



GOODHUE COUNTY
RED WING, MINNESOTA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

YEAR ENDED DECEMBER 31, 2023



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

YEAR ENDED DECEMBER 31, 2023
ISSUED JUNE 20, 2024

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RED WING, MINNESOTA
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INTRODUCTORY SECTION



June 20, 2024

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

Subject: 2023 Annual Comprehensive Financial Report

This Annual Comprehensive Financial Report of Goodhue County is hereby submitted for the fiscal year ended December 31, 2023. 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 2023. 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. The EDA's board consists of the County Board of Commissioners and two members from other county-based economic development organizations.

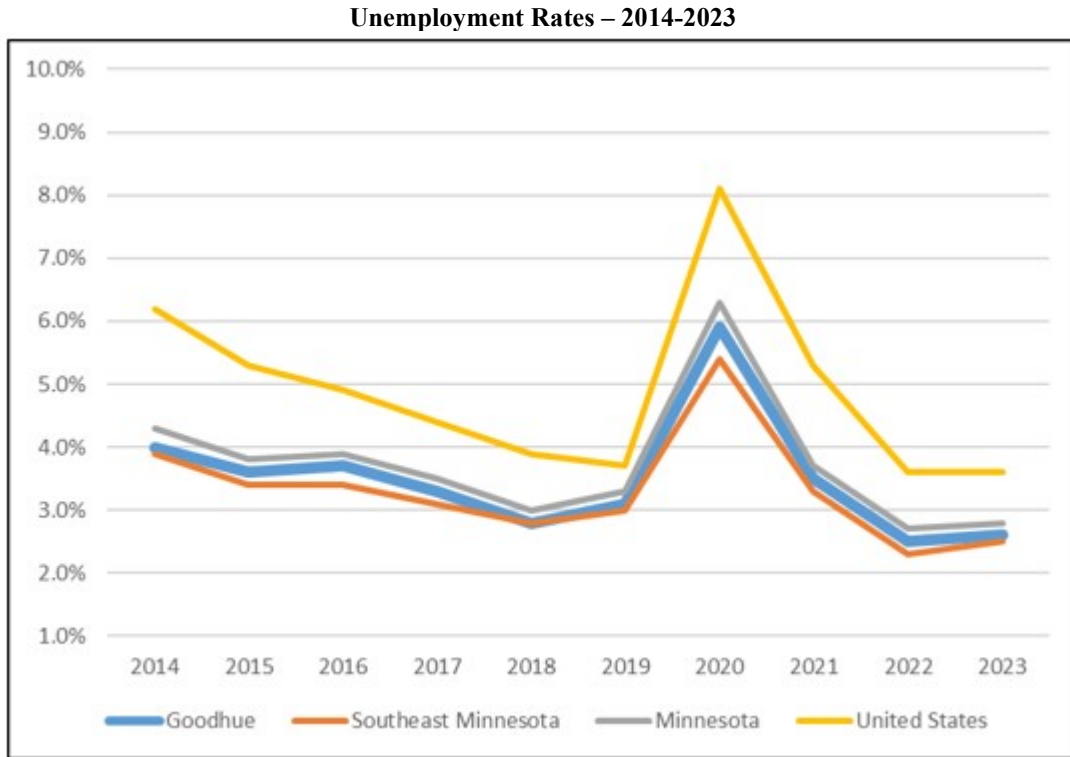
Goodhue County provides a full range of services, including public safety (sheriff's department and county detention center), court and probation services, tax assessment and collection, infrastructure (roads and bridges) maintenance and construction, public records management, land use and zoning and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

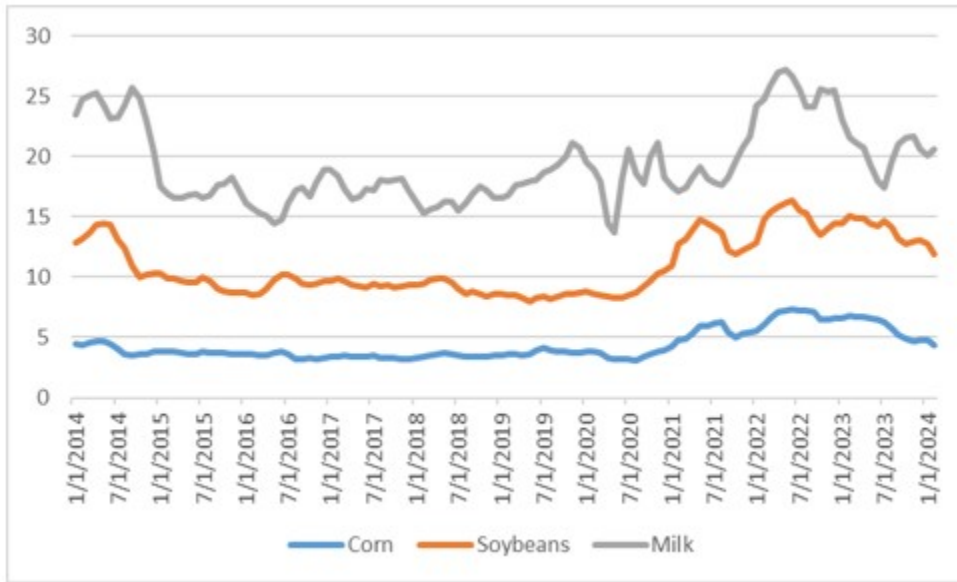
Goodhue County is located within one hour of the three largest cities in Minnesota: Minneapolis, St. Paul, and Rochester. The State of Minnesota currently has a strong economy and as a result has a projected \$3.7 billion surplus for the 2024-25 biennium. County residents work primarily within the southeastern Minnesota region, either in the County or neighboring Dakota and Olmsted Counties. Unemployment remained relatively unchanged in 2023 after two years of decreases following the spike in 2020 caused by the COVID-19 pandemic. Levels in Goodhue County as well as the southeast region remain well below nation-wide levels and has remained stable during the first part of 2024.



The cost of living in Goodhue County for an average family is 13.9% lower than Minnesota state-wide, 21.9% lower than Dakota County and 2.6% lower than Olmstead County. The County’s population remains stable, growing 4.0% from 2010-2023.

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 15.5% for the tax payable year 2024, total value is 33.1% higher than in 2014, and has increased 29.1% since 2019. As shown in the following graph, prices for corn and soybeans have decreased since 2023, but remain elevated as compared to 2020. Milk prices have been more volatile and are currently near the midpoint of the data presented.

Select Agricultural Product Prices January 2014 – March 2024



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 are amended and 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 capital assets, fund balance, debt, and investments. The most important of these policies 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 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. Collections on this tax have been robust and receipts climbed to \$4.5 million in 2023 from \$4.4 million in 2022. 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, SEMMCHRA has specifically levied \$100,000 annually to be set aside in the Goodhue County Trust Fund. For taxes payable in 2024, the amount levied and set aside in the Goodhue County Trust Fund increased to \$300,000. These funds, along with similar funds provided by other government agencies, will be used to address housing needs within the County, particularly work-force affordable housing and other multi-family housing developments.

State and Local Fiscal Recovery Funds – The County received \$9.0 million from the American Rescue Plan as a result of the COVID-19 Pandemic. The entire balance of the proceeds has been spent on employee salaries through 2023. Additionally, the County Board allocated \$2.5 million related to transferring the Bench Street landfill to the State of Minnesota via the closed landfill program. This project was completed during 2022. \$2.4 million has been allocated for capital improvements, most of which are related to the boiler replacement in the Law Enforcement Center and the HVAC replacement in the Government Center. Other allocations include \$1.7 million for broadband improvements throughout the County, \$1.2 million for various programs offered by the Health and Human Services Department, \$0.3 million for IT security upgrades and technology modernization efforts, and \$0.9 million for certain salaries, contingencies, and other projects.

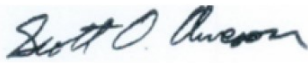
Awards/acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Goodhue County for its annual comprehensive financial report for the fiscal year ended December 31, 2022. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized annual comprehensive financial report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

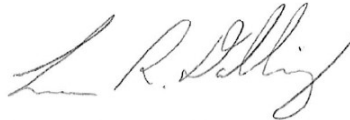
A Certificate of Achievement is valid for a period of one year only. Goodhue County has received a Certificate of Achievement for the last four consecutive years (fiscal years 2019-2022). We believe this current report continues to meet the Certificate of Achievement program requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

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 members of the County Board of Commissioners for their interest and support in planning and conducting the financial activities of the County in a responsible manner; the County's strong financial position is a direct result of that involvement.

Respectfully submitted,

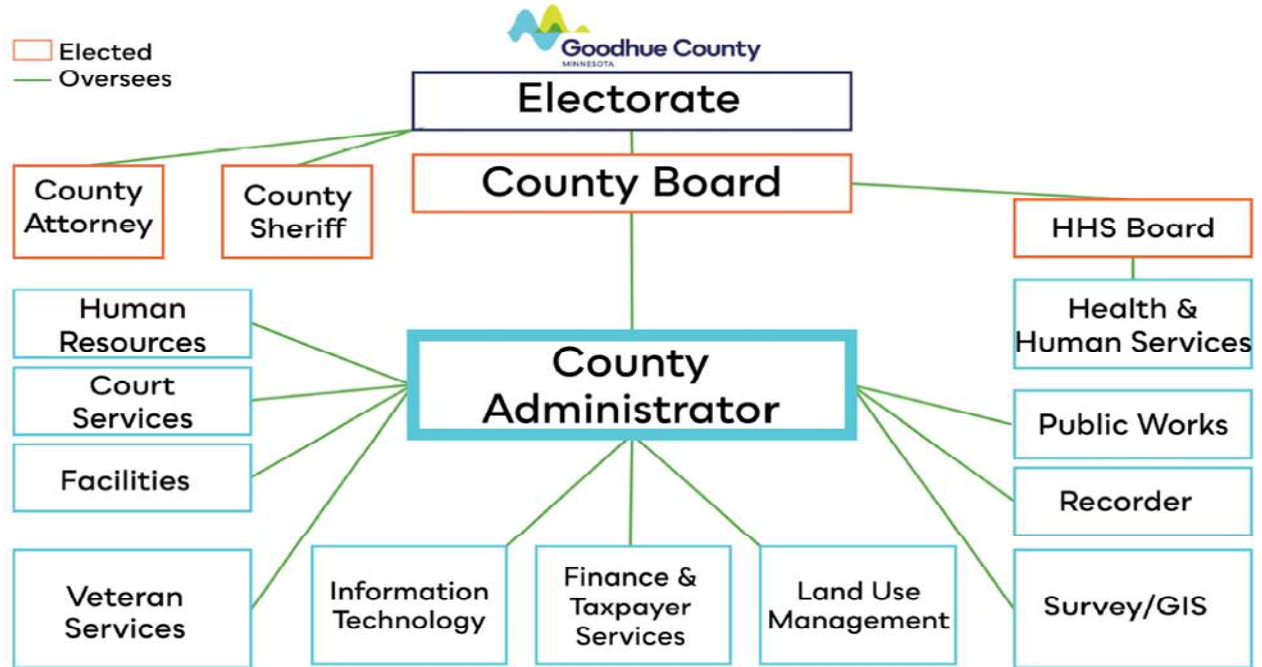


Scott O. Arneson
County Administrator



Lucas R. Dahling
Finance Director

2023 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, 2022

Christopher P. Morill

Executive Director/CEO

**GOODHUE COUNTY
RED WING, MINNESOTA
ELECTED AND APPOINTED OFFICIALS
2023**

			Term Expires
Elected Officers			
Commissioners			
Chair	Linda Flanders	District 1	January 2025
Vice Chair	Todd Greseth	District 3	January 2025
Board Member	Brad Anderson	District 2	January 2027
Board Member	Jason Majerus	District 4	January 2027
Board Member	Susan Betcher	District 5	January 2025
Attorney	Stephen O'Keefe		January 2027
County Sheriff	Marty Kelly		January 2027
 Appointed Officials			
Administrator	Scott Arneson		Indefinite
Court Services	Rhonda VanSchoonhoven		Indefinite
Facilities Maintenance	Tim Redepenning		Indefinite
Finance Director	Brian Anderson		Indefinite
Health and Human Services	Nina Arneson		Indefinite
Information Technology	John Smith		Indefinite
Land Use Management/Recorder	Lisa Hanni		Indefinite
Public Works	Jess Greenwood		May 2027
Veterans Service Officer	Justin Kent		September 2026



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, 2023, 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, 2023, 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.

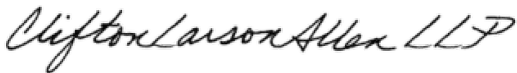
Other Information

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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 20, 2024, 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

Brainerd, Minnesota
June 20, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

**GOODHUE COUNTY
RED WING, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023**

Goodhue County offers readers this narrative overview and analysis of the financial activities for the County for the fiscal year ended December 31, 2023. 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 \$215,783,940 on a government-wide basis as of December 31, 2023. Of this amount, \$60,724,674 may be used to meet the County's ongoing obligations to its citizens and creditors.
- The County's net position increased by \$21,240,732, or 10.9% over the previous year net position.
- As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$79,430,971, an increase of \$8,042,095, or 11.3% as compared to the prior year. Of this total, \$18,346,288 (23.1%) is unassigned and is available for use at the County's discretion. The remaining \$61,084,683 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, Road and Bridge special revenue fund, Health and Human Services special revenue fund, Economic Development Authority special revenue fund, Debt Service fund, and Waste Management special revenue fund. The largest increases were in the General fund (\$4,440,494, 13.6%) and the Health and Human Services fund (\$2,117,660, 11.8%). The increase in the General fund was due to an increase in the property tax levy and an increase in investment earnings. The increase in the Health and Human Services special revenue fund was due primarily to increased grant funding.
- At the end of 2023, the unassigned fund balance of the general fund was \$18,626,983, or 50.1% 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, 2023**

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to Goodhue County's basic financial statements, which are comprised of four components: 1) government-wide financial statements, 2) individual fund financial statements, 3) fiduciary fund financial statements, and 4) notes to the financial statements. Readers should review this section in conjunction with the letter of transmittal at the beginning of this report and the basic financial statements and notes immediately following.

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

	Government-Wide Statements	Governmental Funds	Fiduciary Funds
Scope	All county funds (in total), except fiduciary	All county funds (shown by fund), except fiduciary	Activities for which the County is an agent for 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, 2023**

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, 2023**

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, 2023, the assets and deferred outflows of the County exceeded its liabilities and deferred inflows by \$215,783,940. 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, 2023**

	Governmental Activities		
	2023	2022	\$ Change
Assets			
Current and other assets	\$ 109,653,778	\$ 99,804,797	\$ 9,848,981
Capital assets (net)	151,762,224	142,941,277	8,820,947
Total Assets	\$ 261,416,002	\$ 242,746,074	\$ 18,669,928
Deferred Outflows of Resources	\$ 13,414,196	\$ 18,453,283	\$ (5,039,087)
Liabilities			
Long-term liabilities	\$ 39,419,113	\$ 57,501,113	\$ (18,082,000)
Other liabilities	4,577,246	7,972,204	(3,394,958)
Total Liabilities	\$ 43,996,359	\$ 65,473,317	\$ (21,476,958)
Deferred Inflows of Resources	\$ 15,049,899	\$ 1,182,832	\$ 13,867,067
Net Position			
Net investment in capital assets	\$ 138,773,273	\$ 128,702,041	\$ 10,071,232
Restricted	16,285,993	15,288,484	997,509
Unrestricted	60,724,674	50,552,683	10,171,991
Total Net Position	\$ 215,783,940	\$ 194,543,208	\$ 21,240,732

The largest portion of Goodhue County's net position, \$138,773,273, or 64.3%, reflects its investment in capital assets (land, buildings, equipment, vehicles, road/bridge infrastructure, right-to-use-assets, subscription-based information technology arrangements) 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 \$16,285,993, or 7.5% of the County's net position represents resources subject to external restrictions on how they may be used. The remaining balance of \$60,724,674, or 28.1%, 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 \$21,240,732 over 2022. Investment in capital assets increased by \$10.1 million (7.8%) due primarily to construction in progress additions offset by depreciation expense on all capital items. Restricted net position increased by \$997.5 thousand, or 6.5% due primarily to timing of recording of state funds for construction and completion of related construction projects. Unrestricted net position increased by \$10.2 million (20.1%). \$6.3 million of this increase was due to the capital surplus from investment in joint venture; property tax revenues also increased by \$1.9 million due to valuation and tax rate increases.

**GOODHUE COUNTY
RED WING, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023**

Statement of Activities

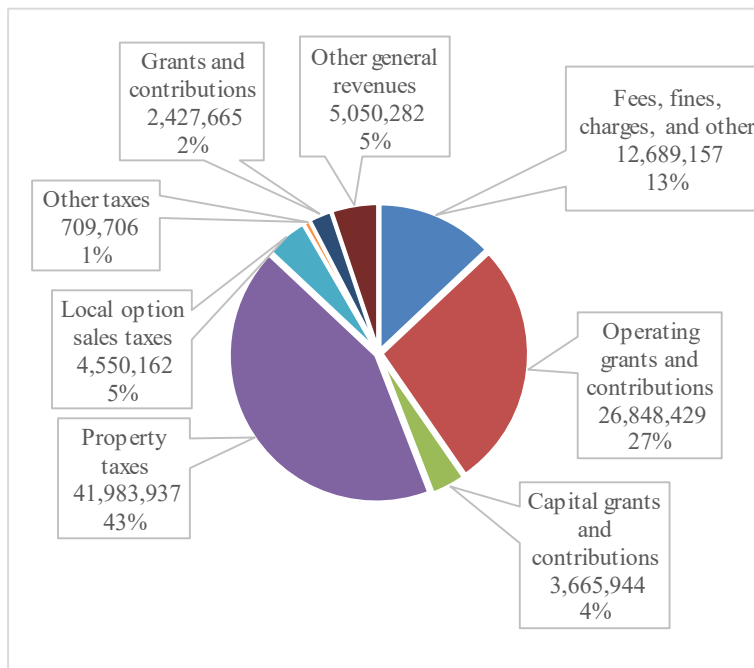
Governmental activities increased the County's net position by \$21,240,732 in the current fiscal year. The following table is a condensed version of the statement of activities, showing changes in net position.

	Governmental Activities			
	2023	2022	\$ Change	% Change
Revenues				
Program Revenues				
Fees, fines, charges, and other	\$ 12,689,157	\$ 8,794,284	\$ 3,894,873	44.3%
Operating grants and contributions	26,848,429	26,852,040	(3,611)	0.0%
Capital grants and contributions	3,665,944	2,366,137	1,299,807	54.9%
General Revenues				
Property taxes	41,983,937	40,078,370	1,905,567	4.8%
Local option sales taxes	4,550,162	4,425,752	124,410	2.8%
Other taxes	709,706	731,969	(22,263)	-3.0%
Grants and contributions	2,427,665	2,592,654	(164,989)	-6.4%
Other general revenues	5,050,282	1,148,715	3,901,567	339.6%
Total Revenues	<u>\$ 97,925,282</u>	<u>\$ 86,989,921</u>	<u>\$ 10,935,361</u>	12.6%
Program Expenses				
General government	\$ 17,542,700	\$ 14,260,250	\$ 3,282,450	23.0%
Public safety	18,261,088	17,737,445	523,643	3.0%
Highways and streets	16,811,149	19,606,629	(2,795,480)	-14.3%
Sanitation	927,983	1,201,253	(273,270)	-22.7%
Human services	14,959,661	10,537,862	4,421,799	42.0%
Health	5,297,896	4,422,307	875,589	19.8%
Culture and recreation	1,436,411	1,024,644	411,767	40.2%
Conservation of natural resources	997,850	1,143,107	(145,257)	-12.7%
Economic development	95,246	125,501	(30,255)	-24.1%
Interest	354,566	379,094	(24,528)	-6.5%
Total Program Expenses	<u>\$ 76,684,550</u>	<u>\$ 70,438,092</u>	<u>\$ 6,246,458</u>	8.9%
Increase (Decrease) in Net Position	\$ 21,240,732	\$ 16,551,829	\$ 4,688,903	28.3%
Net Position - January 1	<u>194,543,208</u>	<u>177,991,379</u>	<u>16,551,829</u>	9.3%
Net Position - December 31	<u>\$ 215,783,940</u>	<u>\$ 194,543,208</u>	<u>\$ 21,240,732</u>	10.9%

**GOODHUE COUNTY
RED WING, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
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Overall, County governmental revenues increased \$10.9 million, or 12.6%. Program revenues increased \$5.2 million, or 13.7% due primarily increase in the capital surplus from the investment in joint venture of \$6.3 million and an overall increase of state and federal funds. General revenues, which consist mainly of property tax, and other tax revenues increased from the prior year, increasing \$5.7 million, or 11.7%. An increase of \$1.9 million in property tax revenue and \$3.7 million in investment earnings were the two largest increases for 2023.

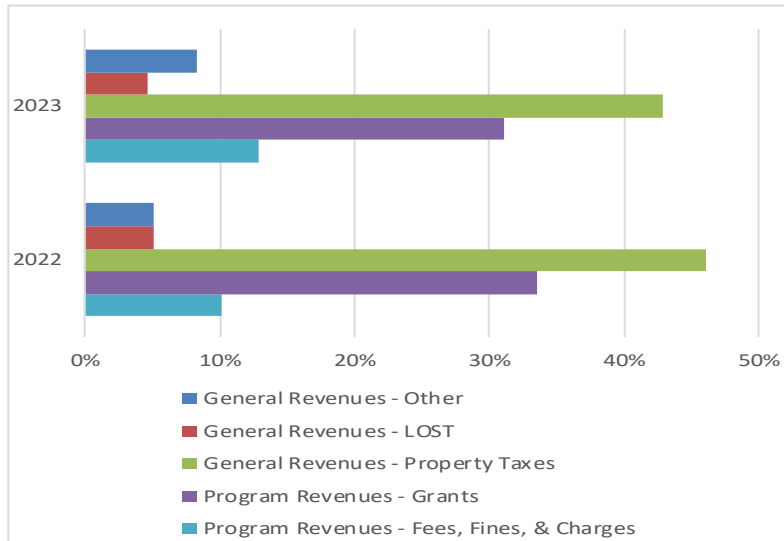
**Governmental Activities
Revenues by Source**



Per Table 2, the cost of all governmental activities in 2023 was \$76,684,550, an increase of \$6,246,458, or 8.9%, when compared to 2022. 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, 2023**

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



Those who directly benefited from the programs and services paid \$12,689,157, or 16.5% 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 \$30,514,373, or 39.8% was covered by other governments and organizations that subsidized either a specific program or general operations with operating or capital grants and contributions. Some examples of grants received are State Road and Bridge Construction, State Police Aid, Probation Officer Salary Reimbursements, WIC, and other Health and Human Services program grants. The remaining costs of governmental activities were financed with general revenues of \$54,721,752, \$41,983,937 of which was property tax revenues, and \$4,550,162 was for local option sales taxes. For the year ended December 31, 2023, general revenues increase and program-specific revenues increased primarily due to the increase in federal grant revenues 2022.

**GOODHUE COUNTY
RED WING, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
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Table 3 presents the cost of each of the County's five largest program areas, as well as each program area's net cost (total cost less program-specific revenues). The net cost represents the amount funded by taxpayers and other general revenue sources, including general grants and contributions, investment earnings and other miscellaneous revenues.

**Table 3
Governmental Activities
Costs of Services**

	Total Cost of Services		
	2023	2022	\$ Change
Public safety	\$ 18,261,088	\$ 17,737,445	\$ 523,643
Highway and streets	16,811,149	19,606,629	(2,795,480)
General government	17,542,700	14,260,250	3,282,450
Human services	14,959,661	10,537,862	4,421,799
Health	5,297,896	4,422,307	875,589
All others	3,812,056	3,873,599	(61,543)
Totals	\$ 76,684,550	\$ 70,438,092	\$ 6,246,458
	Net Cost of Services		
	2023	2022	\$ Change
Public safety	\$ 14,240,316	\$ 14,985,399	\$ (745,083)
Highway and streets	4,887,156	7,897,948	(3,010,792)
General government	11,023,297	5,452,540	5,570,757
Human services	(283,306)	1,904,455	(2,187,761)
Health	1,106,448	(987,069)	2,093,517
All others	2,507,109	3,172,358	(665,249)
Totals	\$ 33,481,020	\$ 32,425,631	\$ 1,055,389

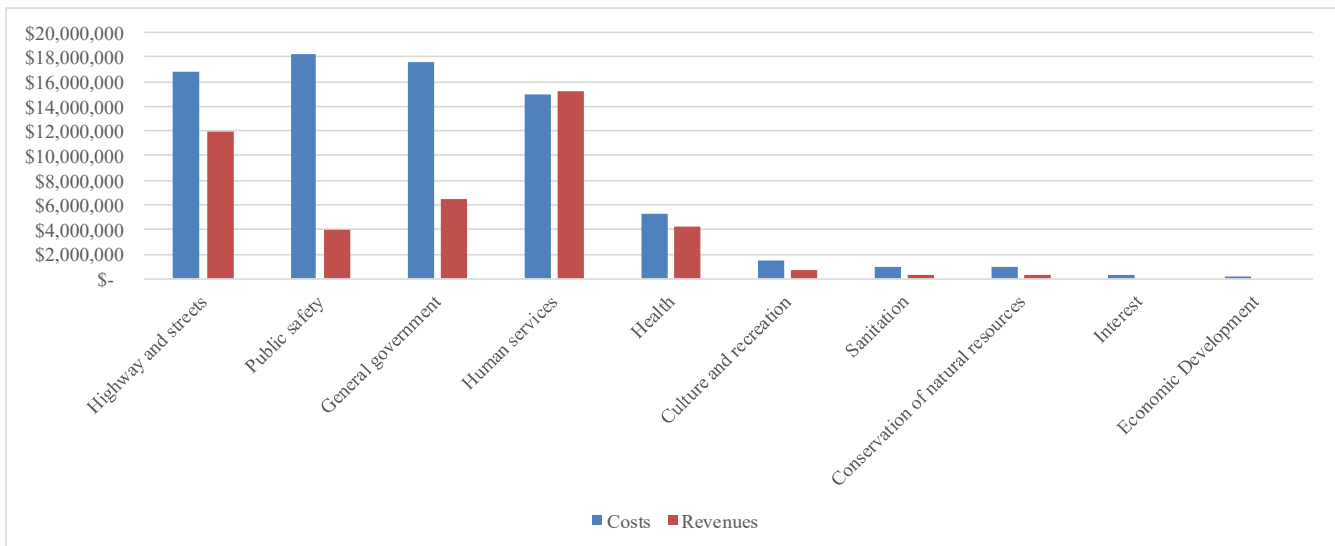
Total program expenses increased \$6.2 million, or 8.9%. This increase is due mainly to the County incurring costs of \$3.6 million related to distributions of COVID-19 relief funding in 2021, along with timing of road and bridge construction projects and regular salary and benefit increases.

The net cost of services increased \$1.1 million, or 3.3%, compared to the previous year. Net costs increased in all program areas except for public safety, highway and streets, human services, and all others. The most significant increase was in general government (\$5.6 million, or 102.2%). This increase was due primarily to of when pandemic related grants were received and when the county actually spent those funds. The most significant decrease was in highway and streets (\$3.0 million, 38.1%). The decrease was due primarily to the timing of the Minnesota Department of Transportation reimbursements.

**GOODHUE COUNTY
RED WING, MINNESOTA
MANAGEMENT’S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023**

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.

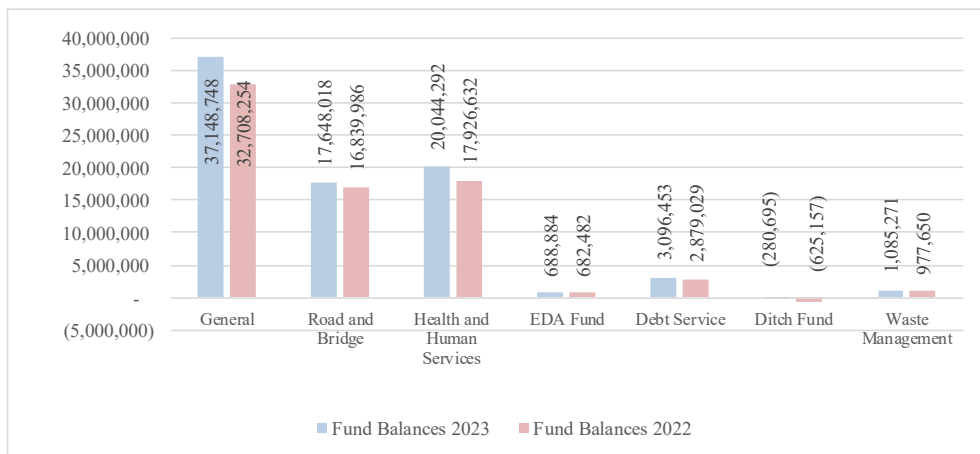
Governmental funds

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
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On December 31, 2023, the County’s governmental funds reported combined ending fund balances of \$79,430,971, an increase of \$8,042,095 from the previous year. This change is due primarily to increases in the general and health and human services funds. \$18,346,288, or 23.1%, is unassigned fund balance 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 (\$59,836,363, or 75.3%) and can only be used for specific purposes, or is not spendable due to the nature of the underlying assets (\$1,248,320, or 1.6%).

**Governmental Funds
Fund Balances**



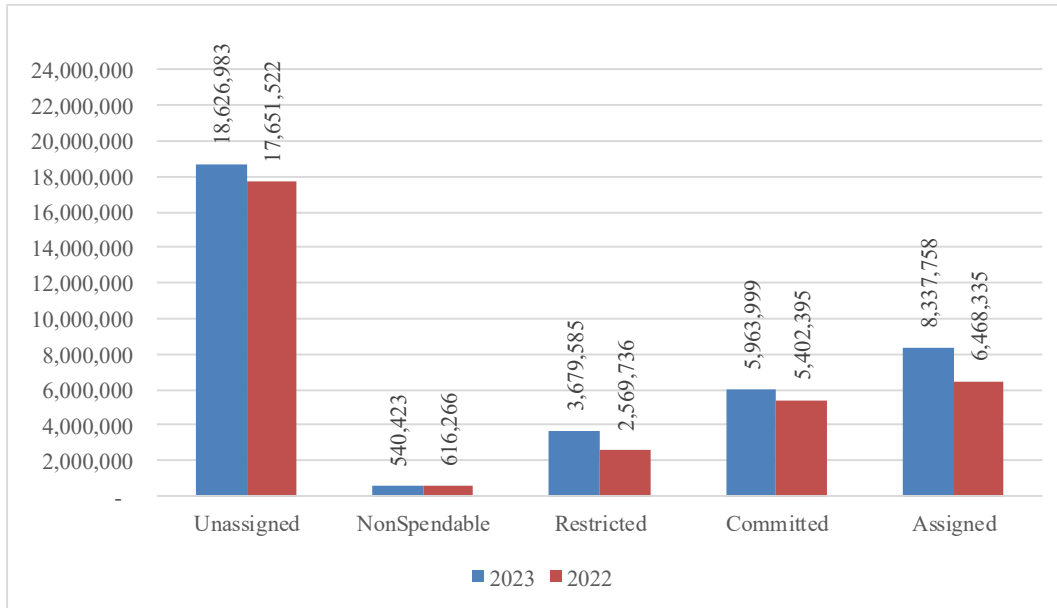
The General Fund is the primary operating fund of the County government. The majority of the County’s general operations and traditional services are reported here. The total fund balance in the general fund increased by \$4,440,494, or 13.6%. This increase is due to sound financial controls over the County’s planned operations.

Expenditures increased \$626.9 thousand, or 19.5% from the prior year. Capital outlay expenditures increased \$2.6 million primarily due to equipment purchases in 2023 that did not occur in 2022.

Revenues increased over the prior year by \$4,330,403, or 11.1%. Investment earnings increased approximately \$3.7 million primarily due to economic changes from 2022.

**GOODHUE COUNTY
RED WING, MINNESOTA
MANAGEMENT’S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023**

**General Fund
Fund Balances**



Of the total \$37,148,748 fund balance in the general fund, \$18,626,983 or 50.1% is unassigned and can be used to fund general County operations. \$3,679,585, or 9.9% is restricted by outside governmental or other agency authority and \$8,337,758 or 38.5% 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.

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 \$17,648,018 as of the end of 2023 represents an increase of \$808,032, or 4.8% from 2022. 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 \$20,044,292 as of the end of 2023 is \$2,117,660, or 11.8% higher than the end of 2022. 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
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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 \$688,884 at the end of 2023 represents an increase of \$6,402 or 0.9% 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 \$3,096,453 at the end of 2023 represents an increase of \$217,424, or 7.6% over the 2022 ending balance. Of this balance, \$1,801,228 is available to fund principal and interest payments due in February of 2024; the remaining \$996,150 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 (\$280,695) at the end of 2023 represents an increase of \$344,462, or 55.1% over 2022.

The Waste Management Fund is used to account for recycling and waste disposal activities. The fund balance as of December 31, 2023 was \$1,085,271, an increase of \$107,621, or 11.0% over 2022.

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, (5) Inmate Canteen and Services Fund, and (6) Local Collaborative Other Activities 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 126.

**GOODHUE COUNTY
RED WING, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023**

General Fund Budgetary Highlights

The County budget is prepared annually and is adopted by Board resolution in December of each preceding year. The difference between the original and final amended expenditure budgets was \$2,374,294. Adjustments of \$2,342,351 were carryovers of prior year capital projects and \$1,019,882 were for operating carryovers.

For the year ended December 31, 2023, actual general fund expenditures were \$426,086, or 1.1% less than budget. General government expenditures were \$999,435 more than budget and public safety expenditures were \$1,073,268 less than budget. Capital outlay was \$1,206,496 under budget due to purchasing delays. Revenues were \$8,529,378 over budget, due to an increase in intergovernmental revenues and investment earnings.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The County's investment in capital assets (net of accumulated depreciation/amortization) as of December 31, 2023, amounts to \$138,773,273. This investment includes land, roads and bridges, buildings, vehicles, other equipment, right-to-use assets, and SBITA assets. See Table 4 below and Note 3.A.3 on pages 57-58 for additional information on capital assets.

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

	Governmental Activities		
	2023	2022	\$ Change
Land	\$ 9,849,769	\$ 9,770,608	\$ 79,161
Construction in progress	2,222,764	4,680,640	(2,457,876)
Right-to-Use assets	114,679	153,370	(38,691)
SBITA assets	784,074	-	784,074
Buildings and land improvements	22,763,858	23,409,006	(645,148)
Machinery, vehicles, furniture, and equipment	12,591,938	11,014,333	1,577,605
Infrastructure	103,435,142	93,913,320	9,521,822
Totals	<u>\$ 151,762,224</u>	<u>\$ 142,941,277</u>	<u>\$ 8,820,947</u>

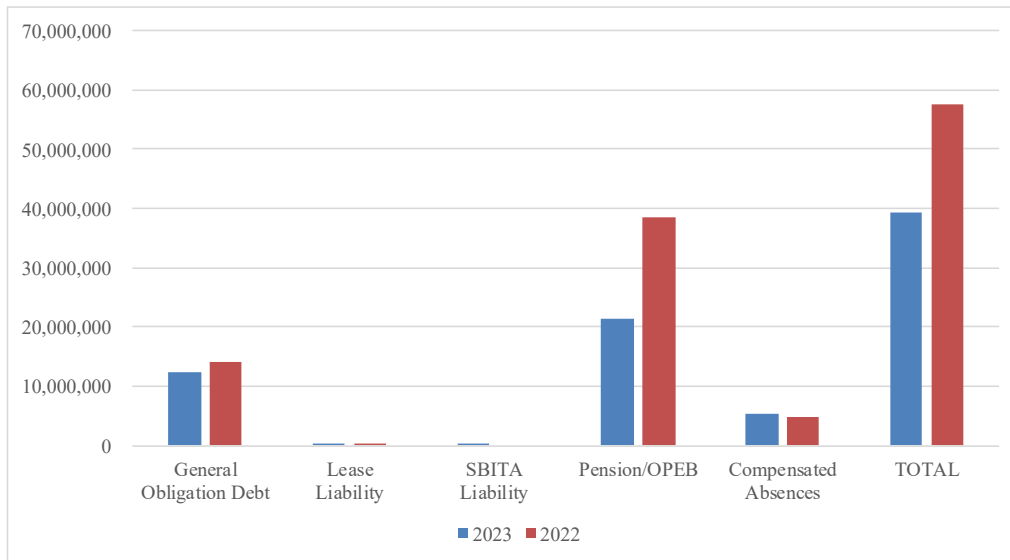
Total capital assets increased \$8,820,947, or 5.8% from 2022. This increase is due to the normal depreciation/amortization expense for all categories of \$7,818,070 offset by increases of \$13.6 million in infrastructure as a result of completion of large road projects for highways and streets.

**GOODHUE COUNTY
RED WING, MINNESOTA
MANAGEMENT’S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023**

Debt and Other Long-Term Obligations

At December 31, 2023, the County’s total long-term obligations were \$39,419,113, a \$18,237,235 (31.6%) decrease over the balance at December 31, 2022. 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 2023, and there were no changes in credit ratings. See Table 5 below and Note 3.C.2 for details.

**Table 5
Long-Term Obligations**



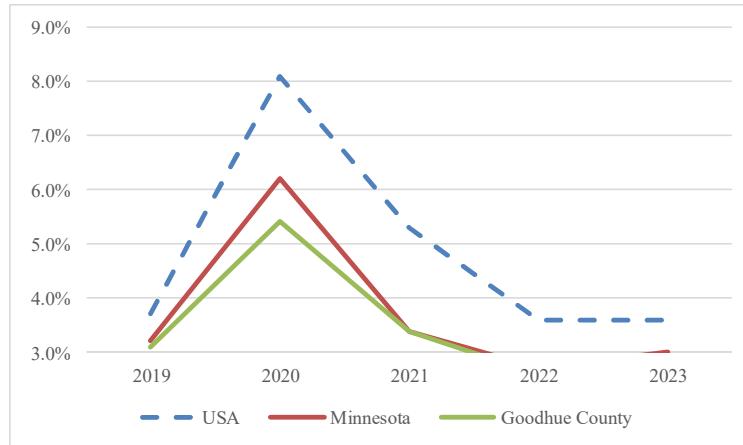
ECONOMIC FACTORS AND NEXT YEAR’S BUDGETS AND RATES

Unemployment

The 12-month averages for unemployment in 2023 for the U.S., Minnesota and Goodhue County were 3.6%, 3.0%, and 2.8%, respectively. This compares to 3.6%, 2.7%, and 2.6% for 2022. 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 2023. 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, 2023**

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



Property Values & Taxes

The taxable market value of all property in the County increased 8.1% from 2022 to 2023. Values increased in half of the categories, with the largest increase (\$482,245,000 or 15.5%) in agricultural. The largest decrease measured by dollars was public utility property (\$38,152,000) and the largest decrease measured by percentage was seasonal residential (6.9%). 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 2023 the final estimated market value of these properties made up 10.1% of the County’s total estimated market value for all properties, as compared to 9.8% for 2022. The tax rates decreased from 42.863% for 2022, to 42.022% for 2023.

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 are be used for specific County transportation projects. Collections for the last three years of this tax were significantly greater than the initial estimated and budgeted amount - \$13.1 million collected as compared to \$10.1 million budgeted.

**GOODHUE COUNTY
RED WING, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023**

Personnel Costs

These expenses represent 48% of the County's 2024 budget. Personnel costs in the 2024 budget increased \$5.0 million, or 12.9% from 2023 due to an overall increase in health insurance costs of 7.5%, staffing changes, full year budgeted expenses of pay study implementation, and a cost-of-living wage increase of 3.0% 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.

State Financial Position

The County's elected and appointed officials considered many factors when setting the tax and fee rates for the 2023 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 \$3.7 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, 2023**

Assets

Cash and pooled investments	\$ 78,536,564
Petty cash and change funds	2,200
Taxes receivable - Delinquent	358,701
Special assessments - Current	84,404
Special assessments - Noncurrent	406,793
Accounts receivable	231,855
Accrued interest receivable	385,819
Lease receivable	91,213
Loans receivable	551,326
Due from other governments	11,671,082
Prepaid items	948,320
Investment in joint venture	16,385,501
Nondepreciable capital assets:	
Land	9,849,769
Construction-in-progress	2,222,764
Depreciable/Amortizable capital assets:	
Land improvements	242,021
Right-to-use assets (Net)	784,074
SBITA assets (Net)	114,679
Building (Net)	22,521,837
Machinery, vehicles, furniture, and equipment (Net)	12,591,938
Infrastructure (Net)	103,435,142
	<hr/>
Total Assets	\$ 261,416,002

Deferred Outflows of Resources

Deferred pension outflows	\$ 13,193,759
Deferred OPEB outflows	220,437
	<hr/>
Total Deferred Outflows of Resources	\$ 13,414,196

Liabilities

Accounts payable	\$ 1,449,182
Salaries payable	2,074,426
Contracts payable	156,546
Due to other governments	623,109
Unearned revenue	79,516
Accrued interest payable	152,105
Customer deposits	42,362
Long-term liabilities	
Due within one year	3,626,535
Due in more than one year	14,555,975
Net pension liability	19,397,540
OPEB liability	1,839,063
	<hr/>
Total Liabilities	\$ 43,996,359

**GOODHUE COUNTY
RED WING, MINNESOTA
STATEMENT OF NET POSITION (CONTINUED)
GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2023**

Deferred Inflows of Resources

Taxes received for future periods	\$ 18,906
Lease related	92,194
Deferred pension inflows	14,900,727
Deferred OPEB inflows	38,072
	15,049,899
Total Deferred Inflows of Resources	\$ 15,049,899

Net Position

Net investment in capital assets	\$ 138,773,273
Restricted for	
General government	1,844,387
Public safety	1,442,511
Highways and streets	7,157,034
Human services	619,927
Conservation of natural resources	224,606
Economic development	546,963
Debt service	2,953,392
Gravel pit postclosure	355,782
Opioid epidemic response	1,141,391
Unrestricted	60,724,674
	215,783,940
Total Net Position	\$ 215,783,940

**GOODHUE COUNTY
RED WING, MINNESOTA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>Program Revenues</u>				<u>Net (Expense) Revenue and Changes in Net Position</u>
	<u>Expenses</u>	<u>Fees, Charges, Fines, and Other</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
Functions/Programs					
Primary government					
Governmental activities					
General government	\$ 17,542,700	\$ 2,219,820	\$ 4,299,583	\$ -	\$ (11,023,297)
Public safety	18,261,088	1,133,741	2,887,031	-	(14,240,316)
Highways and streets	16,811,149	135,450	8,625,699	3,162,844	(4,887,156)
Sanitation	927,983	199,702	140,489	-	(587,792)
Human services	14,959,661	7,991,873	7,251,094	-	283,306
Health	5,297,896	894,138	3,297,310	-	(1,106,448)
Culture and recreation	1,436,411	-	170,182	503,100	(763,129)
Conservation of natural resources	997,850	114,433	177,041	-	(706,376)
Economic development	95,246	-	-	-	(95,246)
Interest	354,566	-	-	-	(354,566)
Total Governmental Activities	<u>\$ 76,684,550</u>	<u>\$ 12,689,157</u>	<u>\$ 26,848,429</u>	<u>\$ 3,665,944</u>	<u>\$ (33,481,020)</u>
General Revenues					
Property taxes					\$ 41,983,937
Local option sales taxes					4,550,162
Gravel taxes					94,779
Mortgage registry and deed tax					52,642
Solar production tax					53,097
Wheelage tax					509,188
Payments in lieu of tax					314,264
Grants and contributions not restricted to specific programs					2,427,665
Unrestricted investment earnings					3,771,011
Miscellaneous					505,126
Gain on sale of capital assets					459,881
Total general revenues					<u>\$ 54,721,752</u>
Change in net position					\$ 21,240,732
Net Position - Beginning					<u>194,543,208</u>
Net Position - Ending					<u>\$ 215,783,940</u>

FUND FINANCIAL STATEMENTS

GOVERNMENTAL FUNDS

**GOODHUE COUNTY
RED WING, MINNESOTA
BALANCE SHEET – GOVERNMENTAL FUNDS
DECEMBER 31, 2023**

	<u>General</u>	<u>Road and Bridge</u>	<u>Health and Human Services</u>
Assets			
Cash and pooled investments	\$ 38,118,950	\$ 16,341,687	\$ 19,381,340
Petty cash and change funds	1,775	50	300
Taxes receivable -			
Taxes receivable - Delinquent	213,580	52,661	70,175
Special assessments - Current	43,491	-	-
Special assessments - Noncurrent	149,072	-	-
Accounts receivable	34,226	16,283	161,447
Accrued interest receivable	385,819	-	-
Due from other funds	2,491	8,546	-
Due from other governments	344,313	8,642,910	2,675,980
Prepaid items	240,423	649,882	55,980
Loans receivable	-	-	-
Advance to other funds	300,000	-	-
Lease receivable	-	91,213	-
Total Assets	<u>\$ 39,834,140</u>	<u>\$ 25,803,232</u>	<u>\$ 22,345,222</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances			
Liabilities			
Accounts payable	\$ 795,906	\$ 87,260	\$ 537,072
Salaries payable	1,243,249	160,934	644,533
Contracts payable	-	156,546	-
Due to other funds	6,155	-	2,491
Due to other governments	40,450	426,149	153,977
Unearned revenue	79,516	-	-
Customer deposits	42,362	-	-
Advance from other funds	-	-	-
Total Liabilities	<u>\$ 2,207,638</u>	<u>\$ 830,889</u>	<u>\$ 1,338,073</u>
Deferred Inflows of Resources			
Unavailable revenue	\$ 466,622	\$ 7,229,275	\$ 959,145
Lease related	-	92,194	-
Taxes received for future periods	11,132	2,856	3,712
Total Deferred Inflows of Resources	<u>\$ 477,754</u>	<u>\$ 7,324,325</u>	<u>\$ 962,857</u>
Fund Balances			
Nonspendable	\$ 540,423	\$ 649,882	\$ 55,980
Restricted	3,679,585	-	887,872
Committed	5,963,999	329,497	156,619
Assigned	8,337,758	16,668,639	18,943,821
Unassigned	18,626,983	-	-
Total Fund Balances	<u>\$ 37,148,748</u>	<u>\$ 17,648,018</u>	<u>\$ 20,044,292</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 39,834,140</u>	<u>\$ 25,803,232</u>	<u>\$ 22,345,222</u>

**GOODHUE COUNTY
RED WING, MINNESOTA
BALANCE SHEET – GOVERNMENTAL FUNDS (CONTINUED)
DECEMBER 31, 2023**

<u>Economic Development Authority</u>	<u>Debt Service</u>	<u>Ditch</u>	<u>Nonmajor Fund Waste Management</u>	<u>Total</u>
\$ 470,245	\$ 3,089,701	\$ 19,323	\$ 1,115,318	\$ 78,536,564
-	-	-	75	2,200
682	16,682	-	4,921	358,701
-	-	40,913	-	84,404
-	-	257,721	-	406,793
-	-	-	19,899	231,855
-	-	-	-	385,819
-	-	-	-	11,037
-	-	-	7,879	11,671,082
-	2,035	-	-	948,320
551,326	-	-	-	551,326
-	-	-	-	300,000
-	-	-	-	91,213
<u>\$ 1,022,253</u>	<u>\$ 3,108,418</u>	<u>\$ 317,957</u>	<u>\$ 1,148,092</u>	<u>\$ 93,579,314</u>
\$ 270	\$ -	\$ -	\$ 28,674	\$ 1,449,182
-	-	-	25,710	2,074,426
-	-	-	-	156,546
-	-	-	2,391	11,037
-	-	-	2,533	623,109
-	-	-	-	79,516
-	-	-	-	42,362
-	-	300,000	-	300,000
<u>\$ 270</u>	<u>\$ -</u>	<u>\$ 300,000</u>	<u>\$ 59,308</u>	<u>\$ 4,736,178</u>
\$ 333,056	\$ 11,079	\$ 298,634	\$ 3,254	\$ 9,301,065
-	-	-	-	92,194
43	886	18	259	18,906
<u>\$ 333,099</u>	<u>\$ 11,965</u>	<u>\$ 298,652</u>	<u>\$ 3,513</u>	<u>\$ 9,412,165</u>
\$ -	\$ 2,035	\$ -	\$ -	\$ 1,248,320
546,963	3,094,418	-	-	8,208,838
141,921	-	-	258,382	6,850,418
-	-	-	826,889	44,777,107
-	-	(280,695)	-	18,346,288
<u>\$ 688,884</u>	<u>\$ 3,096,453</u>	<u>\$ (280,695)</u>	<u>\$ 1,085,271</u>	<u>\$ 79,430,971</u>
<u>\$ 1,022,253</u>	<u>\$ 3,108,418</u>	<u>\$ 317,957</u>	<u>\$ 1,148,092</u>	<u>\$ 93,579,314</u>

**GOODHUE COUNTY
RED WING, MINNESOTA
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION – GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2023**

Fund balances - total governmental funds		\$ 79,430,971
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets, net of accumulated depreciation and amortization, used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		151,762,224
Investment in joint venture is not available to pay for current period expenditures and, therefore, is not reported in the governmental funds.		16,385,501
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the governmental funds.		9,301,065
Deferred outflows of resources resulting from pension obligations are not available resources and, therefore, are not reported in the governmental funds.		13,193,759
Deferred outflows of resources resulting from OPEB obligations are not available resources and, therefore, are not reported in the governmental funds.		220,437
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	\$ (12,310,000)	
Bond issuance discounts	3,022	
Bond issuance premiums	(127,375)	
Lease liability	(118,181)	
SBITA liability	(378,258)	
Net pension liability	(19,397,540)	
OPEB liability	(1,839,063)	
Compensated absences	(5,251,718)	
Accrued interest payable	<u>(152,105)</u>	(39,571,218)
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.		(14,900,727)
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.		<u>(38,072)</u>
Net Position of Governmental Activities		<u>\$ 215,783,940</u>

**GOODHUE COUNTY
RED WING, MINNESOTA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>General</u>	<u>Road and Bridge</u>	<u>Health and Human Services</u>
Revenues			
Taxes	\$ 24,892,243	\$ 11,459,140	\$ 8,228,044
Special assessments	83,598	-	-
Licenses and permits	527,405	11,060	-
Intergovernmental	10,679,412	12,203,467	10,829,139
Charges for services	1,827,500	80,487	1,915,303
Fines and forfeits	10,272	-	-
Gifts and contributions	28,369	-	6,213
Investment earnings	3,776,428	-	25,160
Miscellaneous	1,363,114	45,421	829,586
Total Revenues	\$ 43,188,341	\$ 23,799,575	\$ 21,833,445
Expenditures			
Current			
General government	\$ 15,231,334	\$ -	\$ -
Public safety	15,438,355	-	-
Highways and streets	-	22,342,908	-
Sanitation	-	-	-
Human services	84,383	-	14,698,349
Health	-	-	5,195,546
Culture and recreation	1,386,764	492,676	-
Conservation of natural resources	957,987	-	-
Economic development	3,840	-	-
Capital outlay			
General government	2,356,597	-	-
Public Safety	949,026	-	-
Highways and streets	1,588,313	-	-
Sanitation	207,538	-	-
Human services	-	-	347,220
Debt service			
Principal	254,666	-	98,600
Interest	9,307	-	1,029
Administrative (fiscal) charges	-	-	-
Intergovernmental			
Highways and streets	-	556,677	-
Total Expenditures	\$ 38,468,110	\$ 23,392,261	\$ 20,340,744
Excess of Revenues Over (Under) Expenditures	\$ 4,720,231	\$ 407,314	\$ 1,492,701
Other Financing Sources (Uses)			
Transfers in	\$ 7,500	\$ 400,718	\$ 285,239
Transfers out	(685,957)	-	(7,500)
Issuance of SBITAs	161,466	-	347,220
Sale of capital assets	237,254	-	-
Total Other Financing Sources (Uses)	\$ (279,737)	\$ 400,718	\$ 624,959
Changes in Fund Balance	\$ 4,440,494	\$ 808,032	\$ 2,117,660
Fund Balance - January 1	32,708,254	16,839,986	17,926,632
Fund Balance - December 31	\$ 37,148,748	\$ 17,648,018	\$ 20,044,292

**GOODHUE COUNTY
RED WING, MINNESOTA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES (CONTINUED)
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Economic Development Authority	Debt Service	Ditch	Nonmajor Fund Waste Management	Total
\$ 96,515	\$ 1,964,790	\$ -	\$ 574,478	\$ 47,215,210
-	-	380,537	-	464,135
-	-	-	7,080	545,545
1,294	64,300	-	148,865	33,926,477
-	-	-	72,395	3,895,685
-	-	-	-	10,272
-	-	-	-	34,582
-	-	-	-	3,801,588
-	-	-	126,591	2,364,712
\$ 97,809	\$ 2,029,090	\$ 380,537	\$ 929,409	\$ 92,258,206
\$ -	\$ -	\$ -	\$ -	\$ 15,231,334
-	-	-	-	15,438,355
-	-	-	-	22,342,908
-	-	-	821,788	821,788
-	-	-	-	14,782,732
-	-	-	-	5,195,546
-	-	-	-	1,879,440
-	-	36,075	-	994,062
91,407	-	-	-	95,247
-	-	-	-	2,356,597
-	-	-	-	949,026
-	-	-	-	1,588,313
-	-	-	-	207,538
-	-	-	-	347,220
-	1,425,000	-	-	1,778,266
-	380,983	-	-	391,319
-	5,683	-	-	5,683
-	-	-	-	556,677
\$ 91,407	\$ 1,811,666	\$ 36,075	\$ 821,788	\$ 84,962,051
\$ 6,402	\$ 217,424	\$ 344,462	\$ 107,621	\$ 7,296,155
\$ -	\$ -	\$ -	\$ -	\$ 693,457
-	-	-	-	(693,457)
-	-	-	-	508,686
-	-	-	-	237,254
\$ -	\$ -	\$ -	\$ -	\$ 745,940
\$ 6,402	\$ 217,424	\$ 344,462	\$ 107,621	\$ 8,042,095
682,482	2,879,029	(625,157)	977,650	71,388,876
\$ 688,884	\$ 3,096,453	\$ (280,695)	\$ 1,085,271	\$ 79,430,971

**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, 2023**

Net change in fund balances - total governmental funds **\$ 8,042,095**

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	\$ 9,301,065	
Unavailable revenue - January 1	<u>(10,323,076)</u>	(1,022,011)

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 and amortization 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	\$ 16,982,242	
Net book value of assets sold	(529,009)	
Current year depreciation and amortization	<u>(7,818,070)</u>	8,635,163

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.		6,306,923
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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.

The net proceeds for debt issuance are SBITAs issued		(508,686)
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Principal repayments:		
General obligation bonds	\$ 1,425,000	
Lease liability	37,054	
SBITA liability	<u>316,212</u>	1,778,266

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	17,480,710	
Change in OPEB liability	(129,431)	
Change in accrued interest payable	13,275	
Change in compensated absences	(382,236)	
Change in deferred outflows of resources	(5,039,087)	
Change in deferred inflows of resources	<u>(13,963,410)</u>	<u>(1,991,018)</u>

Change in Net Position of Governmental Activities		<u>\$ 21,240,732</u>
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FIDUCIARY FUNDS

**GOODHUE COUNTY
RED WING, MINNESOTA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2023**

	Social Welfare Private-Purpose Trust Fund	Custodial Funds
Assets		
Cash and pooled investments	\$ 198,312	\$ 1,384,543
Accounts receivable	-	810,650
Due from other governments	-	1,265
Total Assets	\$ 198,312	\$ 2,196,458
Liabilities		
Due to individuals	\$ -	\$ 1,594
Due to other governments	-	1,388,867
Total Liabilities	\$ -	\$ 1,390,461
Net Position		
Restricted for individuals, organizations and other governments	\$ 198,312	\$ 805,997
Total Net Position	\$ 198,312	\$ 805,997

**GOODHUE COUNTY
RED WING, MINNESOTA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Social Welfare Private-Purpose Trust Fund	Custodial Funds
Additions		
Contributions-Individual	\$ -	\$ 565,215
Contributions on behalf of others	1,069,483	-
Property tax collections for other governments	-	78,984,108
Contributions from governments	-	1,501,170
License fee collected for state government	-	150,612
Civil process collections	-	649,826
Other contributions	-	262,020
	\$ 1,069,483	\$ 82,112,951
Deductions		
Payments on behalf of clients	\$ 1,066,706	\$ -
Payments to individuals	-	109,590
Payments of property tax to other governments	-	78,843,597
Other payments to other governments	-	2,162,757
Payments to other entities	-	849,842
	\$ 1,066,706	\$ 81,965,786
Net Increase (Decrease) in Fiduciary Net Position	\$ 2,777	\$ 147,165
Net Position - Beginning	195,535	658,832
Net Position - Ending	\$ 198,312	\$ 805,997

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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, 2023. 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 8.C. The County also participates in jointly governed organizations described in Note 8.D.

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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, 2023**

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 types:

Private-purpose trust funds are used to report trust arrangements other than pension or investment trusts, which under principal and income benefit individuals, private organizations, or other governments. The County reports one private-purpose trust fund, the Social Welfare Fund which accounts for the activity related to income received and payments made on behalf of individuals for whom the County is responsible to assist.

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

1. Summary of Significant Accounting Policies (Continued)

B. Basic Financial Statements (Continued)

2. Fund Financial Statements (Continued)

Additionally, the County reports the following fund types (Continued):

Custodial funds are custodial in nature. These funds are used for a variety of purposes: to account for the collection and disbursement of taxes on behalf of other local governments within the County; as an agent for state revenue payments, as an agent for medical assistance recoveries, as an agent for civil process, and as an agent for the inmates of the Goodhue County Jail.

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, lease liabilities, 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 SBITAs and capital assets 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.

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

1. Summary of Significant Accounting Policies (Continued)

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, 2023, 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 2023 were \$3,801,588.

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, 2023**

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. Prepaid Items

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, 2023**

1. Summary of Significant Accounting Policies (Continued)

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

4. 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

Right-to-use lease assets are initially measured at the present value of payments expected to be made during the lease term, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized in a systematic and rational manner over the lease term.

SBITA assets are initially measured as the sum of the present value of payments expected to be made during the subscription term, payments associated with the SBITA contract made to the SBITA vendor at the commencement of the subscription term, when applicable, and capitalizable implementation costs, less any SBITA vendor incentives received from the SBITA vendor at the commencement of the SBITA term. SBITA assets are amortized in a systematic and rational manner over the subscription term.

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

1. Summary of Significant Accounting Policies (Continued)

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

5. Leases

The County determines if an arrangement is a lease at inception. Leases are included in lease receivables and deferred inflows of resources in the statement of net position when the County is the lessor, and as right-to-use assets and lease liabilities when the County is the lessee.

a. Lessor

Lease receivables represent the County's claim to receive lease payments over the lease term, as specified in the contract, in an exchange or exchange-like transaction. Lease receivables are recognized at commencement date based on the present value of expected lease payments over the lease term, reduced by any provision for estimated uncollectible amounts. Interest revenue is recognized ratably over the contract term.

Deferred inflows of resources related to leases are recognized at the commencement date based on the initial measurement of the lease receivable, plus any payments received from the lessee at or before the commencement of the lease term that relate to future periods, less any lease incentives paid to, or on behalf of, the lessee at or before the commencement of the lease term. The deferred inflows related to leases are recognized as lease revenue in a systematic and rational manner over the lease term. Amounts to be received under residual value guarantees that are not fixed in substance are recognized as a receivable and an inflow of resources if (a) a guarantee payment is required and (b) the amount can be reasonably estimated. Amounts received for the exercise price of a purchase option or penalty for lease termination are recognized as a receivable and an inflow of resources when those options are exercised.

The County has elected to recognize payments received for short-term leases with a lease term of 12 months or less as revenue as the payments are received. These leases are not included as lease receivables or deferred inflows on the statement of net position and fund financial statements.

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

1. Summary of Significant Accounting Policies (Continued)

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

5. Leases (Continued)

b. Lessee

Right-to-use assets represent the County's control of the right to use an underlying asset for the lease term, as specified in the contract, in an exchange or exchange like transaction. Right-to-use assets are recognized at the commencement date based on the initial measurement of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs. Right-to-use assets are amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

Lease liabilities represent the County's obligation to make lease payments arising from the lease. Lease liabilities are recognized at the commencement date based on the present value of expected lease payments over the lease term, less any lease incentives. Interest expense is recognized ratably over the contract term.

The lease term may include options to extend or terminate the lease when it is reasonably certain that the County will exercise that option.

The County has recognized payments for short-term leases with a lease term of 12 months or less as expenses as incurred, and these leases are not included as lease liabilities or right-to-use lease assets on the statement of net position.

The County accounts for contracts containing both lease and nonlease components as separate contracts when possible. In cases where the contract does not provide separate price information for lease and nonlease components, and it is impractical to eliminate the price of such components, the County treats the components as a single lease unit.

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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, 2023**

1. Summary of Significant Accounting Policies (Continued)

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

8. Pension Plan

For purposes of measuring the net pension liability, deferred outflows/inflows of resources, and pension expense, information about the fiduciary net position of the Public Employees Retirement Association (PERA) and additions to/deductions from PERA's fiduciary net position have been determined on the same basis as they are reported by PERA. 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 periods 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, 2023**

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 consists 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/amortization, and reduced by outstanding debt or other borrowings (such as accounts payable, contracts payable, retainage payable, lease liability, etc.) attributed to the acquisition, construction, or improvement of the assets.

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

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

1. Summary of Significant Accounting Policies (Continued)

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

11. Classification of Net Position (Continued)

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

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, 2023**

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, 2023**

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, 2023**

1. Summary of Significant Accounting Policies (Continued)

F. Adoption of New Accounting Standards

In May 2020, the GASB issued GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This standard defines a subscription-based information technology arrangement (SBITA); establishes that a SBITA results in a right-to-use subscription asset (an intangible asset) and a corresponding subscription liability; provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and requires note disclosures regarding a SBITA.

The County adopted the requirements of the guidance effective January 1, 2023, and has applied the provisions of this standard to the beginning of the period of adoption. Beginning fund balances and net positions were not restated due the implementation of GASB 96.

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, 2023:

	<u>Budget</u>	<u>Expenditures</u>	<u>Excess</u>
Road and Bridge Special Revenue Fund	\$ 21,818,049	\$ 23,392,261	\$ (1,574,212)
Health and Human Services Special Revenue Fund	19,902,742	20,340,744	(438,002)

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, 2023:

<u>Special Revenue Funds</u>	
County Ditch Fund	\$ (280,695)

The deficit will be funded by future special assessments.

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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	\$ 78,536,564
Petty cash and change funds	2,200
Total Governmental Funds	78,538,764
Fiduciary funds	
Cash and pooled investments	
Private-Purpose Trust Funds	198,312
Custodial Funds	1,384,543
Total Fiduciary Funds	\$ 1,582,855
Total Cash and Investments	\$ 80,121,619
Deposits	\$ 26,654,144
Petty cash and change funds	2,200
Investments	53,465,275
Total	\$ 80,121,619

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.

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

3. Detailed Notes on All Funds (Continued)

A. Assets (Continued)

1. Deposits and Investments (Continued)

b. 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, 2023, Goodhue County's deposits were not exposed to custodial credit risk.

c. 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.

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.

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

3. Detailed Notes on All Funds (Continued)

A. Assets (Continued)

1. Deposits and Investments (Continued)

b. Investments (Continued)

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, 2023, Goodhue County's investments were exposed to custodial credit risk of \$13,267,771 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, 2023**

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, 2023, 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	\$ 27,203,984
RBC - Prime Investment money market mutual funds	N/A	N/A	<u>203,577</u>
Total Mutual Funds			\$ 27,407,561
Agency Securities			
RBC - Federal Home Loan Bank	AAA	Moody's	\$ 3,817,673
U.S. Treasury Note	AAA	Moody's	\$ 8,971,520
Series EE U.S. Savings Bonds	AAA	Moody's	\$ 750
Negotiable Certificates of Deposit **	N/A	N/A	<u>\$ 13,267,771</u>
Total Investments			<u>\$ 53,465,275</u>

N/A - Not Applicable

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

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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	\$ 3,817,673	\$ 1,468,975	\$ 1,377,503	\$ 971,195
U.S. Treasury Notes				
Treasury Notes	\$ 8,971,520	\$ -	\$ -	\$ 8,971,520
Bonds				
Series EE U.S. Savings Bonds	\$ 750	\$ -	\$ -	\$ 750
Negotiable Certificates of Deposit	\$ 13,267,771	\$ 3,741,539	\$ 3,246,042	\$ 6,280,190
Total investments subject to interest rate risk	\$ 26,057,714	<u>\$ 5,210,514</u>	<u>\$ 4,623,545</u>	<u>\$ 16,223,655</u>
Investments not subject to interest rate risk	<u>\$ 27,407,561</u>			
Total Investments	<u>\$ 53,465,275</u>			

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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, 2023**

3. Detailed Notes on All Funds (Continued)

A. Assets (Continued)

1. Deposits and Investments (Continued)

b. Investments (Continued)

Fair Value Measure (Continued)

Assets measured at fair value on a recurring basis:

<u>Type</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Debt Securities (Fair Value Level)				
Negotiable Certificates of Deposit	\$ -	\$ 11,714,234	\$ -	\$ 11,714,234
Federal Home Loan Bank	-	3,817,673	-	3,817,673
U.S. Government Agencies	-	8,971,520	-	8,971,520
U.S. Savings Bonds	-	750	-	750
Total Investments at Fair Value	<u>\$ -</u>	<u>\$ 24,504,177</u>	<u>\$ -</u>	<u>\$ 24,504,177</u>
Investments Measured at Net Asset Value (NAV)				
MAGIC Fund Cash Management Mutual Fund				27,203,984
RBC Mutual Fund				203,577
Investments Measured at Net Asset Value (NAV)				<u>27,407,561</u>
Investments at Amortized Cost				
Negotiable Certificates of Deposit (<1 Year)				1,553,537
Total Investments				\$ 53,465,275
Deposits				26,654,144
Petty Cash				2,200
Total Deposits and Investments				<u>\$ 80,121,619</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 Term Series. Shares are purchased to mature upon pre-determined maturity dates selected by the County at the time of purchase. The fair value of the participant's position in the pool approximates the value of the participant's pool shares and the participant's shares are not identified with specific investments. Should the County need to redeem shares in a MAGIC Term Series prematurely they must provide at least seven days prior to the premature redemption date. 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, 2023**

3. Detailed Notes on All Funds (Continued)

A. Assets (Continued)

2. Receivables

Receivables as of December 31, 2023 are as follows:

	Total Receivables	Amounts Not Scheduled for Collection During the Subsequent Year
Governmental Activities		
Taxes	\$ 358,701	\$ -
Special Assessments	491,197	406,793
Accounts	231,855	-
Interest	385,819	-
Lease related	91,213	-
Loans	551,326	-
Due from other governments	11,671,082	-
Total Governmental Activities	\$ 13,781,193	\$ 406,793

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, 2023**

3. Detailed Notes on All Funds (Continued)

A. Assets (Continued)

3. Capital Assets

Capital asset activity for the year ended December 31, 2023 was as follows:

	* Beginning Balance	Increase	Decrease	Ending Balance
Capital assets not depreciated				
Land	\$ 9,770,608	\$ 79,161	\$ -	\$ 9,849,769
Construction in progress	4,680,640	1,533,245	3,991,121	2,222,764
Total capital assets not depreciated	<u>\$ 14,451,248</u>	<u>\$ 1,612,406</u>	<u>\$ 3,991,121</u>	<u>\$ 12,072,533</u>
Capital assets depreciated				
Land improvements	\$ 479,981	\$ -	\$ -	\$ 479,981
Buildings	47,842,018	669,532	-	48,511,550
Machinery, furniture, and equipment	25,568,505	4,217,793	2,150,445	27,635,853
Infrastructure	194,808,465	13,566,547	25,288	208,349,724
Total capital assets depreciated	<u>\$ 268,698,969</u>	<u>\$ 18,453,872</u>	<u>\$ 2,175,733</u>	<u>\$ 284,977,108</u>
Less: accumulated depreciation				
Land improvements	\$ 216,918	\$ 21,042	\$ -	\$ 237,960
Buildings	24,696,075	1,293,638	-	25,989,713
Machinery, furniture, and equipment	14,554,172	2,116,995	1,627,252	15,043,915
Infrastructure	100,895,145	4,038,909	19,472	104,914,582
Total accumulated depreciation	<u>\$ 140,362,310</u>	<u>\$ 7,470,584</u>	<u>\$ 1,646,724</u>	<u>\$ 146,186,170</u>
Total capital assets depreciated, net	<u>128,336,659</u>	<u>10,983,288</u>	<u>529,009</u>	<u>138,790,938</u>
Right-to-use Assets				
Leased equipment	\$ 183,419	\$ -	\$ 7,698	\$ 175,721
Less accumulated amortization	<u>(30,049)</u>	<u>(38,691)</u>	<u>(7,698)</u>	<u>(61,042)</u>
Net right-to-use assets	<u>\$ 153,370</u>	<u>\$ (38,691)</u>	<u>\$ -</u>	<u>\$ 114,679</u>
Subscription based assets				
SBITAs	\$ 185,784	\$ 907,085	\$ -	\$ 1,092,869
Less accumulated amortization	<u>-</u>	<u>(308,795)</u>	<u>-</u>	<u>(308,795)</u>
Net subscription based assets	<u>\$ 185,784</u>	<u>\$ 598,290</u>	<u>\$ -</u>	<u>\$ 784,074</u>
Capital Assets, Net	<u><u>\$ 143,127,061</u></u>	<u><u>\$ 13,155,293</u></u>	<u><u>\$ 4,520,130</u></u>	<u><u>\$ 151,762,224</u></u>

*The beginning balance was restated due to the implementation of GASB Statement No. 96.

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

3. Detailed Notes on All Funds (Continued)

A. Assets (Continued)

3. Capital Assets (Continued)

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

Governmental Activities		
General Government	\$	1,080,249
Public Safety		1,654,424
Highways and streets, including depreciation of infrastructure assets		4,784,191
Health and human services		180,648
Sanitation		112,302
Culture and recreation		<u>6,256</u>
 Total Depreciation/Amortization Expense - Governmental Activities	 \$	 <u><u>7,818,070</u></u>

B. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of December 31, 2023, is as follows:

1. Due To/From Other Funds

Receivable Fund	Payable Fund	Amount	
General	Health and Human Services	\$ 2,491	Attorney fees related to child support
Road and Bridge	General	6,155	Fuel expenses
Road and Bridge	Waste Management	<u>2,391</u>	Fuel expenses
 Total Due To/From Other Funds		 \$ <u><u>11,037</u></u>	

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, 2023**

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, 2023 consisted of the following:

Transfers to General Fund from Health and Human Services Fund	\$ 7,500	Public health nuisances
Transfers to Health and Human Services Fund from General Fund	200,000	ARPA expenditures
	294	Right to Know training
	60,479	Termination Payment
	24,466	Capital Expenditures
Transfers to Road and Bridge Fund from General Fund	400,000	Capital Expenditures
	<u>718</u>	Right to Know Training
Total Interfund Transfers	<u>\$ 693,457</u>	

3. Advances to/from Other Funds

Advances made to/from other funds for the year ended December 31, 2023 is for cash flow purposes to the Ditch Fund. The balance is expected to be liquidated with special assessments over the next 15 years.

Receivable Fund	Payable Fund	Amount
General	Ditch	\$ 300,000
Total Advance to/From Other Funds		\$ 300,000

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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, 2023
2012A CIP Highway Project Bonds	2023	\$405,000 - \$1,720,000	0.5% - 1.85%	\$ 5,065,000	\$ -
2014A G.O. CIP Highway Project Bonds	2025	\$695,000 - \$965,000	2.0% - 2.5%	7,760,000	1,615,000
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>9,400,000</u>
Total General Obligation Bonds and Notes				<u>\$ 24,840,000</u>	<u>\$ 12,310,000</u>

Debt service requirements at December 31, 2023 were as follows:

<u>Year Ending December 31</u>	General Obligation CIP Bonds	
	<u>Principal</u>	<u>Interest</u>
2024	\$ 1,455,000	\$ 346,228
2025	1,495,000	307,015
2026	1,520,000	263,828
2027	2,860,000	195,214
2028	1,610,000	125,250
2029-2031	<u>3,370,000</u>	<u>101,850</u>
Total	<u>\$ 12,310,000</u>	<u>\$ 1,339,385</u>

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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, 2023, was as follows:

	Beginning * Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities					
Long-Term Liabilities					
Bonds and notes payable					
G.O. CIP bonds	\$ 13,735,000	\$ -	\$ 1,425,000	\$ 12,310,000	\$ 1,455,000
Issuance premiums	159,543	-	32,168	127,375	-
Issuance discounts	(6,029)	-	(3,007)	(3,022)	-
Total bonds and notes payable	<u>\$ 13,888,514</u>	<u>\$ -</u>	<u>\$ 1,454,161</u>	<u>\$ 12,434,353</u>	<u>\$ 1,455,000</u>
Lease liability	155,235	-	37,054	118,181	29,830
SBITA liability	185,784	508,686	316,212	378,258	146,049
Compensated absences	<u>4,869,482</u>	<u>3,495,682</u>	<u>3,113,446</u>	<u>5,251,718</u>	<u>1,995,656</u>
Governmental Activity					
Long-Term Liabilities	<u>\$ 19,099,015</u>	<u>\$ 4,004,368</u>	<u>\$ 4,920,873</u>	<u>\$ 18,182,510</u>	<u>\$ 3,626,535</u>

*The beginning balance was restated due to the implementation of GASB Statement No. 96.

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

3. Detailed Notes on All Funds (Continued)

D. Deferred Inflows of Resources

As of December 31, 2023, the various components of unavailable revenue were as follows:

	<u>Unavailable Revenue</u>	<u>Deferred for Future Period</u>	<u>Total</u>
Deferred inflow due to prepaid taxes	\$ -	\$ 18,906	\$ 18,906
Delinquent property taxes	238,295	-	238,295
Local option sales taxes	37,726	-	37,726
Intergovernmental	7,157,034	-	7,157,034
Loans receivable	332,636	-	332,636
Other	1,044,177	92,194	1,136,371
Special assessments	491,197	-	491,197
	<u> </u>	<u> </u>	<u> </u>
Total Governmental Funds	<u>\$ 9,301,065</u>	<u>\$ 111,100</u>	<u>\$ 9,412,165</u>

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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, 2023.

Nonspendable	General	Road and	Health and	Economic	Debt	Waste
		Bridge	Human	Development	Service	Management
			Services	Authority		Fund
Prepaid items	\$ 240,423	\$ 649,882	\$ 55,980	\$ -	\$ 2,035	\$ -
Advance to other funds	300,000	-	-	-	-	-
Total Nonspendable Fund Balance	\$ 540,423	\$ 649,882	\$ 55,980	\$ -	\$ 2,035	\$ -
Restricted						
Unclaimed funds	\$ 1,189	\$ -	\$ -	\$ -	\$ -	\$ -
Gravel pit postclosure	355,782	-	-	-	-	-
Statewide Affordable Housing Aid	131,220	-	-	-	-	-
Law library	360,791	-	-	-	-	-
Attorney's forfeiture activities	38,745	-	-	-	-	-
Attorney's victim assistance	6,066	-	-	-	-	-
Drug Treatment Court	359,287	-	-	-	-	-
Recorder's technology equipment	113,573	-	-	-	-	-
Recorder's compliance fund	235,554	-	-	-	-	-
Veteran's operational grant	8,223	-	-	-	-	-
Buffer initiative	402,038	-	-	-	-	-
Aquatic invasive species prevention	224,606	-	-	-	-	-
Public Safety Funds	925,541	-	-	-	-	-
Sheriff's counteract	19,947	-	-	-	-	-
Sheriff's K-9 donations	11,984	-	-	-	-	-
Gun permit activities	54,964	-	-	-	-	-
Sheriff's contingency	294	-	-	-	-	-
E-911	239,222	-	-	-	-	-
NG911 PSAP Funds	64,184	-	-	-	-	-
Correction service fee	22,664	-	-	-	-	-
Local correctional fees	103,711	-	-	-	-	-
Opioid settlement	-	-	267,945	-	-	-
Family Service Collaborative	-	-	485,579	-	-	-
Supplemental medical assistance renewal	-	-	134,348	-	-	-
Debt (QECC lump sum due 2/1/2027)	-	-	-	-	3,094,418	-
EDA loan program (2010MIF)	-	-	-	546,963	-	-
Total Restricted Fund Balance	\$ 3,679,585	\$ -	\$ 887,872	\$ 546,963	\$ 3,094,418	\$ -

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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	\$ 1,775	\$ 50	\$ 300	\$ -	\$ -	\$ 75
Economic development	-	-	-	141,921	-	-
Landfill transfer station	-	-	-	-	-	35,000
Demolition Landfill Closure	-	-	-	-	-	223,307
Land use/environmental ordinance	177,076	-	-	-	-	-
Compensated absences	427,537	-	-	-	-	-
27th payroll	1,321,741	-	-	-	-	-
Tax court settlements	225,500	-	-	-	-	-
Natural, technological, human-caused hazards	1,000,000	-	-	-	-	-
Tax-forfeited property funding	170,859	-	-	-	-	-
Byllesby Park and Trail	-	204,176	-	-	-	-
Out-of-home placement budget deficits	-	-	156,319	-	-	-
Capital projects	2,630,372	-	-	-	-	-
TH 52 development and construction	-	125,271	-	-	-	-
Employee Wellness Committee	9,139	-	-	-	-	-
Total Committed Fund Balance	<u>\$ 5,963,999</u>	<u>\$ 329,497</u>	<u>\$ 156,619</u>	<u>\$ 141,921</u>	<u>\$ -</u>	<u>\$ 258,382</u>
<u>Assigned</u>						
Subsequent year's appropriated budget	\$ 2,868,836	\$ -	\$ -	\$ -	\$ -	\$ -
ARP	2,299,484	-	-	-	-	-
Highways & streets	-	15,409,114	-	-	-	-
Health & human services	-	-	18,943,821	-	-	-
Sanitation (waste management)	-	-	-	-	-	826,889
Motor pool	133,082	-	-	-	-	-
Election activities	70,579	-	-	-	-	-
Inmate improvement	110,715	-	-	-	-	-
Sheriff-radio tower equipment	47,187	-	-	-	-	-
Rural Identification Funds	4,171	-	-	-	-	-
Employee Training & Development	38,232	-	-	-	-	-
County program aid contingency	1,518,111	-	-	-	-	-
Building contingencies	1,247,361	-	-	-	-	-
Township tumback	-	9,525	-	-	-	-
Right-of-way	-	1,250,000	-	-	-	-
Total Assigned Fund Balance	<u>\$ 8,337,758</u>	<u>\$ 16,668,639</u>	<u>\$ 18,943,821</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 826,889</u>

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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 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, 2023**

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 percent of the cost-of-living adjustment (COLA) announced by the SSA, with a minimum increase of at least 1 percent and a maximum of 1.5 percent. 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. In 2023, legislation repealed the statute delaying increases for members retiring before full retirement age.

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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 percent of the COLA announced by SSA, with a minimum increase of at least 1 percent and a maximum of 2.5 percent. If the plan's funding status declines to 85 percent or below for two consecutive years or 80 percent for one year, the maximum will be lowered from 2.5 percent to 1.5 percent. In 2023, legislation clarified that if the annual increase cap was reduced to 1 percent, there is a way to return to the 2.5 percent increase if certain criteria are met. 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, 2023**

4. Pension Plans (Continued)

A. Defined Benefit Plans (Continued)

2. Benefits Provided (Continued)

In 2023, the legislature allocated funding for a one-time lump-sum payment to General Employee and Police and Fire Plan benefit recipients. Eligibility criteria and the payment amount is specified in statute. The one-time payment is non-compounding towards future benefits.

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 2023 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, 2023, were \$1,535,380. 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 2023 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, 2023, were \$740,427. 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 2023 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, 2023, were \$249,302. 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, 2023**

4. Pension Plans (Continued)

A. Defined Benefit Plans (Continued)

4. Pension Costs

General Employees Fund Pension Costs

At December 31, 2023 the County reported a liability of \$13,577,104 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 \$374,284.

The net pension liability was measured as of June 30, 2023, 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, 2022 through June 30, 2023, relative to the total employer contributions received from all of PERA's participating employers. The County's proportionate share was 0.2428% at the end of the measurement period and 0.2432% for the beginning of the period.

County's proportionate share of the net pension liability	\$	13,577,104
State of Minnesota's proportionate share of the net pension liability associated with the County		374,274
Total	\$	13,951,378

There were no provision changes during the measurement period.

For the year ended December 31, 2023, the County recognized pension expense of \$2,115,124 for its proportionate share of the General Employees Plan's pension expense. In addition, the County recognized an additional \$1,682 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, 2023**

4. Pension Plans (Continued)

A. Defined Benefit Plans (Continued)

4. Pension Costs (Continued)

General Employees Fund Pension Costs (Continued)

At December 31, 2023, 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	\$ 445,877	\$ 93,531
Changes in Actuarial Assumptions	2,197,945	3,721,370
Net Collective Difference Between Projected and Actual Investment Earnings	-	507,737
Changes in Proportion	91,232	165,471
Contributions Paid to PERA Subsequent to the Measurement Date	789,831	-
Total	<u>\$ 3,524,885</u>	<u>\$ 4,488,109</u>

The \$789,831 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, 2024. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>	Pension Expense Amount
2024	\$ 345,111
2025	(2,114,586)
2026	310,952
2027	(294,532)

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

4. Pension Plans (Continued)

A. Defined Benefit Plans (Continued)

4. Pension Costs (Continued)

Police and Fire Fund Pension Costs

At December 31, 2023, the County reported a liability of \$5,308,398 for its proportionate share of the Police and Fire Fund's net pension liability. The net pension liability was measured as of June 30, 2023, 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, 2022 through June 30, 2023, relative to the total employer contributions received from all of PERA's participating employers. The County's proportion share was 0.3074% at the end of the measurement period and 0.3144% 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, 2023. The contribution consisted of \$9 million in direct state aid that meets 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, 2022. 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 percent funded, or until the State Patrol Plan (administered by the Minnesota State Retirement System) is 90 percent funded, whichever occurs later. The state of Minnesota's proportionate share of the net pension liability associated with the County totaled \$213,838.

County's proportionate share of the net pension liability	\$ 5,308,398
state of Minnesota's proportionate share of the net pension	
Liability associated with the County	213,838
Total	\$ 5,522,236

There were no provision changes during the measurement period.

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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 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, 2023, the County recognized pension expense of \$1,569,217 for its proportionate share of the Police and Fire Plan’s pension expense. The County recognized \$27,666 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.

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 \$27,666 for the year ended December 31, 2023 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.

At December 31, 2023, 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	\$ 1,463,704	\$ -
Changes in Actuarial Assumptions	6,159,967	7,463,670
Net Collective Difference Between Projected and Actual Changes in Proportion	-	254,829
Contributions Paid to PERA Subsequent to the Measurement Date	92,136	183,646
	394,952	-
Total	<u>\$ 8,110,759</u>	<u>\$ 7,902,145</u>

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

4. Pension Plans (Continued)

A. Defined Benefit Plans (Continued)

4. Pension Costs (Continued)

Police and Fire Fund Pension Costs (Continued)

The \$394,952 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, 2024. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>	<u>Pension Expense Amount</u>
2024	\$ 191,857
2025	15,374
2026	1,296,037
2027	(355,152)
2028	(1,334,454)

Correctional Plan Pension Costs

At December 31, 2023, the County reported a liability of \$512,038 for its proportionate share of the Public Employees Correctional Plan's net pension liability. The net pension liability was measured as of June 30, 2023, 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, 2022 through June 30, 2023, relative to the total employer contributions received from all of PERA's participating employers. The County's proportion share was 1.133% as the end of the measurement period and was 1.184% for the beginning of the period.

There were no provision changes during the measurement period.

For the year ended December 31, 2023, the County recognized pension expense of \$372,869 for its proportionate share of the Correctional Plan's pension expense.

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

4. Pension Plans (Continued)

A. Defined Benefit Plans (Continued)

4. Pension Costs (Continued)

Correctional Plan Pension Costs (Continued)

At December 31, 2023, 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	\$ 197,211	\$ 44,962
Changes in Actuarial Assumptions	1,219,191	2,335,976
Net Collective Difference Between Projected and Actual Investment Earnings	-	65,428
Changes in Proportion	5,509	64,107
Contributions Paid to PERA Subsequent to the Measurement Date	136,204	-
Total	<u>\$ 1,558,115</u>	<u>\$ 2,510,473</u>

The \$136,204 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, 2024. 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
2024	\$ (28,136)
2025	(1,239,547)
2026	233,158
2027	(54,037)

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

4. Pension Plans (Continued)

A. Defined Benefit Plans (Continued)

4. Pension Costs (Continued)

Summary for all Plans

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

Description	General Employees Plan	Police and Fire Plan	Correctional Plan	Total
Net Pension Liability	\$ 13,577,104	\$ 5,308,398	\$ 512,038	\$ 19,397,540
Deferred Outflows of Resources Related to Pension	3,524,885	8,110,759	1,558,115	13,193,759
Deferred Inflows of Resources Related to Pension	4,488,109	7,902,145	2,510,473	14,900,727
Pension Expense	2,116,806	1,596,883	372,869	4,086,558

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	<u>100.0 %</u>	

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

4. Pension Plans (Continued)

A. Defined Benefit Plans (Continued)

6. Actuarial Methods and Assumptions

The total pension liability in the June 30, 2023, 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 7.0%. 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 7.0% was deemed to be within that range of reasonableness for financial reporting purposes.

Inflation is assumed to be 2.25 percent for the General Employees Plan, Police and Fire Plan, and the Correctional Plan. Benefit increases after retirement are assumed to be 1.25 percent for the General Employees Plan, 1% for the Police and Fire Plan, and 2 percent for the Correctional Plan.

Salary growth assumptions in the General Employees Plan range in annual increments from 10.25% after one year of service to 3.0% after 27 years of service. 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 2022. The assumption changes were adopted by the Board and became effective with the July 1, 2023 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, 2023**

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 2023:

General Employees Fund

Changes in Actuarial Assumptions:

- The investment return assumption and single discount rate were changed from 6.5 percent to 7.0 percent.

Changes in Plan Provisions:

- An additional one-time direct state aid contribution of \$170.1 million will be contributed to the Plan on October 1, 2023.
- The vesting period of those hired after June 30, 2010, was changed from five years of allowable service to three years of allowable service.
- The benefit increase delay for early retirements on or after January 1, 2024, was eliminated.
- A one-time, non-compounding benefit increase of 2.5 percent minus the actual 2024 adjustment will be payable in a lump sum for calendar year 2024 by March 31, 2024.

Police and Fire Fund

Changes in Actuarial Assumptions:

- The investment return assumption was changed from 6.5 percent to 7.0 percent.
- The single discount rate changed from 5.4 percent to 7.0 percent.

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

4. Pension Plans (Continued)

A. Defined Benefit Plans (Continued)

6. Actuarial Methods and Assumptions (Continued)

Changes in Plan Provisions:

- Additional one-time direct state aid contribution of 19.4 million will be contributed to the Plan on October 1, 2023.
- Vesting requirement for new hires after June 30, 2014, was changed from a graded 20-year vesting schedule to a graded 10-year vesting schedule, with 50 percent vesting after five years, increasing incrementally to 100 percent after 10 years.
- A one-time, non-compounding benefit increase of 3.0 percent will be payable in a lump sum for calendar year 2024 by March 31, 2024.
- Psychological treatment is required effective July 1, 2023, prior to approval for a duty disability benefit for a psychological condition relating to the member's occupation.
- The total and permanent duty disability benefit was increased, effective July 1, 2023.

Correctional Fund

Changes in Actuarial Assumptions:

- The investment return rate was changed from 6.5 percent to 7.0 percent.
- The single discount rate changed from 5.42 percent to 7.0 percent.

Changes in Plan Provisions:

- Additional one-time direct state aid contribution of \$5.3 million will be contributed to the Plan on October 1, 2023.
- A one-time, non-compounding benefit increase of 2.5 percent minus the actual 2024 adjustment will be payable in a lump sum calendar year 2024 by March 31, 2024.
- The maximum benefit increase will revert back to 2.5 percent. The maximum increase is 1.5 percent and the Plan's funding ratio improves to 85 percent for two consecutive years on a market value of assets basis.

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

4. Pension Plans (Continued)

A. Defined Benefit Plans (Continued)

7. Discount Rate

The discount rate used to measure the total pension liability in 2023 was 7.0%. 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 position of the General Employees, Police and Fire, and Correctional plans 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.

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	Discount Rate	Net Pension Liability	Discount Rate	Net Pension Liability
1% Lower	6.00%	\$ 24,018,988	6.00%	\$ 10,532,495	6.00%	\$ 2,699,009
Current	7.00%	13,577,104	7.00%	5,308,398	7.00%	512,038
1% Higher	8.00%	4,988,258	8.00%	1,013,492	8.00%	(1,232,887)

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

4. Pension Plans (Continued)

A. Defined Benefit Plans (Continued)

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.

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 2023 were:

Contribution Amount		Percentage of Covered Payroll		Required Rate
Employee	Employer	Employee	Employer	
\$ 6,690	\$ 6,690	5%	5%	5%

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
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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, 2022, the latest valuation date, there were 337 active participants, 9 retirees and 1 spouse 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, 2023**

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

C. Actuarial Methods and Assumptions

The County's OPEB liability of \$ 1,839,063 was measured as of January 1, 2023, and the total OPEB liability was determined by an actuarial valuation as of January 1, 2023, 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	2.00% (20-year municipal bond rate)
Salary growth assumption	Based on service-graded table
Inflation (post retirement COLA)	2.00%
Healthcare cost trend rates	6.25% decreasing to 5.00% then 4.00%
Mortality assumptions	Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Safety) with MP-2021 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 75 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, 2023 based on a measurement date of January 1, 2023:

Balance as of January 1, 2023	\$ 1,709,632
Changes for the year:	
Service cost	165,035
Interest cost	36,773
Benefit payments	<u>(72,377)</u>
Net change in total OPEB liability	<u>129,431</u>
Balance as of December 31, 2023	<u><u>\$ 1,839,063</u></u>

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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	1.00%	\$ 1,947,519
Current	2.00%	1,839,063
1% Increase	3.00%	1,710,552

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 (5.25% decreasing to 4.00%)	\$ 1,624,748
Current (6.25% decreasing to 5.00%)	1,839,063
1% Increase (7.25% decreasing to 6.00%)	2,093,321

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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

D. Changes in the Total OPEB Liability (Continued)

For the year ended December 31, 2023, the County recognized OPEB expense of \$219,496. 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	\$ 83,983	\$ 11,075
Contributions Subsequent to the Measurement Date	71,902	-
Liability Gains/Losses	<u>64,552</u>	<u>26,997</u>
Total	<u>\$ 220,437</u>	<u>\$ 38,072</u>

\$71,902 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, 2024. 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>
2024	\$ 17,688
2025	17,691
2026	23,227
2027	25,930
2028	25,927

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

6. Leases

Equipment Leases

Goodhue County leases equipment for various terms under long-term, noncancelable lease agreements. The leases expire at various dates through 2030.

Total future minimum lease payments under lease agreements are as follows:

<u>Year Ending December 31</u>	Lease Liability	
	Principal	Interest
2024	\$ 29,831	\$ 2,493
2025	27,849	1,680
2026	25,135	970
2027	18,441	419
2028	7,748	187
2029-2030	9,177	80
Total	\$ 118,181	\$ 5,829

Right-to-use assets acquired through outstanding leases are shown below, by underlying asset class.

Governmental Activities	
Equipment	\$ 175,722
Less: Accumulated Amortization	(61,043)
Total	\$ 114,679

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

6. Leases (Continued)

Lease Receivables

Goodhue County, acting as lessor, leases facilities to Arvig Enterprises, Inc. under long-term lease agreement. The lease for Arvig Enterprises, Inc. expires in 2048. During the year ended December 31, 2023, the County recognized \$153,556 and \$4,530 in lease revenue and interest revenue respectively, pursuant to the contracts.

Total future minimum lease payments to be received under the lease agreement are as follows:

Year Ending December 31	Lease Receivable	
	Principal	Interest
2024	\$ 3,055	\$ 745
2025	3,080	720
2026	3,105	695
2027	3,131	669
2028	3,346	644
2029-2033	17,345	2,804
2034-2038	19,089	2,068
2039-2043	20,956	1,259
2044-2048	18,106	371
Total	<u>\$ 91,213</u>	<u>\$ 9,975</u>

Changes in the lease receivable for the year is as follows:

	Beginning Balance	Additions	Retirements	Ending Balance
Office Space	\$ 151,617	\$ -	\$ 151,617	\$ -
Facility Space	32,545	62,468	3,800	91,213
Total Lease Receivable	<u>\$ 184,162</u>	<u>\$ 62,468</u>	<u>\$ 155,417</u>	<u>\$ 91,213</u>

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

7. Subscription-Based Information Technology Arrangements

The County has entered into subscription-based information technology arrangements (SBITAs) for various terms under long-term, noncancelable SBITA agreements. The SBITA arrangements expire at various dates through 2026.

<u>Year Ending December 31</u>	SBITA Liability	
	Principal	Interest
2024	\$ 146,050	\$ 9,372
2025	140,460	5,613
2026	91,748	2,057
Total	\$ 378,258	\$ 17,042

Subscription-based information technology arrangement assets acquired through outstanding contracts agreements are as follows:

Governmental Activities	
SBITAs	\$ 1,092,869
Less: Accumulated Amortization	(308,795)
Total	\$ 784,074

8. 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 2023. Should the MCIT Workers' Compensation Division liabilities exceed assets, MCIT may assess the County in a method and amount to be determined by MCIT.

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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

A. Risk Management (Continued)

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.

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 2023, 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, 2023**

8. 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, 2023 was \$16,385,501. 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, 2023**

8. 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 \$20,000 to the Emergency Communications Board, \$11,500 for membership dues and \$8,500 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 2023. 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, 2023**

8. 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 \$7,879 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 – 4th Street S.E., Rochester, Minnesota 55904.

D. Jointly-Governed Organizations

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

Minnesota Counties Computer Cooperative (MNCCC)

Under Minnesota Joint Powers Law, Minn. Stat. § 471.59, Minnesota counties have created MNCCC 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 \$274,329 to the Cooperative.

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

8. 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 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, 2023**

8. 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 2023, the County paid \$12,500 to Cannon Falls and \$62,162 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 2023.

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

8. 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, Le Sueur, 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 2023 membership dues.

Southeastern Minnesota Libraries Cooperative (SELCO)

The Southeastern Minnesota Libraries Cooperative provides library services within the County. During the year, the County contributed \$554,353 to SELCO, noting this amount will increase to \$576,527 in 2024.

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

8. 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 2027. The County contributed \$1,890 in 2023.

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 2023.

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 railroad 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 \$3,840 in membership fees in 2023.

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

8. 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 May 2022, and is effective for five years, through May 2027. The annual cost for this data access was \$4,440 in 2023.

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 2023.

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 2023.

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

8. 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 2023, the County received \$144,903 in total fees under these agreements. The County did not make any payment to the entity in 2023. 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 2023.

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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

E. 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, 2023, the bonds have an outstanding principal amount of \$1,575,000, none of which was recognized as a liability by the County.

REQUIRED SUPPLEMENTARY INFORMATION

**GOODHUE COUNTY
RED WING, MINNESOTA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 25,231,881	\$ 24,952,749	\$ 24,892,243	\$ (60,506)
Special assessments	100,000	100,000	83,598	(16,402)
Licenses and permits	519,530	519,530	527,405	7,875
Intergovernmental	4,964,373	5,243,505	10,679,412	5,435,907
Charges for services	1,825,082	1,825,082	1,827,500	2,418
Fines and forfeits	11,100	11,100	10,272	(828)
Gifts and contributions	18,000	18,000	28,369	10,369
Investment earnings	703,200	703,200	3,776,428	3,073,228
Miscellaneous	1,285,797	1,285,797	1,363,114	77,317
Total Revenues	\$ 34,658,963	\$ 34,658,963	\$ 43,188,341	\$ 8,529,378
Expenditures				
Current				
General government				
Commissioners	\$ 269,331	\$ 269,331	\$ 283,703	\$ (14,372)
Courts	195,000	195,000	219,933	(24,933)
County administration	581,155	581,155	585,951	(4,796)
County auditor-treasurer	1,069,355	1,069,355	1,068,485	870
County assessor	1,180,696	1,180,696	1,142,603	38,093
Elections	92,543	92,543	62,473	30,070
Information technology	1,424,090	1,424,090	1,304,971	119,119
Human resources	937,830	937,830	893,095	44,735
Attorney	2,432,302	2,432,302	2,400,925	31,377
Law library	70,000	70,000	43,877	26,123
Recorder	602,627	602,627	661,942	(59,315)
Surveyor	414,013	414,013	420,248	(6,235)
GIS	386,161	386,161	380,638	5,523
Building permits	656,814	656,814	524,942	131,872
Planning and zoning	308,350	308,350	276,197	32,153
Environmental health	302,421	302,421	314,828	(12,407)
Buildings and plant	1,506,997	1,506,997	1,623,756	(116,759)
Veterans service officer	204,182	204,182	299,405	(95,223)
Other general government	1,598,032	1,598,032	2,723,362	(1,125,330)
Total general government	\$ 14,231,899	\$ 14,231,899	\$ 15,231,334	\$ (999,435)

**GOODHUE COUNTY
RED WING, MINNESOTA
BUDGETARY COMPARISON SCHEDULE (CONTINUED)
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Expenditures (Continued)				
Current (Continued)				
Public safety				
Sheriff	\$ 7,486,202	\$ 7,497,392	\$ 6,779,303	\$ 718,089
Sheriff - seasonal	354,089	354,089	345,611	8,478
Emergency management	340,211	354,021	284,686	69,335
Coroner	154,193	154,193	151,005	3,188
Communication infrastructure	175,092	175,092	193,399	(18,307)
E-911 system	1,471,985	1,471,985	1,545,875	(73,890)
Adult detention center	4,997,358	5,004,301	4,714,552	289,749
Sentence to Serve	263,581	263,581	259,047	4,534
Court services	1,236,969	1,236,969	1,164,877	72,092
Total public safety	\$ 16,479,680	\$ 16,511,623	\$ 15,438,355	\$ 1,073,268
Human Services				
Hope Coalition	\$ 5,000	\$ 5,000	\$ 5,000	\$ -
Social Services	80,650	80,650	79,383	1,267
Total human services	\$ 85,650	\$ 85,650	\$ 84,383	\$ 1,267
Culture and recreation				
Historical society	\$ 132,000	\$ 132,000	\$ 132,000	\$ -
Regional library	554,353	554,353	554,353	-
Byllesby Dam	11,968	11,968	8,598	3,370
Other culture and recreation	189,310	189,310	691,813	(502,503)
Total culture and recreation	\$ 887,631	\$ 887,631	\$ 1,386,764	\$ (499,133)
Conservation of natural resources				
County extension	\$ 241,923	\$ 241,923	\$ 231,238	\$ 10,685
Soil and water conservation	623,000	623,000	726,749	(103,749)
Total conservation of natural resources	\$ 864,923	\$ 864,923	\$ 957,987	\$ (93,064)
Economic development				
Regional Railroad Authority	\$ 4,500	\$ 4,500	\$ 3,840	\$ 660

**GOODHUE COUNTY
RED WING, MINNESOTA
BUDGETARY COMPARISON SCHEDULE (CONTINUED)
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Expenditures (Continued)				
Capital Outlay				
General government	\$ 1,670,766	\$ 2,309,113	\$ 2,356,597	\$ (47,484)
Public safety	1,111,130	1,321,934	949,026	372,908
Highways and streets	739,117	2,008,987	1,588,313	420,674
Sanitation	444,606	667,936	207,538	460,398
Total capital outlay	\$ 3,965,619	\$ 6,307,970	\$ 5,101,474	\$ 1,206,496
Debt service				
Principal	\$ -	\$ -	\$ 254,666	\$ (254,666)
Interest	-	-	9,307	(9,307)
Total debt service	\$ -	\$ -	\$ 263,973	\$ (263,973)
Total Expenditures	\$ 36,519,902	\$ 38,894,196	\$ 38,468,110	\$ 426,086
Excess of Revenues Over (Under) Expenditures	\$ (1,860,939)	\$ (4,235,233)	\$ 4,720,231	\$ 8,955,464
Other Financing Sources (Uses)				
Transfers in	\$ 1,460,001	\$ 1,460,001	\$ 7,500	\$ (1,452,501)
Transfers out	(1,477,323)	(1,477,323)	(685,957)	791,366
Issuance of SBITAs	-	-	161,466	161,466
Sale of capital assets	-	-	237,254	237,254
Total Other Financing Sources (Uses)	\$ (17,322)	\$ (17,322)	\$ (279,737)	\$ (262,415)
Net Change in Fund Balance	\$ (1,878,261)	\$ (4,252,555)	\$ 4,440,494	\$ 8,693,049
Fund Balance - January 1	32,708,254	32,708,254	32,708,254	-
Fund Balance - December 31	\$ 30,829,993	\$ 28,455,699	\$ 37,148,748	\$ 8,693,049

**GOODHUE COUNTY
RED WING, MINNESOTA
BUDGETARY COMPARISON SCHEDULE
ROAD AND BRIDGE SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 11,001,043	\$ 10,928,444	\$ 11,459,140	\$ 530,696
Licenses and permits	13,050	13,050	11,060	(1,990)
Intergovernmental	9,280,497	9,353,096	12,203,467	2,850,371
Charges for services	2,700	2,700	80,487	77,787
Miscellaneous	32,100	32,100	45,421	13,321
Total Revenues	\$ 20,329,390	\$ 20,329,390	\$ 23,799,575	\$ 3,470,185
Expenditures				
Current				
Highways and streets				
Administration	\$ 625,276	\$ 625,276	\$ 712,690	\$ (87,414)
Maintenance	4,666,752	5,654,691	4,694,790	959,901
Construction	13,789,901	13,789,901	15,966,379	(2,176,478)
Equipment maintenance and shop	990,136	990,136	969,049	21,087
Total highways and streets	\$ 20,072,065	\$ 21,060,004	\$ 22,342,908	\$ (1,282,904)
Culture and recreation				
Parks	242,186	242,186	492,676	(250,490)
Intergovernmental				
Highways and streets	515,859	515,859	556,677	(40,818)
Total Expenditures	\$ 20,830,110	\$ 21,818,049	\$ 23,392,261	\$ (1,574,212)
Excess of Revenues Over (Under) Expenditures	\$ (500,720)	\$ (1,488,659)	\$ 407,314	\$ 1,895,973
Other Financing Sources (Uses)				
Transfers in	720	720	400,718	399,998
Net Change in Fund Balance	\$ (500,000)	\$ (1,487,939)	\$ 808,032	\$ 2,295,971
Fund Balance - January 1	16,839,986	16,839,986	16,839,986	-
Fund Balance - December 31	\$ 16,339,986	\$ 15,352,047	\$ 17,648,018	\$ 2,295,971

**GOODHUE COUNTY
RED WING, MINNESOTA
BUDGETARY COMPARISON SCHEDULE
HEALTH AND HUMAN SERVICES SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 8,322,678	\$ 8,228,343	\$ 8,228,044	\$ (299)
Intergovernmental	9,416,332	9,510,667	10,829,139	1,318,472
Charges for services	1,464,300	1,464,300	1,915,303	451,003
Gifts and contributions	-	-	6,213	6,213
Investment earnings	-	-	25,160	25,160
Miscellaneous	598,930	598,930	829,586	230,656
Total Revenues	\$ 19,802,240	\$ 19,802,240	\$ 21,833,445	\$ 2,031,205
Expenditures				
Current				
Human services				
Income maintenance	\$ 5,487,940	\$ 5,487,940	\$ 5,563,965	\$ (76,025)
Social services	9,194,125	9,194,125	9,134,384	59,741
Total human services	\$ 14,682,065	\$ 14,682,065	\$ 14,698,349	\$ (16,284)
Health				
Quality assurance - health services	\$ 2,633,804	\$ 2,633,804	\$ 2,658,922	\$ (25,118)
Healthy communities/behaviors	1,733,944	1,733,944	1,687,037	46,907
Disaster preparedness	209,287	209,287	105,797	103,490
Infectious disease	127,546	127,546	147,139	(19,593)
Health services - administration	516,096	516,096	596,651	(80,555)
Total health	\$ 5,220,677	\$ 5,220,677	\$ 5,195,546	\$ 25,131
Capital outlay				
Human services	\$ -	\$ -	\$ 347,220	\$ (347,220)
Debt service				
Principal	\$ -	\$ -	\$ 98,600	\$ (98,600)
Interest	-	-	1,029	(1,029)
Total debt service	\$ -	\$ -	\$ 99,629	\$ (99,629)
Total Expenditures	\$ 19,902,742	\$ 19,902,742	\$ 20,340,744	\$ (438,002)
Excess of Revenues Over (Under) Expenditures	\$ (100,502)	\$ (100,502)	\$ 1,492,701	\$ 1,593,203
Other Financing Sources (Uses)				
Transfers in	\$ 23,902	\$ 23,902	\$ 285,239	\$ 261,337
Transfers out	(7,500)	(7,500)	(7,500)	-
Issuance of SBITAs	-	-	347,220	(347,220)
Total Other Financing Sources (Uses)	\$ 16,402	\$ 16,402	\$ 624,959	\$ (85,883)
Net Change in Fund Balance	\$ (84,100)	\$ (84,100)	\$ 2,117,660	\$ 1,507,320
Fund Balance - January 1	17,926,632	17,926,632	17,926,632	-
Fund Balance - December 31	\$ 17,842,532	\$ 17,842,532	\$ 20,044,292	\$ 1,507,320

**GOODHUE COUNTY
RED WING, MINNESOTA
BUDGETARY COMPARISON SCHEDULE
ECONOMIC DEVELOPMENT AUTHORITY SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 97,232	\$ 96,130	\$ 96,515	\$ 385
Intergovernmental	-	1,102	1,294	192
Miscellaneous	84	84	-	(84)
	<u>84</u>	<u>84</u>	<u>-</u>	<u>(84)</u>
Total Revenues	\$ 97,316	\$ 97,316	\$ 97,809	\$ 493
Expenditures				
Current				
Economic development				
Community development	\$ 97,316	\$ 97,316	\$ 91,407	\$ 5,909
	<u>97,316</u>	<u>97,316</u>	<u>91,407</u>	<u>5,909</u>
Net Change in Fund Balance	\$ -	\$ -	\$ 6,402	\$ 6,402
Fund Balance - January 1	682,482	682,482	682,482	-
	<u>682,482</u>	<u>682,482</u>	<u>682,482</u>	<u>-</u>
Fund Balance - December 31	\$ 682,482	\$ 682,482	\$ 688,884	\$ 6,402
	<u>682,482</u>	<u>682,482</u>	<u>688,884</u>	<u>6,402</u>

**GOODHUE COUNTY
RED WING, MINNESOTA
SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
PERA GENERAL EMPLOYEES RETIREMENT PLAN
DECEMBER 31, 2023**

Measurement Date	Employer's Portion of the Net Pension Liability	Employer's Proportionate Share of the Net Pension Liability	State's Proportionate Share of the Net Pension Liability Associated with Goodhue County	Employer's Proportionate Share of the Net Pension Liability and the State's Related Share of the Net Pension Liability	Covered Payroll	Employer's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2023	0.243%	\$ 13,577,104	\$ 374,274	\$ 13,951,378	\$ 19,175,886	70.80%	83.10%
2022	0.243%	19,261,520	564,848	19,826,368	18,284,911	105.34%	76.67%
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, 2023**

Year Ending	Statutorily Required Contributions	Actual Contributions in Relation to Statutorily Required	Contribution (Deficiency) Excess	Covered Payroll	Actual Contributions as a Percentage of Covered Payroll
2023	\$ 1,448,256	\$ 1,448,256	\$ -	\$ 19,310,080	7.50%
2022	1,366,484	1,366,484	-	18,219,787	7.50%
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, 2023**

POLICE AND FIRE PLAN - SCHEDULE OF PROPORTIONATE SHARE

Measurement Date	Employer's Portion of the Net Pension Liability	Employer's Proportionate Share of the Net Pension Liability	State's Proportionate Share of the Net Pension Liability Associated with Goodhue County	Employer's Proportionate Share of the Net Pension Liability and the State's Related Share of the Net Pension Liability	Covered Payroll	Employer's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2023	0.307%	\$ 5,308,398	\$ 213,838	\$ 5,522,236	\$ 3,777,586	140.52%	86.50%
2022	0.314%	13,681,446	597,618	14,279,064	3,590,995	380.99%	70.53%
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, 2023**

POLICE AND FIRE PLAN - SCHEDULE OF CONTRIBUTIONS

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
2023	\$ 714,566	\$ 714,566	\$ -	\$ 4,037,096	17.70%
2022	676,027	676,027	-	3,819,362	17.70%
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, 2023**

Measurement Date	Employer's Portion of the Net Pension Liability (Asset)	Employer's Proportionate 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)
2023	1.133%	\$ 512,038	\$ 2,683,412	19.08%	95.90%
2022	1.184%	3,935,284	2,679,396	146.87%	74.58%
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, 2023**

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
2023	\$ 232,396	\$ 232,396	\$ -	\$ 2,655,954	8.75%
2022	227,575	227,575	-	2,600,857	8.75%
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, 2023**

	2023	2022	2021	2020	2019	2018
Service cost	\$ 165,035	\$ 160,228	\$ 120,113	\$ 116,332	\$ 91,331	\$ 96,311
Interest cost	36,773	44,086	40,874	51,548	42,923	39,839
Assumption changes	-	91,133	-	44,080	(38,770)	-
Experience changes	-	90,374	-	(63,001)	-	-
Benefit payments	(72,377)	(71,789)	(108,654)	(90,934)	(38,918)	(36,543)
Net change in total OPEB liability	129,431	314,032	52,333	58,025	56,566	99,607
Total OPEB liability, beginning	1,709,632	1,395,600	1,343,267	1,285,242	1,228,676	1,129,069
Total OPEB liability, ending	<u>\$ 1,839,063</u>	<u>\$ 1,709,632</u>	<u>\$ 1,395,600</u>	<u>\$ 1,343,267</u>	<u>\$ 1,285,242</u>	<u>\$ 1,228,676</u>
Covered-employee payroll	\$ 25,310,412	\$ 24,573,216	\$ 24,113,467	\$ 23,354,447	\$ 22,881,233	\$ 22,214,789
Total OPEB liability as a percentage of covered-employee payroll	7.27%	6.96%	5.79%	5.75%	5.62%	5.53%
Benefits payments as a percentage of covered-employee payroll	0.29%	0.29%	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, 2023**

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

2023

Changes in Actuarial Assumptions

- The investment return assumption and single discount rate were changed from 6.5 percent to 7.0 percent.

Changes in Plan Provisions

- An additional one-time direct state aid contribution of \$170.1 million will be contributed to the Plan on October 1, 2023.
- The vesting period of those hired after June 30, 2010, was changed from five years of allowable service to three years of allowable service.
- The benefit increase delay for early retirements on or after January 1, 2024, was eliminated.
- A one-time, non-compounding benefit increase of 2.5 percent minus the actual 2024 adjustment will be payable in a lump sum for calendar year 2024 by March 31, 2024.

2022

Changes in Actuarial Assumptions

- The mortality improvement scale was changed from Scale MP-2020 to Scale MP-2021.

Changes in Plan Provisions

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

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.

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR DECEMBER 31, 2023**

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)

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

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR DECEMBER 31, 2023**

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)

- The assumed post-retirement benefit increase was changed from 1.0% per year through 2044 and 2.50% per year thereafter to 1.25% per year.

Changes in Plan Provisions

- The augmentation adjustment in early retirement factors is eliminated over a five-year period starting July 1, 2019, resulting in equivalence after June 30, 2024.
- Interest credited on member contributions decreased from 4.00% to 3.00% beginning July 1, 2018.
- Deferred augmentation was changed to 0.00%, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Contribution stabilizer provisions were repealed.
- Postretirement benefit increases were changed from 1.00% per year with a provision to increase to 2.50% upon attainment of 90.00% funding ratio to 50.00% of the Social Security Cost of Living Adjustment, not less than 1.00% and not more than 1.50%, beginning January 1, 2019.
- For retirements on or after January 1, 2024, the first benefit increase is delayed until the retiree reaches normal retirement age; this does not apply to Rule of 90 retirees, disability benefit recipients, or survivors.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

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%

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR DECEMBER 31, 2023**

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

A. General Employees Fund (Continued)

2016 (Continued)

Changes in Actuarial Assumptions (Continued)

- 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.

B. Police and Fire Fund

2023

Changes in Actuarial Assumptions

- The investment return assumption was changed from 6.5 percent to 7.0 percent.
- The single discount rate changed from 5.4 percent to 7.0 percent.

Changes in Plan Provisions

- Additional one-time direct state aid contribution of 19.4 million will be contributed to the Plan on October 1, 2023.
- Vesting requirement for new hires after June 30, 2014, was changed from a graded 20-year vesting schedule to a graded 10-year vesting schedule, with 50 percent vesting after five years, increasing incrementally to 100% after 10 years.
- A one-time, non-compounding benefit increase of 3.0 percent will be payable in a lump sum for calendar year 2024 by March 31, 2024.
- Psychological treatment is required effective July 1, 2023, prior to approval for a duty disability benefit for a psychological condition relating to the member's occupation.
- The total and permanent duty disability benefit was increased, effective July 1, 2023. There were no changes since the prior valuation.

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR DECEMBER 31, 2023**

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

B. Police and Fire Plan (Continued)

2022

Changes in Actuarial Assumptions

- The mortality improvement scale was changed from Scale MP-2020 to the Scale MP-2021.
- The single discount rate changed from 6.5% to 5.4%.

Changes in Plan Provisions

- There were no changes since the prior valuation.

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 MP-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.

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR DECEMBER 31, 2023**

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

B. Police and Fire Fund (Continued)

2020

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- There were no changes since the prior valuation.

2019

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- There were no changes since the prior valuation.

2018

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- Postretirement increases were changed to 1.0% for all years, with no trigger.
- An end date of July 1, 2048 was added to the existing \$9.0 million state contribution. Additionally, new annual state aid will equal \$4.5 million in fiscal years 2019 and 2020, and \$9.0 million each year thereafter, until the plan reaches 100% funding, or July 1, 2048, whichever is earlier.
- Member contributions were changed from 10.80% to 11.30% of pay, effective January 1, 2019 and to 11.80% of pay, effective January 1, 2020.
- Employer contributions were changed from 16.20% to 16.95% of pay, effective January 1, 2019 and to 17.70% of pay, effective January 1, 2020.
- Interest credited on member contributions decreased from 4.00% to 3.00%, beginning July 1, 2018.
- Deferred augmentation was changed to 0.00%, effective January 1, 2019. Augmentation that was already accrued for deferred members will still apply.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

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.

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR DECEMBER 31, 2023**

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

B. Police and Fire Plan (Continued)

2017 (Continued)

Changes in Actuarial Assumptions (Continued)

- 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.
- 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.

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR DECEMBER 31, 2023**

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

B. Police and Fire Plan (Continued)

2015

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

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

C. Correctional Fund

2023

Changes in Actuarial Assumptions

- The investment return rate was changed from 6.5 percent to 7.00 percent.
- The single discount rate changed from 5.42 percent to 7.0 percent.

Changes in Plan Provision

- Additional one-time direct state aid contribution of \$5.3 million will be contributed to the Plan on October 1, 2023.
- A one-time, non-compounding benefit increase of 2.5 percent minus the actual 2024 adjustment will be payable in a lump sum calendar year 2024 by March 31, 2024.
- The maximum benefit increase will revert back to 2.5 percent. The maximum increase is 1.5 percent and the Plan's funding ratio improves to 85 percent for two consecutive years on a market value of assets basis..

2022

Changes in Actuarial Assumptions

- The mortality improvement scale was changed from Scale MP-2020 to Scale MP-2021.
- The single discount rate changed from 6.50% to 5.42%.
- The benefit increase assumption was changed from 2.00% per annum to 2.00% per annum through December 31, 2054 and 1.50% per annum thereafter.

Changes in Plan Provision

- There have been no changes since the prior valuation.

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.

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR DECEMBER 31, 2023**

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

C. Correctional Fund (Continued)

2021 (Continued)

Changes in Actuarial Assumptions (Continued)

- 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 MP-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, 2023**

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, 2023**

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:

2023

- None.

2022

- The health care trend rates were changed to better anticipate short-term and long-term medical increases.
- The mortality tables were updated from the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Safety) with MP-2019 Generational Improvement Scale to the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Safety) with MP-2021 Generational Improvement Scale.
- The salary increase rates were updated to reflect the latest experience study.
- The retirement and withdrawal rates were updated to reflect the latest experience study.
- The inflation rate was changed from 2.50% to 2.00%.
- The discount rate was changed from 2.90% to 2.00%.

2021

- None.

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR DECEMBER 31, 2023**

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

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.

2019

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

2018

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

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR DECEMBER 31, 2023**

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.

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, 2023.

	<u>Budget</u>	<u>Expenditures</u>	<u>Excess</u>
Road and Bridge Special Revenue Fund	\$ 21,818,049	\$ 23,392,261	\$ (1,574,212)
Health and Human Services Special Revenue Fund	19,902,742	20,340,744	(438,002)

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, 2023**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 1,988,008	\$ 1,965,474	\$ 1,964,790	\$ (684)
Intergovernmental	12,870	35,404	64,300	28,896
Total Revenues	\$ 2,000,878	\$ 2,000,878	\$ 2,029,090	\$ 28,212
Expenditures				
Debt service				
Principal	\$ 1,425,000	\$ 1,425,000	\$ 1,425,000	\$ -
Interest	380,983	380,983	380,983	-
Administrative - fiscal charges	194,895	194,895	5,683	189,212
Total Expenditures	\$ 2,000,878	\$ 2,000,878	\$ 1,811,666	\$ 189,212
Net Change in Fund Balance	\$ -	\$ -	\$ 217,424	\$ 217,424
Fund Balance - January 1	2,879,029	2,879,029	2,879,029	-
Fund Balance - December 31	\$ 2,879,029	\$ 2,879,029	\$ 3,096,453	\$ 217,424

**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, 2023**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 581,303	\$ 574,714	\$ 574,478	\$ (236)
Licenses and permits	9,000	9,000	7,080	(1,920)
Intergovernmental	139,450	146,039	148,865	2,826
Charges for services	74,700	74,700	72,395	(2,305)
Interest on investments	330	330	-	(330)
Miscellaneous	121,500	121,500	126,591	5,091
Total Revenues	\$ 926,283	\$ 926,283	\$ 929,409	\$ 3,126
Expenditures				
Current				
Sanitation				
Solid waste	\$ 59,422	\$ 59,422	\$ 45,314	\$ 14,108
Recycling	568,969	568,969	585,100	(16,131)
Hazardous waste	108,455	108,455	57,570	50,885
Landfill	189,637	189,637	133,804	55,833
Total Expenditures	\$ 926,483	\$ 926,483	\$ 821,788	\$ 104,695
Excess of Revenues Over (Under) Expenditures	\$ (200)	\$ (200)	\$ 107,621	\$ 107,821
Other Financing Sources (Uses)				
Transfers in	200	200	-	(200)
Net Change in Fund Balance	\$ -	\$ -	\$ 107,621	\$ 107,621
Fund Balance - January 1	977,650	977,650	977,650	-
Fund Balance - December 31	\$ 977,650	\$ 977,650	\$ 1,085,271	\$ 107,621

**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.

Local Collaborative Other Activities Fund – to account for the activities of the family services collaborative. The collaborative sets goals to address the health, development, educational, and family-related needs of children and youth.

**GOODHUE COUNTY
RED WING, MINNESOTA
COMBINING STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
DECEMBER 31, 2023**

	<u>Custodial Funds</u>						<u>Total Custodial Funds</u>
	<u>Taxes and Penalties</u>	<u>State Licenses, Fees and Other Taxes</u>	<u>Medical Assistance Recoveries</u>	<u>Civil Process</u>	<u>Inmate Canteen and Services</u>	<u>Local Collaborative Other Activities</u>	
Assets							
Cash and pooled investments	\$ 1,014,478	\$ 147,480	\$ 201,904	\$ 100	\$ 20,581	\$ -	\$ 1,384,543
Accounts receivable	785,316	25,334	-	-	-	-	810,650
Due from other governments	666	599	-	-	-	-	1,265
Total Assets	<u>\$ 1,800,460</u>	<u>\$ 173,413</u>	<u>\$ 201,904</u>	<u>\$ 100</u>	<u>\$ 20,581</u>	<u>\$ -</u>	<u>\$ 2,196,458</u>
Liabilities							
Due to individuals	\$ 1,594	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,594
Due to other governments	1,013,550	173,413	201,904	-	-	-	1,388,867
Total Liabilities	<u>\$ 1,015,144</u>	<u>\$ 173,413</u>	<u>\$ 201,904</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,390,461</u>
Net Position							
Restricted for individuals, organizations and other governments	\$ 785,316	\$ -	\$ -	\$ 100	\$ 20,581	\$ -	\$ 805,997
Total Net Position	<u>\$ 785,316</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 100</u>	<u>\$ 20,581</u>	<u>\$ -</u>	<u>\$ 805,997</u>

**GOODHUE COUNTY
RED WING, MINNESOTA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Custodial Funds						Total Custodial Funds
	Taxes and Penalties	State Licenses, Fees and Other Taxes	Medical Assistance Recoveries	Civil Process	Inmate Canteen and Services	Local Collaborative Other Activities	
Additions							
Contributions-Individual	\$ -	\$ -	\$ 65,717	\$ -	\$ 499,498	\$ -	\$ 565,215
Property tax collections for other governments	78,984,108	-	-	-	-	-	78,984,108
Contributions from governments	-	1,500,969	201	-	-	-	1,501,170
License fee collected for state government	-	150,612	-	-	-	-	150,612
Civil process collections	-	-	-	649,826	-	-	649,826
Other contributions	-	6,684	165,864	-	-	89,472	262,020
Total Additions	\$ 78,984,108	\$ 1,658,265	\$ 231,782	\$ 649,826	\$ 499,498	\$ 89,472	\$ 82,112,951
Deductions							
Payments to individuals	\$ -	\$ -	\$ 221	\$ 7,403	\$ 101,966	\$ -	\$ 109,590
Payments of property tax to other governments	78,843,597	-	-	-	-	-	78,843,597
Other payments to other governments	-	1,658,265	231,561	-	272,931	-	2,162,757
Payments to other entities	-	-	-	642,423	117,947	89,472	849,842
Total Deductions	\$ 78,843,597	\$ 1,658,265	\$ 231,782	\$ 649,826	\$ 492,844	\$ 89,472	\$ 81,965,786
Net Increase (Decrease) in Fiduciary Net Position	\$ 140,511	\$ -	\$ -	\$ -	\$ 6,654	\$ -	147,165
Net Position - Beginning	644,805	-	-	100	13,927	-	658,832
Net position - Ending	\$ 785,316	\$ -	\$ -	\$ 100	\$ 20,581	\$ -	\$ 805,997

OTHER SCHEDULES

**GOODHUE COUNTY
RED WING, MINNESOTA
SCHEDULE OF INTERGOVERNMENTAL REVENUE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Governmental Funds
Shared Revenue and Appropriations	
State	
Highway users tax	\$ 12,014,080
PERA rate reimbursement	94,180
Disparity reduction aid	29,143
Police aid	1,410,120
County program aid	1,846,384
Market value credit	478,854
Aquatic invasive species aid	63,042
Indian casino aid	53,825
Riparian protection aid	108,971
Enhanced 911	321,020
SCORE	140,489
Homeless/Housing aid	198,212
	\$ 16,758,320
Reimbursement for Services	
State	
Minnesota Department of Human Services	\$ 3,605,309
Payments	
Local	
Election reimbursements	\$ 18,234
Township reimbursement	5,879
Payments in lieu of taxes	314,265
	\$ 338,378
Grants	
State	
Minnesota Department/Board of	
Corrections	\$ 689,495
Health	503,254
Human Services	2,074,124
Natural Resources	640,043
Public Safety	194,904
Veterans Affairs	12,236
Water and Soil Resources	118,030
Peace Officer Standards and Training Board	42,428
Pollution Control Agency	59,011
Secretary of State	11,662
	\$ 4,345,187

**GOODHUE COUNTY
RED WING, MINNESOTA
SCHEDULE OF INTERGOVERNMENTAL REVENUE (CONTINUED)
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Governmental Funds
Grants (Continued)	
Federal	
Department of	
Agriculture	\$ 731,867
Election Assistance	4,287
Interior	11,575
Justice	172,161
Transportation	128,689
Treasury	3,715,274
Health and Human Services	4,004,194
Homeland Security	73,430
	8,841,477
Total Federal	\$ 8,841,477
Total State and Federal Grants	\$ 13,186,664
Qualified Energy Conservation Bonds Interest Subsidy	\$ 37,806
Total Intergovernmental Revenue	\$ 33,926,477

**GOODHUE COUNTY
RED WING, MINNESOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Federal Grantor/Pass-Through Grantor/ Grant Program Title or Cluster Name	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures	Passed Through to Subrecipients
U.S. Department of Agriculture				
Passed Through Minnesota Department of Health WIC Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	232MN004W1003	\$ 165,039	\$ -
Passed Through Minnesota Department of Human Services State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (Total expenditures for SNAP Cluster \$566,828)	10.561	232MN101S2514	566,828	-
Total U.S. Department of Agriculture			\$ 731,867	\$ -
U.S. Department of the Interior				
Direct				
Payments in Lieu of Taxes	15.226	N/A, Direct	\$ 11,575	\$ -
U.S. Department of Justice				
Direct				
Treatment Court Discretionary Grant Program	16.585	N/A, Direct	109,772	-
State Criminal Alien Assistance Program	16.606	N/A, Direct	34,757	-
Bulletproof Vest Partnership Program	16.607	N/A, Direct	10,372	-
Public Safety Partnership and Community Policing Grants	16.710	N/A, Direct	17,260	-
Total U.S. Department of Justice			\$ 172,161	\$ -
U.S. Department of Transportation				
Passed Through Minnesota Department of Transportation Highway Planning and Construction	20.205	1049729	\$ 93,947	\$ -
Passed Through Minnesota Department of Public Safety				
State and Community Highway Safety (Part of Highway Safety Cluster) (Total State and Community Highway Safety 20.600 \$26,663)	20.600	A-ENFRC23-2023- GOODHUSD-007	16,434	-
State and Community Highway Safety (Part of Highway Safety Cluster) (Total State and Community Highway Safety 20.600 \$26,663)	20.600	F-SAFE23-2023- GOODHUPH-007	10,229	-
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	A-ENFRC23-2023- GOODHUSD-007	4,902	-
National Priority Safety Programs (Total expenditures for Highway Safety Cluster \$29,840)	20.616	A-ENFRC23-2023- GOODHUSD-007	3,177	-
Total U.S. Department of Transportation			\$ 128,689	\$ -
U.S. Election Assistance Commission				
Passed Through Minnesota Secretary of State COVID-19 HAVA Election Security Grants	90.404	208853-PO3809	\$ 4,287	\$ -

**GOODHUE COUNTY
RED WING, MINNESOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2023**

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures	Passed Through to Subrecipients
U.S. Department of Health and Human Services				
Passed Through Minnesota Department of Health				
Public Health Emergency Preparedness	93.069	NU90TP922026	\$ 39,987	\$ -
Early Hearing Detection and Intervention Information System (EHDJ-IS) Surveillance Program	93.314	NU50DD000096	525	-
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	NH23IP922628	29,719	-
Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	93.354	NU90TP922188	60,104	-
Activities to Support State, Tribal, Local and Territorial (STLT) Health Department				
Response to Public Health or Healthcare Crises	93.391	NH75OT000032	2,985	-
Temporary Assistance for Needy Families	93.558	2301MNTANF	29,744	-
(Total Temporary Assistance for Needy Families 93.558 \$306,309)				
Maternal, Infant and Early Childhood Home Visiting Grant	93.870	X1043589	68,531	-
Maternal and Child Health Services Block Grant to the States	93.994	BO4MC32551	42,204	-
Passed Through Minnesota Department of Human Services				
MaryLee Allen Promoting Safe and Stable Families Program	93.556	2301MNFPPSS	4,136	-
Temporary Assistance for Needy Families	93.558	2301MNTANF	276,565	-
(Total Temporary Assistance for Needy Families 93.558 \$306,309)				
Child Support Enforcement	93.563	2301MNCSES	1,017,028	-
Refugee and Entrant Assistance State/Replacement Designee Administered Programs	93.566	2301MNRDMA	2,031	-
Child Care and Development Block Grant	93.575	2301MNCDCF	17,289	-
(Total expenditures for CCDF Cluster \$17,289)				
Community-Based Child Abuse Prevention Grants	93.590	2302MNBCAP	22,944	-
Stephanie Tubbs Jones Child Welfare Services Program	93.645	2301MNCWSS	6,559	-
Foster Care Title IV-E	93.658	2301MNFPOST	458,481	-
Social Services Block Grant	93.667	2301MNSOSR	215,971	-
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	2301MNCILP	2,563	-
Children's Health Insurance Program	93.767	2305MN5021	2,346	-
Medical Assistance Program	93.778	2305MN5ADM	1,663,919	-
(Total expenditures for Medicaid Cluster \$1,663,919)				
Total U.S. Department of Health and Human Services			\$ 3,963,631	\$ -
U.S. Department of Homeland Security				
Direct				
Port Security Grant Program	97.056	N/A, Direct	\$ 26,643	\$ -
Passed Through Minnesota Department of Natural Resources				
Boating Safety Financial Assistance	97.012	R29CG70CBLA21	15,797	-
Emergency Management Performance Grants	97.042	EMC-2021-EP-00011	30,990	-
Total U.S. Department of Homeland Security			\$ 73,430	\$ -
U.S. Department of Treasury				
Direct				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A, Direct	\$ 3,615,274	\$ -
Local Assistance and Tribal Consistency Fund	21.032	N/A, Direct	100,000	-
Total U.S. Department of Treasury			\$ 3,715,274	\$ -
Total Federal Expenditures			\$ 8,800,914	\$ -

**GOODHUE COUNTY
RED WING, MINNESOTA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2023**

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, 2023. 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. 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	\$	8,841,477
Grants deferred in 2022, recognized as revenue in 2023		
Activities to Support State, Tribal, Local and Territorial (STLT) Health Department		
Response to Public Health or Healthcare Crises		(5,920)
MaryLee Allen Promoting Safe and Stable Families		(1,095)
Community-Based Child Abuse Prevention Grants		(225)
Stephanie Tubbs Jones Child Welfare Services Program		(1,952)
John H. Chafee Foster Care Program for Successful Transition to Adulthood		(33,434)
Grants received more than 60 days after year-end, deferred in 2023		
MaryLee Allen Promoting Safe and Stable Families		1,034
Stephanie Tubbs Jones Child Welfare Services Program		1,029
		1,029
Expenditures per Schedule of Expenditures of Federal Awards	\$	8,800,914

OTHER INFORMATION SECTION

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

	<u>2022</u>		<u>2023</u>		<u>2024</u>	
	Net Tax Capacity		Net Tax Capacity		Net Tax Capacity	
	Amount	Rate (%)	Amount	Rate (%)	Amount	Rate (%)
Tax Capacity						
Real property	\$ 84,935,235		\$ 98,355,178		\$ 104,560,147	
Personal property	2,055,708		2,143,005		2,092,238	
Tax increment	(377,662)		(720,830)		(774,336)	
Powerline	(93,253)		(92,475)		(87,994)	
	<u>\$ 86,520,028</u>		<u>\$ 99,684,878</u>		<u>\$ 105,790,055</u>	
Net Tax Capacity						
	<u>\$ 86,520,028</u>		<u>\$ 99,684,878</u>		<u>\$ 105,790,055</u>	
Taxes Levied for County Purposes						
General	\$ 23,932,921	28.450	\$ 24,626,381	25.414	\$ 26,370,701	25.559
Road and Bridge	5,930,896	6.855	6,405,043	6.425	6,385,496	6.036
Health & Human Services	8,079,571	9.338	8,322,678	8.349	8,322,678	7.867
Economic Development Authority	47,254	0.055	97,232	0.098	97,990	0.093
Debt Service	1,522,517	1.76	1,988,008	1.994	1,995,886	1.886
Waste Management	625,653	0.723	581,303	0.583	614,625	0.581
	<u>\$ 40,138,812</u>	<u>47.181</u>	<u>\$ 42,020,645</u>	<u>42.863</u>	<u>\$ 43,787,376</u>	<u>42.022</u>
Total Taxes Levied for County Purposes						
	<u>\$ 40,138,812</u>	<u>47.181</u>	<u>\$ 42,020,645</u>	<u>42.863</u>	<u>\$ 43,787,376</u>	<u>42.022</u>
Tax Capacity - Light and Power						
Distribution	\$ 533,387		\$ 541,335		\$ 549,239	
Light and Power Tax Levies (distributed in accordance with Minn. Stat. 273.40, as amended)						
Distribution	\$ 600,690	112.618	\$ 550,881	101.763	\$ 577,058	105.065

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

	2022		2023		2024	
	Amount	Net Tax Capacity Rate (%)	Amount	Net Tax Capacity Rate (%)	Amount	Net Tax Capacity Rate (%)
Market Value - Light and Power						
Distribution	\$ 26,760,900		\$ 27,157,100		\$ 27,479,000	
Light and Power Market Value Levies						
Distribution	\$ 59,915	0.22389	\$ 53,500	0.19700	\$ 53,157	0.19348
Tax Capacity - State General Tax						
Distribution	\$ 529,394		\$ 535,914		\$ 548,216	
State General Tax Capacity Levies						
Distribution	\$ 192,111	36.289	\$ 176,868	33.003	\$ 160,595	29.294
Percentage of Tax Collections for All Purposes						
		99.50%		99.40%		Not Available

**STATISTICAL SECTION
(UNAUDITED)**

STATISTICAL SECTION INDEX
DECEMBER 31, 2023

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**

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

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Governmental Activities										
Net Investment in Capital Assets	\$ 135,880,303	\$ 129,239,009	\$ 125,919,390	\$ 124,211,406	\$ 126,807,665	\$ 124,111,284	\$ 122,153,873	\$ 128,450,049	\$ 128,702,041	\$ 138,773,273
Restricted	34,059,906	7,782,813	7,848,939	7,771,486	9,603,586	11,603,157	10,517,131	11,252,347	15,288,484	16,285,993 *
Unrestricted	882,302	15,497,056	12,660,256	12,389,716	13,802,823	20,208,752	31,177,502	38,288,983	50,552,683	60,724,674 *
Total Primary Government Net Position	\$ 170,822,511	\$ 152,518,878	\$ 146,428,585	\$ 144,372,608	\$ 150,214,074	\$ 155,923,193	\$ 163,848,506	\$ 177,991,379	\$ 194,543,208	\$ 215,783,940

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

Goodhue County
Changes in Net Position

Last Ten Fiscal Years
(Accrual Basis of Accounting)

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Expenses										
Governmental Activities										
General Government	\$ 12,872,848	\$ 12,108,499	\$ 12,925,685	\$ 12,882,488	\$ 11,183,567	\$ 14,035,828	\$ 13,349,002	\$ 12,801,851	\$ 14,260,250	\$ 17,542,700
Public Safety	13,021,732	13,626,610	16,914,804	16,085,482	14,548,058	15,605,175	13,795,958	13,664,216	17,737,445	18,261,088
Highways and Streets	8,605,987	16,042,500	15,988,827	12,431,568	11,410,425	15,466,141	22,372,826	14,357,136	19,606,629	16,811,149
Sanitation	763,417	682,309	785,491	682,915	1,339,641	901,715	963,781	1,895,620	1,201,253	927,983
Human Services	10,013,359	10,933,174	12,521,486	13,263,433	12,592,187	13,367,608	12,851,232	11,706,899	10,537,862	14,959,661
Health	2,650,021	3,053,450	4,009,596	3,463,802	3,699,283	3,950,154	4,122,909	4,680,853	4,422,307	5,297,896
Culture and Recreation	687,744	758,214	643,907	744,733	806,522	1,501,690	1,206,060	1,038,833	1,024,644	1,436,411
Conservation of Natural Resources	707,371	742,202	718,033	772,220	722,000	676,100	811,272	989,335	1,143,107	997,850
Economic Development	81,032	58,793	27,672	28,365	37,736	62,997	2,739,358	974,027	125,501	95,246
Interest	200,741	532,095	559,537	499,107	531,756	476,084	435,098	401,429	379,094	354,566
Total Governmental Activities Expenses	\$ 49,604,252	\$ 58,537,846	\$ 65,095,038	\$ 60,854,113	\$ 56,871,175	\$ 66,043,492	\$ 72,647,496	\$ 62,510,199	\$ 70,438,092	\$ 76,684,550
Program Revenues										
Governmental Activities										
Fees, Charges, Fines and Other										
General Government	\$ 1,615,796	\$ 1,809,888	\$ 1,925,997	\$ 2,212,528	\$ 2,222,070	\$ 2,252,714	\$ 3,233,959	\$ 2,526,345	\$ 3,050,113	\$ 2,219,820
Public Safety	1,640,103	2,244,780	2,305,994	2,433,957	1,842,846	1,858,873	1,304,151	1,033,721	1,014,872	1,133,741
Highways and Streets	40,736	59,493	276,882	109,235	510,872	238,051	152,775	517,287	430,797	135,450
Sanitation	237,027	181,881	232,778	281,796	234,866	155,775	229,793	282,857	251,457	199,702
Human Services	1,108,800	1,046,842	920,149	1,190,806	1,385,015	1,404,682	1,591,461	1,832,672	1,734,813	7,991,873
Health	584,869	728,031	875,477	803,375	965,491	1,086,345	1,017,140	937,370	2,221,982	894,138
Culture and Recreation	400	-	-	-	-	-	-	-	-	-
Conservation of Natural Resources	102,490	111,148	105,476	108,720	98,314	117,718	115,408	142,399	90,250	114,433
Economic Development	56,061	32,439	111,986	10,783	10,783	13,232	93,868	2,321	-	-
Total Fees, Charges, Fines and Other	\$ 5,386,282	\$ 6,214,502	\$ 6,754,739	\$ 7,151,200	\$ 7,270,257	\$ 7,127,390	\$ 7,738,555	\$ 7,274,972	\$ 8,794,284	\$ 12,689,157
Operating Grants and Contributions										
General Government	\$ 236,897	\$ 162,316	\$ 248,217	\$ 261,106	\$ 407,103	\$ 366,200	\$ 1,603,382	\$ 493,657	\$ 5,757,597	\$ 4,299,583
Public Safety	1,214,876	1,257,779	1,112,610	1,091,408	1,224,731	1,305,419	2,583,827	1,269,920	1,737,174	2,887,031
Highways and Streets	6,742,017	7,339,939	8,939,751	5,960,131	7,665,246	7,451,233	8,350,560	7,470,734	8,911,747	8,625,699
Sanitation	6,669	328	515,745	139,486	132,347	136,396	139,223	144,066	149,201	140,489
Human Services	5,874,129	6,017,606	5,449,858	6,004,090	6,050,927	6,431,521	7,160,306	6,367,100	6,898,594	7,251,094
Health	1,288,934	1,693,652	2,165,759	2,022,662	2,332,595	2,279,377	2,790,061	3,030,109	3,187,394	3,297,310
Culture and Recreation	155,316	224,120	43,766	153,103	96,669	144,191	104,830	122,667	122,348	170,182
Conservation of Natural Resources	175,668	205,723	324,270	152,555	122,129	51,052	141,451	73,952	87,985	177,041
Economic Development	-	3,356	-	-	-	-	3,494,766	-	-	-
Total Operating Grants and Contributions	\$ 15,694,506	\$ 16,904,819	\$ 18,799,976	\$ 15,784,541	\$ 18,031,747	\$ 18,165,389	\$ 26,368,406	\$ 18,972,205	\$ 26,852,040	\$ 26,848,429

Goodhue County
Changes in Net Position

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

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Capital Grants and Contributions										
General Government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public Safety	-	-	256,250	-	-	-	-	-	-	-
Highways and Streets	4,013,215	728,382	296,771	1,309,506	1,350,171	405,749	780,491	4,216,493	2,366,137	3,162,844
Culture and Recreation	-	-	-	-	-	668,767	321,611	-	-	503,100
Conservation of Natural Resources	-	-	-	-	-	-	-	-	-	-
Total Capital Grants and Contributions	\$ 4,013,215	\$ 728,382	\$ 553,021	\$ 1,309,506	\$ 1,350,171	\$ 1,074,516	\$ 1,102,102	\$ 4,216,493	\$ 2,366,137	\$ 3,665,944
Total Governmental Activities Program Revenues	\$ 25,094,003	\$ 23,847,703	\$ 26,107,736	\$ 24,245,247	\$ 26,652,175	\$ 26,367,295	\$ 35,209,063	\$ 30,463,670	\$ 38,012,461	\$ 43,203,530
Total Governmental Activities net (expense)/revenue	\$ (24,510,249)	\$ (34,690,143)	\$ (38,987,302)	\$ (36,608,866)	\$ (30,219,000)	\$ (39,676,197)	\$ (37,438,433)	\$ (32,046,529)	\$ (32,425,631)	\$ (33,481,020)
General Revenues and Other Change in Net Assets										
Property Taxes	\$ 27,361,094	\$ 27,805,768	\$ 28,972,660	\$ 30,814,589	\$ 32,742,941	\$ 35,721,001	\$ 36,663,547	\$ 37,736,730	\$ 40,078,370	\$ 41,983,937
Local Option Sales Taxes	-	-	-	-	-	3,376,562	3,510,393	4,077,054	4,425,752	4,550,162
Other Taxes	851,453	837,933	857,204	915,573	903,798	990,222	1,002,800	1,074,940	1,028,795	1,023,971
Grants and Contributions	2,085,821	2,200,257	2,301,779	2,093,557	2,530,927	2,290,802	2,275,812	2,403,351	2,592,654	2,427,665
Unrestricted Investment Earnings	144,985	177,993	235,490	162,724	373,231	1,796,320	1,106,192	440,153	60,026	3,771,010
Miscellaneous	277,107	600,805	529,876	559,808	606,187	632,955	550,435	393,081	751,258	505,126
Gain on Sale of Capital Assets	62,474	13,940	-	6,638	32,451	104,860	254,567	64,093	40,605	459,881
Total Governmental Activities	\$ 30,782,934	\$ 31,636,696	\$ 32,897,009	\$ 34,552,889	\$ 37,189,535	\$ 44,912,722	\$ 45,363,746	\$ 46,189,402	\$ 48,977,460	\$ 54,721,752
Change in Net Position, Governmental Activities	\$ 6,272,685	\$ (3,053,447)	\$ (6,090,293)	\$ (2,055,977)	\$ 6,970,535	\$ 5,236,525	\$ 7,925,313	\$ 14,142,873	\$ 16,551,829	\$ 21,240,732

Goodhue County
Fund Balances of Governmental Funds

Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund										
Nonspendable	\$ 248,047	\$ 337,477	\$ 349,935	\$ 429,636	\$ 241,676	\$ 284,232	\$ 258,520	\$ 415,331	\$ 616,266	\$ 540,423
Restricted	902,692	5,065,181	979,407	1,264,290	1,432,165	1,588,317	2,627,034	2,217,512	2,569,736	3,679,585
Committed	3,168,676	3,958,913	4,765,685	2,382,839	5,451,214	3,286,673	-	3,931,952	5,402,395	5,963,999
Assigned	2,398,234	1,882,056	1,664,437	1,967,570	2,250,079	2,522,561	6,060,000	4,337,908	6,468,335	8,337,758
Unassigned	11,209,969	11,238,959	12,273,309	14,654,397	12,286,966	14,619,539	18,215,668	17,633,142	17,651,522	18,626,983
Total General Fund	\$ 17,927,618	\$ 22,482,586	\$ 20,032,773	\$ 20,698,732	\$ 21,662,100	\$ 22,301,322	\$ 27,161,222	\$ 28,535,845	\$ 32,708,254	\$ 37,148,748
All Other Governmental Funds										
Nonspendable, Reported in:										
Road and Bridge Fund	\$ 567,003	\$ 474,952	\$ 466,525	\$ 534,893	\$ 487,508	\$ 423,975	\$ 720,756	\$ 542,534	\$ 508,659	\$ 649,882
Health and Human Services Fund	120,694	129,839	113,053	159,254	33,723	32,547	41,218	51,572	229,311	55,980
Debt Service Fund	-	456	456	-	-	-	1,850	1,850	2,035	2,035
Waste Management Fund	4,294	3,973	4,066	4,322	31	-	-	-	6,678	-
Restricted, Reported in:										
Road and Bridge Fund	2,313,297	-	-	-	-	-	-	-	-	-
Health and Human Services Fund	-	-	-	-	-	501,646	518,845	494,535	766,515	887,872
Economic Development Authority Fund	607,797	604,283	604,283	604,283	546,963	546,963	533,200	546,963	546,963	546,963
Debt Service Fund	2,442,718	2,551,688	2,540,950	2,748,597	2,898,608	3,090,332	3,375,517	3,139,892	2,876,994	3,094,418 *
Waste Management Fund	218,722	219,051	219,380	219,708	220,039	220,369	220,700	223,307	-	-
Committed, Reported in:										
Road and Bridge Fund	405,585	357,189	495,437	493,029	440,613	604,404	-	818,316	615,117	329,497
Health and Human Services Fund	259,179	150,550	150,550	150,550	150,550	150,550	-	148,715	150,500	156,619
Economic Development Authority Fund	52,663	49,616	163,892	182,615	242,173	259,548	-	209,389	135,519	141,921
Waste Management Fund	35,075	35,075	35,075	35,075	35,075	35,075	-	35,075	35,075	258,382
Assigned, Reported in:										
Road and Bridge Fund	5,210,647	5,768,048	6,375,892	7,974,421	7,905,914	11,992,819	15,173,762	14,048,548	15,716,210	16,668,639
Health and Human Services Fund	6,623,508	7,573,958	7,074,492	5,541,813	7,011,831	8,554,139	11,399,524	13,781,194	16,730,306	18,943,821
Economic Development Authority Fund	-	-	-	-	-	-	237,795	-	-	-
Waste Management Fund	77,807	-	471,889	557,078	587,447	518,522	577,093	608,596	935,897	826,889
Unassigned, Reported in:										
Ditch Fund	-	-	-	-	-	-	-	(287,426)	(625,157)	(280,695)
Waste Management Fund	-	(74,818)	-	-	-	-	-	-	-	-
Total All Other Governmental Funds	\$ 18,938,989	\$ 17,843,860	\$ 18,715,940	\$ 19,205,638	\$ 20,560,475	\$ 26,930,889	\$ 32,800,260	\$ 34,363,060	\$ 38,630,622	\$ 42,282,223

* 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>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Revenues										
Taxes	\$ 28,045,751	\$ 28,411,586	\$ 29,826,638	\$ 31,598,430	\$ 33,425,562	\$ 39,793,011	\$ 40,875,558	\$ 42,507,368	\$ 45,398,720	\$ 47,215,210
Special Assessments	26,588	18,134	19,038	7,180	4,940	16,272	293,063	231,197	70,283	464,135
Licenses and Permits	320,917	414,210	477,089	585,254	520,900	518,659	667,901	687,221	681,576	545,545
Intergovernmental	22,026,741	17,064,862	21,786,115	20,239,525	20,994,662	20,218,245	34,060,237	23,696,944	29,811,360	33,926,477
Charge for Services	3,540,598	4,337,012	4,076,830	4,325,860	4,374,816	4,506,020	4,398,044	4,571,454	4,174,859	3,895,685
Fines and Forfeits	14,643	15,927	12,512	12,177	13,010	11,594	9,810	10,142	11,982	10,272
Gifts and Contributions	43,698	33,251	89,924	113,720	39,478	42,192	65,914	39,527	31,724	34,582
Investment Earnings	144,502	178,686	236,131	162,950	373,773	1,797,613	1,107,535	448,451	76,856	3,801,588
Miscellaneous	2,016,336	2,150,153	2,168,038	2,373,739	2,491,716	2,356,618	2,191,250	2,357,339	2,777,059	2,364,712
Total Revenues	\$ 56,179,774	\$ 52,623,821	\$ 58,692,315	\$ 59,418,835	\$ 62,238,857	\$ 69,260,224	\$ 83,669,312	\$ 74,549,643	\$ 83,034,419	\$ 92,258,206
Expenditures										
General Government	\$ 11,607,915	\$ 16,729,313	\$ 13,625,210	\$ 12,365,318	\$ 11,708,827	\$ 13,251,609	\$ 12,756,278	\$ 12,271,107	\$ 12,954,997	\$ 15,268,389
Public Safety	12,629,168	13,250,058	13,620,842	13,771,308	14,440,466	14,346,461	13,667,072	13,821,272	14,537,586	15,438,355
Highways and Streets	19,197,616	11,234,340	12,615,176	10,547,023	12,597,468	10,297,770	17,725,424	19,604,250	16,491,133	22,342,908
Sanitation	857,695	689,903	735,911	688,106	721,532	775,618	821,243	928,321	3,392,593	821,788
Human Services	11,100,757	11,028,616	12,445,627	13,858,373	12,746,523	13,206,125	13,600,924	13,123,281	13,657,782	14,782,732
Health	2,723,168	3,061,863	3,322,008	3,279,038	3,661,415	3,872,135	4,278,153	4,439,291	4,637,740	5,195,546
Culture and Recreation	684,037	754,507	640,200	741,026	864,826	1,497,983	1,202,353	1,105,280	2,573,673	1,879,440
Conservation of Natural Resources	706,960	736,978	711,804	770,632	719,155	678,434	798,492	984,429	1,112,650	994,062
Economic Development	81,032	58,793	27,672	28,365	37,736	62,997	2,739,358	974,027	125,502	95,247
Capital Outlay										
General government	-	-	-	-	-	485,123	1,125,383	241,631	748,624	2,356,597 (1)
General government - COVID-19	-	-	-	-	-	-	515,900	256,742	-	- (1)
Public safety	-	-	-	-	-	527,434	787,941	887,098	1,298,321	949,026 (1)
Highways and streets	-	-	-	-	-	1,333,392	819,757	511,317	119,036	1,588,313 (1)
Sanitation	-	-	-	-	-	-	98,273	47,150	376,445	207,538 (1)
Human Services	-	-	-	-	-	-	-	-	10,525	347,220
Health	-	-	-	-	-	-	-	-	5,290	-
Debt Service										
Principal	1,885,288	1,745,411	1,395,535	1,305,661	1,361,492	1,325,000	1,345,000	1,370,000	1,423,184	1,741,211
Interest	129,259	240,758	659,013	532,012	510,563	488,095	464,629	439,061	414,155	391,319
Administrative (fiscal) charges	96,609	4,948	14,207	4,941	59,501	26,722	9,613	2,852	6,000	5,683
Intergovernmental	421,804	446,646	462,724	464,177	542,701	538,457	560,839	515,859	771,290	-
Highways and Streets	-	-	-	-	-	-	-	-	-	556,677
Total Expenditures	\$ 62,121,308	\$ 59,982,134	\$ 60,275,929	\$ 58,355,980	\$ 59,972,205	\$ 62,713,355	\$ 73,316,632	\$ 71,522,968	\$ 74,656,526	\$ 84,962,051
Excess of Revenues Over/(Under) Expenditures	\$ (5,941,534)	\$ (7,358,313)	\$ (1,583,614)	\$ 1,062,855	\$ 2,266,652	\$ 6,546,869	\$ 10,352,680	\$ 3,026,675	\$ 8,377,893	\$ 7,296,155

(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>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Other Financing Sources/(Uses)										
Proceeds from Borrowing	\$ 7,760,000	\$ 10,720,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Bond Premiums	195,606	176,507	-	-	-	-	-	-	-	-
Issuance of Leases	-	-	-	-	-	-	-	-	82,423	-
Issuance of Subscription-Based IT Arrangements	-	-	-	-	-	-	-	-	-	508,686
Sale of Capital Assets	62,474	13,940	19,389	25,914	60,748	57,239	76,782	92,073	29,655	237,254
Total Other Financing Sources/(Uses)	\$ 8,018,080	\$ 10,910,447	\$ 19,389	\$ 25,914	\$ 60,748	\$ 57,239	\$ 76,782	\$ 92,073	\$ 112,078	\$ 745,940
Increase/(Decrease) in Inventories	193,783	(92,295)	(13,508)	66,888	(9,195)	(67,066)	299,809	(181,325)	-	-
Net Change in Fund Balances	\$ 2,270,329	\$ 3,459,839	\$ (1,577,733)	\$ 1,155,657	\$ 2,318,205	\$ 6,537,042	\$ 10,729,271	\$ 2,937,423	\$ 8,489,971	\$ 8,042,095
Debt Service as a Percentage of Noncapital Expenditures	4.46%	4.03%	3.77%	3.38%	3.58%	3.01%	2.59%	3.04%	2.69%	3.14%
Expenditures for general cap assets + infrastructure	16,907,930	10,735,162	5,784,293	4,059,238	7,693,047	2,413,215	3,547,777	12,089,615	6,263,596	16,982,242

**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				
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%
2022	20,495,173	37,148,086	9,767,867	186,360	17,337,749	2,055,708	(377,662)	(93,253)	86,520,028	8,205,013,200	7,934,978,200	1.09%
2023	23,434,471	44,831,010	11,872,998	213,257	18,003,442	2,143,105	(720,830)	(92,475)	99,684,978	9,392,384,500	9,161,335,500	1.09%

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
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
2022	45.421	1.760	47.181	31.490	22.866	0.941
2023	40.869	1.994	42.863	28.310	20.000	0.920

Tax Year 2023

Number of taxing districts	31	12	5
Minimum levy rate	9.204	9.879	0.628
Maximum levy rate	81.321	35.549	1.328

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**

2023 Tax Capacity Value

Taxpayer	Type of Business	Rank	Estimated Market Value	2023 Tax Capacity Value	Percentage of Total Tax Capacity Value
Northern States Power Company	Utilities	1	\$ 952,586,300	\$ 19,043,969	19.10%
S MN Municipal Power Agency	Utilities	2	16,843,200	336,114	0.34%
Red Wing Shoe Co Inc	Commercial	3	14,981,700	291,672	0.29%
MN Energy Resources Corp	Utilities	4	12,367,600	246,582	0.25%
Mayo Clinic Health System-RW	Commercial	5	12,710,100	245,563	0.25%
Wal-Mart Stores Inc	Commercial	6	10,521,900	209,688	0.21%
Dairyconcepts LP	Commercial	7	10,087,400	200,998	0.20%
SOO Line Railroad Company	RR/Commercial	8	9,959,600	198,442	0.20%
Keller-Baartman Properties V	Residential	9	19,436,300	194,363	0.19%
Inland American Zumbrota Atlas	Industrial	10	9,363,100	186,512	0.19%
TOTALS			\$ 1,068,857,200	\$ 21,153,903	21.22%

Total Tax Capacity Value

\$ 99,684,978

2014 Tax Capacity Value

Taxpayer	Type of Business	Rank	Estimated Market Value	2014 Tax Capacity Value	Percentage of Total Tax Capacity Value
Northern States Power Company	Utilities	1	\$ 540,371,600	\$ 10,800,851	17.19%
Mayo Clinic Health System-RW	Commercial	2	15,822,000	267,097	0.43%
Wal-Mart Stores Inc	Commercial	3	9,758,900	194,428	0.31%
Red Wing Shoe Co Inc	Commercial	4	9,043,000	177,431	0.28%
Menards Inc	Commercial	5	8,793,000	171,847	0.27%
Inland American Zumbrota Atlas	Industrial	6	8,113,300	161,516	0.26%
Hernke's Faram Land Inc	Agricultural	7	14,100,700	141,264	0.22%
Convenience Store Investments	Commercial	8	6,443,300	125,116	0.20%
Target Corporation	Commercial	9	6,063,400	120,518	0.19%
SOO Line Railroad Company	RR/Commercial	10	5,911,900	117,488	0.19%
TOTALS			\$ 624,421,100	\$ 12,277,556	19.54%

Total Tax Capacity Value

\$ 62,829,312

Source: Goodhue County Finance & Taxpayer Services

GOODHUE COUNTY
RED WING, MINNESOTA

PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Fiscal Year Ended December 31	Total Tax Levy for Fiscal Year	State Paid Credits	Adjustments	Adjusted Tax Levy	Collection within the Fiscal Year of the		Collections in Subsequent Years (1)	Total	
					Amount (1)	Percentage of Levy		Amount (1)	Percentage of Levy
2014	\$ 27,400,403	\$ (304,416)	\$ (22,449)	\$ 27,073,538	\$ 26,838,856	98.0%	\$ 232,093	\$ 27,070,949	99.9%
2015	28,014,237	(496,750)	(28,535)	27,488,952	27,249,428	97.3%	239,524	27,488,952	99.9%
2016	28,952,740	(486,357)	(34,373)	28,432,010	28,221,384	97.5%	210,626	28,432,010	99.9%
2017	31,004,828	(500,448)	(49,079)	30,455,301	30,295,709	97.7%	158,732	30,454,441	99.8%
2018	33,045,385	(504,435)	(54,538)	32,486,412	32,291,225	97.7%	190,894	32,482,119	99.8%
2019	36,007,625	(507,671)	(32,867)	35,467,087	35,207,301	97.8%	254,240	35,461,541	99.9%
2020	36,921,056	(510,999)	(35,500)	36,374,557	36,162,600	97.9%	203,845	36,366,445	99.9%
2021	37,940,340	(516,979)	(42,049)	37,381,312	37,188,097	98.0%	175,026	37,363,123	99.8%
2022	40,184,000	(527,647)	(21,877)	39,634,476	39,442,186	98.2%	148,258	39,590,444	99.8%
2023	42,060,566	(530,150)	(10,157)	41,520,259	41,280,015	98.1%	-	41,280,015	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:					Personal Income (1)	Ratio of Debt To Personal Income	Population (1)	Debt Per Capita
	General Obligation Bonds	Lease Liability	SBITA Liability	G.O Special Assessments	Total				
2014	\$ 14,285,521	\$ -	\$ -	\$ 138,099	\$ 14,423,620	\$2,175,192,000	0.7%	46,003	\$ 314
2015	23,465,035	-	-	112,688	23,577,723	2,253,642,000	1.0%	46,033	512
2016	22,078,481	-	-	87,153	22,165,634	2,222,740,000	1.0%	46,240	479
2017	20,769,319	-	-	61,492	20,830,811	2,300,472,000	0.9%	46,304	450
2018	19,440,158	-	-	-	19,440,158	2,484,856,000	0.8%	46,403	419
2019	18,085,997	-	-	-	18,085,997	2,586,510,000	0.7%	46,340	390
2020	16,711,836	-	-	-	16,711,836	2,700,473,000	0.6%	46,318	361
2021	15,312,675	-	-	-	15,312,675	2,922,844,000	0.5%	47,968	319
2022	13,888,514	-	-	-	13,888,514	3,073,035,000	0.5%	48,013	289
2023	12,434,353	118,181	378,258	-	12,930,792	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**

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Total Bonded Debt</u>	<u>Amounts Available in Fund</u>	<u>Net Bonded Debt</u>	<u>Estimated Market Value</u>	<u>Net Bonded Debt to Market Value</u>	<u>Population (1)</u>	<u>Net Bonded Debt per Capita</u>
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%	47,968	302.61
2022	13,888,514	13,888,514	896,535	12,991,979	8,205,013,200	0.16%	48,013	270.59
2023	12,434,353	12,434,353	996,150	11,438,203	9,392,384,500	0.12%	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, 2023**

	Debt Outstanding	Applicable to Goodhue County	
		Percent (1)	Amount
Cities			
City of Bellechester	\$ 213,000	81.40%	\$ 173,382
City of Cannon Falls	7,530,000	100.00%	7,530,000
City of Dennison	337,975	88.86%	300,325
City of Goodhue	1,943,003	100.00%	1,943,003
City of Kenyon	10,578,273	100.00%	10,578,273
City of Lake City	3,303,000	20.86%	689,006
City of Pine Island	12,030,000	74.59%	8,973,177
City of Red Wing	24,710,000	100.00%	24,710,000
City of Wanamingo	5,364,000	100.00%	5,364,000
City of Zumbrota	2,990,000	100.00%	2,990,000
Total Cities	68,999,251		63,251,166
Independent School Districts			
No. 195	9,970,000	11.52%	1,148,544
No. 200	68,547,524	0.08%	54,838
No. 252	23,905,000	95.25%	22,769,513
No. 253	24,800,000	95.07%	23,577,360
No. 255	76,810,000	45.76%	35,148,256
No. 256	19,035,000	100.00%	19,035,000
No. 656	8,223,735	0.04%	3,289
No. 659	46,530,000	0.85%	395,505
No. 813	22,606,511	26.46%	5,981,683
No. 2125	7,010,000	0.99%	69,399
No. 2172	15,780,000	90.21%	14,235,138
No. 2805	45,805,000	72.85%	33,368,943
Total Independent School Districts	369,022,770		155,787,468
Special Taxing Districts			
Bear Valley Watershed	-	100.00%	-
Belle Creek Watershed	-	100.00%	-
Red Wing HRA	-	100.00%	-
Red Wing Port Authority	-	100.00%	-
SEMMCHRA	2,978,638	100.00%	2,978,638
Total Special Taxing Districts	2,978,638		2,978,638
Goodhue County	12,930,792	100.00%	12,930,792
Total	\$ 453,931,451		\$ 234,948,064

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**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Market Valuation of Taxable Property	\$ 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	\$8,205,013,200	\$9,392,384,500
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	190,854,633	197,313,096	202,007,973	208,162,092	215,835,318	225,802,845	228,701,046	239,972,337	246,150,396	281,771,535
Amount of Debt applicable to Debt Limit										
General Obligation Debt	14,285,521	23,465,035	22,078,481	20,769,319	19,440,158	18,085,997	16,711,836	15,312,675	13,888,514	12,434,353
Less: Amount Available in Debt Service Funds	99,615	199,230	298,845	398,460	498,075	597,692	697,308	796,920	896,535	996,150
Total Debt Applicable to Limit	14,185,906	23,265,805	21,779,636	20,370,859	18,942,083	17,488,305	16,014,528	14,515,755	12,991,979	11,438,203
Legal Debt Margin	\$ 176,668,727	\$ 174,047,291	\$ 180,228,337	\$ 187,791,233	\$ 196,893,235	\$ 208,314,540	\$ 212,686,518	\$ 225,456,582	\$ 233,158,417	\$ 270,333,332
Percent of Legal Debt Incurred	7.49%	11.89%	10.93%	9.98%	9.01%	8.01%	7.31%	6.38%	5.64%	4.41%

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)
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	3.3%
2018	46,403	2,484,856,000	53,549	2.9%
2019	46,340	2,586,510,000	55,816	3.3%
2020	46,318	2,700,473,000	58,303	6.0%
2021	47,968	2,922,844,000	60,933	3.2%
2022	48,013	3,073,035,000	64,004	2.2%
2023	n/a	n/a	n/a	2.8%

Notes:

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

(2) Source: Minnesota Employment and Economic Development

n/a = not available

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

Industry	2023		2014	
	Annual Average	Percentage of Total County Employment	Annual Average	Percentage of Total County Employment
Natural Resources and mining	385	1.8%	344	1.6%
Construction	813	3.8%	777	3.6%
Manufacturing	4,685	22.2%	4,321	20.0%
Trade, transportation and utilities				
Utilities	761		898	
Wholesale trade	829		705	
Retail trade	2,122		2,223	
Transportation and warehousing	520		844	
	4,232	20.0%	4,670	21.6%
Information	96	0.5%	186	0.9%
Financial activities	415	2.0%	563	2.6%
Professional and business services				
Professional, scientific and technical services	381		346	
Management of companies and enterprises	171		271	
Administrative and waste management services	462		677	
	1,014	4.8%	1,294	6.0%
Education and health services	4,261	20.2%	4,451	20.6%
Leisure and hospitality	3,376	16.0%	3,092	14.3%
Other services	618	2.9%	726	3.4%
Public administration				
Executive, Legislative, other general government	965		948	
Justice, Public Order, Safety	216		210	
Environmental Quality	20		19	
Housing and Economic Development	30		28	
	1,231	5.8%	1,205	5.4%
Total Employment	21,126	100.0%	21,629	100.0%

Source: Minnesota Department of Economic Development, Labor Market Information

**GOODHUE COUNTY
RED WING, MINNESOTA**

FULL TIME EQUIVALENT EMPLOYEES BY DEPARTMENT

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund										
Commissioners	5	5	5	5	6	5	5	5	5	5
Administration	3	3	3	3	3	3	3	3	4	4
Auditor/Treasurer	6	6	5	5	8	6	6	7	7	7
Assessor	11	9	11	11	15	10	11	9	8	10
Human Resources	4	3	3	4	4	4	4	4	5	6
Information Technology	6	6	6	6	6	5	6	4	5	7
Attorney	14	15	15	15	15	15	15	16	18	18
Recorder	5	4	4	4	4	4	4	4	4	4
Surveyor	3	3	4	4	4	4	4	4	3	4
GIS	2	3	3	2	4	3	3	3	3	3
Facility Maintenance	8	8	8	9	9	9	8	9	8	8
Veterans Service	2	2	2	2	2	2	2	1	2	3
Zoning	11	9	10	11	12	11	11	10	12	11
Sheriff	44	43	43	47	46	46	49	48	47	50
Boat & Water	1	1	2	2	3	2	1	2	2	2
Jail Operations	47	42	44	47	45	48	36	38	38	41
Dispatch	12	12	12	12	12	12	12	10	12	12
Court Services	12	12	12	11	11	11	11	11	10	11
OEM	1	1	1	1	1	1	1	1	1	2
Extention	1	1	1	1	1	1	1	1	1	1
Total General Fund	198	188	194	202	211	202	193	190	195	209
Road and Bridge Fund										
Public Works Maintenance	18	16	18	18	17	17	18	18	16	18
Public Works Construction	6	5	5	6	6	6	5	5	6	7
Public Works Administration	3	3	3	3	3	3	3	3	4	4
Public Works Equipment Maintenance	2	1	1	1	1	1	1	1	1	1
Health and Human Services Fund										
Income Maintenance	39	39	41	45	42	47	47	48	48	50
Social Services	22	24	24	26	26	28	29	31	30	34
LTCC/Waiver Mngmnt	10	12	15	14	16	15	15	17	17	18
Health Education	9	8	7	7	7	11	10	12	11	10
Office Administration	3	3	3	3	3	3	2	1	1	1
DP & C	-	-	-	-	-	-	-	-	1	1
Waste Management Fund										
Waste/Water Management	1	1	1	1	1	1	1	1	1	
Recycling Center	4	3	4	4	4	3	5	5	5	5
Total Employees	315	303	316	330	337	337	329	332	336	358
Population (1)	46,003	46,033	46,240	46,304	46,403	46,340	46,318	47,968	48,013	n/a
Number of FTE's per 1,000 Population	6.85	6.58	6.83	7.13	7.26	7.27	7.10	6.92	7.00	n/a

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

GOODHUE COUNTY
RED WING, MINNESOTA

OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS

Function/Program	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General government										
Number of parcels in county	30,471	30,438	30,490	30,571	30,604	30,617	30,652	30,735	30,705	30,740
Number of registered voters (*not an election year)	27,914	*	28,323	*	28,761	*	30,731	*	31,595	*
Number of votes cast (*not an election year)	17,354	*	25,929	*	23,340	*	28,759	*	23,211	*
Voter turnout (%) (*not an election year)	62%		92%		81%		94%		73%	
Number of documents recorded	8,268	9,010	9,131	9,129	8,457	9,002	10,836	12,054	8,851	6,743
Public Works										
Road miles maintained	400.14	400.14	400.14	400.14	400.14	400.14	400.14	401.57	401.57	401.57
Maintenance cost per mile	\$ 9,115	\$ 8,498	\$ 10,045	\$ 10,264	\$ 11,410	\$ 12,948	\$ 11,595	\$ 12,312	\$ 13,285	\$ 14,770
Public safety										
Calls for service	13,140	14,069	14,277	13,903	13,127	13,324	12,245	12,683	13,861	14,042
Average Daily Population - Detention	95	124	126	124	103	98	71	52	52	47
Health & Human Services										
Average Monthly WIC Participants	749	765	697	676	619	623	602	625	630	675
Average Monthly Food Support Households	1,273	1,032	1,006	1,117	1,092	1,002	1,092	1,145	1,252	1,283

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**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental activities:										
Municipal Buildings	12	12	12	12	12	12	12	12	12	12
Public Safety										
Patrol Vehicles	39	39	38	44	49	46	49	51	50	48
Public Works										
Road Miles	400.14	400.14	400.14	400.14	400.14	400.14	400.14	401.57	401.57	401.57
Snowplows	13	14	14	14	12	10	9	9	14	13

Source: Goodhue County Finance & Taxpayer Services



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