

LYON SOIL & WATER CONSERVATION DISTRICT

2013 FINANCIAL REPORT



*Lyon Soil & Water Conservation District
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All programs and services of Lyon Soil & Water Conservation District are offered on a nondiscriminatory basis, without regard to race, color, national origin, religion, sex, age, marital status, or handicap.

**LYON SOIL AND WATER CONSERVATION DISTRICT
ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED DECEMBER 31, 2013**

BOARD SUPERVISORS ~ 2013

Area 4 ~ Otto Nyquist – Chairman
Area 2 ~ Allen Deutz – Vice-Chairman
Area 1 ~ Gary Crowley – Secretary/Treasurer
Area 5 ~ Steve Prairie – Public Relations & Information
Area 3 ~ Mark Meulebroeck – Member

OFFICE STAFF ~

John Biren – SWCD/Zoning Administrator
Todd Hammer – Assistant Planning & Zoning/Ditch Inspector
Luke Olson – Conservation Technician
Jordan Croatt – Farm Bill Pheasants Forever Biologist
Jeanette Sharp – Administrative Assistant

Monthly Board Meetings ~ 4th Tuesday (10 am November thru March, 7 pm April thru October)

NRCS STAFF ~

Jamie Thomazin – District Conservationist
Mike Timmerman – Technician
Shannon Ernst – Soil Conservationist
Bernie Louwagie – Administrative Assistant

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**LYON SOIL AND WATER CONSERVATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2013**

This section of the annual financial report of the Lyon Soil and Water Conservation District presents the Management Discussion and Analysis. The discussion and analysis provides an overview of the District's financial activities for the fiscal year ended December 31, 2013. 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 basic financial statements following this section.

FINANCIAL HIGHLIGHTS

- The District's Statement of Activities and Governmental Revenues, Expenditures and Changes in Fund Balance reflects its position at the end of one year as an agency within Lyon County.

USING THIS ANNUAL REPORT

This annual report consists of three main topics:

- 1) Management's Discussion and analysis (MDA);
 - 2) Basic Financial Statements;
 - 3) Required supplementary information
- The Basic financial statements include a series of financial statements
 - The Statement of Net Position and the Statement of Activities 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 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 presentation. The SWCD has elected to present in this format.
 - Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position explains the differences in these two statements. The Statement of Net Position under the "Adjustments" column shows the differences in the two statements.
 - Notes to the Financial Statement provides information that is essential to a full understanding of the data provided in the government-wide and fund financial statements, which can be found within this report.

LYON SOIL AND WATER CONSERVATION DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS

Statement of Net Position and Statement of Activities

The analysis of the Lyon Soil and Water Conservation District begins with the Statement of Net Position and the Statement of Activities. 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 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 District's net position and changes in them. You can think of the District's net position – the difference between assets and liabilities – 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 non-financial factors to assess the overall health of the District.

In the Statement of Net Position and the Statement of Activities, the District presents governmental activities. All of the District's basic services are reported here as well as appropriations from state finance activities.

FUND FINANCIAL STATEMENTS

The Lyon Soil and Water Conservation District general fund is presented in this report. The fund financial statements are 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 reconciliation with the financial statements.

LYON SOIL AND WATER CONSERVATION DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS

Statement of Net Assets

The Lyon Soil and Water Conservation District's net assets increased from one year ago. Our analysis below focuses on the net assets (Table 1) of the District's governmental activities.

Table 1

Statement of Net Assets

	Governmental Activities	
	<u>Dec. 31, 2013</u>	<u>Dec. 31, 2012</u>
Current Assets	<u>\$237,856.00</u>	<u>\$115,643.00</u>
Capital Assets Net of Depreciation	<u>\$ _____</u>	<u>\$ 3,064.00</u>
Total Assets	<u>\$ 237,856.00</u>	<u>\$118,707.00</u>
<i>Current and Other Liabilities</i>	<u>\$ 57,329.00</u>	<u>\$ 83,290.00</u>
Net Assets:		
Invested in Capital Assets	<u>\$ _____</u>	<u>\$ 3,064.00</u>
Restricted/Designated	<u>\$180,527.00</u>	<u>\$ _____</u>
Unrestricted/Undesignated	<u>\$ _____</u>	<u>\$ 32,353.00</u>
Total Net Assets	<u>\$180,527.00</u>	<u>\$ 35,417.00</u>
Total Liabilities and Net Assets	<u>\$237,856.00</u>	<u>\$118,707.00</u>

The net assets increased largely because of county funds available for the SWCD to be used for conservation projects.

Under the Net Assets, the Restricted/Designated funds are designated for certain programs specified by the State and/or District. Unrestricted/Undesignated net assets are 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.

Table 2 reflects changes in Governmental Activities of the District. It also reflects some of the District program changes from 2012 to 2013.

Table 2

Changes in Net Assets

	Governmental Activities	
	<u>Dec. 31, 2013</u>	<u>Dec. 31, 2012</u>
Revenues		
County – General Support	\$110,321.00	\$ 87,500.00
Wetland Conservation Act Admin	\$ 8,778.00	\$ 8,778.00
State Grant	\$ 40,993.00	\$109,215.00
State – Other Grants	\$ 10,000.00	\$ -0-
Interest Earnings	\$ -0-	\$ 61.00
Other - Local	<u>\$ 67,764.00</u>	<u>\$ 5,225.00</u>
Total Revenues	<u>\$237,856.00</u>	<u>\$210,779.00</u>
Expenditures		
Operational Expenditures	\$129,303.00	\$ 80,525.00
State Cost Share Project Payments	\$ 10,224.00	\$ 50,383.00
Conservation – Non State Cost Share Proj.	<u>\$ 20,490.00</u>	<u>\$ -0-</u>
Total Expenditures	<u>\$160,017.00</u>	<u>\$130,908.00</u>

LYON SOIL AND WATER CONSERVATION DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS

The Changes in Net Assets are as follows:

State funds: reflects the State Program and Operations Grant plus an Easement Implementation Grant received.

District Expenditures & Revenues: This agency has been involved in a restructuring process over the last one and half years. During 2013 the SWCD staff were all paid through Lyon County as were any operating and project payments that needed to done. A log has been kept of the operating expenses of the SWCD as well as the tracking of any revenue and expenses related to conservation projects. As grant funds were received they were forwarded to Lyon County. Although expenditures increased also did the revenue due to the county support. Project completion was difficult during 2013 as it was a late, wet spring and fall crops were late in maturing so farmers were not able to get into the fields.

THE DISTRICT'S FUNDS

As the District completed the year, under the general fund column as presented in the Statement of Net Assets, reported a combined fund balance of \$ 180,527. This amount plus the Assets net of accumulated depreciation \$ -0- and minus the Compensated Absences \$ -0- gives a total of \$ 180,527 under the "Adjustments" column for the Statement of Net Assets. The reasons for the General Fund's increase mirror the Statement of Net Assets under the Fund Financial Statements section as highlighted in the attached report.

GENERAL FUND BUDGETARY HIGHLIGHTS

Actual charges to appropriations (expenditures) were \$ 1,128 below the budget amounts. The change reflects the District going through its positive transition. A budget was adopted similar to the prior year not knowing what the final figures would look like. It was the District's intent to continue to operate the programs throughout the year in cooperation with Lyon County.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

In 2004, the Lyon Soil and Water Conservation District developed the following schedules:

- Guide to Capital Assets
- Schedule of General Capital Assets and Changes

These were part of the compliance by the District to the GASB #34 accounting changes for the District.

All capital assets were surrendered to Lyon County effective January 1st, 2013.

The Schedules of General Capital Assets and Changes in General Capital Assets consist of capital assets over the District threshold of \$1,000. At the end of 2013, the District had \$ -0- invested in capital assets, including vehicles, equipment and furniture and fixtures.

The District Capital assets value \$ -0- less accumulated depreciation of \$ -0- is reflected in the investment in Capital Assets shown as \$ -0- at the end of 2013.

Table 3

Capital Assets at Year-end (Net of Depreciation)

<u>Assets</u>	Governmental Activities	
	<u>Dec. 31, 2013</u>	<u>Dec. 31, 2012</u>
Vehicles and Equipment	\$ -0-	\$ 21,311.00
(Net Depreciation)	\$ -0-	\$ 3,064.00

LYON SOIL AND WATER CONSERVATION DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS

Liabilities

Liability obligations regarding accrued vacation are no longer pertinent for the District. As of January 1st, 2013 all District staff became Lyon County employees and follow their policies. Also, per agreement all equipment is Lyon County property. Notes to the Financial Statement detail the District obligations that have occurred during this transition.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The District's elected officials considered factors such as the cost of operation of the agency, estimated State and other revenue received and on-going projects when setting the fiscal 2013 year budget. The 2014 budget will consist of the Lyon SWCD working to implement conservation programs from grant revenues plus show the cost of operations for the District which are paid by Lyon County.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, and customers with a general overview of the District's finances and to show the District's accountability for the money it receives.

If you have questions about this report or need additional financial information, contact:

Lyon Soil and Water Conservation District
1424 East College Drive ~ Suite 600
Marshall, Minnesota 56258
Phone number: 1-507-537-0396, ext. #3

LYON SOIL & WATER CONSERVATION DISTRICT MARSHALL, MINNESOTA
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**STATEMENT OF NET POSITION AND
GOVERNMENTAL FUND BALANCE SHEET
FOR THE YEAR ENDED DECEMBER 31, 2013**

	General Fund	Adjustments See Notes	Statement of Net Position
<u>Assets</u>			
Cash and investments	\$237,856		\$237,856
Accounts receivable	0		0
Due from other governments	0		0
Prepaid items	0		0
Capital Assets:			
Equipment (net of accumulated depreciation)		0	0
Total Assets	\$237,856	\$0	\$237,856
<u>Liabilities</u>			
Current liabilities:			
Deferred Revenue	\$57,329		\$57,329
Due within one year		0	0
Due after one year		0	0
Total Liabilities	\$57,329	\$0	\$57,329
<u>Fund Balance/Net Assets</u>			
Fund Balance/Net Assets			
Nonspendable	\$0	\$0	\$0
Unrestricted			
Committed or Assigned	0	0	0
Unassigned	180,527	0	180,527
Total Fund Balance	\$180,527	\$0	\$180,527
Net Assets			
Invested in capital assets		\$0	\$0
Unassigned		180,527	180,527
Total Net Position		\$180,527	\$180,527

Notes are an integral part of the basic financial statements.

LYON SOIL & WATER CONSERVATION DISTRICT MARSHALL, MINNESOTA
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**STATEMENT OF ACTIVITIES AND
GOVERNMENTAL FUND REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2013**

	General Fund	Adjustments See Notes	Statement of Activities
Revenues			
Intergovernmental	\$237,856	\$0	\$237,856
Charges for services	0	0	0
Investment earnings	0	0	0
Miscellaneous	0	0	0
Total Revenues	\$237,856	\$0	\$237,856
Expenditures/Expenses			
Conservation	\$30,714		\$30,714
Current	\$129,303	\$0	\$129,303
Capital outlay	0	0	0
Total Expenditures/Expenses	\$160,017	\$0	\$ 160,017.00
Excess of Revenues Over (Under)			
Expenditures/Expenses	\$77,839	\$0	\$77,839
Fund Balance/Net Position January 1	\$102,688	0	\$102,688
Fund Balance/Net Position December 31	\$180,527	\$0	\$180,527

Notes are an integral part of the basic financial statements.

**LYON SOIL & WATER CONSERVATION DISTRICT
MARSHALL, MINNESOTA**

**BUDGETARY COMPARISON STATEMENT
BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED DECEMBER 31, 2013**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Neg)</u>
Revenues				
Intergovernmental				
County	\$74,245	\$74,245	\$119,099	\$44,854
Local	\$67,764	\$67,764	\$67,764	0
Federal	0	0	0	0
State grant	\$37,607	\$37,607	\$50,993	\$13,386
Total intergovernmental	\$179,616	\$179,616	\$237,856	\$58,240
Charges for services	\$0	\$0	\$0	\$0
Miscellaneous				
Interest earnings	\$0	\$0	\$0	\$0
Other	0	0	0	0
Total miscellaneous	\$0	\$0	\$0	\$0
Total Revenues	\$179,616	\$179,616	\$237,856	\$58,240
Expenditures				
District operations				
Personnel services	\$94,400	\$94,400	\$103,672	(\$9,272)
Other operational expenses	\$23,362	\$23,362	\$23,971	-\$609
Supplies	\$5,000	\$5,000	\$1,660	\$3,340
Capital outlay	0	0	0	0
Total district operations	\$122,762	\$122,762	\$129,303	(\$6,541)
Project expenditures				
District	\$20,000	\$20,000	\$20,490	(\$490)
State	\$18,383	\$18,383	\$10,224	\$8,159
Total project expenditures	\$38,383	\$38,383	\$30,714	\$7,669
Total Expenditures	\$161,145	\$161,145	\$160,017	\$1,128
Excess of Revenues Over (Under)				
Expenditures	\$18,471	\$18,471	\$77,839	\$59,368
Fund Balance - January 1	\$102,688	\$102,688	\$102,688	\$0
Fund Balance - December 31	\$121,159	\$121,159	\$180,527	\$59,368

Notes are an integral part of the basic financial statements.

BREAKDOWN OF COUNTY REVENUE 2013

COUNTY REVENUES (breakdown):

ANNUAL ALLOCATION	\$ <u> -0- </u>
WATER PLAN MONEY	\$ <u> 45,521 </u>
WETLAND MONEY	\$ <u> 8,778 </u>
FEEDLOT MONEY	\$ <u> 35,030 </u>
ABANDONED WELL	\$ <u> -0- </u>
DNR SHORELAND	\$ <u> 2,738 </u>
OTHER GENERAL	\$ <u> 27,032 </u>
TOTAL	\$ <u> 119,099 </u>

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2013

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial reporting policies of the Lyon Soil and Water Conservation District (District) 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 Lyon 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.

An agreement has been approved between Lyon County and Lyon SWCD. This agreement continues to allow the District to approve, implement and control the grant funds while the operational expenditures become Lyon County's responsibility.

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 Lyon 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.

B. Basis of Presentation - Fund Accounting (Continued)

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. No longer applicable.

3. General Long-Term Debt Account Group

This account group records earned but unpaid vacation and sick leave that has vested or is expected to vest. No longer applicable.

C. 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 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 and charges. 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.

Project expenditures represent costs that are funded from federal, state, or district revenues. State project expenditures consist of grants to participants in the Cost-Share Program and other state programs. District project expenditures are funds from the District's reserve done using the State Cost-Share method.

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. 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 board approval. Appropriations lapse at year-end.

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. The District does not operate a bank account of any kind.

Beginning with statement year 2004, 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.

The District does not report fixed assets as they were surrendered to Lyon County effective January 1st, 2013.

2. Liabilities

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

The District has no compensated absences as staff are county employees.

3. Equity

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

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

Unrestrictive, committed or assigned account indicates the portion of fund equity that the District has set aside for planned future expenditures.

Unrestricted, unassigned 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 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 report in Note IV.

None to Report!

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.

None to Report!

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.

None to Report!

G. Vacation and Sick Leave

All District staff are employees of Lyon County and therefore the District does not have vacation or sick leave to track.

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. General Fund Deficit

N/A ~ At December 31, 2013, the District's General Fund had a deficit fund balance of \$ -0-.

B. Excess of Expenditures Over Budget

N/A ~ During 2013, actual expenditures, \$ -0-, exceeded budgeted expenditures.

C. Uncollateralized deposits

N/A ~ During 2013, the District's deposits with financial institutions -0- (exceeded at various times, 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. This authorization is not relevant as the District forwards all receipts to Lyon County for tracking and dispersing.

IV. CHANGES IN CAPITAL ASSETS

Equipment

Balance January 1, 2013	\$ <u>27,511</u>
Additions	\$ <u>0</u>
2013 surrendered to Lyon County	\$ <u>27,511</u>
Balance December 31, 2013	\$ <u>0</u>

Note: As part of the agreement, effective January 1st, 2013, Lyon SWCD surrendered all its equipment/assets to Lyon County.

V. DEFERRED REVENUE

All revenues and grants are forwarded to Lyon County per agreement upon receipt of the funds. The deferred revenue is a combination of SWCD grants and NRBG grant funds which are available to the SWCD per agreement.

VI. COMPENSATED ABSENCES PAYABLE

All Lyon SWCD staff are Lyon County employees effective January 1st, 2013 therefore the District has nothing to report.

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. General liability and workers' compensation are insured through Minnesota Counties Intergovernmental Trust (MCIT). The District is covered for errors and omissions through Minnesota Counties Intergovernmental Trust (MCIT).

The Minnesota Counties Intergovernmental 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.

VIII. PENSION PLAN

A. Plan Description

District staff are Lyon County employees, effective January 1st, 2013 and would be recognized under their Public Employees Retirement Association of Minnesota Plan where applicable.

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. As employees of Lyon County annual contributions are made to the PERA pension plan equal to amount required by state statutes.

IX. OPERATING LEASES

The District leases office space on a yearly basis. Under the leasing agreement, total costs for 2013 were \$13,365 which per agreement is paid by Lyon County.