

Lake of the Woods

Soil & Water Conservation District

2011 Financial Statements

LAKE OF THE WOODS COUNTY 2011 FINANCIAL STATEMENTS

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LAKE OF THE WOODS SOIL AND WATER CONSERVATION DISTRICT
BAUDETTE, MINNESOTA

STATEMENT OF NET ASSETS AND
GOVERNMENTAL FUND BALANCE SHEET
FOR THE YEAR ENDED DECEMBER 31, 2011

	General Fund	Adjustments See Notes	Statement of Net Assets
<u>Assets</u>			
Cash and investments	\$384,495		\$384,495
Accounts receivable	0		0
Due from other governments	0		0
Prepaid items	0		0
Capital Assets:			
Equipment (net of accumulated depreciation)		906	906
Total Assets	<u>\$384,495</u>	<u>\$906</u>	<u>\$385,401</u>
<u>Liabilities</u>			
Current liabilities:			
Other Payroll Liabilities	(\$3,176)		(\$3,176)
Accounts payable	\$0		\$0
Salaries payable	4,045		4,045
Deferred revenue	103,608		103,608
Long-term liabilities:			0
Due within one year		0	0
Due after one year		8,499	8,499
Total Liabilities	<u>\$104,477</u>	<u>\$8,499</u>	<u>\$112,976</u>
<u>Fund Balance/Net Assets</u>			
Fund Balance/Net Assets			
Nonspendable (Prepays, Inventories)	\$0	\$0	\$0
Unrestricted			
Committed or Assigned	137,617	(137,617)	0
Unassigned	142,402	(142,402)	0
Total Fund Balance	<u>\$280,019</u>	<u>(\$280,019)</u>	<u>\$0</u>
Net Assets			
Invested in capital assets		\$906	\$906
Unassigned		271,519	271,519
Total Net Assets		<u>\$272,425</u>	<u>\$272,425</u>

Notes are an integral part of the basic financial statements.

LAKE OF THE WOODS SOIL AND WATER CONSERVATION DISTRICT
BAUDETTE, MINNESOTA

STATEMENT OF ACTIVITIES AND
GOVERNMENTAL FUND REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2011

	General Fund	Adjustments See Notes	Statement of Activities
Revenues			
Intergovernmental	\$211,675	\$0	\$211,675
Charges for services	7,914	0	7,914
Investment earnings	4,403	0	4,403
Miscellaneous	2,366	0	2,366
Total Revenues	<u>\$226,358</u>	<u>\$0</u>	<u>\$226,358</u>
Expenditures/Expenses			
Conservation			
Current	\$192,532	(\$3,011)	\$189,521
Capital outlay	0	0	0
Total Expenditures/Expenses	<u>\$192,532</u>	<u>(\$3,011)</u>	<u>\$189,521</u>
Excess of Revenues Over (Under)			
Expenditures/Expenses	\$33,826	\$3,011	\$36,837
Fund Balance/Net Assets January 1	<u>246,192</u>	<u>(10,604)</u>	<u>235,588</u>
Fund Balance/Net Assets December 31	<u><u>\$280,018</u></u>	<u><u>(\$7,593)</u></u>	<u><u>\$272,425</u></u>

Notes are an integral part of the basic financial statements.

LAKE OF THE WOODS SOIL AND WATER CONSERVATION DISTRICT
BAUDETTE, MINNESOTA

BUDGETARY COMPARISON STATEMENT
BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED DECEMBER 31, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Neg)</u>
Revenues				
Intergovernmental				
County	\$76,913	\$76,913	\$83,365	\$6,452
Local	1,281	1,281	1,281	0
Federal	0	0	1,000	1,000
State grant	167,776	167,776	126,029	(41,747)
Total intergovernmental	\$245,970	\$245,970	\$211,675	(\$34,295)
Charges for services	\$8,000	\$8,000	\$7,914	(\$86)
Miscellaneous				
Interest earnings	\$4,000	\$4,000	\$4,403	\$403
Other	2,000	2,000	2,366	366
Total miscellaneous	\$6,000	\$6,000	\$6,769	\$769
Total Revenues	\$259,970	\$259,970	\$226,358	(\$33,612)
Expenditures				
District operations				
Personnel services	\$103,309	\$103,309	\$102,337	\$972
Other services and charges	32,840	32,840	12,493	20,347
Supplies	1,300	1,300	394	906
Capital outlay	0	0	0	0
Total district operations	\$137,449	\$137,449	\$115,224	\$22,225
Project expenditures				
District	\$17,360	\$17,360	\$6,052	\$11,308
State	105,161	105,161	71,256	33,905
Total project expenditures	\$122,521	\$122,521	\$77,308	\$45,213
Total Expenditures	\$259,970	\$259,970	\$192,532	\$67,438
Excess of Revenues Over (Under)				
Expenditures	\$0	\$0	\$33,826	\$33,826
Fund Balance - January 1	\$0	\$0	\$0	\$0
Fund Balance - December 31	\$0	\$0	\$33,826	\$33,826

Notes are an integral part of the basic financial statements.

**BREAKDOWN OF COUNTY REVENUE
2011**

COUNTY REVENUES (breakdown):

ANNUAL ALLOCATION	\$ <u>27,286.34</u>
WATER PLAN MONEY	\$ <u>17,484.53</u>
WETLAND MONEY	\$ <u>25,545.68</u>
FEEDLOT MONEY	\$ <u>13,048.46</u>
ABANDONED WELL	\$ _____
DNR SHORELAND	\$ _____
OTHER (specify)	\$ _____
 TOTAL	 \$ <u><u>83,365.01</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.

Use of a 1994 Dodge Dakota pickup truck and a 2002 Chevy pickup truck.

**DEFERRED REVENUE BREAKDOWN
2011**

Balance of BWSR Service Grants: \$18,037.00

Balance of unencumbered BWSR Cost-Share Grants: Current fiscal year \$13,184.00

Previous fiscal year \$473.34

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

<u>FY</u>	<u>Contract No.</u>	<u>Contract Amount</u>	<u>T & A Encumbered</u>
2011	FY11-03	\$3,375.00	\$843.75

Total of all Cost-Share Encumbrances \$4,218.75

Balance of County WCA Funds: \$517.34

Balance of County Water Plan Funds: \$5,443.44

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

Delegated Feedlot Program Funds \$8,437.86

MPCA Clean Water Partnership (BZCWAP) \$1,926.28

BWSR Clean Water Fund (BZ) \$44,670.00

NW MN Foundation Grant (BZCWAP) \$2,500.00

JPB Eng. Fees collected in 2011 to be paid in 2012 \$1,200.00

Wetland Reserve Fund \$3,000.00

Subtotal of other funds: \$61,734.14

TOTAL OF ALL DEFERRED REVENUE: \$103,608.01

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2011

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial reporting policies of the Lake of the Woods 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 Lake of the Woods 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 Lake of the Woods 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 Lake of the Woods 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.

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.

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 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 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.

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.

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 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 1.5 to 3.5 hours per month. Sick leave accrual is 9.75 days per year. The limit on the accumulation of annual leave is 160 hours and the limit on sick leave is 240 hours. Upon termination from the District by retirement, employees are paid accrued vacation leave and half of all unused accrued sick leave not to exceed 160 hours (maximum 160 hours of sick leave converts to 80 hours of pay).

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. General Fund Deficit

At December 31, 2011, the District's General Fund had a deficit fund balance of \$0.00.

B. Excess of Budget Over Expenditures

During 2011, budgeted expenditures, \$259,970, exceeded actual expenditures, \$192,532, by \$67,438.

C. Uncollateralized deposits

During 2011, 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, 2011, the District's deposits totaled \$ 384,495.22, of which \$ 302,467.10 were cash deposits and \$ 82,028.12 was invested in certificates of deposit. Minnesota Statutes require that all District deposits be covered by insurance, surety bond, or collateral. At December 31, 2011, 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.

IV. CHANGES IN CAPITAL ASSETS

Equipment

Balance January 1, 2011	\$ <u>1,495</u>
Additions	\$ _____
Deletions	\$ _____
2011 depreciation	\$ <u>589</u>
Balance December 31, 2011	\$ <u>906</u>

Note: Beginning and Ending Balance are net of accumulated depreciation, which totaled \$2,356 as of December 31, 2011.

The District uses a threshold of \$500.00 for capitalizing assets purchased. Those physical assets under \$500 are expenses directly and not capitalized.

V. DEFERRED REVENUE

Deferred Revenue represents unearned advances from the Minnesota Board of Water and Soil Resources and Lake of the Woods 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 \$103,608.01.

VI. COMPENSATED ABSENCES PAYABLE

Changes in long-term debt for the period ended December 31, 2011 are:

Balance January 1, 2011	\$ <u>12,099</u>
Net Changes in Compensated Absences	(\$ <u>3,600</u>)
Balance December 31, 2011	\$ <u>8,499</u>

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 MCIT. The District is covered for errors and omissions through 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

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 members. PERA administers the Public Employees Retirement Fund (PERF.) 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 9.1% and 6.0%, respectively, of their annual covered salary in 2009. The District was required to contribute the following percentages of annual covered payroll: 11.78% for Basic Plan PERF members and 7.00% for Coordinated Plan PERF members. Employer contribution rates for the Coordinated Plan will increase to 7.25% effective January 1, 2011. The District's employer share of contributions to PERA for the years ending December 31, 2011, 2010, and 2009 were \$ 5,356.22, \$ 5,015.20, and \$ 4,726.40 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 2011 were \$0.0.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Lake of the Woods Soil & Water Conservation District's (SWCD) discussion and analysis provides an overview of the SWCD's financial activities for the fiscal year ended 2011. 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.

FINANCIAL HIGHLIGHTS

The total net assets at year end 2011 are \$272,425 of which \$906 is invested in capital assets and \$271,519 is unrestricted.

Total revenues in 2011 were over total revenues of 2010 by \$13,490. This increase in revenues reflects the SWCD's increase in outside grants and contracts the SWCD office has taken on, including: the MPCA Clean Water Partnership Grant, BWSR Clean Water Fund Grant, Big Fork SWAG, Baudette TMDL, NRCS CSP Contribution Agreement, and the Rainy Basin Load Monitoring Contract. Total revenues budgeted in 2011 were \$259,970 and actual revenues were \$226,358. This difference of \$33,612 of budgeted versus actual revenues is realized due to project delays, thus deferring revenues from grants into 2012.

Total expenses in 2011 were less than 2010 expenses by \$7,729. One expense in 2010 that was not present in 2011 was \$20,000 the SWCD paid for LIDAR. The 2011 budgeted expenditures were \$259,970 and the actual 2011 expenditures were \$192,532. This difference of \$67,438 is reflected in project revenue being deferred to 2012 and not spent in 2011. In addition there were items budgeted in 2011 that were not expensed, including rent and NRCS computer fees.

USING THIS ANNUAL REPORT

This annual report consists of the following: Management's Discussion and Analysis (this section), the basic financial statements, Notes to the Financial Statements, and supplementary information. The basic financial statements include a series of financial statements. The Statement of Net Assets and the Statement of Activities (on pages 3 and 4) 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 5. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending.

The Statement of Net Assets and the Statement of Activities

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

These two statements report the SWCD's net assets and changes in them. You can think of 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, with the District generating some revenue from Charges for Services.

Reporting the SWCD's General Fund

The SWCD presents only a general fund, which is a governmental fund. Our analysis of the general fund begins on page 5, Budgetary Comparison Schedule. 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.

Notes to the Financial Statements

The Notes to the Financial Statements provide additional information that is essential to a full understanding of the data provided.

Other Information

In addition to the basic financial statements and notes, Lake of the Woods SWCD provides supplementary information regarding County Revenues and Deferred Revenue on pages 6 and 7.

THE SWCD AS A WHOLE

The total net assets for 2011 are \$272,425 of which \$906 is invested in fixed assets. Compared to 2010, the total net assets were \$235,588 with \$1,495 invested in fixed assets. In 2011 there were no additions to the SWCD's fixed assets. The SWCD's 2011 depreciation was \$589. The current 2011 fixed asset list only includes items that were purchased over \$500.

In 2011 the SWCD's total revenues increased by \$33,612 compared to 2010. This increase in revenues reflects the SWCD's increase in outside grants and contracts the SWCD office has taken on, including: the MPCA Clean Water Partnership Grant, BWSR Clean Water Fund Grant, Big Fork SWAG, Baudette TMDL, NRCS CSP Contribution Agreement, and the Rainy Basin Load Monitoring Contract.

Conversely, the District's expenses were decreased by \$7,729 from 2010 to 2011. This decrease in expenditures includes the \$20,000 expensed for LIDAR in 2010, but not 2011. In addition, the SWCD did not hire a summer intern in 2011, but instead received a grant for a MN Conservation Corp Apprentice Program.

THE SWCD's FUNDS

As the SWCD completed the year, its fund balance (as presented in the revenue statement on page 4) reported a combined fund balance of \$272,425, which is slightly higher than last year's total of \$235,588. The primary reason for this increase in revenues is due to the additional grants and contracts the SWCD office has taken on, including: the MPCA Clean Water Partnership Grant, BWSR Clean Water Fund Grant, Big Fork SWAG, Baudette TMDL, NRCS CSP Contribution Agreement, and the Rainy Basin Load Monitoring Contract.

General Fund Budgetary Highlights

The 2011 actual revenues were \$33,612 under the final budgeted amounts. The revenue differences between budget and actual reflect project delays and corresponding project expenses, thus deferring revenues from grants into 2012. At December 31, 2011 the SWCD deferred \$103,608 in project funds, which is up from December 31, 2010 deferred revenue of \$68,426. This difference in deferred revenue is an increase of \$35,182.

The actual expenditures were \$67,438 below the final budget amounts. The reason for this disparity is reflected in project revenue being deferred to 2012 and not spent in 2011. In addition there were items budgeted in 2011 that were not expensed including rent and NRCS computer fees.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2011, the SWCD had \$906 invested in a limited range of capital assets, including a laptop computer, office chairs, highway signs, and GPS equipment. (See Capital Assets at Year-end Table below.)

Capital Assets at Year-end

	Governmental Activities	
	January 1	December 31
Capital Assets	7,829	7,829
Deletions	0	-4,567
Accumulated Depreciation	-6,334	-2356
Net book value	1,495	906

The SWCD's fiscal-year 2011 capital budget called for it to spend \$0 for capital assets. During the year the District purchased \$0 for capital assets. More detailed information about the SWCD's capital assets is presented in the Notes to the Financial Statements.

Long-Term Liabilities

At the end of the fiscal year, the SWCD obligations totaled \$8,499. This included accrued vacation pay and sick leave payable. More detailed information about the SWCD's long-term liabilities is presented in the Notes to the Financial Statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The SWCD's elected officials considered many factors when setting the fiscal-year 2011 budget. Meetings were held to determine the amount of appropriation.

CONTACTING THE SWCD'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors 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 SWCD Office at 218-634-1842 ext. 3 or send inquiries to Lake of the Woods SWCD P.O. Box 217 Baudette, MN 56623.

Lake of the Woods
Capital Assets 2011

Asset	Year	Useful Life	Adjusted Balance	Additions	Deletions	Ending Balance	Beginning Accumulated Depreciation	2011 Depreciation	Deletion	Ending Accumulated Depreciation
Copier Machine	2003	7	4,567		4,567	-	4,567		4,567	-
Notebook HP NC6400	2008	5	1,203			1,203	723	241		964
Trimble Juno ST Handheld GPS	2008	5	659			659	396	132		528
3 SWCD HWY Signs	2008	10	646			646	195	65		260
2 Office Chairs	2008	5	754			754	453	151		604
			<u>7,829</u>	-	<u>4,567</u>	<u>3,262</u>	<u>6,334</u>	<u>589</u>	<u>4,567</u>	<u>2,356</u>

	January 1	Add	Delete	Dec 31
Capital Assets	7,829	-	(4,567)	3,262
Accumulated Depreciation	<u>(6,334)</u>	(589)	4,567	<u>(2,356)</u>
Net book value	<u>1,495</u>			<u>906</u>