

SOIL AND WATER CONSERVATION DISTRICT
Le Sueur County SWCD, Minnesota

STATEMENT OF NET ASSETS AND
GOVERNMENTAL FUND BALANCE SHEET
FOR THE YEAR ENDED DECEMBER 31, 2010

	General Fund	Adjustments See Notes	Statement of Net Assets
<u>Assets</u>			
Cash and investments	\$304,443		\$304,443
Accounts receivable	0		0
Due from other governments	0		0
Prepaid items	0		0
Capital Assets:			
Equipment (net of accumulated depreciation)		191,155	191,155
Total Assets	\$304,443	\$191,155	\$495,598
<u>Liabilities</u>			
Current liabilities:			
Sales Tax Payable	\$575		\$575
Salaries payable	54,906		54,906
Deferred revenue	63,024		63,024
Tree deposits	3,335		3,335
Long-term liabilities:			0
Compensated Absences		15,709	15,709
Loan Payable		95,359	95,359
Total Liabilities	\$121,840	\$111,068	\$232,908
<u>Fund Balance/Net Assets</u>			
Fund Balance/Net Assets			
Reserved for prepaid items	\$0	\$0	\$0
Unreserved			
Designated for future projects	0	0	0
Undesignated	182,604	(182,604)	0
Total Fund Balance	\$182,604	(\$182,604)	\$0
Net Assets			
Invested in capital assets		\$191,155	\$191,155
Unrestricted		71,535	71,535
Total Net Assets		\$262,690	\$262,690

Notes are an integral part of the basic financial statements.

SOIL AND WATER CONSERVATION DISTRICT
Le Sueur County SWCD, Minnesota

STATEMENT OF ACTIVITIES AND
GOVERNMENTAL FUND REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2010

	General Fund	Adjustments See Notes	Statement of Activities
Revenues			
Intergovernmental	\$368,212	\$0	\$368,212
Charges for services	16,330	0	16,330
Investment earnings	1,071	0	1,071
Miscellaneous	96	0	96
Total Revenues	\$385,709	\$0	\$385,709
Expenditures/Expenses			
Conservation			
Current	\$327,560	\$8,979	\$336,539
Capital outlay	0	0	0
Debt payment - interest	5,739		5,739
Debt payment - principal	15,861	(15,861)	0
Total Expenditures/Expenses	\$349,160	\$6,882	\$336,539
Excess of Revenues Over (Under)			
Expenditures/Expenses	\$36,549	\$6,882	\$43,431
Fund Balance/Net Assets January 1	146,055	73,204	219,259
Fund Balance/Net Assets December 31	\$182,604	\$80,086	\$262,690

Notes are an integral part of the basic financial statements.

SOIL AND WATER CONSERVATION DISTRICT
Le Sueur County SWCD, Minnesota

BUDGETARY COMPARISON STATEMENT
BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED DECEMBER 31, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Neg)</u>
Revenues				
Intergovernmental				
County	\$0	\$172,076	\$204,646	\$32,570
Local	0	0	0	0
Federal	0	58,654	41,962	(16,692)
State grant	0	48,384	121,603	73,219
Total intergovernmental	\$0	\$279,114	\$368,211	\$89,097
Charges for services	\$0	\$14,625	\$16,330	\$1,705
Miscellaneous				
Interest earnings	\$0	\$2,260	\$1,167	(\$1,093)
Other	0	0	0	0
Total miscellaneous	\$0	\$2,260	\$1,167	(\$1,093)
Total Revenues	\$0	\$295,999	\$385,708	\$89,709
Expenditures				
District operations				
Personnel services	\$0	\$213,770	\$210,369	\$3,401
Other services and charges	0	22,730	24,254	(1,524)
Supplies	0	5,450	2,841	2,609
Capital outlay	0	0	0	0
Total district operations	\$0	\$241,950	\$237,464	\$4,486
Project expenditures				
District	\$0	\$12,500	\$12,904	(\$404)
State	0	15,591	77,192	(61,601)
Total project expenditures	\$0	\$28,091	\$90,096	(\$62,005)
Other Charges				
Debt Service, Principal		\$21,600	\$15,861	\$5,739
Debt Service, Interest		\$13,400	\$5,739	\$7,661
Total Other Charges		\$35,000	\$21,600	\$13,400
Total Expenditures	\$0	\$305,041	\$349,160	(\$44,119)
Excess of Revenues Over (Under)				
Expenditures	\$0	(\$9,042)	\$36,548	\$27,506
Fund Balance - January 1	\$146,055	\$146,055	\$146,055	\$0
Fund Balance - December 31	\$146,055	\$137,013	\$182,603	\$27,506

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Le Sueur County SWCD's discussion and analysis provides an overview of the SWCD's financial activities for the fiscal year ended 2010. Since this information is designed to focus on the current year's activities, resulting changes, and currently known facts, it should be read in conjunction with the SWCD's financial statements.

USING THIS ANNUAL REPORT

This annual report consists of three parts: management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include a series of financial statements. The Statement of Net Assets and the Statement of Activities provide information about the activities of the SWCD's as a whole and present a longer-term view of the SWCD's finances. Fund financial statements start on page 2. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the SWCD's operations in more detail than the government-wide statements by providing information about the SWCD's most significant funds. Since SWCD's are single-purpose special purpose governments they are generally able to combine the government-wide and fund financial statements into single presentations. Le Sueur County SWCD has elected to present in this format.

THE STATEMENT OF NET ASSETS AND THE STATEMENT OF ACTIVITIES

Our analysis of the SWCD as a whole begins on page 2. One of the most important questions asked about the SWCD's finances is, "Is the SWCD as a whole better or worse off as a result of the year's activities"? The Statement of Net Assets and the Statement of Activities report information about the SWCD as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using accrual basis of accounting, which is similar to the accounting used by the most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the SWCD's net assets and changes in them. You can think of the SWCD's net assets – the difference between assets and liabilities – as one way to measure the SWCD's financial health, or financial position. Over time, increases or decreases in the SWCD's net assets are one indicator of whether its financial health is improving or deteriorating. You will need to consider other nonfinancial factors, however, such as changes in the SWCD's property tax base and the condition of SWCD's roads, to assess the overall health of the SWCD.

In the Statement of Net Assets and the Statement of Activities, the SWCD presents governmental activities. All of the SWCD's basic services are reported here. Appropriations from the county and state finance most activities.

REPORTING THE SWCD'S GENERAL FUND

FUND FINANCIAL STATEMENTS

Our analysis includes the SWCD's general fund. The fund financial statements are also included and provide detailed information about the general fund – not the SWCD as a whole. The SWCD presents only a general fund, which is a governmental fund. All of the SWCD's basic services are reported in the general fund, which focuses on how money flows into and out of those funds and the balances left at year-end that are available for spending. The fund is reported using an accounting method called modified accrual accounting. This method measures cash and all other financial assets that can be readily converted to cash. The general fund statements provide a detailed short-term view of the SWCD's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the SWCD's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds in a reconciliation included with the financial statements.

THE SWCD AS A WHOLE

The SWCD's revenues increased in 2010 by \$121,234 to give the District a fund balance of \$262,690.

Looking at the net assets and net expenses of governmental and business type activities separately, however two very different stories emerge.

Table 1

Net Assets	<u>2009</u>	<u>2010</u>
Total Assets	\$473,430	\$495,598
Total Liabilities	\$254,624	\$232,908
Total Fund Balance/Net Assets	\$218,806	\$262,690

Net assets of the SWCD governmental activities increased. Unrestricted net assets-the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements-changed from \$17,760 to \$71,535.

The SWCD's revenues increased in 2010 to give the District a fund balance of \$262,690.

Table 2

Changes in Net Assets	<u>2009</u>	<u>2010</u>
Total Revenues	\$264,474	\$385,709
Total Expenses	\$286,372	\$336,539

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The SWCD's elected officials consider many factors when setting the calendar year 2011 budget and fees that will be charged for the business-type activities.

CONTACTING THE SWCD'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the SWCD's finances and to show the SWCD's accountability for the money it receives. If you have questions about this report or need additional information, contact Sue Prchal, Program Specialist, at 507-357-4879 x 3.

These statements are prepared in accordance with Government Accounting Standards Board Rule 38, which changes the way both the statement of condition and the statement of revenues and expenses are reported.