

GOODHUE COUNTY SUMMARY FINANCIAL STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2011

The purpose of this Report is to provide a summary of financial information concerning Goodhue County for interested citizens. Questions about this report should be directed to the Auditor/Treasurer's Office at (651) 385-3032.

A FULL AND COMPLETE COPY OF THE COUNTY FINANCIAL STATEMENT IS ALSO AVAILABLE UPON REQUEST BY CALLING FINANCE & TAXPAYER SERVICES OFFICE AT (651) 385-3032, OR BY WRITING TO GOODHUE COUNTY FINANCE & TAXPAYER SERVICES AT 509 WEST 5TH STREET, RED WING, MN 55066. YOU WILL ALSO FIND A FULL COPY ON OUR WEBSITE AT:

www.co.goodhue.mn.us/departments/auditortreasurer/FinancialReports.aspx

CURRENT COUNTY OFFICIALS

COUNTY COMMISSIONERS: 651-385-3001 Office

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

ELECTED MANAGERS:

Attorney: Stephen Betcher	651-267-4950 Office
Sheriff: Scott McNurlin	651-267-2621 Office

APPOINTED MANAGERS:

Administrator: Scott Arneson	651-385-3001
Court Services: Joanne Pohl	651-267-4900
Finance: Carolyn Holmsten	651-385-3032
Human Resources: Melissa Cushing	651-385-3028
Health & Human Services: Nina Arneson	651-385-6115
Information Technology: Randy Johnson	651-385-3224
Land Use Management/Recorder: Lisa Hanni	651-385-3104
Public Works: Greg Isakson	651-385-2812
Veteran's Service Officer: Robert Davis	651-385-3256

A User's Guide to County Financial Statements

The following definitions will help citizens understand the terminology that is used in the county's financial statement.

Basic Financial Statements

Goodhue County's basic financial statements consist of three parts: government-wide financial statements, fund financial statements, and notes to the financial statements. The management's discussion and analysis and certain budgetary comparison schedules are required to accompany the basic financial statements, and therefore, are included as required supplementary information.

Government-wide financial statements display information about the county's financial reporting entity as a whole, except for its fiduciary activities. These statements should present separate information for the governmental and business-type activities of the county (primary government), as well as for its component units.

Fund financial statements display separate financial information for the county's governmental, proprietary, and fiduciary funds. Information for governmental and enterprise proprietary funds is presented separately for major funds and the aggregate total for non major funds. Internal services and fiduciary fund information is presented in aggregate by fund type.

Notes to the financial statements provide additional information and disclosure for information in the financial statements.

Governmental activities are generally activities of the county financed through taxes, intergovernmental revenues, and other nonexchange revenues. These activities are usually reported in governmental funds and internal service funds.

Financial reporting entity consists of the primary government (county), organizations for which the county is financially accountable and other organizations for which the nature and significance of their relationship with the county are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The nucleus of a county's financial reporting entity is the primary government, the county.

Primary Government is a term used in connection with defining the financial reporting entity. The primary government is the focus of the financial reporting entity. For the county, the primary government represents the financial activities, funds, or accounts directly under the control of the county board.

Component Unit describes a legally separate organization for which the county board is financially accountable. In addition, component units can be other organizations for which the nature and significance of their relationship with the county are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

County Governmental Fund Types

The **General Fund** is the general operating fund of the county. It is used to account for all financial resources except those that are required to be accounted for in another fund.

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted for specified purposes.

Debt Service Funds are used to account for the accumulation of resources for, and the payment of principal, interest, and related costs of general long-term debt.

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

County Fiduciary Funds

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

Character Classification of County Expenditures

The county's governmental expenditures are classified by character or the period's expenditures are presumed to benefit. The county has the following character classifications:

Current operating expenditures are presumed to benefit the current fiscal period.

Debt service is presumed to benefit prior fiscal periods as well as current and future periods and includes amount expended for the payment of principal, interest and other costs associated with debt.

Intergovernmental represents resources transferred by the county to other governments.

Classification of County Functions

Functions are a group of related activities aimed at accomplishing a major service or regulatory program for which the county is responsible. The county has the following function classifications:

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

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

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

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

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

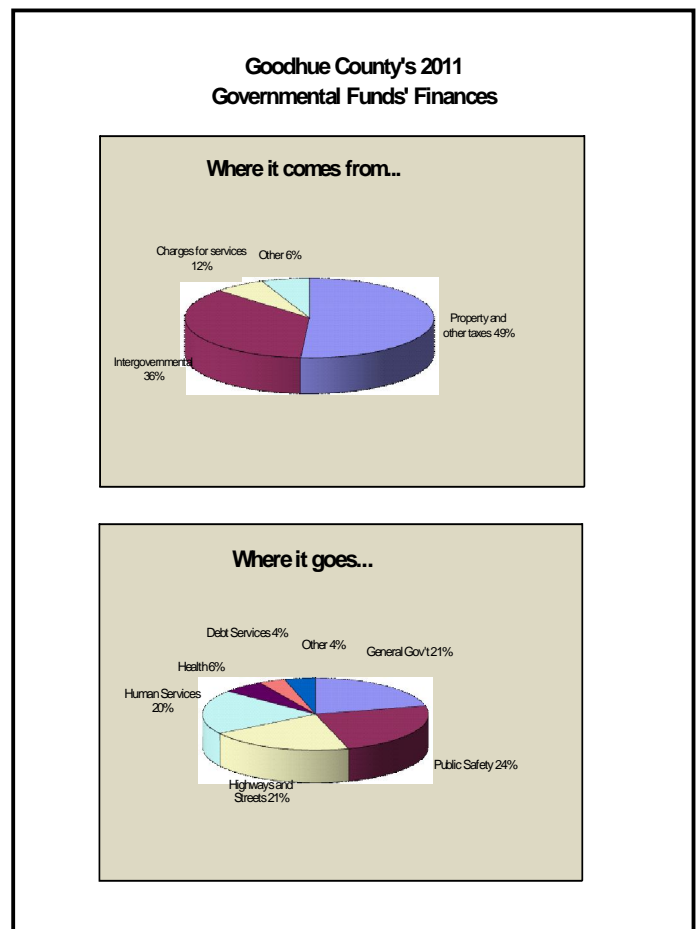
Health involves all activities involved in the conservation and improvement of public health. This function includes expenditures for county health departments, nursing services, maternal and child health, supplemental nutrition programs and programs to protect public and private water systems.

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

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

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

A PROFILE OF GOODHUE COUNTY			
Key Indicator	Total 2011	Total 2010	Percent Increase (Decrease)
Estimated Population	46,168	46,183	-0.03%
Total Tax Capacity	59,729,971	60,549,234	-1.37%
% of Property Taxes Collected	98.58%	98.55%	0.03%
Total General Revenues	28,845,253	28,213,792	2.19%
Total Program Revenues	20,658,232	21,418,829	-3.68%
<u>Total Expenses:</u>			
Governmental activities	44,480,048	42,808,577	3.76%
<u>Capital Assets:</u>			
Governmental activities	133,034,002	128,943,548	3.07%
Total Outstanding Net Bonded			
<u>Debt of Goodhue County:</u>			
General Obligation	6,056,868	7,719,233	-27.45%
Bond Rating on Most Recent			
General Obligation Bond Issue	Aa2	Aa2	N/A
<u>Total Government-wide Net Assets:</u>			
Governmental activities	160,691,673	155,668,236	3.13%
Total Number of Full-Time Employees	318	313	1.57%
Total Number of Part-Time Employees	40	57	-42.50%



**Summary of Goodhue County's Statement of Net Assets
December 31, 2011**

	<u>Primary Government Governmental Activities</u>	<u>Discretely Presented Component Units</u>
Assets		
Cash and pooled investments	\$ 33,013,716	\$ 237,011
Petty cash and change funds	2,050	-
Cash with escrow agent	490,500	-
Taxes receivable	735,512	-
Special assessments receivable		
Current	21,551	-
Noncurrent	66,725	-
Accounts receivable - net	186,058	-
Accrued interest receivable	116,973	280
Loans receivable	885,807	-
Due from other governments	3,246,410	374
Due from primary governments	-	133
Inventories	465,684	-
Prepaid items	466,513	-
Restricted assets		
Cash and pooled investments permanent	218,883	-
Deferred charges	46,694	-
Investment in joint venture	1,778,587	-
Capital assets		
Non-depreciable	14,097,655	378,550
Depreciable - net of accumulated depreciation	118,936,347	-
Total Assets	\$ 174,775,665	\$ 616,348
Liabilities		
Accounts payable	\$ 472,368	\$ -
Salaries payable	1,093,838	-
Contracts payable	263,195	-
Due to other governments	494,728	165
Accrued interest payable	84,553	-
Unearned revenue	542,142	-
Customer deposits	10,747	-
Long-term liabilities		
Due within one year	3,460,609	-
Due in more than one year	7,661,812	-
Total Liabilities	\$ 14,083,992	\$ 165
Net Assets:		
Invested in capital assets, net of related debt	\$ 127,432,667	\$ 378,550
Restricted for		
General government	581,927	-
Public safety	621,194	-
Highways and streets	749,603	-
Conservation of natural resources	2,853	-
Economic development	57,320	-
Debt service	490,500	-
Landfill postclosure	218,884	-
Gravel pit postclosure	84,055	-
Unrestricted	30,452,670	237,633
Total Net Assets	\$ 160,691,673	\$ 616,183

**Summary of Goodhue County's Statement of Activities
For the Year Ended December 31, 2011**

	<u>Expenses</u>	<u>Program Revenues</u>	<u>Net</u>
Functions/Programs			
Primary Government			
Governmental activities:			
General government	\$ 9,508,528	\$ 2,488,556	\$ (7,019,972)
Public safety	11,664,141	2,526,280	(9,137,861)
Highways and streets	7,989,220	6,261,880	(1,727,340)
Sanitation	1,086,288	530,999	(555,289)
Human Services	9,585,301	5,921,817	(3,663,484)
Health	2,947,593	2,320,247	(627,346)
Culture and recreation	632,536	-	(632,536)
Conservation of natural resources	699,951	210,663	(489,288)
Economic development	60,189	397,790	337,601
Interest	306,301	-	(306,301)
Total governmental activities	\$ 44,480,048	\$ 20,658,232	\$ (23,821,816)
Total Primary Government	\$ 44,480,048	\$ 20,658,232	\$ (23,821,816)
General Revenues and other			
Taxes			\$ 25,307,595
Other general revenues			3,537,658
Net change in net assets - Primary Government			\$ 5,023,437
Component units:			
Belle Creek Watershed	\$ 23,789	\$ -	\$ (23,789)
General Revenues and other			
Taxes			\$ 9,292
Grants and contributions not restricted to specific programs			1,121
Other general revenues			4,133
Net change in net assets - Belle Creek Watershed			\$ (9,243)

Goodhue County	
A Summary of Fiduciary Funds' Net Assets	
and Changes in Net Assets	
As of and for the Year Ended December 31, 2011	
	Agency Funds
Assets	
Cash and cash equivalents	\$ 1,555,321
Accounts receivable	30,781
Due from other governments	34,234
Total Assets	\$ 1,620,336
Liabilities	
Due to component unit	\$ 133
Due to other governments	1,620,203
Total Liabilities	\$ 1,620,336

Goodhue County
A Summary Balance Sheet of Governmental Funds
December 31, 2011

	Major Funds					Nonmajor Funds	Total Governmental Funds
	General Fund	Public Works Fund	Health & Human Service Fund	Economic Development Fund	Debt Service Fund	Waste Management	
Assets:							
Cash and investments	\$ 18,504,700	\$ 4,173,086	\$ 5,464,344	\$ 341,473	\$ 4,613,098	\$ 409,565	\$ 33,506,266
Receivables							
Taxes	428,048	109,914	130,196	534	58,002	8,818	735,512
Accounts	156,009	120	120,407	-	-	26,495	303,031
Special assessments	16,685	-	-	-	71,591	-	88,276
Loans	89,017	-	-	796,790	-	-	885,807
Due from other funds	8,921	16,427	12,475	-	-	26	37,849
Due from other governments	700,418	1,901,728	644,255	-	-	9	3,246,410
Prepaid items	319,785	32,521	109,488	-	-	4,719	466,513
Inventories	-	465,684	-	-	-	-	465,684
Restricted Assets							
Cash and pooled investments	-	-	-	-	-	218,883	218,883
Total assets	<u>\$ 20,223,583</u>	<u>\$ 6,699,480</u>	<u>\$ 6,481,165</u>	<u>\$ 1,138,797</u>	<u>\$ 4,742,691</u>	<u>\$ 668,515</u>	<u>\$ 39,954,231</u>
Liabilities:							
Payables							
Accounts	\$ 311,083	\$ 74,735	\$ 77,167	\$ 210	\$ 993	\$ 8,180	\$ 472,368
Salaries	665,306	92,240	317,026	-	-	19,266	1,093,838
Contracts	396	262,799	-	-	-	-	263,195
Due to other funds	28,928	-	8,921	-	-	-	37,849
Due to other governments	227,335	22,159	241,637	-	-	3,597	494,728
Deferred revenue - unavailable	1,013,964	843,140	141,927	398,247	120,771	7,465	2,525,514
Deferred revenue - unearned	116,072	-	186,660	239,410	-	-	542,142
Customer deposits	10,747	-	-	-	-	-	10,747
Total Liabilities	<u>\$ 2,373,831</u>	<u>\$ 1,295,073</u>	<u>\$ 973,338</u>	<u>\$ 637,867</u>	<u>\$ 121,764</u>	<u>\$ 38,508</u>	<u>\$ 5,440,381</u>
Fund balances:							
Nonspendable	\$ 319,785	\$ 498,205	\$ 109,488	\$ 399,000	\$ -	\$ 4,719	\$ 1,331,197
Restricted	1,290,029	-	-	57,320	490,500	218,884	2,056,733
Committed	6,131,975	1,786,567	446,679	44,610	4,130,427	125,675	12,665,933
Assigned	2,427,444	3,119,635	4,951,660	-	-	280,729	10,779,468
Unassigned	7,680,519	-	-	-	-	-	7,680,519
Total fund balance	<u>\$ 17,849,752</u>	<u>\$ 5,404,407</u>	<u>\$ 5,507,827</u>	<u>\$ 500,930</u>	<u>\$ 4,620,927</u>	<u>\$ 630,007</u>	<u>\$ 34,513,850</u>
Total liabilities and fund balance	<u>\$ 20,223,583</u>	<u>\$ 6,699,480</u>	<u>\$ 6,481,165</u>	<u>\$ 1,138,797</u>	<u>\$ 4,742,691</u>	<u>\$ 668,515</u>	<u>\$ 39,954,231</u>

Goodhue County
A Summary of Governmental Funds Revenues and Expenditures
For the Year Ended December 31, 2011

	Major Funds					Nonmajor Funds	Total Governmental Funds
	General Fund	Public Works Fund	Health & Human Service Fund	Economic Development Fund	Debt Service Fund	Waste Management	
Revenues:							
Taxes	\$ 15,052,726	\$ 3,557,313	\$ 4,377,592	\$ 14,211	\$ 1,912,263	\$ 291,424	\$ 25,205,529
Special assessments	5,317	-	-	-	10,704	-	16,021
Licenses and permits	200,206	7,661	-	-	-	7,438	215,305
Intergovernmental	4,026,262	6,548,344	6,514,648	430,700	78,799	137,116	17,735,869
Charges for services	1,636,875	11,695	1,556,305	-	-	71,796	3,276,671
Fines and forfeits	16,499	-	-	-	-	-	16,499
Gifts and contributions	41,229	-	-	-	-	-	41,229
Investment earnings	373,967	-	-	-	-	337	374,304
Miscellaneous	1,634,854	38,646	436,660	1,835	-	300,106	2,412,101
Total revenues	<u>\$ 22,987,935</u>	<u>\$ 10,163,659</u>	<u>\$ 12,885,205</u>	<u>\$ 446,746</u>	<u>\$ 2,001,766</u>	<u>\$ 808,217</u>	<u>\$ 49,293,528</u>
Expenditures:							
Current							
General government	\$ 10,771,631	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,771,631
Public safety	12,105,373	-	-	-	-	-	12,105,373
Highways and streets	-	10,070,300	-	-	-	-	10,070,300
Sanitation	34,265	-	-	-	-	822,185	856,450
Human services	-	-	10,059,461	-	-	-	10,059,461
Health	-	-	2,971,586	-	-	-	2,971,586
Culture and recreation	593,205	23,725	-	-	-	-	616,930
Conservation of natural resources	695,138	-	-	-	-	-	695,138
Economic development	4,375	-	-	55,814	-	-	60,189
Debt service							
Principal retirement	2,594	-	-	-	1,662,364	-	1,664,958
Interest	299	-	-	-	233,872	-	234,171
Administrative (fiscal) charges	-	-	-	-	17,120	-	17,120
Intergovernmental							
Highways and streets	-	375,874	-	-	-	-	375,874
Total expenditures	<u>\$ 24,206,880</u>	<u>\$ 10,469,899</u>	<u>\$ 13,031,047</u>	<u>\$ 55,814</u>	<u>\$ 1,913,356</u>	<u>\$ 822,185</u>	<u>\$ 50,499,181</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ (1,218,945)</u>	<u>\$ (306,240)</u>	<u>\$ (145,842)</u>	<u>\$ 390,932</u>	<u>\$ 88,410</u>	<u>\$ (13,968)</u>	<u>\$ (1,205,653)</u>
Other financing sources (uses):							
Transfers in	\$ 10,169	\$ 311,031	\$ 216,786	\$ 10,000	\$ -	\$ 30,352	\$ 578,338
Transfers out	(568,169)	(8,544)	(1,625)	-	-	-	(578,338)
Proceeds from sale of capital assets	25,015	-	-	-	-	-	25,015
Total other financing sources (uses)	<u>\$ (532,985)</u>	<u>\$ 302,487</u>	<u>\$ 215,161</u>	<u>\$ 10,000</u>	<u>\$ -</u>	<u>\$ 30,352</u>	<u>\$ 25,015</u>
Net Change in Fund Balances	<u>\$ (1,751,930)</u>	<u>\$ (3,753)</u>	<u>\$ 69,319</u>	<u>\$ 400,932</u>	<u>\$ 88,410</u>	<u>\$ 16,384</u>	<u>\$ (1,180,638)</u>
Fund Balances - January 1	\$ 19,601,682	\$ 5,381,858	\$ 5,438,508	\$ 99,998	\$ 4,532,517	\$ 613,623	\$ 35,668,186
Increase (decrease) in reserved for inventories	-	26,302	-	-	-	-	26,302
Fund Balances - December 31	<u>\$ 17,849,752</u>	<u>\$ 5,404,407</u>	<u>\$ 5,507,827</u>	<u>\$ 500,930</u>	<u>\$ 4,620,927</u>	<u>\$ 630,007</u>	<u>\$ 34,513,850</u>

