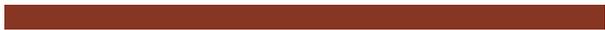




2015 Financial Report

Waseca Soil and Water
Conservation District



**WASECA COUNTY SOIL AND WATER
CONSERVATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2015**

The Waseca County Soil and Water Conservation District's discussion and analysis provides an overview of the District's financial activities for the year ended December 31, 2015. 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 District's financial statements.

FINANCIAL HIGHLIGHTS

- Total net position decreased \$36,888 during the current year.

- Total net position increased \$54,279 during the prior year.

- Total revenues decreased \$84,488 compared to prior year.

- Total expenditures increased \$6,679 compared to prior year.

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 Statement of Net Position and the Statement of Activities provide information about the activities of the District as a whole and present a longer-term view of the District's finances. Some governmental agencies report fund financial statements that tell how services were financed in the short term as well as what remains for future spending. Fund financial statements also report the District's operations in more detail than the government-wide statements by providing information about the District's most financially significant funds. Since soil and water conservation districts are single-purpose special purpose governments they are generally able to combine the government-wide and fund financial statements into single presentations. The Waseca County Soil and Water Conservation District has elected to present in this format.

Reporting the District as a Whole

The Statement of Net Position and the Statement of Activities

Our analysis of "The District as a Whole" begins on page 2. One of the most important questions asked about the District's finances is, "Is the District as a whole better or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the District 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.

**WASECA COUNTY SOIL AND WATER
CONSERVATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2015**

Reporting the District as a Whole (Continued)

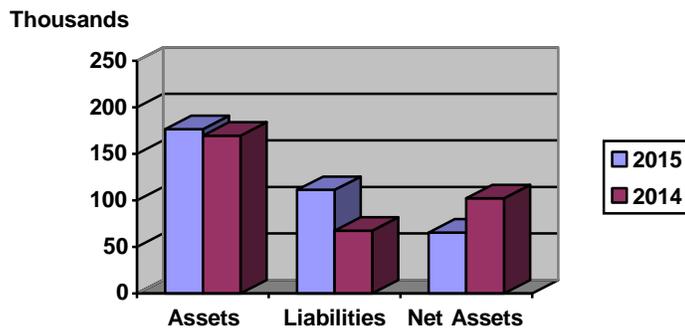
These two statements report the District's net position and changes in them. You can think of the District's net position, the difference between assets, what the District owns, and liabilities, what the District owes, as one way to measure the District's financial health, or financial position. Over time, increases or decreases in the District's net position 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 District's jurisdiction, the availability of capital projects, and continuing local government support to assess the overall health of the District.

THE DISTRICT AS A WHOLE

The District's total net position (fund balance) changed from a year ago, decreasing from \$102,175 to \$65,287. Our analysis below focuses on the net position (table 1) and change in net position (table 2) of the District's activities.

Table 1
Net Position

	<u>2015</u>	<u>2014</u>
Assets:		
Current and other assets	\$173,404	\$162,402
Capital assets	3,056	7,131
Total Assets	176,460	169,533
Liabilities:		
Other liabilities	888	20,970
Deferred revenue	110,285	46,388
Total Liabilities	111,173	67,358
Net Position (Fund Balance):		
Invested in capital assets	3,056	7,131
Unrestricted (Unreserved – Designated)	62,231	95,044
Total Net Position (Fund Balance)	\$65,287	\$102,175



**WASECA COUNTY SOIL AND WATER
CONSERVATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2015**

THE DISTRICT AS A WHOLE (Continued)

Table 2
Changes in Net Position

	<u>2015</u>	<u>2014</u>	<u>Change</u>
Revenues:			
Program Revenues			
Intergovernmental	\$76,234	\$170,721	-\$94,487
Charges for services	8,247	11,980	-3,733
General Revenues			
Miscellaneous	14,880	1,148	13,732
Total Revenues	<u>99,361</u>	<u>183,849</u>	<u>-84,488</u>
Expenses:			
Conservation	136,249	129,570	6,679
Total Expenses	<u>136,249</u>	<u>129,570</u>	<u>6,679</u>
Excess Before Special Items	<u>-36,888</u>	<u>54,279</u>	<u>-91,167</u>
Special Items Change	-	-	-
In Net Position	<u>-36,888</u>	<u>54,279</u>	<u>-91,167</u>
Total Net Position (Fund Balance)	<u>\$65,287</u>	<u>\$102,175</u>	<u>\$36,888</u>

CAPITAL ASSETS AND DEBT ADMINISTRATION

At year-end, the District had \$3,056 invested in capital assets.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The District's elected officials and staff considered many factors when setting the 2015 budget. The District's board of directors is attempting to keep expenditures low due to the uncertainty of the County and State budget forecasts.

CONTACTING THE WASECA COUNTY SOIL AND WATER CONSERVATION DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Waseca County SWCD at 105 22nd Avenue NE, Waseca, MN 56093.

**WASECA COUNTY SOIL AND WATER CONSERVATION DISTRICT
WASECA, MINNESOTA
STATEMENT OF NET POSITION AND
GOVERNMENTAL FUND BALANCE SHEET
DECEMBER 31, 2015**

	General Fund	Adjustments	Statement of Net Position
Assets			
Cash and Investments	\$ 138,454	\$ -	\$ 138,454
Due from other governments	\$ 34,950		34,950
Prepaid Items		-	-
Capital Assets:			
Equipment (net of accumulated depreciation)	-	3,056	3,056
Total Assets	173,404	3,056	176,460
Deferred Outflows of Resources			
Defined Benefit Pension Plan	-		-
Combined Assets and Deferred Outflows of Resources			
	\$ 173,404	\$ 3,056	\$ 176,460
Liabilities			
Current Liabilities:			
Unearned Revenue	\$ 110,285	\$ -	\$ 110,285
Accounts Payable	669	-	669
Accrued Wages		-	-
Deposit on Sales		-	-
Payroll Tax Payable	219	-	219
Long-term Liabilities:			
Net Pension Liability	-		-
Due after one year	-		-
Total Liabilities	111,173	-	111,173
Deferred Inflows of Resources			
Defined Benefit Pension Plan	-		-
Combined Liabilities and Deferred Inflows of Resources			
	\$ 111,173	\$ -	\$ 111,173
Fund Balance/Net Position			
Fund Balance			
Nonspendable - Prepaids	\$ -	\$ -	\$ -
Assigned - Compensated Absences	-	-	-
Unassigned	62,231	(62,231)	-
Total Fund Balance	\$ 62,231	\$ (62,231)	\$ -
Net Position			
Investments in Capital Assets		\$ 3,056	\$ 3,056
Unrestricted		62,231	62,231
Total Net Position		\$ 65,287	\$ 65,287

**WASECA COUNTY SOIL AND WATER CONSERVATION DISTRICT
WASECA, MINNESOTA
STATEMENT OF ACTIVITIES AND
GOVERNMENTAL FUND REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
Revenues			
Intergovernmental	\$ 76,234	\$ -	\$ 76,234
Charges for Services	8,247	-	8,247
Investment Earnings	86	-	86
Miscellaneous	14,794	-	14,794
Total Revenues	<u>\$ 99,361</u>	<u>\$ -</u>	<u>\$ 99,361</u>
Expenditures/Expenses			
Conservation			
Current	\$ 132,174	\$ 4,075	\$ 136,249
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures/Expenses	<u>\$ 132,174</u>	<u>\$ 4,075</u>	<u>\$ 136,249</u>
Excess of Revenues Over (Under) Expenditures/Expenses	<u>\$ (32,813)</u>	<u>\$ (4,075)</u>	<u>\$ (36,888)</u>
Fund Balance/Net Position January 1	\$ 95,044	\$ 7,131	\$ 102,175
Change in Accounting Principle	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance/Net Position December 31	<u>\$ 62,231</u>	<u>\$ 3,056</u>	<u>\$ 65,287</u>

**WASECA COUNTY SOIL AND WATER CONSERVATION DISTRICT
WASECA, MINNESOTA
BUDGETARY COMPARISON STATEMENT
BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED DECEMBER 31, 2015**

	<u>Original/ Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive (Neg)</u>
Revenues			
Intergovernmental			
County	\$ 81,162	\$ 38,081	\$ (43,081)
Local			-
Federal		-	-
State Grant	<u>62,626</u>	<u>38,153</u>	<u>(24,473)</u>
Total Intergovernmental	<u>\$ 143,788</u>	<u>\$ 76,234</u>	<u>\$ (67,554)</u>
Charges for Services	<u>\$ 15,000</u>	<u>\$ 8,247</u>	<u>\$ (6,753)</u>
Miscellaneous			
Interest Earnings	\$ 100	\$ 86	\$ (14)
Other	<u>6,000</u>	<u>14,794</u>	<u>8,794</u>
Total Miscellaneous	<u>\$ 6,100</u>	<u>\$ 14,880</u>	<u>\$ 8,780</u>
 Total Revenues	 <u>\$ 164,888</u>	 <u>\$ 99,361</u>	 <u>\$ (65,527)</u>
Expenditures			
District Operations			
Personnel Services	\$ 90,352	\$ 92,731	\$ (2,379)
Other Services and Charges	27,479	24,852	2,627
Supplies	650	41	609
Capital Outlay	-	-	-
Total District Operations	<u>\$ 118,481</u>	<u>\$ 117,624</u>	<u>\$ 857</u>
Project Expenditures			
District	\$ 10,250	\$ 10,375	\$ (125)
State	<u>36,157</u>	<u>4,175</u>	<u>31,982</u>
Total Project Expenditures	<u>\$ 46,407</u>	<u>\$ 14,550</u>	<u>\$ 31,857</u>
 Total Expenditures	 <u>\$ 164,888</u>	 <u>\$ 132,174</u>	 <u>\$ 32,714</u>
Excess of Revenues Over (Under)			
Expenditures	<u>\$ -</u>	<u>\$ (32,813)</u>	<u>\$ (32,813)</u>
 Fund Balance - January 1		\$ 95,044	\$ 95,044
Change in Accounting Principle			
 Fund Balance - December 31	 <u>\$ -</u>	 <u>\$ 62,231</u>	 <u>\$ 62,231</u>

**WASECA COUNTY SOIL AND WATER
CONSERVATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015**

Note 1 - Summary of Significant Accounting Policies

The financial reporting policies of the Waseca County Soil and Water Conservation District conform to generally accepted accounting principles. The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (statements and interpretations).

Changes in Accounting Principles

During the year ended December 31, 2015, the District adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*.

Financial Reporting Entity

The Waseca County Soil and Water Conservation District is organized under the provisions of Minnesota Statutes Chapter 103C. The District 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 District provides technical and financial assistance to individuals, groups, Districts, 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 which 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.

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.

Government-Wide Financial Statements

The government-wide financial statements (i.e. The Statement of Net Position and The Statement of Activities) report information on all of 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.

**WASECA COUNTY SOIL AND WATER
CONSERVATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015**

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 revenues 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.

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. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers all revenues, except reimbursement grants, to be available if they are collected within 60 days of the end of the current fiscal period.

Reimbursement grants are considered available if they are collected within one year of the end of the current fiscal period. Expenditures are recorded when a liability is incurred under accrual accounting.

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.

Investment earnings are recognized when earned. Other revenues are recognized when they are received in cash because they usually are not measurable until then.

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.

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

**WASECA COUNTY SOIL AND WATER
CONSERVATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015**

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions which affect: the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position

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.

Capital assets are reported on a net (depreciated) basis. General capital assets are valued at historical or estimated historical cost.

Liabilities

Long-term liabilities, such as compensated absences, are accounted for as an adjustment to net position.

Unearned Revenue

Governmental funds and government-wide financial statements report unearned revenue in connection with resources that have been received, but not yet earned.

Classification of Net Position

Net position in the government-wide financial statements is classified in the following categories:

Investment in capital assets – the amount of net position representing capital assets net of accumulated depreciation.

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.

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

**WASECA COUNTY SOIL AND WATER
CONSERVATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015**

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. Currently, the District has only one item that qualifies for reporting in this category, deferred amounts related to their pension obligations. The length of the expense recognition period for deferred amounts is equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan, determined as of the beginning of the measurement period.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time. The District has only one type of item that qualifies for reporting in this category, amounts related to their pension obligations. These deferred amounts represent differences between projected and actual earnings on pension plan investments and are recognized over a five-year period.

Classifications of Fund Balances

Fund balance is divided into five classifications based primarily on the extent to which the District is bound to observe constraints imposed upon the use of the resources in the General Fund. The classifications are as follows:

Nonspendable – the nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or 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 – fund balance is reported as restricted when 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 – the committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (resolution) of the District. Those committed amounts cannot be used for any other purposes unless the District removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts.

Assigned – amounts in the assigned fund balance classification the District intends to use for specific purposes that do not meet the criteria to be classified as restricted or committed. In the General Fund, assigned amounts represent intended uses established by the District or the District Administrator who has been delegated that authority by District resolution.

**WASECA COUNTY SOIL AND WATER
CONSERVATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015**

Unassigned – Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other fund balance classifications.

The District 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.

Explanation of Adjustments Column in Statements

Capital Assets: In the Statement of Net Position 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 reported in the Capital Assets Note.

Long-Term Liabilities: In the Statement of Net Position and Governmental Fund Balance Sheet, an adjustment is made to reflect the total Compensated Absence Liability the District has as of the report date. See note on Long-Term Liabilities.

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 the note on Long-Term Liabilities.

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 **8.5** hours per pay period. Sick leave accrual is **4** hours per pay period. The limit on the accumulation of vacation leave is **280** hours and there is no limit on sick leave. Upon termination of employment from the District, employees are paid accrued vacation leave and up to 80 hours of accrued sick leave.

Risk Management

The District is exposed to various risks of loss related to tort; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; workers' compensation claims; and natural disasters. Property and casualty liabilities and workers' compensation are insured through Minnesota Counties Intergovernmental Trust. The District retains risk for the deductible portion of the insurance. The amounts of these deductibles are considered immaterial to the financial statements.

The Minnesota Counties Intergovernmental Trust is a public entity risk pool currently operated as a common risk management and insurance program for its members. The District pays an annual premium based on its annual payroll. There were no significant increases or reductions in insurance from the previous year or settlements in excess of insurance coverage for any of the past three fiscal years.

**WASECA COUNTY SOIL AND WATER
CONSERVATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015**

Note 2 - Detailed Notes

Capital Assets

Changes in Capital Assets, Asset Capitalization and Depreciation.

	<u>Beginning</u>	<u>Addition</u>	<u>Deletion</u>	<u>Ending</u>
Equipment	\$64,851	\$0	\$0	\$64,851
Less: Accumulated Depreciation	<u>57,720</u>	4,075	0	<u>61,795</u>
Net Capital Assets	<u>\$7,131</u>			<u>\$3,056</u>

The cost of property, plant and equipment is depreciated over the estimated useful lives of the related assets. Leasehold improvements are depreciated over the lesser of the term of the related lease or the estimated useful lives of the assets. Depreciation is computed on the straight-line method. The useful lives of property, plant and equipment for the purpose of computing depreciation is 5 to 10 years for Machinery and Equipment. Current year depreciation is \$4,075.

The District uses the threshold of \$1,000 for

capitalizing assets purchased. Unearned Revenue

Unearned revenue represents unearned advances from the Minnesota Board of Water and Soil Resources (BWSR) for administrative service grants and for the cost-share program. Revenues will be recognized when the related program expenditures are recorded. Unearned revenue for the year ended December 31, 2015, consists of the following: BWSR Cost Share Programs, \$23,787; BWSR Service Grants, \$86,498; Clean Water Funds, \$0; BWSR Feedlot, \$0; Total, \$110,285.

Long-Term Liabilities - Compensated Absences Payable

Changes in long-term liabilities for the period ended December 31, 2015 are:

Balance December 31, 2015	\$0
Net Change in Compensated Absences	<u>0</u>
Balance December 31, 2015	<u>\$0</u>

Deposits

Minnesota Statutes 118A.02 and 118A.04 authorize the District to designate a depository for public funds and to invest in certificates of deposit. Minnesota Statutes 118A.03 requires that all District deposits be protected by insurance, surety bond, or collateral. The market value of collateral pledged shall be at least ten percent more than the amount on deposit plus accrued interest at the close of the financial institution's banking day, not covered by insurance or bonds.

**WASECA COUNTY SOIL AND WATER
CONSERVATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015**

Authorized collateral includes treasury bills, notes and bonds; issues of U.S. government agencies; general obligations rated "A" or better; revenue obligations rated "AA" or better; irrevocable standard 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.

Custodial Credit Risk Deposits

Custodial credit risk is the risk that in the event of a financial institution failure, the District's deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk. As of December 31, 2015, the District's deposits were not exposed to custodial credit risk.

Note 3 - Defined Benefit Pension Plans

Plan Description - Public Employees Retirement Association

The District contributes to a cost-sharing multiple-employer defined pension plan administered by the Public Employee 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 Minn. 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.

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. Coordinated Plan members were required to contribute 6.5% of their annual covered salary. The District is required to contribute 7.5% of annual covered payroll. The District's contributions to the Public Employees Retirement Fund for the years ending December 31, 2015, 2014 and 2013 were \$948, \$2363, and \$5509, respectively. The District's contributions were equal to the contractually required contributions for each year as set by Minnesota statute.

Note 4 - Operating Leases

The District leases office space on a yearly basis. Under the current agreement, total cost for 2015 was \$7,980.

**WASECA COUNTY SOIL AND WATER
CONSERVATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015**

Note 5 - Stewardship, Compliance and Accountability

During 2015, actual expenditures, \$132,174, did not exceed budgeted expenditures, \$164,888, by \$32,714.

Note 6 - Reconciliation of Fund Balance to Net Position

Governmental Fund Balance, January 1	\$95,044
Plus: Excess of Revenue Over Expenditures	<u>-32,813</u>
Governmental Fund Balance, December 31	<u>\$62,231</u>
Adjustments from Fund Balance to Net Position:	
Plus: Capital Assets	3,056
Plus: Deferred Outflows of Resources	
Less: Long-Term Liabilities	
Less: Deferred Inflows of Resources	<u>0</u>
Net Position	<u>\$65,287</u>

Note 7 - Reconciliation of Change in Fund Balance to Change in Net Position

Change in Fund Balance	-\$32,813
Capital Outlay	
The costs of capital assets are allocated over the capital assets' useful lives at the government-wide level.	(4075)
In the statement of activities certain operating expenses (including compensated absences) are measured by the amounts earned.	<u>(0)</u>
Change in Net Position	<u>-\$36,888</u>

**BREAKDOWN OF COUNTY REVENUE
2015**

COUNTY REVENUES (breakdown):

ANNUAL ALLOCATION	\$38,081 _____
WATER PLAN MONEY	\$ _____
WETLAND MONEY	\$ _____
FEEDLOT MONEY	\$ _____
ABANDONED WELL	\$ _____
DNR SHORELAND	\$ _____
OTHER (specify)	\$ _____
 TOTAL	 <u><u>\$38,081</u></u>

NOTE: The total should agree with amount reported as **County Revenue** in the "Budgetary Comparison Schedule."

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

