

**POPE SOIL AND WATER  
CONSERVATION DISTRICT**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2012**

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**POPE SOIL AND WATER CONSERVATION DISTRICT  
GLENWOOD, MINNESOTA**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

The Pope Soil and Water Conservation District's discussion and analysis provides an overview of the District's financial activities for the fiscal year ended December 31, 2012. 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 two parts: management's discussion and analysis and the basic financial statements. The basic financial statements include a series of financial statements. The Statement of Net Assets 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 most significant funds. 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 Assets 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 Assets 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.

These two statements report the District's net assets and changes in them. You can think of the District's net assets — 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 assets 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 Assets 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.

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 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 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.

#### THE DISTRICT AS A WHOLE

Our analysis focuses on the net assets and changes in net assets of the District's governmental activities.

	Governmental Activities	
	2012	2011
<b>Net Assets</b>		
Current Assets	\$ 330,428	\$ 368,085
Capital Assets, net of depreciation	78,685	73,588
Total Assets	<u>\$ 409,113</u>	<u>\$ 441,673</u>
Current Liabilities	\$ 140,233	\$ 238,493
Long Term Liabilities	13,358	10,913
Total Liabilities	<u>\$ 153,591</u>	<u>\$ 249,406</u>
Total Net Assets	<u>\$ 255,522</u>	<u>\$ 192,267</u>

Net assets of the District governmental activities increased by \$63,255. Unrestricted net assets, the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements changed from \$192,267 at December 31, 2011 to \$255,522 at the end of this year.

#### The District's Statement of Activities and changes in Net Assets

	Governmental Activities	
	2012	2011
<b>Revenues</b>		
Intergovernmental	\$ 413,808	\$ 474,686
Charges for Services	214,419	120,803
Investment Earnings	860	1,692
Miscellaneous	8,423	12,619
Total Revenues	<u>\$ 637,510</u>	<u>\$ 609,800</u>
<b>Expenses</b>		
Conservation	\$ 574,255	\$ 610,630
Increase (decrease) in net assets	<u>\$ 63,255</u>	<u>\$ (830)</u>

The District's total revenues increased by \$27,710. The total cost of programs and services decreased by \$36,375.

Budget Variances: Project revenues and the corresponding expense are not budgeted. Because these projects are completed over several years, the timing of the revenue and expenses cannot be budgeted in a specific year. The District budget is limited to basic administrative revenue and expenditures. Revenues are \$185,593 more than budgeted. Expenditures are over budget by \$157,456.

### **CAPITAL ASSETS AND LONG-TERM LIABILITIES**

Capital Assets: At the end of 2012, the District had \$78,685 invested in capital assets, including vehicles and office and field equipment. This amount represents a net increase (including additions and deductions) of \$5,097 from last year.

Long-Term Liabilities: At the end of 2012, the District had \$13,358 in accrued compensated absences. This compares to \$10,913 in 2011.

### **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 Pope Soil and Water Conservation District, 1680 Franklin St North, Glenwood, MN 56334. Phone number is 320-634-5327.

POPE SOIL AND WATER CONSERVATION DISTRICT  
GLENWOOD, MINNESOTA  
STATEMENT OF NET ASSETS AND  
GOVERNMENTAL FUND BALANCE SHEET  
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>General Fund</u>	<u>Adjustments See Notes</u>	<u>Statement of Net Assets</u>
<b><u>Assets</u></b>			
Cash and investments	\$ 304,450	\$ -	\$ 304,450
Accounts receivable	18,771	-	18,771
Prepaid items	7,207	-	7,207
Capital Assets:	-	-	-
Equipment (net of accumulated depreciation)	-	78,685	78,685
<b>Total Assets</b>	<b>\$ 330,428</b>	<b>\$ 78,685</b>	<b>\$ 409,113</b>
<b><u>Liabilities</u></b>			
Current liabilities:			
Accounts payable	\$ 308	\$ -	\$ 308
Deferred revenue	139,925	-	139,925
Deposit on Sales	-	-	-
Long-term liabilities:	-	-	-
Due after one year	-	13,358	13,358
<b>Total Liabilities</b>	<b>\$ 140,233</b>	<b>\$ 13,358</b>	<b>\$ 153,591</b>
<b><u>Fund Balance/Net Assets</u></b>			
Fund Balance/Net Assets			
Nonspendable (Prepays, Inventories)			
Prepays	\$ 7,207	\$ (7,207)	\$ -
Accounts Receivable	18,771	(18,771)	-
Unrestricted			
Unassigned	164,217	(164,217)	-
<b>Total Fund Balance</b>	<b>\$ 190,195</b>	<b>\$ (190,195)</b>	<b>\$ -</b>
Net Assets			
Invested in capital assets		\$ 78,685	\$ 78,685
Unassigned		176,837	176,837
<b>Total Net Assets</b>		<b>\$ 255,522</b>	<b>\$ 255,522</b>

Notes are an integral part of the basic financial statements.

**POPE SOIL AND WATER CONSERVATION DISTRICT**  
**GLENWOOD, MINNESOTA**  
**STATEMENT OF ACTIVITIES AND**  
**GOVERNMENTAL FUND REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**

	<u>General Fund</u>	<u>Adjustments See Notes</u>	<u>Statement of Activities</u>
<b>Revenues</b>			
Intergovernmental	\$ 413,808	\$ -	\$ 413,808
Charges for services	214,419	-	214,419
Investment earnings	860	-	860
Miscellaneous	8,424	-	8,424
<b>Total Revenues</b>	<u>637,511</u>	<u>-</u>	<u>637,511</u>
<b>Expenditures/Expenses</b>			
Conservation			
Current	576,908	3,673	580,581
Capital outlay	-	(6,325)	(6,325)
<b>Total Expenditures/Expenses</b>	<u>576,908</u>	<u>(2,652)</u>	<u>574,256</u>
<b>Excess of Revenues Over (Under)     Expenditures/Expenses</b>	<b>60,603</b>	<b>2,652</b>	<b>63,255</b>
<b>Fund Balance/Net Assets January 1</b>	<u>129,592</u>	<u>62,675</u>	<u>192,267</u>
<b>Fund Balance/Net Assets December 31</b>	<u><u>\$ 190,195</u></u>	<u><u>\$ 65,327</u></u>	<u><u>\$ 255,522</u></u>

Notes are an integral part of the basic financial statements.

**POPE SOIL AND WATER CONSERVATION DISTRICT**  
**GLENWOOD, MINNESOTA**  
**BUDGETARY COMPARISON STATEMENT**  
**BUDGET AND ACTUAL**  
**GENERAL FUND**  
**YEAR ENDED DECEMBER 31, 2012**

	<u>Original /Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Neg)</u>
<b>Revenues</b>			
<b>Intergovernmental</b>			
County	\$ 77,681	\$ 77,756	\$ 75
Local	15,540	50,238	34,698
Federal	44,130	-	(44,130)
State grant	215,416	285,814	70,398
<b>Total intergovernmental</b>	<b>352,767</b>	<b>413,808</b>	<b>61,041</b>
<b>Charges for services</b>	<b>91,425</b>	<b>214,419</b>	<b>122,994</b>
<b>Miscellaneous</b>			
Interest earnings	1,800	860	(940)
Other	5,925	8,424	2,499
<b>Total miscellaneous</b>	<b>7,725</b>	<b>9,284</b>	<b>1,559</b>
<b>Total Revenues</b>	<b>451,917</b>	<b>637,511</b>	<b>185,594</b>
<b>Expenditures</b>			
<b>District operations</b>			
Personnel services	183,775	169,889	13,886
Other services and charges	50,643	148,217	(97,574)
Supplies	-	-	-
Capital outlay	-	-	-
<b>Total district operations</b>	<b>234,418</b>	<b>318,106</b>	<b>(83,688)</b>
<b>Project expenditures</b>			
District	67,178	34,777	32,401
State	117,856	224,025	(106,169)
<b>Total project expenditures</b>	<b>185,034</b>	<b>258,802</b>	<b>(73,768)</b>
<b>Total Expenditures</b>	<b>419,452</b>	<b>576,908</b>	<b>(157,456)</b>
<b>Excess of Revenues Over (Under)</b>			
<b>Expenditures</b>	<b>32,465</b>	<b>60,603</b>	<b>28,138</b>
<b>Fund Balance - January 1</b>	<b>129,592</b>	<b>129,592</b>	<b>-</b>
<b>Fund Balance - December 31</b>	<b>\$ 162,057</b>	<b>\$ 190,195</b>	<b>\$ 28,138</b>

Notes are an integral part of the basic financial statements.



**POPE SOIL AND WATER CONSERVATION DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2012**

**Note 1 — Summary of Significant Accounting Policies**

The financial reporting policies of the Pope Soil and Water Conservation 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.

**Financial Reporting Entity**

The Pope 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 Pope 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 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.

The District is not considered a part of Pope County because, even though the County provides a significant amount of the District's revenues 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.

**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 of the non-fiduciary activities of the District.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is 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.

**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

**POPE SOIL AND WATER CONSERVATION DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2012**

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. The District also receives an annual appropriation from the County, which 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 revenue from 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 Non-exchange Transactions*, revenues for non-exchange 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 board approval. Appropriations lapse at year-end. 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 that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Assets, Liabilities and Equity Accounts

Assets

Investments are stated at fair value, except for non-negotiable certificates of deposits, 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 Assets.

**POPE SOIL AND WATER CONSERVATION DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2012**

Classification of Net Assets

Net assets in the government-wide and proprietary fund financial statements are classified in the following categories:

Invested in capital assets – the amount of net assets representing capital assets, net of accumulated depreciation.

Restricted net assets – the amount of net assets 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 assets – the amount of net assets that do not meet the definition of restricted or invested in capital assets, net of related debt.

Classification 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 governmental funds. The classifications are as follows:

Non-spendable – the non-spendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or are 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 Board. Those committed amounts cannot be used for any other purpose unless the Board 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 but do not meet the criteria to be classified as restricted or committed. In the General Fund, assigned amounts represent intended uses established by the Board or the District Administrator who has been delegated that authority by Board 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 Assets and Governmental Fund Balance Sheet, an adjustment is made if the District has capital assets. This adjustment equals the net book balance

**POPE SOIL AND WATER CONSERVATION DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2012**

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 Assets and Government 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 8 to 16 hours per month. Sick leave accrual is 13 days per year. The limit on the accumulation of annual leave is 240 hours and there is no limit on sick leave. Upon termination of employment from the District, employees will receive accumulated annual vacation leave hours.

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; worker's 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.

**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>
Capital Assets	\$260,325	\$6,325	\$8,500	\$258,150
Less: Accumulated Depreciation	<u>186,737</u>	1,227	8,500	<u>179,464</u>
Net Capital Assets	<u>\$ 73,588</u>			<u>\$ 78,685</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 are Machinery and Equipment 5 to 10 years. Current year depreciation is \$1,227.

The District uses the threshold of \$1,000 for capitalizing assets purchased.

**POPE SOIL AND WATER CONSERVATION DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
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Deferred Revenue

Deferred 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. See attached schedule for Deferred revenue as of December 31, 2012.

Long-Term Liabilities - Compensated Absences Payable

Changes in long-term liabilities for the period ended December 31, 2012 are:

Balance January 1, 2012	\$10,913
Net Change in Compensated Absences	<u>2,445</u>
Balance December 31, 2012	<u>\$13,358</u>

Deposits

Minn. Statutes 118A.02 and 118A.04 authorize the District to designate a depository for public funds and to invest in certificates of deposit. Minnesota Statute 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.

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

At December 31, 2012, the District's deposits totaled \$304,450 all of which were cash 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, 2012, the District's deposits were not exposed to custodial credit risk.

**Note 3 — Defined Benefit Pension Plans – Statewide**

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 6.25% of their annual covered salary. The District is required to contribute 7.25% of annual

**POPE SOIL AND WATER CONSERVATION DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2012**

covered payroll. The District's contributions to the Public Employees Retirement Fund for the years ending December 31, 2012, 2011 and 2010 were \$9,620, \$7,149, and \$6,462 respectively. The District's contributions were equal to the contractually required contributions for each year as set by Minnesota statute.

**Note 4 — Stewardship, Compliance, and Accountability**

Excess of expenditures over budget - The general fund had expenditures in excess of budget for the year as follows: Expenditures \$576,908; Budget \$419,452; Excess \$157,456.

**Note 5 — Operating Leases**

The District leased equipment this year. Under the current agreement, total costs are \$19,632. There will be three equal annual payments of \$1,877 and one payment in advance of \$7,500. Also, the District leases office space on a yearly basis. Under the current agreement, total costs for 2012 were \$10,230.

**Note 6 — Reconciliation of Fund Balance to Net Assets**

Governmental Fund Balance, January 1	\$129,592
Plus: Excess of Revenue Over Expenditures	<u>60,603</u>
Governmental Fund Balance, December 31	<u>\$190,195</u>
Adjustments from Fund Balance to Net Assets:	
Plus: Capital Assets	\$78,686
Less: Long Term Liabilities	(13,358)
Net Assets	<u>\$255,522</u>

**Note 7 — Reconciliation of Change in Fund Balance to Change in Net Assets**

Change in fund balance	\$60,602
Capital Outlay	6,325
The cost of capital assets are allocated over the capital asset's useful lives at the government-wide level.	(1,227)
In the statement of activities certain operating expenses including compensated absences are measured by the amounts earned.	<u>(2,445)</u>
Net change in net assets	<u>\$63,255</u>

POPE SOIL AND WATER CONSERVATION DISTRICT  
GLENWOOD, MN  
BREAKDOWN OF COUNTY REVENUE  
2012

COUNTY REVENUES (breakdown):

ANNUAL ALLOCATION	\$ <u>62,100</u>
WATER PLAN MONEY	\$ _____
WETLAND MONEY	\$ <u>15,581</u>
FEEDLOT MONEY	\$ _____
ABANDONED WELL	\$ _____
DNR SHORELAND	\$ _____
OTHER	\$ <u>75</u>
TOTAL	\$ <u>77,756</u>

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

**POPE SOIL AND WATER CONSERVATION DISTRICT  
GLENWOOD, MN  
DEFERRED REVENUE BREAKDOWN  
2012**

Balance of BWSR Service Grants: \$24,862

Balance of unencumbered BWSR Cost-Share Grants:

Current fiscal year	\$25,905
Fiscal year 2012	\$ 3,446
Fiscal year 2011	\$ 2,875

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

FY	Contract No.	Contract Amount	T & A Encumbered
FY11	FY11-01	2,895	724
FY11	FY11-03	8,606	2,151
FY12	FY11-03	6,394	1,599
FY12	FY12-03	7,163	1,791
FY12	FY12-03	231	56

Total of all Cost-Share Encumbrances \$32,334

Balance of County WCA Funds: \$0

Balance of County Water Plan Funds: \$0

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

MPCA Weed Management	\$8,800	
Water Fest	\$6,389	
Environment Trust Fund	\$18,359	
RIM Implementation	\$24,000	
Subtotal of other funds:		\$57,548

**TOTAL OF ALL DEFERRED REVENUE: \$139,925**