

# NICOLLET SOIL AND WATER CONSERVATION DISTRICT



## Soil & Water Conservation District

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(507) 931-2550 Ext. 3



[www.nicolletswcd.org](http://www.nicolletswcd.org)

*ANNUAL FINANCIAL REPORTS*

*JANUARY 1, 2009 TO DECEMBER 31, 2009*



# NICOLLET SOIL AND WATER CONSERVATION DISTRICT

## NICOLLET SOIL AND WATER CONSERVATION DISTRICT ST PETER, MINNESOTA

### BUDGETARY COMPARISON SCHEDULE BUDGET AND ACTUAL GENERAL FUND YEAR ENDED DECEMBER 31, 2009

	Original <u>Budget</u>	Final <u>Budget</u>	<u>Actual</u>	Variance with Final Budget <u>Positive (Neg)</u>
<b>Revenues</b>				
<b>Intergovernmental</b>				
County	\$ 90,447.00	\$90,447.00	\$ 95,447.00	\$5,000.00
Other governments	\$0.00	\$0.00	\$0.00	\$0.00
State grant	\$ 49,567.00	\$49,567.00	\$72,617.70	\$23,050.70
<b>Total intergovernmental</b>	<b>\$140,014.00</b>	<b>\$140,014.00</b>	<b>\$168,064.70</b>	<b>\$28,050.70</b>
<b>Charges for services</b>	<b>\$14,500.00</b>	<b>\$14,500.00</b>	<b>\$20,823.76</b>	<b>\$6,323.76</b>
<b>Miscellaneous</b>				
Interest earnings	\$4,000.00	\$4,000.00	\$6,755.56	\$2,755.56
Other	\$1,611.00	\$1,611.00	\$2,436.22	\$825.22
<b>Total miscellaneous</b>	<b>\$5,611.00</b>	<b>\$5,611.00</b>	<b>\$9,191.78</b>	<b>\$3,580.78</b>
<b>Total Revenues</b>	<b>\$160,125.00</b>	<b>\$160,125.00</b>	<b>\$198,080.24</b>	<b>\$37,955.24</b>
<b>Expenditures</b>				
<b>District operations</b>				
Personal services	\$94,400.00	\$94,400.00	\$100,926.26	(\$6,526.26)
Other services and charges	\$32,843.00	\$32,843.00	\$36,024.88	(\$3,181.88)
Supplies	\$1,300.00	\$1,300.00	\$882.45	\$417.55
Capital outlay	\$0.00	\$0.00	\$29,986.49	(\$29,986.49)
<b>Total district operations</b>	<b>\$128,543.00</b>	<b>\$128,543.00</b>	<b>\$167,820.08</b>	<b>(\$39,277.08)</b>
<b>Project expenditures</b>				
District	\$10,500.00	\$10,500.00	\$17,665.47	(\$7,165.47)
State	\$21,082.00	\$21,082.00	\$9,948.69	\$11,133.31
<b>Total project expenditures</b>	<b>\$31,582.00</b>	<b>\$31,582.00</b>	<b>\$27,614.16</b>	<b>\$3,967.84</b>
<b>Total Expenditures</b>	<b>\$160,125.00</b>	<b>\$160,125.00</b>	<b>\$195,434.24</b>	<b>(\$35,309.24)</b>
<b>Excess of Revenues Over (Under)</b>				
<b>Expenditures</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$2,646.00</b>	<b>\$2,646.00</b>
<b>Fund Balance - January 1</b>	<b>\$409,350.89</b>	<b>\$409,350.89</b>	<b>\$409,350.89</b>	<b>\$0.00</b>
<b>Fund Balance - December 31</b>	<b>\$411,996.89</b>	<b>\$409,350.89</b>	<b>\$411,996.89</b>	<b>\$2,646.00</b>



# NICOLLET SOIL AND WATER CONSERVATION DISTRICT

## NICOLLET SOIL AND WATER CONSERVATION DISTRICT ST PETER, MINNESOTA

### STATEMENT OF ACTIVITIES AND GOVERNMENTAL REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE FOR THE YEAR ENDED DECEMBER 31, 2009

	General Fund	Adjustments See Notes	Statement of Net Assets
<b>Revenues</b>			
Intergovernmental	\$168,064.70	\$0.00	\$168,064.70
Charges for services	\$20,823.76	\$0.00	\$20,823.76
Investment earnings	\$6,755.56	\$0.00	\$6,755.56
Miscellaneous	\$2,436.22	\$0.00	\$2,436.22
<b>Total Revenues</b>	<b>\$198,080.24</b>	<b>\$0.00</b>	<b>\$198,080.24</b>
<b>Expenditures</b>			
Conservation			
Current	\$165,522.75	\$7,993.77	\$173,516.52
Capital outlay	\$29,911.49	-\$29,911.49	\$0.00
<b>Total Expenditures</b>	<b>\$195,434.24</b>	<b>-\$21,917.72</b>	<b>\$173,516.52</b>
<b>Excess of Revenues Over (Under)</b>			
<b>Expenditures</b>	<b>\$2,646.00</b>	<b>\$21,917.72</b>	<b>\$24,563.72</b>
<b>Fund Balance/Net Assets January 1</b>	<b>\$409,350.89</b>	<b>-\$7,288.01</b>	<b>\$402,062.88</b>
<b>Fund Balance/Net Assets December 31</b>	<b>\$411,996.89</b>	<b>\$14,629.71</b>	<b>\$426,626.60</b>

**NICOLLET SOIL AND WATER CONSERVATION DISTRICT**

**Nicollet Soil and Water Conservation District**

**BREAKDOWN OF COUNTY REVENUE**

**2009**

COUNTY REVENUES (breakdown)

Annual Allocation	\$ 90,447.00
Water Plan Money	
Wetland Money	\$ 5,000.00
Feedlot Money	
Abandoned Well	
DNR shoreland	
Other (specify)	
Total	\$ 95,447.00

Note: The total should agree with amount reported as County Revenue on "Statement of Revenues, Expenditures, and Changes in Fund Balance."

List other "non-cash" county support (i.e. rent, health insurance, etc.) that does not show up anywhere on your annual report.

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# NICOLLET SOIL AND WATER CONSERVATION DISTRICT

## Nicollet Soil and Water Conservation District

### DEFERRED REVENUE BREAKDOWN

2009

Balance of BWSR Service Grants:		\$ -
Balance of unencumbered BWSR Cost-Share Grants:	Current Fiscal Year	\$ 12,328.00
	Previous Fiscal Year	\$ 2,388.97

Balance of encumbered BWSR Cost Share Grant (List Each Contract Separately:)

FY	Contract No.	Contract Amount	T & A Encumbered
2008	6	\$ 750.00	\$ 187.50
2008	10	\$ 1,125.00	\$ 281.25
2008	12	\$ 750.00	\$ 187.50
2008	13	\$ 668.00	\$ 165.89
2008	14	\$ 911.81	\$ 227.95
2008	15	\$ 2,800.00	\$ 700.00
2009	3	\$ 2,332.00	\$ 583.00
2009	4	\$ 1,338.19	\$ 334.55
2009	7	\$ 1,500.00	\$ 375.00
2009	8	\$ 3,600.00	\$ 900.00
2008	N2	\$ 1,125.00	\$ 281.25
2008	N3	\$ 1,275.00	\$ 318.75

Total of all Cost-Share Encumbrances	\$ 22,717.64
Balance of County WCA Funds	\$ -
Balance of County Water Plan Funds	\$ -
Balance of other Funds Being Deferred if any	\$ 9,234.37
2008 Native Buffer Grant	
Sub Total of other funds	
<b>TOTAL OF ALL DEFERRED REVENUE</b>	<b>\$ 46,668.98</b>

# NICOLLET SOIL AND WATER CONSERVATION DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2009

### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial reporting policies of the Nicollet Soil and Water Conservation District (SWCD) conform to generally accepted accounting principles. These statements are prepared in accordance with Government Accounting Standards Board Rule 34, which changes the way both the statement of condition and the statement of revenues and expenses are reported.

#### A. Financial Reporting Entity

The district is organized under the provisions of Minnesota Statutes Chapter 103C and is governed by a Board of Supervisors composed of five members nominated by voters of the District and elected to four-year terms by the voters of the County.

The purpose of the District is to assist land occupiers in applying practices for the conservation of soil and water resources. These practices are intended to control wind and water erosion, pollution of lakes and streams, and damage to wetlands and wildlife habitats.

The Nicollet Soil and Water Conservation District, in cooperation with the U.S. Department of Agriculture Natural Resources Conservation Service and other agencies, provides technical and financial assistance to individuals, groups, organizations, and governments in reducing costly waste of soil and water resulting from soil erosion, sedimentation, pollution, and improper land use.

Each fiscal year the District develops a work plan that is used as a guide in using resources effectively to provide maximum conservation of all lands within its boundaries. The work plan includes guidelines for employees and technicians to follow in order to achieve the District's objectives.

The District is not considered a part of Nicollet County because, even though the County provides a significant amount of the District's revenue in the form of an appropriation, it does not retain any control over the operations of the District.

Generally accepted accounting principles require that the financial reporting entity include the primary government and component units for which the primary government is financially accountable. Under these principles the District does not have any component units.

#### B. Basis of Presentation - Fund Accounting

The accounts of the Nicollet Soil and Water Conservation District are organized on the basis of a fund and two account groups, each of which is considered a separate accounting entity. The operations of the fund are accounted for with a set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues, and expenditures.

##### 1. Governmental Funds: General Fund

The General Fund is used to account for all revenues and expenditures incurred in operating the District.

##### 2. General Fixed Assets Account Group

This account group is used to record the District's general fixed assets, which include furniture and equipment.

##### 3. General Long-Term Debt Account Group

## NICOLLET SOIL AND WATER CONSERVATION DISTRICT

This account group records earned but unpaid vacation and sick leave that has vested or is expected to vest.

### C. Government-Wide Financial Statements

The government-wide financial statements (i.e. The Statement of Net Assets and the Statement of Activities) report information on all the nonfiduciary activities of the District. The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of cash flows. Grants and similar items are recognized as soon as all eligibility requirements imposed by the provider have been met.

### Fund Financial Statements

The government reports the general fund as its only major governmental fund. The general fund accounts for all financial resources of the government.

The District's financial statements (general fund) are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when they become susceptible to accrual, that is, both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Revenue sources susceptible to accrual include intergovernmental revenues, charges, and interest. Expenditures are recorded when the corresponding liabilities are incurred.

Intergovernmental revenues are reported in conformity with the legal and contractual requirements of the individual programs. Generally, grant revenues are recognized when the corresponding expenditures are incurred. If the District also receives an annual appropriation from the County, it is recognized as revenue when received, unless it is received prior to the period to which it applies. In that case, revenue recognition is then deferred until the appropriate period.

Investment earnings and revenues from the sale of trees are recognized when earned. Agricultural conservation fees and other revenue are recognized when they are received in cash because they usually are not measurable until then.

Project expenditures represent costs that are funded from federal, state, or district revenues. State project expenditures consist of grants to participants of the cost-Share Program and other state programs. District project expenditures are costs of materials and supplies in District projects.

In accordance with Governmental Accounting Standards Board 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.

### D. Budget Information

The District adopts an estimated revenue and expenditure budget for the General Fund. Comparisons of estimated revenues and budgeted expenditures to actual are presented in the financial statements in accordance with generally accepted accounting principles. Amendments to

## **NICOLLET SOIL AND WATER CONSERVATION DISTRICT**

the original budget require board approval. Appropriations lapse at year-end. The District does not use encumbrance accounting.

### **E. Assets, Liabilities, and Equity Accounts**

#### **1. Assets**

Investments are stated at fair value, except for non-negotiable certificates of deposit, which are on a cost basis, and short-term money market investments, which are stated at amortized cost.

Beginning with this statement year, fixed assets (capital assets) are no longer reported on a gross basis. They are now reported on a net (depreciated) basis. General fixed assets are still valued at historical or estimated historical cost.

#### **2. Liabilities**

Long-term liabilities, such as compensated absences, are accounted for in the General Long-Term Debt Account Group.

#### **3. Equity**

Investment in general fixed assets represents the District's equity in general fixed assets.

Reserved fund balance indicates the portion of fund equity that has been legally segregated for specific purposes or is not appropriable for spending.

Unreserved, designated account indicates the portion of fund equity that the District has set aside for planned future expenditures.

Unreserved, undesignated fund balance account indicates the portion of fund balance that is available for budgeting and spending in future periods.

### **F. Explanation of Adjustments Column in Statements**

1. Capital Assets: In the Statement of Net Assets and Governmental Fund Balance Sheet, an adjustment is made if the district has capital assets. This adjustment equals the net book balance of capitalized assets as of the report date, and reconciles to the amount report in Note IV.

2. Long-Term liabilities: In the Statement of Net Assets and Government Fund Balance Sheet, an adjustment is made to reflect the total of Compensated Absence liability the district has as of the report date. See Note 1-G below.

3. Depreciation and Change in Compensated Absences for the year: In the Statement of Activities and Governmental Fund Revenues, Expenditures and Changes in Fund Balance, the adjustment equals the total depreciation for the year reported, plus or minus the change in Compensated Absences between the reporting year and the previous year. This number is supported by figures in Note IV and in Note I-G below.

### **G. Vacation and Sick Leave**

Under the District's personnel policies, employees are granted vacation leave in varying amounts based on their length of service. Vacation leave accrual varies from 4 to 16 hours per month. Sick

## **NICOLLET SOIL AND WATER CONSERVATION DISTRICT**

leave accrual is 12 days per year. The limit on the accumulation of annual leave is 240 hours and the limit on sick leave is 800 hours. Upon termination from the District by retirement, employees are paid accrued vacation leave and up to 800 hours of accrued sick leave. On termination of employment by illness or death, employees are paid accrued vacation and up to 800 hours of accrued sick leave.

### **II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

#### **A. General Fund Deficit**

At December 31, 2009, the District's General Fund had a deficit fund balance of \$ N/A. The deficit is expected to be eliminated by future revenue sources.

#### **B. Excess of Expenditures Over Budget**

During 2009, actual expenditures, \$195,434.24, exceed budgeted expenditures of, \$160,125.00, by \$35,309.24.

#### **C. Uncollateralized deposits**

During 2009, the District's deposits with financial institutions did not exceed insurance, surety bond, or collateral.

### **III. DEPOSITS AND INVESTMENTS**

Minnesota Statutes 118A.02 and 118A.04 authorize the District to deposit its cash and to invest in certificates of deposit in financial institutions designated by the Board of Supervisors. At December 31, 2009, the District's deposits totaled \$458,665.87, of which \$54,526.65 were cash deposits, \$228,711.09 savings deposits and \$175,428.13 was invested in certificates of deposit. Minnesota Statutes require that all District deposits be covered by insurance, surety bond, or collateral. At December 31, 2009, all the District's deposits were covered by insurance or collateralized with securities held by the District or its agent in the District's name.

# NICOLLET SOIL AND WATER CONSERVATION DISTRICT

## IV. CHANGES IN CAPITAL ASSETS

### Equipment

Balance January 1, 2009	\$4,236.00
Additions	\$29,911.49
Deletions	\$0.00
2009 depreciation	\$8,365.05
Balance December 31, 2009	\$26,841.44

Note: Beginning and Ending Balance are net of accumulated depreciation, which total \$26,841.19 as of December 31, 2009.

The District uses a threshold of \$2,500.00 for capitalizing assets purchased. Those physical assets under \$2,500.00 are expenses directly and not capitalized.

## V. DEFERRED REVENUE

Deferred Revenue represents unearned advances from the Minnesota Board of Water and Soil Resources and Nicollet County for various programs. Revenues will be recognized when the related program expenditures are recorded.

Total Deferred Revenue as itemized on “Deferred Revenue Breakdown” is \$46,668.98.

## VI. COMPENSATED ABSENCES PAYABLE

Changes in long-term debt for the period ended December 31, 2009 are:

Balance January 1, 2009	\$11,524.01
Net Changes in Compensated Absences	\$ 687.72
Balance December 31, 2009	\$12,211.73

## VI – B. ADJUSTMENTS TO FINANCIAL STATEMENTS

See Note 1-F.

## VII. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; employee health; and natural disasters. To cover these risks, the District has purchased commercial insurance. Property and casualty liabilities and workers’ compensation are insured through Minnesota Counties Insurance Trust. The District is covered for errors and omissions through Minnesota Counties Insurance Trust.

The Minnesota Counties Insurance Trust is a public entity risk pool currently operated as a common risk management and insurance program for its members.

There were no significant reductions in insurance from the previous year or settlements in excess of insurance coverage for any of the past three fiscal years.

# **NICOLLET SOIL AND WATER CONSERVATION DISTRICT**

## **VIII. PENSION PLAN**

### **A. Plan Description**

The District contributes to a cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees Retirement Association of Minnesota (PERA). The PERA provides retirement benefits as well as disability to members, and benefits to survivors upon death of eligible administered by the Public Employees Retirement Association of Minnesota (PERA). The PERA provides retirement benefits as well as disability to members and benefits to survivors upon death of eligible members. The plan and its benefits are established and administered in accordance with Minnesota Statute Chapters 353 and 356. PERA issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Public Employees Retirement Association, 60 Empire Drive, Suite 200, St. Paul, Minnesota, 55103-1855.

### **B. Funding Policy**

Minnesota Statutes Chapter 353 sets the rates for employer and employee contributions. These statutes are established and amended by the state legislature. The District makes annual contributions to the pension plans equal to the amount required by state statutes. PERF Basic Plan members and Coordinated Plan members were required to contribute 9.10% and 6.00%, respectively, of their annual covered payroll: 11.78% for Basic Plan PERF members, 6.75% for Coordinated Plan PERF members. Employer contribution rates for the Coordinated Plan will increase to 7.00%. The District's employer share of contributions to PERA for the years ending December 31, 2009, 2008, and 2007 were \$5,547.23, \$5,132.79, and \$4,632.29 respectively, equal to the contractually required contributions for each year as set by Minnesota Statute.

## **IX. OPERATING LEASES**

The District leases office space on a yearly basis. Under the current agreement, total costs for 2009 were \$8,375.00.

# **NICOLLET SOIL AND WATER CONSERVATION DISTRICT MANAGEMENTS'S DISCUSSION AND ANALYSIS**

The Nicollet SWCD's discussion and analysis provides an overview of the SWCD's financial activities for the calendar year ended December 31, 2009. 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 (beginning on page 1).

## **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 (pg. 2) and the Statement of Activities (pg. 3) provide information about the activities of the SWCD as a whole and present a longer-term view of the SWCD's finances. Fund financial statements start on page 1. 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 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. Nicollet 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 years' 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.

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 of the SWCD's general fund begins on page 1. The fund financial statements begin on page 1 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

## NICOLLET SOIL AND WATER CONSERVATION DISTRICT

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 combined net assets were virtually higher, increasing from \$376,568.28 to \$404,371.51. Our analysis below focuses on the net assets (Table 1) and changes in net assets (Table 2) of the SWCD's governmental activities.

**Table 1**  
**Net Assets**

	<u>Governmental Activities</u>	
	<u>2008</u>	<u>2009</u>
Current and other assets	\$488,649.57	\$458,665.87
Capital assets	<u>\$ 0.00</u>	<u>\$ 0.00</u>
Total Assets	\$488,649.57	\$458,665.87
Long-term debt outstanding	\$ 11,524.01	\$ 12,211.73
Other liabilities	<u>\$ 79,298.68</u>	<u>\$ 46,668.98</u>
Total liabilities	\$ 90,822.69	\$ 58,880.71
Net assets		
Invested in capital assets	\$ 4,236.00	\$ 27,106.19
Net of debt		
Restricted		
Unrestricted	<u>\$402,062.88</u>	<u>\$402,062.88</u>
Total net assets	\$402,062.88	\$426,891.35

Net assets of the SWCD's governmental activities increased by less more than 6.1 percent (\$426,891.35 compared to \$402,062.88). 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 a \$402,062.88 surplus at 2008, to a \$426,891.35 surplus at the end of this year.

**Table 2**  
**Changes in Net Assets**

	<u>Governmental Activities</u>	
	<u>2008</u>	<u>2009</u>
<b>Revenues</b>		
Program revenues:		
Charges for service	\$ 20,096.63	\$ 20,823.76
State grants and entitlements	\$ 42,292.02	\$ 39,988.00
General revenues		
County allocation	\$ 92,052.00	\$ 95,447.00
Other general revenues	<u>\$ 12,959.88</u>	<u>\$ 9,191.78</u>
Total revenues	\$167,400.53	\$165,450.54
<b>Program expenses</b>		
General Government	\$155,431.21	\$185,485.55
Conservation	<u>\$ 17,599.01</u>	<u>\$ 9,948.69</u>
Total expenses	\$173,030.22	\$195,434.24

# NICOLLET SOIL AND WATER CONSERVATION DISTRICT

Decrease in net assets                      (\$ 5,629.69)                      (\$29,983.70)

The SWCD’s total revenues decreased by 1.2 percent (\$1,949.99). The total cost of all programs and services was increased by \$29,983.70, more than 18.7 percent, with no new programs added this year. Increase in program expenses was due to cost of a new equipment in 2009.

Our analysis below separately considers the operations of governmental activities.

## Governmental Activities

Revenues for the SWCD governmental activities decreased by 1.2 percent (\$1,949.99), while total expenses increased just over 18.7 percent (\$29,983.70).

The cost of all governmental activities this year was \$195,434.24 compared to \$173,030.22 last year. However, as shown in the Statement of Activities on page 3, the amount that our taxpayers ultimately financed for these activities through county taxes was \$95,447.00, because some of the cost was paid by other governments and organizations that subsidized certain programs with grants and contributions (\$70,003.54). Overall, the SWCD’s governmental program revenues, including intergovernmental aid and fees for services decreased in 2009 from \$167,400.53 to \$165,450.54, principally based on decreases in intergovernmental aid and fees for services. The SWCD paid for the remaining “public benefit” portion of governmental activities with other revenues, such as interest and miscellaneous revenues.

Table 3 presents the cost of each of SWCD’s five largest programs—(Wetland Conservation Act, State Cost Share Program, District Tree Program, Reinvest in Minnesota, Farm Bill Assistance Program) as well as each program’s net cost. The net cost shows the financial burden that was placed on the SWCD’s taxpayers by each of these functions.

**Table 3**  
**Governmental Activities**

	<u>Total Cost</u> <u>of Services</u>		<u>Net Cost</u> <u>of Services</u>	
	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>
Conservation				
Wetland Conservation Act	\$10,000.00	\$10,000.00	\$ 5,751.73	\$ 9,102.05
State Cost Share Program	\$22,082.00	\$12,328.00	\$20,082.00	\$12,328.00
District Tree Program	\$14,608.71	\$16,293.37	(\$5,471.42)	(\$4,530.39)
Reinvest in Minnesota	\$ 7,006.00	\$ 4,906.00	\$ 7,006.00	\$ 4,906.00
Farm Bill Assistance Program	\$ 3,279.12	\$15,114.78	\$ 3,279.12	\$ 15,114.78
All others				
<b>Totals</b>	<b>\$56,975.83</b>	<b>\$58,642.15</b>	<b>\$30,647.43</b>	<b>\$36,920.44</b>

## THE SWCD’s FUNDS

As the SWCD completed the year, its general fund (as presented in the balance sheet on page 2) reported a combined fund balance of \$426,891.35, which is slightly higher than last year’s total of \$402,062.88. Included in this year’s total change in fund balance, however, is a surplus of \$24,828.47 in the SWCD’s General Fund. The primary reasons for the General Fund’s surplus mirror the governmental analysis highlighted on page 1.

## CAPITAL ASSET AND DEBT ADMINISTRATION

### Capital Assets

At the end of 2009, the SWCD had \$34,147.49 invested in a broad range of capital assets, including a new Ford Vehicle & a GPS Unit. (See table 4 below) This amount represents a net increase of just under \$27,106.19, over last year.

# NICOLLET SOIL AND WATER CONSERVATION DISTRICT

**Table 4**  
**Capital Assets at Year-end**  
**(Net of Depreciation, in Thousands)**

	<u>Governmental Activities</u>	
	<u>2008</u>	<u>2009</u>
Office furniture, equipment, vehicle	\$4,236.00	\$27,106.19

## **Long-Term Liabilities**

Obligations include accrued vacation pay and sick leave. More detailed information about the SWCD's long-term liabilities is presented in Notes to the financial statements on pages 9 & 10

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

The SWCD's elected and appointed officials considered many factors when setting the calendar year 2009 budget. One of the economic factors taken into consideration was the reduction in state grants.

## **CONTACTING THE SWCD'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with 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 financial information, contact the Nicollet SWCD at 424 South Minnesota Avenue, St. Peter, MN 56082, phone #507-931-2550 ext. 3.