

GOODHUE COUNTY SUMMARY FINANCIAL STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2012

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 Finance & Taxpayer Services at (651) 385-3032.

A FULL AND COMPLETE COPY OF THE COUNTY FINANCIAL STATEMENT IS ALSO AVAILABLE UPON REQUEST BY CALLING FINANCE & TAXPAYER SERVICES 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 non-exchange 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.

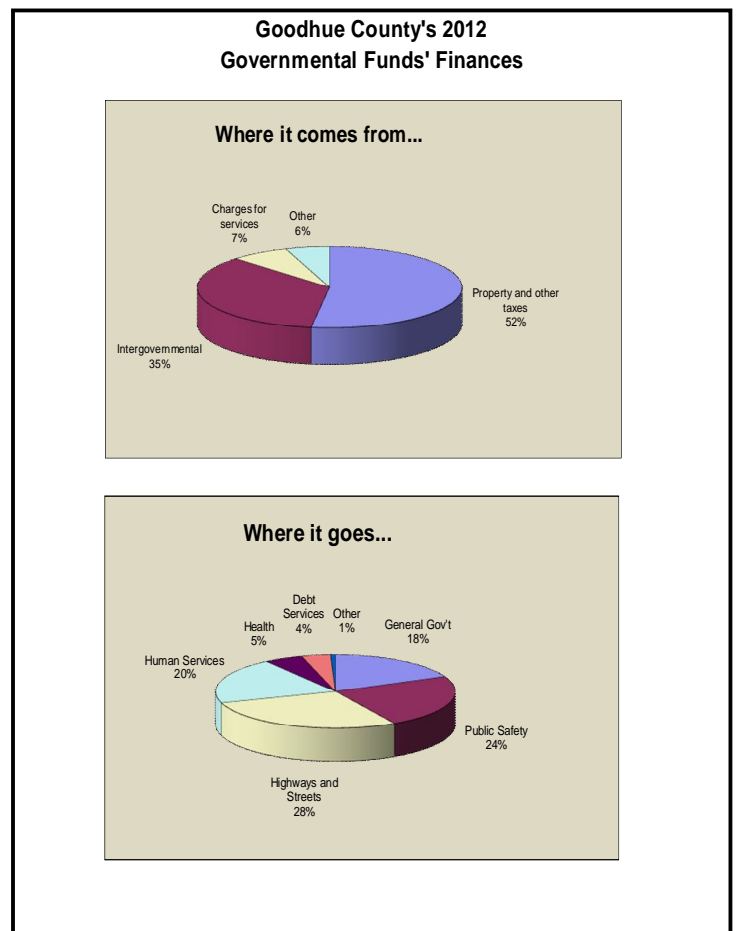
Health involves all activities involved in the conservation and improvement of public health. This function includes expenditures for county health departments, nursing services, maternal and child health, supplemental nutrition programs and programs to protect public and private water systems.

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 2012	Total 2011	Percent Increase (Decrease)
Estimated Population	46,331	46,168	0.35%
Total Tax Capacity	56,472,250	59,729,971	-5.77%
% of Property Taxes Collected	99.02%	98.58%	0.44%
Total General Revenues	29,567,213	28,845,253	2.44%
Total Program Revenues	21,073,739	20,658,232	1.97%
Total Expenses:			
Governmental activities	45,667,541	44,480,048	2.60%
Capital Assets:			
Governmental activities	137,415,052	133,034,002	3.19%
Total Outstanding Net Bonded Debt of Goodhue County:			
General Obligation	10,685,987	6,056,868	43.32%
Bond Rating on Most Recent General Obligation Bond Issue			
	Aa2	Aa2	N/A
Total Government-wide Net Position:			
Governmental activities	165,665,084	160,691,673	3.00%
Total Number of Full-Time Employees	317	318	-0.32%
Total Number of Part-Time Employees	40	40	0.00%



**Summary of Goodhue County's Statement of Net Assets
December 31, 2012**

	<u>Primary Government Governmental Activities</u>	<u>Discretely Presented Component Units</u>
Assets		
Cash and pooled investments	\$ 39,054,325	\$ 243,110
Petty cash and change funds	2,050	-
Cash with escrow agent	490,533	-
Taxes receivable	662,046	-
Special assessments receivable		
Current	21,104	-
Noncurrent	63,597	-
Accounts receivable - net	241,038	-
Accrued interest receivable	121,424	260
Loans receivable	885,000	-
Due from other governments	2,233,239	281
Due from primary governments	-	315
Inventories	442,522	-
Prepaid items	221,726	-
Restricted assets		
Cash and pooled investments permanent	219,667	-
Deferred charges	85,618	-
Investment in joint venture	2,345,613	-
Capital assets		
Non-depreciable	10,382,678	378,550
Depreciable - net of accumulated depreciation	127,032,374	-
Total Assets	\$ 184,504,554	\$ 622,516
Liabilities		
Accounts payable	\$ 859,276	\$ -
Salaries payable	1,183,825	-
Contracts payable	123,572	-
Due to other governments	459,748	120
Accrued interest payable	61,824	-
Unearned revenue	282,661	-
Customer deposits	13,348	-
Long-term liabilities		
Due within one year	4,087,980	-
Due in more than one year	11,767,236	-
Total Liabilities	\$ 18,839,470	\$ 120
Net Position:		
Net investment in capital assets	\$ 130,134,664	\$ 378,550
Restricted for		
General government	469,108	-
Public safety	548,021	-
Highways and streets	479,803	-
Conservation of natural resources	2,853	-
Economic development	98,219	-
Debt service	490,533	-
Landfill postclosure	219,667	-
Gravel pit postclosure	104,415	-
Unrestricted	33,117,801	243,846
Total Net Assets	\$ 165,665,084	\$ 622,396

**Summary of Goodhue County's Statement of Activities
For the Year Ended December 31, 2012**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>	<u>Net</u>
Primary Government			
Governmental activities:			
General government	\$ 9,601,229	\$ 1,933,942	\$ (7,667,287)
Public safety	11,823,758	2,548,976	(9,274,782)
Highways and streets	9,778,522	7,665,449	(2,113,073)
Sanitation	786,078	436,459	(349,619)
Human Services	9,462,127	6,296,539	(3,165,588)
Health	2,605,568	1,876,755	(728,813)
Culture and recreation	591,272	-	(591,272)
Conservation of natural resources	691,527	257,784	(433,743)
Economic development	108,427	57,835	(50,592)
Interest	219,033	-	(219,033)
Total governmental activities	\$ 45,667,541	\$ 21,073,739	\$ (24,593,802)
Total Primary Government	\$ 45,667,541	\$ 21,073,739	\$ (24,593,802)
General Revenues and other			
Taxes			\$ 27,057,049
Other general revenues			2,510,164
Net change in net assets - Primary Government			\$ 4,973,411
Component units:			
Belle Creek Watershed	\$ 16,589	\$ 220	\$ (16,369)
General Revenues and other			
Taxes			\$ 19,336
Grants and contributions not restricted to specific programs			564
Other general revenues			2,682
Net change in net assets - Belle Creek Watershed			\$ 6,213

**Goodhue County
A Summary of Fiduciary Net Position
As of and for the Year Ended December 31, 2012**

	<u>Agency Funds</u>
Assets	
Cash and cash equivalents	\$ 1,675,403
Accounts receivable	35,782
Due from other governments	48,980
Total Assets	\$ 1,760,165
Liabilities	
Due to component unit	\$ 315
Due to other governments	1,759,850
Total Liabilities	\$ 1,760,165

Goodhue County
A Summary Balance Sheet of Governmental Funds
December 31, 2012

	Major Funds					Nonmajor Fund	Total Governmental Funds
	General Fund	Public Works Fund	Health & Human Service Fund	Economic Development Fund	Debt Service Fund	Waste Management	
Assets:							
Cash and investments	\$20,898,599	\$4,746,787	\$ 5,475,085	\$ 310,251	\$7,801,098	\$ 315,088	\$ 39,546,908
Receivables							
Taxes	392,483	95,608	113,964	403	51,794	7,794	662,046
Accounts	147,112	12,242	186,809	-	-	16,299	362,462
Special assessments	24,992	-	-	-	59,709	-	84,701
Loans	80,156	-	-	804,844	-	-	885,000
Due from other funds	5,020	3,035,970	-	-	-	-	3,040,990
Due from other governments	379,239	1,119,072	734,928	-	-	-	2,233,239
Prepaid items	207,231	4,125	10,355	-	-	15	221,726
Inventories	-	442,522	-	-	-	-	442,522
Restricted Assets							
Cash and pooled investments	-	-	-	-	-	219,667	219,667
Total assets	<u>\$22,134,832</u>	<u>\$9,456,326</u>	<u>\$ 6,521,141</u>	<u>\$ 1,115,498</u>	<u>\$7,912,601</u>	<u>\$ 558,863</u>	<u>\$ 47,699,261</u>
Liabilities:							
Payables							
Accounts	\$ 384,384	\$ 177,841	\$ 284,279	\$ 110	\$ 79	\$ 12,583	\$ 859,276
Salaries	721,846	104,684	343,305	-	-	13,990	1,183,825
Contracts	-	123,572	-	-	-	-	123,572
Due to other funds	4,568	-	5,020	-	3,031,402	-	3,040,990
Due to other governments	143,007	21,677	292,071	-	-	2,993	459,748
Deferred revenue - unavailable	516,041	577,110	132,446	413,843	99,697	5,994	1,745,131
Deferred revenue - unearned	116,072	-	-	166,589	-	-	282,661
Customer deposits	13,348	-	-	-	-	-	13,348
Total Liabilities	<u>\$ 1,899,266</u>	<u>\$1,004,884</u>	<u>\$ 1,057,121</u>	<u>\$ 580,542</u>	<u>\$3,131,178</u>	<u>\$ 35,560</u>	<u>\$ 7,708,551</u>
Fund balances:							
Nonspendable	\$ 207,231	\$ 446,647	\$ 10,355	\$ 391,318	\$ -	\$ 15	\$ 1,055,566
Restricted	1,124,397	3,031,402	-	98,219	490,533	219,667	4,964,218
Committed	6,208,186	1,440,195	446,679	45,419	4,290,890	69,175	12,500,544
Assigned	2,436,246	3,533,198	5,006,986	-	-	234,446	11,210,876
Unassigned	10,259,506	-	-	-	-	-	10,259,506
Total fund balance	<u>\$20,235,566</u>	<u>\$8,451,442</u>	<u>\$ 5,464,020</u>	<u>\$ 534,956</u>	<u>\$4,781,423</u>	<u>\$ 523,303</u>	<u>\$ 39,990,710</u>
Total liabilities and fund balance	<u>\$22,134,832</u>	<u>\$9,456,326</u>	<u>\$ 6,521,141</u>	<u>\$ 1,115,498</u>	<u>\$7,912,601</u>	<u>\$ 558,863</u>	<u>\$ 47,699,261</u>

Goodhue County
A Summary of Governmental Funds Revenues and Expenditures
For the Year Ended December 31, 2012

	Major Funds					Nonmajor Fund	Total Governmental Funds
	General Fund	Public Works Fund	Health & Human Service Fund	Economic Development Fund	Debt Service Fund	Waste Management	
Revenues:							
Taxes	\$16,443,340	\$ 3,715,228	\$ 4,437,271	\$ 12,955	\$2,026,521	\$ 305,147	\$ 26,940,462
Special assessments	16,644	-	-	-	8,239	-	24,883
Licenses and permits	251,295	10,120	-	-	-	7,585	269,000
Intergovernmental	3,940,194	7,790,447	6,195,771	71,339	27,223	123,707	18,148,681
Charges for services	1,970,322	10,926	1,644,040	-	-	73,164	3,698,452
Fines and forfeits	20,390	-	-	-	-	-	20,390
Gifts and contributions	60,553	-	-	-	-	-	60,553
Investment earnings	210,180	-	-	-	-	329	210,509
Miscellaneous	1,361,940	153,948	421,790	43,784	-	213,578	2,195,040
Total revenues	<u>\$24,274,858</u>	<u>\$11,680,669</u>	<u>\$ 12,698,872</u>	<u>\$ 128,078</u>	<u>\$2,061,983</u>	<u>\$ 723,510</u>	<u>\$ 51,567,970</u>
Expenditures:							
Current							
General government	\$ 9,242,536	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,242,536
Public safety	11,877,029	-	-	-	-	-	11,877,029
Highways and streets	-	13,742,617	-	-	-	-	13,742,617
Sanitation	22,200	-	-	-	-	831,299	853,499
Human services	-	-	10,239,831	-	-	-	10,239,831
Health	-	-	2,631,962	-	-	-	2,631,962
Culture and recreation	563,172	19,230	-	-	-	-	582,402
Conservation of natural resources	689,545	-	-	-	-	-	689,545
Economic development	4,375	-	-	104,052	-	-	108,427
Debt service							
Principal retirement	13,401	-	-	-	1,717,481	-	1,730,882
Interest	-	-	-	-	179,458	-	179,458
Bond issuance costs	24,934	37,643	-	-	-	-	62,577
Administrative (fiscal) charges	-	-	-	-	4,548	-	4,548
Intergovernmental							
Highways and streets	-	451,603	-	-	-	-	451,603
Total expenditures	<u>\$22,437,192</u>	<u>\$14,251,093</u>	<u>\$ 12,871,793</u>	<u>\$ 104,052</u>	<u>\$1,901,487</u>	<u>\$ 831,299</u>	<u>\$ 52,396,916</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ 1,837,666</u>	<u>\$(2,570,424)</u>	<u>\$(172,921)</u>	<u>\$ 24,026</u>	<u>\$ 160,496</u>	<u>\$(107,789)</u>	<u>\$(828,946)</u>
Other financing sources (uses):							
Transfers in	\$ 16,044	\$ 608,933	\$ 136,614	\$ 10,000	\$ -	\$ 1,085	\$ 772,676
Transfers out	(756,632)	(8,544)	(7,500)	-	-	-	(772,676)
Bonds issued	1,295,000	5,065,000	-	-	-	-	6,360,000
Discounts on bonds issued	(11,331)	(24,768)	-	-	-	-	(36,099)
Proceeds from sale of capital assets	5,067	-	-	-	-	-	5,067
Total other financing sources (uses)	<u>\$ 548,148</u>	<u>\$ 5,640,621</u>	<u>\$ 129,114</u>	<u>\$ 10,000</u>	<u>\$ -</u>	<u>\$ 1,085</u>	<u>\$ 6,328,968</u>
Net Change in Fund Balances	<u>\$ 2,385,814</u>	<u>\$ 3,070,197</u>	<u>\$(43,807)</u>	<u>\$ 34,026</u>	<u>\$ 160,496</u>	<u>\$(106,704)</u>	<u>\$ 5,500,022</u>
Fund Balances - January 1	\$17,849,752	\$ 5,404,407	\$ 5,507,827	\$ 500,930	\$4,620,927	\$ 630,007	\$ 34,513,850
Increase (decrease) in reserved for inventories	-	(23,162)	-	-	-	-	(23,162)
Fund Balances - December 31	<u>\$20,235,566</u>	<u>\$ 8,451,442</u>	<u>\$ 5,464,020</u>	<u>\$ 534,956</u>	<u>\$4,781,423</u>	<u>\$ 523,303</u>	<u>\$ 39,990,710</u>

