SOUTHEAST SWCD TECHNICAL SUPPORT JPB

GOODHUE, MINNESOTA

18 MONTH FINANCIAL REPORT

FOR THE 18 MONTHS ENDED DECEMBER 31, 2025

CONTENTS

INTRODUCTORY SECTION

SOUTHEAST SWCD TECHNICAL SUPPORT JPB
ORGANIZATIONAL INFORMATION
DECEMBER 31, 2025

BOARD MEMBERS

MEMBER	POSITION	TERM EXPIRES
Curt Helland	Chairman	12-31-25
Kathy Tesmer	Vice Chairman	12-31-25
Chris Hinck	Treasurer	12-31-25

EMPLOYEES

Beau Kennedy	Manager	Appointed

FINANCIAL SECTION

KATIE M. JACOBSON, CPA

Katie M. Jacobson, CPA
Kimberly Eisfeld - Snr. Mgr.
Brandon Winter - Staff Acct.
Sara Kingdollar - Staff Acct.
Christine Thompson - Staff Acct.
Melanie Steinle - Staff Acct.

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Southeast SWCD Technical Support JPB
Goodhue, Minnesota

Opinions

We have audited the accompanying financial statements of the governmental activities and the general fund of the Southeast SWCD Technical Support JPB, as of and for the 18 months ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the Southeast SWCD Technical Support JPB's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the general fund of the Southeast SWCD Technical Support JPB as of December 31, 2025, and the respective changes in financial position for the 18 months then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Southeast SWCD Technical Support JPB and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Southeast SWCD Technical Support JPB's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amount and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Southeast SWCD Technical Support JPB's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Southeast SWCD Technical Support JPB's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 7 and the required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Southeast SWCD Technical Support JPB's basic financial statements. The supplementary information as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises of the introductory section but does not include the basic financial statements and our auditor's report thereon. Our opinions of the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Katie M. Jacobson, CPA

August 3, 2026

Katie M. Jacobson, CPA
Slayton, MN

SOUTHEAST SWCD TECHNICAL SUPPORT JPB
MANAGEMENT'S DISCUSSION AND ANALYSIS
18 MONTHS ENDING DECEMBER 31, 2025

- Unaudited -

The Southeast SWCD Technical Support JPB (JPB) was organized under provisions of MN Stat. Ch. 103C. The JPB is governed by a Board of Supervisors composed of representatives from member Soil and Water Conservation Districts. The member Soil and Water Conservation Districts are Dodge, Fillmore, Freeborn, Goodhue, Mower, Olmsted, Rice, Root River, Steele, Wabasha, and Winona.

This section of JPB's annual financial report represents our discussion and analysis of the JPB's performance during the 18 months ending December 31, 2025. Since this information is designed to focus on the current year's activities, resulting changes, and currently known facts, it should be read it in conjunction with the JPB's financial statements.

USING THE FINANCIAL STATEMENTS

This annual report consists of four parts: management's discussion and analysis (this section), the basic financial statements, the required supplementary information, and the 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 JPB as a whole and present a longer-term view of the JPB'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 JPB's general fund. Since the JPB is a single-purpose governmental unit, the JPB 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 JPB's finances is, "Is the JPB 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 JPB 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 JPB's net position and changes in them. You can think of the JPB's net position - the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources - as one way to measure the JPB's financial health, or financial position. Over time, increases or decreases in the JPB's net position are one indicator of whether its financial health is improving or deteriorating. You will need to consider other nonfinancial factors, to assess the overall health of the JPB.

In the Statement of Net Position and the Statement of Activities, the JPB presents governmental activities. All of the JPB's basic services are reported here. Appropriations from the state finance most activities.

REPORTING THE JPB'S GENERAL FUND

Our analysis of the JPB's general fund is part of this report. The fund financial statements provide detailed information about the general fund - not the JPB as a whole. The JPB presents only a general fund, which is a governmental fund. All of the JPB'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. This fund is reported using an accounting method called modified accrual accounting. This method measures cash and other financial assets that can be readily converted to cash. The general fund statements provide a detail short-term view of the JPB'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 JPB'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.

SOUTHEAST SWCD TECHNICAL SUPPORT JPB
MANAGEMENT'S DISCUSSION AND ANALYSIS
18 MONTHS ENDING DECEMBER 31, 2025

- Unaudited -

FINANCIAL ANALYSIS OF THE JPB AS A WHOLE

Net Position: The JPB's combined net position was $292,615 on December 31, 2025. This is up from $75,073 at June 30, 2024.

Summary of Net Position

	Governmental Activities 2025	Governmental Activities 2024	Change
Current Assets	$ 957,984	$ 764,039	25.4%
Capital Assets, Net of Depreciation/Amortization	99,609	96,786	2.9%
Total Assets	$ 1,057,593	$ 860,825	22.9%
Deferred Outflow of Resources	33,009	77,731	-57.5%
Total Assets and Deferred Outflows of Resources	$ 1,090,602	$ 938,556	16.2%
Current Liabilities	$ 445,158	$ 428,784	3.8%
Long-Term Liabilities	233,104	329,734	-29.3%
Total Liabilities	$ 678,262	$ 758,518	-10.6%
Deferred Inflows of Resources	$ 119,725	$ 104,965	14.1%
Net Position:			
Net Investment in Capital Assets	$ 97,035	$ 85,830	13.1%
Unrestricted	195,580	(10,757)	-1918.2%
Total Net Position	$ 292,615	$ 75,073	289.8%

Net position of the JPB's governmental activities increased by $217,542. 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 ($10,757) at June 30, 2024 to $195,580 as of December 31, 2025.

SOUTHEAST SWCD TECHNICAL SUPPORT JPB
MANAGEMENT'S DISCUSSION AND ANALYSIS
18 MONTHS ENDING DECEMBER 31, 2025

- Unaudited -

Changes in net position: The JPB's total revenues for 2025 increased by $164,039 or 15.1% from 2024. The total cost of all programs and services increased by $32,577 or 3.2% with existing programs, primarily due to the 18 month end versus a 12 month period. The net position for governmental activities increased by $217,542 compared to an increase of $61,580 in 2024.

Changes in Net Position

	Governmental Activities 2025	Governmental Activities 2024	Percentage Change
Revenues			
Federal	$ 341,709	$ 167,366	104.2%
State	831,968	869,034	-4.3%
Local	44,000	33,000	33.3%
Interest Earnings	26,001	13,190	97.1%
Other	4,230	1,279	230.7%
Total Revenues	$ 1,247,908	$ 1,083,869	15.1%
Expenses			
Conservation	$ 1,055,866	$ 1,023,289	3.2%
Total Expenses	$ 1,055,866	$ 1,023,289	3.2%
Excess (Deficiency) of Revenues over Expenditures	$ 192,042	$ 60,580	
Proceeds from Sale of Capital Assets	25,500	1,000	100.0%
Change in Net Position	$ 217,542	$ 61,580	
Beginning Net Position	75,073	13,493	456.4%
Ending Net Position	$ 292,615	$ 75,073	289.8%

GENERAL FUND

As the JPB completed this year, its general fund reported a fund balance of $512,826, which is an increase from last year's balance of $335,255. General Fund revenues exceeded expenditures by $177,571.

General Fund Budgetary Highlights

The actual charges to appropriations (expenditures) were $339,273 less than the final budgeted amounts. This was due to all conservation expenditures being less than budgeted.

Resources available for appropriation (revenues) were under budget by $225,216. This is primarily due to intergovernmental revenues. The JPB were able to utilize less of the unearned revenue than it anticipated.

CAPITAL ASSETS

At the end of fiscal year 2025, the JPB had $97,065 invested in a broad range of capital assets including vehicles, and equipment and machinery. Depreciation expense in fiscal year 2025 totaled $36,113. The JPB uses a threshold of $5,000 for its capitalization policy.

At the end of fiscal year 2025, the JPB had $2,544 invested in lease assets which includes office space. Amortization expense for fiscal year 2025 totaled $8,358.

SOUTHEAST SWCD TECHNICAL SUPPORT JPB
MANAGEMENT'S DISCUSSION AND ANALYSIS
18 MONTHS ENDING DECEMBER 31, 2025

- Unaudited -

LONG TERM LIABILITIES

The JPB's long-term liabilities include $85,379 for compensated absences, $861 for lease payables, and a net pension liability of $145,151. Detailed information about the District's long term liabilities is presented in the Notes to the Financial Statements in Note 8 and Note 9.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The JPB's elected officials considered many factors when setting the fiscal year 2026 budget and fees. Such factors include agricultural and nonagricultural job growth, population growth, unemployment figures, inflation, and other indicators.

REQUESTS FOR INFORMATION

This financial report is designed to provide our citizens, customers, investors, and creditors with a general overview of JPB's finances and to show the JPB's accountability for the money it receives. Questions concerning any of the financial information provided in this report or requests for additional financial information should be addressed to the JBP Manager of the Southeast SWCD Technical Support JPB, Beau Kennedy, 104 East 3rd Ave, PO Box 335, Goodhue, MN 55027 or 651-923-5286, ext. 114.

SOUTHEAST SWCD TECHNICAL SUPPORT JPB
GENERAL FUND BALANCE SHEET AND GOVERNMENTAL ACTIVITIES - STATEMENT OF NET POSITION
DECEMBER 31, 2025

	General Fund	Adjustments See Reconciliation	Governmental Activities
ASSETS			
Current Assets			
Checking	$ 151,544		$ 151,544
Savings	709,176		709,176
Due from Other Governmental Units	80,773		80,773
Prepaid Expense	16,491		16,491
Capital Assets Net of Accumulated Depreciation/Amortization			
Machinery and Equipment		$ 97,065	97,065
Leases - Office Space		2,544	2,544
Total Assets	$ 957,984	$ 99,609	$ 1,057,593
DEFERRED OUTFLOWS OF RESOURCES			
Difference and Changes in Pension Liabilities		$ 33,009	$ 33,009
Total Deferred Outflows of Resources	$ -	$ 33,009	$ 33,009
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 957,984	$ 132,618	$ 1,090,602
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE/NET POSITION			
Current Liabilities			
Accounts Payable	$ 5,100		$ 5,100
Payroll Liabilities	3,440		3,440
Unearned Revenues	436,618		436,618
Leases Payable - Due Within One Year		$ 1,713	1,713
Noncurrent Liabilities			
Compensated Absences		85,379	85,379
Leases Payable		861	861
Net Pension Liability		145,151	145,151
Total Liabilities	$ 445,158	$ 233,104	$ 678,262
DEFERRRED INFLOWS OF RESOURCES			
Difference and Changes in Pension Liabilities		$ 119,725	$ 119,725
Total Deferred Inflows of Resources	$ -	$ 119,725	$ 119,725
FUND BALANCE			
Nonspendable	$ 16,491	$ (16,491)	
Unassigned	496,335	(496,335)	
Total Fund Balance	$ 512,826	$ (512,826)	
NET POSITION			
Net Investment in Capital Assets		$ 97,035	$ 97,035
Unrestricted		195,580	195,580
Total Net Position		$ 292,615	$ 292,615
TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND FUND BALANCE/NET POSITION	$ 957,984	$ 132,618	$ 1,090,602

The Accompanying Notes are an Integral Part of the Financial Statements

SOUTHEAST SWCD TECHNICAL SUPPORT JBP
RECONCILIATION OF THE GENERAL FUND BALANCE SHEET TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2025

Total Fund Balances for Governmental Funds		$ 512,826
Capital assets used in governmental activities are not current financial resources and therefore, are not reported in the governmental funds balance sheet.		
Governmental Funds - Capital Assets	$ 298,074	
Less: Accumulated Depreciation	201,009	97,065
Lease Assets used in governmental activities are not current financial resources and therefore, are not reported in the governmental funds balance sheet.		
Governmental Funds - Lease Assets	$ 8,481	
Less: Accumulated Amortization	5,937	2,544
Deferred Outflows reported in the government-wide statement of net position are not current financial resources and therefore are not reported in the governmental fund balance sheet.		33,009
Compensated Absences are not due and payable in the current period and are not reported in the governmental fund balance sheet.		(85,379)
Leases Payable reported in the government-wide statement of net position is not a current financial resource and therefore is not reported in the governmental fund balance sheet.		(2,574)
Net Pension Liability reported in the government-wide statement of net position are not current financial resources and therefore are not reported in the governmental fund balance sheet.		(145,151)
Deferred Inflows reported in the government-wide statement of net position are not current financial resources and therefore are not reported in the governmental fund balance sheet.		(119,725)
Total Net Position of Governmental Activities		$ 292,615

SOUTHEAST SWCD TECHNICAL SUPPORT JPB
GENERAL FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL ACTIVITIES - STATEMENT OF ACTIVITIES
FOR THE 18 MONTHS ENDED DECEMBER 31, 2025

	General Fund	Adjustments See Reconciliation	Governmental Activities
REVENUES			
INTERGOVERNMENTAL			
Federal	$ 341,709		$ 341,709
State	831,968		831,968
Local	44,000		44,000
Total Intergovernmental Revenues	$ 1,217,677	$ -	$ 1,217,677
MISCELLANEOUS			
Interest Revenue	$ 26,001		$ 26,001
Other	4,230		4,230
Total Miscellaneous Revenue	$ 30,231	$ -	$ 30,231
TOTAL REVENUES	$ 1,247,908	$ -	$ 1,247,908
EXPENDITURES/EXPENSES			
CONSERVATION			
Current	$ 1,048,542	$ 7,324	$ 1,055,866
Capital Outlay	47,295	(47,295)	-
Total Expenditures/Expenses	$ 1,095,837	$ (39,971)	$ 1,055,866
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	$ 152,071	$ 39,971	$ 192,042
OTHER FINANCING SOURCES (USES)			
Proceeds from Sale of Capital Assets	$ 25,500		$ 25,500
Total Other Financing Sources (Uses)	$ 25,500	$ -	$ 25,500
NET CHANGE IN FUND BALANCE/NET POSITION	$ 177,571	$ 39,971	$ 217,542
FUND BALANCE/NET POSITION - July 1	335,255	(260,182)	75,073
FUND BALANCE/NET POSITION - December 31	$ 512,826	$ (220,211)	$ 292,615

SOUTHEAST SWCD TECHNICAL SUPPORT JPB
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE
TO STATEMENT OF ACTIVITIES
FOR THE 18 MONTHS ENDED DECEMBER 31, 2025

Net Change in Fund Balance - Total Governmental Funds	$ 177,571
Governmental funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation or amortization expense.	
Capital Outlays	47,295
Current year depreciation expense	(36,113)
Current year amortization expense	(8,358)
The Statement of Activities report compensated absences by the amount earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid).	
Current year compensated absences adjustment	(51,787)
In governmental funds, a lease arrangement is considered a source of financing, but in the statement of net position, the lease obligation is reported as a liability. Repayment of lease principal is an expenditure in the governmental funds, but repayment reduces the lease obligation in the state of net position.	
Principal retirement on leases payable	8,381
The Statement of Activities report pension expense on the full accrual but they do not require the use of current financial resources. The expenses are not reported as an expenditure in the governmental funds.	
Difference in pension expense related to changes in deferred outflows/inflows and pension liability	80,553
Change in Net Position of Governmental Activities	$ 217,542

SOUTHEAST SWCD TECHNICAL SUPPORT JPB
NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Southeast SWCD Technical Support JPB (the JPB) are prepared in accordance with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant accounting policies:

A. Financial Reporting Entity

The JPB was organized under provisions of Minnesota Statutes § 103C. The JPB is governed by a Board of Supervisors composed of five members nominated by voters of the JPB and elected to four-year terms by the voters of the County.

The purpose of the JPB 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 habits.

The JPB 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 JPB 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 JPB'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 JPB does not have any component units.

B. Basic Financial Statements

The governmental activities columns are reported on the full accrual, economic resources basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The JPB's net position is reported in two parts: investment in capital assets and unrestricted net position. The Statement of Activities demonstrates the degree to which the expenses of the JPB are offset by revenues. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

The Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balance for the General Fund are presented on the modified accrual basis and report current financial resources.

C. Fund Financial Statements

The JPB 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 JPB 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 GASB 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.

SOUTHEAST SWCD TECHNICAL SUPPORT JPB
NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

D. Budget Information

The JPB 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 JPB does not use encumbrance accounting.

E. 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.

F. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity

Assets

Receivables/Due from Other Governmental Units have been recorded for those items not paid before year end. All items recorded are considered collectible. Accordingly, no allowances for uncollectible accounts has been recorded.

Prepaid items include operating expenses that have been paid in advance of their due date.

Capital assets are reported on a net (depreciated/amortized) basis. General capital assets are valued at historical or estimated historical cost.

Liabilities

Current liabilities of the JPB include accounts payable, and accrued payroll and related taxes.

Long-Term liabilities consists of compensated absences, leases payable, and net pension liability.

Unearned Revenue

Governmental funds and government-wide financial statements report unearned revenue in connection with resources that have been received, but not yet earned.

Compensated Absences

Under the JPB's personnel policies, employees are granted annual leave in varying amounts bases on their length of service. Annual leave accrual varies from 4 to 7 hours per pay period. The employee shall only carry over a maximum of 200 hours of annual leave into the next calendar year. Employees leaving JPB employment who have had at least six months of JPB employment who subsequently leave in good standing and after proper notice, shall be paid for accrued annual leave time at the hourly rate in effect for the employee at the time of separation, not to exceed 200 hours.

Under the JPB's personnel policies, employees shall accrue 4 hours of sick leave each pay period. The maximum amount of sick leave that may be accrued is 960 hours. JPB employment in good standing, and after proper notice, shall be paid for 60% of their hourly rate for their accrued sick leave, not to exceed $3,500 at the time of separation.

Pensions

For purposes of measuring the net pension liability, deferred outflows/inflows of resources, and pension expense, information about the fiduciary net position of the Public Employees Retirement Association (PERA) and additions to/deductions from PERA's fiduciary net position have been determined on the same basis as they are reported by PERA. For this purpose, plan contributions are recognized as of employer payroll paid dates and benefit payments, and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Classifications of Fund Balances

Fund balance is divided into five classifications based primarily on the extent to which the JPB is bound to observe constraints imposed upon the use of resources in the General Fund. The classifications are as follows:

Nonspendable - consists of amounts that cannot be spent because it is not in spendable form, such as prepaid items.

Restricted - consists of amounts related to externally imposed constraints established by creditors, grantors or contributors; or constraints imposed by state statutory provisions.

Committed - consists of amounts that are constrained for specific purposes that are internally imposed by formal action (resolution) of the JPB 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 it employed to previously commit those amounts.

SOUTHEAST SWCD TECHNICAL SUPPORT JPB
NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

Classifications of Fund Balances (Cont.)

Assigned - consists of amounts intended to be used by the JPB for specific purposes but do not meet the criteria to be classified as restricted or committed. Assigned amounts represent intended uses established by the governing body itself or by an official to which the governing body delegates the authority. Pursuant to Board Resolution, the JPB Board and/or Board Administrator may be authorized to establish assignments of fund balance.

Unassigned - is the residual classification for the general fund and also reflects negative residual amounts in other funds.

The JPB applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, or 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.

Classification of Net Position

In the government-wide financial statements, net position represents the difference between assets and liabilities. Net position is displayed in three components:

Net Investment in Capital Assets - Consists of capital assets, net of accumulated depreciation/amortization reduced by any outstanding debt attributable to acquire capital assets.

Restricted - Consists of net position restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, laws, or regulations of other governments.

Unrestricted - All other net position that does not meet the definition of "restricted" or "net investment in capital assets".

G. 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 JPB has capital assets. This adjustment equals the net book balance of capitalized assets as of the report date, and reconciles the amount reported in the Capital Assets note.

Depreciation/Amortization - In the Statement of Activities and Governmental Fund Revenues, Expenditures and Changes in Fund Balance, the adjustment equals the total depreciation/amortization for the year reported. This number is supported by figures in the note on Capital Assets.

Compensated Absences - In the Statement of Net Position and Governmental Fund Balance Sheet, an adjustment is made for the compensated absences the employees are granted according to the JPB's personnel policies.

Leases Payable - In the Statement of Net Position and Governmental Fund Balance Sheet, an adjustment is made if the JPB has a lease payable. The adjustment equals the outstanding lease at year end. This number is supported by figures in the note on long-term liabilities.

Deferred Outflows/Inflows of Resources - In the Statement of Net Position and Governmental Fund Balance Sheet, an adjustment is made for the deferred outflows and deferred inflows of resources that is associated with the PERA pension plan. Deferred outflows of resources represents a consumption of net position that applies to future period(s) and will not be recognized as an outflow of resources (expenditure/expense) until then. The deferred inflows of resources represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue or reduction of expense) until that time.

H. Subsequent Events

In preparing these financial statements, the JPB has evaluated events and transactions for potential recognition or disclosure through August 3, 2026, the date the financial statements were available to be issued.

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Deficit Fund Balance

The General Fund did not have a deficit fund balance at December 31, 2025.

SOUTHEAST SWCD TECHNICAL SUPPORT JPB
NOTES TO FINANCIAL STATEMENTS

3. CASH

Deposits

Minnesota Stat. 118A.02 and 118A.04 authorizes the JPB to designate a depository for public funds and to invest in certificates of deposit. Minnesota Statute 118A.03 requires that all JPB deposits be covered 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 institutions 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 standards 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 at a commercial bank or other financial institution that is not owned or controlled by the financial institution furnishing the collateral.

Minnesota statutes require that all deposits with financial institutions must be collateralized in an amount equal to 110% of deposits in excess of FDIC insurance. As of December 31, 2025, the carrying amount of the JPB's deposits with financial institutions was $860,720 and the bank balance was $862,140. The bank balance is categorized as follows:

Insured by FDIC Insurance	$ 250,000
Covered by collateral assigned to JPB and not redeposited in the financial institution furnishing the collateral	612,140
Total Bank Balance	$ 862,140

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a financial institution failure, the JPB's deposits may not be returned to it. The JPB does not have a deposit policy for custodial risk. As of December 31, 2025, the JPB's deposits were not exposed to custodial credit risk.

Investments

The JPB may invest in the following types of investments authorized by Minn. Stat. § 118A.04 and § 118A.058:

1. Securities which are direct obligations or are guaranteed or insured issues of the United States, its agencies, its instrumentalities, or organizations created by an act of Congress, except mortgage-backed securities defined as "high risk" by Minn. Stat. § 118.04m subd. 6;

2. mutual funds through shares of registered investment companies provided the mutual fund receives certain ratings depending on its investments;

3. general obligations of the state of Minnesota and its municipalities, and in certain state agency and local obligations of Minnesota and other states provided such obligations have certain specified bond ratings by a national bond rating service;

4. time deposits that are fully insured by the Federal Deposit Insurance Corporation, the National Credit Union Administration, or bankers' acceptances of United States banks;

5. commercial paper issued by United States corporations or their Canadian subsidiaries that is rated in the highest quality category by two nationally recognized rating agencies and matures in 270 days or less; and

6 with certain restrictions, in repurchase agreements, securities lending agreements, joint power investment trusts, and guaranteed investment contracts.

The JPB had no investments at December 31, 2025.

4. RECEIVABLES

The JPB did not have any receivables scheduled to be collected beyond one year as of December 31, 2025. Receivables as of December 31, 2025, for the JPB's governmental activities are as follows:

Governmental Activities	Receivables
Due from Other Governmental Units	$ 80,773
Total Receivables	$ 80,773

8. LONG-TERM LIABILITIES (Cont.)

There were no compensated absences payable to terminated employees as of December 31, 2025. Therefore, the balance at the end of the year is considered to be long-term in nature and no disclosure for a current portion is required.

The Southeast SWCD Technical Support JBP incurred expenses under two operating leases for office space for the 18 months ended December 31, 2025. The leases are cancelable and expire in December 2025 and June 2027. Monthly payments under these lease agreements range from $144-$328. The JPB's lease expenses for the 18 months ended December 31, 2025 were $8,492.

Principal and interest requirements to maturity for the lease liability at December 31, 2025 are as follows:

	Leases	
Years	Principal	Interest
2026	$ 1,713	$ 14
2027	861	3

9. DEFINED BENEFIT PENSION PLAN

A. Plan Description

The JPB participates in the following cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees Retirement Association of Minnesota (PERA). These plan provisions are established and administered according to Minnesota Statutes chapters 353 and 356. Minnesota Statutes chapter 356 defines each plan's financial reporting requirements. PERA's defined benefit pension plans are tax qualified plans under Section 401(a) of the Internal Revenue Code.

1. General Employees Retirement Plan (General Plan)

Membership in the General Plan includes employees of counties, cities, townships, schools in non-certified positions, and other governmental entities whose revenues are derived from taxation, fees, or assessments. Plan membership is required for any employee who is expected to earn more than $425 in a month, unless the employee meets exclusion criteria.

B. Benefits Provided

PERA provides retirement, disability, and death benefits. Benefit provisions are established by state statute and can only be modified by the state Legislature. Vested, terminated employees who are entitled to benefits, but are not receiving them yet, are bound by the provisions in effect at the time they last terminated their public service. When a member is "vested", they have earned enough service credit to receive a lifetime monthly benefit after leaving public service and reaching an eligible retirement age. Members who retire at or over their Social Security full retirement age with at least one year of service qualify for a retirement benefit.

1. General Employees Plan Benefits

General Employees Plan requires three years of service to vest. Benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service. Two methods are used to compute benefits for General Plan members. Members hired prior to July 1, 1989, receive the higher of Step or Level formulas. Only the Level formula is used for members hired after June 30, 1989. Under the Step formula, General Plan members receive 1.2% of the highest average salary for each of the first 10 years of service and 1.7% for each additional year. Under the Level formula, General Plan members receive 1.7% of highest average salary for all years of service. For members hired prior to July 1, 1989, a full retirement benefit is available when age plus years of service equal 90 and normal retirement age is 65. Members can receive a reduced retirement benefit as early as age 55 if they have three or more years of service. Early retirement benefits are reduced by .25% for each month under age 65. Members with 30 or more years of service can retire at any age with a reduction of .25% for each month the member is younger than age 62. The Level formula allows General Plan members to receive a full retirement benefit at age 65 if they were first hired before July 1, 1989 or at age 66 if they were hired on or after July 1, 1989. Early retirement begins at age 55 with an actuarial reduction applied to the benefit.

Benefit increases are provided to benefit recipients each January. The postretirement increase is equal to 50% of the cost-of-living adjustment (COLA) announced by the SSA, with a minimum increase of at least 1% and a maximum of 1.5%. The 2025 annual increase was 1.25%. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase will receive the full increase. Recipients receiving the annuity or benefit for at least one month but less than a full year as of the June 30 before the effective date of the increase will receive a prorated increase.

SOUTHEAST SWCD TECHNICAL SUPPORT JPB
NOTES TO FINANCIAL STATEMENTS

9. DEFINED BENEFIT PENSION PLAN (Cont.)

C. Contributions

Minnesota Statutes chapters 353 and 356 set the rates for employer and employee contributions. Contribution rates can only be modified by the state Legislature.

1. General Employees Fund Contributions

General Plan members were required to contribute 6.50% of their annual covered salary in fiscal year 2025 and the JPB was required to contribute 7.50% for General Plan members. The JPB's contributions to the General Employees Fund for the year ended December 31, 2025 were $45,434. The JPB's contributions were equal to the required contributions as set by state statute.

D. Pension Costs

1. General Employees Fund Pension Costs

At December 31, 2025, the JPB reported a liability of $145,151 for its proportionate share of the General Employees Fund's net pension liability. The JPB's net pension liability reflected a reduction due to the State of Minnesota's contribution of $16 million. The State of Minnesota is considered a non-employer contributing entity and the state's contribution meets the definition of a special funding situation. The State of Minnesota's proportionate share of the net pension liability associated with the JPB totaled $3,501.

JPB's proportionate share of the net pension liability	$ 145,151
State of Minnesota's proportionate share of the net pension liability associated with the JPB	3,501
Total	$ 148,652

The net pension liability was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The JPB's proportion of the net pension liability was based on the JPB's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2024 through June 30, 2025, relative to the total employer contributions received from all of PERA's participating employers. The JPB's proportion share was .0044% at the end of the measurement period and .0051% for the beginning of the period.

For the year ended December 31, 2025, the JPB recognized pension expense of $47,328 for its proportionate share of the General Employees Plan's pension expense. In addition, the JPB recognized an additional $701 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of $16 million to the General Employees Fund.

At December 31, 2025, the JPB reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	$ 13,830	
Changes in actuarial assumptions	3,497	$ 33,399
Net difference between projected and actual earnings on pension plan investments		57,756
Changes in proportion		28,570
Employer contributions subsequent to the measurement date	15,682	
TOTAL	$ 33,009	$ 119,725

The $15,682 reported as deferred outflows of resources related to pensions resulting from JPB contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2026. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:	Pension Expense Amount
2026	$ 29,616
2027	$ 38,658
2028	$ 23,806
2029	$ 10,318

9. DEFINED BENEFIT PENSION PLAN (Cont.)

E. Long-Term Expected Return on Investment

The State Board of Investment, which manages the investments of PERA, prepares an analysis of the reasonableness on a regular basis of the long-term expected rate of return using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce an expected long-term rate of return by weighting the expected future rates of return by the target asset allocation percentages. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	33.5%	5.10%
International Equity	16.5%	5.30%
Fixed Income	25.0%	0.75%
Private Markets	25.0%	5.90%
Totals	100%	

F. Actuarial Methods and Assumptions

The total pension liability for each of the cost-sharing defined benefit plans was determined by an actuarial valuation as of June 30, 2025, using the entry age normal actuarial cost method. The long-term rate of return on pension plan investments used to determine the total liability is 7%. The 7% assumption is based on a review of inflation and investment return assumptions from a number of national investment consulting firms. The review provided a range of investment return rates considered reasonable by the actuary. An investment return of 7% is within that range.

- Inflation is assumed to be 2.25% for the General Employees Plan.
- Benefit increase after retirement are assumed to be 1.50% for the General Employees Plan.

Salary growth assumptions in the General Employees Plan range in annual increments from 11.5% after one year of service to 3% after 27 years of service.

Mortality rates for the General Employees Plan are based on the Pub-2010 General Employee Mortality Table.

Actuarial assumptions for the General Employees Plan are reviewed every four years. The General Employees Plan was last reviewed in 2022. The assumption changes were adopted by the board and became effective with the July 1, 2023 actuarial valuation.

The following changes in actuarial assumptions and plan provisions occurred in 2025:

General Employees Fund

Changes in Actuarial Assumptions:

- Rate of merit and seniority were adjusted, resulting in slightly higher rates.
- Assumed rates of retirement were adjusted as follows: increase the rate of assumed unreduced retirements, slight adjustments to Rule of 90 retirement rates, and slight adjustments to early retirement rates for Tier 1and Tier 2 members.
- Minor increase in assumed withdrawals for males and females.
- Lower rates of disability.
- Continued use of Pub-2010 general mortality table with slight rate adjustments as recommended in the most recent experience study.
- Minor changes to form of payment assumptions for male and female retirees.
- Minor changes to assumptions made with respect to missing participant data.

Changes in Plan Provisions:

- The workers' compensation offset for disability benefits was eliminated. The actuarial equivalent factors updated to reflect the changes in assumptions.

G. Discount Rate

The discount rate used to measure the total pension liability in 2025 was 7.0%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at rates set in Minnesota Statutes. Based on these assumptions, the fiduciary net position of the General Employees Plan were projected to be available to make all projected future benefit payments of current plan members. The long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

SOUTHEAST SWCD TECHNICAL SUPPORT JPB
NOTES TO FINANCIAL STATEMENTS

9. DEFINED BENEFIT PENSION PLAN (Cont.)

H. Pension Liability Sensitivity

The following presents the JPB's proportionate share of the net pension liability for all plans it participates in, calculated using the discount rate disclosed in the preceding paragraph, as well as what the JPB's proportionate share of the net pension liability would be if it were calculated using a discount rate one percentage point lower or one percentage point higher than the current discount rate:

Sensitivity Analysis
Net Pension Liability (Asset) at Different Discount Rates

	General Employee Fund	
1% Lower	6.00%	$352,548
Current Discount Rate	7.00%	$145,151
1% Higher	8.00%	($23,095)

I. Pension Plan Fiduciary Net Position

Detailed information about each pension plan's fiduciary net position is available in a separately-issued PERA financial report that includes financial statements and required supplementary information. That report may be obtained on the Internet at www.mnpera.org.

10. RISK MANAGEMENT

The JPB is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; workers' compensation claims; and natural disasters. Property and casualty liabilities and workers' compensation are insured through Minnesota Counties Intergovernmental Trust. The JPB retains risk for the deductible portions 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 JPB 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 for any of the past three fiscal years.

REQUIRED SUPPLEMENTARY INFORMATION

SOUTHEAST SWCD TECHNICAL SUPPORT JPB
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE 18 MONTHS ENDED DECEMBER 31, 2025

	BUDGETED AMOUNTS ORIGINAL AND FINAL	2025 ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES			
INTERGOVERNMENTAL			
Federal	$ 502,105	$ 341,709	$ (160,396)
State	922,019	831,968	(90,051)
Local	44,000	44,000	-
Total Intergovernmental Revenues	$ 1,468,124	$ 1,217,677	$ (250,447)
MISCELLANEOUS			
Interest Revenue	$ 5,000	$ 26,001	$ 21,001
Other		4,230	4,230
Total Miscellaneous	$ 5,000	$ 30,231	$ 25,231
TOTAL REVENUES	$ 1,473,124	$ 1,247,908	$ (225,216)
EXPENDITURES			
CONSERVATION			
Personnel Services - Current	$ 1,011,117	$ 793,266	$ 217,851
Other Services and Charges - Current	85,687	41,139	44,548
Supplies - Current	12,750	1,758	10,992
Project Expenditures - Current	245,556	212,379	33,177
Capital Outlay	80,000	47,295	32,705
Total Expenditures/Expenses	$ 1,435,110	$ 1,095,837	$ 339,273
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	$ 38,014	$ 152,071	$ 114,057
OTHER FINANCING SOURCES (USES)			
Proceeds from Sale of Capital Assets		$ 25,500	$ 25,500
Total Other Financing Sources (Uses)	$ -	$ 25,500	$ 25,500
NET CHANGE IN FUND BALANCE	$ 38,014	$ 177,571	$ 139,557
FUND BALANCE - July 1	335,255	335,255	-
FUND BALANCE - December 31	$ 373,269	$ 512,826	$ 139,557

See Accompanying Note to the Required Supplementary Information

SOUTHEAST SWCD TECHNICAL SUPPORT JPB
REQUIRED SUPPLEMENTARY INFORMATION (LAST TEN YEARS*)
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
PERA GENERAL EMPLOYEES RETIREMENT FUND (GERF)
FOR THE 18 MONTHS ENDED DECEMBER 31, 2025

Fiscal Year Ending***	District's Proportionate Share (Percentage) of the Net Pension Liability (Asset)	District's Proportionate Share (Amount) of the Net Pension Liability (Asset) (a)	State's Proportionate Share (Amount) of the Net Pension Liability Associated with District (b)	District's Proportionate Share of the Net Pension Liability and the State's Proportionate Share of the Net Pension Liability Associated with District	District's Covered-Employee Payroll (c)	District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll (a+b)/c	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
GERF							
June 30, 2025	0.0044%	$ 145,151	$ 3,501	$ 148,652	$ 396,693	37.47%	90.78%
June 30, 2023	0.0051%	$ 285,186	$ 7,951	$ 293,137	$ 393,400	74.51%	83.10%
June 30, 2022	0.0053%	$ 419,762	$ 12,181	$ 431,943	$ 381,787	113.14%	76.70%
June 30, 2021	0.0053%	$ 226,334	$ 6,960	$ 233,294	$ 356,987	65.35%	87.00%
June 30, 2020	0.0050%	$ 299,773	$ 9,326	$ 309,099	$ 346,336	89.25%	79.06%
June 30, 2019	0.0049%	$ 270,910	$ 8,333	$ 279,243	$ 329,917	84.64%	80.20%
June 30, 2018	0.0049%	$ 271,832	$ 8,986	$ 280,818	$ 307,987	91.18%	79.50%
June 30, 2017	0.0048%	$ 306,429	$ 3,838	$ 310,267	$ 236,954	130.94%	75.90%
June 30, 2016	0.0038%	$ 308,541	$ 4,082	$ 312,623	$ 227,172	137.62%	68.90%

*This schedule is provided prospectively beginning with the fiscal year ended June 30, 2016.

***The year reported for this schedule coincides with the measurement date used for the NPL.

SOUTHEAST SWCD TECHNICAL SUPPORT JPB
REQUIRED SUPPLEMENTARY INFORMATION (LAST TEN YEARS*)
SCHEDULE OF DISTRICT'S CONTRIBUTIONS
PERA GENERAL EMPLOYEES RETIREMENT FUND (GERF)
FOR THE 18 MONTHS ENDED DECEMBER 31, 2025

Fiscal Year Ending	Statutorily Required Contribution (a)	Contributions in Relation to the Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	Covered-Employee Payroll (d)	Contributions as a Percentage of Covered Payroll (b/d)
GERF					
December 31, 2025	$45,434	$45,434	$0	$605,789	7.50%
June 30, 2024	$29,510	$29,510	$0	$393,466	7.50%
June 30, 2023	$29,505	$29,505	$0	$393,400	7.50%
June 30, 2022	$28,634	$28,634	$0	$381,787	7.50%
June 30, 2021	$26,774	$26,774	$0	$356,987	7.50%
June 30, 2020	$25,975	$25,975	$0	$346,336	7.50%
June 30, 2019	$24,744	$24,744	$0	$329,917	7.50%
June 30, 2018	$23,099	$23,099	$0	$307,987	7.50%
June 30, 2017	$17,772	$17,772	$0	$236,954	7.50%
June 30, 2016	$16,762	$16,762	$0	$227,172	7.38%

*This schedule is provided prospectively beginning with the fiscal year ended June 30, 2016.

**For purposes of this schedule, covered payroll is defined as "pensionable wages".

SOUTHEAST SWCD TECHNICAL SUPPORT JPB
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE 18 MONTHS ENDED DECEMBER 31, 2025

NOTE 1 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgets and Budgetary Accounting

The board of supervisors adopts estimated revenue and expenditure budgets for the General Fund. The budget may be amended or modified at any time by the board of supervisors. Expenditures may not legally exceed budgeted revenues. Budgets are adopted on a basis consistent with generally accepted accounting principles.

Excess of Expenditures Over Appropriations

	Appropriations	Expenditures	Excess
None			

NOTE 2 – SIGNIFICANT VARIANCES

Variances of Actual Revenues/Expenditures Compared to Budgetary Appropriations

The following line-items exceeded budgetary expectations by 8% or more in the General Fund.

- Federal revenues is under budget due to less NRCS revenue than expected.
- State revenues are under budget due to enhanced shared revenue and NPEA revenue than expected.
- Interest revenue was underbudgeted.
- Personnel services – current was under budget due to less salaries and wages and related employment costs.
- Other services and charges – current was under budget due to less vehicle expenses, insurance, rent, and equipment repair than anticipated.
- Project expenditures – current was under budget due largely due to less state project expenditures than budgeted.
- Capital outlay was under budget due to less capital outlay purchases than anticipated.

NOTE 3 – NOTES TO SCHEDULE OF CHANGES IN NET PENSION LIABILITIES AND RELATED RATIOS

GENERAL FUND

2025 Changes

Changes in Actuarial Assumptions

The combined service annuity loading factors increased from 15% to 19% for vested terminated members and from 3% to 44% for non-vested, terminated members.

The assumed post-retirement benefit increase changed from 1.25% to 1.5%.

Changes in Plan Provisions

The post-retirement benefit increase formula changed to 100% of the Social Security annual increase, between 1% and 1.75% , beginning January 1, 2026. If the funded ratio (on a market value of assets basis) is less than 85% for the last two consecutive annual valuations or is less than 80% in the most recent actuarial valuation, the maximum is reduced to 1.5%. Previously, the benefit increase was 50% of the Social Security annual increase, between 1% and 1.5%.

The 1% additional employer contribution is eliminated when the plan reaches 98% funded status (on an actuarial value of assets basis); this contribution was previously scheduled to stop when the plan reached 100% funded status.

2024 Changes

Changes in Actuarial Assumptions

Rates of merit and seniority were adjusted, resulting in slightly higher rates.

SOUTHEAST SWCD TECHNICAL SUPPORT JPB
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE 18 MONTHS ENDED DECEMBER 31, 2025

NOTE 3 – GENERAL EMPLOYEES FUND (Cont.)

Assumed rates of retirement were adjusted as follows: increase the rate of assumed unreduced retirements, slight adjustments to Rule of 90 retirement rates, and slight adjustments to early retirement rates for Tier 1 and Tier 2 members.

Minor increase in assumed withdrawals for males and females.

Lower rates of disability.

Continued use of Pub-2010 general mortality table with slight rate adjustments as recommended in the most recent experience study.

Minor changes to form of payment assumptions for male and female retirees.

Minor changes to assumptions made with respect to missing participant data.

Changes in Plan Provisions

The workers' compensation offset for disability benefits was eliminated. The actuarial equivalent factors updated to reflect the changes in assumptions

2023 Changes

Changes in Actuarial Assumptions

The investment return assumption and single discount rate were changed from 6.5% to 7.00%.

Changes in Plan Provisions

An additional one-time direct state aid contribution of $170.1 million will be contributed to the Plan on October 1, 2023.

The vesting period of those hired after June 30, 2010, was changed from five years of allowable service to three years of allowable service.

The benefit increase delay for early retirements on or after January 1, 2024, was eliminated.

A one-time, non-compounding benefit increase of 2.5% minus the actual 2024 adjustment will be payable in a lump sum for calendar year 2024 by March 31, 2024.

2022 Changes

Changes in Actuarial Assumptions

The mortality improvement scale was changed from Scale MP-2020 to Scale MP-2021.

Changes in Plan Provisions

There were no changes in plan provisions since the previous valuation.

2021 Changes

Changes in Actuarial Assumptions

The investment return and single discount rates were changed from 7.50% to 6.50%, for financial reporting purposes.

The mortality improvement scale was changed from Scale MP-2019 to Scale MP-2020.

Changes in Plan Provisions

There were no changes in plan provisions since the previous valuation.

2020 Changes

Changes in Actuarial Assumptions

The price inflation assumption was decreased from 2.50% to 2.25%.

SOUTHEAST SWCD TECHNICAL SUPPORT JPB
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE 18 MONTHS ENDED DECEMBER 31, 2025

NOTE 3 – GENERAL EMPLOYEES FUND (Cont.)
The payroll growth assumption was decreased from 3.25% to 3.00%.

Assumed salary increase rates were changed as recommended in the June 30, 2019, experience study. The net effect is assumed rates that average 0.25% less than previous rates.

Assumed rates of retirement were changed as recommended in the June 30, 2019 experience study. The changes result in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements.

Assumed rates of termination were changed as recommended in the June 30, 2019 experience study. The new rates are based on service and are generally lower than the previous rates for years 2-5 and slightly higher thereafter.

Assumed rates of disability were changed as recommended in the June 30, 2019 experience study. The change results in fewer predicted disability retirements for males and females.

The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 General Mortality table, with adjustments. The base mortality table for disabled annuitants was changed from the RP-2014 disabled annuitant mortality table to the PUB-2010 General/Teacher disabled annuitant mortality table, with adjustments.

The mortality improvement scale was changed from Scale MP-2018 to Scale MP-2019.

The assumed spouse age difference was changed from two years older for females to one year older.

The assumed number of married male new retirees electing the 100 percent Joint & Survivor option changed from 35% to 45%. The assumed number of married female new retirees electing the 100% Joint & Survivor option changed from 15% to 30%. The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.

Changes in Plan Provisions
Augmentation for current privatized members was reduced to 2.0% for the period July 1, 2020, through December 31, 2023, and 0.0% after. Augmentation was eliminated for privatizations occurring after June 30, 2020.

2019 Changes
Changes in Actuarial Assumptions
The mortality projection scale was changed from MP-2017 to MP-2018.

Changes in Plan Provisions
The employer supplemental contribution was changed prospectively, decreasing from $31 million to $21 million per year. The State's special funding contribution was changed prospectively, requiring $16 million due per year through 2031.

2018 Changes
Changes in Actuarial Assumptions
The mortality projection scale was changed from MP-2015 to MP-2017.

The assumed benefit increase was changed from 1.0% per year through 2044 and 2.5% per year thereafter to 1.25% per year.

Changes in Plan Provisions
The augmentation adjustment in early retirement factors is eliminated over a five-year period starting July 1, 2019, resulting in actuarial equivalence after June 30, 2024.

Interest credited on member contributions decreased from 4.0% to 3.0%, beginning July 1, 2018.

Deferred augmentation was changed to 0.0%, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.

SOUTHEAST SWCD TECHNICAL SUPPORT JPB
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE 18 MONTHS ENDED DECEMBER 31, 2025

NOTE 3 – GENERAL EMPLOYEES FUND (Cont.)

Contribution stabilizer provisions were repealed.

Annual increases were changed from 1 percent per year with a provision to increase to 2.5% upon attainment of 90% funding ratio to 50% of the Social Security Cost-of Living Adjustment, not less than 1.0% and not more than 1.5%, beginning January 1, 2019.

For retirements on or after January 1, 2024, the first benefit increase is delayed until the retiree reaches normal retirement age; does not apply to Rule of 90 retirees, disability benefit recipients, or survivors.

Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

2017 Changes

Changes in Actuarial Assumptions

The combined service annuity (CSA) loads were changed from 0.80% for active members and 60% for vested and non-vested deferred members. The revised CSA load are now 0% for active member liability, 15.0% for vested deferred member liability, and 3.0% for non-vested deferred member liability.

The assumed annual increase rate was changed for 1.0% per year for all years to 1.0% per year through 2044 and 2.50% per year thereafter.

Changes in Plan Provisions

The State's contribution for the Minneapolis Employees Retirement Fund equals $16.0 million in 2017 and 2018 and $6.0 million thereafter.

The Employer Supplemental Contribution for the Minneapolis Employees Retirement Fund changed from $21,000,000 to $31,000,000 in calendar years 2019 to 2031. The State's contribution changed from $16,000,000 to $6,000,000 in calendar years 2019 to 2031.

2016 Changes:

Changes in Actuarial Assumptions

The assumed annual increase rate was changed from 1 percent per year through 2035 and 2.50% per year thereafter to 1.0% per year for all years.

The assumed investment return was changed from 7.90% to 7.50%. The single discount rate changed from 7.90% to 7.50%.

Other assumptions were changed pursuant to the experience study June 30, 2015. The assumed future salary increases, payroll growth, and inflation were decreased by 0.25% to 3.25% for payroll growth and 2.50% for inflation.

Changes in Plan Provisions

There have been no changes since the prior valuation.

SUPPLEMENTARY INFORMATION

SOUTHEAST SWCD TECHNICAL SUPPORT JPB
SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GENERAL FUND
FOR THE 18 MONTHS ENDED DECEMBER 31, 2025 AND YEAR ENDED JUNE 30, 2024

	BUDGETED AMOUNTS ORIGINAL AND FINAL	2025 ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)	2024 ACTUAL
REVENUES				
INTERGOVERNMENTAL				
Federal				
NACD	$ 125,000	$ 82,367	$ (42,633)	$ 33,027
NRCS SE MN Soil Health	377,105	259,342	(117,763)	134,339
Total Federal	$ 502,105	$ 341,709	$ (160,396)	$ 167,366
State				
Enhanced Shared	$ 464,269	$ 286,666	$ (177,603)	$ 282,296
Feedlot Water Quality	154,000	176,608	22,608	312,483
NPEA	191,250	128,007	(63,243)	126,993
SE PRAP			-	20,000
1W1P	105,000	208,158	103,158	108,793
TSA-Supplemental Funding	7,500	32,529	25,029	18,433
Total State	$ 922,019	$ 831,968	$ (90,051)	$ 868,998
Local				
Local SWCD Dues to JPB	$ 44,000	$ 44,000	$ -	$ 33,000
Total Local	$ 44,000	$ 44,000	$ -	$ 33,000
Total Intergovernmental Revenues	$ 1,468,124	$ 1,217,677	$ (250,447)	$ 1,069,364
MISCELLANEOUS				
Interest Revenue	$ 5,000	$ 26,001	$ 21,001	$ 13,190
MCIT Insurance Dividend		1,697	1,697	1,279
Other		2,533	2,533	
Total Miscellaneous	$ 5,000	$ 30,231	$ 25,231	$ 14,469
TOTAL REVENUES	$ 1,473,124	$ 1,247,908	$ (225,216)	$ 1,083,833
EXPENDITURES				
CONSERVATION				
PERSONNEL SERVICES				
Salaries and Wages	$ 754,447	$ 604,649	$ 149,798	$ 398,217
Social Security and Medicare	57,715	46,999	10,716	30,981
PERA Expense	56,584	45,434	11,150	29,510
Unemployment	1,200	938	262	190
Health and Disability Insurance	140,271	93,246	47,025	53,081
MNDCP Employer Match		2,000	(2,000)	
Payroll Service Fee	900		900	162
Total Personal Services	$ 1,011,117	$ 793,266	$ 217,851	$ 512,141
OTHER SERVICES & CHARGES				
Audit	$ 7,000	$ 4,845	$ 2,155	$ 5,000
Employee Conferences and Training	3,750	952	2,798	937
Employee Expenses	3,000		3,000	
Small Tools and Equipment		649	(649)	
Equipment Repair	5,250	109	5,141	24
Fees and Dues	150	112	38	182
Insurance	27,000	17,392	9,608	13,545
Miscellaneous	600		600	
Rent	15,087	8,492	6,595	9,238

SOUTHEAST SWCD TECHNICAL SUPPORT JPB
SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GENERAL FUND
FOR THE 18 MONTHS ENDED DECEMBER 31, 2025 AND YEAR ENDED JUNE 30, 2024

	BUDGETED AMOUNTS ORIGINAL AND FINAL	2025 ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)	2024 ACTUAL
EXPENDITURES (Cont.)				
CONSERVATION (Cont.)				
OTHER SERVICES & CHARGES (Cont.)				
Telephone	5,850	4,335	1,515	3,086
Vehicle	18,000	4,253	13,747	5,356
Total Other Services and Charges	$ 85,687	$ 41,139	$ 44,548	$ 37,368
SUPPLIES				
Office and Field Supplies	$ 12,750	$ 1,758	$ 10,992	$ 1,609
Total Supplies	$ 12,750	$ 1,758	$ 10,992	$ 1,609
PROJECT EXPENDITURES				
Federal	$ 59,306	$ 51,001	$ 8,305	$ 128,080
State	186,250	161,378	24,872	346,227
Total Project Expenditures	$ 245,556	$ 212,379	$ 33,177	$ 474,307
CAPITAL OUTLAY				
Capital Assets	$ 80,000	$ 47,295	$ 32,705	$ 66,571
Total Capital Outlay	$ 80,000	$ 47,295	$ 32,705	$ 66,571
TOTAL EXPENDITURES	$ 1,435,110	$ 1,095,837	$ 339,273	$ 1,091,996
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	$ 38,014	$ 152,071	$ 114,057	$ (8,163)
OTHER FINANCING SOURCES (USES)				
Proceeds from Sale of Capital Assets		$ 25,500	$ 25,500	$ 1,000
Lease Proceeds			-	7,751
Total Other Financing Sources (Uses)	$ -	$ 25,500	$ 25,500	$ 8,751
NET CHANGE IN FUND BALANCE	$ 38,014	$ 177,571	$ 139,557	$ 588
FUND BALANCE - July 1	335,255	335,255	-	334,667
FUND BALANCE - December 31	$ 373,269	$ 512,826	$ 139,557	$ 335,255

OTHER REQUIRED REPORT

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MINNESOTA LEGAL COMPLIANCE

Independent Auditor's Report

To the District Board
Southeast SWCD Technical Support JPB
Goodhue, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of the governmental activities and the general fund of Southeast SWCD Technical Support JPB, as of and for the 18 months ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the Southeast SWCD Technical Support JPB's basic financial statements, and have issued our report thereon dated August 3, 2026.

In connection with our audit, nothing came to our attention that caused us to believe that Southeast SWCD Technical Support JPB failed to comply with the provisions of the contracting-bid laws, depositories of public funds and public investments, conflicts of interest, claims and disbursements, and miscellaneous provisions sections of the *Minnesota Legal Compliance Audit Guide for Other Political Subdivisions,* promulgated by the State Auditor pursuant to Minn. Stat. § 6.65, insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the District's noncompliance with the above referenced provisions, insofar as they relate to accounting matters.

This report is intended solely for the information and use of those charged with governance and management of Southeast SWCD Technical Support JPB and the State Auditor and is not intended to be, and should not be, used by anyone other than these specified parties.

Katie M. Jacobson, CPA

August 3, 2026

Katie M. Jacobson, CPA
Slayton, MN