

**GOODHUE COUNTY SWCD
MANAGEMENT’S DISCUSSION AND ANALYSIS
2009**

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 Assets and the Statement of Activities provide information about the activities of the Goodhue County Soil and Water Conservation District (SWCD) as a whole and present a longer-term view of the Goodhue County SWCD’s finances. Fund financial statements start on page . For governmental activities, these 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 Goodhue County SWCD’s operations in more detail than the government-wide statements by providing information about the Goodhue County 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 presentations. Goodhue County SWCD has elected to present in this format.

The Statement of Net Assets and the Statement of Activities

Our analysis of the Goodhue County SWCD as a whole begins on page 2. One of the most important questions asked about the Goodhue County SWCD’s finances is, “Is the Goodhue County 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 Goodhue County SWCD as a whole and about its activities in a way 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 Goodhue County SWCD’s net assets and changes in them. You can think of the Goodhue County SWCD’s net assets — the difference between assets and liabilities—as one way to measure the Goodhue County SWCD’s financial health, or financial position. Over time, increases or decreases in the Goodhue County 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 Goodhue County SWCD presents Governmental activities. All of the Goodhue County SWCD’s basic services are reported here. Appropriations from the county and state finance most activities.

Reporting the Goodhue County SWCD's General Fund

Fund Financial Statements

The fund financial statements provide detailed information about the general fund—not the Goodhue County SWCD as a whole. The Goodhue County SWCD presents only a general fund, which is a governmental fund. All of the Goodhue County 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 Goodhue County 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 Goodhue County 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 a reconciliation included with the financial statements.

THE GOODHUE COUNTY SWCD AS A WHOLE

The Goodhue County SWCD's combined net assets were higher, increasing from \$385,903.98 to \$387,806.71. Looking at the net assets and net expenses of governmental and business-type activities separately, however, two very different stories emerge. Our analysis below focuses on the net assets (Table 1) and changes in net assets (Table 2) of the Goodhue County SWCD's governmental and business-type activities.

Table 1
Net Assets

	Governmental Activities	
	2008	2009
Current and other assets	833,686.75	588,395.75
Capital assets	71,170.93	60,609.13
Total assets	904,857.68	649,004.88
Long-term debt outstanding	56,232.46	64,290.23
Other liabilities	462,721.24	196,907.94
Total liabilities	518,953.70	261,198.17
Net assets		
Invested in capital assets, net of debt	71,170.93	60,609.13
Restricted		
Unrestricted	314,733.05	327,197.58
Total net assets	385,903.98	387,806.71

Net assets of the Goodhue County SWCD governmental activities increased by .493 percent \$385,903.98 compared to \$387,806.71. 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 \$314,723.05 at 12/31/08 to \$327,197.58 at the end of this year.

TABLE 2
Changes in Net Assets

	<u>Governmental Activities</u>	
	<u>2008</u>	<u>2009</u>
Revenues		
Program revenues:		
Charges for service	632,808.83	724,386.41
	46,849.13	50,247.54
 General revenues		
Interest Earnings	16,648.05	11,169.83
 Other general revenues	23,845.14	49,815.54
Total revenues	720,151.15	835,619.32
Program expenses		
Capital Outlay	15,982.20	0.00
Conservation	705,388.09	815,032.18
Total expenses	721,370.29	815,032.18
 (Increase) decrease in net assets	 (1,219.14)	 20,587.14

The Goodhue County SWCD’s total revenues increased by 16.03% percent (\$115,468.17). The total cost of all programs and services increased by \$93,661.89. Even with this high expenses, the Goodhue County SWCD was still able to cover this year’s costs.

Governmental Activities

The cost of all governmental activities this year was \$815,032.18 compared to \$721,370.29 last year. Overall, the Goodhue County SWCD’s governmental program revenues, including intergovernmental aid and fees for services, increased in 2009 from \$720,151.15 to \$835,619.32 principally based on increases in governmental aid.

THE GOODHUE COUNTY SWCD's FUNDS

As the Goodhue County SWCD completed the year, its general fund reported a combined fund balance of \$387,806.71 which is above last year's total of \$385,903.98

General Fund Budgetary Highlights

Over the course of the year, the Board of Supervisors revised the Goodhue County SWCD's budget several times.

Even with these adjustments, the actual charges to appropriations (expenditures) were \$127,138.18 above the final budget amounts.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2009, the Goodhue County SWCD had \$60,609.13 invested in a broad range of capital assets, including office furniture, computers, vehicles, Native grass drill, No-Till Drill. This amount represents a net decrease (including additions and deductions) of \$10,561.80 under last year.

The Goodhue County SWCD's fiscal-year 2010 capital budget calls for it to spend \$0.00 for capital projects.

Long-Term Liabilities

Goodhue County SWCD obligations include accrued vacation pay and sick leave. More detailed information about the Goodhue County SWCD's long-term liabilities is presented in the Notes to the Financial Statements.

CONTACTING THE GOODHUE COUNTY 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 Goodhue County SWCD's finances and to show the Goodhue County SWCD's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Goodhue County SWCD at 104 East 3rd Avenue, PO Box 335, Goodhue, MN 55027. The telephone number is (651)923-5286.