

LYON SOIL AND WATER CONSERVATION DISTRICT

2016 FINANCIAL REPORT



Lyon Soil and Water Conservation District
1424 E College Drive
Suite 600
Marshall, MN 56258
Phone: 507-537-0396 EXT. 3
Website: www.lyonco.org

All programs and services of Lyon Soil and Water Conservation District are offered on a non-discriminatory 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, 2016**

BOARD SUPERVISORS – 2016

Area 1 – Gary Crowley – 2016 Member

Area 2 - Allen Deutz – 2016 Public Relations and Information

Area 3 – Mark Meulebroeck – 2016 Vice-Chairman

Area 4 – Gary Lavoy – 2016 Member

Area 5 – Steve Prairie – 2016 Chairman

OFFICE STAFF – 2016

John Biren – SWCD District Manager/Lyon County Zoning Administrator

Todd Hammer – Assistant Planning and Zoning Administrator/Ditch Inspector

Luke Olson – Conservation Technician

Devin Ryan – Conservation Technician

Kyle Andreska – Farm Bill, Pheasants Forever Biologist

Anita Cauwels – Administrative Assistant

Monthly 2016 Board Meetings – Every 4th Tuesday at 7 p.m.

NRCS Office Staff – 2016

Jamie Thomazin – District Conservationist

David Hagberg – Soil Conservation Technician

Michael Galiano – Soil Conservationist

Open – Administrative Assistant

TABLE OF CONTENTS

MANAGEMENT'S DISCUSSION AND ANALYSIS	1-3
<ul style="list-style-type: none">• Financial Highlights: and Using this Annual Report;• Statement of Net Position and Statement of Activities; and Fund Financial Statements• Statement of New Assets – Table 1, Changes in Net Assets, Governmental Activities – Table 2• Changes in Net Assets (State Funds & District Expenditures & Revenues)• The District's Funds, General Fund Budgetary Highlights;• Capital Asset• Liabilities – Economic Factors and Next Year's Budget• Contacting the District's Financial Management	
GOVERNMENT WIDE FINANCIAL STATEMENTS	4-6
<ul style="list-style-type: none">• Statement of Net Position & Governmental Fund Balance Sheet• Statement of Activities & Governmental Fund Revenues, and changes in Fund Balance• Budgetary Comparison Statement – Budget and Actual	
FUND FINANCIAL STATEMENTS	7-8
<ul style="list-style-type: none">• Breakdown of County Revenue• Breakdown of Deferred Revenue	
NOTES TO THE FINANCIAL STATEMENTS	9-16
<ul style="list-style-type: none">• Summary of Significant Accounting Policies<ul style="list-style-type: none">○ Changes in Accounting Principles○ Financial Reporting Entity○ Government Wide Financial Statements○ Fund Financial Statements○ Budget Information○ Use of Estimates○ Assets, Liabilities, Unearned Revenue and Net Position○ Classification of Net Position○ Classifications of Fund Balances<ul style="list-style-type: none">▪ Non-spendable▪ Restricted▪ Committed▪ Assigned▪ Unassigned○ Explanation of Adjustments Column in Statements<ul style="list-style-type: none">▪ Capital Assets▪ Long-Term Liabilities▪ Depreciation and Change in Compensated Absences for the year○ Vacation and Sick Leave○ Risk Management• Detailed Notes<ul style="list-style-type: none">○ Capital Assets○ Unearned Revenue○ Long-Term Liabilities – Compensated Absences Payable○ Deposits• Defined Benefit Pension Plans<ul style="list-style-type: none">○ Plan Description – Public Employees Retirement Association• Operating Leases• Stewardship, Compliance and Accountability• Reconciliation of Fund Balance to Net Position• Reconciliation of Change in Fund Balance to Change in Net Position	

LYON SOIL AND WATER CONSERVATION DISTRICT

FINANCIAL STATEMENTS

DECEMBER 31, 2016

**MANAGEMENT'S DISCUSSION AND ANALYSIS
LYON SOIL AND WATER CONSERVATION DISTRICT
DECEMBER 31, 2016**

The Lyon Soil And Water Conservation District discussion and analysis provides an overview of the District's financial activities for the fiscal year ended December 31, 2016. 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 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 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. For governmental activities, financial statements 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 general fund. Since Districts are single-purpose, special-purpose government units, the District combines the government-wide and fund financial statements into a single presentation.

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 the 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, however, such as changes in the state and local governmental funding, 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. Appropriations from the county and state finance most activities.

Reporting the District's General Fund

Our analysis of the District's general fund is part of this report. The fund financial statements provide detailed information about the general fund—not the District as a whole. The District presents only a general fund, which is a governmental fund. All of the District's basic services are reported in the general fund, which focuses on how money flows into and out of the fund 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 District'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 District's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in a reconciliation included with the financial statements.

THE DISTRICT AS A WHOLE

Our analysis focuses on the net position and change in net position of the District's governmental activities.

Net Position:

	Governmental Activities	
	2016	2015
Current Assets	<u>\$ 382,569</u>	<u>\$ 359,067</u>
Total Assets	<u>\$ 382,569</u>	<u>\$ 359,067</u>
Current Liabilities	<u>\$ 273,135</u>	<u>\$ 190,790</u>
Total Liabilities	<u>\$ 273,135</u>	<u>\$ 190,790</u>
Unrestricted	<u>109,434</u>	<u>168,277</u>
Total Net Position	<u>\$ 109,434</u>	<u>\$ 168,277</u>

Net position of the District's governmental activities decreased by \$58,443. Unrestricted net position, the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements changed from \$168,277 at December 31, 2015 to \$109,434 at the December 31, 2016.

Change in Net Position:

	Governmental Activities	
<u>Revenues</u>	2016	2015
Intergovernmental	\$ 239,817	\$ 165,631
Miscellaneous		3,769
Total Revenues	<u>\$ 239,817</u>	<u>\$ 169,400</u>
<u>Expenditures</u>		
Conservation	\$ 298,660	\$ 90,905
Total Expenditures	<u>\$ 298,660</u>	<u>\$ 90,905</u>
Increase (decrease) in Net Position	<u>\$ (58,843)</u>	<u>\$ 78,495</u>

The District's total revenues increased by \$70,417. The total cost of programs and services increased by \$207,755.

THE DISTRICT'S FUNDS

As the District completed the year, its general fund as presented in the balance sheet reported a combined fund balance of \$109,434, which is below last year's total of \$168,277.

General Fund Budgetary Highlights

The District does not approve a budget.

CAPITAL ASSETS & LONG-TERM LIABILITIES

Capital Assets

Since January 1, 2014, Capital Assets were assumed by Lyon County.

Long-Term Liabilities

The District does not have any long term liabilities for compensated absences, since they are employees of the county.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, customers and creditors 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 the Lyon Soil And Water Conservation District at 1424 E College Drive, Suite 600, Marshall, MN 56258. The phone number is 507-537-0396 X3.

LYON SOIL AND WATER CONSERVATION DISTRICT
MARSHALL, MINNESOTA

STATEMENT OF NET POSITION AND
GOVERNMENTAL FUND BALANCE SHEET
DECEMBER 31, 2016

	General Fund	Adjustments See Notes	Statement of Net Position
<u>Assets</u>			
Cash and investments	\$382,569		\$382,569
Accounts receivable	0		0
Due from other governments	0		0
Prepaid items	0		0
Capital Assets:			
Equipment (net of accumulated depreciation)	0	0	0
Total Assets	\$382,569	\$0	\$382,569
Deferred Outflows of Resources			
Defined Benefit Pension Plan	0	0	0
Combined Assets and Deferred Outflows of Resources			
	\$382,569	\$0	\$382,569
<u>Liabilities</u>			
Current liabilities:			
Accounts payable	\$0		\$0
Salaries payable	0		0
Unearned revenue	273,135		273,135
Long-term liabilities:			
Net Pension Liability	0	0	0
Compensated Absences	0	0	0
Total Liabilities	\$273,135	\$0	\$273,135
Deferred Inflows of Resources			
Defined Benefit Pension Plan	0	0	0
Combined Liabilities and Deferred Inflows of Resources			
	\$273,135	\$0	\$273,135
<u>Fund Balance/Net Position</u>			
Fund Balance			
Nonspendable (Prepays, Inventories)	\$0	\$0	\$0
Assigned - Compensated Absences	0	0	0
Unassigned	109,434	(109,434)	0
Total Fund Balance	\$109,434	(\$109,434)	\$0
Net Position			
Investments in capital assets		\$0	\$0
Unrestricted		109,434	109,434
Total Net Position		\$109,434	\$109,434

LYON SOIL AND WATER CONSERVATION DISTRICT
MARSHALL, MINNESOTA

STATEMENT OF ACTIVITIES AND
GOVERNMENTAL FUND REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2016

	General Fund	Adjustments See Notes	Statement of Activities
Revenues			
Intergovernmental	\$239,817	\$0	\$239,817
Charges for services	0	0	0
Investment earnings	0	0	0
Miscellaneous	0	0	0
Total Revenues	\$239,817	\$0	\$239,817
Expenditures/Expenses			
Conservation			
Current	\$298,660	\$0	\$298,660
Capital outlay	0	0	0
Total Expenditures/Expenses	\$298,660	\$0	\$298,660
Excess of Revenues Over (Under)			
Expenditures/Expenses	(\$58,843)	\$0	(\$58,843)
Fund Balance/Net Position January 1	168,277	0	168,277
Fund Balance/Net Position December 31	\$109,434	\$0	\$109,434

Notes are an integral part of the basic financial statements.

LYON SOIL AND WATER CONSERVATION DISTRICT
MARSHALL, MINNESOTA

BUDGETARY COMPARISON STATEMENT
BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED DECEMBER 31, 2016

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Neg)
Revenues				
Intergovernmental				
County	\$0	\$0	\$76,747	\$76,747
Local	0	0	0	0
Federal	0	0	0	0
State grant	0	0	163,070	163,070
Total intergovernmental	\$0	\$0	\$239,817	\$239,817
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	\$0	\$0	\$239,817	\$239,817
Expenditures				
District operations				
Personnel services	\$0	\$0	\$85,238	(\$85,238)
Other services and charges	0	0	14,457	(14,457)
Supplies	0	0	0	0
Capital outlay	0	0	0	0
Total district operations	\$0	\$0	\$99,695	(\$99,695)
Project expenditures				
District	\$0	\$0	\$0	\$0
State	0	0	198,965	(198,965)
Total project expenditures	\$0	\$0	\$198,965	(\$198,965)
Total Expenditures	\$0	\$0	\$298,660	(\$298,660)
Excess of Revenues Over (Under)				
Expenditures	\$0	\$0	(\$58,843)	(\$58,843)
Fund Balance - January 1	\$0	\$0	\$168,277	\$0
Fund Balance - December 31	\$0	\$0	\$109,434	(\$58,843)

Notes are an integral part of the basic financial statements.

**BREAKDOWN OF COUNTY REVENUE
2016**

COUNTY REVENUES (breakdown):

ANNUAL ALLOCATION	\$ _____
WATER PLAN MONEY	\$ <u>13,689</u>
WETLAND MONEY	\$ <u>8,778</u>
FEEDLOT MONEY	\$ <u>27,887</u>
ABANDONED WELL	\$ <u>0</u>
DNR SHORELAND	\$ <u>2,793</u>
OTHER (SSTS & SSTS Incentive)	\$ <u>23,600</u>
TOTAL	\$ <u><u>76,747</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.

**UNEARNED REVENUE BREAKDOWN
2016**

Balance of BWSR Service Grants: \$ 77,914

Balance of unencumbered BWSR Cost-Share Grants: Current fiscal year \$ 24,541

Previous fiscal year \$ 0

Balance of encumbered BWSR Cost-Share Grant (list each contract separately):

FY	Contract No.	Contract Amount	T & A Encumbered

Total of all Cost-Share Encumbrances \$0

Balance of County WCA Funds 17: \$ 8,778

Balance of County Water Plan Funds 17: \$ 13,689

Balance of other funds being deferred (list if any):

\$25,337 17 Local Capacity

\$28,589 17 Feedlot

\$2,793 17 Shoreland

\$18,600 SSTS

\$2,459 17 SSTS Incentive

\$30,000 17 Buffer

\$19,224 17 Conservation Delivery

\$14,141 17 State Cost Share

\$7,070 Easement Delivery

Subtotal of other funds: \$ 148,213

TOTAL OF ALL UNEARNED REVENUE: \$ 273,135

Lyon Soil and Water Conservation District
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016

Note 1 - Summary of Significant Accounting Policies

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

Financial Reporting Entity

The Lyon 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.

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.

Lyon Soil and Water Conservation District
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016

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 does not adopt a budget annually. The District does not use encumbrance accounting.

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.

Lyon Soil and Water Conservation District
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016

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:

Investments 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.

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.

Lyon Soil and Water Conservation District
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016

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.

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 Absences and Net Pension Liability the District has as of the report date. See note on Long-Term Liabilities.

Lyon Soil and Water Conservation District
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016

Depreciation, Net Pension Expense 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 net pension expense and 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

The District does not have any employees. All liabilities related to employees are assumed by Lyon County.

Risk Management

Insurance coverage necessary to manage risk is provided by Lyon County.

Note 2 - Detailed Notes

Capital Assets

As of January 1, 2014, all of the capital assets of the District were assumed by Lyon County.

Lyon Soil and Water Conservation District
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016

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, 2016, consists of the following: BWSR Cost Share Programs, \$64,976, NRBG, \$124,233, Local Capacity, \$25,337 Buffer Implementation, \$30,000, BWSR Feedlot, \$28,589; Total, \$273,135.

Long-Term Liabilities - Compensated Absences Payable

As of January 1, 2014, all employees of the District became employees of Lyon County and all accrued liabilities related to those employees were assumed by Lyon County.

Deposits

All District funds are on deposit with Lyon County. The County serves as the fiscal agent for the District and maintains all funds in segregated accounts. Lyon County's cash and investment policies are followed. Minnesota statutes require that all County deposits be covered by insurance, surety bond or collateral.

Note 3 - Defined Benefit Pension Plans

Plan Description - Public Employees Retirement Association

The District's employees are with Lyon County, so all the PERA payments were made through the County.

**Lyon Soil and Water Conservation District
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016**

Note 4 - Operating Leases

Lyon County provides office space to the Soil and Water Conservation District at no charge.

Note 5 - Stewardship, Compliance and Accountability

Excess of expenditures over budget – The General Fund had expenditures in excess of budget for the year as follows: 2016 Expenditures exceeded Revenues by \$58,843.

Note 6 - Reconciliation of Fund Balance to Net Position

Governmental Fund Balance, January 1	\$168,277
Plus: Excess of Expenditures Over Revenues	<u>-\$58,843</u>
Governmental Fund Balance, December 31	<u>\$109,434</u>
Adjustments from Fund Balance to Net Position:	
Plus: Capital Assets	
Plus: Deferred Outflows of Resources	
Less: Long-Term Liabilities	
Less: Deferred Inflows of Resources	<u>0</u>
Net Position	<u>\$109,434</u>

**Lyon Soil and Water Conservation District
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016**

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

Change in Fund Balance	- \$58,843
Capital Outlay	0
Pension Expense, net	0
The costs of capital assets are allocated over the capital assets' useful lives at the government-wide level.	(0)
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>\$58,843</u>