	<b>\$ 773,320</b>	<b>\$ 773,320</b>	<b>\$ 756,352</b>	<b>\$ (16,968)</b>
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

**GOODHUE COUNTY  
RED WING, MINNESOTA  
SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF NET PENSION LIABILITY  
PERA GENERAL EMPLOYEES RETIREMENT PLAN  
DECEMBER 31, 2021**

Measurement Date	Employer's Portion of the Net Pension Liability (Asset)	Employer's Proportionate Share of the Net Pension Liability (Asset)	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 (Asset)	Covered Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)
2021	0.249%	\$ 10,612,063	\$ 324,085	\$ 10,936,148	\$ 17,940,167	59.15%	87.00%
2020	0.243%	14,538,983	448,370	14,987,353	17,301,530	84.03%	79.06%
2019	0.238%	13,180,602	709,649	13,890,251	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	15,689,120	97.58%	75.90%
2016	0.253%	20,566,707	268,600	20,835,307	15,760,263	130.50%	68.91%
2015	0.242%	12,541,699	-	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, 2021**

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
2021	\$ 1,341,612	\$ 1,341,612	\$ -	\$ 17,888,160	7.50%
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, 2021**

Measurement Date	Employer's Portion of the Net Pension Liability (Asset)	Employer's Proportionate Share of the Net Pension Liability (Asset)	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 (Asset)	Covered Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)
2021	0.307%	\$ 2,370,486	\$ 106,568	\$ 2,477,054	\$ 3,383,505	70.06%	93.66%
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, 2021**

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
2021	\$ 642,480	\$ 642,480	\$ -	\$ 3,629,831	17.70%
2020	595,577	595,577	-	3,364,842	17.70%
2019	562,148	562,148	-	2,979,606	16.95%
2018	546,657	546,657	-	3,374,426	16.20%
2017	524,360	524,360	-	2,979,606	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, 2021**

<u>Measurement Date</u>	<u>Employer's Portion of the Net Pension Liability (Asset)</u>	<u>Employer's Proportionate Share of the Net Pension Liability (Asset)</u>	<u>Covered Payroll</u>	<u>Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)</u>
2021	1.137%	\$ (186,802)	\$ 2,613,435	-7.15%	100.02%
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, 2021**

<u>Year Ending</u>	<u>Statutorily Required Contributions</u>	<u>Actual Contributions in Relation to Statutorily Required Contributions</u>	<u>Contribution (Deficiency) Excess</u>	<u>Covered Payroll</u>	<u>Actual Contributions as a Percentage of Covered Payroll</u>
2021	\$ 219,993	\$ 219,993	\$ -	\$ 2,514,206	8.75%
2020	232,546	232,546	-	2,657,669	8.75%
2019	236,735	230,698	-	2,637,239	8.75%
2018	237,567	237,567	-	2,715,051	8.75%
2017	238,278	230,698	-	2,637,239	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, 2021**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Service cost	\$ 120,113	\$ 116,332	\$ 91,331	\$ 96,311
Interest cost	40,874	51,548	42,923	39,839
Assumption changes	-	44,080	(38,770)	-
Experience changes	-	(63,001)	-	-
Benefit payments	<u>(108,654)</u>	<u>(90,934)</u>	<u>(38,918)</u>	<u>(36,543)</u>
Net change in total OPEB liability	52,333	58,025	56,566	99,607
Total OPEB liability, beginning	<u>1,343,267</u>	<u>1,285,242</u>	<u>1,228,676</u>	<u>1,129,069</u>
Total OPEB liability, ending	<u>\$ 1,395,600</u>	<u>\$ 1,343,267</u>	<u>\$ 1,285,242</u>	<u>\$ 1,228,676</u>
Covered payroll	\$ 24,113,467	\$ 23,354,447	\$ 22,881,233	\$ 22,214,789
Total OPEB liability as a percentage of covered payroll	5.79%	5.75%	5.62%	5.53%
Benefits payments as a percentage of coverage payroll	0.45%	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  
FOR THE YEAR DECEMBER 31, 2021**

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

2021

Changes in Actuarial Assumptions

- The investment return and single discount rates were changed from 7.50 percent to 6.50 percent, for financial reporting purposes.
- The mortality improvement scale was changed from Scale MP-2019 to Scale MP-2020.

Changes in Plan Provisions

- There were no changes in plan provisions since the previous valuation.

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.

**GOODHUE COUNTY  
RED WING, MINNESOTA  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR DECEMBER 31, 2021**

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

A. General Employees Fund (Continued)

2020 (Continued)

Changes in Actuarial Assumptions (Continued)

- 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 adjusted 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 0.0% after. 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.

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.

**GOODHUE COUNTY  
RED WING, MINNESOTA  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR DECEMBER 31, 2021**

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

A. General Employees Fund (Continued)

2018 (Continued)

Changes in Plan Provisions (Continued)

- 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.

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

- There were no changes since the prior valuation.

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

- There were no changes since the prior valuation.

**GOODHUE COUNTY  
RED WING, MINNESOTA  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR DECEMBER 31, 2021**

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

B. Police and Fire Fund

2021

Changes in Actuarial Assumptions

- The investment return and single discount rates were changed from 7.50 percent to 6.50 percent, for financial reporting purposes.
- The inflation assumption was changed from 2.50 percent to 2.25 percent.
- The payroll growth assumption was changed from 3.25 percent to 3.00 percent.
- The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 Public Safety Mortality table. The mortality improvement scale was changed from MP-2019 to MN-2020.
- The base mortality table for disabled annuitants was changed from the RP-2014 healthy annuitant mortality table (with future mortality improvement according to Scale MP-2019) to the Pub-2010 Public Safety disabled annuitant mortality table (with future mortality improvement according to Scale MP-2020).
- Assumed rates of salary increase were modified as recommended in the July 14, 2020 experience study. The overall impact is a decrease in gross salary increase rates.
- Assumed rates of retirement were changed as recommended in the July 14, 2020 experience study. The changes result in slightly more unreduced retirements and fewer assumed early retirements.
- Assumed rates of withdrawal were changed from select and ultimate rates to service-based rates. The changes result in more assumed terminations.
- Assumed rates of disability were increased for ages 25-44 and decreased for ages over 49. Overall, proposed rates result in more projected disabilities.
- Assumed percent married for active female members was changed from 60 percent to 70 percent. Minor changes to form of payment assumptions were applied.

Changes in Plan Provisions

- There were no changes in plan provisions since the previous valuation.

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.

**GOODHUE COUNTY  
RED WING, MINNESOTA  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR DECEMBER 31, 2021**

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

B. Police and Fire Fund (Continued)

2018 (Continued)

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.

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 disabled 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.

**GOODHUE COUNTY  
RED WING, MINNESOTA  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR DECEMBER 31, 2021**

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

C. Police and Fire Plan (Continued)

2017 (Continued)

Changes in Actuarial Assumptions (Continued)

- 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.

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%.

**GOODHUE COUNTY  
RED WING, MINNESOTA  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR DECEMBER 31, 2021**

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

C. Correctional Fund

2021

Changes in Actuarial Assumptions

- The investment return and single discount rates were changed from 7.50 percent to 6.50 percent, for financial reporting purposes.
- The inflation assumption was changed from 2.50 percent to 2.25 percent.
- The payroll growth assumption was changed from 3.25 percent to 3.00 percent.
- The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 Public Safety Mortality table. The mortality improvement scale was changed from MP-2019 to MN-2020.
- The base mortality table for disabled annuitants was changed from the RP-2014 healthy annuitant mortality table (with future mortality improvement according to Scale MP-2019) to the Pub-2010 Public Safety disabled annuitant mortality table (with future mortality improvement according to Scale MP-2020).
- Assumed rates of salary increase were modified as recommended in the July 10, 2020 experience study. The overall impact is a decrease in gross salary increase rates.
- Assumed rates of retirement were changed as recommended in the July 10, 2020 experience study. The changes result in slightly more unreduced retirements and fewer assumed early retirements.
- Assumed rates of withdrawal were changed as recommended in the July 10, 2020 experience study. The new rates predict more terminations, both in the three-year select period (based on service) and the ultimate rates (based on age).
- Assumed rates of disability lowered.
- Assumed percent married for active members was lowered from 85 percent to 75 percent. Minor changes to form of payment assumptions were applied.

Changes in Plan Provision

- There have been no changes since the prior valuation.

2020

Changes in Actuarial Assumptions

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

Changes in Plan Provision

- There have been 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.

**GOODHUE COUNTY  
RED WING, MINNESOTA  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR DECEMBER 31, 2021**

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

C. Correctional Fund (Continued)

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.

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.



**GOODHUE COUNTY  
RED WING, MINNESOTA  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR DECEMBER 31, 2021**

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

C. Correctional Fund (Continued)

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.

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:

2021

- None.

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 other) 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.

**GOODHUE COUNTY  
RED WING, MINNESOTA  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR DECEMBER 31, 2021**

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

The following assumption changes were reflected in the OPEB plan valuation (Continued):

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)

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, except budgets are not adopted for the Ditch Special Revenue Fund. 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.

**GOODHUE COUNTY  
RED WING, MINNESOTA  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR DECEMBER 31, 2021**

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, 2021.

	<u>Budget</u>	<u>Expenditures</u>	<u>Excess</u>
Economic Development Authority			
Special Revenue Fund	\$ 37,753	\$ 54,549	\$ (16,796)

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

## **SUPPLEMENTARY INFORMATION**

**MAJOR FUND**

**GOODHUE COUNTY  
RED WING, MINNESOTA  
BUDGETARY COMPARISON SCHEDULE  
DEBT SERVICE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Taxes	\$ 1,494,889	\$ 1,494,889	\$ 1,497,641	\$ 2,752
Intergovernmental	55,016	55,016	78,647	23,631
<b>Total Revenues</b>	<b>\$ 1,549,905</b>	<b>\$ 1,549,905</b>	<b>\$ 1,576,288</b>	<b>\$ 26,383</b>
<b>Expenditures</b>				
<b>Debt service</b>				
Principal	\$ 1,370,000	\$ 1,370,000	\$ 1,370,000	\$ -
Interest	475,640	475,640	439,061	36,579
Administrative - fiscal charges	4,650	4,650	2,852	1,798
<b>Total Expenditures</b>	<b>\$ 1,850,290</b>	<b>\$ 1,850,290</b>	<b>\$ 1,811,913</b>	<b>\$ 38,377</b>
<b>Net Change in Fund Balance</b>	<b>\$ (300,385)</b>	<b>\$ (300,385)</b>	<b>\$ (235,625)</b>	<b>\$ 64,760</b>
<b>Fund Balance - January 1</b>	<b>3,377,367</b>	<b>3,377,367</b>	<b>3,377,367</b>	<b>-</b>
<b>Fund Balance - December 31</b>	<b>\$ 3,076,982</b>	<b>\$ 3,076,982</b>	<b>\$ 3,141,742</b>	<b>\$ 64,760</b>

**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.

**GOODHUE COUNTY  
RED WING, MINNESOTA  
BUDGETARY COMPARISON SCHEDULE  
WASTE MANAGEMENT SPECIAL REVENUE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Taxes	\$ 554,606	\$ 554,606	\$ 554,472	\$ (134)
Licenses and permits	5,000	5,000	8,205	3,205
Intergovernmental	144,044	144,044	150,481	6,437
Charges for services	49,700	49,700	79,424	29,724
Interest on investments	330	330	2,607	2,277
Miscellaneous	118,500	118,500	202,170	83,670
<b>Total Revenues</b>	<b>\$ 872,180</b>	<b>\$ 872,180</b>	<b>\$ 997,359</b>	<b>\$ 125,179</b>
<b>Expenditures</b>				
<b>Current</b>				
<b>Sanitation</b>				
Solid waste	\$ 61,618	\$ 61,618	\$ 70,733	\$ (9,115)
Recycling	509,607	509,607	546,428	(36,821)
Hazardous waste	108,756	108,756	95,418	13,338
Landfill	192,199	192,199	215,742	(23,543)
<b>Total Expenditures</b>	<b>\$ 872,180</b>	<b>\$ 872,180</b>	<b>\$ 928,321</b>	<b>\$ (56,141)</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 69,038</b>	<b>\$ 69,038</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	-	147	147
<b>Net Change in Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 69,185</b>	<b>\$ 69,185</b>
<b>Fund Balance - January 1</b>	<b>797,793</b>	<b>797,793</b>	<b>797,793</b>	<b>-</b>
<b>Fund Balance - December 31</b>	<b>\$ 797,793</b>	<b>\$ 797,793</b>	<b>\$ 866,978</b>	<b>\$ 69,185</b>



**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  
DECEMBER 31, 2021**

	Custodial Funds					Total Custodial Funds
	Taxes and Penalties	State Licenses, Fees and Other Taxes	Medical Assistance Recoveries	Civil Process	Inmate Canteen and Services	
<b>Assets</b>						
Cash and pooled investments	\$ 811,734	\$ 268,928	\$ 140,585	\$ 100	\$ 14,665	\$ 1,236,012
Accounts receivable	835,763	14,147	-	-	-	849,910
Due from other governments	476	1,412	-	-	-	1,888
<b>Total Assets</b>	<b>\$ 1,647,973</b>	<b>\$ 284,487</b>	<b>\$ 140,585</b>	<b>\$ 100</b>	<b>\$ 14,665</b>	<b>\$ 2,087,810</b>
<b>Liabilities</b>						
Due to individuals	\$ 762	-	-	-	-	\$ 762
Due to other governments	811,448	284,487	140,585	-	-	1,236,520
<b>Total Liabilities</b>	<b>\$ 812,210</b>	<b>\$ 284,487</b>	<b>\$ 140,585</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,237,282</b>
<b>Net Position</b>						
Restricted for individuals, organizations and other governments	\$ 835,763	-	-	\$ 100	\$ 14,665	\$ 850,528
<b>Total Net Position</b>	<b>\$ 835,763</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 100</b>	<b>\$ 14,665</b>	<b>\$ 850,528</b>

**GOODHUE COUNTY  
RED WING, MINNESOTA  
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
CUSTODIAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Custodial Funds					Total Custodial Funds
	Taxes and Penalties	State Licenses, Fees and Other Taxes	Medical Assistance Recoveries	Civil Process	Inmate Canteen and Services	
<b>Additions</b>						
Contributions-Individual	\$ -	\$ -	\$ 102,921	\$ -	\$ 270,942	\$ 373,863
Property tax collections for other governments	74,874,348	-	-	-	-	74,874,348
Contributions from governments	-	2,883,489	2,692	-	5,621	2,891,802
License fee collected for state government	-	216,957	-	-	-	216,957
Civil process collections	-	-	-	389,654	-	389,654
Other contributions	-	-	95,533	-	-	95,533
<b>Total Additions</b>	<b>\$ 74,874,348</b>	<b>\$ 3,100,446</b>	<b>\$ 201,146</b>	<b>\$ 389,654</b>	<b>\$ 276,563</b>	<b>\$ 78,842,157</b>
<b>Deductions</b>						
Payments to individuals	\$ -	\$ -	\$ -	\$ 138,122	\$ 97,634	\$ 235,756
Payments of property tax to other governments	74,811,343	-	-	-	-	74,811,343
Other payments to other governments	-	3,100,446	360,959	-	21,801	3,483,206
Payments to other entities	-	-	1,136	251,532	143,307	395,975
<b>Total Deductions</b>	<b>\$ 74,811,343</b>	<b>\$ 3,100,446</b>	<b>\$ 362,095</b>	<b>\$ 389,654</b>	<b>\$ 262,742</b>	<b>\$ 78,926,280</b>
Net Increase (Decrease) in Fiduciary Net Position	\$ 63,005	\$ -	\$ (160,949)	\$ -	\$ 13,821	(84,123)
Net Position - Beginning	772,758	-	160,949	100	844	934,651
Net position - Ending	<b>\$ 835,763</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 100</b>	<b>\$ 14,665</b>	<b>\$ 850,528</b>

## **OTHER SCHEDULES**

**GOODHUE COUNTY  
RED WING, MINNESOTA  
SCHEDULE OF INTERGOVERNMENTAL REVENUE  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<b>Governmental Funds</b>
<b>Shared Revenue and Appropriations</b>	
<b>State</b>	
Highway users tax	\$ 7,951,489
PERA rate reimbursement	95,038
Disparity reduction aid	29,201
Police aid	365,405
County program aid	1,784,220
Market value credit	467,437
Aquatic invasive species aid	63,421
Out of home placement	2,650
Indian casino aid	55,167
Riparian Protection Aid	110,341
Enhanced 911	189,611
SCORE	141,459
	<b>\$ 11,255,439</b>
<b>Reimbursement for Services</b>	
<b>State</b>	
Minnesota Department of Human Services	<b>\$ 2,920,462</b>
<b>Payments</b>	
<b>Local</b>	
Election reimbursements	\$ 138,039
Township bridge reimbursement	2,608
Payments in lieu of taxes	292,101
	<b>\$ 432,748</b>
<b>Grants</b>	
<b>State</b>	
Minnesota Department/Board of	
Corrections	\$ 236,138
Health	420,744
Human Services	1,494,909
Natural Resources	136,498
Public Safety	208,398
Veterans Affairs	12,159
Water and Soil Resources	65,852
Peace Officer Standards and Training Board	49,458
Pollution Control Agency	8,100
	<b>\$ 2,632,256</b>
<b>Total State</b>	<b>\$ 2,632,256</b>

**GOODHUE COUNTY  
RED WING, MINNESOTA  
SCHEDULE OF INTERGOVERNMENTAL REVENUE (CONTINUED)  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<b>Governmental Funds</b>
<b>Grants (Continued)</b>	
<b>Federal</b>	
Department of	
Agriculture	\$ 633,258
Education	2,100
Interior	10,545
Justice	186,493
Transportation	1,463,961
Treasury	117,265
Health and Human Services	3,928,708
Homeland Security	57,418
	<b>\$ 6,399,748</b>
<b>Total Federal</b>	<b>\$ 6,399,748</b>
<b>Total State and Federal Grants</b>	<b>\$ 9,032,004</b>
<b>Qualified Energy Conservation Bonds Interest Subsidy</b>	<b>\$ 56,291</b>
<b>Total Intergovernmental Revenue</b>	<b>\$ 23,696,944</b>

**GOODHUE COUNTY  
RED WING, MINNESOTA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures	Passed Through to Subrecipients
<b>U.S. Department of Agriculture</b>				
Passed Through Minnesota Department of Health WIC Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	192MN004W5003 / 222MN004W1003	\$ 167,247	\$ -
Passed Through Minnesota Department of Human Services State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (Total expenditures for SNAP Cluster \$466,011)	10.561	212MN101S2514	466,011	-
<b>Total U.S. Department of Agriculture</b>			<b>\$ 633,258</b>	<b>\$ -</b>
<b>U.S. Department of the Interior</b>				
Direct Payments in Lieu of Taxes	15.226	N/A, Direct	<b>\$ 10,545</b>	<b>\$ -</b>
<b>U.S. Department of Justice</b>				
Passed Through Minnesota Department of Public Safety COVID-19 Coronavirus Emergency Supplemental Funding Program	16.034	A-CESF-2021- GOODHUSD-00016	\$ 38,036	\$ -
Direct Drug Court Discretionary Grant Program	16.585	N/A, Direct	91,351.00	-
Bulletproof Vest Partnership Program	16.607	N/A, Direct	7,770	-
Public Safety Partnership and Community Policing Grants	16.710	N/A, Direct	49,336	-
<b>Total U.S. Department of Justice</b>			<b>\$ 186,493</b>	<b>\$ -</b>
<b>U.S. Department of Transportation</b>				
Passed Through Minnesota Department of Transportation Highway Planning and Construction (Part of Highway Planning and Construction Cluster)	20.205	2520167	\$ 31,001	\$ -
Highway Planning and Construction (Part of Highway Planning and Construction Cluster)	20.205	2520141	1,545,572	-
Highway Planning and Construction (Part of Highway Planning and Construction Cluster) (Total Highway Planning and Construction 20.205 \$2,257,693) (Total expenditures for Highway Planning and Construction Cluster \$2,272,409)	20.205	2521065	681,120	-
Passed Through Minnesota Department of Natural Resources Recreational Trails Program (Part of Highway Planning and Construction Cluster)	20.219	0013-20-3A	6,657	-
Recreational Trails Program (Part of Highway Planning and Construction Cluster) (Total Recreational Trails Program 20.219 \$14,716) (Total expenditures for Highway Planning and Construction Cluster \$2,272,409)	20.219	0012-20-3A	8,059	-
Passed Through Minnesota Department of Public Safety State and Community Highway Safety	20.600	A-ENFRC2-2022- GOODHUSD-007	5,978	-
State and Community Highway Safety	20.600	F-SAFE21-2021- GOODHUPH-4865	7,237	-
State and Community Highway Safety (Total State and Community Highway Safety 20.600 \$16,850) (Total expenditures for Highway Safety Cluster \$24,392)	20.600	A-SPEED21-2021- GOODHUSD-046	3,635	-
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	A-ENFRC2-2022- GOODHUSD-007	7,389	-
National Priority Safety Programs (Total expenditures for Highway Safety Cluster \$24,392)	20.616	A-ENFRC2-2022- GOODHUSD-007	7,542	-
E-911 Grant Program	20.615	A-DECN-NGGIS- 2019-SEECB-3	1,108	-
<b>Total U.S. Department of Transportation</b>			<b>\$ 2,305,298</b>	<b>\$ -</b>
<b>U.S. Department of Education</b>				
Passed Through Minnesota Department of Health Special Education-Grants for Infants and Families	84.181	BO4MC32551	<b>\$ 2,100</b>	<b>\$ -</b>

**GOODHUE COUNTY  
RED WING, MINNESOTA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2021**

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures	Passed Through to Subrecipients
<b>U.S. Department of Health and Human Services</b>				
Passed Through Minnesota Department of Health				
Public Health Emergency Preparedness	93.069	NU90TP922026	\$ 49,012	\$ -
Early Hearing Detection and Intervention	93.251	H61MC00035-16-02	450	-
Immunization Cooperative Agreements	93.268	NH23IP922628	111,995	-
Early Hearing Detection and Intervention Information System (EHDI-IS) Surveillance Program	93.314	NUR3DD00842-06-00	75	-
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	NH23IP922628	97,021	-
Temporary Assistance for Needy Families (Total Temporary Assistance for Needy Families 93.558 \$373,167)	93.558	2101MNTANF	39,086	-
Child Abuse and Neglect State Grants	93.669	2101MNNCAN	962	-
Maternal and Child Health Services Block Grant to the States	93.994	BO4MC32551	33,595	-
Passed Through Minnesota Department of Human Services				
Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances (SED)	93.104	H79SM080155	41,286	-
MaryLee Allen Promoting Safe and Stable Families Program	93.556	2101MNFPS	10,923	-
Temporary Assistance for Needy Families (Total Temporary Assistance for Needy Families 93.558 \$373,167)	93.558	2101MNTANF	334,081	-
Child Support Enforcement	93.563	2101MNCSES	993,083	-
Refugee and Entrant Assistance State/Replacement Designee Administered Programs	93.566	2101MNRDMA	967	-
Child Care and Development Block Grant (Total expenditures for CCDF Cluster \$18,246)	93.575	2101MNCCDF	18,246	-
Community-Based Child Abuse Prevention Grants	93.590	1901MNBCAP	16,152	-
Stephanie Tubbs Jones Child Welfare Services Program	93.645	2001MNCWC3	2,324	-
COVID-19 Stephanie Tubbs Jones Child Welfare Services Program	93.645	2001MNCWC3	4,418	-
Foster Care Title IV-E	93.658	2101MNFOST	476,168	-
Social Services Block Grant	93.667	2101MNSOSR	204,082	-
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	2101MNCILP	16,953	-
COVID-19 John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	2101MNCILP	1,341	-
Children's Health Insurance Program	93.767	2105MN5021	2,189	-
Medical Assistance Program (Total expenditures for Medicaid Cluster \$1,499,599)	93.778	2105MN5ADM	1,499,599	-
<b>Total U.S. Department of Health and Human Services</b>			<b>\$ 3,954,008</b>	<b>\$ -</b>
<b>U.S. Department of Homeland Security</b>				
Passed Through Minnesota Department of Natural Resources				
Boating Safety Financial Assistance	97.012	R29G70CGBLA19	\$ 6,845	\$ -
Passed Through Minnesota Department of Public Safety				
Emergency Management Performance Grants	97.042	A-EMPG-2020- GOODHUCO-027	31,008	-
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	Not Provided	19,565	-
<b>Total U.S. Department of Homeland Security</b>			<b>\$ 57,418</b>	<b>\$ -</b>
<b>U.S. Department of Treasury</b>				
Passed Through Minnesota Department of Health				
COVID-19 Coronavirus Relief Fund	21.019	STL0016	\$ 14,056	\$ -
COVID-19 Coronavirus State and Local Fiscal Recovery Funds (Total Covid-19 Coronavirus State and Local Fiscal Recovery Funds 21.027 \$103,209)	21.027	Not Provided	6,777	-
Direct				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds (Total Covid-19 Coronavirus State and Local Fiscal Recovery Funds 21.027 \$103,209)	21.027	N/A, Direct	96,432	-
<b>Total U.S. Department of Treasury</b>			<b>\$ 117,265</b>	<b>\$ -</b>
<b>Total Federal Expenditures</b>			<b>\$ 7,266,385</b>	<b>\$ -</b>



**GOODHUE COUNTY  
RED WING, MINNESOTA  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

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, 2021. 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 Uniform Guidance, for all awards with the exception of AL 21.019, which follows criteria determined by the Department of Treasury for allowability of costs. Under these principles, certain types of expenditures are not allowable or are limited as to reimbursement. Goodhue County has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

4. Reconciliation to Schedule of Intergovernmental Revenue

Federal grant revenue per Schedule of Intergovernmental Revenue	\$	6,399,748
Grants deferred in 2020, recognized as revenue in 2021		
Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances (SED)		(6,303)
Temporary Assistance for Needy Families		(68,165)
Medical Assistance Program		(1,015)
Grants received more than 60 days after year-end, deferred in 2021		
Promoting Safe and Stable Families		480
Temporary Assistance for Needy Families		91,923
Highway Planning and Construction		841,337
Child Abuse and Neglect State Grants		962
Community-Based Child Abuse Prevention Grants		4,480
Stephanie Tubbs Jones Child Welfare Services Program		1,404
Children's Health Insurance Program		1,534
		1,534
Expenditures per Schedule of Expenditures of Federal Awards	\$	<b>7,266,385</b>

## **OTHER INFORMATION SECTION**

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

	<u>2020</u>		<u>2021</u>		<u>2022</u>	
	<u>Amount</u>	<u>Net Tax Capacity Rate (%)</u>	<u>Amount</u>	<u>Net Tax Capacity Rate (%)</u>	<u>Amount</u>	<u>Net Tax Capacity Rate (%)</u>
<b>Tax Capacity</b>						
Real property	\$ 78,648,084		\$ 82,967,591		\$ 84,935,235	
Personal property	2,233,052		2,347,421		2,055,708	
Tax increment	(325,656)		(295,312)		(377,662)	
Powerline	<u>(91,957)</u>		<u>(92,395)</u>		<u>(93,253)</u>	
<b>Net Tax Capacity</b>	<b><u>\$ 80,463,523</u></b>		<b><u>\$ 84,927,305</u></b>		<b><u>\$ 86,520,028</u></b>	
<b>Taxes Levied for County Purposes</b>						
General	\$ 21,784,726	27.904	\$ 22,384,795	27.163	\$ 23,932,921	28.450
Road and Bridge	4,695,014	5.835	5,558,122	6.545	5,930,896	6.855
Health & Human Services	7,844,244	9.749	7,844,244	9.236	8,079,571	9.338
Economic Development Authority	26,943	0.033	37,753	0.044	47,254	0.055
Debt Service	2,057,066	2.558	1,512,905	1.781	1,522,517	1.76
Waste Management	<u>468,040</u>	<u>0.582</u>	<u>561,290</u>	<u>0.661</u>	<u>625,653</u>	<u>0.723</u>
<b>Total Taxes Levied for County Purposes</b>	<b><u>\$ 36,876,033</u></b>	<b><u>46.661</u></b>	<b><u>\$ 37,899,109</u></b>	<b><u>45.430</u></b>	<b><u>\$ 40,138,812</u></b>	<b><u>47.181</u></b>
<b>Tax Capacity - Light and Power</b>						
Transmission	\$ 67,116		\$ 72,142		\$ -	
Distribution	<u>9,238</u>		<u>9,922</u>		<u>533,387</u>	
<b>Total Tax Capacity - Light and Power</b>	<b><u>\$ 76,354</u></b>		<b><u>\$ 82,064</u></b>		<b><u>\$ 533,387</u></b>	
<b>Light and Power Tax Levies (distributed in accordance with Minn. Stat. 273.40, as amended)</b>						
Transmission	\$ 77,027		\$ 79,658		\$ -	
Distribution	<u>10,602</u>		<u>10,956</u>		<u>600,690</u>	
<b>Total Light and Power Tax Levies</b>	<b><u>\$ 87,629</u></b>	<b>114.767</b>	<b><u>\$ 90,614</u></b>	<b>110.419</b>	<b><u>\$ 600,690</u></b>	<b>112.618</b>

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

	2020		2021		2022	
	Amount	Net Tax Capacity Rate (%)	Amount	Net Tax Capacity Rate (%)	Amount	Net Tax Capacity Rate (%)
<b>Market Value - Light and Power</b>						
Transmission	\$ 3,393,300		\$ 3,644,600		\$ -	
Distribution	<u>461,900</u>		<u>496,100</u>		<u>26,760,900</u>	
<b>Total Market Value - Light and Power</b>	<b><u>\$ 3,855,200</u></b>		<b><u>\$ 4,140,700</u></b>		<b><u>\$ 26,760,900</u></b>	
<b>Light and Power Market Value Levies</b>						
Transmission	\$ 8,132		\$ 8,178		\$ -	
Distribution	<u>1,107</u>		<u>1,113</u>		<u>59,915</u>	
<b>Total Light and Power Tax Market Value Levies</b>	<b><u>\$ 9,239</u></b>	<b>0.23966</b>	<b><u>\$ 9,291</u></b>	<b>0.22440</b>	<b><u>\$ 59,915</u></b>	<b>0.22389</b>
<b>Tax Capacity - State General Tax</b>						
Transmission	\$ 65,616		\$ 70,642		\$ -	
Distribution	<u>9,238</u>		<u>9,922</u>		<u>529,394</u>	
<b>Total Market Value - State General Tax</b>	<b><u>\$ 74,854</u></b>		<b><u>\$ 80,564</u></b>		<b><u>\$ 529,394</u></b>	
<b>State General Tax Capacity Levies</b>						
Transmission	\$ 25,489		\$ 25,416		\$ -	
Distribution	<u>3,589</u>		<u>3,570</u>		<u>192,111</u>	
<b>Total State General Tax Market Value Levies</b>	<b><u>\$ 29,078</u></b>	<b>38.846</b>	<b><u>\$ 28,986</u></b>	<b>35.978</b>	<b><u>\$ 192,111</u></b>	<b>36.289</b>
<b>Percentage of Tax Collections for All Purposes</b>	<b>99.80%</b>		<b>99.40%</b>		<b>Not Available</b>	

**STATISTICAL SECTION  
(UNAUDITED)**

## STATISTICAL SECTION INDEX DECEMBER 31, 2021

This part of Goodhue County's annual comprehensive 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 Unit**

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

	<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>	<u>2021</u>
Governmental Activities										
Net Investment in Capital Asset	\$ 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	\$ 128,450,049
Restricted	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	11,252,347 *
Unrestricted	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	38,288,983 *
Total Primary Government Net Position	<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>	<u>\$ 177,991,379</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)**

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Expenses</b>										
Governmental Activities										
General Government	\$ 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	\$ 12,801,851
Public Safety	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	13,664,216
Highways and Streets	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	14,357,136
Sanitation	786,078	689,583	763,417	682,309	785,491	682,915	1,339,641	901,715	963,781	1,895,620
Human Services	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	11,706,899
Health	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	4,680,853
Culture and Recreation	591,272	585,585	687,744	758,214	643,907	744,733	806,522	1,501,690	1,206,060	1,038,833
Conservation of Natural Resources	691,527	685,989	707,371	742,202	718,033	772,220	722,000	676,100	811,272	989,335
Economic Development	108,427	206,740	81,032	58,793	27,672	28,365	37,736	62,997	2,739,358	974,027
Interest	219,033	322,599	200,741	532,095	559,537	499,107	531,756	476,084	435,098	401,429
Total Governmental Activities Expenses	\$ 45,667,541	\$ 53,231,285	\$ 49,604,252	\$ 58,537,846	\$ 65,095,038	\$ 60,854,113	\$ 56,871,175	\$ 66,043,492	\$ 72,647,496	\$ 62,510,199
<b>Program Revenues</b>										
Governmental Activities										
Fees, Charges, Fines and Other										
General Government	\$ 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	\$ 2,526,345
Public Safety	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	1,033,721
Highways and Streets	170,268	161,352	40,736	59,493	276,882	109,235	510,872	238,051	152,775	517,287
Sanitation	316,856	252,670	237,027	181,881	232,778	281,796	234,866	155,775	229,793	282,857
Human Services	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	1,832,672
Health	705,641	730,665	584,869	728,031	875,477	803,375	965,491	1,086,345	1,017,140	937,370
Culture and Recreation	-	-	400	-	-	-	-	-	-	-
Conservation of Natural Resources	-	19,080	102,490	111,148	105,476	108,720	98,314	117,718	115,408	142,399
Economic Development	57,835	165,505	56,061	32,439	111,986	10,783	10,783	13,232	93,868	2,321
Total Fees, Charges, Fines and Other	\$ 5,506,386	\$ 5,505,970	\$ 5,386,282	\$ 6,214,502	\$ 6,754,739	\$ 7,151,200	\$ 7,270,257	\$ 7,127,390	\$ 7,738,555	\$ 7,274,972
Operating Grants and Contributions										
General Government	\$ 376,136	\$ 224,147	\$ 236,897	\$ 162,316	\$ 248,217	\$ 261,106	\$ 407,103	\$ 366,200	\$ 1,603,382	\$ 493,657
Public Safety	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	1,269,920
Highways and Streets	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	7,470,734
Sanitation	119,603	6,121	6,669	328	515,745	139,486	132,347	136,396	139,223	144,066
Human Services	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	6,367,100
Health	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	3,030,109
Culture and Recreation	-	-	155,316	224,120	43,766	153,103	96,669	144,191	104,830	122,667
Conservation of Natural Resources	236,476	206,118	175,668	205,723	324,270	152,555	122,129	51,052	141,451	73,952
Economic Development	-	253,285	-	3,356	-	-	-	-	3,494,766	-
Total Operating Grants and Contributions	\$ 14,974,702	\$ 16,424,589	\$ 15,694,506	\$ 16,904,819	\$ 18,799,976	\$ 15,784,541	\$ 18,031,747	\$ 18,165,389	\$ 26,368,406	\$ 18,972,205



**Goodhue County  
Changes in Net Position**

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

	<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>	<u>2021</u>
Capital Grants and Contributions										
General Government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public Safety	-	-	-	-	256,250	-	-	-	-	-
Highways and Streets	571,343	433,418	4,013,215	728,382	296,771	1,309,506	1,350,171	405,749	780,491	4,216,493
Culture and Recreation	-	-	-	-	-	-	-	668,767	321,611	-
Conservation of Natural Resources	21,308	-	-	-	-	-	-	-	-	-
<b>Total Capital Grants and Contributions</b>	<b>\$ 592,651</b>	<b>\$ 433,418</b>	<b>\$ 4,013,215</b>	<b>\$ 728,382</b>	<b>\$ 553,021</b>	<b>\$ 1,309,506</b>	<b>\$ 1,350,171</b>	<b>\$ 1,074,516</b>	<b>\$ 1,102,102</b>	<b>\$ 4,216,493</b>
<b>Total Governmental Activities Program Revenues</b>	<b>\$ 21,073,739</b>	<b>\$ 22,363,977</b>	<b>\$ 25,094,003</b>	<b>\$ 23,847,703</b>	<b>\$ 26,107,736</b>	<b>\$ 24,245,247</b>	<b>\$ 26,652,175</b>	<b>\$ 26,367,295</b>	<b>\$ 35,209,063</b>	<b>\$ 30,463,670</b>
<b>Total Governmental Activities net (expense)/revenue</b>	<b>\$ (24,593,802)</b>	<b>\$ (30,867,308)</b>	<b>\$ (24,510,249)</b>	<b>\$ (34,690,143)</b>	<b>\$ (38,987,302)</b>	<b>\$ (36,608,866)</b>	<b>\$ (30,219,000)</b>	<b>\$ (39,676,197)</b>	<b>\$ (37,438,433)</b>	<b>\$ (32,046,529)</b>
<b>General Revenues and Other Change in Net Position</b>										
Property Taxes	\$ 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	\$ 37,736,730
Local Option Sales Taxes	-	-	-	-	-	-	-	3,376,562	3,510,393	4,077,054
Other Taxes	358,592	388,075	851,453	837,933	857,204	915,573	903,798	990,222	1,002,800	1,074,940
Grants and Contributions	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	2,403,351
Unrestricted Investment Earnings	214,448	225,946	144,985	177,993	235,490	162,724	373,231	1,796,320	1,106,192	440,153
Miscellaneous	529,607	387,739	277,107	600,805	529,876	559,808	606,187	632,955	550,435	393,081
Gain on Sale of Capital Assets	5,067	10,346	62,474	13,940	-	6,638	32,451	104,860	254,567	64,093
<b>Total Governmental Activities</b>	<b>\$ 29,567,213</b>	<b>\$ 29,752,050</b>	<b>\$ 30,782,934</b>	<b>\$ 31,636,696</b>	<b>\$ 32,897,009</b>	<b>\$ 34,552,889</b>	<b>\$ 37,189,535</b>	<b>\$ 44,912,722</b>	<b>\$ 45,363,746</b>	<b>\$ 46,189,402</b>
<b>Change in Net Position, Governmental Activities</b>	<b>\$ 4,973,411</b>	<b>\$ (1,115,258)</b>	<b>\$ 6,272,685</b>	<b>\$ (3,053,447)</b>	<b>\$ (6,090,293)</b>	<b>\$ (2,055,977)</b>	<b>\$ 6,970,535</b>	<b>\$ 5,236,525</b>	<b>\$ 7,925,313</b>	<b>\$ 14,142,873</b>

**Goodhue County**  
**Fund Balances of Governmental Funds**

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

	<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>	<u>2021</u>
<b>General Fund</b>										
Nonspendable	\$ 207,231	\$ 288,273	\$ 248,047	\$ 337,477	\$ 349,935	\$ 429,636	\$ 241,676	\$ 284,232	\$ 258,520	\$ 415,331
Restricted	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	2,217,512
Committed	6,208,186	4,835,089	3,168,676	3,958,913	4,765,685	2,382,839	5,451,214	3,286,673	-	3,931,952
Assigned	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	4,337,908
Unassigned	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	17,633,142
<b>Total General Fund</b>	<b>\$ 20,235,566</b>	<b>\$ 18,992,875</b>	<b>\$ 17,927,618</b>	<b>\$ 22,482,586</b>	<b>\$ 20,032,773</b>	<b>\$ 20,698,732</b>	<b>\$ 21,662,100</b>	<b>\$ 22,301,322</b>	<b>\$ 27,161,222</b>	<b>\$ 28,535,845</b>
<b>All Other Governmental Funds</b>										
Nonspendable, Reported in:										
Road and Bridge Fund	\$ 446,647	\$ 379,376	\$ 567,003	\$ 474,952	\$ 466,525	\$ 534,893	\$ 487,508	\$ 423,975	\$ 720,756	\$ 542,534
Health and Human Services Fund	10,355	115,858	120,694	129,839	113,053	159,254	33,723	32,547	41,218	51,572
Economic Development Authority Fund	391,318	-	-	-	-	-	-	-	-	-
Debt Service Fund	-	-	-	456	456	-	-	-	1,850	1,850
Waste Management Fund	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	494,535
Economic Development Authority Fund	98,219	610,992	607,797	604,283	604,283	604,283	546,963	546,963	533,200	546,963
Debt Service Fund	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	3,139,892 *
Waste Management Fund	219,667	218,395	218,722	219,051	219,380	219,708	220,039	220,369	220,700	223,307
Committed, Reported in:										
Road and Bridge Fund	1,440,195	1,417,128	405,585	357,189	495,437	493,029	440,613	604,404	-	818,316
Health and Human Services Fund	446,679	259,179	259,179	150,550	150,550	150,550	150,550	150,550	-	148,715
Economic Development Authority Fund	45,419	46,908	52,663	49,616	163,892	182,615	242,173	259,548	-	209,389
Debt Service Fund	-	-	-	-	-	-	-	-	-	- *
Waste Management Fund	69,175	35,075	35,075	35,075	35,075	35,075	35,075	35,075	-	35,075
Assigned, Reported in:										
Road and Bridge Fund	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	14,048,548
Health and Human Services Fund	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	13,781,194
Economic Development Authority Fund	-	-	-	-	-	-	-	-	237,795	-
Debt Service Fund	-	400,556	-	-	-	-	-	-	-	-
Waste Management Fund	234,446	138,280	77,807	-	471,889	557,078	587,447	518,522	577,093	608,596
Unassigned, Reported in:										
Ditch Fund	-	-	-	-	-	-	-	-	-	(287,426)
Waste Management Fund	-	-	-	(74,818)	-	-	-	-	-	-
<b>Total All Other Governmental Funds</b>	<b>\$ 19,755,144</b>	<b>\$ 15,603,403</b>	<b>\$ 18,938,989</b>	<b>\$ 17,843,860</b>	<b>\$ 18,715,940</b>	<b>\$ 19,205,638</b>	<b>\$ 20,560,475</b>	<b>\$ 26,930,889</b>	<b>\$ 32,800,260</b>	<b>\$ 34,363,060</b>

\* 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>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>	<u>2021</u>
<b>Revenues</b>										
Taxes	\$ 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	\$ 42,507,368
Special Assessments	24,883	6,344	26,588	18,134	19,038	7,180	4,940	16,272	293,063	231,197
Licenses and Permits	269,000	315,224	320,917	414,210	477,089	585,254	520,900	518,659	667,901	687,221
Intergovernmental	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	23,696,944
Charges for Services	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	4,571,454
Fines and Forfeits	20,390	16,573	14,643	15,927	12,512	12,177	13,010	11,594	9,810	10,142
Gifts and Contributions	60,553	33,143	43,698	33,251	89,924	113,720	39,478	42,192	65,914	39,527
Investment Earnings	210,509	221,845	144,502	178,686	236,131	162,950	373,773	1,797,613	1,107,535	448,451
Miscellaneous	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	2,357,339
<b>Total Revenues</b>	<b>\$ 51,567,970</b>	<b>\$ 52,096,501</b>	<b>\$ 56,179,774</b>	<b>\$ 52,623,821</b>	<b>\$ 58,692,315</b>	<b>\$ 59,431,735</b>	<b>\$ 62,238,857</b>	<b>\$ 69,260,224</b>	<b>\$ 83,669,312</b>	<b>\$ 74,549,643</b>
<b>Expenditures</b>										
General Government	\$ 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	\$ 12,174,675
General Government - COVID-19	-	-	-	-	-	-	-	-	-	96,432
Public Safety	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	13,821,272
Highways and Streets	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	19,604,250
Sanitation	853,499	706,612	857,695	689,903	735,911	688,106	721,532	775,618	821,243	928,321
Human Services	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	13,123,281
Health	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	4,439,291
Culture and Recreation	582,402	854,195	684,037	754,507	640,200	753,926	864,826	1,497,983	1,202,353	1,105,280
Conservation of Natural Resources	689,545	685,756	706,960	736,978	711,804	770,632	719,155	678,434	798,492	984,429
Economic Development	108,427	206,740	81,032	58,793	27,672	28,365	37,736	62,997	2,739,358	974,027
Capital Outlay										
General government	-	-	-	-	-	-	-	485,123	1,125,383	241,631 (1)
General government - COVID-19	-	-	-	-	-	-	-	-	515,900	256,742 (1)
Public safety	-	-	-	-	-	-	-	527,434	787,941	887,098 (1)
Highways and streets	-	-	-	-	-	-	-	1,333,392	819,757	511,317 (1)
Sanitation	-	-	-	-	-	-	-	-	98,273	47,150 (1)
Debt Service										
Principal	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	1,370,000
Interest/Other	246,583	204,498	225,868	245,706	673,220	536,953	570,064	514,817	474,242	441,913
Intergovernmental Highways and Streets	451,603	407,913	421,804	446,646	462,724	464,177	542,701	538,457	560,839	515,859
<b>Total Expenditures</b>	<b>\$ 52,396,916</b>	<b>\$ 57,400,452</b>	<b>\$ 62,121,308</b>	<b>\$ 59,982,134</b>	<b>\$ 60,275,929</b>	<b>\$ 58,368,880</b>	<b>\$ 59,972,205</b>	<b>\$ 62,713,355</b>	<b>\$ 73,316,632</b>	<b>\$ 71,522,968</b>
<b>Excess of Revenues Over/(Under) Expenditures</b>	<b>\$ (828,946)</b>	<b>\$ (5,303,951)</b>	<b>\$ (5,941,534)</b>	<b>\$ (7,358,313)</b>	<b>\$ (1,583,614)</b>	<b>\$ 1,062,855</b>	<b>\$ 2,266,652</b>	<b>\$ 6,546,869</b>	<b>\$ 10,352,680</b>	<b>\$ 3,026,675</b>

(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>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>	<u>2021</u>
<b>Other Financing Sources/(Uses)</b>										
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	5,067	10,346	62,474	13,940	19,389	25,914	60,748	57,239	76,782	92,073
<b>Total Other Financing Sources/(Uses)</b>	<b>\$ 6,328,968</b>	<b>\$ 10,346</b>	<b>\$ 8,018,080</b>	<b>\$ 10,910,447</b>	<b>\$ 19,389</b>	<b>\$ 25,914</b>	<b>\$ 60,748</b>	<b>\$ 57,239</b>	<b>\$ 76,782</b>	<b>\$ 92,073</b>
Increase/(Decrease) in Inventories	(23,162)	(100,827)	193,783	(92,295)	(13,508)	66,888	(9,195)	(67,066)	299,809	(181,325)
<b>Net Change in Fund Balances</b>	<b>\$ 5,476,860</b>	<b>\$ (5,394,432)</b>	<b>\$ 2,270,329</b>	<b>\$ 3,459,839</b>	<b>\$ (1,577,733)</b>	<b>\$ 1,155,657</b>	<b>\$ 2,318,205</b>	<b>\$ 6,537,042</b>	<b>\$ 10,729,271</b>	<b>\$ 2,937,423</b>
<b>Debt Service as a Percentage of Noncapital Expenditures</b>	4.88%	5.21%	4.90%	4.21%	3.95%	3.51%	3.84%	3.15%	2.68%	3.14%

**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				
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%
2021	20,133,909	34,902,670	9,780,104	224,020	17,926,888	2,347,421	(295,312)	(92,395)	84,927,305	7,999,077,900	7,723,734,100	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
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
2021	43.649	1.781	45.430	31.094	23.530	0.930

**Tax Year 2021**

Number of taxing districts	31	12	5
Minimum levy rate	10.295	10.476	0.734
Maximum levy rate	84.914	45.999	1.244

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**

**2021 Tax Capacity Value**

<b>Taxpayer</b>	<b>Type of Business</b>	<b>Rank</b>	<b>Estimated Market Value</b>	<b>2021 Tax Capacity Value</b>	<b>Percentage of Total Tax Capacity Value</b>
Northern States Power Company	Utilities	1	\$ 961,469,100	\$ 19,218,188	22.63%
S MN Municipal Power Agency	Utilities	2	17,456,000	348,370	0.41%
Red Wing Shoe Co Inc	Commercial	3	11,521,200	223,381	0.26%
SOO Line Railroad Company	RR/Commercial	4	10,527,300	209,796	0.25%
Mayo Clinic Health System-RW	Commercial	5	10,184,000	196,354	0.23%
MN Energy Resources Corp	Utilities	6	9,653,500	192,304	0.23%
Wal-Mart Stores Inc	Commercial	7	9,201,600	183,282	0.22%
Menards Inc	Commercial	8	8,922,800	173,416	0.20%
Dairyland Power Cooperative	Utilities	9	8,537,800	170,006	0.20%
Syngenta Crop Protection	Agricultural	10	9,745,700	164,519	0.19%
<b>TOTALS</b>			<b>\$ 1,057,219,000</b>	<b>\$ 21,079,616</b>	<b>24.82%</b>

**Total Tax Capacity Value**

**\$ 84,927,305**

**2012 Tax Capacity Value**

<b>Taxpayer</b>	<b>Type of Business</b>	<b>Rank</b>	<b>Estimated Market Value</b>	<b>2012 Tax Capacity Value</b>	<b>Percentage of Total Tax Capacity Value</b>
Northern States Power Company	Utilities	1	\$ 450,951,400	\$ 9,011,907	15.96%
Wal-Mart Stores Inc	Commercial	2	10,791,700	215,084	0.38%
Mayo Clinic Health System-RW	Commercial	3	9,486,300	184,241	0.33%
Red Wing Shoe Co Inc	Commercial	4	9,154,500	179,618	0.32%
Inland American Zumbrota Atlas	Industrial	5	8,466,700	168,584	0.30%
Target Corporation	Commercial	6	7,828,100	155,812	0.28%
Menards Inc	Commercial	7	7,845,200	152,702	0.27%
M&E Realty Co	Commercial	8	6,549,200	128,734	0.23%
Norwood Promotional Products	Commercial	9	5,743,300	114,116	0.20%
MN Energy Resources Corp	Utilities	10	5,444,900	108,148	0.19%
<b>TOTALS</b>			<b>\$ 522,261,300</b>	<b>\$ 10,418,946</b>	<b>18.46%</b>

**Total Tax Capacity Value**

**\$ 56,470,812**

Source: Goodhue County Finance & Taxpayer Services

**GOODHUE COUNTY  
RED WING, MINNESOTA**

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

<b>Fiscal Year Ended December 31</b>	<b>Total Tax Levy for Fiscal Year</b>	<b>State Paid Credits</b>	<b>Adjustments</b>	<b>Adjusted Tax Levy</b>	<b>Collection within the Fiscal Year of the Levy</b>		<b>Collections in Subsequent Years (1)</b>	<b>Total Collections to Date</b>	
					<b>Amount (1)</b>	<b>Percentage of Levy</b>		<b>Amount (1)</b>	<b>Percentage of Levy</b>
2012	\$ 26,686,983	\$ (305,169)	\$ (49,390)	\$ 26,332,424	\$ 26,078,308	97.7%	\$ 251,135	\$ 26,329,443	99.8%
2013	26,936,278	(305,174)	(26,091)	26,605,013	26,376,609	97.9%	225,467	26,602,076	99.9%
2014	27,400,403	(304,416)	(22,449)	27,073,538	26,838,856	98.0%	229,668	27,068,524	99.9%
2015	28,014,237	(496,750)	(28,535)	27,488,952	27,249,428	97.3%	233,819	27,483,247	99.9%
2016	28,952,740	(486,357)	(34,373)	28,432,010	28,221,384	97.5%	206,747	28,428,131	99.9%
2017	31,004,828	(500,448)	(49,079)	30,455,301	30,295,709	97.7%	155,960	30,451,669	99.8%
2018	33,045,385	(504,435)	(54,465)	32,486,485	32,291,225	97.7%	184,710	32,475,935	99.8%
2019	36,007,625	(507,671)	(31,898)	35,468,056	35,207,301	97.8%	233,100	35,440,401	99.8%
2020	36,921,056	(510,999)	(17,340)	36,392,717	36,162,600	97.9%	180,484	36,343,084	99.8%
2021	37,940,340	(516,979)	(21,065)	37,402,296	37,188,097	98.0%	-	37,188,097	99.4%

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					
2012	\$ 9,806,600	\$ 639,779	\$ 185,987	\$ 10,632,366	\$2,075,490,000	1%	46,148	\$ 230
2013	8,188,073	-	163,387	8,351,460	2,054,709,000	0%	46,110	181
2014	14,285,521	-	138,099	14,423,620	2,175,192,000	1%	46,003	314
2015	23,465,035	-	112,688	23,577,723	2,253,642,000	1%	46,033	512
2016	22,078,481	-	87,153	22,165,634	2,222,740,000	1%	46,240	479
2017	20,769,319	-	61,492	20,830,811	2,300,472,000	1%	46,304	450
2018	19,440,158	-	-	19,440,158	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	2,700,473,000	1%	46,318	361
2021	15,312,675	-	-	15,312,675	n/a	n/a	n/a	n/a

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

n/a = not available

GO special assessments: Welch Sewer, Welch Village

**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
2012	\$ 9,806,600	\$ 639,779	\$ 10,446,379	n/a	\$ 10,446,379	\$ 5,681,089,000	0.18%	46,148	226.37
2013	8,188,073	-	8,188,073	n/a	8,188,073	5,862,563,400	0.14%	46,110	177.58
2014	14,285,521	-	14,285,521	99,615	14,185,906	6,361,821,100	0.22%	46,003	308.37
2015	23,465,035	-	23,465,035	199,230	23,265,805	6,577,103,200	0.35%	46,033	505.42
2016	22,078,481	-	22,078,481	298,845	21,779,636	6,733,599,100	0.32%	46,240	471.01
2017	20,769,319	-	20,769,319	398,460	20,370,859	6,938,736,400	0.29%	46,304	439.94
2018	19,440,158	-	19,440,158	498,075	18,942,083	7,194,510,600	0.26%	46,403	408.21
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%	46,318	345.75
2021	15,312,675	-	15,312,675	796,920	14,515,755	7,999,077,900	0.18%	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, 2021**

	Net G.O. Debt Outstanding	Applicable to Goodhue County	
		Percent (1)	Amount
<b>Cities</b>			
City of Bellechester	\$ 138,000	81.61%	\$ 112,622
City of Cannon Falls	9,453,909	100.00%	9,453,909
City of Dennison	478,000	89.67%	428,623
City of Goodhue	2,998,000	100.00%	2,998,000
City of Kenyon	9,062,082	100.00%	9,062,082
City of Lake City	3,526,000	21.91%	772,547
City of Pine Island	13,154,000	72.36%	9,518,234
City of Red Wing	37,103,000	100.00%	37,103,000
City of Wanamingo	5,321,000	100.00%	5,321,000
City of Zumbrota	3,430,000	100.00%	3,430,000
Total Cities	84,663,991		78,200,017
<b>Independent School Districts</b>			
No. 195	10,525,000	12.45%	1,310,363
No. 200	71,887,524	0.09%	64,699
No. 252	19,000,000	95.20%	18,088,000
No. 253	26,870,000	95.21%	25,582,927
No. 255	73,690,000	45.00%	33,160,500
No. 256	19,530,000	100.00%	19,530,000
No. 656	13,406,223	0.04%	5,362
No. 659	51,015,000	0.91%	464,237
No. 813	25,327,851	27.03%	6,846,118
No. 2125	8,750,000	0.95%	83,125
No. 2172	18,180,000	90.08%	16,376,544
No. 2805	47,920,000	72.78%	34,876,176
Total Independent School Districts	386,101,598		156,388,051
<b>Special Taxing Districts</b>			
Red Wing HRA	225,000	100.00%	225,000
SEMMCHRA	3,775,937	100.00%	3,775,937
Total Special Taxing Districts	4,000,937		4,000,937
Goodhue County	15,312,675	100.00%	15,312,675
<b>Total</b>	<b>\$ 490,079,201</b>		<b>\$ 253,901,680</b>

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**

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Market Valuation of Taxable Property	\$ 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	\$ 7,999,077,900
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	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	239,972,337
Amount of Debt applicable to Debt Limit										
General Obligation Debt	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	15,312,675
Less: Amount Available in Debt Service Funds	-	-	99,615	199,230	298,845	398,460	498,075	597,692	697,308	796,920
Total Debt Applicable to Limit	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	14,515,755
Legal Debt Margin	\$ 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	\$ 225,456,582
Percent of Legal Debt Incurred	6.13%	4.66%	7.49%	11.89%	10.93%	9.98%	9.01%	8.01%	7.31%	6.38%

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)
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	46,318	2,700,473,000	58,303	5.4%
2021	n/a	n/a	n/a	3.4%

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**

<b>Industry</b>	2021		2012	
	Annual Average	Percentage of Total County Employment	Annual Average	Percentage of Total County Employment
Natural resources and mining	356	1.8%	339	1.6%
Construction	810	4.0%	675	3.1%
Manufacturing	4,415	21.8%	3,887	18.1%
Trade, transportation and utilities				
Utilities	717		862	
Wholesale trade	793		647	
Retail trade	2,081		2,405	
Transportation and warehousing	564		666	
	4,155	20.5%	4,580	21.3%
Information	88	0.4%	228	1.1%
Financial activities	472	2.3%	636	3.0%
Professional and business services				
Professional, scientific and technical services	389		396	
Management of companies and enterprises	126		308	
Administrative and waste management services	489		650	
	1,004	4.9%	1,354	6.3%
Education and health services	4,196	20.7%	4,564	21.3%
Leisure and hospitality	3,030	14.9%	3,244	15.1%
Other services	551	2.7%	781	3.6%
Public administration				
Executive, Legislative, other general government	945		940	
Justice, Public Order, Safety	221		190	
Environmental Quality	19		12	
Housing and Economic Development	24		27	
	1,209	6.0%	1,169	6.4%
Total Employment	20,286	100.0%	21,457	100.0%

Source: Minnesota Department of Economic Development, Labor Market Information

**GOODHUE COUNTY  
RED WING, MINNESOTA**

**FULL TIME EQUIVALENT EMPLOYEES BY DEPARTMENT**

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>General Fund</b>										
Commissioners	5	5	5	5	5	5	6	5	5	5
Administration	3	3	3	3	3	3	3	3	3	3
Auditor/Treasurer	6	6	6	6	5	5	8	6	6	7
Assessor	10	12	11	9	11	11	15	10	11	9
Human Resources	3	4	4	3	3	4	4	4	4	4
Information Technology	6	6	6	6	6	6	6	5	6	4
Attorney	13	14	14	15	15	15	15	15	15	16
Recorder	6	5	5	4	4	4	4	4	4	4
Surveyor	3	3	3	3	4	4	4	4	4	4
GIS	2	2	2	3	3	2	4	3	3	3
Facility Maintenance	8	8	8	8	8	9	9	9	8	9
Veterans Service	2	2	2	2	2	2	2	2	2	1
Zoning	10	11	11	9	10	11	12	11	11	10
Sheriff	105	106	44	43	43	47	46	46	49	48
Boat & Water	-	-	1	1	2	2	3	2	1	2
Jail Operations	-	-	47	42	44	47	45	48	36	38
Dispatch	-	-	12	12	12	12	12	12	12	10
Court Services	13	13	12	12	12	11	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
<b>Total General Fund</b>	<b>197</b>	<b>202</b>	<b>198</b>	<b>188</b>	<b>194</b>	<b>202</b>	<b>211</b>	<b>202</b>	<b>193</b>	<b>190</b>
<b>Road and Bridge Fund</b>										
Public Works	29	32	-	-	-	-	-	-	-	-
Public Works Maintenance	-	-	18	16	18	18	17	17	18	18
Public Works Construction	-	-	6	5	5	6	6	6	5	5
Public Works Administration	-	-	3	3	3	3	3	3	3	3
Public Works Equipment Maintenance	-	-	2	1	1	1	1	1	1	1
<b>Health and Human Services Fund</b>										
Income Maintenance	37	39	39	39	41	45	42	47	47	48
Social Services	26	25	22	24	24	26	26	28	29	31
LTCC/Waiver Mngmnt	10	7	10	12	15	14	16	15	15	17
Health Education	5	7	9	8	7	7	7	11	10	12
Office Administration	3	3	3	3	3	3	3	3	2	1
<b>Waste Management Fund</b>										
Waste/Water Management	6	5	1	1	1	1	1	1	1	1
Recycling Center	-	-	4	3	4	4	4	3	5	5
<b>Total Employees</b>	<b>313</b>	<b>320</b>	<b>315</b>	<b>303</b>	<b>316</b>	<b>330</b>	<b>337</b>	<b>337</b>	<b>329</b>	<b>332</b>
<b>Population (1)</b>	<b>46,148</b>	<b>46,110</b>	<b>46,003</b>	<b>46,033</b>	<b>46,240</b>	<b>46,304</b>	<b>46,403</b>	<b>46,340</b>	<b>46,318</b>	<b>n/a</b>
<b>Number of FTE's per 1,000 Population</b>	<b>6.78</b>	<b>6.94</b>	<b>6.85</b>	<b>6.58</b>	<b>6.83</b>	<b>7.13</b>	<b>7.26</b>	<b>7.27</b>	<b>7.10</b>	<b>n/a</b>

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	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>General Government</b>										
Number of parcels in county	30,433	30,433	30,471	30,438	30,490	30,571	30,604	30,617	30,652	30,735
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	11,020	10,789	8,268	9,010	9,131	9,129	8,457	9,002	10,836	12,054
<b>Public Works</b>										
Road miles maintained	400.14	400.14	400.14	400.14	400.14	400.14	400.14	400.14	400.14	401.57
Maintenance cost per mile	\$ 7,729	\$ 8,346	\$ 9,115	\$ 8,498	\$ 10,045	\$ 10,264	\$ 11,410	\$ 12,948	\$ 11,595	\$ 12,312
<b>Public Safety</b>										
Calls for service	13,977	13,416	13,140	14,069	14,277	13,903	13,127	13,324	12,245	12,683
Average daily population - detention	77	59	95	124	126	124	103	98	71	52
<b>Health &amp; Human Services</b>										
Average monthly WIC participants	792	706	749	765	697	676	619	623	602	625
Average monthly food support households	1,342	1,391	1,273	1,032	1,006	1,117	1,092	1,002	1,092	1,145

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**

	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
<b>Governmental activities:</b>										
<b>Municipal Buildings</b>	12	12	12	12	12	12	12	12	12	12
<b>Public Safety</b>										
Patrol vehicles	41	41	39	39	38	44	49	46	49	51
<b>Public Works</b>										
Road miles	400.14	400.14	400.14	400.14	400.14	400.14	400.14	400.14	400.14	401.57
Snowplows	13	12	13	14	14	14	12	10	9	9

Source: Goodhue County Finance & Taxpayer Services